Honorable Matia Kasaija
Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
Kampala
Republic of Uganda

Re: Uganda: JSDF Grant Agreement for Northern Uganda
Business Support Development Project (TF0A2643)

Honorable Minister Kasaija:

In response to the request for financial assistance made on behalf of Republic of Uganda ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank"), acting as administrator of grant funds provided by Japan ("Donor") under the Japan Social Development Fund (JSDF), proposes to extend to the Recipient a grant in an amount not to exceed two million eight hundred and fifty seven thousand United States Dollars (U.S.$2,857,000) ("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 Donor. 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 Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

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

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

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Christina Malmborg Calvo
Country Manager
Uganda Country Office
AGREED:
REPUBLIC OF UGANDA

By
Authorized Representative

Name  
Title  
Date: 31 Oct 2016

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

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

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to improve and sustain the household income of the vulnerable poor by providing business management support services to existing and new community interest groups (CIGs) in the four Pilot Districts (Kitgum, Gulu, Nebbi and Soroti).

The Project consists of the following parts:

**Part 1: Providing Business Training, Small Grants, and Follow-up Business Advisory Services to Community Interest Groups:**

Piloting of a program of actions in priority villages in the four Pilot Districts (Gulu, Kitgum, Nebbi and Soroti) designed to, *inter alia*, increase productive assets and incomes of community interest groups ("CIGs"), in particular:

(a) (i) Establishing and operationalizing approximately 240 CIGs in said priority villages; and (ii) carrying out of appropriate local market assessments with a view to developing a menu of income generating activities ("Subprojects") for implementation by said 240 CIGs.

(b) Strengthening the capacities of said 240 CIGs for preparation of viable business plans, all through the provision of training.

(c) (i) Provision of Micro-grants to said 240 CIGs for carrying out of said Subprojects; and (ii) establishment of village revolving funds and provision of Micro-credits to CIGs for carrying out of Subprojects.

(d) Establishing and implementing a mentorship support program for said 240 CIGs and provision of training to mentors in said program.

(e) Provision of business advisory services to said 240 CIGs as well as 120 existing CIGs.
Part 2: Program Management and Administration, Monitoring and Evaluation, and Knowledge Dissemination:

Providing technical support for:

(a) Strengthening the capacities of agencies and institutions for implementation and oversight (including procurement and financial management, audits, environmental and social assessments and reporting) of Project activities, including, inter alia: (i) key implementing entities in the Pilot District; and (ii) the Office of the Prime Minister (and the Technical Support Team).

(b) (i) Carrying out of monitoring and evaluation of Project activities and results, including, inter alia, preparation of regular reports on the Project’s progress, participatory monitoring of outputs and outcomes, carrying out of impact evaluations, preparation of implementation completion reports; and (ii) development of an online management information system designed to capture routine data.

(c) Supporting dissemination of knowledge from the pilot to a wide range of stakeholders through: (i) preparation of a documentary promotional video as well as learning notes; and (ii) conducting of workshops at the national level to share the lessons learned with relevant stakeholders.

2.02. Project Execution Generally. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Office of the Prime Minister (OPM) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Micro-credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. Institutional and Implementation Arrangements.

A. Institutional Arrangements

1. National Level

(a) Office of the Prime Minister

(i) The Recipient shall designate, at all times during the implementation of the Project, the Office of the Prime Minister (“OPM”) to be responsible for prompt and efficient overall oversight, coordination and implementation of activities under the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable the OPM to perform its functions.

(ii) To this end, the Recipient shall maintain, at all times during the implementation of the Project:

(A) the Technical Support Team (“TST”) within the OPM, with a composition, mandate, staffing and other resources satisfactory to the World Bank. The TST shall support the OPM with day to day
coordination and implementation of activities under the Project, as elaborated in the Operations Manual. The TST shall be responsible for supporting the implementation of Part 1(c) of the Project.

(B) Notwithstanding the provisions of paragraph (A) above, the Recipient shall appoint a Project Manager within TST to be responsible for overseeing implementation of Project activities in the Pilot Districts.

(b) Technical Working Group

Without limitation upon the provisions of sub-paragraphs 1(a) of this Section, the Recipient shall maintain at all times during the implementation of the Project, the Technical Working Group with a composition, mandate, terms of reference and resources satisfactory to the World Bank, to be responsible for, inter alia, providing operational and technical oversight on matters relating to the Project.

