

# **FINANCIAL PROCEDURES AGREEMENT**

between

**THE INTER-AMERICAN DEVELOPMENT BANK**

**as Implementing Partner of the Women Entrepreneurs Finance Initiative**

and

**THE INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**as Trustee of**

**the Women Entrepreneurs Finance Initiative Trust Fund**

Dated DEC 12, 2017

## FINANCIAL PROCEDURES AGREEMENT

**FINANCIAL PROCEDURES AGREEMENT** (hereinafter the "Agreement") dated ~~DEC 12~~ 2017, between the International Bank for Reconstruction and Development (the "World Bank"), acting as Trustee (the "Trustee") of the Women Entrepreneurs Finance Initiative ("We-Fi") Trust Fund, MTO No.069034 (the "Trust Fund"), and Inter-American Development Bank (IDB), acting as Implementing Partner of the We-Fi (the "Implementing Partner" or "IP", and together with the Trustee, collectively, the Parties, or each, a Party).

### PREAMBLE

**WHEREAS**, following the approval by the Executive Directors of the World Bank on June 29, 2017, the We-Fi was established with the objective to address barriers to financial access and to provide related services that address constraints at multiple levels from capacity building, access to networks and mentors, legal reforms and other business environment improvements, skills enhancements and market access to domestic and global markets for women, particularly targeting women entrepreneurs and women-led small and medium enterprises (SMEs) across the developing world, thereby promoting jobs and boosting economic growth;

**WHEREAS**, the We-Fi operates in accordance with the objectives, governance arrangements and other terms and conditions set out in the "Women Entrepreneurs Finance Initiative Governance Framework" (the "Governance Framework") and the "Women Entrepreneurs Finance Initiative Operations Manual" (the "Operations Manual"), each adopted by the Governing Committee of the We-Fi (the "Governing Committee") on October 11, 2017, and as may be amended from time to time in accordance with their respective terms;

**WHEREAS**, the Trustee has established the Trust Fund to support the purpose and objectives of the We-Fi;

**WHEREAS**, IDB is named as an Implementing Partner of the We-Fi, and in such a capacity, wishes to access Trust Fund resources in accordance with the terms of this Agreement; and

**WHEREAS**, the Trustee and IDB now wish to enter into this Agreement relating to the arrangements for the commitment and transfer of Trust Fund resources to the IP and the administration and use of such resources by the IP.

**NOW, THEREFORE**, the Trustee and the IDB hereby agree as follows:

### 1. DEFINITIONS

**Section 1.1.** Unless the context otherwise requires, the several terms defined in the Preamble to this Agreement shall have the respective meanings set forth therein and the following additional terms shall have the following meanings:

"Allocation" means an allocation of We-Fi funds provided or to be provided under the Trust Fund pursuant to the terms of the Governance Framework.

"Authorized Officer" means a person who is authorized to sign in the name and on behalf of the IP for purposes of this Agreement.

"Cash Transfer Request" means a request submitted by the IP to the Trustee for a transfer of Trust Fund funds to the IP.

"Contributor" means any donor that provides any financial contribution to the Trust Fund.

"Dollars" or "US\$" means the lawful currency of the United States of America.

"Financial Reporting Year" means from July 1 to June 30 of each calendar year.

"Funding Request" means a written application submitted or to be submitted by the IP to the We-Fi requesting an Allocation.

"Governing Committee" means the Governing Committee of the We-Fi, as defined in the Governance Framework.

"Holding Currency of the Trust Fund" means United States dollar.

"Implementing Partner" or "IP" means, for the purpose of this Agreement, IDB, acting as Implementing Partner of the We-Fi. For the avoidance of doubt, IDB does not act on behalf or be responsible for other implementing partners of the We-Fi.

"IP Fees" means the amount of Trust Fund resources allocated to the IP as a fee to cover the IP's costs in respect of services performed by the IP in connection with managing the IP Trust Fund/Account and a We-Fi Activity for which an Allocation is made.

"IP Trust Fund/Account" means the trust fund or account, as applicable, established and administered by the IP in accordance with its policies and procedures for the purposes of receiving, holding in trust and administering Trust Fund funds transferred by the Trustee to the IP under this Agreement.

"Letter of Commitment" means a letter from the Trustee to the IP confirming a commitment of Trust Fund resources allocated for the IP in accordance with a decision of the Governing Committee and/or a cancellation of the previously made commitment of Trust Fund resource.

"Secretariat" means the Secretariat of the We-Fi, as defined in the Governance Framework.

"Trust Fund Final Closing Date" means the date that is four (4) months after the last date on which any We-Fi Activity Reflow of Funds is scheduled to be returned to the Trust Fund as notified by the Implementing Partners of We-Fi consistent with the pertinent We-Fi funding approved by the Governing Committee.

"Unused Funds" means any amount of Trust Fund funds, for which: (a) the Trustee has committed to the IP under this Agreement, but (b) no further expenditure or disbursement is due to be incurred or made by the IP (including, but not limited to, due to a completion, cancellation or amendment of relevant We-Fi Activity).

"We-Fi Activity" means any project, program or activity for which an Allocation is made, based upon a Funding Request submitted by the IP.

“We-Fi Activity Recipient” means any entity, which receives funding for any We-Fi Activity, which is funded with the Trust Fund funds and which is provided by or through the IP under a separate arrangement entered into with the IP.

“We-Fi Activity Reflow of Funds” means any payments of principal, interest, fee, reimbursement or any other reflow of funds generated from the loans and any other financial products that the IP extended with Trust Fund funds for We-Fi Activities, and excluding Unused Funds.

