May 13, 2014

H. E. Maria Kiwanuka
Minister of Finance, Planning and Economic Development
Ministry of Finance, Planning and Economic Development
P.O. Box 8147 Plot 2-12 Apollo Kaggwa Road
Kampala, Republic of Uganda

Re: DFID Grant Agreement for Development Plans under
NDPII – Grant Number: TF016731

Excellency:

In response to the request for financial assistance made on behalf of Republic of Uganda (“Recipient”), I am pleased to inform you that the International Development Association (“World Bank”), acting as administrator of grant funds provided by the United Kingdom of Great Britain and Northern Ireland, acting through the Department for International Development (DFID) (“Donor”) under the Support to Implementation of Uganda’s National Development Plan Trust Fund (TF071322), proposes to extend to the Recipient a grant in an amount not to exceed three hundred and seventeen thousand United States Dollars (U.S.$ 317,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”).

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in this Agreement.
Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World Bank, unless the World Bank shall have established a later date for such purpose.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Ahmadou Moustapha Ndiaye
Country Manager

AGREED:
REPUBLIC OF UGANDA

By
Authorized Representative

Name
Mr. MUGA NUKA

Title
Mr. MOSADA

Date: 20th May 2014

Enclosures:


(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("Standard Conditions") constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms have the following meanings:

   (a) "NDPII" means the Government of Uganda’s second National Development Plan.

   (b) "SDPs" means Sector Development Plans.

   (c) "MDAs" means Ministries, Departments and Agencies.

   (d) "SIPs" means Sector Investment Plans.

   (c) "CTC" means the Core Technical Committee guiding the process of developing the NDPII.

Article II
Project Execution

2.01. **Project Objectives and Description.** The objective of the Project is to support the institutionalization of a harmonized sectoral and national planning framework, thereby contributing to the preparation of the NDPII and the vision of a transformed Uganda by 2040. The Project consists of the following components:

   (a) **Inventory of SIPs:** Undertaking and disseminating a situation analysis of the current SIPs in terms of time frames, financing plans, objectives, strategies and intervention areas and establish their relevance to NDPI and Uganda Vision 2040.

   (b) **Guidelines for preparation of SDPs:** Developing, validating and disseminating guidelines for preparation of SDPs.

   (c) **Formulation of Two Pilot Sector Development Plans:** Compiling information from Ministries, Departments and Agencies (MDAs), technical teams, field visits, data collection and analysis, facilitating meetings and coordination offices and production of two pilot SDPs.
2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its National Planning Authority (NPA) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”); and (c) this Article II

2.03. **Institutional and Other Arrangements.** The NPA shall implement the project with the oversight of a Core Technical Committee (CTC) composed of commissioner level technical officers from key institutions, headed by the Executive Director NPA. The CTC will play the oversight role of the day to day running of the grant activities and ensure that SDPs are developed, existing SIPs are aligned with NDPs, and thematic papers are prepared for approval of the CTC.

2.04. **Project Monitoring, Reporting and Evaluation.** (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators set forth below in paragraph (b) of this Section. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The performance indicators referred to above in paragraph (a) consist of the following:

(i) Inventory of existing SIPs and SDPs developed.

(ii) Generic guidelines developed for use by MDAs in preparing SDPs.

(iii) Two pilot SDP developed.

(c) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

(b) The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Such audit of the Financial Statements shall cover the entire period during which withdrawals from the Grant Account were made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.
2.06. **Procurement**

(a) **General.** All goods and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:


(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) **Definitions.** The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method 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.

(c) **Particular Methods of Procurement of Goods**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods shall be procured under contracts awarded on the basis of Shopping subject to the following additional procedures:

A. Negotiating with the lowest evaluated responsive bidder shall not be permitted.

B. 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.

C. Firms or individuals debarred or suspended by the Association shall not be eligible (in addition to firms or individuals suspended by PPDA).

(ii) The following methods, other than Shopping, may be used for procurement of goods for those contracts which are specified in the Procurement Plan: Direct Contracting.
(d) **Particular Methods of Procurement of Consultants’ Services**

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods, other than Quality- and Cost-based Selection, may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Selection based on Consultants’ Qualifications; (B) Single-source Selection of consulting firms; (C) Selection of Individual Consultants; and (D) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Article III**
**Withdrawal of Grant Proceeds**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
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<tbody>
<tr>
<td>(1) Goods and consultants’ services including audit</td>
<td>276,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and workshops</td>
<td>41,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>317,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

For the purpose of this section the term “Training and workshops” means the expenditures incurred to finance the reasonable cost of the following items related to the training and workshops to be provided under the Project: (i) transportation, accommodation and per diem of
trainees, (ii) rent of training facilities; and (iii) preparation, acquisition, reproduction and distribution of training materials.

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient, except that withdrawals up to an aggregate amount not to exceed $60,000 equivalent may be made for payments made prior to this date but on or after February 12, 2014, for Eligible Expenditures under Category (1).

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2014.

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**Article IV**

**Recipient's Representative; Addresses**

4.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister responsible for finance.

4.02. **Recipient's Address.** The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Finance, Planning and Economic Development  
P.O. Box 8147 Plot 2-12 Apollo Kagagwa Road  
Kampala, Republic of Uganda

Facsimile: 256 41 230163

4.03. **World Bank's Address.** The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

<table>
<thead>
<tr>
<th>Cable:</th>
<th>Telex:</th>
<th>Facsimile:</th>
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<td>INDEVAS</td>
<td>248423 (MCI)</td>
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<tr>
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