GRANT AGREEMENT

BETWEEN

THE GOVERNMENT OF KENYA

AND

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY (JOOUST)

REGARDING

EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT (IDA CREDIT NO 5798-KE)

SUBSIDIARY GRANT AGREEMENT

THIS AGREEMENT is made this 11th day of December, 2016

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF KENYA acting through its National Treasury of Post Office Box Number 30007 00100 Nairobi in the Republic of Kenya (hereinafter called "the Government") on the one part;

AND

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY a Semi-Autonomous Government agency established by the Universities Act of 2012 (Act No. 42, of Laws of Kenya) and having its registered office at Bondo and of Post Office Box P.O. Box 210-40601, Bondo, Kenya, in the Republic of Kenya (hereinafter referred to as "JOOUST") of the other part.

WHEREAS

(a) By a Financing Agreement dated July 4th, 2016 (hereinafter referred to as the "Financing Agreement") between the Government and the International Development Association (hereinafter referred to as "the Association") the Association has agreed to extend to the Government by way of a credit in an amount equivalent to twelve million eight hundred thousand Special Drawing Rights (SDR 12,800,000) (variously, "Credit" and "Financing") to assist in financing Eastern and Southern Africa higher education centers of excellence project

(b) The Higher Education institutions in Kenya, selected to participate in the project are the following: (i) Egerton University in Njoro, (ii)
Jaramogi Oginga Odinga University of Science and Technology in Bondo and (iii) Moi University in Eldoret.

(c) The Government of Kenya has set up the National Steering Committee (NSC) and shall provide counterpart funds of up to five percent of the credit (equivalent to a maximum of US$900,000) over the project duration of five years to support activities of the NSC. These funds will be for the operational activities of the NSC that will include but are not limited to communication and dissemination of ACE activities, performance and progress reviews and conferences.

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

GENERAL CONDITIONS: DEFINITIONS

1.01 The International Development Association General Conditions for Credits and Grants, dated July 31, 2016 (hereinafter referred to as 'General Conditions' constitute an integral part of this Subsidiary Agreement.

1.02 Wherever used in this Subsidiary Agreement, unless the context otherwise requires, the several terms defined in the Additional Agreement have the respective meanings therein set forth.

1.03 In this Agreement, the term

(a) "Project Account" means the account to be opened and maintained by the JOOUST with a reputable commercial bank approved by the Government and the Association into which all proceeds of the Credit shall be paid and out of which payments shall
be made in respect of approved expenditures for the JOOUST’s respective part of the Project.

(b) “Subsidiary Grant Agreement” means this Subsidiary Agreement concluded between the Government and the JOOUST, which agreement is also referred to in the Financing Agreement as “Performance and Funding Agreements”.

(c) “Subsidiary Grant Account” means the account to be opened by the Government in its books pursuant to article 2.03 herein.


ARTICLE II
THE SUBSIDIARY GRANT

2.01 The Government agrees to grant to JOOUST upon terms and conditions set forth or referred to herein, an amount of Six million United States Dollars (US$ 6,000,000.00) (hereinafter referred to as “the Subsidiary Grant”) calculated at the date of disbursement by the Association to the Grant account.

2.02 The right of the JOOUST to withdraw the proceeds of the Grant shall be subject to the right of the Government to withdraw the proceeds of the Credit.

2.03 Release of funds for expenditure by JOOUST shall be contingent upon the satisfactory achievement of the DLIs, which each consists of Disbursement-Linked results which have unit disbursement prices. Funds will then be disbursed based upon reporting, verification and subsequent approval of the achievements of the DLIs.
2.04 The Government shall upon the execution of this Agreement, open a Subsidiary Grant Account in its books in the name of the JOOUST for the purposes of this Grant.

2.05 The proceeds of the Grant shall be applied exclusively for the financing of the JOOUST’s Respective Part of the Project in accordance with this Subsidiary grant Agreement, the project implementation plan and the project operational manual.

2.06 The JOOUST shall open and maintain a project account in a reputable commercial bank acceptable to the Government into which all proceeds of the Grant shall be paid and out of which payments of agreed project expenditures will be made from.

2.07 The closing date for withdrawals is December 31, 2022 or such other date as may be agreed between the Government and the Association.

ARTICLE III
TAXES, DUTIES AND FEES

3.01 The JOOUST shall pay all taxes, duties and fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of execution or implementation of this Subsidiary Grant Agreement.

