

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF051204 UG

Global Environment Facility Trust Fund Grant Agreement

(Protected Areas Management and Sustainable Use Project)

between

THE REPUBLIC OF UGANDA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

acting as an Implementing Agency of the Global Environment Facility

Dated September 16, 2002

GEF TRUST FUND GRANT NUMBER TF051204 UG

GLOBAL ENVIRONMENT FACILITY TRUST FUND GRANT AGREEMENT

AGREEMENT, dated September 16, 2002, between THE REPUBLIC OF UGANDA (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) acting as an implementing agency of the Global Environment Facility (GEF) in respect of grant funds provided to the GEF Trust Fund by certain members of the Bank as participants of the GEF.

WHEREAS (A) the Bank, pursuant to Resolution No. 91-5 of March 14, 1991 of the Executive Directors of the Bank, established the GEF to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) following the restructuring of the GEF, such arrangements continued in place on the basis set forth in Resolution No. 94-2 of May 24, 1994, of the Executive Directors of the Bank which, inter alia, established the GEF Trust Fund and appointed the Bank as trustee of the GEF Trust Fund (Resolution No. 94-2);

(C) the second replenishment of the GEF Trust Fund was approved on the basis set forth in Resolution No. 98-2 of July 14, 1998, of the Executive Directors of the Bank (Resolution No. 98-2);

(D) the Recipient, having satisfied itself as to the feasibility and priority of the project described in Schedule 2 to this Agreement (the Project), has requested assistance from the resources of the GEF Trust Fund for funding the Project, and said request having been approved in accordance with the provisions of the Instrument for the Establishment of the Restructured Global Environment Facility approved under Resolution 94-2, and to be funded from contributions to the GEF Trust Fund under Resolution No. 98-2, which may include funds carried over from the first replenishment of the GEF Trust Fund under Resolution No. 94-2;

(E) the Recipient has also requested the International Development Association (the Association) to provide additional financing towards the financing of the Project by an agreement of even date herewith between the Recipient and the Association, the Association has agreed to provide such assistance in an aggregate principal amount equivalent to twenty one million seven hundred thousand Special Drawing Rights (SDR 21,700,000) (the Credit);

(F) With the Recipient's assistance, Part A of the Project will be carried out by UWA (as hereinafter defined), and Part B of the Project will be carried out by UWEC (as hereinafter defined) and, as part of such assistance, the Recipient will make available to UWA and UWEC the proceeds of the GEF Trust Fund Grant as provided in this Agreement; and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the GEF Trust Fund Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01 (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements for Single Currency Loans of the Bank, dated May 30, 1995 (as amended through October 6, 1999), with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
- (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and (20), 2.02 and 2.03;
- (iii) Section 3.01;
- (iv) Section 4.01 and the first sentence of Section 4.09;
- (v) Article V;
- (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (i) and (k), 6.03, 6.04 and 6.06;
- (vii) Section 8.01 (b);

- (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
 - (ix) Sections 10.01, 10.03 and 10.04;
 - (x) Article XI; and
 - (xi) Sections 12.01 (c), 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:
- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: “the term “Special Drawing Rights” and the symbol “SDR” mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement”;
 - (ii) the term “Bank”, wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Bank acting as an implementing agency of the GEF, except that in Section 6.02, the term “Bank” shall also include the Bank acting in its own capacity;
 - (iii) the term “Borrower”, wherever used in the General Conditions, means the Recipient;
 - (iv) the term “Loan Agreement”, wherever used in the General Conditions, means this Agreement;
 - (v) the term “Loan” and “loan”, wherever used in the General Conditions, means the GEF Trust Fund Grant;
 - (vi) the term “Loan Account”, wherever used in the General Conditions, means the GEF Trust Fund Grant Account;
 - (vii) The second sentence of Section 5.01 is modified to read: “Except as the Bank and the Borrower shall otherwise agree, no withdrawals shall be made: (a) on account of expenditures in the

territories of any country which is not a member of the Bank or for goods produced in, or services supplied from, such territories; or (b) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.”; and

- (viii) a new subparagraph is added after subparagraph (j) in Section 6.02 of the General Conditions, as follows: “an extraordinary situation shall have arisen in which any further disbursement under the GEF Trust Fund Grant would exceed the resources available for disbursement from the GEF.”

