Financing Agreement
(Amending and Restating Original Financing Agreement)

(ACBF Regional Capacity Building Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

AFRICAN CAPACITY BUILDING FOUNDATION

Dated 12/12/2013
FINANCING AGREEMENT

AGREEMENT dated 12/12/2013, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and AFRICAN CAPACITY BUILDING FOUNDATION ("Recipient").

WHEREAS (A) under an agreement, dated May 5, 2011, between the Recipient and the Association ("Original Financing Agreement"), the Association agreed to provide the Recipient with a grant ("Original Financing") in an amount equivalent to sixteen million three hundred thousand Special Drawing Rights (SDR 16,300,000) to assist in financing the project described in Schedule 1 to the Original Financing Agreement ("Original Project");

(B) under an agreement, dated May 5, 2011, among the International Bank for Reconstruction and Development and International Development Association (collectively, "World Bank"), both acting as administrator of the African Capacity Building Foundation – Partnership for Capacity Building in Africa – Strategic Medium Term Plan 2 – Multi-Donor Trust Fund (ACBF – PACT – SMTP2 MDTF), on the one hand, and the Recipient on the other hand ("MDTF Grant Agreement"); the World Bank agreed to provide the Recipient with a grant in an amount equal to seventeen million five hundred thousand Dollars ($17,500,000) ("MTDF Grant") to assist in financing the Original Project;

(C) the Recipient has requested the Association to provide additional financial assistance in support of additional activities related to the Original Project, by making available to the Recipient an additional grant ("Additional Financing") in an amount in various currencies equivalent to forty-three million three hundred thousand Special Drawing Rights (SDR 43,300,000); and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement, with effect from the Effective Date of this Agreement, to read as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral 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, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to fifty-nine million six hundred thousand Special Drawing Rights (SDR 59,600,000) ("Financing") which consists of: (a) the Original Financing in various currencies equivalent to sixteen million three hundred thousand Special Drawing Rights (SDR 16,300,000); and (b) the Additional Financing in various currencies equivalent to forty-three million three hundred thousand Special Drawing Rights (SDR 43,300,000), 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 IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are June 15 and December 15 in each year.

2.05. The Payment Currency is the Dollar.

**ARTICLE III — PROJECT**

3.01. The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 1 to this Agreement. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**ARTICLE IV — REMEDIES OF THE ASSOCIATION**

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

(a) The Recipient's Documents have, in the opinion of the Association, been amended, suspended, abrogated, repealed or waived so as to affect
materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement.

(b) The Republic of Zimbabwe has failed to comply with its obligations under the Zimbabwe Agreement; provided, however, that the provisions of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that alternative arrangements for the operations of the Recipient are in place so as to enable the Recipient comply with its obligations under this Agreement.

(c) A Member Country has failed to comply with its obligations under the Member Country Agreement.

(d) A situation has arisen which shall make it improbable that the ACBF Action Plan, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.02. For purposes of Section 8.05(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 ten years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Executive Secretary.

6.02. The Recipient’s Address is:

African Capacity Building Foundation
ZB Life Towers, 7th Floor,
Corner of Jason Moyo Ave. & Sam Nujoma St.
P.O. Box 1562
Harare, Zimbabwe

Facsimile:

(+263 4) 702915
6.03. The Association's Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.

AGREED at HARARE, ZIMBABWE, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By [Signature]
Authorized Representative
Name: A.N. LENNEIYE
Title: COUNTRY MANAGER

AFRICAN CAPACITY BUILDING FOUNDATION

By [Signature]
Authorized Representative
Name: EMANUEL NNADZIE
Title: EXECUTIVE SECRETARY
SCHEDULE 1

Project Description

The objectives of the Project are to: (a) improve capacity of the Recipient’s clients to deliver and measure their development results; and (b) enhance the Recipient’s organizational effectiveness and efficiency.

The Project consists of the following parts:

Part A: Capacity Building Sub-grants, Capacity Indicators Report and Peer Learning Activities

(1) Financing, through the provision of grants, including Sub-grants, of specific development projects to enhance the institutional capacity of the governments of Sub-Saharan African countries, regional organizations serving such countries, and other entities established in such countries in the following areas:

(i) economic policy management;
(ii) public sector management; and
(iii) regional integration, regional economic cooperation and provision of regional public goods.