2. District Level

District Technical Planning Committee

Without limitation upon the provisions of paragraph 1 of this Section, the Recipient shall maintain at all times during the implementation of the Project, a District Technical Planning Committee ("DTPC") in each Pilot District with a composition, mandate, staffing and other resources satisfactory to the World Bank. The DTPC shall be responsible for, inter alia, monitoring the appraisal and approval of Subprojects and other Project activities in the Pilot District, and ensuring their inclusion in the Annual Work Plan and Budget, all in accordance with the provisions of the Operations Manual.

B. Implementation Arrangements


(a) The Recipient, through OPM, shall prepare in accordance with terms of reference acceptable to the World Bank and furnish to the World Bank for review:

(i) an operations manual, providing details of arrangements and procedures for the implementation of the Project, including the following matters: (A) capacity building activities for sustained achievement of the Project's objectives; (B) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (C) procurement management procedures, including a manual to guide procurement at the community level; (D) institutional administration, coordination and day to day execution of Project activities; (E) monitoring and evaluation; (F) reporting; and (G) information, education and communication of Project activities;
(ii) guidelines for screening and assessing potential environmental and social impacts of Project activities (including Subprojects) and designing appropriate mitigation, management and monitoring measures in respect of said impacts; as well as guidelines on the procurement, transportation, storage, application of pesticides, including disposal of used pesticides containers;

(iii) the eligibility criteria, guidelines and detailed procedures for the selection and approval of Subprojects and for provision and management of Micro-grants under Part 1(c)(i) of the Project (including a Micro-grant Agreement template);

(iv) the guidelines for establishment of village revolving funds; and eligibility criteria, guidelines and detailed procedures for the selection and approval of Subprojects and for provision and management of Micro-credits under Part 1(c)(ii) of the Project (including a Micro-credit Agreement template);

(v) a template of the Memorandum of Understanding; and

(vi) such other technical and organizational arrangements and procedures as shall be required for the Project.

(b) The Recipient, through OPM, shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on said operations manual, and thereafter, shall adopt such operations manual, as shall have been approved by the World Bank ("Operations Manual").

(c) The Recipient, through OPM, shall ensure that the Project is carried out in accordance with the Operations Manual; provided, however, that in case of any conflict between the provisions of the Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

(d) Except as the World Bank shall otherwise agree, the Recipient, through OPM, shall not amend, abrogate or waive any provision of the Operations Manual.

2. Annual Work Plan and Budget

(a) The Recipient, through OPM, shall prepare and furnish to the World Bank not later than November 30 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities (including Subprojects under the Project) proposed to be included in the Project (including Safeguards Instruments applicable to said activities in accordance with the provisions of Sub-section E of this Section 2.03) during the following Fiscal Year, and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing.
Each such proposed work plan and budget shall specify any Training activities that may be required under the Project, including: (i) the type of Training; (ii) the purpose of the Training; (iii) the personnel to be trained; (iv) the institution or individual who will conduct the Training; (v) the location and duration of the Training; and (vi) the cost of the Training.

The Recipient, through OPM, shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed work plan and budget and thereafter ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with such work plan and budget as shall have been approved by the World Bank (“Annual Work Plan and Budget”).

The Recipient, through OPM, shall not make or allow to be made any change(s) to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

C. Subprojects under Part 1(c) of the Project

1. Eligibility Criteria and Procedures

(a) Selection of CIGs

No proposed CIG shall be eligible to receive a Micro-grant or Micro-credit for a Subproject under Part 1(c) of the Project, unless the Recipient, through the respective Pilot District, shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the World Bank and elaborated in the Operations Manual, that the CIG satisfies the following eligibility criteria, and such further requirements as are elaborated in said Operations Manual:

(i) the CIG: (A) has been established on the basis of a common targeting system consisting of: (1) a geographical targeting mechanism which has identified eligible villages; and (2) a community targeting mechanism which has identified eligible households in said eligible villages; and (B) has received appropriate training and is enrolled in an appropriate registry; and

(ii) the Recipient, through the respective Pilot District, shall have confirmed the CIG’s compliance with applicable co-responsibilities in accordance with the provisions of the Operations Manual.

