OPMERSIONS MANUAL

PANDEMIC EMERGENCY FINANCING FACILITY

Version approved and adopted by the PEF Steering Body on September 13, 2017
### Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
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<tr>
<td>CFE</td>
<td>WHO Contingency Fund for Emergencies</td>
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<tr>
<td>DON</td>
<td>Disease Outbreak News</td>
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<tr>
<td>FCS</td>
<td>Fragile and Conflict-Affected Situations</td>
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<tr>
<td>FIF</td>
<td>Financial Intermediary Fund</td>
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<tr>
<td>FPA</td>
<td>Financial Performance Agreement</td>
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<tr>
<td>GAVI</td>
<td>The GAVI Alliance (formerly Global Alliance for Vaccines and Immunization)</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GHSA</td>
<td>Global Health Security Agenda</td>
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<tr>
<td>H1N1</td>
<td>Hemagglutinin 1 Neuraminidase 1 virus (referred to as “swine flu”)</td>
</tr>
<tr>
<td>HIV</td>
<td>Human immunodeficiency virus</td>
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<tr>
<td>HNP</td>
<td>Health, Nutrition and Population Global Practice</td>
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<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>IDA</td>
<td>International Development Association</td>
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<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<tr>
<td>JEE</td>
<td>Joint External Evaluation tool</td>
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<tr>
<td>MDB</td>
<td>Multilateral Development Bank</td>
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<tr>
<td>RDB</td>
<td>Regional Development Bank</td>
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<tr>
<td>MERS</td>
<td>Middle East Respiratory Syndrome (also MERS Coronavirus)</td>
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<tr>
<td>MSF</td>
<td>Médecins Sans Frontières</td>
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<tr>
<td>PEF</td>
<td>Pandemic Emergency Financing facility</td>
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<tr>
<td>SARS</td>
<td>Severe Acute Respiratory Syndrome (also SARS-associated Coronavirus)</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<td>WBG</td>
<td>World Bank Group</td>
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<td>WFP</td>
<td>World Food Programme</td>
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<td>WHO</td>
<td>World Health Organization</td>
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1. Introduction

1. The Pandemic Emergency Financing Facility (PEF) was developed by the World Bank Group (WBG), in consultation with the World Health Organization (WHO) and other development partners, to help fill a critical gap in the international aid architecture, as one part of the global solution to strengthening pandemic risk management. The PEF helps fill the financing gap that occurs after the initial outbreak and before large-scale humanitarian relief assistance can be mobilized. Funds made available quickly in this timeframe are essential to preventing a severe outbreak from becoming a pandemic. The PEF is designed to provide surge financing for infectious disease outbreak efforts constituting pandemic response, such as, amongst other, deployment of health workers; provision of drugs, vaccines, essential medical equipment and supplies; and coordination and communication. The PEF also aims to help encourage and strengthen ongoing efforts toward better preparedness by reinforcing the need to build strong and resilient health systems and accelerate the achievement of universal health coverage.

2. The PEF was established following the approval by the Executive Directors of the World Bank on May 3, 2016, as a trust fund (Trust Fund) in the form of a financial intermediary fund (FIF) administered by the IBRD as its Trustee. The PEF will operate in accordance with the objectives, governance arrangements and other terms and conditions set out in the PEF Framework adopted on June 27, 2017.¹

3. This Operations Manual for the PEF (PEF Operations Manual) sets out guidelines related to the operating arrangements and procedures applicable to the PEF activities in accordance with the PEF Framework. The PEF Operations Manual was adopted on September 13, 2017 by the PEF Steering Body, and may be amended from time to time in accordance with the PEF Framework (see article IX of the PEF Framework).

4. The guidelines set out in this PEF Operations Manual are applicable to the Initial Period of the PEF operations, which is expected to encompass, at a minimum, the first three-year phase of the PEF operations. The Initial Period may be extended up to one year in the case of an eligible extension event occurring towards the end of the scheduled Initial Period as set out in the terms of the Pandemic Bond and/or Pandemic Insurance.

5. Capitalized terms used but not defined in the PEF Operations Manual have the meaning ascribed to them in the PEF Framework, as the same may be amended in accordance with its provisions from time to time. The relevant definitions are also included in the Glossary section of this Operations Manual.

6. If any of the provisions of the PEF Operations Manual are inconsistent with the provisions of the PEF Framework, the provisions of the PEF Framework prevail (see Section 9.02 of the PEF Framework).

¹ PEF Framework can be found at the following link: http://pubdocs.worldbank.org/en/670191509025137260/PEF-Framework.pdf
2. The PEF Overview

7. **The PEF objectives.** The PEF is a facility established for the purpose of providing financial support to PEF Eligible Countries and Responding Agencies to help prevent a high-severity infectious disease outbreak from becoming a pandemic. The objectives of the PEF are to: (i) make available essential surge financing to key responders, including, inter alia, governments, multilateral agencies and civil society organizations, to respond to an outbreak with pandemic potential and to minimize its health and economic consequences; (ii) help catalyze the creation of a global market for pandemic insurance instruments by drawing on resources from insurance, bonds and/or other private sector financial instruments (see Section 2.01. of the PEF Framework). Through its operationalization, the PEF also aims to help encourage and strengthen ongoing efforts toward better country preparedness, which will contribute to build strong and resilient health systems and accelerate the achievement of universal health coverage.

8. **The PEF design.** In the event of an infectious disease outbreak, in accordance with the PEF Framework and the PEF Operations Manual, the PEF may provide funding to support response efforts in any PEF Eligible Country through: (i) the PEF Insurance Window, and/or (ii) the PEF Cash Window, which are designed to complement one another (see Section 2.02. of the PEF Framework). Funding may be made available from the PEF for critical response measures and eligible activities implemented by: (i) PEF Eligible Countries affected by the relevant disease outbreak under the supervision of an eligible Responding Agency under the Country Implementation Modality; or (ii) Responding Agencies directly under the Responding Agency Implementation Modality (see Section 6.12. of the PEF Framework; see also paragraph 10 and Section 4.7 below for further details on PEF Eligible Countries, and paragraph 11 and Section 4.8 below for eligible Responding Agencies).

9. **Covered Diseases.** In respect of the Initial Period, coverage under the PEF Insurance Window is provided for high-severity events caused by the following pathogen groups: (i) Flu (New or novel influenza A virus, or an influenza A virus whose haemagglutinin gene is antigenically distinct, due to an antigenic shift, from other influenza A viruses), (ii) Coronavirus (virus belonging to the phylogenetic family Coronaviridae), (iii) Filovirus (virus belonging to phylogenetic family Filoviridae), (iv) Lassa Fever virus, (v) Rift Valley Fever virus, and (vi) Crimean Congo Hemorrhagic Fever virus (see Section 1.01.(j) of the PEF Framework). After the Initial Period, the Covered Diseases list under the PEF Insurance Window may be revised by the Treasury Manager after consultation with the PEF Coordinator, and upon approval by the Steering Body (see Section 4.02. of the PEF Framework). The PEF Cash Window allows flexibility to provide funding to cover not only the above listed Covered Diseases, but also other infectious diseases caused by different pathogens in the event of a high severity outbreak consistent with the PEF objectives (see also Section 3.2 below for further details on the PEF Cash Window).

10. **Eligible Countries.** The PEF is designed to make resources available to help PEF eligible countries respond to infectious disease outbreaks before they take on pandemic proportions. While all countries may be susceptible to such disease outbreaks, low-income countries with relatively weaker health systems may be more vulnerable and have lesser capacity to mobilize the financial resources to effectively respond to major disease outbreaks. Accordingly, the PEF will offer PEF coverage to countries that are IDA eligible countries (i.e., IDA only and blend) (see paragraph 36
below for further details), as PEF Eligible Countries to receive funding in the event of an outbreak that qualifies for PEF funding.

11. **Responding Agencies.** Responding Agencies are entities that have been accredited under the PEF to support country-specific or regional response efforts during an infectious disease outbreak. In order to be eligible as a Responding Agency, the Agency has to (i) be either pre-accredited by the Steering Body or be accredited by the Steering Body through the PEF accreditation process approved by the Steering Body; and (ii) have entered into a Financial Procedures Agreement with the Trustee (see Section 8.03(g) and (h) of the PEF Framework; see also paragraph 39 below for further details).

12. **Eligible activities/expenditures.** The PEF funding may be used to finance activities and expenditures for the purpose of responding to the relevant infectious disease outbreak, using the respective Responding Agency’s policies and procedures to determine eligibility and in line with the country’s preparedness and response plans. PEF Allocations may also be used to retroactively finance payment for such eligible activities in accordance with the policies and procedures of the relevant Responding Agency (see also Section 6.11 of the PEF Framework).

