Honorable Syda N. M. Bbumba  
Minister of Finance, Planning and Economic Development  
Ministry of Finance, Planning and Economic Development  
Kampala  
Republic of Uganda  

Dear Hon. Minister,

Re: Uganda: Road Development Program Phase 3 Project  
(RDPP3 Credit 3976-UG, Grant H122-UG)  

Amendment to the Development Financing Agreement  

We refer to the Development Financing Agreement (the Agreement) dated February 23, 2005, between the Republic of Uganda and the International Development Association (the Association), as amended on November 11, 2009, and the letter from Hon. Bbumba, Minister of Finance, Planning and Economic Development, dated October 12, 2010, requesting the Association to amend the Agreement to allow a reallocation of the unallocated funds to Categories 1 and 2.

We are pleased to inform you that the Association concurs with your request and hereby amends the agreement as follows:

1. Schedule 1 to the Agreement is amended by striking the table set forth in paragraph 1 and inserting the table as reflected in the Attachment 1 to this letter.

2. Schedule 2 to the Agreement is amended by replacing it with a revised Description of the Project as set forth in Attachment 2 to this letter.

Please indicate your agreement with the foregoing by countersigning, dating and returning to us the enclosed copy of this letter, while keeping one original for your records. The amendment shall become effective as of the date of your countersignature of this letter.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ John Murray McIntire  
John Murray McIntire  
Country Director for Tanzania, Uganda and Burundi  
Africa Region
AGREED:
THE REPUBLIC OF UGANDA

/s/ Syda N.M. Bbumba

By: Authorized Representative
Name: Honorable Syda N.M. Bbumba
Title: Minister of Finance, Planning and Economic Development
Date: January 17, 2011
### SCHEDULE 1

**Withdrawal of the Proceeds of the Financing**

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Financing, the allocation of the amounts of the Financing to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (Expressed in SDR Equivalent)</th>
<th>Amount of the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Civil works</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) for Parts A.1 and A.2 of the Project</td>
<td>42,800,000</td>
<td>22,876,000</td>
<td>80%</td>
</tr>
<tr>
<td>(2) Consultants' services, including audit fees and provision of technical support to MoWT and UNRA under Parts B, C and D of the Project</td>
<td>4,170,000</td>
<td>4,325,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>45,970,000</strong></td>
<td><strong>27,201,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

*Attachment 1*
SCHEDULE 2

Description of the Project

The objective of the Project is to support the Borrower in implementing the third phase of the Program, including improving access to rural and economically productive areas of its territory, and building a sustainable road sector planning, design and program management, and road safety management.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objective:

Part A: Civil Works for Upgrading, Rehabilitation and Reconstruction:

Upgrading of national roads including:

1. carrying out of civil works for upgrading of about 125 km to paved (bitumen) standards, including, reconstruction, drainage improvement and construction of pavement on Soroti-Lira road; and

2. carrying out of civil works for upgrading of about 44 km on Kampala-Gayaza-Zirobwe road, including: (a) about 11 km on Gayaza-Kiwenda road and (b) about 19 km on Kiwenda-Zirobwe road, all gravel to bitumen standard; and (c) reconstruction of about 15 km on Kampala-Gayaza road.

Part B: Roads Construction Services

Carrying out:

1. supervision services for construction of roads referred to in Parts A.1 and A.2 of the Project.

Part C: Roads Feasibility and Design

Carrying out:

1. detailed designs for upgrading of about 300 km of district gravel roads to national roads at paved (bitumen) standard; and

2. feasibility studies for upgrading of about 600 km of national roads to paved (bitumen) standard and detailed design of selected roads thereof, all through the provision of technical advisory services.

Part D: Institutional Support and Establishment of the Road Authority

1. Provision of training and technical advisory services to consolidate the institutional reform process, including establishment and commencing operations of
the Road Authority, through, *inter alia*, developing a performance agreement and a business plan, establishing a financial management system and internal audit function, restructuring internal office organization and staffing, and developing management information systems.

2. Strengthening institutional support for implementation of Parts A through C of the Project, including the provision of external audit services.

***

The Project Closing Date is October 31, 2011.