

03-Feb-2022

_____,2022

Prof. Gaspard Banyankimbona
Executive Secretary
Inter-University Council for East-Africa
Plot M833, Kigobe Road,
P.O.Box 7110, Kampala, Uganda

Re: **HOAUTF Grant No. TF0B7882**
Horn of Africa Coordination Support Team Fiduciary
Institution Project

Letter Agreement

Dear Sir:

In response to the request for financial assistance made on behalf of Inter-University Council for East-Africa (“Recipient”), I am pleased to inform you that the International Bank for Reconstruction and Development/International Development Association (“Bank”), acting as administrator of the Horn of Africa Umbrella Program Multi-Donor Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed one million United States Dollars (USD 1,000,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date this Agreement, and returning one duly executed copy to the Bank.

Very truly yours,
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By Boutheina Guermazi
Boutheina Guermazi
Regional Integration Director
Africa Region

AGREED:
INTER UNIVERSITY COUNCIL OF EAST AFRICA

By Prof. Gaspard Banyankimbona
Authorized Representative
Name Prof. Gaspard Banyankimbona
Title Executive Secretary
Date 05-févr.-2022

Enclosures:

- (1) “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds” dated February 25, 2019
- (2) Disbursement and Financial Information Letter of the same date as this Agreement, together with the “Disbursement Guidelines for Investment Project Financing”, dated February 2017

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions (as defined in Section 1.02 below) constitute an integral part of this Agreement.

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

- (a) “Anti-Corruption Guidelines” means, for purposes of paragraph 2 of the Appendix to the Standard 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.
- (b) “Category” means a category set forth in the table in Section 3.01 of this Agreement.
- (c) “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated December 3, 2021, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
- (d) “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
- (e) “Horn of Africa Initiative” or “HOAI” means the country-led regional initiative launched in October for the purpose of improving regional infrastructure connectivity, trade and market integration, building resilience to shocks and developing human capital.
- (f) “Horn of Africa Initiative Secretariat” means the structure that supports the HOAI chairperson.
- (g) “Operating Costs” means reasonable expenditures for office supplies, vehicle operation and maintenance, communication and insurance costs, banking charges, rental expenses, office

and office equipment maintenance, utilities, document duplication/printing, consumables, travel cost and *per diem* for Project staff for travel linked to the implementation of the Project, and salaries of contractual staff for the Project.

- (h) “Procurement Regulations” means, for purposes of paragraph 20 of the Appendix to the Standard Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
- (i) “Standard Conditions” means the “International Bank for Reconstruction and Development and International Development Association Standard Conditions for Grant Financing Made by the Bank out of Trust Funds”, dated February 25, 2019.
- (j) “Training” means the costs of: (i) reasonable expenditures for local and international travel, room and board and *per diem* expenditures incurred by trainers and trainees and by non-consultant training facilitators in connection with training provided under the Project; (ii) course fees; (iii) training facility rentals; (iv) training material preparation, acquisition, reproduction, and distribution expenses; and (v) participating in international workshops and conferences.

Article II Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to successfully manage the resources necessary to support the Horn of Africa Initiative Secretariat to achieve the objectives of the Horn of Africa Initiative (HOAI).

The Project consists of: (i) carrying out the recruitment and hiring of specialists to support the HOAI Secretariat, including a team leader, a strategic adviser, a communications expert, and a team/logistics assistant; and (ii) capacity building to the HOAI Secretariat as needed.

2.02. ***Project Execution Generally.*** 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: (a) Article II of the Standard Conditions; (b) the Anti-Corruption Guidelines; and (c) this Article II.

2.03. **Environmental and Social Standards.**

- (a) The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
- (b) Without limitation upon paragraph (a) above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Recipient shall ensure that:
 - (i) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, and provided in the ESCP;
 - (ii) sufficient funds are available to cover the costs of implementing the ESCP;

- (iii) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (iv) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
- (c) In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- (d) The Recipient shall ensure that:
- (i) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (A) the status of implementation of the ESCP; (B) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (C) corrective and preventive measures taken or required to be taken to address such conditions; and
 - (ii) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- (e) The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

2.04. ***Documents; Records.***

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

- (a) all records evidencing expenditures under the Project are retained for five years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient's financial and narrative progress reports submitted to the Bank; (iii) the Recipient's financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient's implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and
- (b) the representatives of the Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time-to-time reasonably request; and (iii) able to disclose such records and information to the donors.

2.05. **Project Monitoring, Reporting and Evaluation.** The Recipient shall ensure that each Project Report is furnished to the Bank not later than forty-five (45) days after each calendar quarter, covering the calendar quarter.

Article III Withdrawal of Grant Proceeds

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; and (b) this Section; 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 Grant Allocated (expressed in USD) | Percentage of Expenditures to be Financed (inclusive/exclusive of Taxes) |
|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Goods, Training, Consulting services and Operating Costs | 1,000,000 | 100% |
| TOTAL AMOUNT | 1,000,000 | |

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

3.03. **Withdrawal Period.** The Closing Date is January 31, 2024.

Article IV Recipient's Representative; Addresses

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its Executive Secretary.

4.02. **Recipient's Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Recipient's Address is:

(a) the Recipient's Address is:

Plot M833, Kigobe Road,
P.O.Box 7110, Kampala, Uganda; and

(b) the Recipient's Electronic Address is:

Facsimile:

E-mail:

(+256) 414256251

gbanyankimbona@iucea.org

4.03. **Bank's Address.** For purposes of Section 7.01 of the Standard Conditions: (a) the Bank's address is:

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

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423 (MCI) or
64145 (MCI)]

1-202-477-6391