OFFICIAL DOCUMENTS

GRANT NUMBER D347-3A

Financing Agreement

(Africa Regional Scholarship and Innovation Fund for Applied Sciences, Engineering and Technology Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

INTERNATIONAL CENTRE OF INSECT PHYSIOLOGY AND ECOLOGY
GRANT NUMBER D347-3A

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and INTERNATIONAL CENTRE OF INSECT PHYSIOLOGY AND ECOLOGY ("Recipient"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient a grant, deemed by the Association to be on concessional terms, as set forth or referred to in this Agreement, in an amount equivalent to ten million five hundred thousand Special Drawing Rights (SDR 10,500,000) ("Financing"), to assist in financing the project described in Schedule I to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.

2.04. The Payment Dates are March 1 and September 1 in each year.

2.05. The Payment Currency is Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely, that the ICIPE Charter has been amended, suspended, abrogated, repealed or waived so as
to affect materially and adversely, in the opinion of the Association, the ability of the Recipient to perform any of its obligations under this Agreement.

**ARTICLE V — TERMINATION**

5.01. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

5.02. For purposes of Section 10.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

6.01. The Recipient’s Representative is its Director General.

6.02. For purposes of Section 11.01 of the General Conditions: (a) the Recipient’s address is:

International Centre of Insect Physiology and Ecology  
Duduville Campus, Kasarani  
P.O. Box 30772-00100  
Nairobi  
Kenya;  

and

(b) the Recipient’s Electronic Address is:

Facsimile: E-mail:  
+254 20 8632001 dg@icipe.org

6.03. For purposes of Section 11.01 of the General Conditions: (a) The Association’s address is:

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

(b) the Association’s Electronic Address is:

Telex: Facsimile:  
248423 (MCI) 1-202-477-6391
AGREED as of the Signature Date.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Carolyn Cork
Title: Country Director - Coordinating Director
Date: August 1, 2018

INTERNATIONAL CENTRE OF INSECT PHYSIOLOGY AND ECOLOGY

By

Authorized Representative

Name: SEGVERS KELEMU
Title: Director General & CEO
Date: 01 August, 2018
SCHEDULE 1

Project Description

The objective of the Project is to strengthen the institutional capacity for quality and sustainable doctoral training, research and innovation in transformative technologies in sub-Saharan Africa.

The Project consists of the following parts:

Part A. Capacity Development for the Operation and Management of the Scholarship, Research and Innovation Fund

Strengthening the capacity of the Regional Coordination Unit (RCU) to become a scientific, technological and innovation capacity builder for PhD programs and universities in sub-Saharan Africa, in particular:

1. Building the capacity of the RCU to engage in innovative fund-raising strategies, design, operationalize and enhance a general and permanent endowment fund (Regional Scholarship and Innovation Fund or RSIF), to finance scholarships, research and innovation grants in Sub-Saharan Africa on a sustainable basis, including:

   (a) engaging in regular, efficient fund-raising from African countries, governments, partner governments, individuals and institutional donors, and the private sector;

   (b) designing the RSIF as a permanent fund, including the statutes, governance structure, funding strategies, and identifying and selecting a fund manager;

   (c) designing and implementing robust systems for funds management, including endowment funds;

   (d) carrying out studies that are required for a successful implementation and sustainability of the RSIF as a permanent fund; and

   (e) improving the financial management of the RCU.

2. Developing the capacity of the RCU for the operation and management of doctoral training in selected African universities, and Research Grants including:

   (a) developing and implementing all the required managerial and information, communication and technology (ICT) processes and systems;

   (b) implementing and operationalizing the RSIF, including the statutes, governance structure, funding strategies, and identifying and selecting a fund manager;

   (c) designing and implementing robust systems for funds management, including endowment funds;

   (d) carrying out studies that are required for a successful implementation and sustainability of the RSIF as a permanent fund; and

   (e) improving the financial management of the RCU.
(b) improving the design of, and managing, the selection processes for scholars, host universities and international partners;

(c) improving mechanisms and design strategies for increasing participation of women in PhD programs and research;

(d) designing and implementing monitoring and evaluation strategies of the scholarship program; and

(e) carrying out a pilot for implementation and provision of five research grants (Research Grants) for faculty in Sub-Saharan Africa host institutions.

