Financing Agreement

(Additional Financing for Energy for Rural Transformation II Project)

between

REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 9, 2014
CREDIT NUMBER 5234-UG

FINANCING AGREEMENT

AGREEMENT dated April 9, 2014, entered into between REPUBLIC OF UGANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for the Original Project (as defined in the Appendix to this Agreement). 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 eight million one hundred thousand Special Drawing Rights (SDR 8,100,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 July 15 and January 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 Part 1 of the Project through the Rural Electrification Agency and Part 4 of the Project through its ministries responsible for energy, finance, health, education, water, agriculture and local government, and shall cause Parts 2, 3 and 5 of the Project to be carried out by UECC, UCC and PSFU, respectively, in accordance with the provisions of Article IV of the General Conditions and the Project Agreements.

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 Events of Suspension consist of the following:

(a) as a result of events which have occurred after the date of this Agreement, a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out; and

(b) the Electricity (Establishment and Management of the Rural Electrification Fund) Instrument, Statutory Instrument Number 75 of 2001, has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Rural Electrification Agency to perform any of its obligations under the Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

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

(a) The Recipient, through Cabinet, has approved the Rural Electrification Strategy and Plan 2013-2022;

(b) The Recipient, through Rural Electrification Agency (“REA”), has prepared in form and substance satisfactory to the Association, bidding documents for: (i) provision of goods, works and non-consulting services under Part 1 (a) (ii) of the Project; and (ii) retaining services for a consumer mobilization exercise under Part 1 (c) of the Project;

(c) The Recipient, through REA, has entered into Participation Agreements with at least 3 Participating LDCs (or any other service provider participating in the Project), in accordance with the provisions of Section I.A.1 of Schedule 2 to this Agreement; and
(d) The Recipient has prepared and adopted an updated Project Operational Manual in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.

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

5.03. 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 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 District of Columbia, United States of America, as of the day and year first above written.

REPUBLIC OF UGANDA

By

[Signature]

Authorized Representative

Name: Hon. Maria Kiwanuka

Title: Minister of Finance, Planning and Economic Development

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Philippe Dongier

Title: Country Director, Tanzania, Uganda and Burundi
The objective of the Project is to increase access to energy and information and communication technologies (ICT) in rural Uganda.

The Project consists of the following parts.

**Part 1: Rural Energy Infrastructure**

(a) Publicly Funded Grid Related Power Supply

(i) Carrying out of publicly funded rural electrification investment schemes for the generation and supply of power through the main grid or independent grid systems.

(ii) Carrying out of consumer connections in all Service Territories including intensification of consumer service connections to existing networks, all through provision of goods, works and non-consulting services.

(b) Off Grid Renewable Energy Investments

Provision of REA Subgrants to REA Eligible Enterprises for: (i) installation by REA Eligible Enterprises of solar photo-voltaic systems for use by rural enterprises and in homes; and (ii) construction of independent mini grids with renewable energy power supply.

(c) Technical Assistance

Provision of technical assistance to REA for the design, implementation, monitoring and evaluation of grid-related and solar photo-voltaic energy systems.

**Part 2: Credit Support Facility**

(a) Establishment of a Credit Support Facility to support and facilitate the provision by PFIs of long term financing to CSF Eligible Enterprises carrying out CSF Subprojects.

(b) Provision of technical assistance and Operating Costs to support the operationalization of the UECC, and thereafter strengthen the capacity of PFIs and CSF Eligible Enterprises to appraise or implement the CSF Subprojects.
Part 3: ICT Infrastructure in the Rural Areas

(a) Installation, operation and maintenance of ICT infrastructure in commercially non-viable rural areas of the Recipient’s territory, including construction of: (i) at least 550 community information centers in underserved sub-counties; (ii) battery charging facilities for the community information centers constructed under ERT I; and (iii) last mile broadband internet connection in at least 16 sub-counties.

(b) Provision of internet access and computer equipment to selected schools and health facilities, including provision for maintenance of the equipment.

(c) Development and dissemination in electronic form of tailor-made information packages in local languages for traders, teachers, health workers and/ or farmers.

(d) Provision of technical assistance to support the UCC in the implementation of its Respective Part of the Project, including, in the design of on-going and new programs, dissemination of information, Training of staff, monitoring and evaluation.

Part 4: Energy Development, Cross-Sectoral Links, and Impact Monitoring

Support to the Recipient’s ministries responsible for energy, health, education, water, agriculture, finance and local government consisting of:

(a) support for the installation and maintenance of appropriate energy packages designed to address energy needs in rural facilities, including, studies for mini-hydro power generation and test bench for CFLs;

(b) provision of technical assistance and financing Operating Costs to assist with the preparation and carrying out of appropriate energy packages designed to address energy needs in rural facilities;

(c) provision of technical assistance and financing Operating Costs to assist in the monitoring of the poverty impacts of project investments; and

(d) carrying out a program of capacity development and Training for the said ministries to further promote access to energy and ICT in rural areas, including support towards information dissemination, monitoring and evaluation of the Project.

