

# PANDEMIC EMERGENCY FINANCING FACILITY (PEF) FRAMEWORK<sup>1</sup>

## Preamble

WHEREAS (A) The International Bank for Reconstruction and Development (the “IBRD”) and the International Development Association (the “IDA”) (collectively, the “World Bank”), in collaboration with the World Health Organization (the “WHO”) and other stakeholders, wish to establish a Pandemic Emergency Financing Facility (the “PEF”) to complement efforts underway to strengthen national and international systems to prevent, respond to, and manage future public health crises;

(B) In that context, the World Bank has closely worked with the WHO and other parties in designing the PEF to ensure that it complements existing pools of early pandemic response finance;

(C) It is now proposed that the PEF be established as a financing arrangement entailing a trust fund (the “Trust Fund”) in the form of a financial intermediary fund to be administered by the IBRD as trustee (the “Trustee”), and through which funds may be made available to governments, multilateral agencies, non-governmental organizations and others responders to support efforts to respond to high-severity infectious disease outbreaks before they turn into pandemic;

(D) In order to help mobilize resources for disease outbreak response through the PEF, the IBRD intends to purchase catastrophe insurance coverage(s) from, or issue catastrophe bond(s) to, the private sector, with the aim that, upon an activation of pre-agreed parametric trigger (based on public and observable data), the private sector will make agreed-upon payouts to the IBRD, which shall then be made available to the Trust Fund;

(E) Contributors also expressed their interest in extending financial support to the PEF to assist countries susceptible to be impacted by pandemic outbreaks thereby contributing to prevention of the spread of outbreaks globally, and to this effect, to provide financial contributions to the Trust Fund in support of the PEF, including the PEF Cash Window and the PEF Insurance Window (each, as defined below);

(F) The PEF will disburse, through or to eligible Responding Agencies (as defined below), such resources received in the Trust Fund, to finance critical response measures in the countries impacted by relevant infectious disease outbreaks;

(G) On May 3, 2016, the Executive Directors of the World Bank approved the establishment of the PEF as a financial intermediary fund and the World Bank’s support thereto in certain multiples roles; and

(H) To support a surge response by governments, multilateral agencies and NGOs, the G7 Ise-Shima Summit in May 2016 welcomed the World Bank’s formal announcement of launching the

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<sup>1</sup> Adopted by the Steering Body on June 27, 2017.

PEF, and invited the international community including G7 members to extend, inter alia, financial contributions to this end.

NOW THEREFORE:

## **ARTICLE I — DEFINITIONS**

- 1.01. Unless the context requires otherwise, the capitalized terms used in this PEF Framework shall have the meanings ascribed to them in the Preamble hereto, and the following terms shall have the meaning ascribed to them below:
- (a) “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;
  - (b) “Advisory Committee”: means an Advisory Committee of the PEF;
  - (c) “Applicant”: means any PEF Eligible Country or Responding Agency, which has submitted a Request for Funds to the Coordinator pursuant to Section 6.01 of this PEF Framework;
  - (d) “Calculation Agent”: means a calculation agent of any Pandemic Bond or Pandemic Insurance;
  - (e) “Contribution”: means any funds made or to be made available to the Trust Fund by any Contributor;
  - (f) “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;
  - (g) “Contributor”: means any donor that provides any Contribution to the Trust Fund;
  - (h) “Country Implementation Modality”: has the meaning assigned thereto in Section 6.12 of this PEF Framework;
  - (i) “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;
  - (j) “Covered Disease”: means any disease covered under any Pandemic Bond/Insurance Coverage. In respect of the Initial Period, unless the Treasury Manager decides otherwise after consultation with the PEF Coordinator and approval by the Steering Body prior to issuance of the relevant Pandemic Bond or Pandemic Insurance, the Covered Disease shall include (i) Flu (new or novel influenza A virus with a new or novel genetic subtype, or an influenza A virus whose haemagglutinin gene is antigenically distinct, due to an antigenic shift, from those in seasonal influenza

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. In respect of any subsequent period, the Covered Disease may be revised by the Treasury Manager, after consultation with the PEF Coordinator and approval by the Steering Body;

- (k) “Financial Procedures Agreement”: means a financial procedures agreement entered into between the Trustee and a Responding Agency;
- (l) “Indemnified Party”: has the meaning assigned thereto in Section 12.02 of this PEF Framework;
- (m) “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;
- (n) “Operations Manual”: means operations manual of the PEF adopted by the Steering Body, as the same may be amended from time to time;
- (o) “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 the Activation Criteria;
- (p) “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;
- (q) “Pandemic Bond/Insurance Coverage Period”: means the period during which a Pandemic Bond/Insurance Coverage is available;
- (r) “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;
- (s) “Pandemic Bond/Insurance Term Sheet”: means a term sheet of a Pandemic Bond or Pandemic Insurance;
- (t) “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;

- (u) “PEF Allocation”: means any of PEF Cash Window Allocation and PEF Insurance Window Allocation;
- (v) “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;
- (w) “PEF Cash Window Allocation”: means any allocation of PEF funding under the PEF Cash Window;
- (x) “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, *inter alia*, the level of severity of the outbreak, as specified in the Operations Manual;
- (y) “PEF Coordinator”: means the coordinator of the PEF appointed under Section 2.03 of this PEF Framework;
- (z) “PEF Coverage”: means the coverage of events eligible for PEF Allocation;
- (aa) “PEF Eligible Country”: has the meaning assigned thereto in Section 5.02 of this PEF Framework;
- (bb) “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;
- (cc) “PEF Insurance Window Allocation”: means any allocation of PEF funding under the PEF Insurance Window;
- (dd) “PEF Term”: has the meaning assigned thereto in Section 11.02 of this PEF Framework;
- (ee) “Request for Funds”: means a written application submitted or to be submitted by any PEF Eligible Country or Responding Agency, requesting a PEF Allocation;
- (ff) “Responding Agency”: means subject to entering into a Financial Procedures Agreement with the Trustee, any entity that is identified as a Responding Agency in the Operations Manual, as such entity shall have been 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 this PEF Framework. A Responding Agency may participate in PEF activities under either the Country Implementation Modality or Responding Agency Implementation Modality, as specified for it in the Operations Manual;
- (gg) “Responding Agency Implementation Modality”: has the meaning assigned thereto in Section 6.12 of this PEF Framework;