3. Building the capacity of host universities and the RCU to improve the quality of PhD programs and research in ASET fields, including:

(a) facilitating the RCU to design and implement cross-cutting PhD courses, training courses and mentoring programs;

(b) facilitating the creation and implementation of academic networks among Sub-Saharan Africa host institutions and international partners participating in the RSIF;

(c) developing standardized memoranda of understanding and agreements between the Sub-Saharan Africa host universities and international partner institutions;

(d) facilitating Sub-Saharan Africa host universities to document, disseminate and promote the implementation of good international practices in PhD training, including responsible conduct of research and compliance; and

(e) increasing access to scientific, technological and innovation journals and other published material to the RCU and RSIF researchers and PhD students.

4. Building the capacity of the RCU for management and administration of Innovation Grants, including:

(a) developing and implementing all the required managerial and ICT processes and systems for administration and management of Innovation Grants;

(b) improving the innovation and entrepreneurship capacity within the RCU;
(c) carrying out scoping exercises to identify existing incubators, accelerators and tech hubs for potential partnership on capacity development and innovation, and professional networks, conferences, and competitions on innovation and entrepreneurship, venture capital and investors in Sub-Saharan Africa;

(d) designing and implementing monitoring and evaluation strategies of the Innovation Grants;

(e) carrying out a pilot for implementation and provision of six Innovation Grant for innovation-enabling environments in Sub-Saharan Africa host institutions, and five Innovation Grants for innovation projects and commercialization of research in ASET fields; and

(f) carrying out a background study on best practices for the establishment of an intellectual property office, and intellectual property policy of Sub-Saharan Africa host university countries.

Part B. Scholarships and Research Grants for ASET

Provision of scholarship and Research Grants in the ASET fields, in particular:

1. Provision of scholarships for 3-4 year PhD training programs on competitive selection basis, in priority areas for citizens of Sub-Saharan countries at the African host universities.

2. Provision of Research Grants to (a) faculty of RSIF host institutions involved in a PhD program, and (b) RSIF graduates who obtain a post-doctoral or permanent position in an academic institution or research center (respectively, Beneficiaries), to finance eligible Proposals in the ASET fields related to transformative technologies.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Regional Coordination Unit
   (a) The Recipient shall at all times during the implementation of the Project maintain the Regional Coordination Unit (RCU) with staffing and resources, satisfactory to the Association.
   (b) Without limitation upon the provisions of paragraph 1(a) immediately above, the RCU shall be responsible for, inter alia, (i) prompt and efficient day-to-day management and implementation of the Project, monitoring, reporting, evaluation and communication, overall coordination of Project activities, preparation of the Annual Work Plans and Budget, fiduciary aspects (i.e., financial management and procurement), and (ii) management and growing the RSIF as a general and permanent fund, review and approval of Proposals, and administration of the PhD scholarships, Research Grants, and Innovation Grants.

2. PASET Board of Directors
   (a) The Recipient shall at all times during the implementation of the Project, coordinate and facilitate the PASET Board, in form and substance satisfactory to the Association.
   (b) Without limitation upon the provisions of paragraph 2(a) immediately above, PASET Board of Directors shall be responsible for providing strategic direction on the RSIF.

3. Regional Scholarship and Innovation Fund (RSIF) Administration Units
   (a) Without limitation upon the provisions of Section I.A.2 of this Schedule, the Recipient shall through the RCU establish and maintain, in form and substance satisfactory to the Association, RSIF Administration Units that may be required for effective management and administration of the respective PhD scholarships, Research Grants, and Innovation Grants.
   (b) Without limitation upon the provisions of paragraph 3(a) immediately above, the respective RSIF Administration Units will operate under direct supervision of the RCU, and shall be responsible for day-to-day management, administration of the PhD scholarship program, Research...
Grants and Innovation Grants, including review and evaluation of respective Proposals and submission of such Proposals to the RCU for review and approval, selection of RSIF PhD scholars, communication and coordination with Sub-Saharan Africa host universities and respective Beneficiaries.

B. Project Operational Manual

1. The Recipient shall carry out the Project in accordance with the arrangements, procedures and guidelines set out in the Project Operational Manual, containing, inter alia, detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement; (d) monitoring, evaluation, reporting and communication; (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, including; (f) arrangements and procedures for management, supervision, monitoring, evaluation, reporting, disbursement and funds flow arrangements, of the respective PhD scholarships, Research Grants, and Innovation Grants; and (g) guidelines for Proposal, including eligibility criteria, and detailed procedures for the selection, approval and implementation of respective Proposals.