(2) Provision of consultants’ services and Training pertaining to:

(i) Research, analysis, workshops and conferences associated with the production of the ACIR; and
(ii) Coordination and convening of peer learning activities related to the PIC and SSGs.

Part B: Institutional Development

Carrying out of a program of institutional development of the Recipient, consisting of the following activities, and provision of goods, consultants’ services, training and Operating Costs required for the purpose:

(1) Continued implementation of activities consistent with the Management Action Plan and implementation of activities under the ACBF Action Plan designed to strengthen the efficient and effective organization, management and operations of the Recipient.

(2) Continuous enhancement of the monitoring and evaluation system for the Recipient’s operations.
(3) Appraisal, supervision and evaluation of Sub-projects.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Staffing. In order to ensure the proper implementation of the Project, the Recipient shall at all times maintain qualified and experienced staff in adequate numbers, and with terms of reference acceptable to the Association and the resources necessary to carry out the Project with due diligence and efficiency.

2. Operations Manual

   (a) The Recipient shall maintain (and implement the Project in accordance with) the operations manual, acceptable to the Association, which shall include fiduciary policies and procedures to be followed by the Recipient in conducting its operations, including the Project, such manual to cover, inter alia, financial management, procurement (including procurement under Sub-projects), disbursement and monitoring and evaluation arrangements for the Project, as well as the detailed eligibility criteria and terms and conditions, and procedures for preparation, approval and monitoring and evaluation, of Sub-grants.

   (b) The Recipient shall ensure that the Project is carried out in accordance with the Operations Manual and shall not amend or waive any of its provisions without the Association’s prior written agreement.

   (c) Notwithstanding the foregoing, in the event of any inconsistency between the provisions of the Operations Manual and this Agreement, the provisions of this Agreement shall govern.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Part A of the Project (Sub-projects)

1. The Recipient shall make Sub-grants to Sub-grantees for Sub-projects in accordance with eligibility criteria and procedures acceptable to the Association, which shall include the following:

   (a) No proposed Sub-project shall be eligible for financing under a Sub-grant unless the Recipient shall have determined on the basis of an
appraisal carried out in accordance with guidelines acceptable to the Association, and elaborated in the Operations Manual, that:

(i) the proposed Sub-project: (A) consists exclusively of technical assistance activities, including training, and does not involve any works or the preparation of feasibility studies or engineering designs for investments; (B) is technically feasible and economically viable; (C) is designed in accordance with sound environmentally and socially sustainable practices and standards; (D) is not benefitting or proposed to benefit from any financing from sources of funds other than the Financing and/or the Sub-grantee’s own resources; and (E) is for the benefit, or to be carried out in the territory, of a Member Country which is eligible to receive financing out of the resources of the Association.

(ii) the proposed Sub-grantee: (A) is a Sub-Saharan Member Country eligible to receive financing out of the resources of the Association, or other legal entity established and operating under the laws of such country or established as a regional organization comprised of one or more of such countries; (B) has the organization, management, technical capacity and financial resources necessary to carry out the proposed Sub-project; and (C) has prepared a satisfactory financing plan and budget and implementation plan for the proposed Sub-project.

(b) The maximum amount: (i) of all Sub-grants to a single Sub-grantee shall not exceed the equivalent of $7 million; and (ii) of each Sub-grant for a Sub-project shall not exceed the lesser of: (A) the equivalent of $5 million; and (B) the total estimated cost of the Sub-project minus the amount of any other financing to be provided therefor.

(c) Sub-grants proposed to be made by the Recipient under the Agreed Annual Work Plan, may be selected by the Association in its review of said Agreed Annual Work Plan for its prior review and approval.

2. The Recipient shall make each Sub-grant under a Sub-grant Agreement with the respective Sub-grantee on terms and conditions approved by the Association, which shall include the following:

(a) The Sub-grant shall be made on a non-reimbursable grant basis.

