

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: PAD1419

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF EURO 13.4 MILLION
(US\$15 MILLION EQUIVALENT)

TO THE

REPUBLIC OF CÔTE D'IVOIRE

FOR THE
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT

SEPTEMBER 8, 2015

Education Global Practice
AFRICA Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective September 4, 2015)

Currency Unit = Euro
Euro 0.89210045 = US\$1

FISCAL YEAR
(Côte d'Ivoire)
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AAU	Association of African Universities
ACE	Africa Centers of Excellence
AF	Additional Financing
AFD	French Development Agency (<i>Agence Française de Développement</i>)
AfDB	Africa Development Bank
CAMES	African and Malagasy Council on Higher Education (<i>Conseil Africain et Malgache pour l'Enseignement Supérieur</i>)
CCMP	Control of Public Procurement Commission (<i>Commission de Contrôle des Marchés Publics</i>)
CL	Center Leader
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
CQS	Consultants Qualifications
DAAD	German Academic Exchange Service
DAF	Directorate of Administration and Finance
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DP	Development Partner
DPL	Development Policy Loan
ECOWAS	Economic Community of West African States
EEP	Eligible Expenditure Program
ENSEA	National Higher School of Statistics and Applied Economics (<i>Ecole Nationale Supérieure de Statistique et d'Economie Appliquée</i>)
EOI	Expression Of Interest
ESMP	Environmental and Social Management Plan
ESW	Economic Sector Work
EU	European Union
FA	Financing Agreement
FM	Financial Management
GDP	Gross Domestic Product
GRS	Grievance Redress Service

GSE	Local Education Group (<i>Groupe Sectoriel de l'Education</i>)
HEI	Higher Education Institution
ICT	Information and Communication Technology
IDA	International Development Association
IDB	Islamic Development Bank
IGF	General Inspectorate of Finance (<i>Inspection Générale des Finances</i>)
INP-HB	Houphouet-Boigny National Polytechnic Institute (<i>Institut National Polytechnique Houphouet-Boigny</i>)
IP	Implementation Plan
IPF	Investment Project Financing
IT	Information Technology
KPI	Key Performance Indicator
LCS	Least Cost Selection
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
MESRS	Ministry of Higher Education and Scientific Research (<i>Ministère de l'Enseignement Supérieur et de la Recherche Scientifique</i>)
MOF	Ministry of Finance
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
PAD	Project Appraisal Document
PBF	Performance-Based Financing
PDO	Project Development Objective
PEFA II	Public Expenditure and Financial Accountability
PEMFARII	Public Expenditure Management and Accountability Review
PFM	Public Financial Management
PhD	Doctor of Philosophy
PPP	Public Private Partnership
P-RAMS	Procurement Risk Assessment and Management System
PforR	Program for Results
QCBS	Quality- and Cost-Based Selection
R&D	Research and Development
RF	Results Framework
RFU	Regional Facilitation Unit
SOE	Statement Of Expenditure
SORT	Systematic Operations Risk-rating Tool
SSA	Sub-Saharan Africa
STEM	Science, Technology, Engineering and Mathematics
TA	Technical Assistance
TOR	Terms of Reference
TVET	Technical and Vocational Education and Training
UFHB	University of Felix Houphouet-Boigny
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WAEMU	West African Economic and Monetary Union

WASCAL West African Science Service Center on Climate Change and Adapted Land
Use
WB World Bank

Regional Vice President:	Makhtar Diop
Country Director:	Ousmane Diagana
Senior Global Practice Director:	Claudia Maria Costin
Practice Manager/Manager:	Peter Nicolas Materu
Task Team Leaders:	Andreas Blom (regional) and Hamoud Abdel Wedoud Kamil (Côte d'Ivoire)

CÔTE D’IVOIRE
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE
ADDITIONAL FINANCING

CONTENTS

Additional Financing Data Sheet	iv
I. Introduction	1
II. Background and Rationale for Additional Financing	2
III. Proposed Changes	9
IV. World Bank Grievance Redress	17
 Annexes	
Annex 1. Revised Results Framework	19
Annex 2. Systematic Operations Risk-rating Tool (SORT)	24
Annex 3. Detailed Project Description	26
Annex 4. Implementation Arrangements	38

ADDITIONAL FINANCING DATA SHEET

Western Africa

Africa Higher Education Centers of Excellence Project Additional Financing (P153111)

AFRICA

GED07

Basic Information – Parent							
Parent Project ID:	P126974	Original EA Category: B - Partial Assessment					
Current Closing Date:	31-Dec-2018						
Basic Information – Additional Financing (AF)							
Project ID:	P153111	Additional Financing Type (from AUS):		Scale Up			
Regional Vice President:	Makhtar Diop	Proposed EA Category:		B – Partial Assessment			
Country Director:	Ousmane Diagana	Expected Effectiveness Date:		01-Dec-2015			
Senior Global Practice Director:	Claudia Maria Costin	Expected Closing Date:		31-Dec-2019			
Practice Manager/Manager:	Peter Nicolas Materu	Report No:		PAD1419			
Team Leader(s):	Andreas Blom						
Borrower							
Organization Name	Contact	Title	Telephone	Email			
Ministry of Finance	Adama Coulibaly	Director of Cabinet	0022520200838	adcoulibaly@hotmail.com ad.coulibaly@gouv.ci			
Project Financing Data - Parent (Africa Higher Education Centers of Excellence Project- P126974) (in USD Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P126974	IDA-54120	Effective	15-Apr-2014	05-Jun-2014	02-Sep-2014	31-Dec-2018	31-Dec-2018
P126974	IDA-54150	Effective	15-Apr-2014	25-Feb-2015	22-May-2015	31-Dec-2018	31-Dec-2018
P126974	IDA-54190	Effective	15-Apr-2014	10-Jul-2014	18-Dec-2014	31-Dec-2018	31-Dec-2018
P126974	IDA-54200	Effective	15-Apr-2014	16-May-2014	16-May-2014	31-Dec-2018	31-Dec-2018
P126974	IDA-54210	Effective	15-Apr-2014	20-May-2014	20-May-2014	31-Dec-2018	31-Dec-2018
P126974	IDA-54220	Effective	15-Apr-2014	14-Aug-2014	02-Apr-2015	31-Dec-2018	31-Dec-2018
P126974	IDA-54230	Effective	15-Apr-2014	10-Apr-2015	23-Jul-2015	31-Dec-2018	31-Dec-2018
P126974	IDA-54240	Effective	15-Apr-2014	15-Jul-2014	07-Jan-2015	31-Dec-2018	31-Dec-2018
P126974	IDA-H9300	Effective	15-Apr-2014	05-Jun-2014	02-Sep-2014	31-Dec-2018	31-Dec-2018
P126974	IDA-H9320	Effective	15-Apr-2014	27-Jun-2014	18-Aug-2014	31-Dec-2018	31-Dec-2018

Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancell ed	Disbursed	Undisbu rased	% Disburse d
P126974	IDA-54120	Effective	XDR	1.30	1.30	0.00	0.34	0.96	25.93
P126974	IDA-54150	Effective	XDR	45.30	45.30	0.00	5.44	39.86	12.01
P126974	IDA-54190	Effective	XDR	10.40	10.40	0.00	2.22	8.18	21.31
P126974	IDA-54200	Effective	XDR	5.20	5.20	0.00	1.10	4.10	21.24
P126974	IDA-54210	Effective	XDR	5.30	5.30	0.00	0.49	4.81	9.17
P126974	IDA-54220	Effective	XDR	5.20	5.20	0.00	0.00	5.20	
P126974	IDA-54230	Effective	XDR	15.60	15.60	0.00	1.56	14.04	10.00
P126974	IDA-54240	Effective	XDR	5.20	5.20	0.00	1.10	4.10	21.15
P126974	IDA- H9300	Effective	XDR	0.70	0.70	0.00	0.17	0.53	23.72
P126974	IDA- H9320	Effective	XDR	3.30	3.30	0.00	1.45	1.85	44.04
Project Financing Data - Additional Financing Africa Higher Education Centers of Excellence Project Add. Fin. (P153111)(in USD Million)									
<input type="checkbox"/> Loan <input type="checkbox"/> Grant <input type="checkbox"/> IDA Grant <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost:		30.00		Total Bank Financing:		15.00			
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
BORROWER/RECIPIENT								15.00	
International Development Association (IDA)								15.00	
Total								30.00	
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?							No		
Explanation									
Does the project require any policy waiver(s)?							No		
Explanation									
Team Composition									

Bank Staff				
Name	Role	Title	Specialization	Unit
Andreas Blom	Team Leader (ADM Responsible)	Lead Economist	Education	GEDDR
Maurice Adoni	Procurement Specialist	Senior Procurement Specialist	Procurement	GGODR
Jean Charles Amon Kra	Financial Management Specialist	Sr Financial Management Specialist	Financial Management	GGODR
Abdoulaye Gadiere	Safeguards Specialist	Senior Environmental Specialist	Safeguards	GENDR
Alison Marie Mills	Team Member	E T Consultant	Education Specialist	GEDDR
Janet Omobolanle Adebo	Team Member	Program Assistant		GEDDR
Audrene Lise Eloit	Team Member	Consultant	Education Specialist	GMF13
Brigitte Marie Khadidja Bocoum	Team Member	Senior Mining Specialist	Mining	GEEDR
Hamoud Abdel Wedoud Kamil	Team Member	Senior Education Specialist	Education	GEDDR
Himdat Iqbal Bayusuf	Team Member	Consultant	Education Specialist	GED07
Isabella Micali Drossos	Counsel	Senior Counsel	Counsel	LEGAM
Mouhamadou Moustapha Lo	Team Member	E T Consultant	Monitoring and Evaluation	GEDDR
Oumou Coulibaly	Team Member	Team Assistant		AFCF2
Patrick Piker Umah Tete	Team Member	Sr Financial Management Specialist	Financial Management	GGODR
Prospere R. Backiny-Yetna	Team Member	Senior Economist/Statistician	Statistics	GPVDR
Faly Diallo	Team Member	Financial Officer	Financial Officer	WFALA
Luis M. Schwarz	Team Member	Sr. Financial Officer	Sr. Financial Officer	WFALA
Extended Team				
Name		Title	Location	
Locations				

Country	First Administrative Division	Location	Planned	Actual	Comments
Côte d'Ivoire	Lacs	Yamoussoukro	X		
Côte d'Ivoire	Lagunes	Abidjan	X		
Institutional Data					
Parent (Africa Higher Education Centers of Excellence Project-P126974)					
Practice Area (Lead)					
Education					
Contributing Practice Areas					
Energy & Extractives , Governance , Poverty and Equity, Environment and Natural Resources					
Cross Cutting Topics					
[] Climate Change					
[] Fragile, Conflict & Violence					
[] Gender					
[] Jobs					
[] Public Private Partnership					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Education	Tertiary education	60			
Health and other social services	Health	15			
Agriculture, fishing, and forestry	Agricultural extension and research	15			
Energy and mining	Oil and gas	5			
Water, sanitation and flood protection	General water, sanitation and flood protection sector	5			
Total		100			
Themes					
Theme (Maximum 5 and total % must equal 100)					
Major theme	Theme	%			
Human development	Education for the knowledge economy	75			
Human development	Health system performance	15			

Trade and integration	Technology diffusion	10		
Total		100		
Additional Financing Africa Higher Education Centers of Excellence Project Add. Fin. (P153111)				
Practice Area (Lead)				
Education				
Contributing Practice Areas				
Energy & Extractives, Governance, Poverty and Equity, Environment and Natural Resources				
Cross Cutting Topics				
[] Climate Change				
[] Fragile, Conflict & Violence				
[] Gender				
[] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Education	Tertiary education	70		
Public Administration, Law, and Justice	Central government administration	10		
Education	Vocational training	10		
Energy and mining	Other Mining and Extractive Industries	10		
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Human development	Education for the knowledge economy	75		
Trade and integration	Regional integration	15		
Trade and integration	Technology diffusion	10		

Total	100
Consultants (Will be disclosed in the Monthly Operational Summary)	
Consultants Required? Consultants will be required	

I. Introduction

1. **This Project Paper seeks the approval of the Executive Directors for an Additional Financing (AF) Credit in the amount of Euro 13.4 million (US\$15 million equivalent) to the Republic of Côte d'Ivoire from regional and national International Development Association (IDA) funding for the Africa Higher Education Centers of Excellence (ACE) Project (P126974).** The proposed AF will finance the scaling up of successful activities supported under the original project through the addition of three higher education centers of excellence in Côte d'Ivoire focusing on provision of skills for adaptation to climate change, statistics, and mining. The additional centers will address a crucial need for skills in these priority areas not supported under the parent project due to initial low quality proposals in these areas. Due to the post electoral crisis in 2011 and the necessary focus of IDA-emergency funds to the post-crises stabilization, funding was not available for Côte d'Ivoire to participate in the original ACE Project.

2. **The proposed AF will retain the original project development objective (PDO) to support the recipients to promote regional specialization among participating universities in areas that address regional challenges and strengthen the capacities of these universities to deliver quality training and applied research.** Key Performance Indicators (KPIs) and Intermediate Results Indicators of the Results Framework (RF) will remain the same, while targets will be increased to reflect the scale-up of activities under the AF. Implementation arrangements, as well as the approach to procurement and financial management (FM) will also remain the same. The loan closing date for the Additional Financing will be extended by one year from December 31, 2018 to December 31, 2019.

3. **The original project was financed by a combination of credits and grants totaling SDR 97.5 million (US\$150 million equivalent) to the Republics of Gambia, Togo, Benin, Cameroon, Ghana, Senegal, the Federal Republic of Nigeria, Burkina Faso and the Association of African Universities (AAU) and was approved on April 15, 2014.** The ACE Project is progressing satisfactorily towards achievement of its PDO. To date, 3,500 new students have already been enrolled in the Project-supported African Centers of Excellence. All nine financing agreements between the Bank and Client are now effective, and as of August 1, 2015 US\$12.31 million (13 percent of total grant funding) has been disbursed under the Project.

4. **The AF will take into account lessons learned from phase I of the ACE Project which have underscored the importance of:** (i) public-private partnerships (PPPs) through more upstream involvement of companies and sector stakeholders in the projects; (ii) enhancing short-term training of industry professionals and specialized short-term post-secondary education (technician level), (iii) promoting governance and faculty motivation; (iv) ensuring skills promoted are in line with regional labor market demand and other regional factors; and (v) ensuring earlier and stronger integration of regional partners into the African Centers of Excellence planned under the ACE Project.