2. The Recipient shall not amend, abrogate, waive or fail to enforce any provision of the Project Operational Manual without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in either in the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budget

1. The Recipient shall, by no later than June 30 of each year, prepare and furnish to the Association an annual work plan and budget ("Annual Work Plan") for the Project for the subsequent year. Said Annual Work Plan shall be of such scope and detail as the Association shall have reasonably requested.

2. The Recipient shall afford the Association a reasonable opportunity to review such Annual Work Plan, and, thereafter, the Recipient shall carry out the Annual Work Plan as shall have been approved by the Association. Only the activities included in the Annual Work Plan shall be eligible for financing.

3. The Annual Work Plan may be revised as required during Project implementation subject to the Association's prior written approval.
D. Innovation and Research Grants, PhD Scholarships

1. The Recipient shall, through the RCU, appraise, approve and monitor the respective Proposals and administer the respective PhD scholarships and Research Grants, and Innovation Grants ("Grants") in accordance with the provisions and procedures set forth or referred to in this Part D and in more detail in the Project Operational Manual.

2. Eligibility Criteria

Any eligible Proposal shall be approved by the RCU, on the basis of an appraisal conducted by the pertinent RSIF Administration Unit, in accordance with the eligibility criteria established in the Project Operational Manual. Such eligibility criteria shall include the following:

(a) the Proposal shall be for doctoral training, research or innovation in applied sciences, engineering and technology (ASET) fields; and

(b) the Proposal shall be initiated by a Beneficiary, which has met the other eligibility criteria specified or referred to in the Project Operational Manual, including an individual studying in, or faculty of a university or institution duly registered and operating in a sub-Saharan country, and an individual who is a citizen of a sub-Saharan country (whether as resident of a third Sub-Saharan country, or a citizen of the country in which the faculty is resident).

3. Terms and Conditions of Grants

A Grant shall be made available to an eligible Beneficiary pursuant to an PhD scholarship Agreement, or Research Grant Agreement, or an Innovation Grant Agreement, to be concluded between the RCU coordinator, on behalf of the Recipient, and the respective Beneficiary, all under terms and conditions described or referred to in more detail in the Project Operational Manual and satisfactory to the Association, which, inter alia, shall include the following:

(a) the description of the research or innovation to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring, evaluating and reporting on the implementation of the Proposal;

(b) the modalities of transfer of funds by the RCU coordinator to the pertinent Beneficiary;

(c) the obligation of the pertinent Beneficiary to maintain adequate records to reflect, in accordance with sound accounting practices, the expenditures
relating to the Proposal;

(d) the right of the Recipient, to: (i) inspect by itself, or jointly with the Association, if the Association shall so request, any relevant records and documents; and (ii) suspend or terminate the right of the pertinent Beneficiary to use the proceeds of the Grant upon failure by said Beneficiary to perform any of its obligations under the pertinent Innovation or Research Agreement.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each six (6) calendar months, covering the six (6) calendar months.

Section III. Withdrawal of the Proceeds of the Financing

A. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Training and Operating Costs under Part A of the Project (except Part A.2(e) and A.4(e) of the Project)</td>
<td>9,770,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Research Grants, and Innovation Grants under Part A.2(e) and A.4(e) of the Project</td>
<td>730,000</td>
<td>100%</td>
</tr>
</tbody>
</table>
(3) PhD scholarships and Research Grants under Part B of the Project.

| TOTAL AMOUNT | 10,500,000 |

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made
   (a) for payments made prior to the Signature Date; or
   (b) for pilot Research Grants, and Innovation Grants under Category (2) until the Co-financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it have been fulfilled.

2. The Closing Date is June 30, 2024.
APPENDIX

Definitions

1. "Annual Work Plans and Budget" means the annual work program to be prepared by the Recipient during each calendar year, including a program of activities and budget proposed for inclusion in the Project during the following fiscal year.

2. "Anti-Corruption Guidelines" means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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.

3. "ASET" means applied sciences, engineering and technology.

4. "Beneficiary" means a PhD scholar, Research Grant Beneficiary, or an Innovation Grant Beneficiary.

5. "Category" means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.

6. "Co-financing" means, for purposes of paragraph 14 of the Appendix to the General Conditions, an amount of United States of America Dollars nine million ($9,000,000), to be provided by the Association as an administrator of the Korea-World Bank Group Partnership Facility Single Donor Trust Fund to assist in financing the Project.