(b) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the following:
(i) The Recipient shall require each Sub-grantee to:

(A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmentally and socially sustainable standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient;

(B) provide, promptly as needed, the resources required for the purpose;

(C) procure the goods and services to be financed out of the Sub-grant in accordance with the provisions of Section III of this Schedule;

(D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Sub-project and the achievement of its objectives;

(E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-project; and (2) have such financial statements audited annually by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association and permit the Association to make such statements as so audited publicly available (as well as the Sub-grant Agreement);

(F) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and

(G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.
(ii) The Recipient shall obtain the right to suspend or terminate the right of the Sub-grantee to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Sub-grantee’s failure to perform any of its obligations under the Sub-grant Agreement.

(iii) If the Sub-grantee is an entity other than a Member Country, the Recipient shall obtain an agreement from the Member Country that: the Member Country has no objection to the carrying out by the Sub-grantee of the Sub-project within its territory, and to this end shall: (A) afford all reasonable opportunity for representatives of the Association and the Recipient to visit any part of its territory for purposes related to the Sub-grant; and (B) not take or permit to be taken any action which would interfere with the performance by the Sub-grantee of its obligations under its Sub-grant Agreement.

3. The Recipient shall exercise its rights under each Sub-grant 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 any Sub-grant Agreement or any of its provisions.

D. Part B of the Project (Monitoring and Evaluation)

Without limitation on, and in furtherance of the provisions of Section II of this Schedule, the Recipient shall, in order to further enhance its monitoring and evaluation of Sub-projects under Part A of the Project, ensure that assessments of the monitoring and evaluation systems to be used under proposed Sub-grants are conducted by the Recipient during the preparation of each Sub-project, prior to its approval for financing.

E. Agreed Annual Work Plans; Training

1. The Recipient shall:

(a) prepare under terms of reference acceptable to the Association, and furnish to the Association, not later than December 31 of each Fiscal Year during the period of Project implementation, for the Association’s review and agreement, an annual work plan of activities (including Sub-Grants and training and workshops) proposed for inclusion in the Project during the following calendar year, consisting of the Recipient’s business plan, procurement plan for the Project, the budget and financing plan for such activities and a timetable for their implementation; and
(b) thereafter, carry out the Project with due diligence during such following year in accordance with such annual work plan as shall have been agreed by the Association as such plan may be amended from time to time by prior written agreement between the Association and the Recipient ("Agreed Annual Work Plan").

2. Only activities included in an Agreed Annual Work Plan shall be eligible for inclusion in the Project.

3. The Recipient shall ensure that in preparing any training or workshops proposed for inclusion in the Project under an Agreed Annual Work Plan, it shall identify in the work plan: (a) the objective and content of, and justification for, the training or workshop envisaged; (b) the selection method of institutions or individuals conducting such training or workshop, and said institutions if already known; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the target audience expected to attend the training or the workshop.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.
4. As part of the above audit, the Recipient shall have all procurement activities undertaken by it under the Project audited annually, commencing with its Fiscal Year 2013, by auditors under terms of reference and with qualifications and experience satisfactory to the Association. Each such audit shall cover the period of one Fiscal Year and shall be furnished to the Association not later than six (6) months after the end of such Fiscal Year.

5. In order to ensure the timely carrying out of the audits referred to in Part B.3 of this Section II, the Recipient shall engage auditors for the purpose with terms of reference and qualifications and experience acceptable to the Association and in accordance with the provisions of Section III of this Schedule.

Section III. **Procurement**

A. General

1. **Goods and Non-consulting Services.** All goods and non-consulting 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 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 Non-consulting Services**

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

2. **Other Methods of Procurement of Goods.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:
### Procurement Method

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Limited International Bidding</td>
</tr>
<tr>
<td>(b)</td>
<td>National Competitive Bidding (subject to the provisions of Section III.B.3 of this Schedule)</td>
</tr>
<tr>
<td>(c)</td>
<td>Shopping</td>
</tr>
<tr>
<td>(d)</td>
<td>Direct Contracting</td>
</tr>
</tbody>
</table>

#### 3. Specific Provisions Applicable to National Competitive Bidding

The following provisions shall apply to contracts procured on the basis of National Competitive Bidding and to be financed out of the proceeds of Sub-grants:

(a) **Eligibility.** No bidder, foreign or domestic, shall be precluded from participating in the bidding process for reasons unrelated to their eligibility or capability to perform the contract. Examples of reasons that may not be used to preclude a bidder from so participating include the following: proof that the bidder is not under bankruptcy proceedings; appointment by the bidder of a local representative; prior registration by the bidder; or license or agreement allowing the bidder to operate.