“We-Fi End Approval Date” means October 31, 2022, as such date may be extended in accordance with the terms of the Governance Framework.

“We-Fi Term” means the period ending on five (5) years (or such longer period as agreed by the Trustee) after the We-Fi End Approval Date, as the term is defined in the Governance Framework.

**Section 1.2.** References in this Agreement to Sections and Annexes are to the Sections of, and the Annexes to, this Agreement. The headings of the Sections and Annexes are inserted in this Agreement for reference only and shall not be taken into consideration in interpreting this Agreement.

## **2. COMMITMENT AND TRANSFER OF FUNDS BY THE TRUSTEE**

**Section 2.1.** Unless otherwise agreed between the Trustee and the IP, the following procedures shall apply to the commitment of Trust Fund resources by the Trustee to the IP:

(a) Allocations may be made by We-Fi to the IP for We-Fi Activities and/or IP Fees, as applicable, pursuant to the terms of the Governance Framework, based on a Funding Request submitted by the IP to We-Fi. The Governing Committee may approve any Funding Request for Allocation until the We-Fi End Approval Date. The IP may submit a Funding Request at any time during the term of this Agreement until the We-Fi End Approval Date, in accordance with the procedures set out in the Governance Framework and the Operations Manual.

(b) Subject to the availability of applicable resources in the Trust Fund as determined by the Trustee, and upon notification by the Secretariat to the Trustee of the amount of Allocation made to the IP for a We-Fi Activity and/or IP Fee, as applicable, the Trustee shall commit Trust Fund resources to the IP in the amount so notified by the Secretariat for the We-Fi Activity and/or IP Fee for which the Allocation has been made in accordance with a decision of the Governing Committee.

(c) The Trustee shall confirm the commitment of Trust Fund resources to the IP on a semi-annual basis (or such other frequency as the Trustee and the IP may agree) by means of a Letter of Commitment, which shall be substantially in the form attached to this Agreement as Annex A (Form of Letter of Commitment). The Trustee shall make any such commitment in the Holding Currency of the Trust Fund.

(d) The amount of Trust Fund resources committed by the Trustee to the IP may be adjusted as follows:

- (i) the amount of Trust Fund resources committed by the Trustee to the IP under Section 2.1 (b) above shall be cancelled to the extent of Unused Funds from We-Fi Activities. The Trustee shall cancel and deduct the amount of Unused Funds from the amount previously committed by the Trustee under Section 2.1.(b) above based on the information provided by the IP in accordance with Section 5.1 below; and

- (ii) the amount of Trust Fund resources committed by the Trustee to the IP under Section 2.1 (b) above shall be cancelled to the extent of the amount of IP Fees that has been cancelled. The Trustee shall cancel and deduct the amount of cancelled IP Fees from the amount previously committed by the Trustee under Section 2.1.(b) above based on the information provided by the IP in accordance with Section 5.5 below.

(e) The Trustee shall confirm the cancellation of Trust Fund resources committed by the Trustee by means of a Letter of Commitment.

**Section 2.2.** Unless otherwise agreed between the Trustee and the IP, the following procedures shall apply to the transfers of Trust Fund funds by the Trustee to the IP:

(a) The IP may request a transfer of Trust Fund funds for a We-Fi Activity and/or IP Fee after the Trustee has committed the Trust Fund resources for such activity and/or fee under Section 2.1(b) and (c) above. Any such request by the IP shall be submitted to the Trustee in accordance with Sections 2.2 (b) and (c) below.

(b) Every six months (or at such other frequency as the Trustee and the IP may agree), the IP shall submit, by email, facsimile or as otherwise agreed with the Trustee, a Cash Transfer Request to the Trustee. Each Cash Transfer Request shall be substantially in the form attached to this Agreement as Annex B (Form of Cash Transfer Request), signed by the Authorized Officer, and shall indicate *inter alia* the followings:

- (i) with respect to the We-Fi Activities:

- (A) the projected cash requirements for the We-Fi Activities;

- (B) the statement of the net cash position of the IP Trust Fund/Account (i.e., net cumulative Trust Fund funds received from the Trustee for the We-Fi Activities less net cumulative expenditures incurred and/or disbursements made by the IP for We-Fi Activities); and

- (C) the amount of cash requested to be transferred for We-Fi Activities;

- (ii) with respect to the IP Fees:

- (A) the net cumulative amount of Trust Fund funds received from the Trustee for IP Fees; and

- (B) the amount of cash requested to be transferred for IP Fees;

(c) The amount of cash requested for We-Fi Activities in a Cash Transfer Request under Section 2.2.(b)(i)(C) above shall: (i) be based on the projected cash requirements for the We-Fi Activities, for which the Trustee commitments have been made, for the six (6)-month period (or such other frequency as the Trustee and the IP may agree) following the date of the Cash Transfer Request, as such projected cash requirements shall be indicated under Section 2.2.(b)(i)(A) above, and (ii) take into account the net cash position of the IP Trust Fund/Account as such position shall be indicated under Section 2.2.(b)(i)(B) above. In no event, shall the amount of cash requested for We-Fi Activities under Section 2.2.(b)(i)(C) above or for the IP Fees under Section 2.2.(b)(ii)(B), respectively, exceed the amount equal to: (x) the net cumulative amount committed by the Trustee for We-Fi Activities or IP Fees, as applicable, less (y) the net cumulative amount received from the Trustee for We-Fi Activities or IP Fees, as applicable.