3.02 The JOOUST shall bear all charges and expenses, including professional, banking, transfer or exchange costs incurred in the execution or implementation of this Subsidiary Grant Agreement.
ARTICLE IV
PROJECT DESCRIPTION, COST, FINANCING PLAN AND IMPLEMENTATION

4.01 The objective of the Project is to support the University to establish a Center of Excellence in INSEFOODS to address challenges of sustainable food security using insects for food and feed and contribute to strengthening its capacity. The Project shall finance eligible activities aimed at achieving the following Disbursement Linked Indicators (DLIs) (Further expanded in annex III):

(a) Regional specialization endorsed and institutional readiness
(b) Excellence in education and research capacity and development impact
(c) Timely, transparent and institutionally reviewed Financial Management
(d) Timely and audited Procurement

4.02 The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Subsidiary Grant, the allocations of the amount of the Grant to each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Expenditure Programs in regard to strengthening Africa Centres of Excellence.</td>
<td>6,000,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>6,000,000.00</td>
<td></td>
</tr>
</tbody>
</table>
4.03 The following table specifies the categories of the proceeds of the grants and the allocations of the amounts to each DLI.

<table>
<thead>
<tr>
<th>Disbursement Linked Indicator</th>
<th>Amount of the Financing Allocated (expressed in US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI 1: Regional specialization endorsed and institutional readiness</td>
<td>1,100,000</td>
</tr>
<tr>
<td>DLI 2: Excellence in education and research capacity and development impact</td>
<td>4,300,000</td>
</tr>
<tr>
<td>DLI 3: Timely, transparent and institutionally reviewed Financial Management</td>
<td>300,000</td>
</tr>
<tr>
<td>DLI 4: Timely and audited Procurement</td>
<td>300,000</td>
</tr>
<tr>
<td><strong>TOTAL (US$)</strong></td>
<td><strong>6,000,000</strong></td>
</tr>
</tbody>
</table>

4.04 To ensure the achievement of targeted results, a performance-based financing mechanism will be employed to disburse funding to JOOUST against the agreed DLIs (see Clause 4.01). Part of the grant is expected to be utilized as follows:

(a) At least 15 percent of the funding must be invested in partnerships and at least ten percent must be invested in partnerships outside Kenya;

(b) A partnership agreement between the JOOUST and its respective partners needs to specify the work plan, budget and outcome arrangements;

(c) Civil works if needed, should not exceed 25 percent of the total grant.
4.05 The JOUST shall:

(a) Implement the Project in accordance with the Project implementation plan;

(b) Not assign, amend, abrogate or waive any of the provisions of the Project implementation plan without the Governments and the Association’s prior written concurrence.

(c) Implement the project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices and in accordance with the provisions of this Subsidiary Grant Agreement;

(d) Implement all contractual obligations with the Association and other implementation Agreements to which it is a party in such a manner as to protect the interest of the Government and the Association and to accomplish the purposes of the Financing;

(e) Prepare the relevant Project reports under the project; and

(f) Participate in the mid-term Review of the operations under the project which shall cover progress achieved in the implementation of the project and to implement the relevant recommendations of the mid-term review as agreed with the Association.

(g) Promptly inform the Government of any conditions which interfere or threaten to interfere with the progress of the project or the performance of its obligations under this Subsidiary Grant Agreement.
ARTICLE V
FINANCIAL COVENANTS

5.01 The JOOUST shall:

(a) maintain or cause to be maintained, a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Government and the Association, both in a manner adequate to reflect its operations and financial condition, including: the operations, resources and expenditures related to its respective Part of the Project;

(b) The JOOUST shall during each year, prepare and furnish to the Government and the Association, a budget of all the activities planned to be carried out in that year;

(c) ensure that the funds deposited into the said account shall be used exclusively to finance the cost of expenditures related to the Project; and

5.02 For all expenditures with respect to which the proceeds of Grant are disbursed, the JOOUST shall:

(a) maintain or cause to be maintained, records and accounts reflecting such expenditures;

(b) retain, for 10 years after the termination of this Subsidiary Agreement all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditure; and
(c) enable the Government’s and the Association’s representatives to examine such records.