(b) **Qualification.** Bidders shall be post-qualified unless the related procurement plan explicitly provides otherwise. Irrespective of whether post qualification or prequalification is used, both national and foreign bidders who meet the qualification requirements stated in the bidding documents shall be allowed to participate in the bidding process.

(c) **Bidding Documents.** Bidders shall use standard bidding documents for the procurement of goods and services, consistent with the provisions of the Procurement Guidelines.

(d) **Preferences.** No preference for domestically manufactured goods shall be allowed.

(e) **Bid evaluation.** The qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such criteria so specified shall be used to determine whether a bidder is qualified; the evaluation of the bidder's qualifications should be conducted separately from the technical and commercial evaluation of the bid. Evaluation of bids shall be made in strict adherence to the criteria set forth in the bidding documents; criteria other than price should be quantified in monetary terms. A contract shall be awarded to the qualified bidder offering the lowest technically responsive evaluated bid. Bidders shall not be eliminated from detailed evaluation on the basis of minor, non-substantial deviations.
(f) **Rejection of All Bids and Re-bidding.** The Recipient’s prior approval shall be obtained before rejecting all bids, soliciting new bids, or entering into negotiations with the lowest evaluated bidder.

(g) **Right to Inspect/Audit.** Each bidding document and contract financed out of the proceeds of the Financing shall provide that the bidder or supplier, and any subcontractor, shall permit the Association and the Recipient, at either of its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have these accounts and records audited by auditors appointed by the Association. An act by the bidder, supplier or subcontractor intended to materially impede the Association’s exercise of its inspection and audit right constitutes an Obstructive Practice.

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) Least-Cost Selection</td>
</tr>
<tr>
<td>(b) Quality-Based Selection</td>
</tr>
<tr>
<td>(c) Selection Under a Fixed-Budget</td>
</tr>
<tr>
<td>(d) Selection Based on the Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-Source Selection</td>
</tr>
<tr>
<td>(f) 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.
Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category Original Financing</th>
<th>Amount of the Original Financing Allocated (expressed in SDR)</th>
<th>Category Additional Financing</th>
<th>Amount of the Additional Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, Training, Operating Costs and consultants’ services for Sub-projects under Part A of the Project</td>
<td>10,000,000</td>
<td>(1) (i) Goods, Training, Operating Costs and consultants’ services for Sub-projects under Part A(1) of the Project</td>
<td>26,000,000</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(ii) Goods, Training, consultants’ services and non-consulting services under Part A(2) of the Project</td>
<td>3,300,000</td>
<td></td>
</tr>
<tr>
<td>(2) Goods, Training, consultants’ services and Operating Costs under Part B of the Project</td>
<td>6,300,000</td>
<td>(2) Goods, Training, consultants’ services and Operating Costs under Part B of the Project</td>
<td>14,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>16,300,000</td>
<td></td>
<td>43,300,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made: (a) prior to the date of the Original Financing Agreement, with respect to amounts of the Original Financing; and (b) prior to the date of this Agreement, with respect to the amounts of the Additional Financing, except that withdrawals of proceeds of the Additional Financing up to an aggregate amount not to exceed $21,300,000 equivalent may be made for payments made prior to this date but on or after December 13, 2012, for Eligible Expenditures under Categories (1) and (2).

2. The Closing Date is December 31, 2017.

Section V. Other Undertakings

Management Action Plan; Governance Action Plan.

1. In order to ensure the efficient and effective organization, management, staffing and operations of the Recipient, the Recipient shall at all times carry out its operations and conduct its affairs in a manner consistent with the Management Action Plan and the Governance Action Plan.

ACBF Action Plan

2. (a) The Recipient shall carry out the ACBF Action Plan.

(b) In order to ensure the continued efficient and effective organization, management, staffing and operations of the Recipient, the Recipient shall at all times carry out its operations and conduct its affairs in accordance with the ACBF Action Plan.

(c) The Recipient and the Association shall from time to time exchange views on the progress achieved in carrying out the ACBF Action Plan.