7. "Co-financing Agreement" means the Trust Fund Grant Agreement to be entered into between the Association acting not on its own behalf but as an administrator of Korea-World Bank Group Partnership Facility Single Donor Trust Fund Trust Fund and the Recipient providing for the Co-financing.


9. "Innovation Grant" means a grant made or proposed to be made out of the proceeds of the Financing, or to be made out of the RSIF, by the Recipient, through the RCU, to an Innovation Grant Beneficiary.

10. "Innovation Grant Agreement", means an agreement, satisfactory to the Association, entered into, or to be entered into, between the RCU, on behalf of the Recipient, and an Innovation Grant Beneficiary.
11. “Innovation Grant Beneficiary” means an individual scholar, faculty of a Sub-Saharan Africa host institution, or a Sub-Saharan Africa host University, which has met the eligibility criteria specified in the Project Operational Manual and, as a result, has been extended, or is to be extended, an Innovation Grant.

12. “International Centre of Insect Physiology and Ecology” or “ICIPE” means the inter-governmental institution established and operating pursuant to the ICIPE Charter dated November 27, 1986.

13. “Operating Costs” means reasonable cost of incremental expenses, approved by the Association, on the basis of the Annual Work Plans and Budget, on account of project implementation, including, rent and maintenance of offices, communication costs, coordination, and monitoring, salaries of the RCU staff, part salaries of the staff of the Recipient assigned to work on the Project from time to time as part of the RCU.

14. “PASET Board of Directors” means the board referred to in Section I.A.1 of Schedule 2 to this Agreement, said board established and operating pursuant to the PASET Charter and Governance Manual.

15. “PASET Charter” and “Governance Manual” means Charter dated July 29, 2016, establishing the partnership for skills in applied sciences, engineering and technology (PASET), and the manual dated November 28, 2016, and as updated on January 15, 2018, said manual setting forth details relating to the operations and functions of said PASET, including the partnership arrangements for PASET members.


17. “Project Operational Manual” means the Recipient’s manual, in form and substance satisfactory to the Association, and referred to in Section I.B.1 of Schedule 2 to this Agreement, as such manual may be amended from time to time with the agreement of the Association.

18. “Proposal” means a specific proposal at PhD level for research activities in the ASET field to be carried out by either a Research Grant Beneficiary or an Innovation Grant Beneficiary, and financed or proposed to be financed out of the RSIF, except for identified pilot Proposals financed out of the proceeds of the Financing under Part A.2(e) and A.4(e) of the Project.

19. “Regional Coordination Unit” or “RCU” means the coordination unit referred to in Section I.A.1 of Schedule 2 to this Agreement, a project management and implementing unit established by the Recipient for the purpose of the Project.
20. "Regional Scholarship and Innovation Fund" or "RSIF" means a fund to be established and managed by the Recipient as a sustainable mechanism to finance PhD level scholarships, research and innovation grants in Sub-Saharan African host universities.

21. "Research Grant" means a grant made or proposed to be made out of the proceeds of the Financing, or to be made out of the RSIF, by the Recipient, through the RCU, to a Research Grant Beneficiary.

22. "Research Grant Agreement" means an agreement, satisfactory to the Association, entered into, or to be entered into, between the RCU, on behalf of the Recipient, and a Research Grant Beneficiary.

23. "Research Grant Beneficiary" means an individual PhD scholar, or a faculty of a Sub-Saharan host institution, established and operating under the laws of a Sub-Saharan Africa country, which has met the eligibility criteria specified in the Project Operational Manual and, as a result, has been extended, or is to be extended, a Research Grant.

24. "RSIF Administration Units" means the respective administration units to be established within the proposed RSIF to manage and administer pertinent scholarships and grants to eligible PhD level scholars, researchers, faculty, and Sub-Saharan Africa host institutions.

25. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.

26. "Sub-Saharan Africa" means for the purpose of the Project, all countries in the geographical region known as Sub-Saharan Africa.

27. "Sub-Saharan Africa host university" means a university or an institution based in Sub-Saharan Africa, which is competitively selected or to be selected to provide quality PhD education that is relevant to Africa’s development; and the term "Sub-Saharan Africa host universities means all such universities or institutions.

28. "Training" means the cost associated with the training and workshops, approved by the Association, for reasonable expenditures (other than expenditures for consultants’ services), including: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.