- (hh) “Steering Body”: means a Steering Body of the PEF;
- (ii) “Technical Expert”: means any person who is on the roster, maintained by the PEF Coordinator, of technical experts of the PEF;
- (jj) “Technical Advice”: means a technical advice of Technical Expert;
- (kk) “Treasury Manager”: means the IBRD, either as the issuer of Pandemic Bond(s) and/or the purchaser of Pandemic Insurance(s);
- (ll) “Trust Fund”: means the Pandemic Emergency Financing Facility Trust Fund, established and administered by the Trustee;
- (mm) “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;
- (nn) “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;
- (oo) “Trustee”: means the IBRD, acting in its capacity as trustee of the Trust Fund;
- (pp) “US\$”: means the lawful currency of the United States of America; and
- (qq) “WHO”: means the World Health Organization, a specialized agency of the United Nations.

1.02. The headings of the Articles, Sections and Schedules are inserted in this PEF Framework for reference only and shall not be taken into consideration in interpreting this PEF Framework.

## **ARTICLE II — ESTABLISHMENT AND OPERATIONS OF THE PEF**

2.01. **Objectives of the PEF:** 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:

(a) make available surge financing to key responders, including governments, multilateral agencies and civil society organizations, to respond to an outbreak with pandemic potential and to minimize its health and economic consequences; and

(b) 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.

2.02. **Operations of the PEF:** In the event of an infectious disease outbreak, subject to other provisions of this PEF Framework, the PEF may provide funding to support response efforts in any PEF Eligible Country through: (a) the PEF Insurance Window; and/or (b) the PEF Cash Window.

- 2.03. **The Coordinator of the PEF:** The World Bank shall serve as the PEF Coordinator, and in such capacity, perform the functions in relation to administration of the PEF as set out in this PEF Framework.
- 2.04. **The Trustee of the Trust Fund:** The IBRD shall serve as the Trustee, and in such capacity, establish the Trust Fund to support the activities of the PEF. The Trustee shall administer the Trust Fund in accordance with the provisions of Contribution Agreements/Arrangements, including the Trust Fund Standard Provisions, and consistent with the provisions of this PEF Framework.
- 2.05. **The Treasury Manager of the PEF:** The IBRD shall serve as the Treasury Manager, and in such capacity, may issue Pandemic Bond(s) or purchase Pandemic Insurance(s) consistent with the provisions of this PEF Framework.
- 2.06. **Compliance with the World Bank Policies and Procedures:** The Trustee, the PEF Coordinator, and the Treasury Manager, respectively, shall perform its functions under this PEF Framework in accordance with the applicable World Bank policies, procedures and practices.

### ARTICLE III – THE TRUST FUND

- 3.01. **Contributors to the Trust Fund:** The Trustee may accept contributions to the Trust Fund from sovereign donors and other donors acceptable to the Trustee (collectively, the “Contributors”, each a “Contributor”). Contributions shall be made by Contributors in accordance with the pertinent Contribution Agreements/Arrangements agreed between the Trustee and the respective Contributor. If any fee payment is required to be made by or on behalf of any country in order for such country to receive any PEF Coverage as PEF Eligible Country, the Trustee may also accept in the Trust Fund any amount of such payment. Any such receipt of funds in the Trust Fund shall be made only in accordance with the Trust Fund Standard Provisions.
- 3.02. **Use of Funds in the Trust Fund:** The Trustee may commit, transfer or use any Contributions and other funds and assets held in the Trust Fund in accordance with, and subject to, the provisions of the Trust Fund Standard Provisions and Contribution Agreements/Arrangements, in support of the operations of the PEF, including in respect of:
- (a) administrative costs, expenses and fees of the World Bank in the performance of its role as Trustee, the PEF Coordinator, the Treasury Manager, respectively, and any amount payable under Section 12.02;
  - (b) payment obligations under Pandemic Bond(s) and/or Pandemic Insurance(s), including any associated premiums (which may include, but not limited to, annual premiums, and any call option premium in case of early redemption or termination), coupons, fees, costs, expenses or other amounts payable thereunder;

- (c) PEF Allocations and any other funds allocated to support disease outbreak response activities in any PEF Eligible Countries, including the amounts to cover costs of Responding Agencies in connection with the activities carried out with such allocations; and
- (d) funding for any other activities of the PEF that are appropriate in view of the objectives of the PEF and approved by the Steering Body based on the submission by the PEF Coordinator of a request for approval.

Except as otherwise agreed with the Trustee and specified in the relevant Contribution Agreement, (i) any amount of Contribution provided as an Insurance Window Contribution in the Contribution Agreement (including any investment income thereon) may be used only for any purposes under paragraphs (a), (b), and (d) above, and (ii) any amount of Contribution provided as a Cash Window Contribution in the Contribution Agreement (including any investment income thereon) may be used only for any purposes under paragraph (a), (c), and (d) above. Tracking and reporting of any application of Contributions under any such paragraphs will be made without establishing a sub-account in the Trust Fund for Insurance Window Contributions or Cash Window Contributions. Unless any higher proportion is otherwise agreed between the Trustee and a Contributor in the Contribution Agreement with respect to the concerned Contribution, any application of Contribution under paragraph (a) will be made on a pro-rata basis between the Insurance Window Contributions and the Cash Window Contributions.

