

CLEARANCE SLIP
FOR THE COST SHARING (FINANCING) AGREEMENT CONTRIBUTION AGREEMENT
BETWEEN
The INTERNATIONAL BANK FOR RECONSTRUCTION (THE “DONOR”)
AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME (“UNDP”)



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Agreement/Trust Fund title:	Transfer agreement between The International Bank for Reconstruction and Development (IBIRD), as trustee of the partnership for market readiness multi-donor trust fund and the United Nations Development Programme with respect to the implementation of tunisia’s market readiness proposal under the partnership for market readiness: TF No. 0A8624
Project No:	00114457
Project Title:	Support to carbon pricing for the implementation of the NDC and the low carbon transition in Tunisia
Country Office/HQ Business unit:	UNDP TUNISIA CO
Regional Bureau:	RBAS/Amman Hub
Donor:	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, AS TRUSTEE OF THE PARTNERSHIP FOR MARKET READINESS MULTI-DONOR TRUST FUND
Total amount of the Agreement:	3 100 000 US\$
Document Received on	October 09 th , 2018
Reviewed by	<p>From UNDP: Mr. Claudio Lima Pose – legal specialist – UNDP HQ</p> <p>From the World Bank Sarah Moyer Carbon Finance Specialist Carbon Markets & Innovation, Climate Change Unit</p>
Consulted	<p>Ms. Jihene Touil- Team Leader, Climate Change, Environment, Energy and Disaster Risk Reduction cluster - UNDP Tunisia CO</p> <p>Ms. Sellema Houij – Programme Associate, Environment, Energy and Disaster Risk Reduction - UNDP Tunisia CO</p>
Comments/Additional information	NA

Cleared by:	 <hr/> Simon Hannaford Director, Legal Office (LO) (signed by Claudio Lema Pose/LO Legal Specialist on behalf of the LO Director)
Date of clearance:	11 10 18
Cleared with conditions:	

Claudio Lema-Pose

From: Sellema Houij
Sent: Friday, September 14, 2018 4:56 AM
To: Claudio Lema-Pose
Cc: Jihene Touil
Subject: RE: PMR Tunisia Project

Dear Claudio,

Thank you for the review.

I will inform the WB that the O2 documents are now cleared, so that they can process with the PA for virtual approval, and I'll send you the clearance slip asap.

Thank you again for your valuable support.

Best
Sellema

De : Claudio Lema-Pose
Envoyé : jeudi 13 septembre 2018 23:33
À : Sellema Houij <sellema.houij@undp.org>
Cc : Jihene Touil <jihene.touil@undp.org>
Objet : RE: PMR Tunisia Project

Dear Sellema,

Thank you.

It is OK. Please send me the clearance slip.

Kind regards,

Claudio

From: Sellema Houij
Sent: Thursday, September 13, 2018 3:15 AM
To: Claudio Lema-Pose <claudio.lema-pose@undp.org>
Cc: Jihene Touil <jihene.touil@undp.org>
Subject: TR: PMR Tunisia Project

Dear claudio,

Please find attached the TA with the feedback of WB.

They have adjusted the paragraph 10 of the draft material terms, so please review this version instead of the one sent yesterday.

Best

Sellema

De : Sarah Moyer <smoyer@worldbank.org>

Envoyé : jeudi 13 septembre 2018 01:18

À : Sellema Houij <sellema.houij@undp.org>; Giovanni Bo <gbo@worldbank.org>

Cc : Venkata Ramana Putti <pramana@worldbank.org>; El Kebir Mdarhri Alaoui <elkebir.alaoui@undp.org>; Sameh Bouguerra <sameh.bouguerra@undp.org>; Jihene Touil <jihene.touil@undp.org>; Taisei Matsuki <tmatsuki@worldbank.org>; afef.jaafar@anme.nat.tn

Objet : RE: PMR Tunisia Project

Dear Sellema,

Many thanks. With regard to your comments below:

On Section 3: You have our confirmation. Please see Giovanni's response to your comment in the attached version of the TA. Please also see the track change edits to paragraph 10 in the attached revised draft material terms to reflect this.