13. **PEF Contributors.** Funding to the PEF may be provided through Contributions by development partners, i.e., Contributors, to the Trust Fund, to support both the PEF Insurance and the PEF Cash Window. Contributions to the Trust Fund may be accepted from a range of Contributors, such as sovereign donors and other donors acceptable to the Trustee, in accordance with the PEF Framework (see Section 3.01 of the PEF Framework).
3. The PEF Financial Structure

14. In the event of an infectious disease outbreak, in accordance with the PEF Framework and this Operations Manual, the PEF may provide funding to support response efforts in any PEF Eligible Country through: (i) the PEF Insurance Window, or (ii) the PEF Cash Window, as follows (see Section 5.01. of the PEF Framework, see also Sections 3.1 and 3.2 below for further details):

(a) Under the PEF Insurance Window, allocations of PEF funding (i.e., PEF Insurance Window Allocations) may be made using the relevant amount of proceeds/funds paid out or made available to the Treasury Manager under a Pandemic Insurance or a Pandemic Bond (i.e., the Pandemic Bond/Insurance Payout Amount) and received in the Trust Fund; and

(b) Under the PEF Cash Window, allocations of PEF funding (i.e., PEF Cash Window Allocations) may be made from other applicable resources available in the Trust Fund for the PEF Cash Window: (i) to provide funding for certain infectious disease outbreaks, which are not, or not yet, eligible for PEF Insurance Window Allocations, or (ii) to provide additional funding to supplement PEF Insurance Window Allocations.

3.1 PEF INSURANCE WINDOW

15. The PEF Insurance Window provides a targeted initial coverage of up to US$500 million\(^2\) through a phased program of bond and swap issuances, over the Initial Period of a minimum of three years to cover infrequent, severe events eligible for PEF funding. The PEF Insurance Window is funded through: (i) (re)insurance markets via a Pandemic Insurance, and (ii) capital markets via a Pandemic Bond, purchased or issued by the World Bank Treasury, serving as the Treasury Manager of the PEF (see Section 2.05. of the PEF Framework and Section 4.5 below). The Treasury Manager is entitled to receive Pandemic Bond/Insurance Payout Amount following determination by the Calculation Agent of satisfaction of the pre-agreed Activation Criteria in accordance with the terms of the Pandemic Insurance or the Pandemic Bond, as applicable. Such Pandemic Bond/Insurance Payout Amount received by the Treasury Manager is transferred into the Trust Fund\(^3\) (i.e., “pay-ins” of Pandemic Bond/Insurance Payout Amount to the PEF) and considered for use under the PEF Insurance Window (see Section 4.05 of the PEF Framework).

16. To activate the payments of Pandemic Bond/Insurance Payout Amount to the Treasury Manager under the Pandemic Bond\(^4\) or Pandemic Insurance, an event must meet specific criteria of “severity” set out in the Activation Criteria. These criteria are based on outbreak size (i.e., number of cases or number of deaths), outbreak growth (i.e., the outbreak must be growing over a defined time period) and outbreak spread (i.e., two or more countries affected by the outbreak). The Pandemic Bond/Insurance Coverage uses pre-agreed parametric triggers based on publicly

\(^2\) Provided more funding will be made available by additional contributors, even beyond this amount

\(^3\) In the case of a Pandemic Bond, transfer by the Treasury Manager to the Trust Fund of a Pandemic Bond/Insurance Payout Amount is made net of relevant interest amount to be paid by the Treasury Manager to the bondholders under the relevant Pandemic Bond, that accrues on such payout amount from the date of transfer of the amount by the Treasury Manager to the date of principal amount reduction of the Pandemic Bond, if applicable.

\(^4\) In the case of Pandemic Bond, such payment to the Treasury Manager will be made through a reduction of principal amount to the bondholders under a Pandemic Bond.
available and observable data (i.e., in the case of the Pandemic Bond and/or Pandemic Insurance, WHO Report(s) (as defined in the relevant Pandemic Bond and/or Pandemic Insurance)) to determine when the Activation Criteria thresholds are met (or “triggered”). The Activation Criteria thresholds are based on the epidemiological characteristics of the diseases and associated outbreaks.

17. In the Initial Period, the terms of the Pandemic Bond issued or Pandemic Insurance purchased are set out in the Pandemic Bond/Insurance Term Sheet5, as the same may be amended from time to time in accordance with the PEF Framework (see Section 4.01. of the PEF Framework). The Maturity Date of the Pandemic Bond issued or Pandemic Insurance purchased may be extended up to one year under certain circumstances set out in the terms of the Pandemic Bond and Pandemic Insurance, respectively. The Steering Body will be requested to approve, no later than [6] months prior to the Scheduled Maturity Date, that the Treasury Manager may, at its discretion after consultation with the PEF Coordinator, exercise its options under the Pandemic Bond or Pandemic Insurance, to extend the Maturity Date beyond the initial three (3) years, in accordance with the terms of PEF Pandemic Bond or Insurance. Such approval will be made based on the estimated available resources in the Trust Fund determined by the Trustee to cover the relevant premium payments as of the end of the Scheduled Maturity Date. The principles used for the Activation Criteria and the related expected payments of Pandemic Bond/Insurance Payout Amounts are as follows:

For Flu

(a) There must be at least 5,000 confirmed cases (counted from all countries worldwide) within a rolling 42-day period. For these cases, the virus needs to satisfy the following conditions:

i. WHO Report states that such Virus is an influenza A virus (either through a statement or by denoting such influenza Virus with an “A” prior to its genetic subtype);

ii. Such WHO Report states either:

- that such influenza A virus is a new or novel influenza A virus with a new or novel genetic subtype, and no Case of or Death relating to such influenza A virus has been reported in any WHO Report published prior to July 2017; or

- that such influenza A virus is an influenza A virus whose hemagglutinin gene is antigenically distinct, due to an antigenic shift, from those in seasonal influenza viruses circulating in the 35 years prior to July 2017; and

iii. Such WHO Report states that the influenza A virus is experiencing sustained or effective human-to-human transmission.

(b) The Growth Rate needs to be greater than zero after the first 42 days and the Growth Rate Mean needs to be greater than or equal to 0.265, for any day after the first 42 days.

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5 The Term Sheet is also known as the Prospectus Supplement, dated June 28, 2017. This document lays out the terms of the Class A and Class B Floating Rate Catastrophe-Linked Capital at Risk Notes. The PEF Term Sheet can be found at the following link: http://pubdocs.worldbank.org/en/882831509568634367/PEF-Final-Prospectus-PEF.pdf
(c) When (a) and (b) are met, the influenza pandemic would be confirmed and 100% of the maximum US$275 million coverage would be released.

For Non-flu

(d) At least 12 weeks have passed from the date of the start of the event
(e) The outbreak needs to be in more than one country (IDA or IBRD), with each such country having greater than or equal to 20 Confirmed Deaths
(f) The Growth Rate needs to be greater than zero to ensure that the outbreak is growing at a specific statistical confidence level
(g) The Total Confirmed Death Amount needs to be greater than or equal to 250
(h) The Rolling Total Case Amount needs to be greater than or equal to 250
(i) The Rolling Confirmed Case Amount needs to comprise a minimum percentage of the Rolling Total Case Amount
(j) Regional outbreaks affecting two to seven countries would activate payments of Pandemic Bond/Insurance Payout Amounts at three stages as the number of total confirmed deaths increases. Global outbreaks affecting eight or more countries also activate payments at three stages but provide access to higher funding levels at the first two triggers.

18. The Activation Criteria confirmation process starts with a written notification (Eligible Event Notice) from the Treasury Manager to the Calculation Agent stating that there is believe that an Eligible Event is occurring and asking the Calculation Agent to provide reports with respect thereto. The Eligible Event Notice may be issued as soon as Disease Outbreak News (DON) or a Situation Report is published by WHO. The Calculation Agent will submit Eligible Event Reports on a periodic basis, following the terms stipulated in the Term Sheet.

19. Pandemic Bond/Insurance Payout Amounts under the PEF Insurance Window in the Initial Period vary by disease, severity and geographic spread. The maximum pay-in under the PEF per event is capped at US$275 million for Flu, US$150 million for Filovirus, US$195.83 million for Coronavirus, and US$75 million for other Covered Diseases (Rift Valley, Lassa Fever, Crimean Congo). With the exception of Flu, for which the entire payment is made when the Activation Criteria thresholds are reached, payout for other diseases is made in tranches according to the number of confirmed deaths and geographic spread. An overview of the PEF Insurance Window activation criteria thresholds for non-flu outbreaks and relevant Pandemic Bond/Insurance Payout Amounts is provided below (Figure 1).
### Fig. 1. Pandemic Bond/Insurance Payout Amounts from Pandemic Bond or Insurance