II. Background and Rationale for an AF in the amount of US\$15 million

A. Country and Sector Context

5. **Sub-Saharan Africa (SSA) is facing an unprecedented opportunity for transformation and sustained growth.** To maintain this rapid economic growth, and in turn, reduce extreme poverty and boost shared prosperity, countries in the region need to promote an economic transformation. Among other factors, this will require an increase in science and technology (S&T) capacity, a more highly skilled workforce, and applied research to accelerate technology absorption, raise productivity and generate new competitive sectors. Demand for specialized human capital from rapidly growing sectors relying upon Science, Technology, Engineering and Mathematics (STEM), such as the extractive industries, energy, water, infrastructure, and in service sectors is increasing. Current and future students, private companies and governments would gain substantially from building training capacity in the region to fill these skills gap.

6. **The regional initiative of the ACE Project was launched in 2013 to support change and improvement in human capital development within the region.** Nineteen (19) African Centers of Excellence were competitively selected in Benin, Burkina Faso, Cameroon, Ghana, Nigeria, Senegal, The Gambia, and Togo to receive support under the ACE Project. In STEM, the fields covered include applied mathematics, environment and water engineering, application of information technology (IT), material sciences and petroleum engineering. Projects were also selected in the fields of health and agriculture. The number of African Centers of Excellence per country and sector supported are shown in Table 1 below. The maximum grant awarded to each Africa Center of Excellence is US\$8 million.

Table 1. Africa Higher Education Centers of Excellence by Country, Field and Development Challenge

Country	Science, Technology, Engineering and Math (STEM)	Agriculture	Health
Benin	1 (Applied Mathematics)	-	-
Burkina Faso	1 (Environment and Water Engineering with Agro-business Elements)		-
Cameroon	1 (Water and Environmental Engineering and Sciences)	-	-
Ghana	1 (Water and Environmental Engineering and Sciences)	1 (Crop Science and Plant Breeders)	1 (Cell Biology of Infectious Diseases)
Nigeria*	3 (Material Sciences and Petroleum Engineering; Oil Chemical Engineering and Sciences, Science and Technology Transfer)	3 (Agriculture and Environment Sciences, Dry-land Agriculture, Food technology)	4 (Neglected Tropical Diseases, Phytomedicine Science; Infections Diseases Pathologies; Reproductive Health)
Senegal	1 (Mathematics and ICT)	-	1 (Maternal and Child Health)
Togo	-	1 (Poultry Sciences)	-
TOTAL	8	5	6

*3 ACEs in Nigeria are being financed wholly through the national IDA envelope of the Government of Nigeria.

7. **The ACE Project is making important progress towards achievement of its PDO.** The ACE Project has been demonstrating early successes and progress on its PDO-level indicators, including: (i) enrollment of 3510 students in new specialized short-term courses, Master and PhD programs of which 1,458 are students from the region; (ii) participation of 2,281 students in internship/placement programs; and (iii) generation of external revenue by the Centers totaling US\$5.8 million as of July 2015. Further, the specific relevance of the Centers has also been demonstrated. For instance, the Centers of Excellence at both the Redeemers University in Nigeria and at the University of Ghana were the national official Ebola test centers during the recent epidemic.

8. **Though in its early stages, the parent project design at this stage appears to be adequate.** Early evidence suggests disbursement linked indicators (DLIs) appear to be working in that the project design provides strong incentives to take steps to address the lack of engagement with industry, attract regional students, meet international standards and generate of revenue. Challenges in these areas are a result of long-term ingrained behavioral and policy conditions within the region. These systemic conditions will require continued effort over time to result in behavioral changes. Early peer learning and continued discussions in early stages of project implementation appear to be helping.

9. **Despite the strengths of the project design, the ACE Project was not able to cover all regional skill priorities in the first round given the broad range of specialized skill shortages in the region.** Among those skills not covered are skills for the extractive industries, statistical services and skills for adaptation to climate change. These particularly crucial areas can play a role in reducing poverty and increasing shared prosperity given the role of skills

development in climate change and statistics as a public good and the role of skill building in extractives toward private sector competitiveness. The skill needs are elaborated below:

10. *Skills for the extractive industries.* Currently, a large share of all skilled positions (engineers, geologists, topologists, etc.) are filled by expatriates. This is particularly the case where governments lack supervisory expertise. The extractive sector is the most important exporting sector in most countries in SSA. Demand for mining skills at the higher education level includes civil, mechanical, electrical, and chemical engineers as well as production managers, geologists, and geophysicists.

11. *Skills for statistical services.* The lack of statistical skills (in terms of both quantity and quality) is a major impediment to producing and analyzing statistical data. Several national statistical offices in the region face a dearth of statisticians. It is not an exception to see fewer than five staff in charge of national accounts or fewer than four in charge of a national household survey. The lack of well-trained statisticians inhibits the region's ability to provide crucial data and undertake relevant analyses to inform evidence-based policy in a wide array of sectors.

12. *Skills for adaptation to climate change.* With an expected temperature increase of 1-2 degrees Celsius and reductions in water resources, agricultural yields and biodiversity are heavily under pressure which could increase famine and poverty if not mitigated. Preparing African professionals within bio-diversity, bio-resources, climate change, and agricultural sciences to inform and influence farmers, agro-businesses, policymakers, and non-governmental organizations (NGOs) on how to adapt to climate change will be critical to reduce the adverse impacts of climate change.

13. **Following the post-electoral crisis in 2011 Côte d'Ivoire was not in a position to participate in the first phase of the ACE Project which was under preparation in 2013.** At the time, higher education institutions (HEIs) in Côte d'Ivoire were closed for long periods of time, leadership was largely absent, and the infrastructure and equipment had been seriously damaged during the conflict (which occurred between 2007 and 2011). The higher education sub-sector suffered for years from a lack of central control and the articulation of a clear vision as well as a lack of reliable and systematic information on students, teaching, and budget parameters. Furthermore, the lack of relevant training provided and/or available remains a significant concern for HEIs, which need to achieve a better balance between humanities and STEM fields, the latter of which are undersubscribed at the tertiary level.

14. **Following the post-electoral crisis of 2011, Côte d'Ivoire has been transitioning away from a country characterized by a post-conflict context to one in which political and economic stability are increasing.** The country is embarking on an ambitious and comprehensive reform program aimed at leveraging its considerable endowments of human capital, natural resources and infrastructure to spur robust, broad-based and sustainable economic growth with the active engagement of the international donor community (including, among others, *Agence Française de Développement* (AFD), the African Development Bank (AfDB), the World Bank, United Nations Children's Fund (UNICEF), and United Nations Educational, Scientific and Cultural Organization (UNESCO). Public investment in infrastructure (transport, energy, health, and education) and private investment in mining, energy and housing have

boosted domestic demand. Gross domestic product (GDP) growth was 10.7 percent in 2012 and 9.4 percent in 2013. Continued revitalization of the country's economy and the provision of opportunities for young people are critical for sustained economic development and inclusive growth. With World Bank support and political forces in place which foster a more stable environment, Côte d'Ivoire's participation in the ACE Project will contribute to the sustainability of high economic growth and poverty reduction in the country.

15. As part of the comprehensive reform program, higher education is a priority of the Government of Côte d'Ivoire. The Government aims to make significant improvements in the employability of graduates, the governance of institutions and the quality of education. Ivorian HEIs, leaders in the region, prior to the conflict, are beginning to show signs of being able to resume a regional leading role in higher education. In June 2015 with World Bank support, the Ministry of Higher Education and Scientific Research (*Ministère de l'Enseignement Supérieur et de la Recherche Scientifique - MESRS*) organized a policy workshop on higher education reform. The workshop supported the development of the tertiary education strategy including identifying improvements and system reforms that can help higher education meet the growing needs of the economy. The Government aims to finalize a higher education strategy in 2016 and implement further reforms to the higher education system in 2017. The strategy will address challenges related to quality and governance, some of which include:

- **Increasing demand for higher education.** Spurred by the increased political stability, Côte d'Ivoire has witnessed an increasing number of students enrolled in higher education as more students graduate from secondary education. In 2013, 170,000 individuals were enrolled in higher education of which 52 percent attended public institutions. This corresponds to 796 enrolled per 100,000 inhabitants, a decline from the pre-crisis enrolment in 2006 of 826 per 100,000 inhabitants. The number of qualified graduates for secondary education is expected to rapidly increase in the coming decade. In 2015, the increase was 31 percent (from 63,000 qualified graduates in 2014 to 83,000 in 2015). Although this trend provides the opportunity for higher income and economic growth, this pace of expansion, puts the public purse under heavy stress and places higher education at risk for further deterioration in terms of quality and relevance.
- **Improving quality and relevance.** Low employability of graduates due to low quality courses with limited relevance to employers' needs is a key challenge. Notably, only 22 percent of students attend STEM fields crucial to future development, while 70 percent are enrolled in social sciences or humanities studies.
- **Strengthening governance and accountability.** Sector reports have found irregularities and lack of transparency around student admissions, budgeting and personnel management in universities. A key next step would be to undertake reform efforts to rewrite the statutes of the institutions and institute management boards with substantial representation from the private sector and civil society.

B. Rationale for Additional Financing

16. The strong demand from the Government of Côte d'Ivoire which has emphasized higher education as a priority coupled with the inclusion of additional priority areas for skills training in the ACE Project results in a win-win situation at the regional and national

levels. The support from the proposed AF to additional African Centers of Excellence in Côte d'Ivoire provides an opportunity to: (i) build regional expertise to address critical skill needs which were not targeted in Phase 1 of the ACE Project due to low quality of proposals, and in those centers in the country which show clear potential for excellence (that focus on climate change, mining, and statistics); and (ii) complement the higher education strategy currently being developed for the country.

17. The higher order objective of the ACE Project is to meet the labor market demand for skills within specific areas where skills shortages are negatively affecting development, economic growth and poverty reduction. Skills needs and shortages are monitored through the employment rate of graduates from supported institutions. Further, the ACE Project is designed to, on a demand basis, invest in well performing universities which can build a foundation for Africa to increase knowledge and technology absorption and build knowledge-based competitive advantages. The addition of Côte d'Ivoire to the Project through the proposed AF responds to the request by the Government of Côte d'Ivoire on the basis of growing demand for such support. It also capitalizes on the potential of the institutions selected to take on the role as regional centers aimed at tightly linking their education and research with the region's development needs.

18. Côte d'Ivoire is well positioned to host regional centers which will address existing skills shortages in climate change adaptation, mining, and statistics as demonstrated in the high quality proposals submitted in these areas:

- (i) **Mining and Environment:** The Houphouët Boigny National Polytechnic Institute (*Institut National Polytechnique Houphouët-Boigny*, INP-HB), engineering school, is one of the largest francophone engineering schools in the region. Traditionally, it had played an important regional role, but went into decline during the crisis. Despite this decline, INP-HB still has the necessary infrastructure and some strong faculty positioning it as one of the engineering schools with most potential for excellence in the region. Funding will support improvements to skills training of technicians and engineers in mining, geology, hydraulics and environment among others. These programs will be strengthened through regional industry partnerships which will include internships for students.
- (ii) **Climate Adaptation:** The University of Felix Houphouët Boigny (*Université Félix Houphouët Boigny*, UFHB) Center for Climate Change Adaptation focuses in particular on training post-graduates. With a focus in biodiversity, the center is part of a pre-existing strong regional network of 10 institutions focused on climate change. The ACE on climate change will focus on generation of graduates with applied knowledge to make eco-systems, bio-diversity, food production, water, and forestry productive and sustainable in face of the climate change affecting the region. This includes production of graduates with knowledge/skills in: protecting water resources and avoiding soil erosion; protecting and improving use of bio-diversity; adopting drought resistances crops (e.g., protect forestry outputs through pollinators). The Center would educate cross-disciplinary graduates who would be able to work with the diverse set of actors in the sector.
- (iii) **Statistics:** The National Higher School of Statistics and Applied Economics (*École Nationale supérieure de Statistique et d'Économie Appliquée*, ENSEA) is one of just two schools for the study of statistics in West Africa. It already has a regional mission as demonstrated by its preexisting early regional work, faculty, and student body. Funding

will support an increase in the quantity and quality of skilled statisticians to improve the quality of statistical data and data analysis within the region.

19. **The ACE Project has been designed to serve as a demonstration project with key innovations which can be used to elevate national policy dialogue on higher education within the country.** The innovative approach to performance-based financing (PBF), competitive funding, and incentive structures form part of a new model for HEIs in the region. As a result, not only does the Project form part of the Regional Integration Assistance Strategy which coordinates interventions for regional public goods and facilitates economies of scale, it also has the potential to promote sharing of innovations in approaches to functioning of HEIs and can serve as an entry point into national dialogue on the higher education system.

20. **In this way, the AF can inform the Government's Higher Education Strategy which is currently being developed and will be finalized in 2016.** The ACE Project's focus on linking the selected centers' education and research with broader regional and national development priorities and the innovative design have the potential to inform the approach to higher education within the country. World Bank-supported economic sector work (ESW) is currently being undertaken in support of the development of this sub-sector strategy. These ESW are focusing on the following themes: (i) quality and relevance; (ii) governance; (iii) financing; (iv) access and equity; and (v) Information and Communications Technology (ICT).

21. **The AF is also in line with the proposed new Country Partnership Framework (CPF) which focuses on the development of skilled and competitive human capital as central to Côte d'Ivoire's medium and long-term strategies to sustain long-term growth and improve competitiveness.** This will be pursued through a unifying focus on human capital and employment which includes targeted support to educational services at multiple levels, including higher education. The CPF also has the aim of supporting Government reforms designed to better define the sector's mission and relationship to private sector stakeholders, and to address the large number of agencies with overlapping mandates and funding.

