April 17, 2012.

Nezavisimosti Ave, 39,

Minsk, 220005.

BELARUS

Re: infoDev Grant No. TF012047
Strengthening innovative early-stage enterprises through scaling up existing Business Incubators in Belarus Project

Dear Madam:

In response to the request for financial assistance made on behalf of Business Angels and Venture Investors Network (BAVIN) ("Recipient"), I am pleased to inform you that the International Bank for Reconstruction and Development ("World Bank"), acting as administrator of grant funds provided by the infoDev Multi-Donor Trust Fund, proposes to extend to the Recipient a grant in an amount not to exceed Seventy Five Thousand United States Dollars (U.S.$75,000) ("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 World Bank receives periodic contributions from the donors to the trust fund. Please note that in accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World 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. Accordingly, in the event that any donor cancels or fails to pay any contributions under the trust fund to the World Bank for any reason, or that as a result of currency exchange variations the amount of funds available in the trust fund is insufficient for the purposes of the Grant, the Recipient shall bear the risk of such funding shortfall and the World Bank shall not have any liability whatsoever to the Recipient or to any third parties in respect of any expenditures or liabilities incurred by the Recipient or any third parties in connection with this Agreement which exceed the amount of funds made available to the World Bank by the donors for the purposes of the Grant.

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. The Recipient is expected to complete the Project activities within 6 months prior to the Closing Date specified in Section 3.03 of the Annex to this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within 40 days.
after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Very truly yours,

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

\[Signature\]

By Valerie D’Costa
infoDev Manager

AGREED:
Valeryia Sudzilouskaya

\[Signature\]

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with “World Bank Disbursement Guidelines for Projects”, dated May 1, 2006;

(3) “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;

(4) Project Objectives and Activities.
ANNEX

Article I
Standard Conditions; Definitions


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 Agreement.

Article II
Project Execution

2.01. Project Objectives and Description. The objectives of the Project and the Project activities to be financed out of the proceeds of the Grant are as set forth in Attachment [1] to this Annex.

2.02. Project Execution Generally. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with: (a) the provisions of Article II of the Standard Conditions; (b) this Article II; and (c) 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.

2.03. Project Deliverables. The Recipient shall:

(a) furnish to the World Bank all reports, documents or programs (each, a "Deliverable") to be developed under the Project, in electronic (electro-magnetic or machine readable format) and printed format;

(b) if the Deliverable is a conference or workshop, the Recipient shall furnish to the World Bank an agenda of the event and any reports or papers resulting from the event on a timely basis as agreed with the World Bank; and

(c) ensure that infoDev is clearly identified as a sponsor on all Deliverables.

2.04. Project Monitoring, Reporting and Evaluation. The Recipient shall monitor and evaluate the progress of the Project and, upon the World Bank’s request, prepare Project Reports, in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover such period as shall be indicated in the World Bank’s request and shall be furnished to the World Bank not later than one month after the date of such request.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made; provided, however, that in the event that the Closing Date referred to in Section 3.03 of this Agreement is extended, such audit shall, if so requested by the World Bank, separately cover such additional period as shall be indicated in
the World Bank’s request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. **Procurement**

(a) **General.** All goods, works and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods, works and non-consulting services; and

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in the Sections II and III of Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) **Particular Methods of Procurement of Goods, Works and Non-consulting Services.**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) the following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, (B) Shopping; and (C) Direct Contracting.

(d) **Particular Methods of Procurement of Consultants’ Services.**

(i) Except as otherwise provided in sub-paragraph (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.
(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review.¹ All other contracts shall be subject to Post Review by the World Bank.

(f) **Procurement Audit.** The Recipient shall ensure that the audit conducted pursuant to Section 2.05 (c) of this Agreement shall also include an audit of the procurement of goods and services financed out of the proceeds of the Grant.

### Article III

**Withdrawal of Grant Proceeds**

3.01. ** Eligible Expenditures.** (a) The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of (a) Article III of the Standard Conditions, (b) this Section, and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance [100%] (inclusive of Taxes) of Eligible Expenditures consisting of goods, consultants' services including audits, Workshops and Training, and Operating Costs.

(b) For the purposes of paragraph (a) of this Section: (i) the term “Workshops and Training” means the costs associated with workshops and training carried out under the Project including travel and subsistence costs for workshop and training participants, costs associated with securing the services of workshop speakers and trainers, rental of workshop and training facilities, preparation and reproduction of workshop and training materials, and other costs directly related to workshop and training course preparation and implementation; and (ii) the term “Operating Costs” means the operating costs incurred on account of the implementation of the Project including maintenance of vehicles, fuel, equipment, office supplies, rental charges, utilities, consumables, bank charges, advertising expenses, insurance, travel, per diems, and accommodation, but excluding salaries of civil servants.

