Financing Agreement

(Second Kampala Institutional and Infrastructure Development Project)

between

REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 16 February, 2015
FINANCING AGREEMENT

AGREEMENT dated 16th February, 2015, entered into between REPUBLIC OF UGANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree 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 credit in an amount equivalent to one hundred and thirteen million seven hundred thousand Special Drawing Rights (SDR 113,700,000) (variously, "Credit" and "Financing"), 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are February 15 and August 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

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 Event of Suspension consists of the following, namely, that the Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) the Subsidized Agreement has been executed on behalf of the Recipient and the Project Implementing Entity, in accordance with the provisions of Section I.3 of Schedule 2 to this Agreement;

(b) the Recipient has, through the Project Implementing Entity, recruited a highway engineering specialist, a transport planning and traffic engineering specialist, a geographic information systems specialist, an environmental management specialist, a social management specialist and a revenue management specialist, all in accordance with the provisions of Section III.C of Schedule 2 to this Agreement; and

(c) the Recipient, through the Project Implementing Entity, has deposited Uganda Shillings 2.98 billion (US$1.19 million equivalent) into the Project Escrow Account, in accordance with the provisions of Section I.F of Schedule 2 to this Agreement.
5.02. The Additional Legal Matter consists of the following, namely, that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

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

5.04. 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 twenty years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its minister responsible for finance.

6.02. The Recipient’s Address is:

Ministry of Finance, Planning and Economic Development
P.O. Box 8147
Kampala
Republic of Uganda

Telephone Facsimile
256-414-707000 256-414-230163

6.03. The Association’s Address is:

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

Cable: Telex: Facsimile:
INDEVAS 248423 (MCI) 1-202-477-6391
AGREED at Kampala, Republic of Uganda, as of the day and year first above written.

REPUBLIC OF UGANDA

By

[Signature]

Authorized Representative

Name: Mario Kiwanuka

Title: Minister of Finance, Planning & Economic Development

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Sajjad Shah

Title: Acting Country Director
SCHEDULE 1

Project Description

The objective of the Project is enhanced infrastructure and institutional capacity of KCCA to improve urban mobility in Kampala.

The Project consists of the following parts:

Part 1. City Wide Road Infrastructure and Associated Investments

Construction and rehabilitation of existing roads network and associated infrastructure in Kampala Capital City, in particular:

(a) (i) Upgrading of: (A) Makerere Hill road (from Wandegeya to Nakulabye); (B) Bakuli-Nakulabye-Kasubi-Northern Bypass road (from Bakuli to Northern Bypass); and (C) Kira road (from Kira road Police to Kabira junction), all to dual carriageway standard (including, inter alia, associated footpaths, street lighting, landscaping, walkways, footbridges and drainage); (ii) reconstruction of Mambule road; and (iii) signalization of Bwaise and Fairway junctions.

(b) Design, construction and supervision of works consisting of, inter alia: (i) signalization of priority junctions (to the extent not covered under Part 1 (a)); (ii) construction of a traffic control center at City Hall linking all signalized intersections; (iii) upgrading of priority roads to a dual carriageway standard (to the extent not covered under Part 1 (a)); (iv) reconstruction of select existing roads (to the extent not covered under Part 1 (a)); (v) upgrading of priority gravel roads (said works including, inter alia, associated footpaths, walkways, street lighting, landscaping, footbridges and drainage); and (vi) improvement of primary and secondary drainage systems.

(c) Provision of technical advisory services for, inter alia: (i) carrying out of a survey on the conditions of the road and drainage networks, as well as creation of a separate road database and a separate drainage database; (ii) updating the Kampala Capital City drainage master plan; and (iii) preparing designs for future upgrading of roads, junctions and drainage systems.

Part 2: Institutional and Systems Development Support

Strengthening KCCA’s institutional and technical capacity for infrastructure development and maintenance, in particular:

(a) Carrying out of a program of actions designed to strengthen the capacity of KCCA’s Engineering and Technical Services Directorate for implementation and supervision of activities under Part 1 of the Project, including, inter alia:
(i) provision of Project management training to key staff; (ii) development of a project management manual; (iii) development of a city asset management policy and strategy and updating Kampala Capital City's ("KCC") assets register; (iv) ESMF and RPF implementation, monitoring, reporting and evaluation; and (v) planning, designing and operating the KCC transport system.

