FEDERAL MINISTRY OF FINANCE

DEPARTMENT INTERNATIONAL ECONOMIC RELATIONS

Website: www.fmf.gov.ng

Telephone:

Ref. No. F.11373/S.34/C.4013/210

Date: October 14, 2020

WORLD BANK OFFICE RECEIVED 16 OCT 2020 ABUJA

The Country Director,
World Bank Country Office,
102, Yakubu Gowon Crescent,
Opp. ECOWAS Secretariat,
Asokoro,
Abuja.

FORWARDING OF DULY EXECUTED FINANCING AGREEMENT BETWEEN THE FEDERAL GOVERNMENT OF NIGERIA AND INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) ON THE SECOND AFRICA HIGHER EDUCATION CENTRES OF EXCELLENCE DEVELOPMENT IMPACT PROJECT

I am directed to refer to the above subject and to forward herewith the attached duly executed Financing Agreement between the Federal Government of Nigeria and International Development Association (IDA) dated October 2, 2020 in respect of the Second Africa Higher Education Centres of Excellence Development Impact Project for your retention and further necessary action.

2. Please, accept the assurances of the warm regards of the Honourable Minister of Finance, Budget and National Planning.

ASomar

Aisha Omar
Director, International Economic Relations
For: Honourable Minister of Finance, Budget and National Planning

CREDIT NUMBER 6510-NG

Financing Agreement

(Second Africa Higher Education Centers of Excellence for Development Impact Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 6510-NG

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between FEDERAL REPUBLIC OF NIGERIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

(A) WHEREAS, the Co-financier intends to provide a Co-financing in the amount of forty million United Stated Dollars (US$40,000,000) equivalent, to the Recipient through a Co-financing Agreement to assist in the financing of Part 1 of the Project described in Schedule 1 to this Agreement; and

(B) WHEREAS, the Bank has agreed, on the basis, *inter alia*, of the foregoing to extend a Credit to the Recipient upon the terms and conditions set forth in this Agreement.

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 credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to fifty five million one hundred thousand Special Drawing Rights (SDR55,100,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 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 Service Charge is three-fourths of one percent (3/4 of 1%) per annum on the Withdrawn Credit Balance.

2.05. The Interest Charge is one and a quarter percent (1.25%) per annum on the Withdrawn Credit Balance.

2.06. The Payment Dates are April 15 and October15 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. 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 (a) carry out Parts 1 and 3.2 of the Project through the Higher Education Institutions; (b) collaborate with the International Centre of Insect Physiology and Ecology (ICIPE) to carry out Part 2 of the Project; and (c) collaborate with the Association of African Universities (AAU) to carry out Part 3.1 of the Project, all in accordance with the provisions of Article V of the General Conditions and the Performance and Funding Agreements.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) the participating Higher Education Institutions' legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Participating Universities to perform any of their obligations under the Performance and Funding Agreements;

(b) the AAU Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the AAU to perform any of its obligations under the Project; and

(c) 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 ICIPE to perform any of its obligations under Part 2 of the Project.

4.02 The Co-financing Deadline for the effectiveness of the Co-financing Agreement is eighteen (18) months from the Effective Date.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Performance and Funding Agreements have been executed in form and

substance satisfactory to the Association on behalf of the Recipient and the Higher Education Institutions.

5.02. The Additional Legal Matter consists of the following, namely that the Performance and Funding Agreements have been duly authorized or ratified by the Recipient and the Higher Education Institutions and are legally binding upon the Recipient and the Higher Education Institutions in accordance with their terms.

5.03. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

5.04. 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 the minister responsible for finance.

6.02. For purposes of Section 11.01 of the General Conditions:

(a) the Recipient's address is:

Federal Ministry of Finance
Ahmadu Bello Way
Abuja, Nigeria; and

(b) the Recipient's Electronic Address is:

Cable address:	Facsimile:
FEDMINFIN	234-9-2343609
Abuja	

6.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

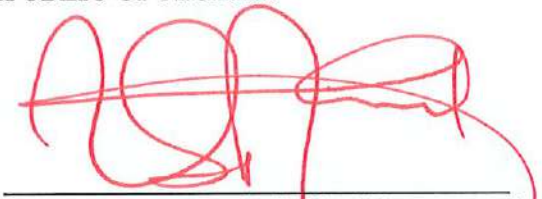
International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	1-202-477-6391

AGREED as of the Signature Date.

FEDERAL REPUBLIC OF NIGERIA

By 

Authorized Representative

Name: Mrs. (Dr.) Zainab Shamsuna Ahmed

Title: Hon. Minister of Finance, Budget & Nat. Planning

Date: October 2, 2020

INTERNATIONAL DEVELOPMENT ASSOCIATION

By 

Authorized Representative

Name: Shubham Chaudhuri

Title: Country Director

Date: _____

SCHEDULE 1

Project Description

The objective of the Project is to improve the quality, quantity and development impact of postgraduate education in selected universities through regional specialization and collaboration.

The Project consists of the following parts:

Part 1: Establishing New and Scaling-up Well-performing Existing ACEs for Development Impact

Strengthen the capacity of the Africa Centers of Excellence (ACEs) and the host institutions in West and Central Africa Higher Education Institutions, in particular to:

1. Establish new ACEs and increase the number of top quality centers and relevant programs offered in the region, and introduce new thematic areas that are not in existing ACEs through, *inter alia*, scaling up of student enrolment with a focus on recruitment of regional students, achieving international quality standards, introducing new academic programs, promoting project-based learning and innovative pedagogy; establishing new laboratories, enabling technology transfer and business/entrepreneurship; building linkages to the productive sector, academic partnerships, strengthening of the engineering technology programs within the respective colleges or schools of engineering, enhancing teaching and research capacity, and promoting institutional transformation.