On Section 13: Noted.

We look forward to having your review/clearance of the Material Terms.

Thanks,
Sarah

Negotiated Draft

9-12-2018

Subject to Internal Clearances and to PMR Partnership Assembly's approval of the summary of material terms

TRANSFER AGREEMENT

BETWEEN

**THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, AS
TRUSTEE OF THE PARTNERSHIP FOR MARKET READINESS MULTI-DONOR
TRUST FUND**

AND

THE UNITED NATIONS DEVELOPMENT PROGRAMME

WITH RESPECT TO

**THE IMPLEMENTATION OF TUNISIA'S MARKET READINESS PROPOSAL UNDER THE
PARTNERSHIP FOR MARKET READINESS**

(TF No. TF _____)

WHEREAS the International Bank for Reconstruction and Development ("IBRD"), as trustee (the "Trustee") of the Partnership for Market Readiness (TF No. TF071670) (the "PMR Trust Fund") and the United Nations Development Programme (the "Delivery Partner"), and together with the Trustee, the "Parties" and each a "Party") are entering into this Transfer Agreement (the "Transfer Agreement") for the transfer of funds by the Trustee to the Delivery Partner from the PMR Trust Fund through a disbursing trust fund (TF No. TF _____) (the "PMR Transfer Trust Fund");

WHEREAS the PMR Trust Fund has been established through administration agreements between the Trustee and each of the contributors (collectively, the "Contributors") contributing funds to the PMR Trust Fund;

WHEREAS the objectives, operating principles, activities and governance arrangements of the PMR Trust Fund are described in the PMR Governance Framework, which was adopted at the organizational meeting of the PMR Trust Fund on April 11, 2011 and amended on March 5, 2014, as such framework may be further amended from time to time in accordance with its terms (the "PMR Governance Framework");

WHEREAS following the allocation by the Partnership Assembly of the PMR (the "PMR Partnership Assembly") in its Electronic Resolution No. 2018-3, the approval of the Delivery Partner in the PMR Partnership Assembly's Electronic Resolution No. 2018-4, and the PMR Partnership Assembly's no objection to the material terms of this Transfer Agreement, the Trustee shall transfer the amount of three million four hundred fifty six thousand United States dollars (US\$3,100,000) (the "Funds") from the PMR Transfer Trust Fund to the Delivery Partner, of which: (i) two million seven hundred seventy-seven thousand seven hundred seventy-eight United States dollars (US\$2,777,778) will be used to support the implementation of Tunisia's Market Readiness Proposal under the Partnership for Market Readiness (the "TA"); (ii) two hundred twenty two thousand two hundred twenty two United States dollars (US\$222,222) will be used to cover the Delivery Partner's administration expenses associated with the TA, as set forth in paragraph 6 (a) below; and (iii) one hundred thousand United States dollars (US\$100,000) will be used to cover the Delivery Partner's supervision expenses, as set forth in paragraph 6 (b) below.

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NOW THEREFORE, the Parties agree as follows:

1. Capitalized terms used herein, but not otherwise defined in this Transfer Agreement, shall have the meaning ascribed to them in the PMR Governance Framework.
2. Upon receipt of: (a) the transfer request from the Delivery Partner, which shall be substantially in the form attached hereto as Annex A, requesting for the Trustee to transfer the Funds to the Delivery Partner; and (b) the authorized signatory letter duly executed by the Delivery Partner, which shall be substantially in the form attached hereto as Annex B, containing the name(s) and signature(s) of person(s) authorized on behalf of the Delivery Partner to sign the transfer request, the Trustee shall transfer the proceeds of the Funds from the PMR Transfer Trust Fund to the Delivery Partner in one lump sum by wire transfer in United States dollars to a United States dollar denominated interest-bearing account of the Delivery Partner ("Funding Account") specified in the request.
3. The Delivery Partner agrees that the Funds shall be kept separate and apart from the funds of the Delivery Partner in the Funding Account pending their use for the purposes for which the Funds have been approved by the PMR Partnership Assembly. The Funds in the Funding Account may be commingled and may be freely exchanged by the Delivery Partner into other currencies as may facilitate their disbursement and investment. In the event that the Delivery Partner has provided funding to a third party in a currency other than United States Dollars, any exchange risk arising as a result of such conversion of currencies shall be borne by the Funds allocated to the TA. It is provided, however, that unless an additional allocation is made by the Partnership Assembly, the Delivery Partner shall not be entitled to receive any additional funding to cover any shortfalls if the funds prove insufficient to meet the terms of the approval allocation as a result of exchange rate fluctuations.
4. Subject to the terms of this Transfer Agreement, the Delivery Partner may invest all Funds pending their disbursement in accordance with the Delivery Partner's policies and procedures concerning the investment of funds, including those applicable to funds for which the Delivery Partner acts as trustee. The Delivery Partner shall not be held liable for any losses which may arise from such investment save to the extent provided for in paragraph 18 below. The Delivery Partner shall not be entitled to receive any additional funding to compensate for investment losses incurred by the Delivery Partner, unless an additional allocation is made by the Partnership Assembly.
5. Upon the transfer of Funds to the Delivery Partner:
 - (a) the Delivery Partner shall be responsible for the use and administration of such funds as well as the supervision of the activities financed by such funds, all in accordance with: (i) the terms of this Transfer Agreement; (ii) the applicable Delivery Partner's regulations, rules, policies and procedures (including those in respect of procurement of goods and services, disbursement, fiduciary, financial management, environmental and social safeguards, reporting arrangements and its framework to combat fraud and corruption); and (iii) the applicable decisions of the PMR Partnership Assembly and/or the Partnership Committee of the PMR (the "Partnership Committee"), as applicable, including the purpose for which the Funds have been approved; and
 - (b) the Trustee shall have no responsibility, fiduciary or otherwise, for the use of such funds, including the implementation or supervision of the TA financed by such funds.
6. The Delivery Partner shall be entitled to withdraw from the Funding Account:

Commented [SH1]: Dear Giovanni
Please answer the comment of our legal office sent in the previous version sent to Sarah on 31/08/2018

" UNDP Legal: Thank you for the feedback. We hereby agree to withdraw this additional sentence provided we have the understanding given above:

"In the event of exposure, the Delivery Partner is expected to bring the matter to the PA for discussions, including a request for an additional allocation. If this request were to be denied, the Delivery Partner and the PA may agree to an amendment of the scope of work."

If that is the case, no objection."

Commented [GB2R1]: Same understanding. We see no provision in the TA that prevents UNDP from bringing the matter to the PA attention and for the parties to agree on how best to address the issue.

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Subject to Internal Clearances and to PMR Partnership Assembly's approval of the summary of material terms

(a) the amount of two hundred twenty two thousand two hundred twenty two United States dollars (US\$222,222), which is equivalent to eight percent (8%) over the amount allocated for the TA, to cover administration expenses incurred by the Delivery Partner under this Transfer Agreement in connection with the TA; and

(b) the amount of one hundred thousand United States dollars (US\$100,000) to cover expenses incurred by the Delivery Partner in connection with the supervision of the TA under this Transfer Agreement.

7. The Delivery Partner agrees that it shall not incur any commitments with respect to the Funds after December 31, 2020 (the "End Date"). Any uncommitted or unused Funds remaining with the Delivery Partner after the End Date shall be returned to the Trustee for deposit in the PMR Transfer Trust Fund.

8. (a) The Delivery Partner shall inform the PMR Secretariat, as described in the PMR Governance Framework, (the "PMR Secretariat"), of any review missions undertaken by it related to the Funds and provide to the PMR Secretariat a report setting out the main findings or results of such mission, if so requested by the PMR Secretariat.

(b) The Delivery Partner will invite, through the PMR Secretariat, contributors to the PMR Trust Fund (the "Contributing Participants"), as appropriate, to join any review missions, including supervision missions and the mid-term review during the implementation of the activity financed by the Funds and upon its completion. The Contributing Partners shall be responsible for their own costs with respect to any participation in the aforementioned review missions.