5.03 The JOOUST shall:

(a) have the records and accounts referred to in paragraph 5.02 (a) of this Section audited annually in accordance with appropriate auditing principles consistently applied, by the Kenya National Audit Office (KENAO) or independent auditors appointed by KENAO;

(b) furnish to the Government and the Association as soon as available, but in any case not later than six months after the end of each such year, a certified copy of the audit report, including the Management Letter, of such scope and in such detail as the Government shall have requested; and

(c) furnish to the Government and/or the Association such other information concerning the said records, accounts and the audit thereof as the Government and/or the Association shall from time to time reasonably request.

ARTICLE VI
PROJECT MONITORING, REPORTING AND EVALUATION

6.01 The JOOUST shall:

(a) maintain records adequate to record the progress of its Respective Part of the Project (including its cost and the benefits to be derived from it), to identify the goods and services financed out of the proceeds of the Grant and disclose their use in the Project;

(b) furnish such records and information as may be reasonably requested by the Government and/or the Association from time;
(c) retain all records evidencing expenditures under its Respective Part of the Project for the period of time specified in Section 5.02 (b);

(d) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Association and set out in the Project Implementation Manual, the progress of its Respective Part of the Project and the achievement of its objective;

(e) prepare periodic reports, in form and substance satisfactory to the Government and the Association integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of its Respective Part of the Project, and to achieve its objectives, each such report to cover every quarter;

(f) furnish each such report to the Government within two weeks after such period to enable the Government to incorporate such report in its Project Report for the same period and to comply with its reporting obligations under the Grant Agreement; and

ARTICLE VII
ENVIRONMENT AND SOCIAL SAFEGUARDS

7.01 The JOOUST shall carry out its Respective Part of the Project in accordance with the requirements of the Environmental and Social Management Framework (ESMF) dated April 18, 2016 and the Environmental and Social management Plan, as appropriate, and except as the Government and the Association shall otherwise agree in writing. The JOOUST shall not amend or waive any provision of the safeguard instruments if any such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of its Respective Part of the Project or the Project.
7.02 The JOUST shall in its progress report include progress made on compliance with environmental and social safeguard measures under the Project, giving details of measures taken in furtherance of the environmental and social safeguard and any conditions which interfere or threaten to interfere with the smooth implementation of the said plans and frameworks, and remedial measures taken or required to be taken to address such conditions.

ARTICLE VIII
ANTI-CORRUPTION GUIDELINES

8.01 The JOUST shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the relevant laws of Kenya.

ARTICLE IX
PROCUREMENT

9.01 The procurement of goods, works and consultants services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with Annex II to this Agreement.

9.02 The JOUST will not be required to follow the provisions of Annex II in regard to Eligible Expenditure Program (EEP). In this regard, all procurement will be carried out in accordance with their respective procurement and administrative procedures.

ARTICLE X
INFORMATION DISCLOSURE AND SOCIAL ACCOUNTABILITY

10.01 The JOUST shall as long as any part of the Subsidiary Agreement is in force, keep the Government informed of the progress of its operations and shall furnish the Government to such an extent and in such form and detail, as the Government may from time to time
require, with all information regarding the business of the JOOUST. The JOOUST shall further furnish the Government with the revenue and expenditure and the audited accounts (together with all Auditors and Director’s reports thereon and other documents referred to therein or by law required to be attached thereto) in respect of each financial year of the JOOUST within six (6) calendar months from the end of the financial year to which the revenue and expenditure relates.

10.02 The JOOUST shall throughout the implementation of the Project, ensure that there are adequate Social Accountability Measures with a view to ensuring that stakeholders participate effectively in the monitoring and use of Project resources.

ARTICLE XI
OTHER COVENANTS

11.01 The JOOUST shall:

(a) carry out a joint Mid-Term Review of the progress made in carrying out the Project on a date as shall be agreed by the Government and the Association;

(b) not later than thirty (30) days after the completion of the Mid-Term Review, start to implement the recommendations of the Mid-Term Review as agreed by the Government and the Association; and

(c) the Mid-Term Review shall assess, inter alia: (i) the overall progress made during the implementation of the Project; and (ii) the results of the monitoring and evaluation activities.

(d) Build institutional capacity to provide quality post-graduate education with relevance to the labor market, including,
inter alia, updating existing program's curricula or creating new education programs to meet development challenges; meeting benchmarks for quality education (e.g. national/regional accreditation); attracting a regional student body; training of faculty to introduce new approaches to teaching and learning; enhancing workplace learning; encouraging entrepreneurship among students; upgrading faculty qualifications; and improving learning resources, including lab equipment, and minor rehabilitation or extension of existing facilities.