2. Enhance capacity of the existing ACEs to scale-up their activities and deepen development impact, including, strengthening productive partnership with industry and other economic sectors, sectoral stakeholders, ministries and policymakers, boosting regional leadership of regional networks, leading efforts in training of quality postgraduate students and maintaining international accreditation, acting as drivers of research solutions to development challenges in the region, and strengthening of the engineering technology programs within the respective colleges or schools of engineering.

Part 2: Fostering Regional Partnerships and Scholarships

1. Expanding the regional impact of the ACEs, in particular, Financing of the Recipient's contribution to the Regional Scholarship and Innovation Fund (RSIF) the scholarship and research grants in the applied sciences, engineering and technology fields to, inter alia, enhance: (a) the 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 selected host universities; and (b) the provision of research grants to: (i) faculty of RSIF host institutions involved in a

PhD program, and (ii) RSIF graduates who obtain a post-doctoral or permanent position in an academic institution or research center.

Part 3: Enhancing National and Regional Level Project Facilitation, and Monitoring and Evaluation

1. Supporting regional project facilitation by the Association of Africa Universities (AAU) as the Regional Facilitation Unit (RFU) including: (a) planning, monitoring and evaluation activities related to ACE Impact, and activities of the regional centers; (b) regional exchange of information, knowledge and technologies; (c) relevant technical assistance and capacity building for facilitation of ACEs and regional centers; (d) facilitating the development of collaboration between the ACEs and with other national research and education networks, including creating digital networking platforms, through the provision of technical advisory services, approved training, conducting workshops, conferences, study tours and exchange programs, and (e) support regional policy making within higher education, including carrying out studies, all through the provision of technical advisory services, training and workshops.

2. Supporting national project facilitation by the National Universities Commission (NUC) in charge of higher education including: (a) planning, monitoring and evaluation activities related to ACE Impact, and activities of the national centers; (b) exchange of information, knowledge and technologies; (c) relevant technical assistance and capacity building for facilitation of ACEs and national centers ; and (d) facilitating the development of collaboration with other national research and education networks, through the provision of technical advisory services, approved training, conducting workshops, conferences, study tours and exchange programs.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Recipient shall maintain throughout the period of Project implementation:

1. Its representation at ministerial and government levels in the Project Steering Committee. The Project Steering Committee shall hold annual and semi-annual meetings at ministerial and government levels respectively, and provide overall guidance and oversight for the Project, including advocating for regional collaboration in higher education, and to act as a liaison between the Project, regional leadership and the public at large.

2. The National Steering Committee to hold semi-annual reviews of performance and implementation support for the Project at national level, including approvals of Annual Work Programs and implementation planning.

3. The Project Implementation Teams in ACE Impact Center or Higher Education Institutions to run the day-to-day management of the Project.

All with the composition, staffing, and powers acceptable to the Association as further described in the Project Regional Operations Manual, in the Project Implementation Plan or in the Performance and Funding Agreements.

4. (a) The Recipient, shall not later than thirty (30) days after the Effective Date, establish and, thereafter, maintain a project implementation unit within NUC (NUC-PIU). Said NUC-PIU shall consist of a national Project coordinator, procurement specialists, financial specialists, monitoring and evaluation specialists, internal auditor, communication officers, and safeguards specialist, all with experience, qualifications, and terms of reference, satisfactory to the Association.

   (b) Without limitation upon the provisions of Section I.A.4(a) immediately above, the NUC-PIU shall, *inter alia*, be responsible for:

      (i) day-to-day management and implementation of Part 3.2 of the Project.

      (ii) ensuring prompt and timely release of funds to the respective Higher Education Institutions upon achievement of respective DLIs set forth in Schedule 4 to this Agreement, and as verified by the Independent Verifiers.

(iii) Submission of monthly Project reports to the executive secretary of the NUC and providing respective briefings to the National Steering Committee prior to the national level semi-annual Project performance and review meetings.

B. Annual Work Programs

1. The Recipient shall, not later than November 30 in each calendar year during Project implementation, prepare, in cooperation with the Higher Education Institutions and NUC and furnish to the Association, a program of activities proposed for inclusion in the Project during the following Fiscal Year, including: (a) a detailed timetable and budget for the sequencing and implementation of said activities; (b) the types of expenditures required for such activities; and (c) the planned procurement methods for the expenditures.

2. The Recipient shall exchange views with the Association on each such proposed Annual Work Program, and shall thereafter cause the Higher Education Institutions, NUC and the ACEs to carry out such program of activities for such following Fiscal Year as shall have been agreed between the Recipient and the Association.

3. Only those activities, which are included in an Annual Work Program, shall be included in the Project. Notwithstanding the foregoing, the Annual Work Program might be amended from time to time to include new activities with the prior and written concurrence of the Association.

C. Eligible Expenditure Programs and Technical Controls

1. The Recipient shall cause the Higher Education Institutions to cooperate with the RFU and/or the Independent Verifiers, acting as third party monitoring and evaluation experts in order to assess the proper fulfillment of DLIs and DLRs as set forth in Schedule 4 to this Agreement and confirm the actual spending status of the EEPs, said assessment and confirmation to be included in the bi-annual EEP Spending Reports together with a proposal for disbursement under each Withdrawal, prepared in accordance with the Project Regional Operations Manual.