Should there be insufficient resources available in the Trust Fund, at any given time, to make commitments and transfers for all amounts under this Section, the Trustee may use applicable Trust Fund resources in the order of priority from paragraphs (a), (b), (c) to (d) above.

- 3.03. **Trust Fund Funds Available for PEF Insurance Window Allocations:** Notwithstanding Section 3.02 of this PEF Framework, any Pandemic Bond/Insurance Payout Amount received in the Trust Fund may be used only for the purpose of making PEF Insurance Window Allocations in accordance with this PEF Framework and the Trust Fund Standard Provisions, unless any such amount or portion thereof has been determined to be available for funding for any other purposes than funding under the PEF Insurance Window pursuant to Section 6.10 of this PEF Framework. Tracking of such use of funds may be conducted by the Trustee on a notional amount basis without establishing any sub-account in the Trust Fund.
- 3.04. **Commitment and Transfer of Funds to the Treasury Manager:** Without prejudice to any other provisions of this PEF Framework, and subject to the availability of the applicable resources in the Trust Fund, the Trustee will commit (if an immediate transfer of funds is not requested by the Treasury Manager) and/or transfer (upon request of the Treasury Manager) Trust Fund funds to the Treasury Manager for any amount payable under Pandemic Bond(s) and/or Pandemic Insurance(s) or, related to performing the roles of the Treasury Manager, including any associated fees, costs, expenses or other amounts payable, based on the information provided by the Treasury Manager consistent with the terms of Pandemic Bond(s) and/or Pandemic Insurance(s) issued or entered into by the Treasury Manager as applicable, and in accordance with the arrangements agreed between the Treasury Manager and the Trustee.

- 3.05. **Commitment and Transfer of Funds to Responding Agencies:** Subject to the availability of the applicable resources in the Trust Fund, the Trustee may commit and transfer Trust Fund funds to Responding Agencies, including in respect of any PEF Allocation, only based on the amounts of allocations notified by the PEF Coordinator under Section 6.09 of this PEF Framework. Upon transfer of funds, the Trustee shall have no responsibility for the use of Trust Fund funds transferred and activities carried out therewith.

#### **ARTICLE IV – PANDEMIC BOND AND PANDEMIC INSURANCE**

- 4.01. **Issuance of Pandemic Bonds and Pandemic Insurances:** Subject to Sections 4.03 and 4.04 of this PEF Framework, the Treasury Manager may, in its sole discretion, issue Pandemic Bond(s) or purchase Pandemic Insurance(s) (for the account of the IBRD, unless otherwise specified in the relevant Pandemic Bond/Insurance Term Sheet) in the manner and form it deems appropriate, and take necessary actions, in accordance with its applicable policies, procedures, guidelines and practices; provided that the Treasury Manager shall, in consultation with the PEF Coordinator and the Trustee, finalize the terms of the Pandemic Bond/Insurance Term Sheet for each relevant period, which shall set out, *inter alia*, relevant Activation Criteria, Covered Diseases, covered countries/territories, Covered Amounts, Pandemic Bond/Insurance Coverage Period, and amounts of premium to be paid under the Pandemic Bond or Pandemic Insurance, as applicable, in accordance with Section 4.02 of this PEF Framework.
- 4.02. **Terms of the Pandemic Bond/Insurance Term Sheet:** (a) In relation to the Initial Period, unless otherwise agreed among the Treasury Manager, the PEF Coordinator and the Steering Body as applicable, the terms of the Pandemic Bond/Insurance Term Sheet shall be established based on the principles set out in Schedule 1 (Principles for the Terms of Pandemic Bond/Insurance Coverage) to this PEF Framework. Any extension by the Treasury Manger of the Pandemic Bond/Insurance Coverage Period beyond three (3) years shall be subject to prior approval by the Steering Body as set out in the Operations Manual.
- (b) In relation to any subsequent period after the Initial Period, after consultation with the PEF Coordinator and approval by the Steering Body, the Treasury Manager may revise the principles for the terms of Pandemic Bond/Insurance Coverage set out in Schedule 1 to this PEF Framework, taking into account the review of PEF Coverage conducted under Section 5.04 of this PEF Framework as appropriate.
- (c) For the avoidance of doubt, the Treasury Manger shall: (i) have sole discretion to determine the terms and arrangements, under which Pandemic Bond(s) or Pandemic Insurance(s) may be issued or purchased, so long as the terms of Pandemic Bond and/or Pandemic Insurance are based on the principles (including revisions thereto, if any) in accordance this Section 4.02, and (ii) not be required to seek approval, endorsement or consultation from the Steering Body or any Contributor with respect thereto.
- 4.03. **Issuance of Pandemic Bond and Pandemic Insurance Contingent upon Full Cost Recovery:** Any issuance of any Pandemic Bond or purchase of any Pandemic Insurance by the Treasury Manager shall be contingent upon the Treasury Manager’s full cost recovery of any fees, costs, expenses or other amounts incurred by it in connection with or arising as a result of such issuance or purchase, pursuant to Section 10.01 of this PEF Framework. To that



end, it is acknowledged that the Treasury Manager shall have the right, under Section 3.04 of this PEF Framework, to request commitments and/or transfers of any unallocated or uncommitted resources in the Trust Fund, including any receivables thereto, which are eligible for such use under the terms of this PEF Framework and the Trust Fund Standard Provisions.

