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DOCUMENTS

May 17<sup>th</sup>, 2018

Prof. Alexandre Lyambabaje  
Executive Secretary  
Inter-University Council of East Africa  
Plot M833, Kigobe Road  
P.O. Box 7110  
Kyambogo, Kampala

Re: Africa: Advance Agreement for the Preparation of the Proposed East Africa Skills for Transformation and Regional Integration Project Preparation Advance No. V195

Dear Sir:

In response to the request for financial assistance made on behalf of Inter-University Council of East Africa ("Recipient") ("IUCEA"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient for the benefit of the Federal Democratic Republic of Ethiopia, the Republic of Kenya and the United Republic of Tanzania ("Participating Countries") an advance out of the World Bank's Project Preparation Facility in an amount not to exceed one million five hundred six thousand eight hundred ninety one Dollars (\$1,506,891) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to increase the access and improve the quality of TVET programs in selected Regional TVET Centers of Excellence and to support regional integration ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement

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shall be deemed withdrawn if the World Bank has not received this countersigned copy within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

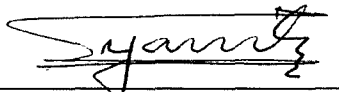
INTERNATIONAL DEVELOPMENT ASSOCIATION

By 

Paul Nomba UM

Coordinating Director for Regional Integration in East and Southern Africa  
Africa Region

AGREED:  
INTER-UNIVERSITY COUNCIL OF EAST AFRICA

By:   
Authorized Representative

Name: Prof. ALEXANDRE LYAMBABATE

Title: EXECUTIVE SECRETARY

Date: June 7<sup>th</sup>, 2018

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010.
- (2) Disbursement Letter for the Advance of the same date as this Agreement, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006.
- (3) "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 and as of July 1, 2016.

**Article I**  
**Standard Conditions; Definitions**

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms shall have the following meanings:

(a) “IUCEA’s Legislation” means the IUCEA’s Act, 2009 establishing the objectives, functions, institutional set up and systems of governance and management of IUCEA.

(b) “Regional Facilitation Unit” means a unit to be established within IUCEA to coordinate the Project and carry out regional initiatives financed under the Project.

(c) “Operating Costs” means the reasonable expenditures incurred by the Recipient to finance the Activities, including consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Activities, and travel, lodging and *per diems*, but excluding salaries of officials of the Recipient’s civil service.

(d) “Regional TVET Centers of Excellence” means the technical and vocational education training centers within the Participating Countries.

(e) “TVET” means technical and vocational education training.

(f) “Training” means the reasonable costs associated with training, workshops and seminars participation under the Activities, consisting of travel and subsistence costs for training participants, costs (other than consulting services) associated with securing the services of trainers and presenters, rental of training facilities, translation and interpretation services, preparation and reproduction of training materials.

**Article II**  
**Execution of the Activities**

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

(a) Supporting the Regional Facilitation Unit by recruiting the unit’s core staff and the acquiring basic office equipment and furniture.

(b) Preparing and validating Project’s technical documents.

- (c) Providing technical assistance and operational support to selected regional TVET institutes for the development of technical documents.
- (d) Providing Operating Costs for the purpose of Project preparation.
- (e) Supporting capacity building and leadership initiatives for selected TVET institutes.
- (f) Establishing protocols for timely preparation of the Project.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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 and as of July 1, 2016.

2.04. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.06. **Procurement**

All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated May 3, 2018 (“Procurement sPlan”) provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

**Article III  
Withdrawal of the Advance**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Advance Allocated (expressed in Dollars)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consulting services, Operating Costs and Training under the Activities	1,506,891	100%
<b>TOTAL AMOUNT</b>	1,506,891	

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is January 31, 2019.

**Article IV  
Terms of the Advance**

4.01. **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing

Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. *No Repayment in the absence of a Refinancing Agreement:* Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

#### **Article V Additional Remedies**

5.01. *Additional Events of Suspension.* The Additional Events of Suspension consist of the following:

(a) The World Bank has declared the Recipient or any Participating Country ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA, as a result of a declaration by another financier that the Recipient is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier.

(b) The ICUEA's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Implementing Entity to perform any of its obligations under the Implementation Agreement.

#### **Article VI Recipient's Representative; Addresses**

6.01. *Recipient's Representative.* The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its executive secretary.

6.02. *Recipient's Address.* The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Inter-University Council of East Africa  
Plot M833, Kigobe Road  
P.O. Box 7110  
Kyambogo, Kampala

6.03. *World Bank's Address.* The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Telex:

248423 (MCI) or  
64145 (MCI)

Facsimile:

(1)-202-477-6391

## APPENDIX

### Modifications to the Standard Conditions

The modifications to the Standard Conditions Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility dated July 31, 2010 are as follows (all references to Sections and the Appendix are to Sections of and the Appendix to said Standard Conditions):

A. Section 2.11 (a) is modified to read as follows:

“Section 2.11. (*Visits*) (a) The Recipient shall take all measures required on its part to enable the representatives of the World Bank to visit any part of any Member Country’s territory for purposes related to the Advance or the Activities.”

B. The expression “territory of the Recipient” or “its territory”, wherever used in Sections 3.06 (*Financing Taxes*), 4.07 (*Manner of Payment*) and 5.01 (*Financial and Economic Data*) is modified to read “territory of each Member Country”,

C. Section 6.02(h) (*Membership*) is deleted in its entirety, and the remaining paragraphs of Section 6.02 are renumbered accordingly.

D. The expression “Implementing Entity”, wherever used in Sections 6.02 (i) (*Condition of Implementing Entity*) and 6.02 (j) (*Ineligibility*), is modified to read “Recipient”.

E. A new paragraph (l) is added to Section 6.02 (*Suspension by the World Bank*) (and the existing paragraph (l) is renumbered as (m)) to read as follows:

“(a) *Interference*. Any Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Activities or the performance by the Recipient of its obligations under the Advance Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the World Bank to visit any part of its territory for purposes related to the Advance or the Activities.”

F. A new definition is added to the Appendix to read as follows:

““Member Country” means the member of the World Bank in whose territory the Project is carried out or any of such member’s political or administrative subdivisions. If the Project is carried out in the territory of more than one member of the World Bank, “Member Country” refers separately to each such member.”

G. The definition of “Recipient” is modified to read as follows:

““Recipient” means the entity which is a party to the Advance Agreement and to which the Advance is extended.”