(d) Following receipt by the Trustee of a complete Cash Transfer Request, the Trustee shall verify that the amount requested by the IP does not exceed the amount equal to: (i) the net cumulative commitments by the Trustee, less (ii) the net cumulative Trust Fund funds transferred by the Trustee to the IP in respect of the

We-Fi Activities and the IP Fees, respectively. Upon such verification and subject to the availability of applicable funds in the Trust Fund as determined by the Trustee, the Trustee shall transfer to the IP the amount of funds requested by the IP in each Cash Transfer Request.

(e) Transfer of Trust Fund funds from the Trustee to the IP shall be made to the depository account designated by the IP in the relevant Cash Transfer Request, and shall be made in the same currency as indicated in the Letter of Commitment unless otherwise agreed by the Trustee. The Trustee shall notify the IP of each such transfer.

**Section 2.3.** Upon transfer of funds, neither the Trustee nor the Secretariat shall have any responsibility, fiduciary or otherwise, for the use of Trust Fund funds transferred and activities carried out therewith, nor shall it have any responsibility for collection of any We-Fi Reflow of Funds or other funds due to the IP from any recipient of Trust Fund funds or any other entities, and nothing in this Agreement shall be interpreted otherwise. The IP shall be responsible for reporting to the Governing Committee on the use of Trust Fund funds transferred to it and its activities carried out therewith as set out in Section 8 below.

### **3. ADMINISTRATION OF THE IP TRUST FUND/ACCOUNT BY THE IP**

**Section 3.1.** The IP shall, in accordance with the terms of this Agreement and the policies and procedures of the IP, establish and maintain the IP Trust Fund/Account to receive, hold in trust and administer Trust Fund resources (other than IP Fees) transferred to it by the Trustee under this Agreement. In administering the IP Trust Fund/Account, the IP agrees that the resources held in the IP Trust Fund/Account shall be kept separate and apart from the funds of the IP. The IP shall maintain separate records and ledger accounts in respect of the funds transferred to the IP Trust Fund/Account and disbursements made therefrom.

**Section 3.2.** Subject to the terms of this Agreement, the IP may invest any funds in the IP Trust Fund/Account in accordance with the policies and procedures of the IP concerning the investment of funds in respect of which it acts as trustee. The IP shall not be liable for any losses, which may arise from such investments as long as the investments were made in a prudent manner as administrator or trustee of funds provided by a third party in accordance with the IP's policies and procedures. Unless additional Allocation is made by the Governing Committee, the IP shall not be entitled to receive any additional funding from the Trust Fund to cover any shortfalls where, as a result of investment losses incurred by the IP, the funds prove to be insufficient to complete activities contemplated under the approved Allocation.

**Section 3.3.** The IP may convert funds received by it in the IP Trust Fund/Account into other currencies to facilitate their administration in accordance with the policies and procedures of the IP. Unless additional Allocation is made by the Governing Committee, the IP shall not be entitled to receive any additional funding from the Trust Fund to cover any shortfalls where, as a result of exchange rate fluctuations, the funds prove to be insufficient to complete activities contemplated under the approved Allocation.

### **4. USE OF FUNDS BY THE IP**

**Section 4.1.** Subject to other terms of this Agreement, the IP shall be responsible for the use of funds transferred by the Trustee and the activities carried out therewith in accordance with:

- (a) its policies and procedures, including but not limited to its procurement, financial management, disbursement and safeguard policies, its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Trust Fund funds to finance terrorist activities, and

- (b) the applicable terms and conditions under which Allocations have been made, including: (i) the purpose for which they have been provided, and (ii) the applicable decision of the Governing Committee, including the approval of the relevant Funding Request, and the applicable provisions of the Governance Framework and the Operations Manual, based on which the concerned Allocation has been made. For clarity, any amendment made to the Governance Framework and the Operations Manual after the date of Allocation shall not be retroactively applied to the Allocation and related activities that had been approved prior to such date of amendment unless confirmation is received from the IP of the retroactive application of such amendment.

**Section 4.2.** If any change is proposed by the IP to a Funding Request with respect to a We-Fi Activity, which the IP determines it material in accordance with its policies and procedures, the IP shall consult with the Governing Committee with respect to such material change.

**Section 4.3.** The IP confirms that it has received a copy of the Governance Framework and the Operations Manual. If any amendment has been made to the Governance Framework and/or the Operations Manual after the date of this Agreement, the Trustee shall promptly notify the IP of such amendment. In case of a direct conflict between the terms of the Governance Framework or the Operations Manual and any specific requirements under the IP's applicable policies and procedures, the terms of the IP's applicable policies and procedures shall prevail, it being understood that the IP shall disclose to the Governing Committee any inability to follow the Governance Framework or the Operations Manual, as the case may be.

**Section 4.4.** The IP shall use reasonable measures, in accordance with its policies and procedures, to ensure that the Trust Fund funds provided to it are used for intended purposes and not used for the purpose of any payment, if such payment is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. Such measures shall include its screening procedures to prevent the use of Trust Fund funds to finance terrorist activity, in line with We-Fi participating countries obligations to give effect to the relevant decisions of the Security Council taken under Chapter VII of the Charter of the United Nations. The Parties acknowledge that this provision does not create any obligations of the IP under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to a We-Fi participating country.

**Section 4.5.** The IP shall ensure that any financing agreement that the IP may enter into with any recipient of Trust Fund resources is consistent with the terms and conditions under which such Trust Fund resources are provided under this Agreement. The IP shall, in accordance with the IP's policies and procedures, (a) incorporate in the relevant financing agreement provisions requiring such recipient to ensure the use of Trust Fund funds for the intended purpose; and (b) be responsible for the monitoring, evaluation and reporting as set forth in this Agreement.

**Section 4.6.** The IP shall, consistent with its policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Trust Fund funds.