(b) Selection of Subprojects

(i) No Subproject under Part 1(c) of the Project shall be eligible for a Micro-grant or Micro-credit, unless the Recipient, through the respective Pilot District, shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the World Bank, and elaborated in the Operations Manual, that the Subproject satisfies the following
requirements, and such further requirements as are elaborated in said Operations Manual, namely:

(A) the Subproject is: (1) for eligible expenditures; (2) includes a financing plan and budget, and an implementation plan in form and substance satisfactory to the World Bank; and (3) technically feasible, and financially and economically sound;

(B) if a Safeguards Instrument is required for the Subproject, said Safeguards Instrument is prepared and disclosed in accordance with the provisions of Subsection E below; and

(C) the Subproject is included in the Annual Work Plan and Budget.

(ii) The Recipient, through a Pilot District, shall make each Micro-grant and Micro-credit, respectively, out of the proceeds of a Sub-Grant to a CIG under a Micro-grant Agreement and Micro-credit Agreement, respectively, on terms and conditions satisfactory to the World Bank.

2. Memorandum of Understanding; Sub-Grants to Pilot Districts

(a) To facilitate the carrying out of Part 1(c) of the Project, the Recipient, through the OPM, shall make part of the proceeds of the Grant allocated from time to time to Category (4) of the table set forth under Paragraph 3.1 of this Annex, available to each Pilot District ("Sub-Grant") under a Memorandum of Understanding ("MOU") with the Pilot District, under terms and conditions approved by the World Bank, which shall include the following:

(i) the Sub-Grant shall be made on a non-reimbursable grant basis;

(ii) the Recipient, through OPM, shall obtain rights adequate to protect its interests and those of the World Bank, including the right to suspend or terminate the right of the Pilot District 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 Pilot District's failure to perform any of its obligations under the MOU;

(iii) the Pilot District shall undertake: (A) to carry out said Part 1(c) of the Project with due diligence and efficiency and in accordance with sound technical, financial, managerial and environmental standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient, the Safeguards Framework and any Safeguards Instruments required for activities under said Part 1(c) of the Project; (B) provide, promptly as needed the resources required for these purposes; and (C) maintain adequate records;

(iv) the Pilot District shall ensure that the goods, non-consulting services and consultant services to be financed out of the proceeds of the Sub-Grant
shall be procured in accordance with the provisions of paragraph 2.07 of this Annex and used exclusively in carrying out activities under said Part 1(c) of the Project;

(v) the Pilot District shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with indicators acceptable to the World Bank, the progress of implementation of activities under said Part 1(c) of the Project and the achievement of its objectives;

(vi) the Pilot District shall: (A) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to activities under said Part of the Project; and (B) for each Fiscal Year, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and furnish the statements as so audited to the Recipient (and the World Bank, if requested), not later than six months after the end of such Fiscal Year;

(vii) the Recipient, through OPM, shall have the right to inspect by itself, or jointly with the World Bank, if the World Bank shall so request, the goods, sites, and plants included in said Part 1(c) of the Project, the operations thereof, and any relevant records and documents;

(viii) the Pilot District shall prepare and furnish to the Recipient and the World Bank, all such information as the World Bank shall reasonably request, relating to the implementation of said Part 1(c) of the Project, and the performance by the Pilot District of its obligations under the MOU; and

(ix) the Pilot District shall promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of implementation of said Part 1(c) of the Project, or the performance by it of its obligations under the MOU.

(b) The Recipient, through the Pilot District, shall carry out its obligations and exercise its rights under each MOU, in such a manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Sub-Grant, and, except as the World Bank shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive any MOU or any provision thereof.

D. Anti-Corruption

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

E. Safeguards

1. The Recipient, through OPM, shall ensure that the Project is carried out in accordance with the Safeguards Framework and Safeguards Instruments.
2. The Recipient, through OPM, shall ensure that the following actions are taken in a manner acceptable to the World Bank: If any Project activity would, pursuant to the Environmental and Social Management Framework ("ESMF"): (a) require the carrying out of an Environmental and Social Impact Assessment ("ESIA"), the Recipient, through OPM, shall ensure that an ESIA for such activity is: (i) carried out, in accordance with the requirements of the ESMF and furnished to the World Bank for review and approval; and (ii) disclosed as required by the ESMF and approved by the World Bank; (b) require the preparation of an Environmental and Social Management Plan ("ESMP"), such ESMP is prepared in accordance with the ESMF and furnished to the World Bank for review and approval, and is disclosed as required by the ESMF and approved by the World Bank; and (c) require the preparation of a pest management plan, such plan is prepared in accordance with the ESMF and furnished to the World Bank for review and approval, and is disclosed as required by the ESMF and approved by the World Bank.