Part 5: Private Sector Foundation Uganda

Provision of goods, technical assistance and Training, and financing of Operating Costs, for the benefit of potential rural and/ or renewable energy investment sponsors, financial institutions, technical institutions and other agencies, aimed at enhancing their business
development capacities, including strengthening of rural enterprise development services through carrying out feasibility studies, market studies and financial engineering and applicable investment financing needs of energy efficiency measures, including, power factor correction equipment and solar water heaters.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. Rural Electrification Agency

The Recipient shall designate, at all times during the implementation of the Project, the Rural Electrification Agency (“REA”) to be responsible for the implementation of activities under Part 1 of the Project, and shall take or cause to be taken, all actions, including, the provision of funding, personnel and other resources necessary to enable said REA, to perform said functions. To this end, the Recipient shall, through REA, enter into a Participation Agreement with each Licensed Distribution Company (“Participating LDC”) (or any other service provider participating in the Project), under terms and conditions acceptable to the Association (including, among others, terms and conditions pertaining to coverage of Service Territories in their entirety and financial management arrangements between REA and said Participating LDC or any other service provider participating in the Project) (“Participation Agreement”).

2. Project Coordination Unit

The Recipient shall maintain, at all times during the implementation of the Project, the Project Coordination Unit (“PCU”) to be responsible for overall coordination of the Project, and shall take or cause to be taken, all actions, including, the provision of funding, personnel and other resources necessary to enable said PCU, to perform said function.

B. Project Operational Manual


2. The Recipient shall ensure that the Project is carried out in accordance with the Project Operational Manual; provided, however, that in case of any conflict between the provisions of the Project Operational Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Operational Manual.
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 and furnished to the Association for review and approval; and (B) disclosed as required by the ESMF and approved by the Association; and (ii) require the preparation of an Environmental and Social Management Plan ("ESMP"), such ESMP is prepared in accordance with the ESMF and furnished to the Association for review and approval, and is disclosed as required by the ESMF and approved by the Association; 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, 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 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.
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 one (1) calendar quarter, and shall be furnished to the Association not later than forty-five (45) days 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 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.

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 the
Procurement Guidelines, or 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 table specifies the methods of procurement, other than
   International Competitive Bidding, which may be used for goods, works and
   non-consulting services. The Procurement Plan shall specify the circumstances
   under which such methods may be used:

   | Procurement Method                                                                 |
   | (a) National Competitive Bidding *(subject to the provisions in paragraph 3 below)* |
   | (b) Shopping *(subject to the provisions in paragraph 4 below)*                     |
   | (c) Direct Contracting *(subject to the provisions in paragraph 5 below)*          |
   | (d) Limited International Bidding                                                 |
   | (e) Procurement in Loans to Financial Intermediary Institutions and Entities      |

3. National Competitive Bidding ("NCB") shall be subject to the following:
   (a) Negotiating with the lowest evaluated responsive bidder shall not be permitted;
   (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); and

(g) Disqualification of bidders for not purchasing bidding documents from the Recipient 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 (g) immediately above.

5. Direct Contracting shall be subject to the following, namely, that micro-procurement (as defined in the PPDA Act) shall only apply for contracts estimated to cost the equivalent of 1000 Dollars or less.

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 table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Least Cost Selection</td>
</tr>
<tr>
<td>(b) Single Source Selection</td>
</tr>
<tr>
<td>(c) Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d) Procedures set forth in paragraphs 5.2 – 5.4 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(e) Sole Source Procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Selection of Consultants in Loans to Financial Intermediary Institutions and Entities</td>
</tr>
</tbody>
</table>
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.