**Section 4.7.** If any Trust Fund funds transferred to the IP are not used in accordance with the terms of this Agreement, the IP shall take necessary actions within its control to address the matter in accordance with its policies and procedures, including using reasonable efforts to recover, and return to the Trustee, the funds that were misused. For the avoidance of doubt, absent gross negligence or willful misconduct on the part of the IP, the IP shall not be required to return any such funds, which are not recovered by the IP from a third party notwithstanding its reasonable efforts in accordance with its policies and standard procedures and without prejudice to or requiring waiver of its privileges and immunities.

## **5. UNUSED FUNDS FROM WE-FI ACTIVITY**

**Section 5.1.** The IP shall maintain a record of any Unused Funds from We-Fi Activities and report them to the Trustee in accordance with Section 10.2 below.

**Section 5.2.** Any Unused Funds from We-Fi Activities reported by the IP shall be reflected in a cancellation of commitment by the Trustee pursuant to Section 2.1(d) above.

**Section 5.3.** Unless otherwise requested by the Trustee in accordance with Section 5.4. below, Unused Funds from We-Fi Activities shall be held by the IP (following, where relevant, their return to the IP by any recipient of We-Fi funds) in the IP Trust Fund/Account; provided that any such Unused Funds held by the IP shall be reflected in the net cash position referred to in Section 2.2(b)(i) above, so that the amount of the Unused Funds shall be taken into account to determine the amount of Trust Fund funds transferred to the IP.

**Section 5.4.** If so requested by the Trustee in writing, the IP shall return to the Trustee, to such account as the Trustee may designate, any Unused Funds from We-Fi Activities that are held by the IP.

**Section 5.5.** Any cancellation of the amount of IP Fee, due to a cancellation or amendment of the We-Fi Activity for which such Fee is provided, shall be calculated consistent with the IP's policies and procedures, and shall be reported by the IP to the Trustee in accordance with Section 10.2.(c) below. Any cancellation of IP Fees reported by the IP shall be reflected in cancellation of commitment by the Trustee pursuant to Section 2.1.(d). above. If the Trust Fund funds have been transferred to the IP with respect to the amount of IP Fee that the IP reported as cancelled, the IP shall, in accordance with its policies and procedures, return the relevant amount to the Trustee, to such account as the Trustee may designate.

## **6. REFLOW OF FUNDS FROM WE-FI ACTIVITY**

**Section 6.1.** If any Trust Fund funds transferred to the IP for a We-Fi Activity are used to provide financing and/or other services, which generates any We-Fi Activity Reflow of Funds, and such We-Fi Activity Reflow of Funds are required to be returned to the Trust Fund according to the terms of relevant Funding Request and the Operations Manual under which the Allocation has been made, then the IP shall credit and hold the We-Fi Activity Reflows in the IP Trust Fund/Account (following their receipt by the IP), until such time that the funds are returned to the Trustee in accordance with Section 6.2 below. The IP shall maintain a record of any such We-Fi Activity Reflow of Funds and report them to the Trustee in accordance with Section 10.2. below.

**Section 6.2.** Unless otherwise agreed with the Trustee, the IP shall, within thirty (30) calendar days after the receipt of a notice from the Trustee, return to the Trustee to such account as the Trustee may designate, any We-Fi Activity Reflow of Funds that are received and held by it in the IP Trust Fund/Account since the previous return, if applicable, of We-Fi Activity Reflow of Funds to the Trustee.

**Section 6.3.** For the avoidance of doubt, subject to Section 8.01 below, and absent gross negligence or willful misconduct on the part of the IP, the IP shall have no liability for any non-payment of We-Fi Activity Reflow of Funds from the We-Fi Activity Recipients. The risk of such non-payment by the We-Fi Activity Recipients in respect of or arising under any agreements entered into between the IP and the We-Fi Activity Recipients in connection with the Trust Fund resources shall be borne by the Trust Fund.

## **7. INVESTMENT INCOME ON FUNDS TRANSFERRED TO THE IP**



**Section 7.1.** Income earned on the investment of Trust Fund funds transferred to the IP (except for income earned on the investment of funds transferred as the IP Fees) shall be held by the IP in the IP Trust Fund/Account until the Trustee requests the IP to return it to the Trustee to such account as the Trustee may designate. The IP shall maintain a record of any such income and report to the Trustee pursuant to Section 10.2 below.

**Section 7.2.** Income earned on the investment of Trust Fund funds transferred as IP Fee may be retained by the IP for its own account and is not required to be reported or returned to the Trustee.

## **8. EXERCISE OF CARE**

**Section 8.1.** The IP shall perform its functions as contemplated in this Agreement, and shall exercise the same degree of care and diligence in the discharge of its functions under this Agreement as it exercises with respect to the administration and management of third party funds administered by the IP.

**Section 8.2.** Subject to the terms of this Agreement and in accordance with the IP's policies and procedures, the IP shall do any and all such acts as may be necessary or appropriate for the proper administration of the IP Trust Fund/Account, and shall be responsible for reporting to the Governing Committee through the Secretariat and Trustee on the use of Trust Fund funds transferred to it (including on any collection of funds from any recipient of Trust Fund funds or any other entities) and delivery of activities financed by them, in accordance with the terms of the Agreement.