(c) If any Contributing Participant wishes to request to review the activities financed by the Funds, the Contributing Participant, through the PMR Secretariat, and the Delivery Partner shall agree on the scope and conduct of such review, and the Delivery Partner shall provide all relevant information within the limits of its policies and procedures and without prejudice to its privileges and immunities. All associated costs will be borne by the Contributing Participant. It is understood that any such review will not constitute and independent evaluation, compliance review, financial or other audits of the Funds.

9. The Delivery Partner shall prepare and submit to the PMR Secretariat: (a) an annual report on the implementation of the activities funded under the Funds and other reports and information as the PMR Secretariat may reasonably request concerning the progress of the activities funded under the Funds, within ninety (90) days after the end of each calendar year; and (b) a final report on the implementation of the activities funded under the Funds, within six (6) months after the earlier date of (i) the End Date; or (ii) the termination of this Transfer Agreement, in order for the PMR Secretariat to provide the PMR Partnership Assembly with updates or consolidated progress reports on the individual activities of the PMR Transfer Trust Fund and on the PMR Trust Fund as a whole at the meetings of the PMR Partnership Assembly. The Delivery Partner agrees that the PMR Secretariat may provide the reports received from the Delivery Partner under this paragraph to a participant of the PMR Partnership Assembly, upon such participant's request.

10. The Delivery Partner shall, in accordance with its rules, policies and procedures: (a) maintain books, records, documents and other evidence in accordance with its usual accounting procedures to substantiate sufficiently the use of the Funds; and (b) provide to the Trustee, copies of: (i) periodic financial reports, including annual audited or unaudited financial reports, as agreed with the Trustee; (ii) a final, certified financial statement for the Funding Account, within twelve (12) months after the earlier date of (A) the End Date or (B) the termination of this Transfer Agreement; and (iii) such other reports related to the Funds as may be reasonably requested by the Trustee from time to time, in order for the Trustee to

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accordingly report to the PMR Partnership Assembly. The Delivery Partner agrees that the Trustee may provide the reports received from the Delivery Partner under this paragraph to a participant of the PMR Partnership Assembly, upon such participant's request. Cost of the certified terminal financial statement will be paid from the Funds allocated to the TA.

11. Recognizing the obligations of the Delivery Partner's member countries under various United Nations Security Council Resolutions to take measures to prevent the financing of terrorists, the Delivery Partner undertakes to use reasonable efforts, consistent with its policies and procedures, to ensure that the Funds provided to it by the Trustee are used for their intended purposes and are not diverted to terrorists or their agents.

12. The PMR Partnership Assembly shall notify the Trustee if the PMR Partnership Assembly has determined, in consultation with the Delivery Partner, that: (a) there has been a substantial deviation on the usage of the funds from the decisions of the PMR Partnership Assembly and/or Partnership Committee, as applicable, approving such allocation of Funds; (b) the Delivery Partner has failed to comply with any of the terms of this Transfer Agreement; or (c) the Delivery Partner has engaged in financial mismanagement, as determined in accordance with the Delivery Partner's policies and procedures. The Trustee shall then notify the Delivery Partner in writing that (a), (b) or (c) above has occurred and request the Delivery Partner to remedy or cause such event to be remedied within thirty (30) calendar days of the notification by the Trustee.

13. If following receipt of the Trustee notification referred to in paragraph 12 above, the Delivery Partner fails to remedy or cause such event to be remedied within the specified time period to the satisfaction of the PMR Partnership Assembly, the Trustee: (a) will consult with the PMR Partnership Assembly; and (b) at the instruction of the PMR Assembly (in consultation with the Delivery Partner), may require the Delivery Partner to return the Funds transferred to the Delivery Partner in the amount determined by the PMR Partnership Assembly in consultation with the Delivery Partner. ~~If the dispute was not in any way caused by the Delivery Partner's gross negligence or willful misconduct,~~ The Delivery Partner may be requested to use reasonable efforts to recover the amount from the third parties and return the Funds to the extent they are recovered by the Delivery Partner, but the Delivery Partner would not be required to return any Funds which are not so recovered.