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

- (a) “Accountable 30-day Advance” means withdrawals from the respective Special Account sufficient for UWA (as hereinafter defined) and UWEC (as hereinafter defined) to meet Eligible Expenditures for a period of less than 30 days;

- (b) “Advance Account” means each of the accounts referred to in Part C of Schedule 1 to this Agreement;

- (c) “DAM” means the Department of Antiquities and Museums within MTTI (as hereinafter defined);

- (d) “Development Credit Agreement” means the agreement of even date herewith between the Recipient and the Association for the Project, as such agreement may be amended from time to time; and such term includes the “General Conditions Applicable to Development Credit Agreements” of the Association, dated January 1, 1985, as applied to such agreement, and all schedules and agreements supplemental to the Development Credit Agreement;

- (e) “Eligible Categories” means Categories (1) (a), (2) (a), (3) (a), (4) (a), and (5) (a) set forth in the table in paragraph 1 of Part A of Schedule 1 to this Agreement in respect of UWA Special Account (as hereinafter defined) and Categories (1) (b), (2)

(b), (3) (b), (4) (b), and (5) (b) set forth in the table in paragraph 1 of Part A of Schedule 1 to this Agreement in respect of UWEC Special Account (as hereinafter defined);

(f) “Eligible Expenditures” means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement;

(g) “Financial Monitoring Report” means each report prepared in accordance with Section 4.02 of this Agreement;

(h) “Fiscal Year” means the Recipient’s fiscal year commencing on July 1 and ending on June 30 of the following year;

(i) “IEC” means information, education, and communication;

(j) “MTTI” means the Recipient’s Ministry of Tourism, Trade and Industry;

(k) “Protected Areas” means national parks (National Parks), wildlife reserves, sanctuaries or other areas of particular interest to the conservation of biodiversity and designated as such by the Recipient in accordance with Uganda Wildlife Statute No. 14 of 1996 of the Laws of Recipient;

(l) “Protected Areas System Plan” or “PASP” mean the plan initiated to assess and rationalize the status of Protected Areas in the Recipient’s territory;

(m) “PCU” means the Project Coordination Unit, established by the Recipient within MTTI;

(n) “PIP” means the Project Implementation Plan referred to in paragraph 2 (a) of Schedule 4 to this Agreement and adopted by the Recipient pursuant to Section 6.01 (e) of the Development Credit Agreement, and such term includes any schedules to the Project Implementation Plan;

(o) “Project Account” means the account referred to in Section 3.03 (a) of this Agreement;

(p) “Special Account” means each of the accounts referred to in Part B.1 of Schedule 1 to this Agreement;

(q) “Strategic Plan” means the strategic management plan dated April 2002 which outlines the programs and activities of priority to be implemented by UWA (as hereinafter defined);

(r) “Uganda Shillings” means the currency of the Recipient;

(s) “UWA” means Uganda Wildlife Authority, established and operating pursuant to Statute No. 14 of 1996 of the Laws of the Recipient (UWA Statute);

(t) “UWA Project Agreement” means the agreement between the Bank and UWA of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to UWA Project Agreement;

(u) “UWA Subsidiary Agreement” means the agreement to be entered into between the Recipient and UWA pursuant to Section 3.01 (c) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to UWA Subsidiary Agreement;

(v) “UWEC” means the Uganda Wildlife Education Center, established and operating pursuant to Trustees Act, Cap. 142 of the Laws of the Recipient (UWEC Trust Deed);

(w) “UWEC Project Agreement” means the agreement between the Bank and UWEC of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to UWEC Project Agreement;

(x) “UWEC Subsidiary Agreement” means the agreement to be entered into between the Recipient and UWEC pursuant to Section 3.01 (d) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to UWEC Subsidiary Agreement; and

(y) “Wildlife Statute” means the Uganda Wildlife Statute, Statute No. 14 of 1996 of the Laws of the Recipient.