2. The EEPs will comply with the eligibility criteria and procedures set forth in the Project Regional Operations Manual.

D. Performance and Funding Agreements

1. To facilitate the carrying out of Part 1 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (1) of the table set forth in Section III.A.1 of this Schedule available to the Higher Education Institutions under a signed agreement between the Recipient and said Higher

Education Institutions under terms and conditions satisfactory to the Association ("Performance and Funding Agreements").

2. The Recipient shall exercise its rights under the Performance and Funding Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Performance and Funding Agreements or any of their provisions.

E. Subsidiary Agreement

1. To facilitate the carrying out of Part 2 of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to Category (2) of the table set forth in Section III.A.2 of this Schedule available to ICIPE under a signed agreement between the Recipient and said ICIPE under terms and conditions satisfactory to the Association ("Subsidiary Agreement").

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any provision thereof.

F. External Controls

1. The Recipient shall, by no later than three (3) months after the Effective Date, appoint external monitoring and evaluation experts ("Independent Verifiers"), to act as third-party verifiers of the proper fulfillment of DLIs as set forth in Schedule 4 to this Agreement.

2. The Recipient shall cause the Independent Verifiers to carry out, prior to each Withdrawal an assessment of the performance of ACEs and Higher Education Institutions *vis-à-vis* the level of fulfillment of DLIs and DLRs set forth in Schedule 4 of this Agreement, and provide to the Recipient and the Association an EEP Spending Report containing, *inter alia*, said assessment on the DLIs and DLRs fulfillment and a proposal for disbursement under each Withdrawal.

G. Project Implementation Plan

1. The Recipient shall cause the ACEs to: (a) adopt not later than three (3) months after the Effective Date and, thereafter maintain their respective Project Implementation Plans in form and substance satisfactory to the Association; and (b) carry out the Project in accordance with the Project Implementation Plan and the Environmental and Social Management Plan.

2. The Recipient shall cause the ACEs and the Higher Education Institutions not to amend the Project Implementation Plan without the prior written approval of the Association.

H. Environmental and Social Safeguards

1. The Recipient shall ensure that Part 1 of the Project is carried out in accordance with the ESMF and any ESMP ("Safeguards Instruments").

2. The Recipient shall, prior to any upgrade or construction of facilities in the respective ACEs and the Higher Education Institutions, cause the respective ACEs and the Higher Education Institutions in accordance with the provisions of the ESMF to:

   (a) proceed to have such ESMP (i) prepared and disclosed in accordance with the ESMF; (ii) consulted upon adequately with people affected by the Project as per the ESMF, and submitted to the Association for review and approval; and (iii) thereafter adopted, prior to implementation of the activity; and

   (b) take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESMP, in a manner satisfactory to the Association.

3. Except as the Association shall otherwise agree in writing, the Recipient shall ensure, that none of the provisions of the Safeguards Instruments shall be abrogated, amended, repealed, suspended or waived. In case of any inconsistencies between the provisions of any of the Safeguards Instruments and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, on a semester basis as part of the Project Reports (or with more frequency or in a separate report whenever the circumstances warrant) collect, compile and furnish to the World Bank reports, in form and substance satisfactory to the Association, on the status of compliance with the ESMF, or any ESMPs, giving details of:

   (a) measures taken in furtherance of the respective ESMPs;

   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of ESMPs; and

   (c) remedial measures taken or required to be taken to address such conditions.

I. Grievance Redress Mechanism

1. The Recipient shall cause the ACEs and Higher Education Institutions to maintain, throughout Project implementation, and publicize the availability of a grievance redress mechanism, in form and substance satisfactory to the Association, to hear and determine fairly and in good faith all complaints raised in relation to the Project, and take all measures necessary to implement the determinations made by such mechanism in a manner satisfactory to the Association.

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 calendar semester, covering the calendar semester.

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:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Eligible Expenditure Programs under Part 1 of the Project for ACE Impact Centers and Higher Education Institutions	40,400,000	100% of amounts spent and reported under the EEP Spending Reports for each Withdrawal
(2) RSIF grants and scholarships under Part 2 of the Project	3,000,000	100%
(3) Goods, Non-Consulting Services, Consultants' Services, Operating Costs, and Training for Part 3.2 of the Project	4,400,000	100%

(4) Unallocated	7,300,000	
TOTAL AMOUNT	55,100,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement;

   (b) for any DLI or DLR until and unless the Association has received from RFU or the Independent Verifiers, the EEP Spending Reports confirming that the DLI and DLR have been achieved and containing a proposal for disbursement under each Withdrawal; or

   (c) for RSIF grants and scholarships under Category (2) unless: (i) the Subsidiary Agreement has been executed in form and substance satisfactory to the Association on behalf of the Recipient and ICIPE; and (ii) the Recipient has submitted a legal opinion, satisfactory to the Association, confirming that said Subsidiary Agreement has been duly authorized or ratified by the Recipient and ICIPE and is legally binding upon the Recipient and ICIPE in accordance with their terms.

