Financing Agreement

(North Eastern Road-Corridor Asset Management Project)

between

REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 16th February, 2015
CREDIT NUMBER 5434 –UG

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 fifty-seven million six hundred thousand Special Drawing Rights (SDR157,600,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 May 15 and November 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 and the Program. To this end, the Recipient shall carry out the Project through the Uganda National Roads Authority (UNRA), 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 Event of Suspension consists of the following, namely, that the UNRA Act has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of UNRA to perform any of its obligations under the Project.

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 Subsidiary Agreement has been executed on behalf of the Recipient and UNRA; and

(b) the Recipient has adopted the Project Implementation Plan, in accordance with the provisions of Section I.B.1 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 UNRA, respectively, and is legally binding upon the Recipient and UNRA, respectively, in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred and twenty (120) 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 (20) 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: 256-414-707000  Facsimile: 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: INDEVAS  Telex: 248423 (MCI)  Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Kampala, Republic of Uganda, as of the day and year first above written.

REPUBLIC OF UGANDA

By

[Signature]

Authorized Representative

Name: Maria Kiwanuka
Title: Minister of Finance, Planning and 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 to reduce transport costs, enhance road safety, and improve and preserve the road assets sustainably by applying cost effective performance based asset management contracts, along the Tororo-Kamdini road corridor.

The Project consists of the following parts:

**Part 1. Road Rehabilitation, Operations and Maintenance**

(a) Supporting management of the Tororo-Mbale-Soroti-Lira-Kamdini road corridor (approximately 340 kilometers), including, *inter alia:* (i) design, construction and/or rehabilitation of sections of said road corridor; (ii) periodic, routine and emergency maintenance of said road corridor and road assets; and (iii) road safety enhancement measures, traffic management and axle load controls on said road corridor, all through output and performance-based road contracts (OPRCs).

(b) Provision of technical advisory services for management, monitoring and evaluation of the OPRCs.

**Part 2. Institutional Support to UNRA**

(a) Strengthening UNRA’s technical, institutional and management capacity: (i) for asset management support, including, *inter alia,* data collection, life cycle cost analysis, development of output specifications for long term contracts, monitoring and evaluation, and reporting on the performance of pavements and bridges; (ii) for management, monitoring and evaluation of road safety enhancement measures, including, carrying out of road safety audits; (iii) for administration, supervision and management of OPRCs (including, *inter alia,* fiduciary and safeguards aspects, reporting, and monitoring and evaluation); (iv) for planning, operating and managing the national road network, including, provision of appropriate customer care services and preparation and implementation of an appropriate communications strategy; (v) for preparation of asset management contracts; and (vi) for supporting implementation of the construction sector transparency initiative, all through the provision of technical advisory services, non-consulting services, Operating Costs and acquisition of goods for the purpose.

(b) Developing and implementing a robust training program focusing on road asset management as well as planning, procurement and supervision of OPRCs, targeting UNRA staff and other key stakeholders.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. UNRA

The Recipient shall designate, at all times during the implementation of the Project, UNRA to be responsible for prompt and efficient oversight and management of the implementation of activities under the Project, and shall take all actions including the provision of funding, personnel and other resources necessary to enable UNRA to perform said functions. To this end, the Recipient, through UNRA, shall not later than twelve (12) months after the Effective Date, appoint an environmental specialist, a sociologist and a right of way officer, all in accordance with the provisions of Section III of Schedule 2 to this Agreement.

2. Subsidiary Agreement

(a) In order to achieve the objective of the Project, the Recipient shall make the proceeds of the Financing available to UNRA under a subsidiary agreement between the Recipient and UNRA, under terms and conditions approved by the Association, which shall include the following:

(i) the principal amount of the Financing made available under the Subsidiary Agreement (“Subsidiary Financing”) shall be denominated in Dollars;

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

(iii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (A) suspend or terminate the right of UNRA 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 UNRA’s failure to perform any of its obligations under the Subsidiary Agreement; and (B) require UNRA to: (I) carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, fiduciary, 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; (II) provide, promptly as needed, the resources required for the purpose; (III) 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; (IV) 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 objective; (V) (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; (VI) enable the Recipient and the Association to inspect the Project, its operation and any relevant records and documents; and (VII) 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").

(b) 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.