C. Donor Programs and Coordination

22. **The preparation and implementation of the ACE Project is characterized by a high level of collaboration among sector partners. This high degree of collaboration is also reflected in the preparation and planned implementation of this AF.** The existing 19 ACEs in the already participating eight countries have, or have had, parallel funding from the German Academic Exchange Service (DAAD), AFD, Danish International Development Agency (Danida), United States Agency for International Development (USAID), McArthur Foundation, Carnegie Foundation, and the Wellcome Trust. There has been continued active coordination among various development partners (DPs) to create synergies and complementarity in funding and technical support. In the case of the proposed three Centers of Excellence for Côte d'Ivoire, the Government of Germany initiated the West African Science Service Center on Climate Change and Adapted Land Use (WASCAL) network focusing on climate change, of which the proposed center at UFHB is a part and from which it has received funding. Secondly, the AFD has financed the strengthening of the INP-HB. Further INP-HB is part of the West African Economic and Monetary Union (WAEMU) Network of Centers of Excellence. All three DPs

fully support the inclusion of the above institutions into the ACE project and the proposed AF. This proposed AF, therefore, complements and will strengthen the impact of investments from both regional and European partners.

23. **Apart from IDA and the above mentioned two DPs, Côte d'Ivoire has relatively few partners active in the higher education sub-sector.** AFD is currently financing support to leading HEIs within the country and coordinates regularly with the World Bank. The African Development Bank (AfDB) and the Islamic Development Bank (IDB) are expected to become active in the education sector in Côte d'Ivoire in the near future with operations targeted toward technical and vocational education and training (TVET) as well as youth employment.

24. **Coordination in the education and training sectors between donors, the Government and NGOs is well established.** Collaboration takes place through the local Education Sector Group (GSE – *Groupe Sectoriel de l'Education*), led by the World Bank. The group meets regularly, shares information, performs joint supervision missions, and coordinates sector interventions.

D. Complementarity with Bank Operations

25. **In addition to contributing to the broader regional integration agenda, the proposed AF will also build synergies with World Bank-financed operations at the national level.** This will also include analytical work to support the development of the Higher Education Strategy and a higher education operation in the pipeline for 2017. In addition, the proposed AF is complementary to the broader education portfolio within Côte d'Ivoire which currently has two active operations including: (i) the Emergency Youth Employment and Skills Development Project (P122546) and subsequent AF; and (ii) the Emergency Basic Education Support Project (P119328). The Emergency Youth Employment and Skills Development Project aims at providing employment opportunities and skills development for vulnerable out-of-school and recently graduated youth and reforming the TVET sector, while the Emergency Basic Education Support Project is a Global Partnership for Education (GPE)-funded operation, for which the Bank is the supervising entity (SE) which aims at improving access and quality of primary and secondary education.

III. Proposed Changes

Summary of Proposed Changes

The proposed AF will scale-up successful activities undertaken in the original project, incorporating lessons learned during project design and early implementation. The AF, under Component 1: *Strengthening Africa Centers of Excellence* will finance the strengthening of three additional Centers of Excellence within Côte d'Ivoire in the amount of US\$15 million with a focus on: (i) climate change; (ii) statistics; and (iii) mining by drawing on specialized departments and faculty in higher education institutions in these priority areas. The AF will retain the same PDO and components as well as indicators, however the targets will be modified to reflect the scale-up of the Project (addition of 3 centers of excellence, additional beneficiaries, etc.).

The proposed operation would consist of a credit of EUR 13.4 million (US\$15 million equivalent) for the Republic of Côte d'Ivoire, to be made available upon effectiveness and disbursed on the basis of a withdrawal application upon achievement of DLIs and DLRs. Côte d'Ivoire has requested that the credit be in Euros under the IDA Single Currency Lending Pilot Program. The credit will be on blend terms with a final maturity of 25 years and a grace period of 5 years. The single currency amounts (EUR13,400,000) will be converted to the final SDR amounts (SDR10,700,000) for commitment authority and country allocation management purposes on the day of project approval.

The merit-based competitive selection process used in the initial round of the ACE Project was maintained for the selection of the Centers of Excellence in Côte d'Ivoire. This process entailed: (i) an open call for proposals to public and private institutions; (ii) submission of Center of Excellence proposals through the MESRS to the regional facilitation unit (RFU) for the project at the Association of African Universities (AAU) (seven proposals were received); and (iii) a systematic and detailed evaluation of proposals by independent and international experts according to pre-defined criteria through a desk review and a site and leadership assessment. Eighty percent of reviewers also served as reviewers for the first round of ACEs in this project. The additional reviewers were included in the process to accommodate the additional training sectors and consisted of three different and discrete sets of assessments, meaning that each proposal was reviewed and scored by at least five independent evaluators.

The selected proposals meet the same high minimum standards as the existing 19 selected ACEs. The Regional Steering Committee for the ACE Project required that all selected proposals in Côte d'Ivoire should be evaluated above 62.6 points out of 100, as this was the lowest score for the existing ACEs. The proposals in climate, statistics, and mining and environment met the minimum standard.

The three additional Centers of Excellence to be supported under the proposed AF will be financed through a combination of regional and national IDA funding. The selected Centers, target areas, and financing breakdown are detailed in Table 2 below. Two of the Centers will receive one-third of their financing from national IDA funding and the remaining two thirds of their financing from regional IDA funding, the same proportions applied to funding provided to 16 of the existing 19 ACEs. The third center will be financed exclusively with national IDA funding.

This reflects the national priority according to the INP-HB proposal on mining for the original ACE Project. Three ACEs were also financed exclusively by national IDA funding by the Government of Nigeria reflecting its aim to support more ACEs within STEM. As an innovation from the original project, the three ACEs in Côte d'Ivoire will be allocated a smaller amount of funding upfront, and the unallocated amounts will be reallocated to the ACE(s) that prove to be well performing and have higher investment needs.

Table 2. Selected Centers and Financing (in US\$ million)

Lead Institution	Sector	Total IDA	National IDA	Regional IDA
<i>École nationale supérieure de statistique et d'économie appliquée (ENSEA)</i>	Statistics	3	1	2
<i>Université Félix Houphouët Boigny (UFHB)</i>	STEM-Climate Change	5	1.67	3.33
<i>Institut National Polytechnique Houphouët Boigny (INP-HB)</i>	STEM – Mining and Environment	5	5	0
Unallocated		2	1.33	0.67
Total		15	9	6

The AF will adapt the existing implementation arrangements in place for each country in the ACE Project to Core d'Ivoire. Notably, the MESRS the entity in the Government with overall responsibility for implementation of the AF, and will primarily discharge its responsibility through its leadership of the National Review Committee (to be established prior to effectiveness). Each university will establish and manage their own Center of Excellence under a well-defined institutional structure. Annex 3 provides more detail regarding the implementation arrangements and summarizes the outcome of the FM and procurement assessment and arrangements for this AF. The FM, disbursement, and procurement arrangement follow the same approach and principles that are applied to the existing 19 centers receiving support under the ACE Project. These project arrangements have worked well so far in the parent project.

Change in Implementing Agency	Yes [X] No []
Change in Project's Development Objectives	Yes [] No [X]
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [] No [X]
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Loan Closing Date(s)	Yes [] No [X]
Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]

Reallocation between Disbursement Categories	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]				
Change in Disbursement Estimates	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]				
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]				
Change in Institutional Arrangements	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]				
Change in Financial Management	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]				
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]				
Change in Implementation Schedule	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]				
Other Change(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]				
Development Objective/Results					
Project's Development Objectives					
Original PDO The Project Development Objective is to support the Recipients to promote regional specialization among participating universities in areas that address regional challenges and strengthening the capacities of these universities to deliver quality training and applied research.					
Current PDO No change.					
Change in Results Framework					
Explanation: No changes will be made to the PDO-level and intermediate-level indicators. However, the targets for several indicators will be increased. See the revised RF (Annex 1) for the specific increase in the targets under the proposed AF.					
Table 3. Changes to Targets for PDO Indicators					
PDO Indicator	Baseline	Actual (June 2015)	Previous target	Addition to target (Results of the AF for Côte d'Ivoire)	New target with AF for Côte d'Ivoire
No of students enrolled in new specialized Master, PhD, post-grad, post-doc and/or short-term courses/ programs	1,580	3,510	15,600	1,775	17,375
Number of regional students enrolled in new specialized short-term courses, Master and PhD programs	987	1,458	8,900	532	9,432
No. of internationally (regionally/sub-	3	3	15	3	18

regionally) accredited education programs.					
Number of Students with at least 1 month internship in a private sector company or a local institutions relevant to their field/ sector.	1,037	2,281	5,900	1,028	6,928
Amount of externally generated revenue by the ACEs (in US\$)	976,877	5,872,424	8,000,000	1,551,250	9,551,250

Compliance

Covenants - Additional Financing (Africa Higher Education Centers of Excellence Project Add. Fin. - P153111)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Recruitment of an external auditor	The Recipient shall, no later than six months after the Effective Date, recruit an external independent auditor, under terms of reference and with qualifications acceptable to the Bank.		<input checked="" type="checkbox"/>	Yearly	New
IDA	Regular reports (EEP Spending Reports) prepared in accordance with the Project	The Recipient shall furnish to the Association every semester starting six months after the Effective Date regular reports (the Eligible Expenditure Program Spending Reports) prepared in accordance with the provisions of the Project Regional Operations Manual		<input checked="" type="checkbox"/>	SemiAnnual	New

		and the additional instructions referred to in Section IV.A.1 of this Schedule.				
IDA	Verification of DLIs	The Recipient shall, by no later than two months after the Effective date, appoint external monitoring and evaluation experts (“ Independent Verifiers”) to act as third-party verifiers of the proper fulfillment of Disbursement Linked Indicators (DLIs) as set forth in Schedule 4 of the Financing Agreement”.		☒	SemiAnnual	New
Conditions						
Source Of Fund		Name		Type		
IDA		Signed and ratified Performance and Funding Contract		Effectiveness		
Description of Condition						
The Performance and Funding Contracts and the Partnership agreements have been executed in form and substance satisfactory to the Association on behalf of the Recipient and the Participating Universities on the one hand and on behalf of the Participating Universities and the Network Partners on the other hand.						
Source Of Fund		Name		Type		
IDA		Set up of implementation and national review team		Effectiveness		
Description of Condition						
The Implementation Teams and the National Review Committee have been created, all in form and substance satisfactory to the Association, respectively by the Participating Universities and by the Recipient.						
Source Of Fund		Name		Type		
IDA		Endorsement of Regional		Effectiveness		

		Project Operations Manual			
Description of Condition					
The Project Regional Operations Manual has been endorsed by the Recipient in form and substance satisfactory to the Association.					
Source Of Fund		Name		Type	
IDA		Annual work plan with fiduciary manuals		Effectiveness	
Description of Condition					
The Annual Work Programs for the first year of the Project, the Implementation Plan (including the Financial Management Procedures Manual and the Procurement Procedures Manual) have been prepared and adopted by the Participating Universities all in form and substance satisfactory to the Association.					
Risk					
Risk Category				Rating (H, S, M, L)	
1. Political and Governance				Substantial	
2. Macroeconomic				Moderate	
3. Sector Strategies and Policies				Moderate	
4. Technical Design of Project or Program				Moderate	
5. Institutional Capacity for Implementation and Sustainability				Substantial	
6. Fiduciary				Moderate	
7. Environment and Social				Low	
8. Stakeholders				Moderate	
OVERALL				Moderate	
Finance					
Loan Closing Date - Additional Financing (Africa Higher Education Centers of Excellence Project Add. Fin. - P153111)					
Source of Funds			Proposed Additional Financing Loan Closing Date		
International Development Association (IDA)			31-Dec-2019		
Allocations - Additional Financing (Africa Higher Education Centers of Excellence Project Add. Fin. - P153111)					
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)	
			Proposed	Proposed	
IDA	USD	(1) Eligible Expenditure Programs under Part 1 of the Project for Africa Center of Excellence 1 (ENSEA)	3,000,000.00	100.00	

IDA	USD	(2) Eligible Expenditure Programs under Part 1 of the Project for Africa Center of Excellence 2 (UFHB)	5,000,000.00	100.00
IDA	USD	(3) Eligible Expenditure Programs under Part 1 of the Project for Africa Center of Excellence 3 (INP-HB)	5,000,000.00	100.00
IDA	USD	(4) Unallocated	2,000,000.00	0.00
		Total:	15,000,000.00	
Components				
Change to Components and Cost				
<p>Explanation:</p> <p>An additional US\$30 million equivalent (of which US\$15 million financed by IDA) will be added to Component 1 in order to finance support to three additional Africa Centers of Excellence in Côte d'Ivoire.</p>				
Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Component 1: Strengthening Africa Centers of Excellence	Component 1: Strengthening Africa Centers of Excellence	281.60	311.60	Revised
Component 2: Enhancing Regional Capacity; Evaluation and Collaboration	Component 2: Enhancing Regional Capacity; Evaluation and Collaboration	9.20	9.20	No Change
	Total:	290.80	320.80	
Other Change(s)				
Change in Implementing Agency				
<p>Explanation:</p> <p>An additional three HEIs will be implementing their respective ACEs and a National Review Committee for Côte d'Ivoire will be established. The implementation arrangements for Côte d'Ivoire will be similar to that of the national and institutional implementation arrangements for those countries already participating in the ACE Project.</p>				
Implementing Agency Name	Type	Action		
Economic Community of West African States (ECOWAS)	Implementing Agency	No Change		
Ministry of Higher Education and	Implementing Agency	New		

Scientific Research		
Change in Institutional Arrangements		
<p>Explanation:</p> <p>The implementation arrangements for Côte d'Ivoire will be similar to that of the national and institutional implementation arrangements for those countries already participating in the ACE Project and are detailed in Annex 4.</p>		
Appraisal Summary		
Economic and Financial Analysis		
<p>Explanation:</p> <p>The economic and financial analysis for the AF is similar to that of the parent project. It presents the rationale for limited and targeted public investment in higher education and S&T. This includes the positive externalities of higher education graduates in the areas of STEM and statistics; as well as market failures that prevent investment in higher education, notably due to the conflict in Côte d'Ivoire. For the case of Côte d'Ivoire, the rates of return to higher education have been found to be among the highest in the region. The average wage of graduates from higher education is double that of graduates from upper secondary education. As in the case of the majority of the other 8 participating countries, the additional investment into higher education as a consequence of this project is less than 1 percent.</p> <p>Côte D'Ivoire has selected the Euro as the currency for this operation. The Government has analyzed the positive and negative impacts of such choice and has concluded that the selection of Euro as the currency of commitment is in their best interest reducing the country foreign exchange risk and aligning project financing currency (Euro) with its choice of Disbursement currency and the repayment currency (Euro). Furthermore the local currency (FCFA) and international reserves are pledged to the Euro.</p>		
Technical Analysis		
<p>Explanation:</p> <p>The technical design builds on that of the parent project. It draws on lessons learned to date from the ACE Project to strengthen the impact of the financing on higher education and economic development, notably through greater involvement of stakeholders before the launch of the call for proposals and through the use of existing Centers of Excellence as potential models. Implementation progress under the ACE Project to date indicates that the main design features, such as competitive open selection of proposals, focus on development relevance and potential excellence, and the university-led implementation with a governmental oversight role, are functioning well. At the same time, lessons learned have influenced the design of the AF, notably to more narrowly target key regional skill shortages, increase the focus on industry-academia partnerships, and reduce the number of effectiveness conditions and some implementation steps so as to simplify project implementation.</p>		
Social Analysis		
<p>Explanation:</p> <p>In addition to the project preparation for the parent project, a regional workshop including 8 governments from francophone West Africa, donors, HEIs from the region and the private sector was organized to gather key information on the skills needs for the key economic sectors, including mining, in early 2015. Further, the institutional constraints and difficulties faced in meeting this demand were discussed in order to inform potential ACEs in Côte d'Ivoire and their potential impact in the region. Further, semi-annual beneficiary surveys (university staff and country officials) have been carried out for the past two years which continue</p>		

to support the identification of areas that could be improved while also highlighting a high commitment level to the project. Lastly, the sustained media interest for the project is equally critical and generates a social prestige for the faculty and institutions involved and helps disseminate good practices introduced by the Project.