2. With respect to the withdrawals under Category (1), payments shall be made on a bi-annual basis each year during Project implementation upon timely submission by the Recipient of a withdrawal request acceptable to the Association, such withdrawal request shall include evidence in form and substance acceptable to the Association of: (a) EEPs incurred for the period preceding the withdrawal request as presented in the EEP Spending Reports; and (b) supporting documentation confirming that the Africa Centers of Excellence have complied with the respective DLIs and DLRs, as verified by RFU or the Independent Verifiers. To this end, the withdrawal request for the first year of the Project may be made on the basis of: (i) supporting documentation, acceptable to the Association, dated on or after January 1, 2019, confirming compliance with respective DLIs or DLRs, as verified by RFU or Independent Verifiers; and (ii) EEP Spending Reports incurred on or after the Signature Date.

3. Notwithstanding the provisions of paragraph 1 and 2 of this Section, if the Association is not satisfied that a particular DLI has been fully achieved, the Association may, at its discretion: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds allocated to said DLI, which in the opinion of the Association corresponds to the degree of achievement of such DLI;

(b) authorize the unwithdrawn amount by which such disbursement has been reduced due to partial achievement of a DLI, be carried forward to subsequent Withdrawals; and/or (c) cancel all or portion of the proceeds of the Financing allocated to such DLI.

4. If, at any time, the Association determines that any portion of the Financing under the Project was used for items improperly procured in violation of Section III to this Schedule, was not used for Eligible Expenditures or, in case of the Eligible Expenditure Programs of Part 1 of the Project, was not supported by evidence of actual spending by the Recipient or West and Central African Higher Education Institutions under said Eligible Expenditure Programs and/or by evidence of satisfaction of other criteria set forth in this Agreement or in the Project Regional Operations Manual, the Recipient shall refund any such portion to the Association as the Association shall specify by notice to the Recipient. The Association may, at its own discretion, cancel such refunded amount.

5. The Closing Date is June 30, 2024.

Section IV. <u>Other Covenants</u>

1. Specific Financial Management Covenants:

1. The Recipient shall within three (3) months of the Effectiveness Deadline:

(a) cause the NUC to:

(i) update the Financial Management Manual, in form and substance satisfactory to the Association; and

(ii) recruit, or if already available in NUC second a financial management consultant, qualifications, experience and terms of reference, satisfactory to the Association.

(b) cause the relevant Higher Education Institutions to:

(i) complete the computerization and upgrades of respective accounting system, in form and substance satisfactory to the Association;

(ii) establish an audit committee with functions, resources and terms of reference, satisfactory to the Association, to ensure appropriate follow-up and action on audit recommendations, in a manner satisfactory to the Association;

(iii) submit the audit report conducted for Fiscal Year 2016 – 2018, in form and substance satisfactory to the Association; and

(iv) recruit or, if already available in the pertinent Higher Education Institution, second an accountant and internal audit staff, all with qualifications, experience and terms of reference, satisfactory to the Association.

2. The Recipient shall within six (6) months of the Effectiveness Deadline cause the relevant Higher Education Institutions to adopt internal reforms, satisfactory to the Association, to ensure timely submission of the Project Interim Financial Reports and internal audit reports.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing April 15, 2025 to and including October 15, 2044	**1.65%**
commencing April 15, 2045 to and including October 15, 2049.	**3.40%**

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05 (b) of the General Conditions.

SCHEDULE 4

Disbursement Linked Indicators

	DLI Total Financing (SDR)	*DLI Baseline*	*DLRs and Indicative timeline for DLR achievement*					*Verification Protocol*	Formula
			Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*		
DLI 1: Institutional readiness results	2,444,444	0	20	0	0	0	0	Two results: **(i) Basic readiness**: This Financing Agreement is effective; The RFU has approved of the ACE Impact Center's Project Implementation Plan and the Procurement and financial management manuals. Official designation of the core team members (ACE Impact Center leader, Deputy ACE Impact Center leader, FM responsible, procurement responsible, M&E responsible and sectoral liaison). Further, the ACE Impact Center has designated a non-staff student representative to the RFU; and **(ii) Full readiness**: Project Management certification for at least one leading team member; Functional center website (a link to the center's website); Student handbook on the website with policies for sexual harassment and scholarships; and sectoral advisory board constituted and its endorsement of the Project Implementation Plan;	USD 300,000 (SDR 220000) per milestone. Not scalable within each milestone (NOT APPLICABLE FOR RENEWAL CENTERS)
Allocated amount:	*2,444,444*		*2,444,444*	*0*	*0*	*0*	*0*		

	DLI Total Financing (SDR)	*DLI Baseline*	*DLRs and Indicative timeline for DLR achievement*					*Verification Protocol*	Formula
			Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*		
DLI 2: Development Impact of ACE Impact Center	1,449,711	0	0	28	40	68	0	Independent, external evaluation of the development impact of the ACE center conducted mid-project (in Year 2 for Renewals and in Year 3 for New Centers) and at the end of Year 4. External evaluators assess and score development impact of the center. Mid project, score is based upon progress towards development impact and takes into account length of Center operation. In Year 4, score is based upon development impact. The criteria for evaluation will include: (i) Relevance and impact on society of graduates, including the share of graduates hired in the target sector and feedback from key employers; (ii) relevance and impact of research on society; (iii) progress on DLIs; (iv) SAB annual reports; and (v) interviews with center graduates and sectoral stakeholders. The detailed scoring rubrics will be defined in the Regional Operations Manual.	Scalable based on the score of the center on the scale (1 to 5). USD 25,000 (SDR 18325) per point in the score
Allocated amount:	*1,449,711*		*0*	*317,633*	*407,222*	*724,856*	*0*		
DLI 3: Quantity of students with focus on gender and regionalization	6,537,778	0	68 PhD students 99 Master students	85 PhD students 176 Master students	108 PhD students 176 Master students	108 PhD students 198 Master students	108 PhD students 226 Master students	**Number of new eligible Doctorate and master students** as well as short-course professional students, of which at least 30% combined must be regional students. For institutions receiving support to Colleges of Engineering and Emerging Centers, first degree students in ACE Impact Center courses are eligible as well. The Project Regional Operations Manual and the approved Project Implementation Plan will define what constitutes an eligible student for each ACE.	Scalable per student. The number of students by type is indicative in this table for planning purpose. Unless otherwise agreed with the government in the Regional Operational Manual, the Center can achieve the DLI through any combination of the student types (with exception that 30 percent of students must be regional). For PhD students: USD 10,000 (SDR 7330) per male national student, USD 12,500 (SDR