B. Implementation Arrangements

1. Project Implementation Plan

(a) The Recipient, through UNRA, shall prepare, in accordance with terms of reference acceptable to the Association and furnish to the Association for review, a Project implementation plan, which shall include provisions on the following matters: (i) capacity building activities for sustained achievement of the Project's objectives; (ii) arrangements on financial management, setting forth the detailed policies and procedures for financial management under the Project; (iii) procurement management procedures; (iv) institutional administration, coordination and day to day execution of Project activities; (v) monitoring and evaluation;
(vi) reporting; (vii) information, education and communication of Project activities; (viii) procedures for assessing potential environmental and social impacts of the Project and designing appropriate mitigation, management, monitoring and reporting measures in respect of said impacts; and (ix) such other technical and organizational arrangements and procedures as shall be required for the Project.

(b) The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on said Project implementation plan, and thereafter, shall adopt such Project implementation plan, as shall have been approved by the Association ("Project Implementation Plan").

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

(d) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Plan.

2. Annual Work Plan and Budget

(a) The Recipient shall prepare and furnish to the Association not later than March 31 of each Fiscal Year during the implementation of the Project, a work plan and budget containing all activities proposed to be included in Part 2 of the Project 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.

(b) 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.

(c) The Recipient shall afford the Association 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 Association ("Annual Work Plan and Budget").
(d) The Recipient shall not make or allow to be made any change to the approved Annual Work Plan and Budget without prior approval in writing by the Association.

C. Anti-Corruption

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

D. Safeguards

1. The Recipient shall ensure that the Project is carried out in accordance with the Safeguard Frameworks and Safeguard Instruments. To this end, the Recipient shall ensure that the following actions are taken in a manner acceptable to the Association:

   (a) if any Project activity would, pursuant to the Environmental and Social Management Framework ("ESMF"): (i) require the carrying out of an Environmental and Social Impact Assessment ("ESIA"), the Recipient shall ensure that an ESIA for such activity is: (A) carried out, in accordance with the requirements of the ESMF; reviewed by an Independent Safeguards Expert; and thereafter furnished to the Association for review and approval; and (B) disclosed as required by the ESMF and approved by the Association before commencement of works under said activity; and (ii) require the preparation of an Environmental and Social Management Plan ("ESMP"): such ESMP is prepared in accordance with the ESMF; reviewed by an independent safeguards expert; and thereafter furnished to the Association for review and approval, and is disclosed as required by the ESMF and approved by the Association before commencement of works under said activity; and

   (b) if a Resettlement Action Plan ("RAP") would be required for any Project activity on the basis of the Resettlement Policy Framework ("RPF"): (i) said RAP shall be prepared in accordance with the requirements of the RPF; reviewed by an independent safeguards expert; furnished to the Association for review and approval; and disclosed as required by the RPF and approved by the Association; and (ii) no works under said activity shall be commenced until all measures required to be taken under said RAP prior to the initiation of said works have been taken.

2. Without limitation upon its other reporting obligations under this agreement and under Section 4.08 of the General Conditions, the Recipient shall include in the Project Reports referred to in Section II.A of this Schedule, adequate information on the implementation (including performance) of the Safeguard Frameworks
and Safeguard Instruments, giving details of: (a) measures taken in furtherance of such Safeguard Frameworks and Safeguard Instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Frameworks and Safeguard 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 Safeguard Frameworks and Safeguard Instruments.

3. **RAP Compensation Costs under Part 1(a) of the Project**

(a) Without limitation upon the provisions of Section 4.03 of the General Conditions, the Recipient shall, in each Fiscal Year ("FY") commencing FY2015/2016: (a) through UNRA, establish and thereafter maintain at all material times during the implementation of the Project, a budget line item for RAP compensation costs under Part 1(a) of the Project; and (b) through MoFPED, allocate counterpart funds required for said RAP compensation costs under said Part 1(a) of the Project, until payment(s) for said RAP compensation costs shall fall due.

(b) The Recipient shall ensure that all amounts allocated to said budget line item shall be used exclusively to pay for said RAP compensation costs.

**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 six (6) months, and shall be furnished to the Association not later than one (1) month 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. The Recipient 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 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 (1) 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. To facilitate the proper maintenance of its financial management system referred to in Part B.1 of this Section II, the Recipient, through UNRA, shall: (a) not later than twelve (12) months after the Effective Date, upgrade its accounting system, and update its financial management manual and its internal audit policy and procedures manual, all in form and substance satisfactory to the Association.