Environmental Analysis

Explanation:

There are no changes to be introduced into the environmental analysis of the parent project. Environmental and social potential adverse impacts are expected to be low to moderate, sites specific and manageable at an acceptable level. For this reason, the ACE Project Environmental Assessment category was B (Partial Assessment) and remains as such for the AF. As in the parent project, only one Environmental Safeguard Policy (OP/BP 4.01 on Environment Assessment) was triggered. In general, the Project (with the AF) will focus on quality enhancements of the Centers of Excellence, which primarily requires "softer items" (i.e., faculty and curriculum development, and learning resources), while construction will be capped at a maximum of 25 percent of the funding, and the rationale for proposed new construction will be scrutinized to ensure such construction is necessary. This clear rule on the maximum extent of civil works allowed under the Project has been established in the Project Regional Operations Manual and the subsidiary agreements between the governments and the universities. There will be rehabilitation of some academic/research institutions and minor construction on a few of the campuses, and these are expected to be of small scale, site-specific and manageable at an acceptable level. Therefore, the environmental and social impacts are not expected to be significant. Further, ESMPs have been prepared and disclosed for each candidate institution to manage environmental and social impacts based on the submitted proposals. The prepared ESMPs were disclosed in country on August 27, 2015 and in the Infoshop on August 28, 2015. Further, a general set of best practice guidelines for environmental and social management was disclosed in the region and shared with universities as part of the preparation for the parent project.

Risk

Explanation:

The AF's overall risk rating is assessed as Moderate. Political and governance risks are considered substantial as is institutional capacity for implementation and sustainability, however macroeconomic risk, both for the parent project and the AF has been downgraded to Moderate. A description of these risk ratings and potential mitigation measures are elaborated in the Systematic Operations Risk-rating Tool (SORT) (Annex 2).

IV. World Bank Grievance Redress

26. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Annex 1: Revised Results Framework
Africa Higher Education Centers of Excellence Project
Additional Financing

Project Name:	Africa Higher Education Centers of Excellence Project Add. Fin. (P153111)	Project Stage:	Additional Financing	Status:	FINAL
Team Leader(s):	Andreas Blom	Requesting Unit:	AFCW2	Created by:	Andreas Blom on 19-Mar-2015
Product Line:	IBRD/IDA	Responsible Unit:	GED07	Modified by:	Alison Marie Mills on 18-Aug-2015
Country:	Western Africa	Approval FY:	2016		
Region:	AFRICA	Lending Instrument:	Investment Project Financing		
Parent Project ID:	P126974	Parent Project Name:	Africa Higher Education Centers of Excellence Project (P126974)		

Project Development Objectives

Original Project Development Objective - Parent:

The Project Development Objective is to support the Recipients to promote regional specialization among participating universities in areas that address regional challenges and strengthen the capacities of these universities to deliver quality training and applied research.

Proposed Project Development Objective - Additional Financing (AF):

No change.

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Number of students enrolled in new specialized Master, PhD, post-grad, post-doc and/or short-term courses/ programs	<input type="checkbox"/>	Number	Value	1580.00	3510.00	17375.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 1775 students
Revised	Number of regional students enrolled in new specialized short-term courses, Master and PhD programs	<input type="checkbox"/>	Sub Type Breakdown	Value	987.00	1458.00	9432.00
				Date	30-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 532 students to end target
Revised	Number of internationally (regionally/sub-regionally) accredited education programs.	<input type="checkbox"/>	Number	Value	3.00	3.00	18.00
				Date	30-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 3 accredited education programs.
Revised	Number of Students with at least 1 month internship in a private sector company or a local institutions relevant to their field/ sector.	<input type="checkbox"/>	Number	Value	1037.00	2281.00	6928.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 1028 students
Revised	Amount of externally generated revenue by the ACEs.	<input type="checkbox"/>	Amount(USD)	Value	976877.00	5872424.00	9551250.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of USD\$1,551,250

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Number of faculty trained by	<input type="checkbox"/>	Number	Value	100.00	329.00	1200.00

	the ACEs			Date	01-Nov-2013	09-Jun-2015	31-Dec-2014
				Comment			Addition of 300 faculty to original target
Revised	Number of regional faculty trained by the ACEs	<input type="checkbox"/>	Number Sub Type Breakdown	Value	27.00	44.00	415.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 80 faculty
Revised	Number of female faculty regionally trained by the ACEs	<input type="checkbox"/>	Number Sub Type Breakdown	Value	7.00	10.00	131.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 30 faculty
Revised	Number of regional faculty trained by the ACEs	<input type="checkbox"/>	Number Sub Type Breakdown	Value	27.00	44.00	415.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 80 faculty.
Revised	Number of national faculty trained by the ACEs	<input type="checkbox"/>	Number Sub Type Breakdown	Value	73.00	285.00	685.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 120 faculty.
Revised	Number of national female faculty trained by the ACEs	<input type="checkbox"/>	Number Sub Type Breakdown	Value	14.00	69.00	195.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 40 faculty.
Revised	Number of newly established or revised curricula (meeting	<input type="checkbox"/>	Number	Value	0.00	48.00	66.00
				Date	01-Nov-2013	09-Jun-2015	31-Mar-2018

	labor market skills), as approved by the appropriate institutional organ.			Comment			Addition of 6 new established or revised curricula.
Revised	Increase of internationally recognized research publications in disciplines supported by the ACE-Programme	<input type="checkbox"/>	Percentage	Value	1098.00	1222.00	1335.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 135.
Revised	Number of partnership agreements between ACEs and engaged partner institutions	<input type="checkbox"/>	Number	Value	48.00	107.00	208.00
				Date	01-Nov-2013	09-Jun-2015	31-Dec-2018
				Comment			Addition of 38 partnership agreements.
Revised	Number of ACE project implementation team meetings with openly disclosed minutes	<input type="checkbox"/>	Number	Value	0.00	30.00	136.00
				Date	15-Nov-2015	09-Jun-2015	31-Dec-2018
				Comment			Addition of 16.
No Change	Number of annual disclosed unqualified external financial audit with the ACE annual budget (planned and executed).	<input type="checkbox"/>	Number	Value	0.00		37.00
				Date	01-Nov-2013		31-Dec-2018
				Comment			
No Change	Number of RFU holding regular meetings with at least 15 ACEs participating	<input type="checkbox"/>	Number	Value	0.00	2.00	8.00
				Date	01-Nov-2013	01-Dec-2014	31-Dec-2018
				Comment			
No Change	Level of satisfaction of ACE and ACE Steering Committee on quality of support provided by the Regional Facilitation Unit (AAU).	<input type="checkbox"/>	Percentage	Value	73.00		75.00
				Date	20-May-2014		31-Dec-2018
				Comment			

Revised	Number of ACE-Institutions reporting on at least 85% of their indicators, submitting the RF to the AAU in time.	<input type="checkbox"/>	Number	Value	0.00	6.00	14.00
				Date	01-Nov-2013	01-Dec-2014	31-Dec-2018
				Comment			Addition of 2.
No Change	Annual program report prepared and submitted to WB	<input type="checkbox"/>	Text	Value	N/A	Two semi-annual activity program reports have been delivered by AAU	Done
				Date	01-Nov-2013	01-Dec-2014	31-Dec-2018
				Comment			
Revised	Number of direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	2717.00		18765.00
				Date	01-Nov-2013		31-Dec-2018
				Comment			Addition of 2075 beneficiaries (300 faculty and 1775 students). (including 858 female beneficiaries.)
Revised	Percentage of female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	332.00		4464.00

Annex 2: Systematic Operations Risk-rating Tool (SORT)
Africa Higher Education Centers of Excellence Project
Additional Financing

Risk Category	Rating
1. Political and Governance	Substantial
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Moderate
7. Environment and Social	Low
8. Stakeholders	Moderate
OVERALL	Moderate

1. **The regional project's overall risk rating has been reduced from Substantial to Moderate due to the progress achieved in terms of first set of results and implementation progress.** Further, the Macro-economic risk to the project has reduced because the likelihood of a macro-economic deterioration will affect the project. Further, while external economic risks are high, macroeconomic management risks are low resulting in a macroeconomic risk rating of Moderate. Two Substantial risk categories for the overall regional project remain Political and Governance, and Institutional Capacity for Implementation and Sustainability.

2. **The Political and Governance risks** are evaluated as substantial due to the risk of inadequate institutional governance of universities. Institutional leaders, bodies and units in the aspiring ACEs, Partner institutions and networks, which are responsible for achieving sectoral objectives, fail to maintain proper oversight, over agreed upon program performance requirements and priorities. Furthermore, engagement by the institutional bodies to customize to the program quality needs is not sustained. Finally, there may be a lack of transparency between the ACE vis a vis partner institutions. This risk remain and there have been instances where the government and the Bank have assisted universities in reaching internal consensus on project implementation and arrangements.

3. **The Institutional Capacity for Implementation and Sustainability risk** is substantial due to: (i) the sometimes bureaucratic functioning of universities in the region and, (ii) insufficient experience with administration, M&E reporting, and procurement and FM experience. The implementation so far indicates that for most participating countries and universities, the bureaucracy administers the project well, and while the insufficient experience with Bank procedures has been confirmed, the mitigation measures including development of fiduciary manuals, technical assistance and supervision is working. It is expected that this risk can be reduced to moderate during the next year of implementation.

Annex 3: Detailed Project Description
Africa Higher Education Centers of Excellence Project
Additional Financing

Note: this Annex is unchanged in substance from the Parent Project. Only the additional three Centers of Excellence in Côte d'Ivoire are added to be supported with the AF under Component 1. Component 2 is unchanged.

1. **The Project Development Objective** is to support the Recipients to promote regional specialization among participating universities in areas that address regional challenges and strengthen the capacities of these universities to deliver quality training and applied research.

2. **The project consists of two components.** Component 1 will strengthen the capacity of 22 competitively selected Africa Centers of Excellence (ACE). These ACEs will deliver regional, demanded, quality training and applied research in partnerships with regional and international academic institutions and in partnership with relevant employers and industry. Component 2 consists of regional activities to build capacity, support project implementation, monitor and evaluate, and develop regional policies. Further, Component 2 will, in a novel and demand-driven way, boost regional collaboration by supporting The Gambia in strengthening its higher education institutions through education services purchased from the ACEs strengthened under Component 1.

Component 1: Strengthening Africa Centers of Excellence – (Total costs including contingencies and additional financing US\$311.6 million of which IDA US\$155.8 million)

3. Component 1 will support 22 selected institutions to become ACEs in STEM, Health and Agricultural Sciences within areas that are pertinent to producing graduates and knowledge solutions to enhance development in Africa. These Centers will produce graduates, research and knowledge services to several countries and therefore become regional assets. Fourteen higher education institutions were selected through an open, rigorous, transparent and merit-based selection process to host fifteen ACEs (see Table A3.1). The project invited Government to submit proposals from both public and private institutions subject to the Government's commitment to use IDA resources for submitted proposals. An institution could submit up to two separate Center of Excellence proposals. The maximum amount for an ACE grant is US\$8.0 million. Only one institution (University of Ghana) had two ACE proposals selected with a proposed grant amount of US\$16 million.

Table A3.1: Selected Africa Centers of Excellence, institutions and country, and disciplines.

Africa Center of Excellence Title	Lead Institution & Country	Discipline
ACE for Agricultural Development and Sustainable Environment	Federal University of Agriculture, Nigeria	Agriculture
ACE for training plant breeders, seed scientists and technologists	University of Ghana, Ghana	Agriculture
ACE in the Poultry sciences	University of Lome, Togo	Agriculture
ACE in Dryland Agriculture	Bayero University, Nigeria	Agriculture
ACE for Food Technology and Research	Benue State University, Nigeria	Agriculture
ACE for Genomics of Infectious Diseases	Redeemers University, Nigeria	Health
ACE for Cell Biology of Infectious Pathogens	University of Ghana, Ghana	Health
ACE on Neglected Tropical Diseases and Forensic Biotechnology	Ahmadu Bello University, Nigeria	Health
ACE in Phytomedicine Research and Development	University of Jos, Nigeria	Health
ACE in Reproductive Health and Innovation	University of Benin, Nigeria	Health
ACE in Maternal and infant Health	Université Cheikh Anta Diop, Senegal	Health
ACE in Materials	African University of Science and Technology, Nigeria	STEM
ACE in applied mathematics	Université d'Abomey – Calavi, Bénin	STEM
ACE in Information and Communication Technologies	Université de Yaoundé I, Cameroon	STEM
ACE in the education and research with Water, energy, and environment sciences and technologies	Institut International d'Ingénierie de l'Eau et de l'Environnement (2iE)	STEM/ Agriculture
ACE for Oil Field Chemicals	University of Port Harcourt, Nigeria	STEM
ACE for Water and Environmental Sanitation	Kwame Nkrumah University of Science and Technology, Ghana	STEM
ACE in Science, Technology and Knowledge	Obafemi Awolowo University, Nigeria	STEM
ACE in Mathematics, Informatics, and ICT	University of Gaston Berger, Senegal	STEM
ACE in Mines	National Polytechnic Institute Houphouet Boigny (INP-HB) University, Côte d'Ivoire	STEM
ACE in Climate Change and Adapted Land Use	Felix Houphouet Boigny University, Côte d'Ivoire (U-FHB)	STEM
ACE in Statistics	National School of Statistics and Applied Economics, Côte d'Ivoire	STEM

*The information in bold highlights those institutions which will be supported under the proposed AF.