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 Original Financing Allocated (expressed in SDR)</th>
<th>Amount of the Additional Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) REA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Goods, works, consultants’ services and Training for Part 1(a) and (c) of the Project</td>
<td>20,300,000</td>
<td>8,100,000</td>
<td>100% (inclusive of Taxes under the Original Financing); &amp; 100% (exclusive of Taxes under Additional Financing)</td>
</tr>
<tr>
<td>(b) REA Subprojects under Part 1(b) of the Project</td>
<td>1,900,000</td>
<td>0</td>
<td>100% of eligible grant amount (inclusive of Taxes)</td>
</tr>
<tr>
<td>(2) UECC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Credit Support Facility under Part 2(a) of the Project</td>
<td>2,000,000</td>
<td>0</td>
<td>100% of UECC’s agreed percentage contributions to the Approved PFI Loans (inclusive of Taxes)</td>
</tr>
<tr>
<td>(b) Technical Assistance for Part 2(b) of the Project</td>
<td>300,000</td>
<td>0</td>
<td>100% (inclusive of Taxes)</td>
</tr>
<tr>
<td>(3) UCC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods, Works, Consultant’s Services and Training under Part 3 of the Project</td>
<td>5,300,000</td>
<td>0</td>
<td>87% (inclusive of Taxes)</td>
</tr>
<tr>
<td>(4) Cross Sectoral</td>
<td>17,800,000</td>
<td>0</td>
<td>100% (inclusive of Taxes)</td>
</tr>
<tr>
<td>Linkages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Goods, works, consultant’s services, Training, and Operating Costs under Part 4 of the Project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) PSFU Technical assistance, Training and Operating Costs under Part 5 of the Project</td>
<td>1,880,000</td>
<td>0</td>
<td>100% (inclusive of Taxes)</td>
</tr>
<tr>
<td>(6) Unallocated</td>
<td>20,000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>49,500,000</td>
<td>8,100,000</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, except that withdrawals up to an aggregate amount not to exceed one million six hundred thousand Special Drawing Rights (SDR1,600,000) may be made for payments made prior to this date but on or after March 1, 2013, for Eligible Expenditures under Category (1)(a).

2. Notwithstanding the provisions of Part B.1 of this Section, no withdrawal shall be made for Eligible Expenditures under Parts 1(a) and (c) of the Project which any other international institution or agency, or the Association, shall have financed, or agreed to finance, under any other agreement, including the agreement for the Uganda Grid-Based OBA Facility project.

3. The Closing Date is June 30, 2016.

**Section V. Amendments to the Original Financing Agreement**

1. **SCHEDULE 1**

   Schedule 1 (Project Description) of the Original Financing Agreement is deleted in its entirety and replaced by Schedule 1 (Project Description) to this Agreement.

2. **SCHEDULE 2**
(a) Sections I.A (Institutional Arrangements); I.B.1 (Project Operational Manual); and I.E (Environmental and Social Safeguards), respectively, of Schedule 2 to the Original Financing Agreement, are deleted in their entirety and replaced by Sections I.A (Institutional Arrangements); I.B (Project Operational Manual); and I.D (Safeguards), respectively, of Schedule 2 to this Agreement.

(b) Section II (Project Monitoring, Reporting and Evaluation) of the Original Financing Agreement is deleted in its entirety and replaced by Section II (Project Monitoring, Reporting and Evaluation) of this Agreement.

3. **Changes to Procurement and Consultants Guidelines after Effective Date**

Notwithstanding the terms and conditions of the Original Financing Agreement and to the extent the Initiation of Procurement Process in respect of goods, works, non-consulting services or services to be financed, at least in part, out of the proceeds of the Original Financing occurred on or after the Effective Date, the Recipient acknowledges and agrees that the provisions of this Agreement set forth or referred to in: (a) Section I.C (Anti-Corruption) of this Schedule 2 (including the related provisions under the General Conditions) shall apply to the proceeds of the Original Financing utilized to finance such goods, works, non-consulting services or services, and (b) Section III (Procurement) of this Schedule 2 (including the related provisions under the General Conditions) shall apply to the procurement of such goods, works, non-consulting services or services.

4. The table set forth in paragraph 2 of Section IV.A (Withdrawal of the Proceeds of the Financing; General) of Schedule 2 to the Original Financing Agreement is deleted in its entirety and replaced with the table set forth in paragraph 2 of Section IV.A (Withdrawal of the Proceeds of the Financing; General) of Schedule 2 to this Agreement.
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 July 15 and January 15:</td>
<td></td>
</tr>
<tr>
<td>commencing July 15, 2023 to and including January 15, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing July 15, 2033 to and including January 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 Person" means any person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction of access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.


3. "Cabinet" means the Recipient’s Cabinet established and operating pursuant to Article 111 of the Constitution of the Recipient, 1995, as amended, and any successor thereto.

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

5. "CFLs" means compact fluorescent bulbs.

6. "Credit Support Facility" or "CSF" means the facility described in the Original Financing Agreement.


8. "CSF Eligible Enterprise" means the enterprise described in the Original Financing Agreement.

9. "CSF Subproject" means the specific development investment project described in the Original Financing Agreement.

10. "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 pursuant to Section I.D of Schedule 2 to this Agreement, in accordance with the ESMF; and "ESIAs" mean, collectively, two or more such ESIA.

11. "Environmental and Social Management Framework" or "ESMF" means the Environmental and Social Management Framework, dated December 2006,
adopted by the Recipient, giving details of a program of actions, measures and policies designed to maximize the benefits of the Project, eliminate, offset or mitigate any adverse environmental impacts, or reduce such impacts to acceptable levels, as such ESMF may be amended from time to time with the prior agreement of the Association, as updated to the date of this Agreement.