(e) Build institutional capacity to conduct high quality applied research, relevant to addressing a key development challenge/priority, including, inter alia, faculty development and staff training, fellowships and post-doctoral studies, networking activities with national and international partners, hosting and participating in conferences, research equipment and materials and laboratory refurbishment/rehabilitation, research dissemination, knowledge and technology transfer, and patenting or other intellectual property rights related activities.

(f) Develop and enhance partnerships with other academic institutions (national, regional and international) to pursue academic excellence, raise the capacity of network partners, and raise the ACE's capacity, including inter alia, joint delivery of education programs, faculty exchanges/visiting faculty, joint research and conferences, and sharing of specialized equipment and library resources.

(g) Develop and enhance partnerships with industry and the private sector to generate greater impact, to enhance the
impact of the ACE on development and increase its relevance in education and research, including, *inter alia*, industry advisory boards, industry lectures, training of trainers for sector training institutions (such as polytechnics, nursing, teacher or agricultural colleges), joint research, training and other activities to communicate, interact and reach out to civil society, private sector and grassroots communities.

(h) Improve governance and management of the institution and set up a role model for other higher education institutions, to improve M&E, including monitoring of labor market outcomes of graduates, administration, fiduciary management (including FM, procurement, oversight and capacity), transparency, ability to generate resources, and project implementation.

(i) Deliver outreach, and create an impact, to society by delivering excellent teaching and producing high quality applied research. Individual ACEs are selected because of the strength of their proposals and their relevance to providing solutions to regional development challenges. By fulfilling their mandate, the ACEs can effect a positive change in society and become model hubs of teaching, research, and innovation for other institutions in the region.

11.02 The JOOUST will develop an appropriate University policy framework which is in conformity with the project implementation plan to provide guidance for the following areas in regard to the project;

(a) Adherence to the Laws and other Government policies governing Universities;
(b) Collaborations between the academic and administrative Departments of the university;

(c) Appointment of a Centre Leader, deputy Center Leader and a supporting implementation team of appropriately qualified academic, technical and administrative personnel;

(d) Determination of fees and charges for courses, research services consultancies, use of university facilities and any other fee or charge arising from the implementation of the project;

(e) A revenue utilization formula that will generally guide allocation of the same between the Centre and other activities of the JOOUST; keeping in mind the need to ensure capacity by the JOOUST to support the Center of Excellence even after the grant is exhausted.

(f) Identification of the tools for monitoring and evaluation of the project and further designating a monitoring and evaluation coordinator responsible for submitting the indicators for the project DLIs to the Centre leadership.

**ARTICLE XII**

**AMENDMENTS, SETTLEMENT OF DISPUTES AND APPLICABLE LAW**

12.01 The JOOUST shall carry out the implementation of the Project in an efficient and businesslike manner and in accordance with sound financial and administrative practices.

12.02 The JOOUST shall at all-time refrain from any act or omission that may prejudice the obligations of the Government under the Agreement.
12.03 Amendments or addition to this Subsidiary Agreement shall be made in writing supplemental hereto duly executed by or on behalf of parties hereto.

12.04 No delay in exercising or the non-exercise by the Government of any of its rights as provided for by the Subsidiary Agreement shall be regarded as a waiver of such rights.

12.05 In the event of any controversy or claim by either party to this Grant Agreement, the matter shall be resolved amicably through consultations between the parties under the guidance of the cabinet Secretary for the time being responsible for Finance.

12.06 This Subsidiary Agreement shall be governed by and construed in all respect in accordance with the Laws of the Republic of Kenya.

ARTICLE XIII
EFFECTIVENESS, SUSPENSION AND TERMINATION

13.01 This Subsidiary Agreement shall come into force on the date of execution.

13.02 The Government may suspend the disbursement of the Subsidiary Grant to the JOOUST if:

(a) implementation of the Project is contrary to the provisions of this Subsidiary Grant Agreement, the Grant Agreement and the Financing Agreement, and

(b) The JOOUST uses the Grant or any part thereof to finance activities not provided for in the Financing Agreement and this Subsidiary Grant Agreement.
13.03 The Government may terminate this Subsidiary Grant Agreement if:

(a) The Government in consultation with the Association determines that this Subsidiary Grant Agreement should be terminated due to circumstances, which have arisen and made the implementation or operation of the Project impossible or improbable, and

(b) The Grant Agreement has been terminated.