4. This component description will first present the selection process for the Centers, then describes the project activities for the ACEs, and lastly detail funding and performance contract parameters.

The Competitive Selection Process

5. The 22 ACEs (19 under the parent project and 3 under the proposed AF) were selected through an open, rigorous, transparent, competitive, and merit based process as laid out in the publicly disclosed evaluation protocol. The process consisted of the following steps:

- (i) Elaboration of the project concept and draft selection process;
- (ii) Consultations on project design;
- (iii) Consultation and joint project development with countries interested in the project and with IDA availability;

- (iv) Consultations on draft selection process and revised design;
- (v) Call for proposals to institutions in the countries willing to invest available IDA resources;
- (vi) Information sessions for proposal preparation and submission – led by the governments;
- (vii) Proposal submission by institutions to the Government, which submits them to the RFU;
- (viii) Desk evaluation of institutional proposals resulting in around 31 proposals short-listed for site visits;
- (ix) Site-visits to the short-listed institutions and an assessment of the institutional leadership and fiduciary capacity;
- (x) Complete evaluation results to submitted to the ACE regional steering committee;
- (xi) Consideration by the ACE regional steering committee of the evaluation process and recommendation of the evaluation committee resulting in a selection;
- (xii) No Objection from the World Bank for the evaluation process and its results
- (xiii) Announcement of results – with the evaluation score and a justification to each applying institution;
- (xiv) Complaint redressal;
- (xv) Selected institutions submit a full implementation plan based upon the approved proposal and the evaluation feedback; (ongoing); and
- (xvi) Signing of the Performance and Funding contract (to be completed).

The following paragraphs provide additional detail on the key steps of the selection process, a fundamental aspect of project design.

6. ***Eligibility criteria to submit proposal.*** Only institutions that offer master and PhD degrees were eligible to submit a proposal. This criterion ensured that selected institutions had an existing potential for academic excellence, and a ready base for expanding postgraduate research and training, which is central to establish excellence and a highly qualified faculty.

7. Institutions that could not meet the above eligibility criteria were informed that they can participate in the project through partnerships with selected institutions. Further, as part of Component 2, governments can participate in the project by acquiring education and research services from the selected ACEs.

8. ***Devolution of financial decision making to ACE's:*** Sustainability of the Africa Centers of Excellence is a critical concern which needed to be addressed up-front as part of design. The key mitigation action is to build capacity to raise revenue during project implementation and ensuring that the Center of Excellence/university is empowered to retain the revenue that it generates on its own. Therefore, as part of the signing of the performance agreements, the governments will be asked to devolve the following three financial powers to the Centers of Excellence/university: (i) the right for the Center of Excellence (with approval of the university) to set and charge tuition for all short-term courses as well as Masters and PhD programs. Tuition fees for under-graduate programs can be subject to outside regulations; (ii) retain the external revenue that it generates (ACE grant and other revenue generated by the ACE). If the university has institutional revenue sharing policies established, an acceptable part of the externally

generated revenue can be shared with the rest of the institution. The share going to the institution has to be stated in the agreement, and the ACE grant has to go in its entirety to the proposal agreed; and (iii) An ACE designated account (operating as an endowment fund) will be set up and all external generated funding as well as project funding will go into this account.

9. ***Application process.*** Information to interested institutions and governments was made available on the web and through the government ministry/agency in charge of higher education. Further, a limited number of information sessions at the sub-regional/country level were conducted to help answer queries from applying institutions.

10. Explicit government support and ownership was considered absolutely fundamental to the success of the project. Therefore, all applications had to be submitted through the national agency/ministry in charge of higher education. This agency/ministry forwarded the supported applications to the RFU (AAU), along with a cover letter stating support to the submitted proposals and willingness on behalf of the government to borrow IDA resources for the applications selected for funding.

11. ***Evaluation of institutional proposals.*** The AAU and the World Bank organized a systematic, detailed and thorough desk and on-site evaluation of the proposals using 35 recognized international and African experts, including diaspora. The committee consisted of recognized academicians who possessed the adequate expertise to evaluate education and research programs within their knowledge domain. The evaluators were without conflict of interest to the submitted proposals. The evaluation consisted of three different assessments, meaning that each selected proposal has been reviewed and scored by at least 7 independent evaluators. Each shortlisted proposal could score a maximum of 100 points during the evaluation process. It was not within the mandate of the ACE SC, the World Bank or the AAU to make changes to any of the external evaluators' scoring. Details were as follows:

12. **Technical Desk Review:** The first scoring was given for the quality of the proposal based on desk reviews (as the mean of three individual reviewers' assessments after a panel review for consistency), scoring range was 0 – 70 points (see criteria in Table A3.2).

Table A3.2: Criteria for the technical desk review:

Criteria for Technical Evaluation	Mark
<i>(1) Potential for Regional Development Impacts:</i>	
<i>Importance of development topic for the region and the innovation of the proposal – including alignment with regional and national development plans</i>	10
<i>Potential regional development impact – including strengths and relevance of collaboration with sector partners (employers, organizations, and governments) that will employ and use the graduates and knowledge of the Center, and the regional-breath of this collaboration, including inclusion of institutions in fragile or post-conflict countries.</i>	10
<i>Potential for raising the quality and relevance of education at national and regional academic partner institutions—including strengths of existing regional collaborations</i>	5
<i>(2) Potential for Excellence</i>	
<i>Potential for Learning Excellence – including the availability of existing physical and human resources of expertise; relevance, excellence and strengths of proposed international collaboration</i>	15
<i>Potential for Research Excellence</i>	10
<i>(3) Sustainability (financial and academically) of proposal/impact</i>	10
<i>(4) Social responsibility – Inclusion of rural/remote institutions as partner institutions, and impact on disadvantaged students, including girls</i>	5
<i>(5) Quality and Consistency of proposal</i> (incl. fit with strategic plan analysis)	5
<i>Total</i>	70

13. Short listing: The top 31 evaluated proposals were shortlisted for further evaluations. The shortlist was reasonable balanced across language groups, disciplines and countries.

14. On-site leadership assessment: A small evaluation team consisting of at least two internationally reputed university leaders and a leading researcher within the field of expertise of the proposed Center of Excellence visited each of the 31 short listed institutions. The team assessed leadership and management capacity of the universities and the proposed ACE as well as ascertain the feasibility of the implementation of the proposed institutional project given the existing academic capacity, infrastructure, including learning and research equipment, and management capacity. Specifics on what the evaluation team assessed are summarized in Table A3.3. This evaluation constitutes up to 25 points of the total score.

Table A3.3: On-site leadership evaluation of shortlisted institutions

On-Site and leadership evaluation	Marks
Institutional leadership and vision (based upon interview of the head of the institution, chair of the board and existing institutional strategic document)	5
Center leadership and administrative capacity (based upon interview with the proposed center leader and review of existing and planned administrative capacity)	5
Institutional ownership of proposal as evident from faculty and student awareness and inclusion	5
Government involvement to support the institutional proposal and alignment to strategy	5
Consistency between the submitted proposal and the reality on the ground as observed by the visit evaluation team	5
Financial management and procurement track record and capacity	5
Total	30

15. **Fiduciary Capacity Assessment:** The final assessment was on fiduciary capacity with 0 – 5 points as the scoring range.

16. **Final Selection by ACE SC:** Based upon the aggregated evaluation marks of the technical and the On-site and leadership evaluations, the evaluation committee submitted its results to the ACE SC along with appropriate documentation. All seven countries were represented. The ACE SC was empowered to make the final selection of 15 proposals to be funded under the project with regional funds. It was mandated to carry out an objective, transparent and merit-based selection, ensuring a reasonably equitable distribution across countries, language groups and disciplines. Therefore, the SC had the authority to make adjustment to the purely merit-based selection, and it could select ACE proposals on specific development areas that are considered critical. The Regional Steering Committee chose to select one ACE project per country (merit based per country) and at least 4 ACE projects in each discipline (merit based within discipline). All applying institutions received their evaluation mark and a summary of the main strengths and shortcomings of their proposal.

17. **Development of a full ACE Implementation Plan:** Selected institutions will furthermore receive a detailed list of comments and suggestions from the evaluators. Additional support will be provided from the RFU and partners for proposal improvements. The institutions will revise their proposal taking into account these comments and suggestions for improvement and resubmit the final institutional project. Further, the fiduciary assessments, safeguards screening as well as safeguard management plans and fiduciary actions will be prepared as per needs. The institution will submit the improved proposal, a 1st year implementation plan, procurement plan, and safeguard management plan, and a quick desk review will be undertaken to ensure that the key improvements in the proposal has taken place.

Detailed description of ACE activities

18. **Each selected institutions will implement their own Africa Centre of Excellence proposal aiming to help address a specific regional development challenge through preparation of professionals (education), applied research and associated outreach activities to partners.** Within that, institutions will have autonomy to implement their own institutional specific proposal which encompasses the following five elements:

- (i) Enhance capacity to deliver *high quality regional training* to address the development challenge.
- (ii) Enhance capacity to deliver *applied research* to address the regional development challenge.
- (iii) *Build and use industry/sector partnerships* to enhance impact of the Center on development and increase relevance of the centers education and research.
- (iv) *Build and strengthen regional and international academic partnerships* to raise quality of education in other institutions in the region.
- (v) *Enhance governance and management* to improve monitoring and evaluation, administration, fiduciary management, transparency, ability to generate resources, and project implementation.

19. These five sets of project activities are closely intertwined. For instance, industry partnership and academic partnership are necessary inputs into enhanced capacity to deliver high quality training, and on the other hand, high quality training is a key factor in successful industry and academic partnerships. The following discusses activities related to each of the 5 set of priorities in greater detail:

Enhance capacity to deliver high-quality regional training

20. **These activities aim to raise the capacity of the Africa Center of Excellence to form a cadre of professionals with cutting-edge conceptual and hands-on competences to address the development challenge of the center.** The three key indicators for measuring progress towards achieving the goal of delivering regional high quality training will be: (i) number of regional and national students enrolled in short-term specialized courses and in bachelor, master and PhD degree programs; and (ii) number of education programs under the Center of Excellence that meet international quality benchmarks; and (iii) externally generated revenue.

21. **This will be achieved by implementation of the institutional plan, designed by the institution and reviewed by external experts, to develop and strengthen academic programs in the ACEs.** The plan consists of an institutional specific mix of the following activities: (i) developing and offering new specialized short-term education programs aimed at industry professionals for further development; (ii) developing and offering of new specialized Master and PhD level programs; increasing quality and relevance of existing teaching through revision of curricula and teaching-methods based upon industry professional standards; incentivize faculty for good performance, including incentives for research and awards for top teaching. Only non-monetary incentives to faculty to achieve the objective of the proposal can be funded by the ACE grant. The project does not restrict the use of other generated revenue; (iii) improvement of laboratories, classrooms, computers, and other teaching facilities through equipment purchases and limited civil works. Civil works will be limited to 25 percent of the expected costs of the ACE, and should only finance rehabilitation of building and minor extensions of building; (iv) establishing international benchmarking and accreditation of education programs; (v) teaching-learning improvement Programs to upgrade teaching capacity and provide cutting-edge student-centered teaching; and (vi) upgrade faculty qualifications. Institutions are not constrained by the above list of suggestive activities. Other activities could be permissible for funding as laid out by the Project Regional Operations Manual. Lastly, activities

under the other four elements of the proposal, research, industry/sector partnerships, academic partnerships, and governance and administrative strengthening, will equally contribute to strengthening of the Centers' educational capacity.

Enhance Capacity to produce and communicate applied research at the regional level

22. These activities aim to raise the capacity of the Africa Centers of Excellence to conduct industry-relevant applied research. The key indicator for measuring progress towards achieving the related result "Improved Research Capacity" will be: (i) number of published research outputs and (ii) generation of revenue.

23. This will be achieved by carrying out an institutional specific mix of the following activities: (i) purchase and improvement of research facilities and research material; (ii) incentivize research and publications (non-monetary incentives as discussed above); (iii) increase in Master and PhD students, including potential award of scholarships, if necessary, to attract young talent. The project strongly encourages Africa Centers of Excellence to prioritize any scholarships for degree courses to young graduates over mid-career faculty members; (iv) assistance in grant proposal writing and publication preparations, such as in translation and editorial support; (v) participating in, and organizing of, conferences and seminars for presentation of research; (vi) faculty exchanges with other research institutions, (vii) access to resource material, include library material and access to e-journals; (viii) costs associated with research collaboration; and (ix) minor civil works to improve research facilities.

Strengthen and build regional and international academic partnerships

24. Academic Partnerships serve to make the Center of Excellence a nodal point that connects globally and disseminates regionally in West and Central Africa. The ACE proposals have identified a record number of academic partners at the regional and international level. The focus on strengthening such partnerships under this component will serve three main objectives: (i) increasing the capacity of partner institutions in the region to deliver quality education and conduct research; (ii) raising the centers' educational and research capacity through drawing upon partnership with internationally leading institutions within the same domain; and (iii) building upon the strengths of national and regional institutions –sharing of unique physical and faculty resource- to create synergies and thereby raise quality of education and research.

25. The key indicators for measuring progress towards achieving the related result 'Increased National and Regional Impact through institutional collaboration at the regional level' will be as follows: (i) share of regional (non-national) students enrolled in ACEs and regional faculty, and (ii) regional research publications. Further, intermediate indicators will measure different aspects of the partnership agreements.

26. The ACEs have partnered with institutions that have or need capacity to produce skills to address a particular development challenge. This includes similar international academic centers globally, universities in the region, and national and regional research institutions. In particular, collaboration with regional research institutions is critical within agriculture and health where substantial academic capacity is located outside universities in sector-specific research

institution. The partnerships can be continuation of on-going partnerships and/or new partnerships.

