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GRANT NUMBER D415

# **Financing Agreement**

**(Agricultural Productivity Program for Southern Africa Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**CENTRE FOR COORDINATION OF AGRICULTURAL RESEARCH AND  
DEVELOPMENT FOR SOUTHERN AFRICA**

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**GRANT NUMBER D415**

**FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and CENTRE FOR COORDINATION OF AGRICULTURAL RESEARCH AND DEVELOPMENT FOR SOUTHERN AFRICA (“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 three million six hundred thousand Special Drawing Rights (SDR 3,600,000) (“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 Payment Dates are January 15 and July 15 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 consist of the following:
- (a) CCARDESA’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to carry out the Project.
  - (b) Any action has been taken for the dissolution, disestablishment or suspension of the operation of the Recipient.
  - (c) The Association has suspended in whole or in part the right of any of the Participating Countries to make withdrawals under its respective Participating Country Financing Agreement.

**ARTICLE V — EFFECTIVENESS, TERMINATION**

- 5.01. The Additional Condition of Effectiveness consists of the following, namely, that the Recipient has prepared and adopted the Project Implementation Manual, in form and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 5.03. 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 Executive Director.
- 6.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient’s address is:  
  
Ground Floor  
Red Brick Building  
Plot 4701  
Station Exit Road  
Gaborone, Botswana; and
  - (b) the Recipient’s Electronic Address is:  
  
E-mail:  
[ed@ccardesa.org](mailto:ed@ccardesa.org)  
[smwale@ccardesa.org](mailto:smwale@ccardesa.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:** \_\_\_\_\_ Paul Nomba Um

**Title:** \_\_\_\_\_ Country Director AFCS1

**Date:** \_\_\_\_\_ 29-Jan-2019

**CENTRE FOR COORDINATION OF AGRICULTURAL  
RESEARCH AND DEVELOPMENT FOR SOUTHERN  
AFRICA**

**By**



\_\_\_\_\_  
**Authorized Representative**

**Name:** \_\_\_\_\_ Simon Mwale

**Title:** \_\_\_\_\_ Acting Executive Director

**Date:** \_\_\_\_\_ 30-Jan-2019

## **SCHEDULE 1**

### **Project Description**

The objective of the Project is to increase the availability of improved agricultural technologies in the Participating Countries in the SADC Region.

The Project consists of the following part:

#### **Part A: Project management, monitoring and evaluation, and regional coordination**

1. Supporting implementation of the regional monitoring and evaluation framework including, but not limited to: (i) setting up a joint Management Information System (MIS) between countries implementing the APPSA, and independent evaluations at regular intervals including at mid-term and prior to project closing; and (ii) enhance the fiduciary (financial management and procurement) capacity for Project implementation, including as may be required recruiting a financial management specialist.
2. Supporting regional facilitation by CCARDESA, including, but not limited to: (i) planning, monitoring and evaluation activities related to regional collaboration; (ii) regional exchange of information, knowledge and technologies; (iii) relevant technical assistance and capacity building for regional facilitation; and (iv) facilitating the development of agricultural research and development projects, including related peer reviews and quality control.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Implementation Agreement

1. The Recipient shall ensure that the corresponding Parts of the Project set forth in the Angola Loan Agreement, and the Lesotho Financing Agreement are carried out in accordance with the provisions of the Implementation Agreement to be entered into between the Recipient and each of the Participating Countries.
2. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Implementation Agreement or any of its provisions.

##### B. Annual Work Plan and Budget (AWP&B)

1. The Recipient shall:
  - (a) prepare a draft AWP&B for each calendar year, setting forth, *inter alia*: (i) a detailed description of planned Project activities to be carried out for the following calendar year; (ii) the sources and uses of funds therefor; and (iii) responsibility for execution of said Project activities;
  - (b) not later than December 15 of each calendar year, furnish to the Association for its comments and approval for the next calendar year, the draft AWP&B and, promptly thereafter, finalize the AWP&B taking into account the Association's views and recommendations thereon; and
  - (c) immediately thereafter implement the AWP&B as approved by the Association.

##### C. Project Implementation Manual

1. The Recipient shall: (a) carry out the Project in accordance with the relevant provisions and requirements set forth in the Project Implementation Manual; and (b) not assign, amend, abrogate or waive the Project Implementation Manual or any of its provisions without the Association's prior written agreement.
2. Notwithstanding the foregoing, if any of the provisions of the Project Implementation Manual is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**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:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, non-consulting services, consulting services, Training and Operating Costs under the Project	3,600,000	100%
<b>TOTAL AMOUNT</b>	3,600,000	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is January 31, 2025.



## **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. “Category” means a category set forth in the table in Section III of Schedule 2 to this Agreement.
4. “CCARDESA” means the Centre for Coordination of Agricultural Research and Development for Southern Africa, a sub-regional organization aimed to lead collaboration in agricultural research and development among Southern African countries.
5. “CCARDESA’s Legislation” means CCARDESA’s charter dated November 5, 2010, pursuant to which CCARDESA has been established and is operating.
6. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated July 14, 2017.
7. “Operating Costs” means the incremental costs incurred by the Recipient and CCARDESA, approved by the Association on the basis of the respective Annual Work Plans and Budgets, said cost arising under Project implementation, management, and monitoring, including office supplies and consumables; communication costs; operation and maintenance of office vehicles; per diem and travel costs for Project staff; reasonable bank charges; allowances and salaries of contractual staff.
8. “Participating Countries” means for the purpose of the Financing, Kingdom of Lesotho and Republic of Angola, collectively for the purpose of the Project such term includes, Republic of Malawi, Republic of Zambia, and Republic of Mozambique, and “Participating Country” means individually each and any of the Participating Countries.
9. “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.

10. “Project Implementation Manual” means the manual referred to in Section 5.01 of this Agreement, including financial management and procurement policies and procedures and implementation arrangements, as the same may be revised from time to time with the prior approval of the Association.
11. “SADC” means the Southern African Development Community whose member countries cooperate by its treaty which was adopted on August 17, 1992, in Namibia to achieve regional integration and eradicate poverty in the Southern Africa region.
12. “Training” means expenditures incurred by the Recipient to finance the costs associated with the training and workshops, approved by the Association on the basis of the respective Annual Work Plans and Budgets, 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 training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.