**Section 8.3.** The IP acknowledges and agrees that:

- (a) if the Governing Committee reasonably determines through its decision and after consultation with the IP that: (i) the IP failed to comply with its obligations under this Agreement to a material extent, and (ii) the IP and the Governing Committee fail to agree on measures to be taken, or the IP fails to take relevant measures, as may be agreed between the Governing Committee and the IP in connection with (i) above, then after the expiry of the grace period notified by the Governing Committee to the IP (which shall not be shorter than thirty (30) calendar days), the Governing Committee may decide to suspend any future Allocation, or, as the case may be, any future commitment of Trust Fund resources (by providing an instruction to the Trustee, and upon such instruction, the Trustee will notwithstanding Section 2 suspend any further commitment), to the IP until such time as the measures have been taken to resolve the matter;
- (b) (i) if the Governing Committee reasonably determines through its decision after consultation with the IP that: (x) the IP failed to comply with its obligations under this Agreement to a material extent, and (y) the IP failed to initiate, before the expiry of the grace period notified by the Governing Committee to the IP (which shall not be shorter than thirty (30) calendar days), any relevant steps within its control in accordance with its policies and procedures to address such failure; or  
  
(iii) if the Trustee has notified the Governing Committee, after the expiry of the grace period set out in Section 10.6, of the IP's non-compliance under the said Section;

then, in addition to Section 8.3(a) above, the Governing Committee may instruct the Trustee to suspend any further cash transfer of Trust Fund resources to the IP. Upon such instruction by the Governing Committee, the Trustee will, notwithstanding Section 2 above, suspend cash transfer of Trust Fund resources to the IP, until such time that the Trustee is notified by the Governing Committee of its agreement with the IP that the non-compliance is reasonably addressed; provided

always that the Trustee shall not suspend any cash transfer for any Cash Transfer Request that is made by the IP for We-Fi Activities, which are unaffected by IP's non-compliance.

- (c) the Governing Committee may review or evaluate activities financed by the IP Trust Fund/Account resources transferred to the IP at any time up to closure of the IP Trust Fund/Account; provided that: (i) the Governing Committee shall have agreed with the IP on the scope, rationale and conduct of such review or evaluation, (ii) unless otherwise agreed by the IP, the IP has received confirmation from the Governing Committee that all associated costs, including any costs incurred by the IP, will be borne by the Trust Fund, and (iii) the IP shall provide all relevant information within the limits of the IP's applicable policies and procedures, subject to IP's privileges and immunities. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund or the IP Trust Fund/Account. Any findings resulting from the review and evaluation shall be shared with the IP. In no event shall such reviews and evaluation create an undue burden on the IP's or a We-Fi Activity Recipient's regular operations;
- (d) Notwithstanding Section 10.2(g) below, if the Governing Committee wishes to request, on an exceptional basis, a separate external audit of a financial statement of the IP Trust Fund/Account by the IP's external auditor, the IP and the Governing Committee shall first consult as to whether such an external audit is necessary. Following: (i) agreement between the IP and the Governing Committee on the scope and terms of reference of such audit, and (ii) unless otherwise agreed between the Governing Committee and the IP, receipt by the IP of confirmation from the Governing Committee that the costs of such audit, including the internal costs of the IP with respect to such audit, will be borne by the Trust Fund; the IP shall arrange for such external audit in accordance with the IP's policies and procedures; and
- (e) if any Contributor becomes aware of information that indicates that any Trust Fund resources transferred to the IP are not used for intended purposes, such Contributor may notify the Governing Committee and the Trustee of such information so that the Governing Committee may consult with the IP and/or take an action as set forth in Section 8.3.

**Section 8.4.** For the avoidance of doubt, notwithstanding any suspension of any further Allocation, commitment and/or cash transfer of Trust Fund resources to the IP under Sections 8.3 and 10.6, all the provisions of this Agreement shall continue in full force and effect except as specifically provided in this Agreement.

## **9. VERIFICATION OF INFORMATION BY THE TRUSTEE**

**Section 9.1.** For the purposes of verifying the amounts in connection with the commitment and transfer of Trust Fund funds by the Trustee under this Agreement, the Trustee shall rely upon the information provided in writing to the Trustee by the Secretariat or the IP as appropriate, and shall use such information by the Secretariat to verify the information provided by the IP, as necessary.

## **10. RECORDS AND REPORTING**

**Section 10.1.** Unless the Trustee and the IP agree otherwise, all financial accounts and reports related to the Trust Fund funds shall be expressed in Dollars.

**Section 10.2.** The IP shall provide the following financial information to the Trustee, prepared in accordance with the accounting and reporting procedures of the IP and provided in a form and means agreed upon with the Trustee:

- (a) *Disbursements by the IP:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), the amounts of disbursements made or expenditures incurred by the IP in respect of each We-Fi Activity, for the period reported, broken down by each We-Fi Activity, substantially in the form attached to this Agreement as Annex C (*Report on Project Disbursements and Reflows*);
- (b) *Financing Terms of We-Fi Activities:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), (i) the principal financing terms for We-Fi Activities (including expected We-Fi Activity Reflow of Funds, if any), which are used by the IP, and (ii) any revisions to such terms previously reported to the Trustee, during the period reported, substantially in the form attached to this Agreement as Annex D (*Report on Principal Financing Terms*);
- (c) *Cancellations by the IP:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), the dates and amounts of cancellations by the IP of We-Fi Activity and IP Fees, for the period reported, broken down by each We-Fi Activity, substantially in the form attached to this Agreement as Annex E (*Report on Cancellation of Projects and Fees*);
- (d) *We-Fi Activity Reflow of Funds:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), (i) the dates and amounts of We-Fi Activity Reflow of Funds received by the IP, if any, and (ii) the amounts of We-Fi Activity Reflow of Funds returned to the Trustee, for the period reported, broken down by each We-Fi Activity, substantially in the form attached to this Agreement as Annex C (*Report on Project Disbursements and Reflows*);
- (e) *Activity Closures by the IP:* Within thirty (30) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), the dates on which We-Fi Activities are financially closed, the final amounts disbursed and/or expended, and the amounts of any unused funds from such We-Fi Activities, for the period reported, broken down by each We-Fi Activity, substantially in the form attached to this Agreement as Annex F (*Report on Closures and Unused Funds*);
- (f) *Investment income earned:* Within sixty (60) days after the end of each Financial Reporting Year (or such other frequency agreed upon with the Trustee), investment income earned on the Trust Fund funds transferred to the IP Trust Fund/Account (other than the IP Fees); and investment income returned to the Trustee, substantially in the form attached to this Agreement as Annex G (*Investment Income Report*);
- (g) *Financial statements:* Within six (6) months after the end of the fiscal year of the IP, an annual unaudited financial statement of the IP Trust Fund/Account together with an annual single audit report for trust funds managed by the IP. The cost of the single audit shall be borne by the IP.
- (h) *Final financial statement:* Within six (6) months after termination of this Agreement or in the case of early termination of this Agreement, the completion of winding-up activities under Section 14.3 below, a final unaudited financial statement of the IP Trust Fund/Account together with an annual