4.04. **Funds Available Prior to Issuance of Pandemic Bond and Pandemic Insurance:** The Treasury Manger may issue a Pandemic Bond or purchase a Pandemic Insurance only if it is satisfied prior to each issuance or purchase that:

- (a) all funds that are necessary to make all payments under the entire term of the Pandemic Bond or Pandemic Insurance are being held by the Trustee in the Trust Fund for immediate transfer to the Treasury Manager when requested by the Treasury Manager; or
- (b) in the absence of immediately available funds, appropriate arrangements have been made under the Pandemic Bond and/or Pandemic Insurance (such as, but not limited to, early redemption or termination of the Pandemic Bond or Pandemic Insurance should there be insufficient funds in the Trust Fund for the Treasury Manager to make payments for any relevant coupon or premium thereunder), to address any risk of mismatch between any payment obligation under the Pandemic Bond and/or Pandemic Insurance on one hand and the availability of funds in the Trust Fund on the other; or
- (c) alternatively, in the absence of immediately available funds, the Trustee has the ability to demand payment of any and all funds that are necessary to make all payments under the entire term of the Pandemic Bond or Pandemic Insurance from the Contributor(s) within a timeframe to be specified by the Treasury Manager in accordance with the provisions of the relevant Contribution Agreement/Arrangement. For the avoidance of doubt, a decision to proceed with an issuance of a Pandemic Bond or purchase of a Pandemic Insurance under this Section 4.04(c) shall be at the sole discretion of the Treasury Manager.

4.05. **Proceeds from Pandemic Bonds and Pandemic Insurances:** Unless otherwise specified in the relevant Pandemic Bond/Insurance Term Sheet, the Treasury Manager shall transfer to the Trust Fund, in accordance with the arrangements agreed between the Treasury Manager and the Trustee, any Pandemic Bond/Insurance Payout Amounts upon and to the extent of its receipt of the amounts under the Pandemic Insurance or, as the case may be, the Pandemic Bond; provided that the Treasury Manager may withhold any such transfer of funds in an exceptional circumstance, if, and to the extent that, in the reasonable opinion of the Treasury Manager, any such amount is, or is likely to be, subject to any dispute or claim by any party. For the avoidance of doubt, in no event shall any such amount to be transferred by the Treasury Manager include any investment income earned on any principal amount of Pandemic Bond held by the Treasury Manager.

4.06. **Other Assets from Pandemic Bonds and Pandemic Insurances:** If the Treasury Manager recognizes the value of any insurance under Pandemic Bond or Pandemic Insurance purchased for the PEF as assets held by the Treasury Manager, such amounts so recognized at any reporting period of the Treasury Manager may be deemed to be owing to the Trust Fund in accordance with the arrangements agreed between the Treasury Manager and the Trustee.

- 4.07. **Funding by the Treasury Manager:** Notwithstanding Section 4.05 of this PEF Framework, if the Treasury Manager had, at its sole discretion for whatever reason, transferred to the Trust Fund, out of its own resources, any or all portion of the relevant Pandemic Bond/Insurance Payout Amount prior to its receipt or availability of the Pandemic Bond/Insurance Payout Amount under the relevant Pandemic Insurance, the Treasury Manager may retain in its own account any amount of payment that it has subsequently received or made available under the Pandemic Insurance or Pandemic Bond, to the extent it is necessary to off set with any amount the Treasury Manager had transferred out of its own resources under this Section.

## ARTICLE V – PEF COVERAGE

- 5.01. **Funding under PEF Coverage:** Subject to other provisions of this PEF Framework, the PEF may make funding available for the purpose of responding to an infectious disease outbreak in PEF Eligible Countries as follows:
- (a) under the PEF Insurance Window, PEF Insurance Window Allocations may be made out of the relevant Pandemic Bond/Insurance Payout Amount received in the Trust Fund in accordance with Section 6.03 of this PEF Framework, following determination by the Calculation Agent that the Activation Criteria have been met under the Pandemic Bond or Pandemic Insurance; and
  - (b) under the PEF Cash Window, PEF Cash Window Allocations may be made from the applicable resources available in the Trust Fund, in accordance with Sections 6.04 to 6.06 of this PEF Framework, to: (i) provide funding for certain infectious disease outbreaks, which are not, or are not yet, eligible for PEF Insurance Window Allocations, or (ii) provide additional funding to supplement PEF Insurance Window Allocations.
- 5.02. **PEF Eligible Country:** Subject to other provisions of this PEF Framework, the PEF may extend its PEF Coverage to any PEF Eligible Country. 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. Such criteria of the PEF Eligible Country may be revised in relation to any subsequent period upon: (a) adoption by the Steering Body based on a recommendation of the PEF Coordinator, and (b) acceptance by the Trustee.
- 5.03. **Allocation for Country Implementation and Responding Agency Implementation:** The amount of any PEF Allocation to support outbreak response activities in a PEF Eligible Country shall be apportioned between: (a) an allocation of funds made available to the PEF Eligible Country, through an eligible Responding Agency(-ies) under the Country Implementation Modality, and (b) an allocation of funds made available to one or more eligible Responding Agencies under the Responding Agency Implementation Modality. Any such apportionment shall be determined in accordance with the provisions of the Operations Manual.

- 5.04. **Review of PEF Coverage:** No later than six (6) months prior to the expiry of the Initial Period (or the current period, as the case may be), the PEF Coordinator shall conduct a review of the terms of PEF Coverage and Pandemic Bond/Insurance Coverage, including Activation Criteria, Covered Disease, Covered Amount and PEF Eligible Countries, with the view to compiling the experience and lessons learned from the initial or current period. The PEF Coordinator shall conduct such a review in consultation with the Treasury Manager and with input from the Steering Body and the Advisory Committee.

