December 20, 2016

Hon. Matia Kasaija
Minister of Finance
Ministry of Finance, Planning and Economic Development
Plot 2 – 12, Apollo Kagwa Road
P.O. Box 8147,
Kampala

Honourable Minister:

Re: Agriculture Cluster Development Project (Cr. 5611-UG)
Amendment to the Financing Agreement

We refer to the Financing Agreement dated September 26, 2016 (the “Agreement”), between the Republic of Uganda (the “Recipient”) and the International Development Association (the “Association”) for the Agriculture Cluster Development Project (“Project”). We also refer to your letter dated November 21, 2016, requesting the Association to modify the effectiveness condition related to the Voucher Management Agency (VMA).

We are pleased to inform you that the Association accedes to your request and hereby amends the Agreement as follows:

1. Section 5.01(b) of the Agreement is deleted and replaced with the following:
   (b) the Recipient, through MAAIF, has, in form and substance acceptable to the Association: (i) developed a plan for stakeholder engagement on the e-Voucher; (ii) finalized the bidding documents for the VMA and obtained the Association’s approval; and (iii) prepared a detailed e-Voucher plan on identification, selection and registration of participating farmers and input dealers, all in accordance with the provisions of Section I.A.1(b)(ii)(A), (B) and (C) of Schedule 2 to this Agreement; and.....”

2. Section I.A.1(b)(ii) of Schedule 2 to the Agreement is modified as follows:

“(b) To this end, the Recipient, through MAAIF, shall:

(A) develop a plan, in form and substance acceptable to the Association, for stakeholder engagement in the e-Voucher Scheme and define the stakeholders to be involved in this e-Voucher Scheme;
(B) prepare bidding documents for the procurement of a Voucher Management Agent (“VMA”) and obtain the Association’s approval;
(C) prepare a detailed e-Vouchers plan, in form and substance acceptable to the Association, which shall include criteria for identification, selection and registration of participating farmers and input dealers, including a profile of input dealers; and
(D) appoint, in accordance with the provisions of Section III of this Schedule 2, and thereafter maintain, during the initial three (3) years of Project implementation, a VMA to: (1) facilitate the implementation of Parts 1(a) and (b) of the Project; and (2) strengthen the capacity of MAAIF staff for implementation of said Parts 1(a) and (b) of the Project.”
3. Section IV.B.1 of Schedule 2 to the Agreement is amended to read as follows:

"B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments:

(a) made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed US$30,000,000 may be made for payments made prior to this date but on or after April 30, 2015, for Eligible Expenditures under Categories (1), (2) and (3); or

(b) under Category (1) unless and until VMA has been appointed and deployed in accordance with Section I.A.1(b)(ii) of Schedule 2 to this Agreement; or

(c) under Category (4), in respect of a Matching Grant to any Beneficiary, until the Beneficiary has concluded a Matching Grant Agreement for the Project period.

Please indicate your agreement with the foregoing, by countersigning and dating the two original copies of this Amendment Letter and returning one countersigned original copy to the Association. Upon receipt by the Association of said original countersigned by the authorized representative of the Recipient and dated, this amendment shall become effective as of the date of countersignature of this letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Diarietou Gaye
Country Director Eritrea, Kenya, Rwanda and Uganda
Africa Region

AGREED:

REPUBLIC OF UGANDA

By:
Authorized Representative

Name: MATIA KASAIJA
Title: Minister
Date: 19/01/2017
CC:  Mr. Pius Wakabi Kassaja  
Permanent Secretary  
Ministry of Agriculture, Animal Industry and Fisheries  
Entebbe

Ms. Maris Wanyera  
Commissioner  
Aid Liaison Department  
Ministry of Finance, Planning and Economic Development  
Kampala

Mr. Fred Twesiime  
Aid Liaison Department  
Ministry of Finance, Planning and Economic Development  
Kampala

Mr. Okaasai Opolot  
Director  
Directorate of Crop Resources  
Ministry of Agriculture, Animal Industry and Fisheries  
Kampala