3. Without limitation upon its other reporting obligations under this agreement and under Section 2.06 of the Standard Conditions, the Recipient, through OPM, shall include in the Project Reports referred to in paragraph 2.06 of this Annex, adequate information on the implementation of the Safeguards Framework and Safeguards Instruments, giving details of: (a) measures taken in furtherance of such Safeguards Framework and Safeguards Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguards Framework and Safeguards Instruments; and (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguards Framework and Safeguards Instruments.

2.04. Donor Visibility and Visit

(a) The Recipient, through OPM, shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

(b) For the purposes of Section 2.09 of the Standard Conditions, the Recipient, through OPM, shall, upon the World Bank’s request, take all measures required on its part to enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.

2.05. Project Monitoring, Reporting and Evaluation

(a) The Recipient, through OPM, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of two calendar semesters, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient, through OPM, shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.
2.06. **Financial Management**

(a) The Recipient, through OPM, 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, through OPM, shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient, through OPM, shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 World Bank not later than six months after the end of such period.

2.07. **Procurement**

(a) **General.** All goods and consultants' 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 Procurement Guidelines, in the case of goods;

   (ii) Sections I and IV of the 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 Sections II and III of the 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**

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

2. **Other Methods of Procurement of Goods.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, for those contracts specified in the Procurement Plan: (a) Limited International Bidding; (b) National Competitive Bidding, *subject to the additional provisions in paragraph 3 below*; (c) Shopping, *subject to the additional provision in paragraph 4 below*; (d) procurement under Framework Agreements in accordance with procedures which have been found acceptable
to the Association, subject to the additional provision in paragraph 5 below; (e) Direct Contracting; and (f) Community Participation procedures which have been found acceptable to the Association.

3. National Competitive Bidding ("NCB") shall be subject to the following:

   (a) Domestic preferences shall not apply under NCB;

   (b) The charging of fees for dealing with bidder complaints at procuring entity level shall not be permitted;

   (c) Firms or individuals debarred or suspended by the World Bank shall not be eligible (in addition to firms or individuals suspended by PPDA);

   (d) Paragraph 6(1)(c) of the fourth schedule of the PPDA Act (restriction on contract amendments to an aggregate amount of twenty-five percent (25%) of the original contract amount) shall not apply (set out in Annex 2 to this Agreement);

   (e) Regulation 48(a) of the PPDA Regulations (on rejection of a bid submitted by a bidder who did not obtain the bidding document directly from the procuring and disposing entity) shall not apply; and

   (f) Regulation 53(9) of the PPDA Regulations (restriction on the use of bid securing declarations to restricted domestic bidding and quotations procurement) shall not apply.

4. Shopping shall follow the request for quotations procedures (as defined in the PPDA Act and attendant regulations) subject to the provisions in sub-paragraphs (a) to (f) immediately above.

5. Framework Agreements ("FAs") shall be subject to the following, namely, that FA procedures (as defined in the PPDA Act) shall be subject to competitive bidding under NCB procedures (subject to the exceptions under paragraph 3 above).

(d) 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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Procedures set forth in paragraphs 5.2 and 5.3 of the
Consultant Guidelines for the Selection of Individual Consultants; and (i) 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. All other contracts shall be subject to Post Review by the World Bank.

### Article III
**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) 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 Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultant services</td>
<td>529,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and Workshops</td>
<td>1,140,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods</td>
<td>80,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Sub-Grants under Part 1(c) of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Micro-grants</td>
<td>480,000</td>
<td>100%</td>
</tr>
<tr>
<td>(ii) Micro-credits</td>
<td>480,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Operating Costs</td>
<td>148,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,857,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made:

(a) for payments made prior to the date of this Agreement; or
(b) under Category (4)(i) for Micro-grants unless the client has confirmed that each IFR combined with withdrawal application for this grant will clearly indicate beneficiary sub-counties; or

(c) under Category (4)(ii) for Micro-credits, the client has confirmed that the group has used the first grant properly and their business is successful for the first six months.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2018.