## ARTICLE VI – PEF ALLOCATION

- 6.01. **Submission of Request for Funds from Applicant:** (a) In the event of an infectious disease outbreak, subject to Section 6.08 of this Framework, (i) a PEF Eligible Country affected by such an event may submit to the PEF Coordinator a Request for Funds for an Allocation under Country Implementation Modality and/or Responding Agency Implementation Modality, and (ii) any Responding Agency may submit a Request for Funds to the PEF Coordinator for a PEF Allocation under the Responding Agency Implementation Modality, in either case under and subject to the conditions set out in the Operations Manual.
- (b) Any such Request for Funds shall be made substantially in the form and in the manner as set forth in the Operations Manual and contain all the information required therein, including but not limited to:
- (i) details of the relevant infectious disease outbreak;
  - (ii) relevant risk assessment prepared or endorsed by the WHO;
  - (iii) requested amount of PEF funding; and
  - (iv) designated Responding Agency(-ies) under the Country Implementation Modality and the Responding Agency Implementation Modality, respectively.
- (c) In the case that a Responding Agency requests a recovery of the costs incurred by it in connection with administration of PEF Allocation funds transferred to it, such request shall also be included in the Request for Funds, as further set out in Section 7.03 of this PEF Framework.
- 6.02. **Review of Request for Funds by PEF Coordinator:** Upon receipt of a Request for Funds under Section 6.01 of this PEF Framework, the PEF Coordinator shall review if a Request for Funds contains all necessary information and material as required in the Operations Manual. If the PEF Coordinator determines that the Request for Funds does not contain all information required under the Operations Manual, the PEF Coordinator may request the Applicant to provide it with such missing information. If the Applicant fails to provide such additional information within the period specified in the Operations Manual, that Request for Funds will be deemed to have been withdrawn.
- 6.03. **Determination for PEF Insurance Window Allocation:** If: (a) the Calculation Agent has determined that the relevant Activation Criteria have been met, and (b) the relevant Pandemic Bond/Insurance Payout Amount has been received in the Trust Fund, then the PEF Coordinator shall act as follows:

- (i) if the PEF Coordinator determines in accordance with the provisions of the Operations Manual that: (x) the infectious disease outbreak referred to in the Request for Funds meets the Activation Criteria against which a Pandemic Bond/Insurance Payout Amount is made; and (y) such Request for Funds contain all necessary information and material as required in the Operations Manual, including but not limited to the relevant risk assessment prepared or endorsed by the WHO in the satisfactory form, then, subject to Section 6.08 of this PEF Framework, the PEF Insurance Window Allocation shall be made out of the relevant Pandemic Bond/Insurance Payout Amount that has been received in the Trust Fund, subject to and in accordance with the provisions of the Operations Manual. The PEF Coordinator shall calculate the PEF Insurance Window Allocation amount to be made to the concerned Applicant out of the relevant Pandemic Bond/Insurance Payout Amount based on the formula set out in the Operations Manual; and
- (ii) if the PEF Coordinator determines in accordance with the Operations Manual that the Applicant is not eligible for PEF Insurance Window Allocation, the PEF Coordinator shall instead process the Request for Funds under the PEF Cash Window in accordance with Sections 6.04 through 6.07 below.

**6.04. Submission of Request for Funds for Cash Window Allocation: If:**

(a) the Request for Funds is determined not eligible for a PEF Insurance Window Allocation under Section 6.03 of this PEF Framework, but the PEF Coordinator determines in accordance with the Operations Manual that it may be eligible for a PEF Cash Window Allocation, or

(b) the PEF Insurance Window Allocation is not sufficient to meet necessary funding requested under the Request for Funds, and the PEF Coordinator determines in accordance with the Operations Manual that it may be eligible for a PEF Cash Window Allocation;

then, the PEF Coordinator shall confirm with the Trustee if there are sufficient applicable resources available in the Trust Fund. Following confirmation of availability of sufficient resources in the Trust Fund, the PEF Coordinator shall send such Request for Funds to Technical Experts for review in accordance with the Operations Manual.

**6.05. Review of Request for Funds by Technical Experts:** The Technical Experts will be requested to: (a) review the Request for Funds on the basis of submitted evidence, risk assessment prepared or endorsed by the WHO and other information, and (b) submit their respective Technical Advice to the PEF Coordinator with respect to the PEF Cash Window Review Criteria within the timeframe specified, as further set out in the Operations Manual.

**6.06. Determination for PEF Cash Window Allocation:** Upon receipt of the Technical Advices under Section 6.05 of this PEF Framework, and to the extent that there are sufficient applicable resources available in the Trust Fund as confirmed by the Trustee under Section 6.04 of this PEF Framework, the PEF Coordinator shall act as follows:

- (a) if it is determined in accordance with the procedures set out in the Operations Manual that the Request for Funds meets the PEF Cash Window Review Criteria, the PEF Coordinator shall forward the Request for Funds to the Steering Body for approval that a PEF Cash Window Allocation will be made in the amount calculated in accordance

with the formula set out in the Operations Manual. Subject to Section 6.08 of this PEF Framework, the PEF Cash Window Allocation shall be made upon approval by the Steering Body; and

- (b) if it is determined in accordance with the procedures set out in the Operations Manual that the Request for Funds does not meet the PEF Cash Window Review Criteria, the PEF Coordinator will notify the Applicant and the Steering Body that the application is ineligible for PEF Allocation.