27. The academic partnership activities include: Collaboration in delivery of education programs, faculty development programs for regional faculty, joint conferences, joint research, sharing access to specialized research, learning equipment and library resources (giving students and faculty exposure to different learning environment and equipment), student and faculty exchange, joint organization of specific courses for example at the post-graduate level.

28. Selected institutions will continue to revise and update the academic partnership action plan following the evaluation comments, including consideration of new partners. An academic partnership agreement is being developed by the Centers of Excellence in close collaboration with its partners, and co-signed by all major partners. This agreement will form part of the performance and funding contract to be signed with the Government. The academic partnership action plan will be reviewed and revised at mid-term.

Build and use regional and national industry partnerships

29. The key objective of these activities will be twofold: (i) provide skills and knowledge to address the development challenge (putting higher education to work) and (ii) benefit the Center through improved relevance of the Center's teaching-learning and applied research. The key indicators for measuring progress towards achieving the related result are: (i) number of students and faculty with at least 1 month collaboration/internship in a company or a sector institution; (ii) externally generated revenue.

30. These objectives will be reached through partnering with industry institutions, including companies and service delivery institutions that work to address the development challenge that the Center is focused on. In this context industry thus should be interpreted broadly to include institutions that work in the economic sector of the challenge, including for example public teaching hospitals for health and farmer associations for agriculture, and not just private companies, such as manufacturing or mining companies. Also, these partnerships are both national and/or regional in nature. Partnerships with key national and regional industry associations or other important players are a strong indication of the potential relevance and impact of the Center of Excellence. In some ACEs, Industry partnerships are also with "lower-level" industry/sector-specific training institutions, such as institutions that provide technicians education, midwifery education, or farmers' extension service training.

31. Each institution will implement the action plan for industry partnerships (as designed in its proposal and subsequent revisions), one that is tailored to its specific development challenge, its existing industry partnerships, and new opportunities for partnerships. These activities could be a combination of: (i) industry-lectures; (ii) master and PhD thesis based upon industrial research with companies; (iii) advisory boards, (iv) placement of students and fairs; industry-outreach cell to promote industry partnerships and liaise with industry. These industry partnership activities are closely linked with the education and research activities, in the sense that the partnerships activities could include training of industry professionals, for example training-the-trainers programs, and joint research. The main industry partnerships will be defined in MoUs at the on-set, and the plans will be updated at mid-term review.

Improving governance and administration of the institution and the ACEs

32. The key indicators for measuring progress towards achieving the related result ‘Improved Governance of ACEs’ are: Improved institutional monitoring of fiduciary responsibility, notably, functioning internal audit unit and a functioning audit committee in the Board of the Institution, timely unqualified audits, and procurement verification and progress reporting. Further, regularity and transparency of decision making and planning are two intermediate indicators.

33. Activities to achieve strengthening governance and administrative capacity of the institution may include the following elements: (i) implementation of new and/or improved grants management, procurement, and monitoring procedures; (ii) hiring or training of existing personnel for identifying grants opportunities, management, procurement, and monitoring; (iii) hiring and training for fund raising; (iv) improving board procedures – having regular meetings, strengthening the audit committee of the board, review board membership to include external members such as private sector representatives, and openly disclose board meeting minutes for greater transparency; (v) establishing internal evaluation procedures towards quality control; (vi) supporting reporting on lessons-learning in implementing the programs and making these available to regional bodies aggregating this information and partners.

Performance and Funding Contract and related financing parameters

34. Each selected institution will sign a performance and funding contract with the government which states the following grant is subject to a few financial parameters: (i) At least 15 percent of the funding must be invested in the partnerships under a related partnership agreement(s); (ii) at least 10 percent must be invested in partnerships activities with regional (non-national) African partners; (iii) civil works will be limited to 25 percent of the grant; (iv) the project cannot finance monetary incentives of faculty, administrative personnel or public employees; and (v) purchases of vehicles must be explicitly included in the approved annual workplan in order to be eligible. The funding and performance agreement will also include the government’s indicative planned funding of institutional staff during the project.

35. At mid-term, expected to be two years after signing the performance contract, there will be a thorough evaluation of performance. The grant amount to each ACE and its usage will be reviewed, and can be adjusted. In particular, it is expected that ACEs that are behind in implementation will see their grant reduced by 50 percent of the uncommitted amount that is above half of their grant. Three years after signing, it is planned that half (50 percent) of the remaining undisbursed institutional grant will be removed. The additional funding would be made available to the institutions performing well or new shorter institutional grants. These gradual and automatic reductions in grant amounts seek to reduce the risk of large committed funds to institutions that are slower in achieving results and implementation.

Component 2: Enhancing Regional Capacity, Evaluation and Collaboration – (Total cost, including contingencies US\$9.2 million of which IDA US\$9.2 million)

36. This component will focus on the regional specialization, overall project coordination and facilitation, including ensuring coordination between the ACEs, joint lessons learning, and ensuring measurement of, and reporting of, aggregated results. This Component will also focus on supporting the government of The Gambia to strengthen its higher education institutions using the ACEs and increase talent mobility from The Gambia to the ACEs.

Component 2.1 Enhancing Regional Capacity Building and Evaluation– total costs, including contingencies US\$5.0 million.

37. This sub-component aims to provide timely, sufficient, precise and reliable information for the measuring and reporting of aggregated results to improve and assess the performance of the selected institutions. The project activities will be:

- Capacity Building activities for the ACEs. This could include training and capacity building within: education and project management, fiduciary training, and specific topics as per needs identified by ACE, for example grant proposal preparation, university board functioning etc.
- M&E: (i) Enhancing the M&E structures of ACEs and the RFU to facilitate regular and timely reporting on progress; (ii) Workshops and Trainings for ACEs' relevant staff to jointly develop and report on their results framework; (iii) third party evaluation and technical evaluations for the DLI and results reporting; (iv) other M&E activities including international evaluation groups, and baseline studies, assessments and surveys as per need.
- Support regional policy making through working with ECOWAS, and potentially other regional bodies, to prepare policy studies on regional student and labor mobility and other relevant higher education issues; and to build capacity for regional policy making within higher education, including training of staff.
- The facilitation activities of the regional facilitation unit, the ACE SC, and the national review committees, including activities related to project management, staff, operating costs, per diem, communication, supervision and implementation visits to individual ACEs. This also includes regular supervision/implementation review, workshops to discuss lessons learnt and activities to support the scaling up of the centers of excellence initiative.

Component 2.2 Project Facilitation in Nigeria – total costs, including contingencies US\$1.2 million

38. This sub-component will finance project implementation support and facilitation by the National Universities Commission in Nigeria. This includes national facilitation, training, and supervision in fiduciary aspects as well as national monitoring and evaluation and minor technical assistance.

Component 2.3 Demand-driven regional services – The Gambia – total costs, including contingencies US\$3.0 million

39. The objective of this sub-component is to support, in a demand-driven manner, a country without a Center of Excellence through the regional services of the Africa Centers of Excellence.

The Gambia will receive funding to purchase education services from the ACE for national universities and for professional development of civil servants in order to meet critical national needs in skills and training. This demand-driven approach, where the government and national institutions decide the kind of education services needed and from which Center of Excellence, aims to increase the benefit of the ACE project broadly across West and Central Africa, and benefit the ACEs that are most demand-driven. The proposed sub component will contribute toward the following performance indicators: (i) share of regional faculty training at the ACEs; (ii) share of regional students training at ACEs; and (iii) number of national faculty research pieces co-authored with non-national faculty.

40. **Potential types of Services that the ACEs could deliver to The Gambia include**, but are not limited to:

- Visiting Faculty Mentorship Program at ACE: Gambian faculty will train at the ACE, during which time they are designated as visiting faculty. Each priority country university participant is assigned an ACE faculty mentor with the goal of co-authoring research in his/her field, and will attend organized training sessions as part of the program as well.
- Experienced Faculty Lecture Series: Faculty from the ACE can teach at the Gambian institutions.
- Access to Labs and Equipment, and related training at ACE: Gambian faculty can travel to the ACE to access advanced equipment and receive training using advanced lab equipment available at ACE.
- Scholarships and Student Exchange Programs: Gambian students could be supported to attend specialized training at an ACE.
- Administration Training and Curriculum Development: Professional administrative training courses and curriculum development courses provided by the ACE to relevant professionals within priority country universities and governments.
- Civil Servant training at an ACE: Government workers in key sectors such as Health and Extractive Industries attend a one week training course at the ACE on best practices, cutting edge research in their field and applications to policy.

Travel and per diem costs will be standard for the sub-region. The costs for each academic service will be put into a bid-process and subsequently negotiated between the ACE and the purchasing beneficiary. Scholarships and student exchange programs will be limited to no more than US\$25,000 per person to ensure that the funds benefit broadly, and are not concentrated on a few individuals.

Annex 4: Implementation Arrangements
Africa Higher Education Centers of Excellence Project
Additional Financing

Implementation Arrangements

1. Institutional and implementation arrangements will remain the same as the parent project. Each selected institution will implement its own ACE sub-project. An ACE implementation team will be established to run the day-to-day management of the project and provide secretariat services to the National Review Committee. Each ACE implementation team will be led by a Center Leader (CL) who is a recognized educator/researcher within the primary discipline of the ACE and supported by senior faculty from the relevant engaged departments. As with the parent project, each new ACE will sign a partnership agreement with selected partners laying out partner activities for the project, and an annual workplan. Each ACE will prepare an implementation plan.
2. The implementation plan will include: (i) the terms of reference, functions and responsibilities for members of the Implementation teams or the personnel of the ACEs working on the Project; (ii) the Procurement Procedures Manual; (iii) the Financial Management Procedures Manual; (iv) the indicators to be used in the monitoring and evaluation (M&E) of the Project; (v) the criteria, detailed rules and procedures for the Eligible Expenditure Program (EEPs); (vi) the detailed content of the EEP Spending Report, the customized statements of expenditure (SOEs), the interim financial reports, the Procurement Plan Progress Report and the Project Reports; (vii) flow and disbursement of Project funds; and (viii) the Disbursement Linked Indicators (DLIs). This Implementation Plan can be amended during the project life provided the ACE obtains approval from the World Bank.
3. As under the parent project, in addition to institutional management, the Government of Côte d'Ivoire will constitute a National Review Committee through the MESRS. This committee is tasked with a semi-annual review of performance, withdrawal applications, and implementation planning and support, but no day-to-day implementation or approvals. The MESRS will chair and convene the committee, and the committee will include members from the MOF as well as the appropriate line ministries.
4. The role of the regional facilitation across the countries and universities is carried out by the Regional Facilitation Unit hosted by the AAU. A grant agreement between the World Bank and the AAU lays out the key activities of the RFU, and an annual workplan between the World Bank, the ACEs, and the AAU. It also details the AAU's expected work on capacity building, M&E, and convening ACE meetings, including regional steering committee meetings.

Summary for Financial Management Assessment and arrangement for Côte d'Ivoire

5. The FM arrangements for the AF have been designed with consideration for the country's post-conflict situation while taking into account the OP/BP 10.00 which describes the overall FM Bank policies and procedures. The FM system of the project must be capable of: (i) correctly and completely recording all transactions related to the project; (ii) facilitating the preparation of

regular, timely and reliable financial statements; (iii) safeguarding the project's assets; and (iv) can be subject to auditing diligences as required by the Bank. The arrangements also aim to facilitate disbursements and ensure effective use of project resources while using the country's own systems to the extent possible.

6. The second Public Expenditure Management and Accountability Review (PEMFAR II) and the Public Expenditure and Financial Accountability (PEFA II), undertaken in 2013, revealed significant improvements in Côte d'Ivoire's Public Financial Management (PFM) system over the past four years, but also highlighted critical areas of improvement. The assessments recommended further improvement in the following key areas: (i) the management of arrears; (ii) controls and consolidation at different levels of government; (iii) the quality of the macroeconomic framework for forecasting the level of revenues; (iv) the development of multi-year budgeting; (v) the quality of reporting on budget execution; and (vi) the quality of internal and external controls.

7. An assessment of the FM capacity of the three Institutions (i) *Ecole Nationale Supérieure de Statistique et d'Economie Appliquée* (ENSEA); (ii) *Université Félix Houphouët-Boigny* (UFHB) ; and (iii) *Institut National Polytechnique Félix Houphouët-Boigny* (INP-HB) which follow the country PFM system to manage the national budget they receive, was conducted during the preparation of this AF.

8. The main findings arising from the assessment were that the three Centers of Excellence are not familiar with Bank FM procedures. However, they are used to manage the funds of some donor-financed projects mainly WASCAL (Germany), European Union (EU) and WAEMU/ADB using these DPs' financial policies and procedures. Generally speaking, the capacity of the FM staff needs to be strengthened and essential FM tools such as FM procedures manual for management of donors' projects and adequate project accounting software are not in place. Furthermore, the format and content of the interim financial reporting do not fully meet the Bank FM requirements and external auditing arrangements need to be strengthened.

9. Based on the findings of various PFM diagnostic reports taking into account the key areas for improvement described above, the assessment concluded that the Directorate of Administration and Finance (DAF) of the three Institutions would have the capacity to manage the project assuming key measures are put in place to strengthen FM system. The FM arrangements for the AF have thus been designed for each Institution with consideration for the country's current PFM status while taking into account the OP/BP 10.00 which describes the overall FM Bank policies and procedures.

10. Going forward and in order to mitigate the fiduciary risk to the extent possible, the FM of the project will run as follows for the three Institutions:

- The "DAF" of these Institutions will be the Bank main counterpart and focal point for all the fiduciary aspects of the program;
- The FM arrangements of the Bank-financed operations in Côte d'Ivoire are guided by Instruction No 192/MEF/CAB/DGBF/DAS-SDSD signed by the Minister of Finance on September 22, 2008. These Instructions established a partial use of country FM systems. These arrangements for project FM re considered acceptable to IDA, having been improved over time. The FM arrangements of the proposed AF of the Project will follow the same approach as the FM arrangements in place for the ongoing Bank-funded Projects in the country.