ARTICLE XIV
NOTICES AND COMMUNICATIONS

14.01 Any notice, consent, or request required or permitted to be given or made under this Agreement to the Government or the JOOUST shall be in writing and shall be deemed to have been duly given or made when it shall be delivered to the following addresses or other such place or address as either Party to this Agreement shall designate by notice in writing to the other party.
For the Government of Kenya:

The Cabinet Secretary/National Treasury
The National Treasury
Treasury Building
P.O. Box 30007-00100
Fax 240045, 219365

NAIROBI

For the JOUUST

The Vice Chancellor
Jaramogi Oginga Odinga University of Science and Technology
P.O. Box 210-40601,

Bondo, Kenya

IN WITNESS WHEREOF the Parties hereto acting through their duly authorized representatives, have caused this Agreement to be executed and delivered in their respective names on the day and year first above written.
SIGNED AND DELIVERED FOR AND ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF KENYA BY:

Henry Rotich, EGH Signature: .................................................................
Cabinet Secretary/ National Treasury

IN THE PRESENCE OF:

Dr. Fred Okengo Matiang'i, EGH Signature: ...........................................
Cabinet Secretary, Ministry of Education

SIGNED, SEALED AND DELIVERED FOR AND ON BEHALF OF THE JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY BY:

Prof. Stephen Gaya Agong’, PhD, FAAS Signature ....................................
Vice Chancellor

IN THE PRESENCE OF:

Rodney Odhiambo Oluoch
Legal Person Signature .................................................................
ANNEX I

The objective of the Project is to support the Recipient to strengthen selected Eastern and Southern African Higher Education Institutions in the Recipient’s territory to deliver quality post-graduate education and build collaborative research capacity in the regional priority areas.

The Project consists of the following parts:

Part 1: **Strengthening Africa Centers of Excellence in Regional Priority Areas**

Strengthen the capacity of the Africa Centers of Excellence in Eastern and Southern African Higher Education Institutions, in particular to:

a) build institutional capacity to provide quality post-graduate education with relevance to the labor market;
b) build institutional capacity to conduct high quality applied research, relevant to addressing a key development challenge or priority;
c) develop and enhance partnerships with other academic institutions (national, regional and international) to pursue academic excellence;
d) develop and enhance partnerships with industry and the private sector to generate greater impact;
e) improve governance and management of the institution and set up a role model for other higher education institutions; and
f) deliver outreach and create an impact, to society by delivering excellent teaching and producing high quality applied research.
Part 2: Capacity-Building Support to Africa Centers of Excellence through Regional Interventions

Enhance capacity-building through IUCEA for the Africa Centers of Excellence to enable them to perform better, overcome their challenges and achieve their objectives by providing:

a) capacity building on partnership development with the private sector; and
b) competitive scholarships to undertake programs in any of the African Centers of Excellence.

Part 3: Facilitation, Coordination and Administration of Project Implementation

Support IUCEA in the preparation, coordination and effective and efficient management of the Project.
ANNEX II

Procurement

A. General

1. Goods and Works. All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants' Services. All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. Other Methods of Procurement of Goods and Works. The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Other Methods of Procurement of Goods and Works

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) International Competitive Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding*</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
</tbody>
</table>
(*) National Competitive Bidding shall be undertaken in accordance with the Recipient's Public Procurement and Asset Disposal Act (No. 33 of 2015) (herein referred to as the PPADA), as may be amended from time to time, subject, however, to the following qualifications:

(i) the tender submission date shall be set so as to allow a period of at least 30 days from the later of (A) the date of advertisement, and (B) the date of availability of the tender documents.

(ii) Recipient-owned enterprises shall be allowed to participate in the tendering only if they can establish that they are legally and financially autonomous, operate under commercial law and are independent agencies of the Recipient's Government.

(iii) the Recipient shall use, or cause to be used, bidding documents and tender documents containing, *inter alia*, draft contracts and conditions of contracts, including provisions on fraud and corruption, audit and publication of award in form and substance satisfactory to the Association.