If the PEF Coordinator receives no Technical Advice within the timeframe set out in Section 6.05 of this PEF Framework, the PEF Coordinator shall take relevant steps in accordance with the provisions of the Operations Manual.

- 6.07. **Notification to the Applicant:** The PEF Coordinator shall promptly notify the Applicant and the relevant designated Responding Agency of the outcome of the review of Request for Funds. (a) In the case of any PEF Insurance Window Allocation, promptly following its determination of PEF Insurance Window Allocation under Section 6.03 of this PEF Framework, and (b) in the case of any PEF Cash Window Allocation, promptly following approval of the Steering Body in accordance with Section 6.06 of this PEF Framework, the PEF Coordinator shall notify the Applicant, the respective designated Responding Agency and the Steering Body, of the amount of PEF Allocation under the Applicant's Request for Funds.
- 6.08. **Confirmation with the Designated Responding Agency:** Except for the case that a Responding Agency is the Applicant under Section 6.01 of this Framework to which an PEF Allocation is made, any PEF Allocation shall be subject to receipt by the PEF Coordinator of the respective designated Responding Agency's confirmation of its participation with respect to the portion of PEF Allocation for which the Responding Agency is designated. Such confirmation shall be submitted to the PEF Coordinator together with the submission by the Applicant of the Request for Funds where possible.
- 6.09. **Transfer of PEF Funds to Responding Agency:** Any commitment and transfer of Trust Fund funds by the Trustee for PEF Allocations and any other allocations made under this Article VI (PEF Allocation) shall be made to the designated Responding Agency. Upon notification to the Applicant under Section 6.07 above and subject to Section 6.08 above, the PEF Coordinator shall notify the Trustee of the relevant allocated amount, based on which the Trustee shall commit and transfer relevant Trust Fund funds in accordance with the terms of the Financial Procedures Agreement. In the case of any PEF Insurance Window Allocation, any transfer of Trust Fund funds shall be made only after the corresponding Pandemic Bond/Insurance Payout Amount has been received in the Trust Fund.
- 6.10. **Availability of Pandemic Bond/Insurance Payout Amount for Other Purposes:** If, at the expiry of prescribed period in the Operations Manual for submission of a Request for Funds for the Insurance Window Allocation, there remains any balance of the Pandemic Bond/Insurance Payout Amount that has not been used for any PEF Insurance Window Allocation due to absence of submission of Requests for Funds by affected PEF Eligible Countries or any other reason, then any such remaining balance shall be made available for funding for any other purposes than funding under the PEF Insurance Window.

- 6.11. **Eligible Activities:** Any funding of PEF Allocations under this Article VI (PEF Allocation) shall be used for the purpose of responding to the relevant infectious disease outbreak, and for eligible activities set out in the Operations Manual, and if and to the extent permitted in the Operations Manual, it may be used to retroactively finance payments for such eligible activities in accordance with the policies and procedures of the relevant Responding Agency.
- 6.12. **Implementation Modality:** PEF funded activities may be implemented: (i) by a PEF Eligible Country, whereby the designated Responding Agency will supervise the implementation of such activities by the PEF Eligible Country (the “Country Implementation Modality”), or (ii) by the concerned Responding Agency (the “Responding Agency Implementation Modality”). In both cases, in accordance with Section 6.09 of this PEF Framework, funding of PEF Allocations will be transferred to the relevant Responding Agency, who will assume responsibility for administration of PEF funds as set out in Article VII (Responding Agency) of this PEF Framework.

## ARTICLE VII – RESPONDING AGENCY

- 7.01. **Arrangements between the Trustee and Responding Agency:** Each Responding Agency shall enter into a Financial Procedures Agreement with the Trustee, setting out, *inter alia*, the procedures relating to the commitment and transfer of Trust Fund funds to the Responding Agency in respect of PEF Allocations and any other Trust Fund funds allocations, and the administration of such funds by the Responding Agency.
- 7.02. **Responsibilities of Responding Agency:** Without prejudice to the provisions of the Financial Procedures Agreement, each Responding Agency is responsible for:
- (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 have 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; and
  - (e) cooperating with reviews or evaluations of the operations of the PEF under the terms acceptable to the Responding Agency.

A Responding Agency is also expected, as appropriate, to: (i) coordinate and exchange information with relevant country level coordination mechanisms, and (ii) support PEF Eligible Countries in preparing Requests for Funds, for which it is a designated Responding Agency and/or in implementing the Activities funded by the PEF.

- 7.03. **Costs of Responding Agency:** A Responding Agency may use a portion of PEF Insurance Window Allocation or PEF Cash Window Allocation, as the case may be, transferred to it, to cover costs incurred by it in connection with the administration of PEF Allocation funds transferred to it (except where any funds are separately allocated by the Steering Body to the

Responding Agency for that purpose); provided that the proposed arrangement of the cost recovery to be charged to the PEF Allocation shall be: (a) stated in the relevant Request for Funds; and (b) subject to the terms and conditions specified in the Operations Manual.