- The annual work plan and budget will be prepared and approved by the steering committee and submitted to the Bank for no objection by November 30 every year; the Bank resources will be reflected in the three Institutions budget approved by the National Assembly;
- The DAF team of the three Institutions headed by a Director and some accountants supported by a budget controller (Ministry of Budget) and a public accountant (MOF) as required by PFM Act will be strengthened with the assignment to the project of one (1) dedicated additional experienced accountant (individual consultant) familiar with Bank FM procedures;
- Implementation of the IDA-financed project will translate into an increase of activity for the DAF of the three Institutions – which in turn will require more sophisticated control systems and adequate staff, an effective internal audit function, a manual of procedures in place, an integrated information system and projects accounting software. It was, therefore, discussed and agreed with the three centers the following additional measures to mitigate the risks: (i) develop an FM procedures manual for donor-financed project management; (ii) acquire and install a multi-projects accounting software; and (iii) use of the *Inspection Générale des Finances* (IGF) (the government internal audit department established within the MOF) to perform the internal audit function of the project;
- Unaudited Interim Financial Reports (IFRs) will be prepared every semester in a format and content agreed with IDA and submitted to the Bank 45 days after the end of the semester;
- The project annual accounts will be audited on an annual basis by independent external auditors selected on a competitive basis with qualification acceptable to the Bank; the reports shall be submitted to IDA and to the Chamber of Accounts not later than six months after the end of each fiscal year;
- Disbursement to Côte d'Ivoire will be Result-based and made against submission of supporting documents among them, an Unaudited Interim Financial Report (IFR) and certificates of achievement of the results and EEPs spending reports provided by the Independent Verification Agency. Upon effectiveness, the first Withdrawal Application is based upon achievement of DLI 1
- Two bank accounts will be opened: (i) one Designated Account (DA) denominated in FCFA (XOF) at the Central Bank (BCEAO) and; (ii) one Project Account (PA) in a commercial bank on terms and conditions acceptable to IDA. An initial deposit (first advance) up to the maximum of 15 percent of DLR 2.1 to 2.8 for the semester per university will be released by IDA at the request of each Institution upon effectiveness;
- The credit will finance 100 percent of eligible expenditures of the program inclusive of tax.
- The residual FM risk after mitigations measures has been rated substantial taking into account the country context, experience under IDA on-going projects and the lack of familiarity and experiences of the three Institutions in Bank-financed operations; and
- Due to the Substantial FM risk, FM supervision will be conducted at least twice a year during the first year of project implementation period. It will focus on the status of FM system to assess whether the system is operating well as agreed and provide support as needed. The supervision intensity will be adjusted over time taking into account the Project's FM performance and FM risk level.

11. Pending actions for each Institution:

- Assignment of a dedicated additional experienced accountant (individual consultant) familiar with IDA FM procedures;
- Develop a FM procedures manual for donor-financed project management;
- Acquire and install a multi-projects accounting software;
- Use of the IGF to perform the internal audit function of the project;
- Select independent external auditors on a competitive basis with qualification acceptable to the Bank; and
- Open two bank accounts – one at the Central Bank “BCEAO” and one in a commercial bank acceptable to IDA.

Justification of partial Use of country systems

12. The FM arrangements of the Bank-financed operations in Côte d’Ivoire are guided by the Instruction No 192/MEF/CAB/DGBF/DAS-SDSD signed by the Minister of Finance on September 22, 2008. These Instructions established a partial use of country FM systems. They allow for the assignment of public accountant to each IDA-financed project and a financial controller or budget controller responsible for prior reviews of supporting documents for all payments related to the project. These project FM arrangements are considered acceptable to IDA, having been improved over time. The FM arrangements of the proposed AF will follow the same approach as the FM arrangements in place for ongoing projects in the country taking into account the status of the implementing entities.

13. The World Bank and other donors’ assessments, notably the PEMFAR I and PEFA (Public Expenditure and Financial Accountability) completed in 2008, highlighted a number of shortcomings in the areas of human resources, economic governance and public expenditure management. With the support of the international community, the Government has undertaken a series of PFM reforms since 2009 that have begun to improve FM performance. The Government and the donors have prepared a general strategic plan for PFM reforms¹ to follow up on the remaining PEMFAR II recommendations and the other diagnostics completed. Given the fragility of the fiduciary environment, the Government has requested the use of a ring-fenced financing mechanism for the FM aspects of this AF, similar to the other Bank-financed Projects in the country. Each institution will manage the funds allocated to them to implement its activities.

Key findings of the assessment of FM capacity of the three Universities: ENSEA, INPHB and UFHB

14. The overall conclusion of the assessment of the FM capacity of ENSEA, INPHB and UFHB is that the three institutions have basic budgeting, accounting systems and tools as well as internal controls systems in place. Each institution has also some experience in managing other

¹ Strategic Framework for PFM reforms in Côte d’Ivoire (*Schema Directeur de réformes des Finances Publiques en Côte d’Ivoire*), April & June 2014 mission by World Bank, IMF, and AfDB.

donor-financed projects mainly (i) EU, WASCAL/German government; AfDB, etc. However, these Institutions have no previous experience in Bank-financed projects except a Trust Fund 092112 amounting US\$0.2 million implemented by ENSEA in 2009/2010. Except for UFHB where a specific manual of procedures for a WASCAL project (describing the financial policies and procedures) was prepared, there is no standardized FM manual applicable to donor-financed projects in these institutions. The country's PFM budget and accounting software are used for budget implementation and accounting of transactions. The samples of interim financial reports reviewed during the assessment mostly comply with donors' requirements and were deemed acceptable. For the purposes of IDA-financed projects, the content and format will be improved to comply with Bank requirements and for disbursement purposes. There is no internal audit unit in each institution, this function is under the responsibility of the IGF, a specialized department of the MOF. Finally, the external audit function is fulfilled by the Chamber of Accounts. The samples of audit reports of donor-financed projects accounts revealed a need to strengthen the external audit arrangements to comply with the Bank's audit requirements.

Risk assessment, mitigation and financial covenants

15. Poor governance and corruption are challenges in some sectors given the context of a post-conflict politically fragile country. The main concern related to this AF, in terms of FM, is the lack of familiarity and experience of these institutions' staff in Bank FM procedures. Effective implementation of FM mitigation measures, effective oversight by the Steering Committees and the involvement of national PFM actors and audit institutions will help mitigate overall risks identified at the country, project and control levels. The Bank's principal concern is to ensure that project funds are used economically and efficiently for the intended purpose. The FM action plan has been developed to mitigate these risks and is presented below. Assessment of the risks that the project funds will be used according to Bank procedures is an important part of the FM assessment. The risk features are assessed in terms of two areas: (i) the risk associated to the project as a whole (inherent risk), and (ii) the risk linked to a weak control environment of the project implementation (control risk).

16. The main strengths, weaknesses and risks of the system are described below:

- The design of the project follows existing FM arrangements to implement Bank-financed projects in Côte d'Ivoire which include partial use of country systems for the following PFM components: staffing, planning, budgeting, accounting, disbursement, procurement, financing reporting, and internal control, among others.
- The country's political situation has impacted governance. In the context of the project, the main weaknesses include the lack of familiarity and previous experiences of the DAF staff of three Universities in Bank FM procedures. However, an effective implementation of FM mitigation measures as well as a strengthened and effective oversight of the steering committee of each university and the involvement of the country PFM actors and institutions of controls would contribute to mitigate the weaknesses identified at country, project and control levels.
- Major risks are delays in the submission of withdrawal applications for reimbursement with supporting DLIs accepted by the Independent Verification Agency and delays in the transfer of funds deriving from reimbursement by the MOF to the University Project

Account. These will be mitigated by having a DLI that encourages timely submission of withdrawal applications to the Bank for disbursement and having as part of the reports submitted to the Bank a commitment of the government to invest in the University through specific budget line; proof of funds transferred by MOF to the University; and proof of commitment for the next year. In addition, a timeline should be agreed between the MOF and the University for funds to be transferred and documented in the contract between the Government and the university.

Financial Management Action Plan

17. Financial covenants are the standard covenants as described in the legal documents and are comprised of maintaining AF project accounts in accordance with sound accounting practices, audit requirements and records well-kept and secured. These are detailed in the FM action plan which follows.

Financial Management (FM) Action Plan

Issue/Topic	Remedial action recommended	Responsible body/person	Completion date
Staffing	Appointment of one accountant familiar with Bank FM procedures to work on this operation	ENSEA, INPHB and UFHB	3 months after project effectiveness
	Assignment of a public accountant and a financial controller (civil servants) as required by Instruction 192 (under revision)	MEF	3 month after project effectiveness
Information system accounting software	(i) Acquisition and installation of multiproject accounting software for the project and training of the users	ENSEA, INPHB and UFHB	3 months after project effectiveness
Internal control	Prepare the FM and procurement procedures manual	ENSEA, INPHB and UFHB	By effectiveness
Internal auditing	Formal agreement with the <i>Inspection Générale des Finances</i> (“IGF”) to manage the internal audit function of the project and to conduct periodic reviews of the project transactions	ENSEA, INPHB and UFHB + MEF/IGF	3 months after project effectiveness
External auditing	Appointment of the external auditor completed and contract signed	ENSEA, INPHB and UFHB	6 months after project effectiveness

***The shaded is a condition of effectiveness**

Planning and Budget execution

18. Each University will prepare a consolidated annual work plan and budget for implementing AF project activities. The work plan and budgets will identify the activities to be undertaken and the role of respective parties in implementation. The AWPB will provide detailed information on the amount allocated to each implementing entity per activity showing unit costs

and quantities. The AWPB will be submitted to the National Steering Committee for advice, and thereafter to IDA for approval no later than 30 November of the year proceeding the year the work plan should be implemented.

Accounting systems and policies

19. An integrated financial and accounting system and associated software will be put in place and used by the FM unit of each University. The Project code and chart of accounts will be developed to meet the specific needs of the project and documented in the manual of procedures to be prepared. The prevailing accounting policies and procedures in line with the West African Francophone countries accounting standards (*SYSCOHADA*) currently in use in Côte d'Ivoire for ongoing Bank-financed operations will be applied. The accounting systems and policies and financial procedures used by the Project will be documented in the project's procurement manual, financial management manual and implementation plan.

Internal Control and Internal Auditing

20. The internal control system aims to ensure: (i) the effectiveness and efficiency of operations, (ii) the reliability of financial reporting, and (iii) the compliance with applicable laws and regulations. For the purpose of this project, the Implementation Plan, to be finalized, will describe work processes, information flow, authorization and delegation of authority, timing, job descriptions, controls, compliance with project objectives, micro and macro rules and regulations. Application of the procedures set up in the manual will be mandatory for all staff at all levels for each university. In addition to the implementation plan, all rules of the DAF of ENSEA, INPHB and UFHB that do not conflict with the implementation plan will also apply to the project.

21. There is no formal internal audit department or unit within the DAF of these three Universities. All of the accounting works performed by the team of DAF are overseen by the *Direction Générale du Trésor et de la Comptabilité Publique* (DGTCP). All the expenditure cycles from commitment to payment of invoices as well as expenditure supporting documents are scrutinized by the budget controller and the public accountant assigned to each university in line with the government PFM act. This arrangement, which applies to all Bank-financed projects in Côte d'Ivoire under the Instruction No 192/MEF/CAB/DGBF/DAS-SDSD signed by the Minister of Finance on September 22, 2008, will be used for this AF.

22. In addition to this, the MOF and the Bank are providing support for the strengthening of the internal audit function in the country. In line with Instruction 192, the IGF, will conduct on a periodic basis (semester), some reviews of the project expenditures including physical verifications of acquisition of works, goods and services. All deficiencies or circumvented practices identified will be communicated by the IGF in a timely manner to the Director of each University, senior management of the project, mainly the Steering Committee (SC) and the DAF for immediate corrective action as appropriate. One copy of such report will be communicated to the World Bank.

Financial reports

23. Unaudited Interim Financial Reports (IFRs) will be prepared every semester in a format and content agreed with IDA and submitted to the Bank 45 days after the end of the semester. The IFR includes the following financial statements: (i) statement of sources of funds and project revenues and uses of funds; (ii) statement of expenditures classified by project components and or disbursement category (with additional information on expenditure types and implementing agencies as appropriate), showing comparisons with budgets for the reporting quarter, the year and cumulatively for the project life; (iii) cash forecast; (iv) explanatory notes; and (v) Designated Account activity statements. The IFRs will report on the financial status of all activities of the project for each University.

24. In compliance with International Accounting Standards and IDA requirements, each University will produce annual financial statements. These include: (i) a Balance Sheet that shows Assets and Liabilities; (ii) a Statement of Sources and Uses of Funds showing all the sources of Project funds, expenditures analyzed by project component and or category; (iii) a Designated Account Activity Statement; and (iv) Notes related to significant accounting policies and accounting standards adopted by management and underlying the preparation of financial statements. The financial statements will constitute the entry point of the external auditor's annual diligences.

External Audits

25. The Chamber of Accounts (Supreme Audit Institution) faces some capacity constraints. Therefore, the project accounts of each University will be audited by a qualified and experienced external auditor (audit firm) recruited on terms of reference acceptable to IDA. Each University project accounts will be audited on an annual basis. The annual audited financial statements together with the auditor's report and management letter covering identified internal control weaknesses will be submitted to IDA no later than six months after the end of each fiscal year.

Funds flow Arrangements

26. Designated Account and Project Accounts: Two bank accounts will be opened for each University: one **Designated Account (DA)** denominated in XOF will be opened at the Central Bank of West African States (BCEAO) and will be managed by the Department of Public Debt (*Direction de la Dette Publique-DDP*) to receive advances for project expenditures eligible under DLI 2 (advance) for project financing. The funds will then be transferred into the **Project Account (PA)** opened in a commercial bank acceptable to IDA. The PA will also receive funds deriving from the MOF (Reimbursement when DLI 1 to 4 are achieved transferred). The PA will be managed by the public accountant assigned by the MOF to each University. Any interest income on the PA will be deposited into a specific account opened in a commercial bank.

27. Eligible Expenditure Programs (EEPs): This will relate to only Component one and shall primarily comprise of each University staff salaries or other non-procurable operational costs of

the program. These costs will be verified by the Independent Verification Agent before submission for reimbursement to IDA. Schedule 4, 5 and 6 of the Financing Agreement provide more details on the amounts allocated and Disbursement Linked Indicators for ENSEA, UFHB and INPHB.