ARTICLE II

The GEF Trust Fund Grant

Section 2.01. The Bank agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GEF Trust Fund Grant in an amount in various currencies equivalent to six million four hundred seven thousand Special Drawing Rights (SDR 6,407,000).

Section 2.02. The amount of the GEF Trust Fund Grant may be withdrawn from the GEF Trust Fund Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for carrying out Parts A and B of the Project and to be financed out of the proceeds of the GEF Trust Fund Grant.

Section 2.03. The Closing Date shall be December 31, 2007 or such later date as the Bank shall establish. The Bank shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end: (i) shall carry out Part C of the Project through MTTI, and Part D of the Project through DAM, with due diligence and efficiency and in conformity with appropriate administrative, financial and environmental practices and with due regard to ecological and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project; and (ii) without any limitation or restriction upon any of its other obligations under the GEF Trust Fund grant Agreement, shall cause UWA and UWEC to perform, in accordance with the provisions of UWA Project Agreement and UWEC Project Agreement, all the obligations of UWA and UWEC therein set forth, and shall take and cause to be taken all actions, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable UWA and UWEC to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performances.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Recipient and the Bank shall otherwise agree, the Recipient shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) The Recipient shall make the proceeds of the GEF Trust Fund Grant allocated from time to time for Part A of the Project to UWA as a grant under a Subsidiary Agreement to be entered into between the Recipient and UWA (UWA Subsidiary Agreement), under terms and conditions which shall have been approved by the Bank.

(d) The Recipient shall make the proceeds of the GEF Trust Fund Grant allocated from time to time for Part B of the Project to UWEC as a grant under a Subsidiary Agreement to be entered into between the Recipient and UWEC (UWEC Subsidiary Agreement), under terms and conditions which shall have been approved by the Bank.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the GEF Trust Fund Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. Without limitation upon the provisions of paragraph (a) of Section 3.01 of this Agreement, and except as the Recipient and the Bank shall otherwise agree, the Recipient shall:

(a) open an account in Uganda Shillings in a commercial bank acceptable to the Bank (the Project Account), and thereafter maintain the Project Account under terms and conditions acceptable to the Bank until the completion of the Project;

(b) deposit into the Project Account: (i) an initial amount of the Uganda Shillings equivalent to US \$60,000 (the Initial Deposit); and (ii) thereafter, at quarterly intervals, replenish the Project Account by the amounts required to finance the Recipient's contribution for expenditures under the Project other than those financed from the proceeds of the GEF Trust Fund Grant or the Credit, as shall be agreed upon between the Recipient and the Bank; and

(c) ensure that funds deposited into the Project Account in accordance with paragraph (b) of this Section shall be used exclusively to finance expenditures under the Project other than those financed from the proceeds of the GEF Trust Fund Grant or the Credit.

Section 3.04. For the purposes of Section 9.08 of the General Conditions and without limitation thereto, the Recipient shall:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Bank, a plan for the future operation of the Project; and

(b) afford the Bank a reasonable opportunity to exchange views with the Recipient on said plan.

ARTICLE IV

Financial Conditions

Section 4.01. (a) The Recipient shall maintain a financial management system, including records and accounts, and prepare financial statements in a format acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to Parts A and B of the Project.