5. To facilitate the carrying out of independent audits under Part B.3 of this Section II, the Recipient, through UNRA, shall not later than twelve (12) months after the Effective Date, designate key internal audit staff, all with qualifications, experience and on terms of reference satisfactory to the Association.

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 methods 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 provision in paragraph 4 below; (c) Direct Contracting; and (d) Framework Agreements subject to the additional provision in paragraph 5 below.

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) 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;
   
   (d) firms or individuals debarred or suspended by the Association shall not be eligible (in addition to firms or individuals suspended by PPDA);
   
   (e) disqualification of bidders for not purchasing bidding documents from the Recipient shall not apply; and
   
   (f) 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); and (iii) trading licenses. These documents 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 (f) immediately above.
5. Framework Agreement(s) ("FA") 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 UNRA, shall not later than three (3) months after the Effective Date, appoint or recruit or designate a procurement specialist, all with qualifications, experience and on terms of reference satisfactory to the Association.

2. The Recipient, through UNRA, shall not later than twelve (12) months after the Effective Date, designate a director for UNRA’s procurement directorate, with qualifications, experience and on terms of reference satisfactory to the Association.

3. The Recipient, through UNRA, shall not later than eighteen (18) months after the Effective Date, provide procurement Training for contract managers, under terms of reference 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>
<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) OPRCs and Consultants services under Part 1 of the Project</td>
<td>148,500,000</td>
<td>96%</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs under Part 2 of the Project</td>
<td>9,100,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>157,600,000</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 for payments made prior to the date of this Agreement.

2. The Closing Date is October 31, 2024.
Section V. Additional Undertaking

The Recipient, through UNRA, shall not later than March 31, 2016, appoint at least one OPRC contractor.
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 May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing May 15, 2024 to and including November 15, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing May 15, 2034 to and including November 15, 2053</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 Recipient in accordance with the provisions of Section I.B.2 of Schedule 2 to this Agreement.


4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. “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 I.D of Schedule 2 to this Agreement.

7. “Environmental and Social Management Framework” or “ESMF” means the framework of the Recipient disclosed in-country and at the Association’s InfoShop on February 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.

8. “Environmental and Social Management Plan” or “ESMP” means a plan prepared in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.

9. “Fiscal Year” or “FY” means the Recipient’s and UNRA’s, respectively, twelve month period starting July 1 and ending June 30 of the following year.

11. "MoFPED" means the Recipient's ministry responsible for finance, or any successor thereto.

12. "Operating Costs" means the incremental expenses incurred on account of Project implementation based on the Annual Work Plan and Budget, and consisting of, audit fees, 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, but excluding the salaries of the Recipient's civil service, meeting allowances, other sitting allowances, salary top ups and all honoraria, as further outlined in the Project Implementation Plan.

13. "Output and Performance-based Road Contract" or "OPRC" means a contract made pursuant to a competitive procurement process resulting in a contractual relationship where: (a) payments are made against measured outputs; (b) the technical specifications define the desired results; and (c) the outputs satisfy defined functional needs in terms of road quality, quantity and reliability, including with respect to construction, rehabilitation, upgrading, and maintenance, and "OPRCs" means, collectively, two or more such contracts.

14. "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.

15. "PPDA Act" means the Recipient's Public Procurement and Disposal of Public Assets Act Number I of 2003, as amended from time to time.


17. "Procurement Plan" means the Recipient's procurement plan for the Project, dated March 11, 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.

18. "Program" means the program designed to serve as the framework within which the Recipient intends to implement the Project and set forth or referred to in the letter dated February 6, 2014, from the Recipient to the Association.

19. "Project Implementation Plan" means the Recipient's plan referred to in Section I.B.1 of Schedule 2 to this Agreement.
20. "Resettlement Action Plan" or "RAP" means a resettlement plan, prepared and implemented in accordance with the RPF and the provisions of Section I.D of Schedule 2 to this Agreement.

21. "RPF" means the Resettlement Policy Framework of the Recipient disclosed in-country and in the Association’s InfoShop on February 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.

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

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

24. “Subsidiary Agreement” means the agreement referred to in Section I.A.2 of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to UNRA.

25. “Subsidiary Financing” means the principal amount of the Credit made available to UNRA under the Subsidiary Agreement.

26. “Training” means the costs associated with training 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.

27. “UNRA” means the Recipient’s Uganda National Roads Authority established and operating pursuant to the UNRA Act and any successor thereto.