<table>
<thead>
<tr>
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<th>Pay-in based on:</th>
<th>Aggregate Number of Confirmed Deaths within IBRD/IDA Countries</th>
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<tbody>
<tr>
<td><strong>Coronavirus</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Coverage:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$195.83m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional (outbreaks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>affecting 2 to 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>countries)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 250</td>
<td>29% (US$56.25m)</td>
<td>57% (US$112.5m)</td>
</tr>
<tr>
<td>At 750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 2,500</td>
<td>100%</td>
<td>(US$195.83m)</td>
</tr>
<tr>
<td>Global (outbreaks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>affecting 8 or more</td>
<td></td>
<td></td>
</tr>
<tr>
<td>countries)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 250</td>
<td>34% (US$65.63m)</td>
<td>67% (US$131.25m)</td>
</tr>
<tr>
<td>At 750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 2,500</td>
<td>100%</td>
<td>(US$195.83m)</td>
</tr>
</tbody>
</table>

| **Filoviridae**     |                  |                                                               |
| Maximum Coverage:   |                  |                                                               |
| US $150m            |                  |                                                               |
| Regional (outbreaks |                  |                                                               |
| affecting 2 to 7    |                  |                                                               |
| countries)          |                  |                                                               |
| At 250              | 30% (US$45m)     | 60% (US$90m)                                                |
| At 750              |                  |                                                               |
| At 2,500            | 100%             | (US$150m)                                                   |
| Global (outbreaks   |                  |                                                               |
| affecting 8 or more |                  |                                                               |
| countries)          |                  |                                                               |
| At 250              | 35% (US$52.5m)   | 70% (US$105m)                                               |
| At 750              |                  |                                                               |
| At 2,500            | 100%             | (US$150m)                                                   |

| **Other diseases**  |                  |                                                               |
| (Rift Valley, Lassa |                  |                                                               |
| Fever, Crimean     |                  |                                                               |
| Congo)              |                  |                                                               |
| Maximum Coverage:   |                  |                                                               |
| $75m                |                  |                                                               |
| Regional (outbreaks |                  |                                                               |
| affecting 2 to 7    |                  |                                                               |
| countries)          |                  |                                                               |
| At 250              | 30% (US$22.5m)   | 60% (US$45m)                                                |
| At 750              |                  |                                                               |
| At 2,500            | 100%             | (US$75m)                                                    |
| Global (outbreaks   |                  |                                                               |
| affecting 8 or more |                  |                                                               |
| countries)          |                  |                                                               |
| At 250              | 35% (US$26.25m)  | 70% (US$52.5m)                                              |
| At 750              |                  |                                                               |
| At 2,500            | 100%             | (US$75m)                                                    |

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6 All currency amounts are in US Dollar (US$) Millions, unless otherwise indicated.
3.2 PEF Cash Window

20. The PEF Cash Window is used to provide a greater flexibility in providing PEF funding to allow for a response to a high-severity infectious disease outbreak in accordance with the PEF objectives, when such funding is not eligible to be provided under the PEF Insurance Window or the PEF Insurance Window funding is not sufficient for an effective response.

21. The PEF Cash Window has the following purposes: (i) to provide supplemental financing for an outbreak of pathogens covered by the PEF Insurance Window, that clearly merit larger or earlier funding allocation than provided by the Activation Criteria and PEF Insurance Window allocation arrangements; (ii) to provide financing to severe single-country outbreaks; (iii) to provide coverage for new or unknown pathogens not covered by the PEF Insurance Window; (iv) to serve as a conduit for efficient and effective surge financing during crisis for development partners to channel resources to affected countries; and (v) for all other allocations in line with the PEF objectives and as approved by the Steering Body.
4. Governance and Working Arrangements

22. The PEF governance structure consists of: Steering Body, PEF Coordinator, and the Trustee. The PEF work is further supported by the Treasury Manager (see Section 8.01. of the PEF Framework). PEF-supported operations are implemented by the Eligible Countries and PEF-accredited Responding Agencies (see Section 6.01. of the PEF Framework).

4.1 PEF Steering Body

23. The PEF is governed by a Steering Body, which keeps under review the operations of the PEF as a whole and serves as the decision-making body of the PEF responsible for, amongst other, setting the strategic direction, policy-making, and approving PEF Allocations.

24. The Steering Body consists of (see Section 8.02 of the PEF Framework):

(i) as voting members, one (1) representative each from the Contributors or Contributor constituency/ies, which agree to serve as voting member; provided that in no event does the total number of the voting members exceed seven (7); and

(ii) as non-voting members, the World Bank, WHO, and if so decided by the Steering Body, representative(s) from each of the following categories: (a) other Responding Agencies, (b) PEF Eligible Countries, and (c) CSOs; provided that unless otherwise approved by the Steering Body, the total number of non-voting members shall not be larger than the total number of voting members or five (5), whichever is larger (see Section 8.02. of the PEF Framework). If representatives from other Responding Agencies, PEF Eligible Countries and CSOs do not serve as non-voting members, they may participate in the meetings of the Steering Body as observers, as set out in the Rules of Procedure for the Steering Body (see Section 4.7 below for further details of the Rules of Procedure for the Steering Body).

25. The functions of the Steering Body include (see Section 8.03. of the PEF Framework):

(a) Providing strategic guidance for the operations of the PEF, taking into account inputs provided by the Advisory Committee with respect to global issues relating to pandemic preparedness, response and financing;
(b) Adopting and reviewing, as necessary, the PEF Framework;
(c) Adopting the Operations Manual in accordance with Section 9.01. of the PEF Framework;
(d) Approving any waiver of the Operations Manual in accordance with Section 9.01. of the PEF Framework;
(e) Adopting any revision to the criteria of PEF Eligible Country under Section 5.02. of the PEF Framework;
(f) Endorsing any revision to the principles, based on which the terms of the Pandemic Bond Insurance Term Sheet are established under Section 4.02. of the PEF Framework;

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7 In the event there are more than 7 donors, the voting membership can be revised.
(g) Developing and approving criteria and procedures for accrediting Responding Agency in conjunction with the Trustee and the PEF Coordinator, as such approved criteria and procedures are to be set out in this Operations Manual;
(h) Accrediting any additional Responding Agency in accordance with the provisions of this Operations Manual;
(i) Approving any allocation of PEF funding under the PEF Cash Window;
(j) Approving the procedures, criteria and formulae to be used for submission of Request for Funds and determination of PEF Allocations, as such procedures, criteria and formulae as set out in this Operations Manual;
(k) Approving allocations of indicative budgets for the Trustee and the PEF Coordinator;
(l) Reviewing periodic reports received from Responding Agencies;
(m) Reviewing reports from the Trustee on the financial status of the Trust Fund;
(n) Approving monitoring and evaluation framework for the PEF; and
(o) Considering any other items as may be brought to the Steering Body's attention by the PEF Coordinator.

26. The rules of procedure for the Steering Body are set out in Section 4.7 (Rules of Procedure for the Steering Body) below.

4.2 PEF COORDINATOR

27. The PEF Coordinator will provide secretariat services and technical support for day-to-day operations of the PEF, and shall be comprised of professional and administrative staff employed by the WBG on an as needed basis (see Section 8.05. of the PEF Framework).

28. The functions of the PEF Coordinator include (see also Section 8.05. of the PEF Framework):

(a) Providing secretariat services to the Steering Body and the OFAC, including convening and supporting their meetings;
(b) Managing relations with the Contributors, in consultation with the Trustee, and with Responding Agencies, PEF Eligible Countries and other relevant partners and stakeholders in connection with the operations of the PEF;
(c) Providing information to, and receiving information from, the Treasury Manager, as necessary, to assist on matters related to the Pandemic Bonds and Pandemic Insurances;
(d) Receiving and reviewing Requests for Funds, determining PEF Insurance Window Allocations, and making recommendations to the Steering Body for PEF Cash Window Allocations in accordance with this Operations Manual;
(e) Providing notification of PEF Allocation and other related information to the Trustee; and consulting with, and providing other information to, the Trustee, as necessary, to assist day-to-day administration of the Trust Fund;
(f) Making recommendation to the Steering Body for any amendment or waiver of the provisions of this Operations Manual;
(g) Conducting activities related to monitoring, collecting intelligence by drawing on credible secondary research as appropriate, and analyzing any ongoing outbreaks and response efforts by national governments, and national and international responding agencies;

(h) Providing support to PEF Eligible Countries in preparing and submitting Requests for Funds, including preparing or updating their response plans; and

(i) Performing other functions as may be necessary for facilitation of the operations of the PEF.

29. The PEF Coordinator services are expected to be available on full-time basis, with the staffing and staffing levels, including any surge staffing during active qualified disease outbreaks, determined by the World Bank, and the costs fully recoverable from the Trust Fund. The PEF Coordinator fulfills its functions in accordance with the applicable World Bank policies and procedures.

4.3 TRUSTEE

30. The World Bank (IBRD) serves as the Trustee of the Trust Fund established to support the PEF (see Section 2.04 of the PEF Framework). The Trustee receives and holds funds in trust funds from Contributors, as well as bondholders to the Pandemic Bond and counterparties to the Pandemic Insurance via the World Bank Treasury, and administers them in accordance with the terms of the Contribution Agreements with Contributors, including the Trust Fund Standard Provisions and provisions of the PEF Framework. The Trustee operates in accordance with the applicable policies and procedures of the World Bank.

31. The functions of the Trustee include:

(a) Establishing and managing the Trust Fund at the World Bank;
(b) Entering into Contribution Agreements with Contributors, Financial Procedures Agreements with Responding Agencies, and any other arrangements as necessary;
(c) Managing Contributions payment to and funds transfers from the Trust Fund;
(d) Investing funds held in the Trust Fund;
(e) Reporting to the Steering Body on financial status of the Trust Fund;
(f) Preparing financial reports of the Trust Fund and single audit reports; and
(g) Coordinating with the PEF Coordinator to support the PEF operations.

32. Subject to availability of funds, the Trustee makes commitments and transfers funds to the Treasury Manager, the Responding Agencies and the PEF Coordinator in accordance with the terms of the Contribution Agreement and the PEF Framework.