	DLI Total Financing (SDR)	DLI Baseline	DLRs and Indicative timeline for DLR achievement					Verification Protocol	Formula
			Year 1	Year 2	Year 3	Year 4	Year 5		
			207 Short course professional students	263 Short course professional students	328 Short course professional students	494 Short course professional students	494 Short course professional students		9160) per female national student, USD 12,500(SDR 9160) per male regional student, and USD 15,600 (SDR 11450) per female regional student. Master Students: USD 2,000 (1470) per national student, USD 2,500 (SDR 1830) per female student, USD 4,000 (SDR 2930) per regional student and 5,000 ((SDR 3670) per regional female student. For short-course professional students: USD 400 (SDR 295) per national male student,USD 500 (SDR 370) per female national student, USD 800 (SDR 590) per regional male student, and USD 1000 (SDR 730) per female regional student. Bachelor Students: USD 1,000 (SDR 730) per national male student, USD 1,500 (SDR 1100) per national female student
Allocated amount:	*6,537,778*	*0*	*860,555*	*1,188,667*	*1,418,889*	*1,505,667*	*1,564,000*		
DLI 4: Quality of Education and research through international accreditation, research publications and improved	11,085,278	0	0 accreditation steps 71 published	27 accreditation steps 71 published	10 accreditation steps 99 published	10 accreditation steps 99 published	10 accreditation steps 99 published	There are three results: **(i) international accreditation.** Disbursement occurs when an accreditation or assessment step has been verified to have taken place through submission of accreditation/evaluation report and/or certification to the RFU;	For accreditation Not scalable per accreditation step. Amount per step: US$ 300,000 (SDR 220 000) per program internationally accredited by a pre-approved accreditation agency; US$ 100,000 (SDR 73 300) per program nationally/regionally accredited; US$ 100,000 (SDR 73 300) per gap-assessment/self-evaluation undertaken;

	DLI Total Financing (SDR)	DLI Baseline	DLRs and Indicative timeline for DLR achievement					Verification Protocol	Formula
			Year 1	Year 2	Year 3	Year 4	Year 5		
teaching and research infrastructure			research articles 0 milestones for teaching and research infrastructure	research articles 0 milestones for teaching and research infrastructure	research articles 27 milestones for teaching and research infrastructure	research articles 10 milestones for teaching and research infrastructure	research articles 0 milestones for teaching and research infrastructure	**(ii) ACE- relevant research articles** are published in internationally recognized peer reviewed journals. Verification is through internationally bibliometric databases. **(iii) Completion of milestones for improved learning and research infrastructure** specified in the approved Project Implementation Plan of each ACE Impact Center. This result will, in the majority of cases, be verified through onsite evaluation of the installation and operationalization of the civil works and equipment improvements.	US$ 50,000 (SDR 36650) for new/revamped courses meeting international standards and approved by the Sector Advisory Board. For research publication: Scalable per article. Amounts: US$ 10,000 (SDR 7330) per article co-authored by ACE Impact student/faculty and national partners; US$ 15,000 (SDR 11 000) per article co-authored with regional partners. For teaching and research infrastructure, the result is not scalable within each milestone. US$ 300,000 (SDR 220 000) per milestone
	11,085,278		*625,778*	*1,192,167*	*4,675,222*	*2,499,667*	*2,092,444*		
DLI 5: Relevance of Education and Research through externally generated revenue, internships, and entrepreneurship	9,918,311	0	705,333 in revenue 99 Internships	1,430,556 in revenue 241 Internships	1,778,667 in revenue 297 Internships	2,244,222 in revenue 408 Internships	1,934,000 in revenue 463 Internships	Three results can be achieved: **(i) Externally generated revenue**, such as tuition and other student fees, research consultancies, fundraising and competitive grants earned by the ACE Impact Center. The funding must be in an account and under spending control of the ACE Impact Center leadership. This is expected to be verified through financial auditors. **(ii) Number of students and faculty with at least 1-month period internship** in relevant sector institutions. The verifier validates the list of	For external revenue, US$ 1 for each US$ 1 (SDR 1 for each SDR 1) generated from national non-firm sources or international sources; US$ 2 for each US$ 1 (SDR 2 for each SDR 1) generated from regional or private sources; For internship, US$ 1,000 (SDR 730) per period in country and US$ 1,500 (SDR 1100) per period in region