(d) The Recipient shall promptly inform the Association of any situation that would have the effect of materially reversing the objectives of the ACBF Action Plan or any action taken under it.
APPENDIX

Section 1. Definitions

1. "ACBF Action Plan" means the plan of actions adopted by the Recipient designed to ensure its efficient and effective organization, operations and management, and set forth in the letter sent by the Recipient to the Association dated November 8, 2013.

2. "ACIR" means the African Capacity Indicators Report, the annual flagship publication of the ACBF.

3. "Agreed Annual Work Plan" means each annual work plan for the Project prepared by the Recipient and agreed with the Association in accordance with Section I.E of Schedule 2 to this Agreement.


5. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

6. "Conditions of Disbursement of the Second and Third Tranches" means: (a) for the FY09 DGF Grant, the conditions of disbursement of the Second and Third Tranches of the FY09 DGF Grant referred to in the letter dated October 12, 2010 from the Bank to ACBF; and (b) for the PACT-ACBF Grant, the conditions of the disbursement of the Second and Third Tranches of the PACT-ACBF Grant referred to in the letter dated November 11, 2010, from the Bank to donors of such grant; as such letters may be updated from time to time by the Bank.


8. "Fiscal Year" and "FY" each means a fiscal year of the Recipient, commencing on January 1 and terminating on December 31.

9. "FY09 DGF Grant" means the grant provided to the Recipient pursuant to the FY09 DGF Grant Agreement.

10. "FY09 DGF Grant Agreement" means the Grant Agreement for the Partnership for Capacity Building in Africa (PACT), dated June 29, 2009, between the Association and the Recipient, providing for a grant out of the Development Grant Facility Special Program (DGF File: 800209-01).
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

12. “Governance Action Plan” means the Recipient’s action plan to rationalize its governance structure and to ensure the appropriate governance of its operations, together with the timetable for implementation of such action plan.

13. “Management Action Plan” means the plan of actions adopted by the Recipient designed to ensure its efficient and effective organization, operations and management, and set forth in the plan sent by the Recipient to the Association and attached as Annex 1 to the letter dated January 28, 2010, from the Association to the Recipient, including the actions set forth in the Conditions of Disbursement of the Second and Third Tranches.

14. “MDTF Grant” means a grant in the amount of up to fifty-one million six hundred thousand dollars ($51,600,000) equivalent, provided under the MDTF Grant Agreement to assist in financing the Project.

15. “MDTF Grant Agreement” means the Multi-donor Trust Fund Grant Agreement for the Project and providing for the MDTF Grant, between the Association and the Bank, acting as administrator of the African Capacity Building Foundation - Partnership for Capacity Building in Africa - Strategic Medium Term Plan 2 Multi-donor Trust Fund, and the Recipient, dated May 5, 2011, as such grant agreement may be amended from time to time. “MDTF Grant Agreement” includes all appendices, schedules and agreements supplemental to the MDTF Grant Agreement. If more than one agreement is entered into between the Association and the Bank on the one hand, and the Recipient on the other, providing for amounts of the MDTF Grant, “MDTF Grant Agreement” includes all such agreements.

16. “Member Country Agreement” means with respect to each Sub-grant made to an entity other than the Member Country or a regional organization for a Sub-project, the agreement between the Member Country and the Recipient referred to in Section I. C. 2 (b)(iii) of Schedule 2 to this Agreement.

17. “Operating Costs” means the incremental expenses incurred on account of Project implementation, consisting of 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 staff.

18. “Operations Manual” means the operations manual to be adopted in accordance with the provisions of Section I.A.2 of Schedule 2 to this Agreement.
19. "PACT-ACBF Grant" means the funds provided to the Recipient pursuant to the PACT-ACBF Memorandum of Understanding.


21. "PIC" means the Policy Institutes Committee consisting of the heads of think tanks and policy institutes supported by the Recipient.


23. "Procurement Plan" means the Recipient's procurement plan for the Project, dated December 14, 2010 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

24. "Recipient's Documents" means the agreement among the African Development Bank, the Bank and the United Nations Development Programme, dated February 9, 1991, ("Founders' Agreement") establishing the African Capacity Building Foundation (ACBF) in accordance with its Constitution set forth in an Annex to the Founders' Agreement ("ACBF Constitution"); the ACBF Constitution; the Agreement between the Republic of Zimbabwe and the African Capacity Building Foundation (ACBF) regarding the Headquarters of ACBF signed May 22, 1991, by the parties thereto; as such agreements and constitution may be amended from time to time.