33. With respect to PEF Allocations, following notification from the PEF Coordinator of the relevant allocated amount, the Trustee will commit and transfer Trust Fund funds to Responding Agencies in accordance with the terms of Financial Procedures Agreement (see Sections 3.05. and 6.09. of the PEF Framework). Upon transfer of funds, the Trustee will have no responsibility for the use of funds transferred to Responding Agencies and activities carried out therewith (see Section 3.05. of the PEF Framework).
34. The World Bank in its capacity as the Trustee, the PEF Coordinator, and the Treasury Manager operate under full cost recovery basis, and will be fully reimbursed or paid, out of the resources of the Trust Fund, for any fees, costs, expenses or other amounts incurred by it in connection with or arising as a result of performing such respective role. The Trustee may transfer any such amount from Trust Fund funds to the accounts of the Trustee, the PEF Coordinator, and the Treasury Manager in accordance with the procedures set out in the Trust Fund Standard Provisions (see Section 10.01. of the PEF Framework).

4.4 TREASURY MANAGER

35. The World Bank (IBRD) serves as the Treasury Manager, and in such capacity, may issue Pandemic Bond(s) or purchase Pandemic Insurance(s) consistent with the provisions of the PEF Framework (see Section 2.05. and Article IV (Pandemic Bond and Pandemic Insurance) of the PEF Framework for further information). The Treasury Manager fulfills its functions in accordance with the applicable World Bank policies and procedures.

4.5 ELIGIBLE COUNTRIES

36. PEF Eligible Countries may submit a Request for Funds as further set out in the Section 5 below (see also Section 6.01 of the PEF Framework). In relation to the Initial Period, a PEF Eligible Country is any IDA member country that is an IDA eligible country (i.e., IDA only or blend country) either or both: (a) under the IDA seventeenth replenishment (IDA 17), or/and (b) at the time of submission of a Request for Funds; except if the Steering Body so decides in an exceptional circumstance, the PEF may also provide PEF Cash Window Allocation to an IBRD country that is not an IDA eligible country (see Section 5.02 of the PEF Framework).

37. Implementation of the PEF-eligible activities using PEF funds may be led by the country under the Country Implementation Modality (defined in Section 6.12 of the PEF Framework). In such a case, a Responding Agency eligible for the Country Implementation Modality should be indicated by the country on the Request for Funds application as the designated Responding Agency for the PEF Allocation for such activities.

38. Under the Country Implementation Modality, PEF operations are subject to the monitoring and evaluation and supervision by the designated Responding Agency of the implementation of the eligible activities, which may be conducted in accordance with the policies and procedures of that Responding Agency. Unless otherwise approved by the Steering Body, any PEF funds that are not utilized for the eligible activities (e.g., due to an early cessation of a pandemic outbreak) shall be returned to the Trust Fund (regardless of whether they originated from the PEF Insurance Window or the PEF Cash Window).

4.6 RESPONDING AGENCIES

39. Implementation of the PEF-eligible activities using PEF funds may be led by a Responding Agency under the Responding Agency Implementation Modality (and such Responding Agency is herein referred to as Responding Agency/RIM). Alternatively, if implementation of PEF funded activities are led by a PEF Eligible Country under the Country Implementation Modality, a
Responding Agency will provide implementation support and supervision over the implementation of activities (and such Responding Agency is herein referred to as Responding Agency/CIM). (See Section 6.12 of the PEF Framework and paragraph 38 above).

40. The entities that are eligible to become Responding Agencies (as Responding Agency/RIM and/or Responding Agency/CIM) are listed in Annex I to this Operations Manual. Those entities may participate in the PEF as Responding Agencies by signing Financial Procedures Agreements with the Trustee, after which they become eligible to submit Funding Requests to the PEF. Responding Agencies may submit a Request for Funds as further set out in Section 5 (Operational Arrangements).

41. Accreditation of entities other than those listed in Annex I as Responding Agencies is made based on the criteria and procedures developed by the Steering Body with the support of the Trustee and the PEF Coordinator (see also Section 8.03. (g) and (h) of the PEF Framework). The Trustee’s role in the process is to ensure that minimum fiduciary and management standards will be kept, as a condition of the Trustee’s entry into an FPA with such entities. The PEF Coordinator and other partners like the WHO will support during the technical assessment of the accreditation process, at the direction of the Steering Body. The Steering Body is ultimately responsible for making the final decision on accreditation of new Responding Agencies.

42. The functions of the Responding Agencies include (see Section 7.02. of the PEF Framework):

   (a) Administering the PEF funds transferred to it, including the use of the funds and activities carried out therewith, in accordance with: (i) its applicable policies and procedures, and (ii) the applicable terms and conditions under which funding from the PEF has been provided;
   (b) Monitoring progress in implementation of activities financed by the PEF funds;
   (c) Providing financial and progress reporting to the Steering Body on use of PEF funds and activities carried out therewith;
   (d) Providing inputs to the annual reports of the PEF through the PEF Coordinator;
   (e) Cooperating with reviews or evaluations of the operations of the PEF under the terms acceptable to the Responding Agency;
   (f) Coordinating and exchanging information with relevant country level coordination mechanisms, as appropriate;
   (g) Supporting PEF eligible countries in preparing Requests for Funds for which they are the designated Responding Agencies, as appropriate; and
   (h) Implementing or providing implementation support, as applicable, to countries for the eligible activities under the approved terms of PEF Allocations.

43. Responding Agencies enter into Financial Procedures Agreements with the Trustee, setting forth the procedures relating to the commitment and transfer of PEF funds from the Trustee to the Responding Agency in respect of PEF Allocations, and the administration of such funds by the Responding Agencies (see Section 7.01. of the PEF Framework).
44. Responding Agencies may recover costs related to the implementation of PEF resources from the relevant portion of the PEF Allocations in accordance with their applicable cost-recovery policies and procedures. Any such costs should be identified in the Request for Funds (see Section 7.03. of the PEF Framework).

4.7 RULES OF PROCEDURE FOR PEF STEERING BODY

45. The Steering Body will meet once a year or such other frequency as may be decided by the Steering Body (see Section 8.04. (a) of the PEF Framework). The Steering Body will, prior to the closing of each regular meeting, decide the timing of the next regular meeting. The Steering Body may also hold special meetings as necessary, if so decided by the Chair and Co-Chair after consulting with voting and non-voting members of the Steering Body and the PEF Coordinator.

46. A meeting of the Steering Body may be held in person, by video, or audio-conference, or any other electronic communication medium that allows Steering Body members to follow and contribute to the discussions as they occur in real time. For face-to-face meetings the location of the meeting shall be the headquarter offices of the Chair. If a co-chair is appointed, the venue of the meeting will alternate between the Chair and the co-chair. The Steering Body may decide, upon consensus of the voting members, to hold a meeting in an alternate location.

47. The Steering Body will be chaired by the World Bank (in a capacity as a non-voting member of the Steering Body) represented by the Senior Director of the Health Practice at the World Bank. The Steering Body may decide to appoint another voting or non-voting member of the Steering Body as co-chair. The Co-Chair will be selected by nomination by a voting member and decision by the Steering Body.

48. The PEF Coordinator will propose, for decision of the voting members, a list of proposed observers from one or more of the categories mentioned in paragraph 13 to be invited to join a meeting(s) of the Steering Body and the duration of that invitation. During the course of a meeting, observers may participate in discussions at the invitation of whichever of the Chair or Co-Chair is acting as the chair of the particular session. Participants in a meeting of the Steering Body are expected to disclose any actual or potential conflicts of interest, and excuse themselves from the meeting during decision-making or deliberations in relation to matters where conflicts might arise.

49. The PEF Coordinator serves as the Secretary of any meeting of the Steering Body, and will perform such functions as are necessary for the smooth conduct of the Steering Body meetings. The PEF Coordinator, in consultation with the Chair and Co-Chair, prepares provisional agenda for each meeting of the Steering Body. The PEF Coordinator gives notice to all voting and non-voting members of the dates and venue of each meeting, together with the provisional agenda of the meeting, at least one (1) week prior to the first date of the meeting. The PEF Coordinator prepares all materials and presentations relevant to each meeting and, when appropriate, securely disseminates prior to each meeting.

50. The Steering Body will adopt the agenda for the meeting at the beginning of each meeting of the Steering Body.
51. A quorum for any meeting of the Steering Body shall be two-thirds of voting members.

52. Decisions by the Steering Body are made as follows:

   (i) All decisions of the Steering Body in relation to the functions set out in paragraph 25 (d), (h), (k), (l), (m) and (n) above, and unless otherwise decided by the Steering Body, paragraph 25 (o) above, may be taken by emails without a meeting on a no-objection basis from its voting members (see Section 8.04. (b) of the PEF Framework). Any objection by voting member of the Steering Body should be communicated to the PEF Coordinator by e-mail within fourteen (14) calendar days from the delivery by the PEF Coordinator of the request for such decision. Should an objection be received from any voting member of the Steering Body and not retracted before the deadline for objections, the decision is not considered approved. A decision that is not approved can be revised and resubmitted for consideration by the Steering Body, at a meeting or electronically, at the decision of the PEF Coordinator.