## **ARTICLE VIII - GOVERNANCE STRUCTURE**

- 8.01. **Governance Structure of the PEF:** The governance structure of the PEF consists of a Steering Body, an Advisory Committee, the PEF Coordinator and the Trustee, and is supported by the services of the Treasury Manager and Technical Experts.
- 8.02. **The Steering Body:** The Steering Body will keep under review the operations of the PEF as a whole, and consist of: (a) as voting members, up to seven (7) representatives from Contributors (or a constituency(-ies) of Contributors) selected in accordance with the rules of procedure for the Steering Body, and (b) as non-voting members, the World Bank and the WHO, and if so decided by the Steering Body, representative(s) from each of the following categories: (i) other Responding Agencies, (ii) PEF Eligible Countries, and (iii) civil society organizations; provided that unless otherwise approved by the Steering Body, the total number of non-voting members shall in no event be larger than the total number of voting members or five (5), whichever is larger. If representatives from other Responding Agencies, PEF Eligible Countries and civil society organizations do not serve as non-voting members, they may participate in the meetings of the Steering Body as observers, as shall be further set out in the rules of procedure for the Steering Body.
- 8.03. **Functions of the Steering Body:** The Steering Body shall have the following functions:
- (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 this PEF Framework;
  - (c) adopting the Operations Manual in accordance with Section 9.01 of this PEF Framework;
  - (d) approving any waiver of the Operations Manual in accordance with Section 9.01 of this PEF Framework;
  - (e) adopting any revision to the criteria of PEF Eligible Country under Section 5.02 of this PEF Framework;
  - (f) endorsing any revision to the principles, based on which the terms of the Pandemic Bond Insurance Term Sheet shall be established under Section 4.02 of this PEF Framework;
  - (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 shall be set out in the Operations Manual;
  - (h) accrediting any additional Responding Agency in accordance with the provisions of the 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 shall be set out in the 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.

8.04. **Decision Making of the Steering Body:** Decision of the Steering Body shall be made as follows:

- (a) The Steering Body will meet once a year or such other frequency as may be decided by the Steering Body, and will be chaired by the World Bank (in a capacity as a non-voting member of the Steering Body) and co-chaired by another member of the Steering Body selected in accordance with the rules of procedure for the Steering Body.
- (b) Time is of the essence in all decisions of the Steering Body, and unless otherwise decided by the Steering Body, any such decisions (except in relation to the functions set out in Section 8.03 (a), (b), (c), (e), (f), (g), and (j) and, unless otherwise decided by the Steering Body, Section 8.03 (o) of this PEF Framework) may be taken by emails (or other means if so specified in the Operations Manual) without a meeting on a no-objection basis from its voting members.
- (c) Any decisions by the Steering Body in relation to the functions set out in Section 8.03 (a), (b), (c), (e), (f), (g) and (j) and, unless otherwise decided by the Steering Body, Section 8.03 (o) of this PEF Framework shall be made by consensus at a meeting of the Steering Body. If a consensus cannot be reached among the voting members on the Steering Body, decisions shall be conducted by majority vote on the basis of one voting member one vote.
- (d) Notwithstanding Section 8.04 (c) 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 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 from its voting members. If any voting member of the Steering Body calls for a meeting, the PEF Coordinate may organize a special meeting of the Steering Body to discuss and decide on the matter.
- (e) Rules of procedure for the Steering Body shall be set out in the Operations Manual.

8.05. **The PEF Coordinator:** The PEF Coordinator will provide secretariat services and technical support for day-to-day operations of the PEF under this PEF Framework, and shall be comprised of professional and administrative staff employed by the World Bank on an as needed basis. The scope of activities as the PEF Coordinator shall include:

- (a) providing secretariat services to the Steering Body and the Advisory Committee, including convening and servicing 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 the 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 in day-to-day administration of the Trust Fund;
- (f) maintaining the roster of Technical Experts, requesting reviews of Requests for Funds by Technical Experts, receiving Technical Advices, and making any other arrangements with the Technical Experts as appropriate;
- (g) making recommendation to the Steering Body for any amendment or waiver of the provisions of the Operations Manual;
- (h) conducting activities related to monitoring, collecting intelligence and analyzing any ongoing outbreaks and response efforts by national governments and national and international responding agencies;
- (i) providing support to PEF Eligible Countries in preparing and submitting Requests for Funds, including preparing or updating their response plans; and
- (j) performing other functions as may be necessary for facilitation of the operations of the PEF.

8.06. **Technical Experts:** The roster of Technical Experts shall include individuals selected from academic, research and other institutions globally with specific expertise in epidemiology for infectious diseases, in accordance with the procedures set out in the Operations Manual. The Technical Experts will review Request for Funds upon request by the PEF Coordinator, and submit a Technical Advice to the PEF Coordinator in accordance with Section VI (PEF Allocation) of this PEF Framework;

8.07. **The Advisory Committee:** The Advisory Committee is a group of stakeholders of the PEF, including representatives from Contributors, Responding Agencies, PEF Eligible Countries, the World Bank, the WHO, academia, research agencies, public health agencies, UN agencies, civil society organizations and other stakeholders, as appropriate. The Advisory Committee will meet annually (or such other frequency decided by the Advisory Committee and the PEF Coordinator) to: (a) share information and consider global issues relating to pandemic preparedness, response and financing, and provide inputs to the Steering Body; and (b) play a sponsoring role for simulations and periodic drill exercises. A meeting of the Advisory Committee shall be chaired by the World Bank Group.

## ARTICLE IX – OPERATIONS MANUAL

9.01. **Operations Manual:** The PEF Coordinator shall prepare, for adoption by the Steering Body, the Operations Manual, which sets out, among others, policies, procedures and standards governing provisions of PEF Coverage and PEF Allocations, rules of procedure for the Steering Body, and accreditation of Responding Agencies. As necessary, the PEF Coordinator shall also prepare any amendment thereto or waiver thereof, for adoption or approval by the Steering Body, subject to no-objection by the Trustee. The PEF Coordinator shall furnish a copy of the current Operations Manual to all Responding Agencies, the Steering Body, and upon request, to any PEF Eligible Country.