(b) Carrying out of a program of actions designed to strengthen the capacity of KCCA's Physical Planning Directorate for developing a comprehensive city address system and cadaster information, with a view to enhancing own source revenue, including, *inter alia*: (i) updating the cadaster maps; (ii) street mapping, naming and plot addressing; and (iii) upgrading and licensing of the ArcGIS to server enterprise standard.

(c) Strengthening the capacity of KCCA's Revenue Collection Directorate for developing robust revenue management systems (including, *inter alia*, revenue database, assessment, billing, collection, enforcement, dispute resolution and tax payer education), with a view to enhancing own source revenues.

(d) Supporting the KCCA's use of a SMS mobile phone platform with a view to enhancing service delivery.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Project Implementing Entity

1. The Recipient shall designate, at all times during the implementation of the Project, the Project Implementing Entity to be responsible for prompt and efficient oversight and implementation of activities under the Project.

2. The Recipient shall take all measures required on its part (including, inter alia, the provision of funding, personnel and other resources necessary) to ensure that the Project Implementing Entity shall carry out its obligations under the Project Agreement in an effective and timely manner, and to the satisfaction of the Association.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include, inter alia, the following:

(a) the principal amount of the Financing made available under the Subsidiary Agreement ("Subsidiary Financing") shall be denominated and repayable in Dollars;

(b) the Subsidiary Financing shall be made available on grant terms; and

(c) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Project Implementing Entity to use the proceeds of the Subsidiary Financing, or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon the Project Implementing Entity's failure to perform any of its obligations under the Subsidiary Agreement; and (ii) require the Project Implementing Entity to: (A) carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) procure the goods, works, non-consulting
services and services to be financed out of the Subsidiary Financing in accordance with the provisions of this Agreement; (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 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 Project; and (2) at the Association’s or the Recipient’s request, have such financial statements audited 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; (F) enable the Recipient and the Association to inspect the 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 (“Subsidiary Agreement”).

2. The Recipient shall exercise its rights under the Subsidiary 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 the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

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

D. Subprojects under Part 1 of the Project

1. The Recipient shall, through the minister responsible for KCC, incorporate the approved Annual Work Plan and Budget submitted by the Project Implementing Entity, into the annual KCCA Budget Framework Paper (“KCCA BFP”), approve said KCCA BFP and thereafter transmit said KCCA BFP to MoFPED.

2. The Recipient shall, through MoFPED, on the basis of the approved KCCA BFP, administer the Subsidiary Financing in accordance with, inter alia, the provisions of Section 1.B of this Schedule 2.

3. Without limitation upon the provisions of paragraphs 1 and 2 of this Part D, the Recipient shall take all measures required on its part to enable the Project Implementing Entity to meet all of its obligations under Section 1.D of the Schedule to the Project Agreement.
E. Safeguards

The Recipient shall take all measures required on its part to enable the Project Implementing Entity to carry out the Project in accordance with the Safeguard Frameworks and Safeguard Instruments and meet all of its obligations under Section I.E of the Schedule to the Project Agreement.

F. Project Counterpart Funds; Project Escrow Account

1. The Recipient shall, through the Project Implementing Entity, open, and thereafter maintain, at all times during the implementation of the Project, in a financial institution and on terms and conditions acceptable to the Association, a Project Escrow Account, into which all counterpart funds required for the Project shall be deposited and maintained until payment(s) for RAP compensation costs shall fall due.

2. Without limitation upon the provisions of Section 4.03 of the General Conditions and the provisions of paragraph 1 immediately above, the Recipient shall, through the Project Implementing Entity, in each Fiscal Year (“FY”) commencing FY2014/2015, deposit into said Project Escrow Account, the amount of counterpart funds stipulated in the Annual Work Plan and Budget for payment of RAP compensation costs, not later than the date(s) indicated in said Annual Work Plan and Budget.

3. The Recipient shall, through the Project Implementing Entity, ensure that all amounts deposited in the Project Escrow Account shall be used exclusively to pay for said RAP compensation costs.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. 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 six months, and shall be furnished to the Association not later than one month after the end of the period covered by such report.

2. The Recipient shall not later than one month prior to the mid-term review referred to in paragraph 3 of this Section II.A, furnish to the Association for comments, a report, in such detail as the Association shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.
3. The Recipient shall, not later than thirty (30) months after the Effective Date, undertake, in conjunction with all agencies involved in the Project, including the Project Implementing Entity, a comprehensive mid-term review of the Project during which it shall exchange views with the Association and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by said Project Implementing Entity and said agencies, having regard to the performance indicators referred to in paragraph 1 of this Section II.A.

4. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objective of the Project.

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. The Recipient, through the Project Implementing Entity, shall prepare and furnish to the Association not later than forty-five (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, through the Project Implementing Entity, 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 months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works 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 Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods, Works and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** 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, subject to the additional provisions in paragraph 3 below; (b) Shopping, subject to the additional provisions in paragraph 4 below; (c) Direct Contracting; and (d) Framework Agreements subject to the additional provisions in paragraph 5 below.

3. **National Competitive Bidding (“NCB”)** shall be subject to the following:

   (a) negotiating with the lowest evaluated responsive bidder shall not be permitted for goods, non-consulting services and works procured using competitive methods; however for civil works, technical discussions to agree on work programs, method statement and other technical matters related to contract implementation with an awarded bidder are permissible;

   (b) the use of a merit point system for bid evaluation shall not be permitted except for procurement of: (i) complex information and technology systems; and (ii) design and build contracts;

   (c) domestic preferences shall not apply under NCB;

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

   (e) in accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract shall provide for the following: (i) the bidders, suppliers, contractors and subcontractors shall, on
request, permit the Association to inspect the accounts and records relating to the bid submission and performance of the contract, and shall have the accounts and records audited by auditors appointed by the Association; and (ii) any deliberate and/or material violation of such provision by any bidder, supplier, contractor or subcontractor may amount to an obstructive practice provided for in paragraphs 1.16(a) and (v) of the Procurement Guidelines;

(f) Firms or individuals debarred or suspended by the Association shall not be eligible (in addition to firms or individuals suspended by PPDA);

(g) Disqualification of bidders for not purchasing bidding documents from the Recipient shall not apply; and

(h) Evaluation of Goods and Works: The following documentation or their equivalent shall not be treated as eligibility requirements: (i) tax clearance certificate(s); (ii) tax registration certificate(s); (iii) trading licenses; and (iv) PPDA certificate(s) of registration. Documents (i) to (iii) may however be included as post qualification requirements, which the Recipient can request the bidder to present during the evaluation.

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 (h) 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). The advertisement/invitation to bid shall clearly indicate that the contract shall be signed on FA basis.

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 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) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of
Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

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.

E. **Specific Procurement Covenants**

1. The Recipient, through the Project Implementing Entity, shall, not later than one (1) month after the Effective Date, appoint a procurement specialist, in accordance with the provisions of Section III of Schedule 2 to this Agreement.

2. The Recipient, through the Project Implementing Entity, shall, not later than twelve (12) months after the Effective Date, provide procurement Training for PDU staff and contract managers, under terms of reference acceptable to the Association.

3. The Recipient, through the Project Implementing Entity, shall, not later than six (6) months after the Effective Date: (a) update its procurement filing and record keeping system; and (b) provide additional storage space for procurement records, in form and substance acceptable to the Association.

4. The Recipient, through the Project Implementing Entity, shall, not later than twelve (12) months after the Effective Date, establish a contract management system, in form and substance acceptable to 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</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project</td>
</tr>
<tr>
<td>113,700,000</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

**TOTAL AMOUNT**

113,700,000

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed three million five hundred thousand Dollars (US$3,500,000) equivalent may be made for payments made prior to this date but on or after February 1, 2014, for Eligible Expenditures.

2. The Closing Date is December 31, 2019.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15:</td>
<td></td>
</tr>
<tr>
<td>commencing August 15, 2024 to and including February 15, 2034</td>
<td>1%</td>
</tr>
<tr>
<td>commencing August 15, 2034 to and including February 15, 2054</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
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 Project Implementing Entity in accordance with the provisions of Section I.B of the Schedule to the Project Agreement.


4. "ArcGIS" means a geographic information service and platform for designing and managing solutions through the application of geographic knowledge.

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

6. "City Hall" means KCCA's administrative headquarters located in KCC.


8. "Engineering and Technical Services Directorate" means the Project Implementing Entity's directorate responsible for engineering and technical services, established and operating pursuant to Part A of the Fifth Schedule to the Project Implementing Entity's Legislation.

9. "Environmental and Social Impact Assessment" and "ESIA" means, with respect to each activity under the Project pursuant to which the ESMF requires an environmental and social impact assessment, such assessment, acceptable to the Association, carried out in accordance with the ESMF and the provisions of Section I.E of the Schedule to the Project Agreement.