14. (a) The Delivery Partner agrees that the PMR Partnership Assembly, acting through its members or other representative, as third party beneficiaries under this Transfer Agreement shall have the right to seek recourse against the Delivery Partner with respect to any unmet or breached obligations of the Delivery Partner stated in this Transfer Agreement; provided that the procedures specified in paragraphs 12 and 13 above have been exhausted. If as a result of such recourse the Delivery Partner makes any payment, such payment will be made only to the Trustee and only for the benefit of the PMR Trust Fund. Any payment from the Delivery Partner shall be limited to such amount of Funds attributable to the breach of its obligations, in accordance with the Delivery Partner's financial regulations and rules.

(b) In the event that the PMR Assembly, acting through its members or other representative, has the right to seek recourse against the Delivery Partner pursuant to paragraph 14 (a) above, the Trustee may: (i) assign its rights under this Transfer Agreement to the designated members or other representative of the PMR Partnership Assembly; and (b) novate its obligations under this Transfer Agreement to the designated members or other representative of the PMR Partnership Assembly, and the Delivery Partner irrevocably consents to such assignment and novation by the Trustee.

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15. The Trustee and/or the Delivery Partner may make this Transfer Agreement and information with respect to it publicly available in accordance with their policies and procedures with respect to the disclosure of information, in effect at the time of such disclosure.

16. The Delivery Partner will endeavor opportunities to highlight the identity of the PMR Trust Fund support to the activities financed by the Funds as appropriate.

17. The Delivery Partner shall be responsible only for performing its functions specifically set forth in this Transfer Agreement and shall not be subject to any other duties or responsibilities, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or a trustee under general principles of trust or fiduciary law.

18. In performing its functions in accordance with the terms of this Transfer Agreement, the Delivery Partner shall not be liable for any loss, costs or damages that may result from any act or omission on the part of the Delivery Partner other than those caused by its gross negligence or willful misconduct.

19. Nothing in this Transfer Agreement shall be considered a waiver of any privileges or immunities of IBRD and the Delivery Partner under their respective constituent documents or any applicable law, all of which are expressly reserved. Nothing in this Transfer Agreement shall be considered as an acceptance by the Delivery Partner of the jurisdiction of any national courts or the application of any domestic law.

20. Any amendments and/or modifications to this Transfer Agreement will be made by mutual consent and in writing between the Parties.

21. The Delivery Partner and the Trustee or the members of the PMR Partnership Assembly, as the case may be, shall use their best efforts to amicably resolve any disputes, controversy or claims arising out of or relating to this Transfer Agreement.

22. Either Party may give notice of termination of this Transfer Agreement. Such termination will enter into effect three (3) months after notice has been received. Following termination, the Trustee and the Delivery Partner shall, in consultation with the PMR Partnership Assembly, to the extent possible, take all necessary actions for winding up their affairs in relation to the activities financed by the Funds in an expeditious manner, and for meeting the commitments already made by the Trustee and the Delivery Partner under this Transfer Agreement prior to the date of the above-mentioned termination notice. In the event of any such termination, unless the Parties agree on another course of action: (a) any agreement entered into prior to the termination between the Delivery Partner and any consultants and/or other third parties will remain in effect and be unaffected by the termination; and (b) the Delivery Partner shall continue to disburse the Funds in respect of such agreements to the extent necessary to fulfill the Delivery Partner's obligations thereunder as if this Transfer Agreement had not been terminated. All other uncommitted or unused Funds remaining with the Delivery Partner shall be returned to the Trustee for deposit in the PMR Transfer Trust Fund.

23. Any communication, notice or request required or permitted to be given or made under this Transfer Agreement shall be executed in writing by the authorized person set forth below and delivered to the address set forth below, or such other contact details as may be notified in writing by one party to the other from time to time.

