Project Agreement

(Amending and Restating Project Agreement)
(Second Environmental Management Capacity Building Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

Dated October 10, 2008
CREDIT NUMBER 4504-UG

PROJECT AGREEMENT
(Olding and Restating Project Agreement)

Agreement dated October 10, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY (the “Authority”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between THE REPUBLIC OF UGANDA (“Recipient) and the Association.

WHEREAS (A) the Recipient has requested the Association to provide additional financial assistance in support of the Second Environmental Management and Capacity Building Project by increasing the amount made available under the Development Credit Agreement dated May 7, 2001, between the Recipient and the Association;

(B) the Association has agreed to make available a credit in an amount equivalent to twenty six million four hundred thousand Special Drawing Rights (SDR 26,400,000) (variously, “Credit” and “Financing”) which consists of: (a) an Original Credit in various currencies equivalent to seventeen million one hundred thousand Special Drawing Rights (SDR 17,100,000); and (b) an Additional Credit in various currencies equivalent to nine million three hundred thousand Special Drawing Rights (SDR 9,300,000), on terms and conditions set forth in the Financing Agreement, but only on condition that the Authority agrees to undertake such obligations toward the Association as are set forth in this Agreement.

WHEREAS the Authority, in consideration of the Association’s entering into the Financing Agreement with the Recipient, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the Association and the Authority hereby agree to amend and restate the Project Agreement as of the Effective Date of this Agreement, to read as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.
ARTICLE II — PROJECT

2.01. The Authority declares its commitment to the objectives of the Project. To this end, the Authority shall carry out Parts A, B (1 through 4) and Part C of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its respective Parts of the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Authority shall otherwise agree, the Authority shall carry out its respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Authority’s Representative is its Executive Director.

4.02. The Association’s Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INDEVAS
Telex: 248423(MCI)
Facsimile: 1-202-477-6391

4.03. The Authority’s Address is:

National Environment Management Authority
Plot No.17/19/21 Jinja Road
PO Box 22255
Kampala
Uganda

Facsimile:

256 41 257521
AGREED in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ John M. McIntire
Authorized Representative

NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

By: /s/ Ezra Suruma
Authorized Representative
SCHEDULE

Execution of the Authority’s Respective Parts of the Project

Section I. Implementation Arrangements

A. **Project Implementation Manual**: The Authority shall carry out its Respective Parts of the Project in accordance with the Project Implementation Manual, and shall not, except as the Association and the Recipient shall otherwise agree, amend, abrogate or waive any provision of the Project Implementation Manual, if such amendment, abrogation or waiver may, in the opinion of the Recipient, and the Association, materially or adversely affect the implementation of the Project.

B. **Procurement Unit**

1. The Authority shall:
   
   (a) maintain the Procurement Unit with functions, staffing and resources satisfactory to the Association; and

   (b) at all time during the implementation of the Project, employ and assign to the Procurement Unit a Procurement Officer with qualifications and experience satisfactory to the Association.

2. The Authority shall carry out all procurement under Parts A, B (1 through 4), and part C of the project in close collaboration with the Lead Agency responsible for carrying out the various activities under the Authority’s Respective Parts of the Project. The Procurement Unit shall, on behalf of the Authority consolidate the individual needs and procurement plans of the Lead Agencies. The functions of the said Lead Agencies shall include the preparation of lists of requirements and annual procurement plans for works, goods and services under their respective activities.

3. The Procurement Unit shall promptly arrange for: (i) the consolidate annual work plans and procurement plans for the Authority’s Respective Parts of the Project to be reviewed by the Board of Directors of the Authority; and (ii) the consolidation of all such plans for review and approval of the Association.

B. **Anti-Corruption**

The Authority shall ensure that its respective Parts of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Authority shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth in Section II.A.1(b) of Schedule 2 to the Financing Agreement. Each such Project Report shall cover the period of six months, and shall be furnished to the Recipient not later than two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. The Authority shall provide to the Recipient not later than twenty three months of the Effective Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Authority shall 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 and financial conditions of the Authority, including the operations, resources and expenditures related to its respective Part of the Project.

2. The Authority shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the Authority. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

Section III. Procurement

All goods, works and services required for the Authority’s Respective Parts of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.