	DLI Total Financing (SDR)	DLI Baseline	DLRs and Indicative timeline for DLR achievement					Verification Protocol	Formula
			Year 1	Year 2	Year 3	Year 4	Year 5		
			0 Entre-preneur milestones	0 Entre-preneur milestones	17 Entre-preneur milestones	0 Entre-preneur milestones	0 Entre-preneur milestones	students/faculty that have participated in at least 1-month period internships/outreach in relevant sector-relevant institutions, and **(iii) Meeting the milestone for developing entrepreneurship, innovation, start-up companies, and commercialization support programs.** Each approved ACE Impact Center Project Implementation Plan contains a milestone of results and activities to develop student and faculty entrepreneurship.	For entrepreneurship milestone US$ 100,000 (SDR 73 300) for the milestone. Not scalable
	9,918,311		*777,522*	*1,606,567*	*2,720,089*	*2,541,900*	*2,272,233*		
DLI 6: Timeliness and quality of fiduciary management	1,896,889	0	7 Timely Fiduciary reporting 17 Functional institutional oversight of fiduciary mngt 17 transparency of ACE expenses	17 Timely Fiduciary reporting 17 Functional institutional oversight of fiduciary mngt 17 transparency of ACE expenses	17 Timely Fiduciary reporting 0 Functional institutional oversight of fiduciary mngt 17 transparency of ACE expenses	17 Timely Fiduciary reporting 17 Functional institutional oversight of fiduciary mngt 17 transparency of ACE expenses	17 Timely Fiduciary reporting 17 Functional institutional oversight of fiduciary mngt 17 transparency of ACE expenses	**Timely fiduciary reporting** includes timely submissions of IFRs, financial audit and procurement audit for the center; Timeliness implies respect of the deadlines established in the Financing Agreement. The procurement audit for the financial year is due when the financial audit is due. **Functional institutional oversight of fiduciary mngt.** Functioning internal audit unit and functioning audit committee (under the university's council); **Transparency of ACE expenses,** notably the approved budget, annual work plan, IFRs with an annex on detailed expenditures, project financial and procurement audit reports are visibly accessible on the center's websites.	Scalable within each result. For instance, disbursement can take place for the reports that were timely submitted even if other reports were submitted with a delay. Amounts: US$ 15 000 (SDR 11000) for timely fiduciary reporting Amount US$ 15 000 (SDR 11000) for Functional institutional oversight of fiduciary management Amount USD 15 000 (SDR 11000) for Web transparency of ACE expenditures

	DLI Total Financing (SDR)	DLI Baseline	DLRs and Indicative timeline for DLR achievement					Verification Protocol	Formula
			Year 1	Year 2	Year 3	Year 4	Year 5		
			0 quality of procurement planning	17 quality of procurement planning	17 quality of procurement planning	17 quality of procurement planning	17 quality of procurement planning	**Quality of Procurement planning**. Share of the originally approved procurement plan that was executed. The share is calculated in terms of value of contracts (not procurement activities).	Amount USD 15 000 (SDR 11000) for Quality of procurement planning
	1,896,889		*265,222*	*435,111*	*326,334*	*435,111*	*435,111*		
DLI 7: Institutional Impact	7,067,589	0	0 University regional strategy 0 Open and competitive selection of the head of university or dean 0 Institutional accreditation steps	10 University regional strategy 0 Open and competitive selection of the head of university or dean 0 Institutional accreditation steps	0 University regional strategy 0 Open and competitive selection of the head of university or dean 17 Institutional accreditation steps	7 University regional strategy 0 Open and competitive selection of the head of university or dean 0 Institutional accreditation steps	0 University regional strategy 0 Open and competitive selection of the head of university or dean 17 Institutional accreditation steps	ACE Impact host institution: (i) endorses a meaningful university-wide regional strategy. (ii) undertakes open, merit-based competitive selection of the head of the university and/or the department heads related to the ACE. (iii) undertakes institutional wide international accreditation or a self-evaluation following an established methodology. (iv) participates in the PASET Regional Benchmarking initiative and submits data on the required indicators with an intervention plan to improve performance (v) Meeting milestones for promoting institutional impact. Each approved Center Implementation	Not scalable. University-wide regional strategy: US$ 100,000 (SDR 73 300) Open, merit-based competitive selection of the head of institution: US$ 200,000 (SDR 146 600)and US$ 50,000 (SDR 36650) for an open and merit-based competitive selection of a dean; US$ 200,000 (SDR 146 600) for Institutional international accreditation; US $ 75,000 (SDR 55 000) each for gap assessment/self-evaluation. US$ 50,000 (SDR 36650) for each year the university participates (up to 2 years)

	DLI Total Financing (SDR)	DLI Baseline	DLRs and Indicative timeline for DLR achievement					Verification Protocol	Formula
			Year 1	Year 2	Year 3	Year 4	Year 5		
			0 PASET Benchmarking 0 Milestones on institutional impact 17 ICT services for innovation in teaching and research	17 PASET Benchmarking 0 Milestones on institutional impact 17 ICT services for innovation in teaching and research	0 PASET Benchmarking 0 Milestones on institutional impact 17 ICT services for innovation in teaching and research	17 PASET Benchmarking 0 Milestones on institutional impact 17 ICT services for innovation in teaching and research	0 PASET Benchmarking 0 Milestones on institutional impact 17 ICT services for innovation in teaching and research	Plan contains milestone(s) of results and activities to improve institutional impact. Examples of potential milestones can include activities associated with: a university development/fundraising office or initiative; strengthening a university career center; institutional marketing and communications (vi) Enhanced participation in the National Research and Education Network, including services such as (1) at least 0.5 gbps broadband connection, (2) access to electronic library/database content, (3) access to High Performance Computing, and (4) access to high-performance computer applications. Results should show clear evidence that students and faculty are receiving improved access to the services (as formulated by each institution).	US$ 100,000 (SDR 73 300) per institutional impact milestone US$ 100,000 (SDR 73 300) per year for a single or bundle of services
	7,067,589		*724,855*	*1,494,506*	*1,268,744*	*1,404,917*	*2,174,567*		
Total IDA Financing	**40,400,000**		**5,698,378**	**6,234,650**	**10,816,500**	**9,112,117**	**8,538,356**		

APPENDIX

Definitions

1. "AAU" or "Association of African Universities" means a regional non-governmental organization established under the laws of the Republic of Ghana and operating pursuant to the AAU Legislation, with membership consisting of African universities whose purpose is to promote collaboration among African universities of higher learning.