- 9.02. **Inconsistency between this PEF Framework and the Operations Manual:** The implementation of the PEF shall be carried out in accordance with the provisions of this PEF Framework and the Operations Manual. If any of the provisions of the Operations Manual is inconsistent with the provisions of this PEF Framework, the provisions of this PEF Framework shall prevail.

## ARTICLE X – COMPENSATION

- 10.01. **Full Cost Recovery of the World Bank:** The World Bank in its capacity as the Trustee, the PEF Coordinator, and the Treasury Manager will operate under full cost recovery basis, and shall 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, the Treasury Manager in accordance with the procedures set out in the Trust Fund Standard Provisions.

## ARTICLE XI – DURATION, TERMINATION AND AMENDMENT

- 11.01. **Duration and Termination of Roles of the World Bank:** The World Bank will act as the Trustee, the PEF Coordinator, the Treasury Manager for the duration of the PEF Term unless the World Bank chooses to terminate its participation upon providing six (6) months prior written notice to the Steering Body. Following termination, the World Bank shall carry on no business for the PEF other than for the purpose of winding up its affairs; except that (i) the World Bank shall continue its activities in connection with any Pandemic Bond, Pandemic Insurance and Financial Procedures Agreement, issued, purchased or entered into prior to the end of the notice period; and (ii) all the powers and rights of the World Bank under this PEF Framework, including the rights to be reimbursed or paid for the fees, costs and expenses incurred by it, shall continue; both until such time that all outstanding commitments and liabilities thereunder have been satisfied.
- 11.02. **The PEF Term:** The PEF Term shall be the period commencing from the establishment of the Trust Fund until the Trust Fund End Disbursement Date.
- 11.03. **Transfer of Roles of the World Bank at Termination:** Notwithstanding Section 11.01 above, in the event of termination of the World Bank’s roles as the Trustee, the PEF Coordinator, and the Treasury Manager, the World Bank may arrange for an orderly transition of all services provided under this PEF Framework to another suitable entity, as well as the transfer of any assets belonging to the Trust Fund to another suitable entity, if the World Bank determines such arrangements to be appropriate after consultation with the Steering Body.
- 11.04. **Amendment of this PEF Framework:** This PEF Framework and all Schedules hereto may be amended only with the written agreement of all Contributors and the World Bank; except that the World Bank may make any amendments to this PEF Framework, which are immaterial or inconsequential, on the basis that there is no objection from the Steering Body.

## ARTICLE XII – LIMITATION OF LIABILITY

- 12.01. **No Liability:** The World Bank shall not be liable for any error of judgment, or for any act, omission or loss suffered by the Contributors, Responding Agencies or PEF Eligible Countries in connection with any matter related to its role as the Trustee, the PEF Coordinator, the Treasury Manager. The World Bank may reasonably assume the accuracy, completeness and sufficiency of any and all information and documents related to the Activation Criteria, or reports, advices or decisions of the Steering Body or the Technical Experts, without undertaking any separate and independent verification on its own account. World Bank’s use of such information and documents in any Pandemic Bond or Pandemic Insurance documentation will in no circumstances be deemed to constitute an explicit or implicit endorsement of their contents by the World Bank.
- 12.02. **Indemnity:** The World Bank, as the Trustee, the PEF Coordinator, the Treasury Manager, and any person who is, or has been, an officer, employee or agent of the World Bank in such capacity or of the PEF (each an “Indemnified Party”) shall be indemnified out of the Trust Fund against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing, and attorneys’ fees and expenses incurred by it as a result of the performance of its role and responsibilities under this PEF Framework) which any Indemnified Party may incur or which may be made against any of them (or in respect of any act or omission of a delegate or agent of the World Bank or the PEF) arising out of or in connection with the activities of the PEF, except as may directly result from gross negligence or willful misconduct by the World Bank .

## ARTICLE XIII –PRIVILEGES AND IMMUNITIES

- 13.01. **Privileges and Immunities:** Nothing in this PEF Framework will be considered a waiver of any privileges or immunities of the World Bank under its Articles of Agreement or any applicable law, of which are expressly reserved.

## Schedule 1

### **Principles for the Terms of Pandemic Bond/Insurance Coverage**

In relation to the Initial Period, unless otherwise agreed among the Treasury Manager, the PEF Coordinator and the Steering Body, the terms of the Pandemic Bond/Insurance Term Sheet shall be established based on the following principles:

- (a) The Pandemic Bond/Insurance Coverage will cover an event of Covered Disease outbreak. In the case of Covered Disease which is not Flu, the Pandemic Bond/Insurance Coverage will cover an event of Covered Disease outbreak for which the geographic spread is regional (involving two or more countries) or global (involving eight or more countries);
- (b) The maximum payment of Covered Amount may not exceed (i) US\$ 300,000,000 for Flu; (ii) US\$ 250,000,000 for Coronavirus; (iii) US\$ 200,000,000 for Filovirus; and (iv) US\$ 100,000,000 for other Covered Diseases;
- (c) In the case of an outbreak of Flu, the Activation Criteria will be set in such a manner that if the criteria are met, the Pandemic Insurance will be triggered in its entirety and/or the principal amount due to the bondholders under a Pandemic Bond will be reduced in its entirety to zero. In all other cases, the Activation Criteria will be set in such a manner that multiple payouts can be made under the Pandemic Insurance and multiple reductions of the principal amount can occur under the Pandemic Bond, depending on the aggregate number of deaths or other criteria;
- (d) Activation Criteria will be established based on thresholds related to outbreak severity, including the number of cases, the number of death, the geographic spread and the growth rate; and
- (e) Pandemic Bond/Insurance Coverage Period may not exceed three (3) years with possible extension(s) upon occurrence of pre-defined extension event(s).