28. Funds flow arrangement under Component 1 of the AF

a) Upon credit effectiveness:

- Each University will submit information to the National Review Committee regarding the achievement of the preparation and qualification results (DLI1 – Year 0). Further, each University will certify that it has the required background information in its archives to document the achievements of the results.
- The Government through the National Review Committee will review and submit information to the World Bank with copy to the AAU regarding the achievement of the preparation and qualification results (DLI 1 – Year 0). This information will be supplemented with relevant documents as described in the disbursement letter. This first disbursement is in form of lump sum. The information submitted to the World Bank should be accompanied with a reimbursement withdrawal application.
- The World Bank will disburse funds for Year 0 results (to a bank account provided by the MOF).
- MOF will transfer the funds using the regular budget process to each university Project Account at the university level.
- If additional funds are necessary for implementation, the government can request an advance on DLI#2 of up to 15 percent of the amount allocated to this DLI. This will be an advance, and if results and eligible expenditures are not subsequently submitted to the World Bank, this advance will have to be refunded to the World Bank.

b) For each subsequent yearly disbursement, this will be as follows:

- Each University will compile the achieved results and certify that it has the required background information in its archives to document the achievements of the results.
- Each University, University country focal point and the Ministry/Agency of Higher Education through the national review committee will review the results and submit information regarding the achievement of the project results for that year (Year 1-4). The information to submit consists of two parts: (i) Each University results in the form of the DLIs, and (ii) Expenditures in the eligible expenditure program (EEP).
- AAU (the regional facilitation unit) will together with the World Bank verify achievements, sometimes on a sample basis. This will be done after the Verification Agency, verifies the DLIs. Thereafter, World Bank will disburse the agreed funds for that year's results to the project's bank account provided by the MEF. The disbursement will be made through submission of the withdrawal application with evidence of EEPs to be reimbursed and supporting DLIs achieved. Advance received under DLI2 will be deducted.
- Ministry of Finance will transfer the funds using the regular budget process to the University Project Account at the university level.

- Advance payment could be requested each year under DLI 2.

Disbursement Arrangements

29. **Disbursement methods:** Disbursement to Côte d'Ivoire under this AF will be Result-based. This disbursement method will be by reimbursement against submission of relevant documentation among them, an Unaudited Interim Financial Report and certificates of achievement of the results and EEPs spending reports provided by the Independent Verification Agency.

30. Upon effectiveness, the first Withdrawal Application is based upon achievement of DLI 1 (Year 0). An initial deposit (first advance) up to the maximum of 15 percent of DLR 2.1 to DLR 2.8 for the semester per university will be released by IDA at the request of each Institution upon effectiveness. There will be no advance payment made to the Universities for DLI 3 and DLI 4; only reimbursement will apply. Schedule 4, 5 and 6 of the Financing Agreement provide more details on the amounts allocated and DLIs for ENSEA, UFHB and INPHB. There will be no retroactive financing under the Additional Financing for Côte d'Ivoire.

31. If ineligible expenditures are found to have been made from the Designated and/or Project Account, the borrower will be obligated to refund the same. If the Designated Account remains inactive for more than 12 months, IDA may reduce the amount advanced. IDA will have the right, as reflected in the terms of the Financing Agreement, to suspend disbursement of the funds if significant conditions, including reporting requirements, are not complied with. Additional details regarding disbursement will be provided in the disbursement letters.

32. **Local taxes.** Funds will be disbursed in accordance with project categories of expenditures and components, as shown in the Financing Agreement. Financing of each category of expenditure/component will be authorized at 100 percent inclusive of taxes as per the current Country Financing Parameters approved for Côte d'Ivoire.

33. **Supervision plan:** FM supervisions will be conducted over the project's lifetime. The project will be supervised on a risk-based approach. Supervision will focus on the status of financial management system to verify whether the system continues to operate well throughout the project's lifetime and to ensure that expenditures incurred by the project remain eligible for IDA funding. It will comprise inter alia, the review of audit reports and IFRs, advice to task team on all FM issues. Based on the current risk assessment which is substantial, we envisage at least two supervision missions per year. The Implementation Status Report (ISR) will include an FM rating of the project for each University. An implementation support mission will be carried out before effectiveness to ensure the project readiness. To the extent possible, mixed on-site supervision missions will be undertaken with procurement and disbursement colleagues and will cover the activities implemented by each University. The supervision intensity will be adjusted over time taking into account the project FM performance and FM risk level.

Summary of Procurement Assessment and arrangement for Côte d'Ivoire

Procurement General – Applicable Policies

34. Following the 2004 Country Procurement Assessment Report, a new Procurement Code (Decree N°2009-259 dated August 06, 2009), in line with the West African Economic and Monetary Union's (WAEMU's) procurement Directives and international good practices, and key implementing regulations and documentation was adopted in 2009. In May 2014, Government of Côte d'Ivoire adopted a new decree (Decree N°2014-306 dated May 27, 2014) that modified the existing Procurement Code through improving of articles 62, 68, 74, 75, 77, 80, 81, and 173. A national procurement capacity building program exists and is being implemented at the central and decentralized entities level. An electronic system for collecting and disseminating procurement information and for monitoring procurement statistics has been set up and needs to be spread over all of the contracting authorities. However, persisting issues remain that affect transparency and efficiency of the national procurement system such as threshold for awarded contracts signature and approval that are still low and lead to long delay for awarded contract implementation; and no procurement compliance review has been done so far.

35. **Guidelines:** In general, Côte d'Ivoire's procurement code and regulations do not conflict with IDA guidelines. However, provisions related to the lack of procurement thresholds as well as low signature and approval thresholds still apply on national public procurement before new modifications being effective. The procurement for the proposed project will be carried out in accordance with: (a) the World Bank's "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants" dated January 2011 revised July 2014; and (b) "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 revised July 2014. Further, the project will follow the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.

36. **Procurement Documents:** Procurement would be carried out using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) for goods and works and Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. The Recipient will develop standard documents based on the Bank's SBDs for National Competitive Bidding (NCB) for goods and works and the Bank's RFP for the selection of consultants through methods other than Quality and Cost Based Selection (QCBS), with modifications that will be submitted to the IDA for prior approval.

37. The different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Recipient and the Bank in the Procurement Plan. The Procurement Plan will be updated at least

annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

38. **Advertising procedures:** General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest and results of the evaluation and contracts award should be published in accordance with advertising provisions in the following guidelines: “Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants” dated January 2011 revised July 2014, and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 revised July 2014. The Borrower will keep a list of received responses from potential bidders interested in the contracts.

39. For ICB and request for proposals that involve international consultants, the contract awards shall be published in the United Nations Development Business (UNDB) online within two weeks of receiving IDA’s “no objection” to the recommendation of contract award. For Goods, the information to publish shall specify: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening; (c) name and evaluated prices of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. For Consultants, the following information must be published: (a) names of all consultants who submitted proposals; (b) technical points assigned to each consultant; (c) evaluated prices of each consultant; (d) final point ranking of the consultants; and (e) name of the winning consultant and the price, duration, and summary scope of the contract. The same information will be sent to all consultants who submitted proposals. The other contracts should be published in a national gazette periodically (at least, quarterly) and in the format of a summarized table covering the previous period with the following information: (a) name of the consultant to whom the contract was awarded; (b) the price; (c) duration; and (d) scope of the contract.

Procurement methods

40. **Procurement of Works.** The works to be financed by IDA include the followings: rehabilitation of smaller buildings and potential smaller new buildings for laboratories or teaching facilities. Overall civil works will be limited to a maximum of 25 percent of the funding to each Center of Excellence, which implies a maximum civil works contract of US\$2,000,000 equivalent. Contracts estimated to cost less than US\$10,000,000 equivalent may be procured through NCB. Contract estimated to cost less than US\$70,000 equivalent per contract may be procured through shopping procedures. For shopping, contracts will be awarded following evaluation of bids received on the basis of written solicitations issued to several qualified suppliers (at least three). The award would be made to the supplier with the lowest price, only after comparing a minimum of three quotations open at the same time, provided he has the experience and resources to execute the contract successfully. For shopping, the project procurement officer will keep a register of suppliers updated at least every six months.

41. **Procurement of Goods.** The Goods to be financed by IDA would include: teaching and learning equipment, teaching material, books, broad band connection and access to scientific

information, office furniture, equipment, and supplies vehicles, etc. Similar Goods that could be provided by a same vendor would be grouped in bid packages estimated to cost at least US\$1,000,000 per contract and would be procured through ICB. Contracts estimated to cost less than US\$1,000,000 equivalent may be procured through NCB. Goods estimated to cost less than US\$70,000 equivalent per contract may be procured through shopping procedures. For shopping, the condition of contract award shall be the same process as described above for procurement of works.

42. **Selection of Consultants.** The project will finance Consultant Services for activities such as: curriculum design, international education experts, engineering designs and supervision of works surveys, monitoring and evaluation studies, technical and financial audits, etc.

43. Consultant firms will be selected through the following methods: (a) QCBS; (b) selection based on the Consultant's Qualification (CQS) for contracts which amounts are less than US\$300,000 equivalent and are relative to exceptional studies and researches which require a rare and strong expertise; (c) Least Cost Selection (LCS) for standard tasks such as insurances and, financial and technical audits costing less than US\$300,000; (d) Single Source Selection, with prior agreement of IDA, for services in accordance with the paragraphs 3.10 to 3.12 of Consultant Guidelines. Individual Consultants (IC) will be hired in accordance with paragraph 5.1 to 5.4 of Bank Guidelines; Sole source may be used only with prior approval of the Bank.

44. Short lists of consultants for services estimated to cost less than US\$300,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines, if a sufficient number of qualified individuals or firms are available. However, if foreign firms express interest, they would not be excluded from consideration.

45. Procurement of consulting services other than consulting services covered by consultant Guidelines: those might include designing, editing and printing project promotion supports; providing logistic support such as car rental for field visits, travel services and logistic support for workshop and the like. LCS or shopping will be used.

46. **Training, Workshops and Conferences.** Trainings (including training material and support), workshops and conferences, will be carried out based on a Capacity building and Training Plan (CBTP) to be approved along the Project's Annual Work Plan and Budget (AWPB). Detailed TORs will be prepared for each line of activity in the three Institutions (i) Ecole Nationale Supérieure de Statistique et d'Economie Appliquée (ENSEA); (ii) Université Félix Houphouët-Boigny (U-FHB); and (iii) Institut National Polytechnique Félix Houphouët-Boigny (INP-HB), providing information on the nature of activity (training, workshop, study tour, field missions etc.), the number of trainees/participants, of which women, duration, staff months, timing and estimated cost, and will be submitted to IDA for review and approval prior to initiating the process. The appropriate methods of selection will be derived from the detailed schedule. Project would be requested to include a brief in the quarterly PIAs and Project's implementation progress report (IPR) summarizing completed activities under the three Institutions (i) ENSEA; (ii) U-FHB; and (iii) INP-HB and their outcomes as regards the attainment of the project development objective.

47. Operational Costs. Operating costs financed by the project are incremental expenses incurred for implementing project activities by the ACE university teams. They include facility services (electricity, internet, tap water, etc.), vehicles operation and maintenance, maintenance of equipment, communication costs, supervision costs (i.e. transport, accommodation and per diem), and salaries of locally contracted staff. They will be procured using the procurement procedures specified in the institutional Project Financial and Accounting Manual.

Procurement Assessment of the capacity of the implementing Higher Education Institutions

48. An assessment has been conducted of the procurement capacity of the three Institutions which follow the country procurement system to conduct all procurement process in the implementation of the budget they get from the government and others donors.

49. The assessment conclusions are the following: (a) regarding the criteria of experience in procurement, (b) regarding the Fiduciary staff, (c) regarding the filing of procurement documents (d) regarding the existence of a manual of procedures on procurement: (i) the assessment of the procurement capacity of the three Institutions (i) ENSEA; (ii) U-FHB; and (iii) INP-HB have concluded that none of these have experience in Bank procurement procedures; and (ii) none of these possess a manual of procedures in accordance with Bank requirements.

Procurement Mitigation measures

50. In order for these bodies to implement Bank funded activities in accordance with the Bank's guidelines on procurement, the assessment mission recommends the followings: (i) the recruitment of one senior procurement specialist for each entity to strengthen their capacity and handle procurement matters during project implementation; and (ii) the preparation of a procurement manual for each of them.

Frequency of procurement reviews and supervision

51. Bank's prior and post reviews will be carried out on the basis of thresholds indicated in the following table. The IDA will conduct six-monthly supervision missions and annual Post Procurement Reviews (PPR); with the ratio of post review of at least one to five contracts. The IDA may also conduct an Independent Procurement Review at any time until two years after the closing date of the project.

Country Overall Procurement Risk Assessment:

High	
Average	X
Low	

52. With respect to the implementation team, the actions cover recruitment of one senior procurement specialist for each entity, and who will support the above-mentioned capacity building.

Recommended Action	Due Date
Appoint one senior procurement specialist for each entity on the basis of TORs acceptable to IDA.	Prior to effectiveness
Procurement manual	Prior to effectiveness

Procurement and Selection Review Thresholds
Procurement and Review Thresholds

Expenditure Category	Contract Value (Threshold)	Procurement Method	Contract Subject to Prior Review
	US\$		US\$
1. Goods	≥ 10.000,000	ICB	All
	< 10.000,000	NCB	The first contract
	quotation - no less than 3 quotation	< 100.000	
	National quotation - no less than 3 quotation for vehicle and oils	< 500.000	
	No threshold	Direct contracting	All
2. Consultants <i>Firms</i>	No threshold	QCBS; LCS; FBS	All contracts of US\$300,000 and more
	< 100,000	CQ	
Individuals	No threshold	IC (at least 3 CVs)	All contract of US\$100,000 and more
	No threshold	Single Source (Selection Firms & Individuals)	All
All TORs regardless of the value of the contract are subject to prior review			

53. All trainings, terms of reference of contracts, and all amendments of contracts raising the initial contract value by more than 15 percent of original amount or above the prior review thresholds will be subject to IDA prior review. All contracts not submitted for prior review, will be submitted to IDA post review in accordance with the provisions of paragraph 5 of Annex 1 of the Bank's Consultant Selection Guidelines and Bank's procurement Guidelines.

54. Procurement Plan. For each contract, the procurement plan will define the appropriate procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, the prior review requirements, and the time frame. The procurement plan was reviewed during project appraisal and was formally confirmed during negotiations. The procurement plan will be updated at least annually, or as required, to reflect the actual project implementation needs and capacity improvements. All procurement activities will be carried out in accordance with approved original or updated procurement plans. All procurement plans should be published on the Bank's website according to the Guidelines.