single audit report for trust funds managed by the IP. The cost of the single audit shall be borne by the IP; and

- (i) Such other financial information related to the Trust Fund resources transferred to the IP, as may be reasonably requested by the Trustee from time to time; provided that such information are available in accordance with the policies and procedures of the IP.

**Section 10.3.** In the case that the IP and the Governing Committee agree to the auditing of a financial statement of the IP Trust Fund/Account under Section 10.2(g) or (h) above, unless otherwise agreed between the IP and the Governing Committee, the IP shall arrange for such external audit in accordance with the IP's policies and procedures, but subject to confirmation from the Governing Committee that the costs of such audit, including the internal costs of the IP with respect to such audit, will be borne by the Trust Fund.

**Section 10.4.** The IP shall, in accordance with the Governance Framework and the Operations Manual, report to the Governing Committee through the Secretariat on the use of Trust Fund funds transferred to it and activities financed by them, and provide them with annual progress reports for We-Fi Activities with reference to the agreed results framework and in a format agreed with the Governing Committee.

**Section 10.5.** The IP shall provide the Trustee with a list containing the names and signatures of the Authorized Officers of the IP, substantially in the form attached to this Agreement as Annex H (*Form of Authorized Signatories*), as such list shall be revised from time to time as necessary and kept current at all times.

**Section 10.6.** If the IP fails to provide to the Trustee any financial information in accordance with Section 10.2 (a) through (h) above, the Trustee shall promptly notify the IP in writing of such non-compliance. If the non-compliance has continued for a period of not less than thirty (30) calendar days after the written notification from the Trustee, the Trustee may inform the Governing Committee, through the Secretariat, of the non-compliance by the IP. The IP acknowledges and agrees that the Governing Committee may consult with the IP and/or take an action as set forth in Section 8.3.

## 11. NOTICES

**Section 11.1.** All communications concerning this Agreement shall be made to the relevant person at the address, facsimile number, telephone number or electronic mail address as set out below, or at such other addresses or numbers as may be designated from time to time by that Party to the other in writing for that purpose.

- (a) For the Trustee:

International Bank for Reconstruction and Development, as Trustee of the Women  
Entrepreneurs Finance Initiative Trust Fund  
1818 H Street, NW  
Washington, DC 20433  
U.S.A.

Attention: Director  
Trust Funds and Partner Relations  
Development Finance

Telephone: +1 (202) 473-7414

Facsimile: +1 (202) 522 -0739  
E-mail: [wefitrustee@worldbank.org]

(b) For the IP:

i. All communications pertaining to donor relations and resource mobilization will be directed to:

Inter-American Development Bank  
1300 New York Avenue, NW  
Washington, D.C. 20577  
UNITED STATES OF AMERICA  
Attention: Manager, Office of Outreach and Partnerships (ORP)  
Tel.: +1 (202) 623-1583  
Fax: +1 (202) 623-2543  
E-mail: partnerships@iadb.org

ii. Day-to-day communications regarding the management of the Trust Fund funds and the implementation of this Agreement will be directed to:

Inter-American Development Bank  
1300 New York Avenue, NW  
Washington, D.C. 20577  
UNITED STATES OF AMERICA  
Attention: Chief, Grants and Co-financing Management Unit  
Office of Outreach and Partnerships (ORP/GCM)  
Tel.: +1 (202) 623-2018  
Fax: +1 (202) 623-3489  
E-mail: orp-gcm@iadb.org

## **12. DISPUTE RESOLUTION**

**Section 12.1.** The IP and the Trustee, in coordination with the Governing Committee and the Secretariat, as applicable, shall use their best efforts to amicably settle any dispute, controversy or claim arising out of or relating to this Agreement.

## **13. EFFECTIVENESS; AMENDMENT**

**Section 13.1.** This Agreement shall become effective as of the date it has been signed by the Parties.

**Section 13.2.** This Agreement may be amended at any time by the written agreement of the Trustee and the IP.

## **14. TERMINATION**

**Section 14.1.** Unless otherwise agreed by the Trustee, the Trustee may not transfer Trust Fund resources to the IP under this Agreement beyond the end of the We-Fi Term.

**Section 14.2.** This Agreement shall terminate on the Trust Fund Final Closing Date. Either Party may terminate this Agreement at any time before such date upon sixty (60) calendar days' prior written notice to the other.