(b) The Recipient shall:

- (i) have the records, accounts and financial statements referred to in paragraph (a) of this Section and the records and accounts for the Special Accounts and for the Advance Accounts for each fiscal year audited, in accordance with auditing standards acceptable to the Bank, consistently applied, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year as so audited; and (B) an opinion on such statements, records and accounts and report of such audit, by said auditors, of such scope and in such detail as the Bank shall have reasonably requested; and
- (iii) furnish to the Bank such other information concerning such records and accounts, and the audit thereof, and concerning said auditors, as the Bank may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GEF Trust Fund Grant Account were made on the basis of Financial Monitoring Reports or statements of expenditure, the Recipient shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and separate accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the GEF Trust Fund Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Bank's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the

report of such audit contains a separate opinion by said auditors as to whether the Financial Monitoring Reports submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. The Recipient shall prepare, and cause UWA and UWEC to prepare, and furnish to the Bank before or with the first application for withdrawal from the GEF Trust Fund Grant Account and, thereafter, not later than 45 days after the end of each calendar quarter, a Financial Monitoring Report, in form and substance satisfactory to the Bank, which:

(a) (i) sets forth actual sources and uses of funds for the Project, both cumulatively and for the period covered by said report, and projected sources and uses of funds for the Project for the six-month period following the period covered by said report; and (ii) shows separately expenditures financed out of the proceeds of the GEF Trust Fund Grant during the period covered by said report and expenditures proposed to be financed out of the proceeds of the GEF Trust Fund Grant during the six-month period following the period covered by said report;

(b) (i) describes physical progress in Project implementation, both cumulatively and for the period covered by said report; and (ii) explains variances between the actual and previously forecast implementation targets; and

(c) sets forth the status of procurement under the Project and expenditures under contracts financed out of the proceeds of the GEF Grant, as at the end of the period covered by said report.

ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

(a) UWA or UWEC shall have failed to perform any of its obligations under the respective Project Agreement.

(b) As a result of events which have occurred after the date of the GEF Trust Fund Grant, an extraordinary situation shall have arisen which shall make it improbable that UWA or UWEC will be able to perform its obligations under the respective Project Agreement.

(c) UWA Statute shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of UWA to perform any of its obligations under the Project Agreement.

(d) UWEC Trust Deed shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of UWEC to perform any of its obligations under the respective Project Agreement.

(e) (i) Subject to subparagraph (ii) of this paragraph, the right of the Recipient to withdraw the proceeds of the Development Credit Agreement made to the Recipient for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Development Credit Agreement.

(ii) Subparagraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Bank that: (A) such suspension, cancellation or termination is not caused by the failure of the Recipient to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event are specified:

(a) the event specified in paragraph (a) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Bank to the Recipient;

(b) the events specified in paragraphs (b) and (c) of Section 5.01 of this Agreement shall occur; and

(c) the event specified in paragraph (e) (i) of Section 5.01 of this Agreement shall occur, subject to the provisions of paragraph (e) (ii) of that Section.

ARTICLE VI

Effectiveness, Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the GEF Grant Agreement within the meaning of Section 12.01 (c) of the General Conditions:

(a) UWA Subsidiary Agreement has been executed on behalf of the Recipient and UWA;

(b) UWEC Subsidiary Agreement has been executed on behalf of the Recipient and UWEC;

(c) UWA and UWEC have each appointed, for Project implementation, the Financial Manager and Accountant referred to in paragraph 4 (a) of Schedule 4 to this Agreement;

(d) UWA and UWEC have each established the procurement unit referred to in paragraph 4 (b) of Schedule 4 to this Agreement, and appointed thereto staff having qualifications and experience satisfactory to the Bank; and

(e) all conditions precedent to the effectiveness of the Development Credit Agreement, other than those related to the effectiveness of this Agreement, have been fulfilled.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.03. This Agreement shall continue in effect until the GEF Trust Fund Grant has been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

ARTICLE VII

Representative of the Recipient; Addresses

Section 7.01. The Minister of Finance, Planning and Economic Development of the Recipient is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02 The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Finance, Planning and Economic Development
P.O. Box 8147
Kampala
Uganda

Cable address:	Telex:	facsimile
FINSEC	61170	230163

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) 64145 (MCI)	(202)477 6391

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

THE REPUBLIC OF UGANDA

By /s/ Edith Sempala
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
as an implementing agency of the Global Environment Facility