**Article IV**

**Recipient’s Representative; Addresses**

4.01. **Recipient’s Representative.** The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

4.02. **Recipient’s Address.** The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Planning and Economic Development  
Plot 2-12, Apollo Kaggwa Road  
P. O Box 8147  
Kampala  
Uganda

Facsimile:  
256 414 230163

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

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

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

Definitions

1. “Affected Persons” means persons who, on account of the execution of the Project would suffer direct economic and social impacts resulting in: (a) relocation or loss of shelter; (b) loss of assets or access to assets; (c) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; and (d) adverse impacts on the livelihoods of the affected persons.

2. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient in accordance with the provisions of Section B.2 of paragraph 2.03 of the Annex to this Agreement.


4. “Category” means a category set forth in the table in paragraph 3.01 of the Annex of this Agreement.

5. “Community Interest Group” or “CIG” means an organized group of persons living within a village, a parish or sub-county located in a Pilot District who meet the eligibility criteria specified in the Operations Manual, and which group is a recipient of a Micro-grant or Micro-credit for purposes of implementing a Subproject, all in accordance with the provisions of the Operations Manual.


7. “District” means a district established as an administrative local government area pursuant to the Local Governments Act (CAP 243) of the laws of the Recipient.

8. “District Technical Planning Committee” or “DTPC” means the committee established within a District pursuant to the Local Governments Act (CAP 243) of the laws of the Recipient, and referred to in Section A.2 of paragraph 2.03 of the Annex to this Agreement.

9. “Environmental and Social Impact Assessment” or “ESIA” means, with respect to each activity under the Project pursuant to which the ESMF requires an environmental and social impact assessment, such assessment, carried out in accordance with the provisions of Section E.2 of paragraph 2.03 of the Annex to this Agreement.

10. “Environmental and Social Management Framework” or “ESMF” means the framework of the Recipient disclosed in-country on May 16, 2016, and at the World Bank’s InfoShop on May 22, 2016, setting forth the modalities for environmental screening and procedures for the preparation and implementation of environmental assessments and management plans under the Project, and such term includes all schedules and annexes to the ESMF, as the same may be amended from time to time with the written agreement of the Association.
11. "Environmental and Social Management Plan" or "ESMP" means a plan prepared by the Recipient in accordance with the provisions of Section E.2 of paragraph 2.03 of the Annex to this Agreement.

12. "Fiscal Year" or "FY" means the Recipient's twelve month period starting July 1 and ending June 30 of the following year.

13. "Memorandum of Understanding" or "MOU" means a memorandum of understanding entered into between OPM and a Pilot District, in accordance with the provisions of Section C.2 of paragraph 2.03 of the Annex of this Agreement, as the same may be amended from time to time, and "Memoranda of Understanding" means, collectively, two or more such memorandum of understanding.

14. "Micro-credit" means a Micro-credit made or proposed to be made by the Pilot District to a CIG under Part 1(c)(ii) of the Project and in accordance with the provisions of Section C.2 of paragraph 2.03 of the Annex to this Agreement, and "Micro-credits" means, collectively, two or more such Micro-credits.

15. "Micro-credit Agreement" means an agreement entered into or to be entered into between a Pilot District and a CIG, providing for a Micro-credit, and "Micro-credit Agreements" means, collectively, two or more such agreements.

16. "Micro-grant" means a grant made or proposed to be made by a Pilot District to a CIG under Part 1(c)(i) of the Project and in accordance with the provisions of Section C.2 of paragraph 2.03 of the Annex to this Agreement, and "Micro-grants" means, collectively, two or more such micro-grants.

17. "Micro-grant Agreement" means an agreement entered into or to be entered into between a Pilot District and a CIG, providing for a Micro-grant, and "Micro-grant Agreements" means, collectively, two or more such agreements.

18. "Office of the Prime Minister" or "OPM" means the Recipient's Office of the Prime Minister established pursuant to the Recipient's Constitution, and any successor thereto.