   (ii) Decisions of the Steering Body in relation to the function set out in paragraph 25 (i) above shall be taken by emails without a meeting on the basis of affirmative confirmation from each voting member within forty-eight (48) hours from the delivery by the PEF Coordinator of the request for such decision. Should an affirmative confirmation not be received from any voting member of the Steering Body before the deadline for confirmation, the decision is not considered approved. A decision that is not approved can be revised and resubmitted for consideration by the Steering Body, at a meeting or electronically, at the decision of the PEF Coordinator.

   (iii) Any decisions by the Steering Body in relation to the functions set out in paragraph 25 (a), (b), (c), (e), (f), (g) and (j) above, and unless otherwise decided by the Steering Body, paragraph 25 (o) above, may be made by consensus of all its members at a meeting of the Steering Body (see Section 8.04. (c) of the PEF Framework). For purposes of this paragraph, consensus is a procedure for adopting a decision when no voting member in the decision-making process blocks a proposed decision. It does not necessarily imply unanimous agreement. If all practical efforts have been made and a consensus cannot be reached among the voting members on the Steering Body, then decisions are conducted by a simple majority vote on the basis of one voting member one vote\(^8\) (see Section 8.04. (c) of the PEF Framework).

   (iv) Non-voting members and observers will be informed of the requests for decisions by the Steering Body without meeting so that they are provided with an opportunity to express their views and inputs, as appropriate.

53. A vote under paragraph 52 (iii) above may be called by: (a) any voting member of the Steering Body and seconded by another voting member, or (b) whichever of the Chair or Co-Chair

\(^8\) In the case in which different views are expressed by the voting members, the Chair and co-Chair will assist processes for members to reach consensus. It is understood that a vote may be called only on an exceptional basis when all practicable efforts have not led to consensus among the members in a meeting of the Steering Body.
is acting as the chair of the particular session. The Chair or Co-Chair, as the case may be, will determine, after consultation with the Steering Body, the timing for a vote.

**54.** Notwithstanding paragraph 52 (iii) above, if, in the judgement of the PEF Coordinator, a decision must be taken by the Steering Body that should not be postponed until the next regular meeting of the Steering Body but does not warrant a special meeting, the PEF Coordinator may request for a decision by the Steering Body on a no-objection basis. If any voting member of the Steering Body calls for a meeting, the PEF Coordinator may organize a special meeting of the Steering Body to discuss and decide on the matter (see Section 8.04. (d) of the PEF Framework).

**55.** All decisions of the Steering Body are recorded in a summary of the Steering Body meetings, prepared by the PEF Coordinator under the guidance of the Chair and the Co-Chair. Any such summary is circulated to all voting and non-voting members as soon as practicable.
5. PEF Funds Allocation Guidelines

56. The PEF funds allocation process is guided by the principles of speed, adequacy, and flexibility. The process is designed to be as predictable as possible in terms of timing and allocable amounts. Allocations under the PEF Insurance Window shall be made with minimum deliberation and follow ex-ante established procedures. The process determining allocations under the PEF Cash Window, which will become operational in 2018, is under discussion and will be finalized by end-December 2017.

Who may apply for PEF funds?

57. Both PEF Eligible Countries and Responding Agencies may apply for PEF funds. All requests for PEF allocations for country-specific interventions shall be initiated by PEF Eligible Countries, except in the rare case in which IDA disbursements have been suspended in the country, in which case Responding Agencies may initiate a request for PEF allocations for country-specific interventions. Requests for PEF allocations for regional (or global) level interventions shall be initiated by Responding Agencies.

58. In all cases, a request for PEF allocations shall be initiated through a Request for Funds application. The Request for Funds application shall be substantially in a form attached hereto as Annex II, and shall contain the following information:

If initiated by a country:

i. details of the relevant infectious disease outbreak, including the name of the virus family; outbreak start date; outbreak size (number of cases); outbreak growth (record of weekly cases); and number of deaths, if any

ii. relevant risk assessment prepared or endorsed by WHO

iii. requested amount of PEF funding in US$

iv. country response plan

v. name of designated Responding Agency/ies

If initiated by a Responding Agency for a regional (or global) intervention:

i. details of the relevant infectious disease outbreak, including the name of the virus family; outbreak start date; outbreak size (number of cases); outbreak growth (record of weekly cases); and number of deaths, if any

ii. relevant risk assessment prepared or endorsed by WHO

iii. requested amount of PEF funding in US$

iv. regional response plan

v. name of countries included in the intervention

If initiated by a Responding Agency on behalf of a country to which IDA disbursements have been suspended

9 As determined by the World Bank following a review of the political and security environment in the country.
i. details of the relevant infectious disease outbreak, including the name of the virus family; outbreak start date; outbreak size (number of cases); outbreak growth (record of weekly cases); and number of deaths, if any
ii. relevant risk assessment prepared or endorsed by WHO
iii. requested amount of PEF funding in US$
iv. country response plan

59. The PEF Coordinator shall, at all times, maintain close liaison with designated representatives of affected countries and Responding Agencies, and may solicit applications for PEF allocations, if deemed necessary and appropriate in keeping with the above outlined guiding principles.

How will funds flow from the PEF to countries and Responding Agencies?

60. All PEF funds allocated to a country under the Country Implementation Modality shall flow from the PEF to the country through a Responding Agency/CIM so indicated by the country and agreed upon by the concerned Responding Agency/CIM. All PEF funds allocated to a Responding Agency under the Responding Agency Implementation Modality shall flow from the PEF directly to the Responding Agency/RIM.

61. PEF Allocations made in response to a Request for Funds initiated by the PEF Eligible Country shall be divided between: (a) the country (i.e., Country Implementation Modality) and (b) one or more Responding Agencies/RIM selected by the country and agreed upon by the Responding Agency/RIM (i.e., Responding Agency Implementation Modality). This shall be explicitly stated in the Request for Funds application, which will contain approvals and agreements as indicated above (see Section 6.08 of the PEF Framework).

62. PEF Eligible Countries and Responding Agencies may submit a Request for Funds application for PEF fund at any time during the duration of the outbreak, irrespective of whether the Activation Criteria for Pandemic Bond/Insurance Payouts have been met and the amount has been received in the Trust Fund. Depending upon the context as described below, the PEF Coordinator shall act as follows.

Context 1. Request for Funds Application, initiated by the country or Responding Agency, is incomplete.

63. Upon receipt of a Request for Funds, the PEF Coordinator shall review it to ensure that it contains all the necessary information requested in the application form as noted in paragraph 58. If the PEF Coordinator determines that the Request for Funds does not contain all the information required, the PEF Coordinator may request the Applicant to provide it with such missing information and/or advise the Applicant that the Request for Funds is not eligible for allocation until it is complete. If the Applicant fails to provide such additional information within 10 calendar days, that Request for Funds shall be deemed to have been withdrawn (see Section 6.02 of the PEF Framework).
64. Upon receipt of the Request for Funds application and following the determination that it is complete in all respects, the PEF Coordinator shall calculate the Country Allocation Ceiling applicable to the concerned country out of the Pandemic Bond/Insurance Payout Amount received in the Trust Fund using the following formula:

If three or more PEF-eligible countries are affected by the outbreak:

Country Allocation Ceiling for Country A = \( Z \times [0.75 \times (\frac{CC_A}{CC_T}) + 0.25 \times (\frac{P_A}{P_T})] \)

where:
- \( Z \): Pandemic Bond/Insurance Payout Amount received in the Trust Fund
- \( CC_A \): Confirmed cases in Country A as on date of activation of criteria for insurance payouts
- \( CC_T \): Confirmed cases in all affected PEF Eligible Countries combined as on date of activation of criteria for insurance payouts
- \( P_A \): Population of Country A
- \( P_T \): Population of all PEF Eligible Countries affected

Table 1 provides an illustration. If the insurance payout was $100, number of confirmed cases in Country A were 20 and the population of Country A was 100, then the Country Allocation Ceiling for Country A would be $17.5. Likewise, Country B ceiling would be $30 and Country C ceiling would be $52.5.

<table>
<thead>
<tr>
<th>Number of Cases at the time the Activation Criteria are met</th>
<th>Country A</th>
<th>Country B</th>
<th>Country C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>100</td>
<td>300</td>
<td>600</td>
</tr>
<tr>
<td>Country Allocation Ceiling</td>
<td>17.5</td>
<td>30</td>
<td>52.5</td>
</tr>
</tbody>
</table>

Actual Country Allocation is the lesser of the amounts requested in the Request of Funds and the Country Allocation Ceiling calculated per the applicable formula described above.