2. "AAU Legislation" means the charter, by-laws and other relevant documents establishing and governing the AAU, including *inter alia* the AAU constitution of November 12, 1967, and the AAU by-laws adopted on April 18-19, 2017, both as amended.

3. "ACE Impact Center" means a selected center hosted within a university or Higher Learning Institution.

4. "Africa Centers of Excellence" or "ACE" means the academic centers within the Higher Education Institutions in West and Central Africa, essentially in the areas of science, technology, engineering, and mathematics, as well as the agriculture and health sciences, applied statistics, education, or any other area as per the knowledge and education needs of the West and Central Africa region, as established in the Project Regional Operations Manual.

5. "Annual Work Program" 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, as described in Section I.B of Schedule 2 to this Agreement.

6. "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

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

8. "Co-financier" means the Agence Française de Développement (AFD).

9. "Co-financing" means, for purposes of paragraph 14 of the Appendix to the General Conditions, an amount of forty million United States Dollars (US$40 million) equivalent, to be provided by the Co-financier to assist in financing the Project.

10. "Co-financing Agreement" means the agreement to be entered into between the Recipient and the Co-financier providing for the Co-financing.

11. "Disbursement-Linked Indicators" or "DLIs" means a set of indicators as specified in Schedule 4 to this Agreement.

12. "Disbursement-Linked Results" or "DLRs" means a set of quantitative results associated with each DLI as specified in Schedule 4 to this Agreement.

13. "EEP" or "Eligible Expenditure Programs" means a set of defined expenditures for goods, works, consulting and non-consulting services, Training and Operating Costs (including salaries and scholarships) made by the Recipient for the Higher Education Institutions under Parts 1 and 2 of the Project.

14. "EEP Spending Reports" means the bi-annual reports prepared by the Recipient or the Independent Verifiers in accordance with the details provided in the Project Operational Manual to make disbursement recommendations for each Withdrawal based on the spending status of the Eligible Expenditure Programs under Parts 1 and 2 of the Project and the compliance with the Disbursement-Linked Indicators.

15. "Environmental and Social Management Framework" or "ESMF" means the framework dated October 29, 2018 satisfactory to the Association, and disclosed on the Association's website on August 22, 2019, and by the Recipient on November 15, 2018, said framework setting out the modalities to be followed in assessing the potential adverse environmental and social impacts of Project activities including impacts, and risks of gender-based violence and sexual exploitation and abuse and the measures to be taken to offset, reduce or mitigate such adverse impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse; as well as for the preparation of environmental and social management plans, as such framework may be amended by the Recipient from time to time, with the prior written agreement of the Association.

16. "Environmental and Social Management Plan" or "ESMP" means each plan, approved by the Association for Parts 1 and 2 of the Project, to be prepared by the respective ACE's and Higher Education Institutions and adopted by the Recipient, as required by the ESMF, setting out details of potential environmental and social risks, including risks of gender-based violence and sexual exploitation and abuse, and adverse impacts associated with any Project activities, together with an environmental and social management plan defining measures to manage such risks and impacts, including measures that endeavor to prevent and respond to gender-based violence and sexual exploitation and abuse, and including any schedules to such assessment, and as such assessment may be amended by the Recipient from time to time, with the prior written approval of the Association.

17. "Financial Management Manual" means the financial management manual for the Project, satisfactory to the Association, to be adopted by the Higher Education Institutions as part of the Project Implementation Plan.

18. "Fiscal Year" means the fiscal year of the Recipient commencing on January 1 and ending on December 31 of each year.

19. "General Conditions" means the "International Development Association General Conditions for IDA Financing, Investment Project Financing", dated December 14, 2018.

20. "Higher Education Institutions" means collectively Redeemer's University (RU), Ahmadu Bello University (ABU), University of Benin (UniBen), Bayero University- Kano (BUK), Benue State University (BSU), Obafemi Awolowo University (OAU), University of Port Harcourt (UniPort), Covenant University (CU), National Open University of Nigeria (NOUN), Lagos State University (LSU), Federal University of Technology- Minna (FUT-Minna), University of Lagos (UniLag), University of Nigeria- Nsukka (UN), and Federal University of Technology- Owerri (FUT-Owerri), all located in the Recipient's territory, and established pursuant to: (i) for RU, The Redeemer's University Statute No 2 of July 2003; (ii) for ABU, Ahmadu Bello University Law of October 1962; (iii) for UniBen, University of Benin Law No. 3 of 1975; (iv) for BUK, Bayero University Act No. 70 of 1979; (v) for BSU, Benue State University Edict No. 3 of 1991; (vi) for OAU, Obafemi Awolowo University Law W.S. No. 14 of 1970; (vii) for UniPort, University of Port Harcourt Act No. 84 of 1979; (viii) for NOUN, National Open University Act No. 6 of 1983, as amended by Act No. 19 of 2018; (ix) for LSU, Lagos State University Law No. 9 of 1983, as amended by Law No. 24 of 2004, and Law No. 3 of 2016; (x) for FUT-Minna and FUT-Owerri, Federal Universities of Technology Act of 1986; (xi) for UniLag, University of Lagos Act No. 3 of 1967; and (xii) for UN, University of Nigeria Act No. 1 of 1978; and for CU, a private university duly registered under the laws of the Federal Republic of Nigeria after fulfilment of the requirements set forth in the Recipient's Act No. 9, 1993.