**Section 14.3.** Notwithstanding termination of this Agreement, and unless the Trustee and the IP agree on another course of action:

- (a) if there are outstanding financial rights and/or obligations incurred by the IP for the activities for which Trust Fund funds have been committed or transferred by the Trustee under this Agreement prior to the termination of this Agreement, the provisions of this Agreement shall, subject to subparagraphs (b), (c) and (d) below, continue to apply to any such Trust Fund funds committed or transferred until the outstanding financial rights and/or obligations have been fully satisfied;
- (b) the IP shall take any appropriate actions for winding up their affairs in relation to the outstanding financial rights and/or obligations in an expeditious, practicable and reasonable manner, and furnish to the Trustee all outstanding financial reports under Section 10.2, including a final financial statement of the IP Trust Fund/Account under Section 10.2(h) above;
- (c) the IP shall continue to receive in the IP Trust Fund/Account, any amounts due to the IP under any Allocation, including any We-Fi Activity Reflow of Funds, until all relevant rights and/or obligations have been satisfied. The IP will hold in the IP Trust Fund/Account Unused Funds and We-Fi Activity Reflow of Funds from any Allocation and investment income earned on the IP Trust Fund/Account until all outstanding financial obligations incurred in the implementation of the activities have been satisfied;
- (d) The IP shall return to the Trustee, in a manner agreed to with the Trustee, (i) any portion of the IP Trust Fund/Account and any investment income earned thereon remaining after all such financial obligations have been satisfied, and (ii) any other Trust Fund funds received by the IP after the termination of this Agreement, which are otherwise due to be returned to the Trustee under the terms of this Agreement.

## **15. DISCLOSURE**

**Section 15.1.** The Trustee and the IP agree that this Agreement will be made publicly available in accordance with their respective policies and procedures. Subject to Section 15.2, the Trustee may also disclose, in accordance with the World Bank Policy on Access to Information, any other information related to this Agreement submitted to the Trustee by the IP under this Agreement.

**Section 15.2.** If the IP provides any information to the Trustee in confidence under this Agreement in accordance with the IP's policy on disclosure of information, the IP shall clearly indicate or mark it in writing as confidential. The Trustee shall not disclose to the public such information indicated or marked in writing as confidential, unless the IP has given its prior written consent to such disclosure. The Trustee may share any such information with the Governing Committee and/or any Contributor only with the understanding that the Governing Committee and/or any Contributors shall not publicly disclose such information that has been indicated or marked in writing as confidential unless prior written consent has been obtained from the IP or the Contributors are otherwise obligated to do so under applicable laws with respect to information in their possession. Notwithstanding the foregoing, if at the time the IP provides any information to the Trustee under this Agreement the IP also notifies the Trustee in writing that any such information may not be shared with the Governing Committee and/or any Contributor in accordance with the IP's policies, then the Trustee

may not share such information with the Governing Committee and/or the Contributor, unless the IP has given its prior written consent to such sharing.

**Section 15.3.** It is understood that the IP will share information with the Governing Committee and/or any Contributor in accordance with its policies and procedures.

## **16. ENTIRE AGREEMENT**

**Section 16.1.** This Agreement constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

**Section 16.2.** Nothing in this Agreement shall be considered a waiver of any privileges or immunities of the World Bank or the IP under their respective constituent document, international convention or any applicable law, all of which are expressly preserved.

## **17. EXECUTION IN COUNTERPARTS**

**Section 17.1.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized thereto, have signed this Agreement as of the day and year first above written.

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT, AS TRUSTEE OF THE WOMEN  
ENTREPRENEURS FINANCE INITIATIVE TRUST FUND**

By: 

Dirk Reinermann

Director of Trust Funds and Partner Relations

**INTER-AMERICAN DEVELOPMENT BANK, AS  
IMPLEMENTING PARTNER OF THE WOMEN  
ENTREPRENEURS FINANCE INITIATIVE**

By: 

Bernardo Guillamon

Manager, Office of Outreach and Partnerships

**Annex A**  
**Form of Letter of Commitment**

[Date]

[Name of IP]  
[Title]  
[Address]

Dear [Mr./Ms.] [\_\_\_\_\_]:

**Women Entrepreneurs Finance Initiative Trust Fund**  
**Commitment and Cancellation of Commitment of Funds to [Name of IP] as IP**

Reference is made to the Financial Procedures Agreement dated [xxx], between the International Bank for Reconstruction and Development (the "IBRD"), as Trustee of the Women Entrepreneurs Finance Initiative ("We-Fi") (the "Trustee") and the [Name of IP], as Implementing Partner of We-Fi (the "IP") (the "Agreement").

**A. Commitment of Funds**

In accordance with the terms of the Agreement, the Trustee hereby commits the sum of [US\$ \_\_\_\_\_] to the IP for the [activities] listed in Attachment 1 attached hereto.

Funds will be transferred by the Trustee to the IP in accordance with the procedures set out in the Agreement.

**B. Cancellation of Commitment of Funds**

In accordance with the terms of the Agreement, the Trustee hereby notifies you of commitment cancellations in the sum of [US\$ \_\_\_\_\_] for the [activities] listed in Attachment 2 attached hereto.

Please inform us [within [x] calendar days of receipt of this letter] if any of the information provided herein is incorrect.