If fewer than three PEF-eligible countries are affected by the outbreak:

The PEF Coordinator shall retain 30% of the Pandemic Bond/Insurance Payout Amount received in the Trust Fund for allocations to new countries which may be affected after the first two countries. In this case, the relevant formula will be the same as above, except that \( Z \) will be replaced by \( 0.7 \times Z \), as below:

Country Allocation Ceiling for Country A = \( 0.7 \times Z \times [0.75 \times (\frac{CC_A}{CC_T}) + 0.25 \times (\frac{P_A}{P_T})] \)

Table 2 provides an illustration. If the insurance payout was $100, number of confirmed cases in Country A were 20 and the population of Country A was 100, then the Country Allocation Ceiling for Country A would be $25.4. Likewise, Country B ceiling would be $44.6.
Table 2: Country Allocation Ceiling – Stylized Example 2

<table>
<thead>
<tr>
<th></th>
<th>Country A</th>
<th>Country B</th>
<th>Retained with the Coordinator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Cases at the time the Activation Criteria are met</td>
<td>20</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Population</td>
<td>100</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Country Allocation Ceiling</td>
<td>25.375</td>
<td>44.625</td>
<td>30</td>
</tr>
</tbody>
</table>

If a new country application is received within a period of 30 days following the date of allocation to be made to the first two countries with respect to the same outbreak as the two countries that have already received PEF allocations, and is determined to be complete in all respects, the Country Allocation Ceiling will be lower of:

(i) Amount determined by the following formula:

Country Allocation Ceiling for Country C = Z * [ 0.75 * (CC_C/CC_(A+B+C)) + 0.25 * (PC/ PC_(A+B+C))]

(ii) The amount retained by the Coordinator

Table 3 provides an illustration. If the number of confirmed cases in Country C were 10 and the population of Country C was 200, then the Country Allocation Ceiling for Country C would be $20.75. However, if the number of cases in Country C were 50 and population 600, then the Country Allocation Ceiling would be $30.

Table 3: Country Allocation Ceiling – Stylized Example 3

<table>
<thead>
<tr>
<th></th>
<th>Country A</th>
<th>Country B</th>
<th>Country C (scenario A)</th>
<th>Country C (scenario B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Cases at the time the Activation Criteria are met</td>
<td>20</td>
<td>30</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Population</td>
<td>100</td>
<td>300</td>
<td>200</td>
<td>600</td>
</tr>
<tr>
<td>Country Allocation Ceiling</td>
<td>25.375</td>
<td>44.625</td>
<td>20.75</td>
<td>30</td>
</tr>
</tbody>
</table>

If no new country application is received and the retained amount is not allocated within a period of 30 calendar days, the retained amount will:

(i) if the number of new cases in the thirty-day period following the date of allocation of funds to either of the two countries that have been allocated PEF funds is the same or higher than the number of new cases in the thirty-day period prior to allocation of funds to the country:

a. the retained amount shall be made available to the country or countries that were allocated the PEF funds

(ii) if the number of new cases in the thirty-day period following the date of allocation of funds to either of the two countries that have been allocated PEF funds is lower than the number of new cases in the thirty-day period prior to allocation of funds to the country:
a. the retained amount shall be made available for funding any other PEF-related purposes.

65. As stated in paragraph 61, PEF Allocations made in response to a Request for Funds initiated by the PEF Eligible Country shall be divided between the PEF Eligible Country for the Country Implementation Modality, and one or more Responding Agencies for the Responding Agency Implementation Modality. This distribution shall be made as described in Table 4.

Table 4: Distribution of Country Ceiling Amount between Country and Regional Implementation Modality*

<table>
<thead>
<tr>
<th>Country is not included in the WBG Harmonized List of Fragile Situations</th>
<th>Country has carried out a Joint External Evaluation (JEE)(^{10}) and have scored 3 or above for indicator R.1.1 “Multi-hazard national public health emergency preparedness and response plan is developed and implemented”</th>
<th>Country has carried out a JEE and have scored 2 or below for indicator R.1.1 “Multi-hazard national public health emergency preparedness and response plan is developed and implemented” OR country has not carried out a JEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country for the Country Implementation Modality: not exceeding 80% of Country Allocation; and All Responding agencies combined for the Responding Agency Implementation Modality: 20% of Country Allocation</td>
<td>Country for the Country Implementation Modality: 60% of Country Allocation; and All Responding agencies combined for the Responding Agency Implementation Modality: 40% of Country Allocation</td>
<td>Country for the Country Implementation Modality: 20% of Country Allocation; and All Responding agencies combined for the Responding Agency Implementation Modality: 80% of Country Allocation</td>
</tr>
<tr>
<td>Country is included in the WBG Harmonized List of Fragile Situations</td>
<td>Country for the Country Implementation Modality: 40% of Country Allocation; and All Responding agencies combined for the Responding Agency Implementation Modality: 60% of Country Allocation</td>
<td>Country for the Country Implementation Modality: 20% of Country Allocation; and All Responding agencies combined for the Responding Agency Implementation Modality: 80% of Country Allocation</td>
</tr>
</tbody>
</table>

*Note: The distribution will be made according to the percentages shown on the table, except that if the concerned PEF Eligible Country so chooses, it may specify in the Request for Funds the distribution of a lower percentage (but not higher percentage) to the country, and higher percentage (but not lower percentage) to the responding agencies. Any remaining funds shall be made available for funding for any other PEF-related purposes.

Distribution percentages between countries and Responding Agencies indicated in Table 4 may be modified by the Steering Body at any time.

Context 3. After PEF allocations under Context 2 have been made, Activation Criteria for insurance have been met again and insurance has paid out, Request for Funds Applications are initiated by affected PEF eligible countries, are complete in all respects, disease outbreak is non-Flu.

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\(^{10}\) In the case of Uganda, the GHSA Pilot assessment can be used in lieu of a JEE
66. In the event that the outbreak continues to worsen and the next threshold of the Activation Criteria for insurance is met, both newly and previously-affected countries shall submit a complete Request for Funds. Upon receipt of the Request for Funds application and following the determination that it is complete in all respects, the PEF Coordinator shall calculate the Country Allocation Ceiling applicable to the concerned country out of the Pandemic Bond/Insurance Payout Amount received in the Trust Fund using the same principles and formula described above. However, for countries which had already received an allocation under the previous activation, the number of confirmed cases used for the calculation is equal as the number of new cases from the date of the previous activation of criteria.

Context 4. Disease outbreak is Flu, Activation Criteria for insurance have been met and insurance has paid out.

67. In the event that the Activation Criteria are met for a Flu outbreak and insurance has paid out, the PEF Coordinator shall immediately reserve 40 percent of the Pandemic Bond/Insurance Payout Amount received in the Trust Fund for allocation to Responding Agencies/RIM. The remaining 60 percent shall be available to PEF Eligible Countries that report Flu cases and submit an application.

Allocation to Responding Agencies of insurance payouts in the event of a Flu outbreak

68. In the event that the Activation Criteria are met for a Flu outbreak and insurance has paid out, the PEF Coordinator shall immediately solicit a Request for Funds application from WHO for 50 percent of the amount set aside for Responding Agencies/RIM as described above, and from other Responding Agencies for the other 50 percent.11 Upon determination that the Request for Funds application are complete in all respects, the PEF Coordinator shall allocate the PEF funds according to the specified proportions.

69. Immediately thereafter, the PEF Coordinator shall inform all PEF Eligible Countries about allocations made to WHO and other Responding Agencies.

Allocation to Countries of insurance payouts in the event of a Flu outbreak

70. Upon receipt of the Request for Funds applications for countries that have recorded Flu cases and following the determination that the applications are complete in all respects, the PEF Coordinator shall make allocations from the PEF to countries on the basis of the date of receipt of their applications and in accordance with the amounts as listed in Table 5:

<table>
<thead>
<tr>
<th>Country population</th>
<th>Allocation (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 million</td>
<td>5 million</td>
</tr>
<tr>
<td>Equal to or greater than 1 million but less than 10 million</td>
<td>10 million</td>
</tr>
<tr>
<td>Equal to or greater than 10 million but less than 30 million</td>
<td>15 million</td>
</tr>
<tr>
<td>Equal to or greater than 30 million</td>
<td>30 million</td>
</tr>
</tbody>
</table>

11 This is subject to change with approval of the Steering Body, and will be informed by simulation analysis carried out by the PEF Coordinator with respect to default allocations among Responding Agencies other than WHO.
71. The funds allocations from the Insurance Window are made on the “first come, first served” basis, with all the Request for Funds applications received on the same date by the close of business (17:00, Washington DC) considered received at the same time. In the case that the remaining funds are not sufficient to meet the Requests for Funds received on the same date per the allocation process described above, the remaining funds amount is pro-rated according to the formula above to exhaust the amount available in satisfying the Requests for Funds in receipt at that time. In the case that the funds are not fully allocated after one month of the outbreak cessation, such as due to the cessation of the outbreak or a lesser need for funds as indicated by fewer Requests for Funds received, the remaining funds shall be made available for funding for any other PEF-related purposes (see Section 6.10 of the PEF Framework).

Context 5. Request for Funds Applications are initiated by affected PEF eligible countries, are complete in all respects, disease outbreak may be Flu or non-Flu, Activation Criteria for insurance has not been met and insurance has not paid out.