By /s/ Theodore Ahlers
Acting Regional Vice President

SCHEDULE 1

Withdrawal of the Proceeds of the GEF Trust Fund Grant

Part A: General

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

<u>Category</u>	<u>Amount of the GEF Trust Fund Grant Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Civil Works		100% of foreign expenditures 90 % of local expenditure
(a) Under Part A of the Project	1,430,000	
(b) Under Part B of the Project	340,930	
(2) Goods, equipment and vehicles		100% of foreign expenditures 90% of local expenditures
(a) Under Parts A of the Project	41,100	
(b) Under Part B of the Project	223,450	
(3) Consultants' services including audit fees		100%
(a) Under Part A of the Project	240,000	
(b) Under Part B of the Project	220,000	

Amount of the

<u>Category</u>	<u>GEF Trust Fund Grant Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(4) Training		100%
(a) Under Part A of the Project	634,300	
(b) Under Part B of the Project	61,270	
(5) Operating Costs		90%
(a) Under Part A of the Project	660,000	
(b) Under Part B of the Project	1,930,000	
(6) Unallocated	625,950	
TOTAL	<u>6,407,000</u> =====	

2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient;

(b) the term “local expenditures” means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient; and

(c) the term “Operating Costs” means the expenditures incurred on account of project implementation management and monitoring including patrol activities (night out allowances and fuel), radio and computer maintenance costs, community conservation operation and maintenance costs, office supplies, vehicles operation and maintenance, road maintenance supplies including spare parts, rent of headquarters office, and travel and supervision costs, but excluding salaries of officials of the Borrower’s civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR 100,000, may be made in respect of Category (5) (b) on account of payments made for expenditures before that date but after June 30, 2002.

4. The Bank may require withdrawals from the GEF Trust Fund Grant Account, in respect of UWEC Special Account, to be made on the basis of statements of expenditure:

(a) for expenditures for works under contracts not exceeding US \$100,000 equivalent and goods under contracts not exceeding US \$100,000; and

(b) for expenditures for consultant's services under contracts not exceeding: (i) US \$100,000 equivalent for consulting firms; and (ii) US \$50,000 equivalent for individuals, under such terms and conditions as the Bank shall specify by notice to the Recipient.

Part B: Special Accounts

1. The Recipient shall open and maintain in Dollars two special deposit accounts (UWA Special Account and UWEC Special Account) in a commercial bank on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment. Except as the Bank may otherwise specify by notice to the Recipient, all withdrawals from the GEF Trust Fund Grant Account shall be deposited by the Bank into the respective Special Account in accordance with the provisions of this Schedule. Payments out of each Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Recipient out of the Special Accounts, the Recipient shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

2. Except as the Bank shall otherwise agree, after the Bank has received evidence satisfactory to it that the respective Special Account has been duly opened, withdrawals from the GEF Trust Fund Grant Account of amounts to be deposited into the respective Special Account shall be made as follows:

(a) Each application for withdrawal from the GEF Trust Fund Grant Account, in respect of UWA Special Account, shall be supported by a Financial Monitoring Report.

(b) Upon receipt of each application for withdrawal of an amount of the GEF Trust Fund Grant, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Grant Account and deposit into UWA Special Account an amount equal to the lesser of: (i) the amount so requested; and (ii) the amount which the Bank has determined, based on the Financial Monitoring Report accompanying said application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such report; provided, however, that the amount so deposited, when added to the amount indicated by said report to be remaining in UWA Special Account, shall not exceed the equivalent of US \$800,000 in respect of UWA Special Account. Each such deposit into UWA Special Account shall be withdrawn by the Bank from the GEF Trust Fund Grant Account under one or more of UWA Special Account's Eligible Categories.