International Bank for Reconstruction and Development,  
as Trustee of the Women Entrepreneurs Finance Initiative  
Trust Fund

\_\_\_\_\_  
[Name]  
[Title]

Attachments



**Annex B**  
**Form of Cash Transfer Request**

[Date]

**WOMEN ENTREPRENEURS FINANCE INITIATIVE**

[IMPLEMENTING PARTNER NAME]

**CASH TRANSFER REQUEST FOR PROJECTS AND  
CASH TRANSFER REQUEST FOR ADMINISTRATIVE FEES**

**CASH TRANSFER REQUEST FOR PROJECTS**

[CASH TRANSFER REQUEST NUMBER]

As of [DATE]  
(in US dollars)

Net Cumulative Cash received from the Trustee in the [IP WE-Fi Fund]	Net Cumulative Disbursements from the [IP WE-Fi Fund] a	Net Cash Position	Projected Cash Requirements for Next [6] Months	Projected Net Cash Position	Amount of Cash Transfer Request
(1)	(2)	(3) = (1) - (2)	(4)	(5) = (3) - (4)	(6)

a This column represents the cumulative amount disbursed from [Implementing Partner WE-Fi Fund] into subsequent return of funds by project recipients to [IP] since the inception of the [IP WE-Fi fund]

**CASH TRANSFER REQUEST FOR FEES**

Net Cumulative Cash received from the Trustee in the [IP WE-Fi Fund]	Amount of Cash Transfer Request for Fees

**Bank Account Details:**

Bank account name:  
Bank account number:  
Bank name:  
Bank address:  
Bank SWIFT code:  
Bank code:  
Routing instructions:

Signed \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

**Annex C**  
**Report on Project Disbursements and Reflows**

**WOMEN ENTREPRENEURS FINANCE INITIATIVE**

**[IMPLEMENTING PARTNER NAME]**

**ANNUAL REPORT ON IP PROJECT DISBURSEMENTS AND REFlOWS FOR THE PERIOD  
ENDED [DATE]  
(in [US Dollars])**

Trustee ID	[IP] ID	Activity Title	Beneficiary Country	Financing Instruments	GC Approval Date	GC Approved Amount	Disbursed by IP	Reflows Received by IP	Activity Execution/ Implementation Status
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Annex D  
Report on Principal Financing Terms

**WOMEN ENTREPRENEURS FINANCE INITIATIVE**

**[IMPLEMENTING PARTNER]**

**ANNUAL REPORT ON PRINCIPAL FINANCING TERMS OF WE-FI ACTIVITIES**

**For the period ended [DATE]  
(in [US dollars])**

Trustee ID \_\_\_\_\_  
IP ID \_\_\_\_\_  
Project Title \_\_\_\_\_  
Effective Date of the [Loan]/[Guarantee] \_\_\_\_\_  
[Loan]/[Guarantee] Currency and Amount \_\_\_\_\_  
Financing Product \_\_\_\_\_  
[Interest Rate]/[Guarantee Fees] \_\_\_\_\_  
[Interest Payment]/[Guarantee Fees] Dates Interval \_\_\_\_\_

**Principal Repayment Schedule**

Principal Repayment Date	Principal Repayment Amount	Remaining Outstanding Loan Balance after Principal Repayment Date
(1)	(2)	(3)

Signed \_\_\_\_\_ Date \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**Annex E**  
**Report on Cancellation of Projects and Fees**

**WOMEN ENTREPRENEURS FINANCE INITIATIVE**

**[IMPLEMENTING PARTNER]**

**ANNUAL REPORT ON CANCELLATIONS OF PROJECTS AND  
RELATED ADMINISTRATIVE FEES**

**For the period ended [DATE]  
(in [US dollars])**

Trustee ID	[IP] ID	Activity Title	Financing Instruments	Funding Type (Project/Fee)	Funding approved by the GC	Approved by the IP	Project Amount Cancellation	Net Project Amount	Cancellation Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = (7) - (8)	(10)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Annex F**  
**Report on Closures and Unused Funds**

**WOMEN ENTREPRENEURS FINANCE INITIATIVE**

**[IMPLEMENTING PARTNER]**

**ANNUAL REPORT ON CLOSURES, UNUSED FUNDS FOR PROJECTS AND  
ADMINISTRATIVE FEES**

**As of [DATE]  
(in [US dollars])**

Trustee ID	[IP] ID	Activity Title	Financing Instruments	Funding Type (Project/Fee)	Funding approved by the GC	Funding approved by the IP	Final Disbursed Amount	Final Unused Amount	Final Project Closure Date
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9) = (7) - (8)	(10)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

WOMEN ENTREPRENEURS FINANCE INITIATIVE

[IMPLEMENTING PARTNER]

ANNUAL INVESTMENT INCOME REPORT

As of [DATE]  
(in [US dollars])

Investment Income Earned for the Reporting Period	Cumulative Investment Income Earned to date	Cumulative Investment Income Transferred to Trustee to date	Balance
(1)	(2)	(3)	(4) = (2) - (3)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Annex H  
Form for Authorized Signatories

[Date]

International Bank for Reconstruction and Development,  
As Trustee of the Women Entrepreneurs Finance Initiative Trust Fund  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Attention:     Director  
                  Trust Funds and Partner Relations  
                  Development Finance

Dear Director:

Re:     Financial Procedures Agreement between the Trustee of the Women Entrepreneurs  
          Finance Initiative Trust Fund, and [Name of IP] as IP

Reference is made to the Financial Procedures Agreement between the International Bank for Reconstruction and Development, as Trustee of the Women Entrepreneurs Finance Initiative ("We-Fi") Trust Fund ("the "Trustee") (the "Trust Fund") and [Name of IP], as Implementing Partner of We-Fi (the "IP"), dated \_\_\_\_\_ (the "Agreement"). For the purposes of the Agreement, any one of the persons whose authenticated specimen signatures appear below is authorized on behalf of the IP to sign any request or report under the Agreement:

[Name], [Position]

Specimen Signature: \_\_\_\_\_

[Name], [Position]

Specimen Signature: \_\_\_\_\_

[Name], [Position]

Specimen Signature: \_\_\_\_\_

Yours truly,

\_\_\_\_\_  
[Name]

[Position]