72. Upon receipt of a complete Request for Funds application and following the determination that:

(a) The outbreak does not meet the Activation Criteria for the Insurance Window (e.g., due to pathogen not being included in the Insurance Window; or due to the geographic scope of the outbreak being limited to a single country; or because the number of cases is below the level that meets the requirement of the Activation Criteria); or

(b) The outbreak merits larger or earlier funding allocations than provided by the PEF Insurance Window allocation arrangements;

the PEF Coordinator, subject to confirmation from the Trustee of availability of sufficient applicable resources in the Trust Fund, shall process the Request for Funds under the PEF Cash Window.12

Notification

73. The PEF Coordinator shall promptly notify the Applicant and the relevant designated Responding Agency, if different from the Applicant, of the outcome of the review of Request for Funds, including the amount of PEF Allocation, if any. In the case of any PEF Insurance Window Allocation, promptly following the determination of PEF Insurance Window Allocation in accordance with paragraphs 64-71 above, the PEF Coordinator shall notify the Applicant, the relevant designated Responding Agency and the Steering Body, of the amount PEF Insurance Window Allocation under the Applicant’s Request for Funds. In the case of any PEF Cash Window Allocation, promptly following the approval by the Steering Body, the PEF Coordinator shall notify the Applicant, the relevant designated Responding Agency and the Steering Body of the amount of the PEF Cash Window Allocation under the Applicant’s Request for Funds (see Section 6.07 of the PEF Framework).

74. Following such notification to the Applicant the PEF Coordinator will notify the Trustee of the relevant amount of PEF Allocation. Based on the amount notified by the PEF Coordinator,

12 The process determining allocation of funds under the Cash Window, which will become operational in 2018, is under preparation and will be finalized by end-December 2017.
and subject to the availability of applicable resources in the Trust Fund, the PEF Trustee will commit and transfer funds to the relevant country through a Responding Agency/CIM and to the Responding Agency/RIM in accordance with the terms of the Financial Procedure Agreement (see Section 6.09 of the PEF Framework). In the case of the Insurance Window, the Trustee will commit and transfer funds only after the relevant Pandemic Bond/Insurance Payout Amount has been received in the Trust Fund.
6. Results Framework

75. The Results Framework of the PEF is structured to cover two distinct periods: major disease outbreak periods (crisis time) and periods where there are no major disease outbreaks (non-crisis time). The crisis time is characterized by a request for funds made to the PEF. On the other hand, no request for funds application is submitted during a non-crisis time. This Results Framework presents indicators to cover both these periods.

76. The results that the framework measures are: (i) the PEF Coordinator and the countries are ready and prepared for using PEF funds in case of a qualifying disease outbreak; and (ii) effectiveness and rapidness of PEF activation and flow of funds. Since there are no outcomes to be measured during non-crisis time, the selected indicators measure PEF-related processes, which have a direct impact on outcomes during crisis times. Indicators used during crisis time cover processes as well as outcomes. They provide a measure of the internal processes that operate the PEF, the effectiveness of recipients in engaging with the PEF, and the impact of the PEF on the epidemic. The Results Framework of the PEF is attached hereto as Annex III.
7. Reporting

77. Annual reports on the PEF will provide, at the minimum, information on how the PEF is contributing to results and outcomes during non-crisis times as well as the financial status of the trust fund. In addition, if the PEF is activated, reports will include technical and financial information on implementation of activities under Country Implementation Modality and under Responding Agency Implementation Modality.

78. Each Responding Agency is responsible for implementation (under the Responding Agency Implementation Modality) or for supervising country-led implementation (under the Country Implementation Modality) for the operations for which they have been selected as a Responding Agency, in accordance with respective Agency’s own policies and procedures. Each Responding Agency will prepare and submit to the Steering Body (through the PEF Coordinator) an implementation report with respect to activities implemented with PEF funds received. Each Responding Agency will also submit annual financial reports to the Trustee in accordance with the Financial Procedures Agreements, which shall be made available to the Steering Body.

79. The PEF Coordinator produces reports based on the information collected and managed by the PEF Coordinator itself and on the reports received from the Trustee and from Responding Agencies which received PEF funds. The PEF Coordinator submits to the Steering Body an annual report which will include information on financial and technical performance, milestones achieved, and follow-up steps on any issues encountered and lessons learned.
8. Disclosures

80. Access to Information. The PEF Coordinator manages all information created and/or received by the PEF. In managing such information on behalf of the PEF, the PEF Coordinator serves as the custodian of records and documents of the PEF and informs the Steering Body of restrictions on disclosing and/or sharing information that the Steering Body may need to comply with. Information created or received by the PEF Coordinator is information in the World Bank’s possession and, thus, is subject to the World Bank’s policies governing information management, including, but not limited to, the World Bank Policy on Access to Information (“AI Policy”) governing public access to information in the World Bank’s possession. The PEF Coordinator accordingly manages disclosure and sharing of information created or received by it as follows.

81. Disclosure to the Public. Recognizing the fundamental importance of transparency and accountability to the development process, under the AI Policy, the World Bank allows public access to any information in its possession that is not on a list of exceptions. On this basis, the PEF Coordinator may disclose this Operations Manual and related information in accordance with the AI Policy. As provided on the list of exceptions under the AI Policy, however, the PEF Coordinator does not disclose information to the public that has been provided by countries or third parties to the PEF Coordinator in confidence, without express consent from the member country or third party concerned. If information related to the PEF is provided to the PEF Coordinator in confidence, the party providing the information to the PEF Coordinator will mark the document containing such information as confidential and/or as being provided in confidence. As long as the information provided to the PEF Coordinator is clearly marked in writing, or is otherwise conveyed to the PEF Coordinator in writing, as “confidential information”, the PEF Coordinator will treat it as restricted from public access and will not disclose the information to the public unless the PEF Coordinator obtains the prior written consent to disclose the information to the public from the party who provided the information. Subject to the conditions set out in this paragraph, the PEF Coordinator will disclose any document or information provided to the PEF Coordinator for submission to the Steering Body in accordance with the AI Policy.

82. Sharing of information with parties other than the press and the general public. Additionally, if the PEF partners specifically inform the PEF Coordinator in writing of their understanding of confidentiality, namely any restrictions that the PEF partners may wish to impose on the internal sharing of such information (i.e., sharing within the World Bank Group) and/or the external sharing of such information, then the PEF Coordinator will refrain from the sharing of such information provided by the PEF partners to the extent of such restriction conveyed to the PEF Coordinator in writing. External sharing is understood to refer to sharing of information with individuals, groups, or entities outside the World Bank Group that may be conducting official business with the PEF, but excludes sharing with the press and the general public.
9. Glossary of Terms

The terms have the following meaning in this Operations Manual, unless where the context requires otherwise:

“Activation Criteria”: means the criteria as set forth in the terms of a Pandemic Bond or Pandemic Insurance related to the severity of a Covered Disease (such as, but not limited to, the number of cases, the number of death, the geographic spread and the growth rate) that must be met or exceeded to activate a payout under a Pandemic Insurance or a reduction of principal under a Pandemic Bond;

“Applicant”: means any PEF Eligible Country or Responding Agency, which has submitted a Request for Funds to the PEF Coordinator pursuant to Section 6.01 of the PEF Framework;

“Calculation Agent”: means a calculation agent of any Pandemic Bond or Pandemic Insurance;

“Contribution”: means any funds made or to be made available to the Trust Fund by any Contributor;

“Contribution Agreement/Arrangement”: means a contribution agreement, arrangement or deed entered into or to be entered into between a Contributor and the Trustee in respect of any Contribution by the Contributor;

“Contributor”: means any donor that provides any Contribution to the Trust Fund;

“Country Implementation Modality”: means arrangements under which PEF funded activities are implemented by a PEF Eligible Country and a designated Responding Agency supervise the implementation of such activities by the PEF Eligible Country;

“Country Allocation”: means an amount of PEF Allocation made in support of a country;

“Country Allocation Ceiling”: means the amount up to which a Country Allocation may be made;

“Covered Amount”: means the aggregate amount of Pandemic Bond/Insurance Payout Amounts to be paid per event under a Pandemic Bond or Pandemic Insurance, as the case may be;

“Covered Disease”: means any disease covered under any Pandemic Bond/Insurance Coverage;

“Financial Procedures Agreement”: means a financial procedures agreement entered into between the Trustee and a Responding Agency;

“Initial Period”: means the period commencing on the establishment of the Trust Fund and ending on whichever occurs last of any Pandemic Bond/Insurance Coverage Period end date of any Pandemic Bond issued or Pandemic Insurance purchased during the first year of the PEF Term;
“Pandemic Bond”: means any catastrophe bond issued or to be issued by the Treasury Manager, under which agreed-upon payout(s) will be made available to the Treasury Manager through a reduction of principal amount of the bond due to the bondholders, upon meeting of Activation Criteria;

“Pandemic Bond/Insurance Coverage”: means the coverage under any Pandemic Bond or Pandemic Insurance, under which the Treasury Manager is entitled to receive Pandemic Bond/Insurance Payout Amounts in accordance with the terms of that Pandemic Bond or Pandemic Insurance, as applicable;

“Pandemic Bond/Insurance Coverage Period”: means the period during which a Pandemic Bond/Insurance Coverage is available;

“Pandemic Bond/Insurance Payout Amount”: means an amount of proceeds/funds received or to be received by, or made available to, the Treasury Manager: (a) as a payout under a Pandemic Insurance; or (b) through a reduction of principal amount due to the bondholders under a Pandemic Bond, in both cases, following a determination by the Calculation Agent that the Activation Criteria have been met;