(iv) tender evaluation shall be based on quantifiable criteria expressed in monetary terms as defined in the tender documents, and not on a merit points system.

(v) no domestic preference shall be used in the evaluation of tenders. Accordingly, contracts shall be awarded to qualified tenderers having submitted the lowest evaluated substantially responsive tender; and

(vi) notification of contract award shall constitute formation of the contract. No negotiation shall be carried out prior to contract award.

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The
Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-Based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultants' Qualifications</td>
</tr>
<tr>
<td>(e) Single-Source Selection</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2, 5.3 and 5.4 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.
### Annex III

### Disbursement Linked Indicators

<table>
<thead>
<tr>
<th>Disbursement Linked Indicator</th>
<th>Action to be completed</th>
<th>Amount of the Financing Allocated Per DLI (expressed in SDR)</th>
<th>Amount Allocated per DLR for the Disbursement Calculation (expressed in SDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DLI 1. Institutional readiness</td>
<td>DLR 1.1. To meet Conditions for Effectiveness</td>
<td>DLI 1. 2,400,000</td>
<td>DLR 1.1. 1,300,000</td>
</tr>
<tr>
<td></td>
<td>DLR 1.2. Development of detailed implementation plans</td>
<td></td>
<td>DLR 1.2. 1,100,000</td>
</tr>
<tr>
<td>DLI 2. Excellence in education and research capacity and development impact</td>
<td>DLR 2.1. Timely annual implementation of the plans</td>
<td>DLI 2. 9,200,000</td>
<td>DLR 2.1. 1,100,000</td>
</tr>
<tr>
<td></td>
<td>DLR 2.2. Newly enrolled students in the ACE of which at least 20% must be regional (African) students</td>
<td></td>
<td>DLR 2.2. 2,600,000</td>
</tr>
<tr>
<td></td>
<td>DLR 2.3. Accreditation of quality of education programs</td>
<td></td>
<td>DLR 2.3. 1,300,000</td>
</tr>
<tr>
<td></td>
<td>DLR 2.4. Collaboration and partnerships for applied research and training</td>
<td></td>
<td>DLR 2.4. 400,000</td>
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<tr>
<td></td>
<td>DLR 2.5. Peer-reviewed journal papers or peer-reviewed conference papers prepared collaboratively with national, regional or international partners</td>
<td></td>
<td>DLR 2.5. 600,000</td>
</tr>
<tr>
<td></td>
<td>DLR 2.6. Faculty and PhD student exchanges to promote regional research and teaching collaborations</td>
<td></td>
<td>DLR 2.6. 1,100,000</td>
</tr>
<tr>
<td></td>
<td>DLR 2.7. External revenue generation</td>
<td></td>
<td>DLR 2.7. 1,900,000</td>
</tr>
<tr>
<td><strong>DLI 3.</strong> Timely, transparent and institutionally reviewed Financial Management</td>
<td><strong>DLR 2.8.</strong> Institution participating in benchmarking exercise</td>
<td><strong>DLR 2.8.</strong> 200,000</td>
<td></td>
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<tr>
<td><strong>DLR 3.1.</strong> Timely Withdrawal Application supported by financial reporting on the ACE account for the period</td>
<td><strong>DLR 3.</strong> 600,000</td>
<td><strong>DLR 3.1.</strong> 150,000</td>
<td></td>
</tr>
<tr>
<td><strong>DLR 3.2.</strong> Functioning Audit Committee under the University Council</td>
<td></td>
<td><strong>DLR 3.2.</strong> 150,000</td>
<td></td>
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<td><strong>DLR 3.3.</strong> Functioning internal audit unit for the university</td>
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<td><strong>DLR 3.3</strong> 150,000</td>
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<td><strong>DLR 3.4.</strong> Transparency of financial management (audit reports, interim financial reports, budgets and annual work plan are all web accessible)</td>
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<td><strong>DLR 3.4.</strong> 150,000</td>
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<td><strong>DLI 4.</strong> Timely and audited Procurement</td>
<td><strong>DLR 4.1.</strong> Timely procurement audit report</td>
<td><strong>DLR 4.1.</strong> 600,000</td>
<td><strong>DLR 4.1.</strong> 300,000</td>
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<td><strong>DLR 4.2.</strong> Timely and satisfactory procurement progress report</td>
<td><strong>DLR 4.2.</strong> 300,000</td>
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