25. "SSGs" means the Strategic Studies Groups that form the Recipient's community of practitioners and experts which focus on the strategic objectives of the Recipient.

26. "Sub-grant" means a grant made or proposed to be made by the Recipient to a Sub-grantee out of the proceeds of the Financing for a Sub-project in accordance with the provisions of this Agreement.

27. "Sub-grant Agreement" means in respect of each Sub-grant, the agreement between the Recipient and a Sub-grantee providing for said Sub-grant.

28. "Sub-grantee" means a Member Country or other legal entity to which the Recipient has made or proposes to make a Sub-grant for a Sub-project in accordance with the provisions of this Agreement.
29. “Sub-project” means a specific development project to be carried out by a Sub-grantee under Part A of the Project.

30. “Training” means the reasonable costs associated with training and workshop participation under the Project, consisting of travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course or workshop preparation and implementation.

31. “Zimbabwe Agreement” means the agreement related to the Project entered into between the Republic of Zimbabwe, the Association and the Bank and the Recipient, dated April 7, 2011, as such agreement may be amended from time to time. “Zimbabwe Agreement” includes all appendices, schedules and agreements supplemental to the Zimbabwe Agreement.

Section II. Modifications to the General Conditions

The modifications to the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, are as follows (all references to Sections and the Appendix are to Sections of the Appendix to said General Conditions):

A. In Section 2.06 (Financing Taxes), the text “Taxes levied by, or in the territory of, the Recipient” is modified to read “Taxes levied by, or in the territory of, the Member Country”.

B. In Section 3.10 (Manner of Payment), the text “Taxes levied by, or in the territory of the Recipient” is modified to read “Taxes levied by, or in the territory of, the Member Country”.

C. Paragraph (a) of Section 4.09 (Financial Management, Financial Statements, Audits) is modified to read as follows:

“(a) The Recipient shall maintain or cause to be maintained a financial management system and prepare financial statements (“Financial Statements”) in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Recipient, including the operations, resources and expenditures related to the Project.”

D. Paragraph (a) of Section 4.11 (Visits) is modified to read as follows:

“(a) The Recipient shall take all measures required on its part to enable the representatives of the Association to visit any part of the Member Country’s territory for purposes related to the Financing or the Project.”
E. Section 5.01 (Financial and Economic Data) is deleted in its entirety.

F. In sub-paragraph (ii)(B) of Section 6.02(i) (Assignment of Obligations; Disposition of Assets), the expression “Project Implementing Entity” is modified to read “Recipient”.

G. Section 6.02 (j) (Membership) is modified to read as follows:

“(j) Membership. The Member Country or any member of the Recipient: (i) has been suspended from membership in or ceased to be a member of the Association; or (ii) has ceased to be a member of the International Monetary Fund.”

H. In Sections 6.02(k) (Condition of Project Implementing Entity) and 6.02(l) (Ineligibility), all references to “Project Implementing Entity” are modified to read “Recipient”.

I. A new paragraph (m) is added to Section 6.02 (Suspension by the Association) (and the existing paragraph (m) is renumbered as (n)) to read as follows:

“(a) Interference. The Member Country has: (i) taken or permitted to be taken any action which would prevent or interfere with the execution of the Project or the performance by the Recipient of its obligations under the Financing Agreement; or (ii) failed to afford a reasonable opportunity for representatives of the Association to visit any part of its territory for purposes related to Financing or the Project.”

J. A new definition is added as paragraph 35 of the Appendix to read as follows, and the existing paragraph 35 and subsequent paragraphs (all and references to such paragraph numbers) are renumbered accordingly:

35. “Member Country” means the member of the Association in whose territory the Project is carried out or any of such member’s political or administrative subdivisions. If such activity is carried out in the territory or more than one such member, “Member Country” refers separately to each such member.”

K. The definition of “Recipient” (as renumbered pursuant to the addition of the definition of Member Country) is modified to read as follows:

“46. “Recipient” means the entity which is a party to the Financing Agreement and to which the Financing is extended.”