19. "Operating Costs" means the incremental expenses incurred on account of Project implementation based on the Annual Work Plan and Budget, and consisting of expenditures for office supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, travel and per diem, and salaries of Project staff (up to 5% of the total grant amount), but excluding the salaries of the Recipient's civil service.

20. "Operations Manual" means the Recipient's manual referred to in Section B.1 of paragraph 2.03 of the Annex to this Agreement.

21. "Pilot District" means each of the following Districts: Kitgum; Gulu; Nebbi; and Soroti, and "Pilot Districts" means, collectively, two or more of the stated Districts.

22. "PPDA" means the Recipient's Public Procurement and Disposal of Public Assets Authority established and operating pursuant to the PPDA Act, and any successor thereto.
23. "PPDA Act" means the Recipient’s Public Procurement and Disposal of Public Assets Act Number 1 of 2003, as amended to date.

24. "PPDA Regulations" means, for the purposes of this Agreement, the provisions from the Recipient’s Public Procurement and Disposal of Public Assets (Rules and Methods for Procurement of Supplies, Works and Non-Consultancy Services) Regulations, 2014 (under section 96 of the PPDA Act), dated March 3, 2014, set out in Annex 1 to this Agreement.


26. “Safeguards Framework” means, the ESMF.

27. “Safeguards Instrument” means, an ESIA, ESMP or pest management plan, for a Project activity; and “Safeguards Instruments” means, collectively, two or more such instruments.

28. “Sub-Grant” means such part of the proceeds of the Grant allocated from time to time to Category (4)(i) and (ii) as set forth in the table under paragraph 3.01 of the Annex to this Agreement.

29. “Subproject” means a specific development activity under Part 1 (c) of paragraph 2.01 of the Annex to this Agreement and elaborated upon in Section C.1(b) of paragraph 2.03 of the Annex to this Agreement.

30. “Technical Support Team” means the following staff for the Technical Support Team: a procurement officer, a director, a program operations specialist, a financial management specialist, an environment safeguards specialist, a development communication specialist, a monitoring and evaluation officer, an information and communication telecommunications officer and an accountant.

31. “Technical Working Group” means the Recipient’s group referred to in Section A.1(b) of paragraph 2.03 of the Annex to this Agreement.

32. “Training and Workshops” means the costs associated with training and workshops provided under the Project based on the Annual Work Plan and Budget, and consisting of reasonable expenditures (other than expenditures for consultants’ services) for: (a) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (b) course fees; (c) training facility rentals; and (d) training material preparation, acquisition, reproduction and distribution expenses.
ANNEX 1

Exceptions to the PPDA Regulations

“48. Bidding documents not obtained directly from a procuring and disposing entity.

A bid shall be rejected during the preliminary examination of bids, if the bid is received from a bidder who –

(a) is not listed on Form 8 as having bought or obtained the bidding document directly from the procuring and disposing entity.

...

53. Bid security and bid securing declaration.

(9) A procuring and disposing entity shall require a bid securing declaration where the restricted domestic bidding and quotations procurement methods are used.”
Exception in Fourth Schedule to the PPDA Act

"Section 79 (1).

Fourth Schedule

Conditions for Use of Procurement Methods

6. Direct procurement.

(1) Direct procurement may be used—

(a) where—

(i) there is insufficient time for any other procedure such as in an emergency situation; or

(ii) the works, services or supplies are available from only one provider; or

(iii) an existing contract could be extended for additional works, services or supplies of a similar nature and no advantage could be obtained by further competition, if the prices on the extended contract are reasonable; or

(iv) additional works, services or supplies are required to be compatible with existing supplies, works or services and it is advantageous or necessary to purchase the additional works, services or supplies from the original supplier, provided the prices on the additional contract are reasonable; or

(v) it is essential or preferable to purchase additional works, services or supplies from the original supplier to ensure continuity for downstream
work, including continuity in technical approach, use of experience acquired or continued professional liability, if the prices on the additional contract are reasonable;

(b) in the circumstances specified in subparagraph (1)(a)(iii), (iv) and (v), where the value of the new works, services or supplies does not exceed fifteen percent of the value of the original or existing contract and the original or existing contract is awarded through a competitive process; and

(c) where direct procurement is used more than once in the circumstances specified in sub paragraph (1)(b), the cumulative value of all new works, services or supplies shall not exceed twenty five percent of the value of the original or existing contract.”