January 26, 2016

Hon. Matia Kasaija
Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
Kampala
Uganda

Dear Honorable Kasaija,

Re: Uganda – Albertine Region Sustainable Development Project,
Credit Number 5406-UG
Second Amendment to the Financing Agreement

We refer to the Financing Agreement (the Agreement) for the above-mentioned Project, dated August 24, 2015, as amended to date, between the Republic of Uganda (“Recipient”) and the International Development Association (“Association”) and to your request dated November 19, 2015.

We are pleased to inform you that the Association hereby agrees to your request. To this effect, the Association proposes to amend Section IV.A and B.1 of Schedule 2 to the Agreement as set forth in the Attachment to this letter (Amendment).

All other provisions of the Agreement, except as herein amended, shall remain in full force and effect.

Please confirm your agreement with the proposed Amendment, on behalf of the Recipient, by countersigning and dating the two original copies of this amendment letter and returning one countersigned and dated original to us. Upon receipt by the Association of the countersigned and dated original copy, this Amendment shall become effective as of the date of countersignature.

Sincerely,

Diarietou Gaye
Country Director for Uganda
Africa Region
AGREED:

REPUBLIC OF UGANDA

By: [Signature]

Name: Matia Kasaija

Title: Minister

Date: March 4, 2016

Enclosures:
Attachment

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>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for Part 1 of the Project</td>
<td>62,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for Part 2 of the Project</td>
<td>16,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for Parts 3(a)(i), 3(a)(ii)(B) and (C) of the Project</td>
<td>9,780,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for Part 3(a)(ii)(A) of the Project</td>
<td>6,520,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>94,600,000</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:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed twenty nine million Dollars (US$29,000,000)
equivalent may be made for payments made prior to this date but on or after August 24, 2014, for Eligible Expenditures under Categories (1), (2), (3) and (4).

(b) under Categories (3) and (4), unless the Recipient, through MoES, has appointed a deputy Project coordinator and a procurement officer, all in accordance with the provisions of Section III.C of Schedule 2 to this Agreement.

(c) under Category (4), unless and until the Recipient, through MoES, has established and operationalized a functional governing council for UPIK, with a composition (including, inter alia, appropriate representation from the public and private sectors), mandate, powers and prerogatives, and under terms and conditions, all acceptable to the Association.
cc:  
Mr. Keith Muhakanizi  
Permanent Secretary/Secretary to the Treasury  
Ministry of finance, Planning and Economic Development  
Kampala

Mr. David Gabindadde-Musoke  
Permanent Secretary  
Ministry of Lands, housing and Urban Development  
Kampala

Mr. Patrick Mutabwire  
Acting Permanent Secretary  
Ministry of Local Government  
Kampala

Dr. Nassali Lukwago  
Permanent Secretary  
Ministry of Education, Science, Technology and Sport  
Kampala

Mr. Fred Kabagambe-Kaliisa  
Permanent Secretary  
Ministry of Energy and Mineral Development  
Kampala

Mr. Okello Bwangamoi  
Permanent Secretary  
Ministry of Works and Transport  
Kampala

Ms. Allen Kagina  
Executive Director  
Uganda national roads Authority  
Kampala

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

Mr. Fred Twesiime  
Ag. Assistant Commissioner, Aid Liaison  
Ministry of finance, Planning and Economic Development  
Kampala