10. "Environmental and Social Management Plan" and "ESMP" means a plan, acceptable to the Association, prepared in accordance with the ESMF and the provisions of Section I.E of the Schedule to the Project Agreement.
11. "Environmental and Social Management Framework" and "ESMF" means the framework of the Recipient dated December 27, 2013, and disclosed on January 7, 2014, 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.

12. "Fiscal Year" and "FY" means the Recipient’s and Project Implementing Entity’s respectively, twelve month period starting July 1 and ending June 30 of the following year.


14. "Kampala Capital City" and "KCC" means the Recipient’s capital city established and operating pursuant to Section 3 of the KCC Act.

15. "KCCA" means the Recipient’s Kampala Capital City Authority duly established and operating pursuant to Section 5 of the KCC Act, and any successor thereto.


17. "KCCA Budget Framework Paper" and "KCCA BFP" means the sector budget framework paper prepared annually by the Project Implementing Entity, setting out its budget strategy, objectives, planned actions and outputs, strategies to improve performance, draft annual work plans with outputs, and performance targets for a given fiscal year, and transmitted to MoFPED for incorporation into the national budget framework paper.

18. "Management Executive Committee" and "MEC" means the Project Implementing Entity’s committee referred to in Section I.A.1 of the Project Agreement.

19. "MoFPED" means the Recipient’s ministry responsible for finance or any successor thereto.

20. "Operating Costs" means the incremental expenses incurred on account of Project implementation, based on the Annual Work Plan and Budget approved by the Association pursuant to Section I.B of the Schedule to the Project Agreement, and consisting of expenditures for accommodation, financial audit fees, advertising, travel and per diem, but excluding, salary tops, the salaries of the Recipient’s civil service, meeting allowances, other sitting allowances and honoraria to said civil service staff.
21. “PDU” means the Procurement and Disposal Unit within the Project Implementing Entity.

22. “Physical Planning Directorate” means the Project Implementing Entity’s directorate responsible for physical planning, said directorate established and operating pursuant to Part A of the Fifth Schedule to the Project Implementing Entity’s Legislation.

23. “Project Management Office” and “PMO” means the Project Implementing Entity’s office referred to in Section I.A.2 of the Project Agreement.

24. “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.

25. “PPDA Act” means the Recipient’s Public Procurement and Disposal of Public Assets Act Number 1 of 2003 (and attendant regulations and guidelines), as amended from time to time.


27. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 24, 2014 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.

28. “Project Escrow Account” means the account to be established and maintained by the Recipient in accordance with the provisions of Section LF of Schedule 2 to this Agreement.

29. “Project Implementing Entity” means Kampala Capital City Authority.


31. “Resettlement Action Plan” and “RAP” means a resettlement plan, acceptable to the Association, prepared and implemented in accordance with the RPF and the provisions of Section LE of the Schedule to the Project Agreement.

32. “Revenue Collection Directorate” means the Project Implementing Entity’s directorate responsible for revenue collection, said directorate established and operating pursuant to Part A of the Fifth Schedule to the Project Implementing Entity’s Legislation.
33. "RPF" means the Resettlement Policy Framework of the Recipient dated December 27, 2013 and disclosed on January 7, 2014, setting forth the modalities for resettlement and compensation of Affected Persons under the Project, as the same may be amended from time to time with the written agreement of the Association.

34. "Safeguard Framework" means, the ESMF or RPF, as the context may require; and "Safeguard Frameworks" means, collectively, two or more such frameworks.

35. "Safeguard Instrument" means an ESIA, ESMP or a RAP for a Project activity; and "Safeguard Instruments" means, collectively, two or more such instruments.

36. "SMS" means short message service.

37. "Subproject" means a specific development program of activities to be carried out by the Project Implementing Entity under Part 1(b) of the Project, and "Subprojects" means, collectively, two or more such Subprojects.

38. "Subsidiary Agreement" means the agreement referred to in Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity.

39. "Subsidiary Financing" means the principal amount of the Financing made available to the Project Implementing Entity under the Subsidiary Agreement.

40. "Training" means the costs associated with training, workshops and study tours provided under the Project, based on the Annual Work Plan and Budget approved by the Association pursuant to Section I.B.2 of Schedule 2 to this Agreement, consisting of reasonable expenditures (other than expenditures for consultants' services) for: (i) travel, room, board and per diem expenditures incurred by trainers and trainees in connection with their training and by non-consultant training facilitators; (ii) course fees; (iii) training facility rentals; and (iv) training material preparation, acquisition, reproduction and distribution expenses.