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 countersignature of this Agreement by the Recipient.

3.03. ** Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2013.²

### Article IV

**Intellectual Property Rights/Licenses**

4.01. ** Intellectual Property Rights/Licenses**

   (a) The World Bank shall, except as provided below, own all right, title and interest, including all intellectual property rights, in and to any Deliverable created under this Agreement. The World Bank hereby grants to the Recipient a perpetual, royalty-free, non-exclusive, worldwide license to use, modify,

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¹ The adoption of prior review is determined by risk. It is for the procurement specialist to decide on the prior review threshold on a case-by-case basis, with reference to OP and BP 11.00.

² If the withdrawal period exceeds 2 years, Section 2.05(c) with regard to auditing may have to be revised.
copy, exploit, distribute (including sublicensing), create derivative works of, make, have made, sell, offer for sale and import such intellectual property contained in any such Deliverable. To the extent that any Deliverable contains any intellectual property previously developed by the Recipient or by third parties, and to the extent that the Recipient creates any derivative works as referred to above, the Recipient hereby grants to the World Bank a license over such previously developed intellectual property and over any derivative works on the same terms as specified above. Any such previously developed intellectual property shall be so identified.

(b) The Recipient hereby represents and warrants to the World Bank, and the World Bank enters into this Agreement in the express reliance upon such representation and warranty, that:

(i) the Recipient either owns or holds valid and continuing licenses to any intellectual property used in connection with the performance of the Project or any Deliverables provided hereunder, and that, as a result of such use, the Recipient will not be in violation of any such licenses; and

(ii) the Recipient has the right to grant the licenses in sub-article 4.01 (a), above.

(c) The Recipient hereby expressly protects, indemnifies and holds harmless the World Bank, its affiliates and each of their officers, directors, employees, contractors and agents (collectively the “Indemnified Parties”) from and against any liabilities, claims, suits, damages and expenses (including but not limited to reasonable attorneys’ fees) arising from any third party claims alleging that any Deliverables or other materials provided by the Recipient hereunder, or the use of such Deliverables or materials in connection with the Project or by the Indemnified Parties during or after the termination or expiration of this Grant, infringe or misappropriate any trade name, trademark, trade secret, patent, copyright or any other intellectual propriety right of a third party, provided that such infringement does not result from negligent use.

Article V
Recipient’s Representative; Addresses

5.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its official who has countersigned this Agreement on behalf of the Recipient.

5.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is its address indicated in the cover letter of this Agreement.

5.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INTBAFRAD
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: 1-202-477-6391

Washington, D.C.
PROJECT OBJECTIVES AND ACTIVITIES

The Project development objective is to promote technology-enabled entrepreneurship in Belarus by scaling up existing incubators in Belarus.

The Project consists of

1) Establish a pilot virtual incubation system in Belarus strengthening incubation outreach to growth-oriented innovative start-ups and other innovation eco-system stakeholders in Belarus as well as take the benefits of business incubation beyond the major cities to smaller towns and rural areas.

2) Strengthen virtual business incubation capacities of business incubator managers in Belarus and the ECA region

3) Foster internationalization of growth-oriented start-ups in Belarus through international networking of Belarus business incubators supported by the BAVINCUBE virtual incubator.

For more details about Project Objectives and Activities please see below “Project Scorecard”.

PROJECT SCORECARD

Intermediary project deliverables are as follows:

- Virtual incubator business and development plan, including R&D of a new concept of virtual incubator network and provision of its adoption to Belarus particularities, including M&E system.
- Creation of a virtual incubator.
- Assessing the impact and cost-effectiveness of virtual incubation and, by way of a strong M&E component, to derive the necessary lessons for potential future scaling-up of virtual business incubation.
- Design of e-learning materials. Delivery of master classes.
- Expected outcomes/deliverables: Virtual incubator business and development plan. Good practice analysis. Virtual incubator online. E-learning content online. Master classes delivered offline and online (including report). Case study including lessons learned and M&E results on BAVINCUBE virtual incubator planning and management. Conducting promotion and outreach events for the virtual incubator including regional and thematic workshops addressing incubator managers, start-up entrepreneurs, angel investors from Belarus and abroad, Belarus and international incubation community. Creation of virtual incubator social network.