For the Trustee:

Venkat Ramana Putti

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9-12-2018

Subject to Internal Clearances and to PMR Partnership Assembly's approval of the summary of material terms

Climate and Carbon Finance Unit (CCCCF)
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Attention: Trustee for Partnership for Market Readiness

Telephone Number: +1 202 473 1368
Facsimile Number: +1 202 522 7432
E-mail: pramana@worldbank.org

For the Delivery Partner:

Diego Zorrilla
Resident Representative
United Nations Development Programme
41 bis, Avenue Louis Braille
Cité El Khadra, 1003 Tunis, Tunisia

Attention: UNDP Tunisia Resident Representative

Telephone Number: +216 31 379-110
Facsimile Number: +216 71 900 668
E-mail: diego.zorrilla@one.un.org

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

25. The Trustee and the Delivery Partner agree that upon receipt by the Trustee of the copy of this Transfer Agreement countersigned by the Delivery Partner, this Transfer Agreement shall become effective as of the date of the Delivery Partner's signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, AS TRUSTEE OF THE PARTNERSHIP FOR MARKET READINESS MULTI-DONOR TRUST FUND

By: _____
Name: John A. Roome
Title: Senior Director, Climate Change CCSA

Date: _____

UNITED NATIONS DEVELOPMENT PROGRAMME

By: _____
Name: El Kebir Mdarhri Alaoui,

Date: _____

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Subject to Internal Clearances and to PMR Partnership Assembly's approval of the summary of material terms

Title: UNDP Resident Representative a.i

ATTACHMENTS

Annex A: Form of transfer request

Annex B: Form of authorized signatory letter

DRAFT

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9-12-2018

Subject to Internal Clearances and to PMR Partnership Assembly's approval of the summary of material terms

Annex A
Form of transfer request

[Delivery Partner's letterhead]

[Date]

[Trustee contact details pursuant to the Transfer Agreement]

RE: Partnership for Market Readiness ("PMR") Transfer Trust Fund (TF No. TF [REDACTED]) - Transfer Request for Funds to the United Nations Development Programme

Dear Sir or Madam:

Reference is made to the Transfer Agreement (PMR Transfer Trust Fund No. TF [REDACTED]) between the International Bank for Reconstruction and Development ("IBRD") as trustee (the "Trustee") of the Partnership for Market Readiness Multi-Donor Trust Fund (TF No. TF071670) (the "PMR Trust Fund") and the United Nations Development Programme (the "Delivery Partner"), effective on _____ (the "Transfer Agreement").

Pursuant to paragraph 2 of the Transfer Agreement, the Delivery Partner hereby requests the Trustee to transfer US\$ _____ [*amount of Funds*] (the "Funds") from the PMR Transfer Trust Fund to the Delivery Partner for the Delivery Partner's use consistent with the terms of the Transfer Agreement.

Bank Account Details for receipt of the Funds:

Bank account name:

Bank account number:

Bank name:

Bank address:

Bank SWIFT code:

Routing instructions:

Sincerely,

UNITED NATIONS DEVELOPMENT PROGRAMME

[Name]

[Title]

as Delivery Partner pursuant to the Transfer Agreement

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9-12-2018**

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Annex B
Form of authorized signatory letter

[Date]

[Trustee contact details pursuant to the Transfer Agreement]

Re: Partnership for Market Readiness ("PMR") Transfer Trust Fund (TF No. TF [REDACTED]) - Authorized Signatory Letter under the Transfer Agreement between the Trustee and United Nations Development Programme

Dear Sir or Madam:

Reference is made to the Transfer Agreement (PMR Transfer Trust Fund No. TF [REDACTED]) between the International Bank for Reconstruction and Development ("IBRD") as trustee (the "Trustee") of the Partnership for Market Readiness Multi-Donor Trust Fund (TF No. TF071670) and the United Nations Development Programme (the "Delivery Partner"), effective on _____ (the "Transfer Agreement").

For the purposes of the Transfer Agreement, any [one/two] of the persons whose authenticated specimen signatures appear below is authorized on behalf of the Delivery Partner to sign any requests or reports under the Transfer Agreement.

This authorization replaces and supersedes any authorization currently in the Trustee records with respect to the Transfer Agreement.

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

[Name], [position] Specimen Signature: _____

Yours truly,

UNITED NATIONS DEVELOPMENT PROGRAMME

[Name]

[Title]