

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTBAFRAD
INTERNATIONAL DEVELOPMENT ASSOCIATION

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July 1, 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 Kagga Road
Kampala, Republic of Uganda

Re: **DFID Grant Agreement for Strengthening
Readiness for e-government Procurement
Grant Number: TF017113**

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 five hundred thousand United States Dollars (U.S.\$ 500,000) ("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effective as of the date of countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received the countersigned copy of this Agreement within ninety (90) days after the date of signature of this Agreement by the World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.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By 
Ahmadou Moustapha Ndiaye
Country Manager

AGREED:
REPUBLIC OF UGANDA

By 
Authorized Representative

Name Maria Kiwanuka.

Title Hon. Minister of Finance, Planning and Economic Development

Date: 11/07/2014

Enclosures:

- (1) Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated February 15, 2012.
- (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) “PPDA” means the Public Procurement and Disposal of Public Assets Authority.
- (b) “E-Procurement Steering Committee” means, the committee headed by the Deputy Secretary to the Treasury (DST) to steer the process of planning and implementation of e-procurement in Uganda for improving service delivery. The Steering Committee will play the oversight role and provide policy guidance and sponsorship to the project.
- (c) “E-Procurement Technical Committee” means the committee headed by the Executive Director PPDA to provide technical guidance to the e-procurement project activities and shall report to the Steering Committee.
- (d) “Training” means expenditures incurred to finance the reasonable cost of the following items related to the training 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.
- (e) “Operating Costs” means the incremental operating costs under the project incurred by the Recipient for purposes of the implementation, management, and monitoring and evaluation of the project on account of office supplies and consumables, bank charges, communications, mass media and printing services, vehicle rental, operation, maintenance and insurance, office space rental, equipment maintenance, travel, lodging, and subsistence allowances, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.

Article II

Project Execution

2.01. ***Project Objectives and Description.*** The objective of the Project is to kick-start the development of a national electronic-Government Procurement (e-GP) system in order to improve performance of the procurement functions in Uganda. The Project consists of the following components:

- (a) Developing standard catalog for common procurement items of goods, works, and services with standards templates.
- (b) Preparing business process engineering report on the procurement processes and practices for the implementation of e-GP.
- (c) Strengthening Capacity of PPDA and Key stakeholders, through training and study tours to relevant countries.
- (d) Sensitizing stakeholders on e-GP through workshops, media, and radio shows.
- (e) Developing and disseminating e-GP Guidelines.
- (f) Developing e-GP Technical Requirements and bidding document.

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 Public Procurement and Disposal of Public Assets Authority (PPDA) 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 PPDA shall implement the project with the oversight of the Government’s E-Procurement Steering Committee, and working closely at technical level with the E-Procurement Technical Committee. There shall be a Project Coordinator at PPDA to ensure the day to day running of the grant activities with the overall responsibility of ensuring that necessary processes are undertaken according to the agreed plan, and will on a quarterly basis, report to the Executive Director PPDA and the World Bank on progress of processes.

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:

- (1) Business process engineering for e-GP developed.
- (2) Awareness and readiness for e-GP enhanced across selected procurement entities and private sector.
- (3) Standard catalog for common procurement items of goods, works, and services with standards, templates developed.
- (4) E-Tender Portal of PPDA enhanced to allow publishing of procurement plans, tenders, and contract awards.

(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:

(i) Section I of the "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 ("Procurement Guidelines"), in the case of goods;

(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 1.25 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 paragraph 2 below, goods shall be procured under contracts awarded on the basis of Shopping.

(ii) The following methods, other than Shopping, may be used for procurement of goods for those contracts 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 Selection based on Consultants’ Qualifications.

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

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Goods, consultants' services, training, and operating costs	500,000	100%
TOTAL AMOUNT	500,000	

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.

3.03. **Withdrawal Period.** The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is February 28, 2015.

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 Kaggwa 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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391