21. "Independent Verifiers" means the independent verifiers referred to in Section I.F of Schedule 2 to this Agreement, recruited by the Recipient to verify the reported results and prepare the EEP Spending Reports.

22. "International Center of Insect Physiology and Ecology" or "ICIPE" means the inter-governmental institution established and operating pursuant to the ICIPE Charter dated November 27, 1986.

23. "National Steering Committee" means the committee established by the Recipient referred to in Section I.A of Schedule 2 to this Agreement, and established by the

Recipient for the purpose of guiding the implementation of Africa Higher Education Centers of Excellence Project (Credit Number 5415-NG).

24. "National Universities Commission" or "NUC" means the Recipient's universities commission established and operating pursuant to the Recipient's National Universities Commission Act No. 81 of 2004.

25. "NUC-PIU" means the Project implementation unit referred to in Section I.A.5 of Schedule 2 to this Agreement.

26. "Operating Costs" means recurrent costs of the Project: (i) operation and maintenance of vehicle, repairs, rental, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication costs and shipment costs (whenever these costs are not included in the cost of goods); (iv) small office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurances; (vii) travel, accommodation and per diem costs for technical staff carrying out training, preparatory, supervisory and quality control activities; and (viii) salaries of Higher Education Institutions' faculty and staff.

27. "Performance and Funding Agreements" means the subsidiary grant agreements to be signed between the Recipient and the Higher Education Institutions pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Higher Education Institutions for the implementation of the Project.

28. "Procurement Regulations" means, for purposes of paragraph 87 of the Appendix to the General Conditions, the "World Bank Procurement Regulations for IPF Borrowers", dated July 2016, revised November 2017 and August 2018.

29. "Project Implementation Plan" means the implementation plan for the Project to be adopted by the Higher Education Institutions through ACEs for the implementation of the Project, including, *inter alia*: (i) the education and research activities of the ACE; (ii) a budget and a time line for implemenation; (iii) the terms of reference, functions and responsibilities for the members of the Project Implementation Teams and the personnel of the Higher Education Institutions working on the Project; (iv) the procurement and financial management procedures under the Project; (v) the results to be achieved and the indicators to be used in the monitoring and evaluation of the Project; (vi) the criteria, detailed rules and procedures for the EEPs; (vii) the detailed content of the EEP Spending Report, the customized statements of expenditures, the interim financial reports, and the Project Reports; (viii) the flow of funds and disbursement arrangements; and (ix) the Disbursement-Linked Indicators; as said plan may be amended from time to time with the Association's prior approval.

30. "Project Implementation Teams" means the teams within the administrative structure of the Higher Education Institutions led by the Africa Centers of Excellence.

31. "Project Regional Operations Manual" means the manual dated April 9, 2019, adopted by the RFU and communicated to the Recipient for the implementation of regional initiatives under Part 3 of the Project, including, *inter alia*: (i) the terms of reference, functions and responsibilities for the members or the personel of the Regional Steering Committee and RFU; (ii) the procedures for procurement of goods, non-consulting services, consultants' services, Operating Costs, and training, financial management and audits; (iii) the indicators for monitoring and evaluation of the regional initiatives under Parts 3 of the Project; (iv) the terms of reference for the Independent Verifiers; (v) the detailed content of the EEP Spending Reports; (vi) the DLIs and DLRs; and (vii) the grievance mechanisms, as said manual may be amended from time to time with the Association's prior and written approval.

32. "Project Steering Committee" means the steering committee for the Project, established by the Participating Countries to provide overall guidance and oversight for regional level initiatives, and operating in cooperation with the RFU.

33. "Regional Scholarship and Innovation Fund" or "RSIF" means a fund to be established and managed by International Center of Insect Physiology and Ecology (ICIPE) as a sustainable mechanism to finance PhD level scholarships, research and innovation grants in Sub-Saharan African universities.

34. "RFU" means the regional facilitation unit for the corresponding regional level activities, and for the purpose of this Project, the Association of African Universities acting in that capacity.

35. "Safeguards Instruments" means collectively, the ESMF, and any ESMP, and "Safeguards Instrument" means any of such Safeguards Instruments.

36. "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.

37. "Subsidiary Agreement" means the subsidiary grant agreement to be signed between the Recipient and ICIPE pursuant to which the Recipient shall make the part of the proceeds of the Financing available to ICIPE for the implementation of Part 2 of the Project.

38. "Training" means the reasonable cost of training of persons involved in Project-supported activities, based on the Annual Work Program approved by the Association, such term including scholarships, seminars, workshops, and study

tours, and costs associated with such activity including travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation, acquisition and reproduction of training materials, and other costs directly related to training preparation and implementation.

39. "Withdrawal" means each withdrawal under Category (1) of the table in Section III of Schedule 2 to this Agreement.