“Pandemic Bond/Insurance Term Sheet”: means a term sheet of a Pandemic Bond or Pandemic Insurance;

“Pandemic Insurance”: means any catastrophe insurance coverage purchased or to be purchased by the Treasury Manager, which may take the form of, but not limited to, over-the-counter derivatives, and under which agreed-upon payout(s) will be made to the Treasury Manager upon meeting of Activation Criteria;

“Pay-in”: means a receipt of the Pandemic Bond/Insurance Payout Amount in the Trust Fund;

"PEF Allocation” means any of PEF Cash Window Allocation and PEF Insurance Window Allocations;

"PEF Cash Window”: means a component of the PEF, which is established for the purpose of providing PEF funding, where funding from the PEF Insurance Window is not available;

"PEF Cash Window Allocation”: means any allocation of PEF funding under the PEF Cash Window;

“PEF Cash Window Review Criteria”: means the criteria for which a Technical Advice is sought for the purpose of considering a provision of any PEF Cash Window Allocation against an infectious disease outbreak, including the level of severity of the outbreak, as specified in this Operations Manual;

“PEF Coordinator”: means the coordinator of the PEF;

“PEF Coverage”: means the coverage of events eligible for PEF Allocation;

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“PEF Eligible Country”: means in relation to the Initial Period, any IDA member country that is an IDA eligible country (i.e., IDA only or blend country) either or both: (a) under the IDA seventeenth replenishment (IDA 17), or/and (b) at the time of submission of a Request for Funds; except if the Steering Body so decides in an exceptional circumstance, the PEF may also provide PEF Cash Window Allocation to an IBRD country that is not an IDA eligible country;

“PEF Insurance Window”: means a component of the PEF, which is established for the purpose of providing PEF funding, funded by and up to the Pandemic Bond/Insurance Payout Amount received in the Trust Fund;

“PEF Insurance Window Allocation”: means any allocation of PEF funding under the PEF Insurance Window;

“PEF Term”: means the period commencing from the establishment of the Trust Fund until the Trust Fund End Disbursement Date;

“Request for Funds”: means a written application submitted or to be submitted by any PEF Eligible Country or Responding Agency, requesting a PEF Allocation;

“Responding Agency”: means subject to entering into a Financial Procedures Agreement with the Trustee, any entity that is identified as a Responding Agency in this Operations Manual, and such entity is named or accredited by the Steering Body for the Country Implementation Modality or Responding Agency Implementation Modality in accordance with the accreditation criteria and procedures developed and approved by the Steering Body in conjunction with the Trustee, pursuant to the terms of the PEF Framework;

“Responding Agency/CIM” means any Responding Agency pre-accredited or accredited for the Country Implementation Modality;

“Responding Agency Implementation Modality”: means arrangements under which PEF funded activities are implemented by a Responding Agency;

“Steering Body”: means a Steering Body of the PEF;

“Treasury Manager”: means the IBRD, either as the issuer of Pandemic Bond(s) and/or the purchaser of Pandemic Insurance(s);

“Trust Fund”: means the Pandemic Emergency Financing Facility Trust Fund, established and administered by the Trustee;

“Trust Fund End Disbursement Date”: means the end disbursement date of the Trust Fund, as such date is set out in the Trust Fund Standard Provisions;

“Trust Fund Standard Provisions”: means the Standard Provisions for the Pandemic Emergency Financing Facility Trust Fund, which shall be applicable to and form an integral part of all Contribution Agreements/Arrangements;
“Trustee”: means the IBRD, acting in its capacity as trustee of the Trust Fund.
Annex I – List of Responding Agencies

MDBs
- Asian Development Bank (ADB)
- African Development Bank (AfDB)
- European Bank for Reconstruction and Development (EBRD)
- European Investment Bank (EIB)
- Inter-American Development Bank (IDB)
- World Bank (WB)

UN Agencies
- Food and Agriculture Organization (FAO)
- United Nations Children’s Fund (UNICEF)
- United Nations Development Programme (UNDP)
- United Nations High Commissioner for Refugees (UNHCR)
- United Nations Population Fund (UNFPA)
- World Food Programme (WFP)
- World Health Organization (WHO)
Annex II – Request for Funds Application

PART A: Country Implementation Modality
For Country-led interventions

1. Date of submission: ______

2. Request for Funds to support:

3. Requestor: Government of ____________________________
   Authorized representative:
   Name and title:
   Contact details:

4. Details of the disease outbreak:
   • Pathogen (e.g., virus family, name, variant):
   • Outbreak start date:
   • Outbreak size as of submission date: confirmed cases _____ confirmed deaths _____
   • Outbreak growth (record of weekly cases, append as needed):

5. Amount requested (US$): ___________

6. Please attach the Outbreak Response Plan that the PEF Funds will financially contribute to.

7. Expected timeline:

10. Designated Responding Agency/CIM (name of MDB) that will supervise implementation of activities led by the country under the Country Implementation Modality:
    World Bank: _____ or Other: ________________; and Cost recovery fee for Responding Agency/CIM: ________%

11. Indicate the distribution (as a percentage) of the portion of the Country Allocation to be allocated to Responding Agencies/RIM that will be implementing activities in the country, under the Responding Agency Implementation Modality.
    FAO: _______ UNHCR: _______ WHO: _______
    UNDP: _______ UNICEF: _______
    UNFPA: _______ WFP: _______

12. Please attach proof of agreement from involved Responding Agency/CIM and Responding Agencies/RIM.

13. Risk Assessment appended (prepared or endorsed by WHO): YES/NO

---

13 The Outbreak Response Plan does not have to be for the PEF funded activities alone. The PEF funds may be used to finance all or any part of a national/regional response plan to the outbreak.
PART B: Responding Agency Implementation Modality
For Regional and Global Interventions

1. Date of submission: ______

2. Request for Funds to support:

3. Requestor: __________________________________________
   Authorized representative: ________________________________
   Name and title: _________________________________________
   Contact details: _________________________________________

4. Details of the disease outbreak:
   • Pathogen (e.g., virus family, name, variant):
   • Outbreak start date:
   • Outbreak size as of submission date: confirmed cases _____  confirmed deaths _____
   • Outbreak growth (record of weekly cases, append as needed):

5. Geographic focus (i.e., names of countries included in the intervention):

6. Amount requested (US$): __________

7. Please attach the Outbreak Response Plan\textsuperscript{14} that the PEF Funds will financially contribute to.

8. Expected timeline:

9. Risk profile appended (prepared or endorsed by WHO): YES/NO

10. Cost recovery fee: _________% 

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\textsuperscript{14} The Outbreak Response Plan does not have to be for the PEF funded activities alone. The PEF funds may be used to finance all or any part of a Responding Agency’s regional response plan to the outbreak.
PART C: Responding Agency Implementation Modality
For Interventions on behalf of a Fragile State

1. Date of submission: ______

2. Request for Funds to support:

3. Requestor: ___________________________________________
   Authorized representative:
   Name and title:
   Contact details:

4. Details of the disease outbreak:
   • Pathogen (e.g., virus family, name, variant):
   • Outbreak start date:
   • Outbreak size as of submission date: confirmed cases _____ confirmed deaths _____
   • Outbreak growth (record of weekly cases, append as needed):

5. Name of country for which Request for Funds is submitted:

6. Amount requested (US$): ___________

7. Please attach the Outbreak Response Plan\textsuperscript{15} that the PEF Funds will financially contribute to.

8. Expected timeline:

9. Risk profile appended (prepared or endorsed by WHO): YES/NO

10. Cost recovery fee: ____________% 

\textsuperscript{15} The Outbreak Response Plan does not have to be for the PEF funded activities alone. The PEF funds may be used to finance all or any part of a Responding Agency’s specific country response plan to the outbreak.
### Annex III – Results Framework

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<td>Measures country PEF-readiness</td>
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<td>4. Percentage of complete applications considered under the Insurance Window that were received within 5 days from date of activation</td>
<td>Numerator: Number of complete applications considered under the Insurance Window that were received within 5 days from date of activation</td>
<td>Date of activation (provided by AIR)&lt;br&gt;Data collected by PEF Coordinator</td>
<td>Per episode</td>
<td>100%</td>
<td>PEF Coordinator (through Calculation Agent)</td>
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<tr>
<td>Result we are striving for</td>
<td>Indicator</td>
<td>How will it be measured</td>
<td>How will it be done</td>
<td>Periodicity</td>
<td>Target</td>
<td>Who is responsible</td>
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<td><em>Measures effectiveness of PEF Coordinator to support countries</em></td>
<td>Denominator- Total number of complete applications considered under the Insurance Window</td>
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<td>5.</td>
<td>Percentage of consultations referred to the Roster of Technical Experts that received technical advice within 48 hours</td>
<td>Numerator- Number of consultations referred to the Roster of Technical Experts that received technical advice within 48 hours Denominator- Total number of consultations of the Roster of Technical Experts</td>
<td>Internal processes monitored by PEF Coordinator</td>
<td>Per episode</td>
<td>100%</td>
<td>PEF Coordinator</td>
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<td></td>
<td><em>Measures effectiveness of ROTE</em></td>
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