12. “Environmental and Social Management Plan” or “ESMP” means a plan prepared in accordance with the ESMF and the provisions of Section I.D of Schedule 2 to this Agreement for the purposes of a Project activity and acceptable to the Association.

13. “ERT 1” means the Energy for Rural Transformation Project (APL), financed by the Association under the Development Credit Agreement Number 3588-UG dated December 20, 2001.

14. “Fiscal Year” means the Recipient’s twelve month period starting July 1 and ending June 30 of the following year.


16. “Initiation of Procurement Process” means, in connection with the procurement of goods, works, non-consulting services or services, the date on which the invitation to bid or the quotation requested for such goods, works, non-consulting services or the request for proposal for such services is issued.

17. “Licensed Distribution Company” or “LDC” means each distribution company licensed by the Recipient’s electricity regulatory authority to supply electricity and provide electricity connections under the Project, and “LDCs” or “Licensed Distribution Companies”, mean, collectively, two or more such distribution companies.

18. “MEMD” means the Recipient’s ministry responsible for energy and mineral development, and any successor thereto.

19. “Operating Costs” means the incremental expenses, based on the annual work plan and budget referred to in Section V.C of Schedule 2 to the Original Financing Agreement as approved by the Association, incurred under the Project on account of office space rental, utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, public awareness-related media expenses, travel and supervision, salaries of support staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
20. “Original Financing” means the financing provided under the Original Financing Agreement.


22. “Original Project” means the Project described in Schedule 1 of the Original Financing Agreement.

23. “Participating Financial Intermediary” or “PFI” means the institution described in the Original Financing Agreement.

24. “Participating LDC” means the LDC referred to in Section I.A.1 of Schedule 2 to this Agreement, and “Participating LDCs” means, collectively, two or more such LDCs.

25. “Participation Agreement” means the agreement to be entered into between REA and each LDC or any other authorized service provider participating in the Project; and “Participating Agreements” means collectively, two or more such agreements.


27. “Private Sector Foundation Uganda” or “PSFU” means the company established and operating pursuant to the Companies Act, Chapter 110 of the laws of the Recipient, and its Memorandum and Articles of Association dated August 24, 1995, and any successor thereto.


29. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated March 20, 2013 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.

30. “Program” means the program designed to reform and improve the provision of energy for the transformation of the rural sector of the Recipient’s economy and set forth or referred to in the letter dated April 4, 2001 from the Recipient to the Association.
31. "Project Agreement" means the agreement described in the Original Financing Agreement.

32. "Project Coordination Unit" or "PCU" means the unit, established within MEMD and referred to in Section I.A.2 of Schedule 2 to this Agreement.

33. "REA Eligible Enterprise" means the enterprise described in the Original Financing Agreement.

34. "REA Subgrant" means the subgrant described in the Original Financing Agreement.

35. "REA Subproject" means the specific development project described in the Original Financing Agreement.

36. "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 and approved by the Association.

37. "Resettlement Policy Framework" or "RPF" means the Framework dated October 2008, adopted by the Recipient, and giving details of provisions for compensation, rehabilitation and resettlement assistance to Affected Persons, as such Framework may be amended from time to time in agreement with the Association.

38. "Rural Electrification Agency" or "REA" means the agency established pursuant to the Recipient’s Electricity (Establishment and Management of the Rural Electrification Fund) Instrument, Statutory Instrument No. 75 of 2001.


40. "Safeguard Framework" means, the ESMF or RPF, as the context may require; and "Safeguard Frameworks" means, collectively, said ESMF and RPF.

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


43. "Training" means the training of persons involved in Project-supported activities, based on the annual work plan and budget referred to in Section V.C of Schedule 2 to the Original Financing Agreement as approved by the Association, such term
including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course preparation and implementation.

44. “UCC Respective Part of the Project” means Part 3 of the Project.

45. “UECC” means the Uganda Energy Credit Capitalization Company Ltd, a state controlled company limited by guarantee incorporated on January 3, 2006, registration No. 78005, and operating pursuant to the Recipient’s Companies Act, Chapter 110 of the Laws of the Recipient.

46. “Uganda Communications Commission” or “UCC” means the Uganda Communications Commission established under, and operating pursuant to the Uganda Communications Act, Chapter 106 of the Laws of the Recipient.

47. “Uganda Grid-Based OBA Facility project” means the project described in Schedule 1 of the Global Partnership on Output-based Aid Grant Agreement between the Recipient and the Association (acting as Administrator of the Global Partnership on Output-based Aid), dated June 21, 2012 (GPOBA Grant Number TF010096).