3. Notwithstanding the provisions of Part B.2 of this Schedule, the Bank shall not be required to make further deposits into any Special Account:

(a) if the Bank determines at any time that any Financial Monitoring Report does not adequately provide the information required pursuant to Section 4.02 of this Agreement;

(b) if the Bank determines at any time that all further withdrawals should be made by the Recipient directly from the GEF Trust Fund Grant Account; or

(c) if the Recipient shall have failed to furnish to the Bank, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of: (A) the records and accounts for the Special Account, or (B) the records and accounts reflecting expenditures with respect to which withdrawals were made on the basis of Financial Monitoring Reports.

4. The Bank shall not be required to make further deposits into any Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Bank shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the GEF Trust Fund Grant Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Bank shall determine, in its sole discretion, whether further deposits into the Special Accounts may be made and what procedures should be followed for making such deposits, and shall notify the Recipient of its determination.

5. (a) If the Bank determines at any time that any payment out of the respective Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank, provide such additional evidence as the Bank may request, or deposit into the respective Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment.

(b) If the Bank determines at any time that any amount outstanding in the respective Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Recipient may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the respective Special Account.

(d) Refunds to the Bank made pursuant to sub-paragraph (a), (b) or (c) of this paragraph 5 shall be credited to the GEF Trust Fund Grant Account for subsequent withdrawal or for cancellation in accordance with the provisions of the GEF Trust Fund Grant Agreement.

Part C: 30-day Advance Accounts

1. The Recipient shall open and maintain in Uganda Shillings two Advance Accounts (UWA Advance Account and UWEC Advance Account) in a commercial bank, on terms and conditions satisfactory to the Bank, including appropriate protection against set-off, seizure and attachment.

2. The Recipient shall, in accordance with the procedures set out in the PIP, withdraw from the respective Special Account and deposit into each Advance Account, the respective Accountable 30-day Advance required for Eligible Expenditures.

3. Payments out of the respective Advance Account shall only be made for Eligible Expenditures.

4. In the event that the Bank, after consultation with the Recipient, determines that any outstanding amount in any Advance Account is not further required to cover payments for Eligible Expenditures, the Recipient, upon notice from the Bank shall promptly refund such outstanding amount to the respective Special Account.

**Annex A
to
SCHEDULE 1**

**Operation of UWEC Special Account
When Withdrawals Are Not Made
On the Basis of Financial Monitoring Reports**

1. For the purposes of this Annex the term “Authorized Allocation” means an amount equivalent to US \$400,000 in respect of UWEC Special Account, to be withdrawn from the GEF Trust Fund Account and deposited into UWEC Special Account pursuant to paragraph 2 of this Annex; provided, however, that, unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to US \$200,000 in respect of UWEC Special Account, until the aggregate amount of withdrawals from the GEF Trust Fund Account, plus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall equal or exceed the equivalent of SDR 1,000,000.

2. Withdrawals of UWEC Special Account’s Authorized Allocation and subsequent withdrawals to replenish UWEC Special Account shall be made as follows:

(a) For withdrawals of UWEC Special Account’s Authorized Allocation, the Recipient shall furnish to the Bank a request or requests for deposit into UWEC Special Account of an amount or amounts which in the aggregate do not exceed the Authorized Allocation. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Account and deposit into UWEC Special Account such amount as the Recipient shall have requested.

(b) For replenishment of UWEC Special Account, the Recipient shall furnish to the Bank requests for deposit into UWEC Special Account at such intervals as the Bank shall specify. Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Recipient, withdraw from the GEF Trust Fund Account and deposit into UWEC Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of UWEC Special Account for Eligible Expenditures. Each such deposit into UWEC Special Account shall be withdrawn by the Bank from the GEF Trust Fund Account under one or more of UWEC Special Account’s Eligible Categories.

3. The Bank shall not be required to make further deposits into UWEC Special Account, once the total unwithdrawn amount of the GEF Trust Fund Grant minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions, shall equal the equivalent of twice the amount of UWEC Special Account's Authorized Allocation. Thereafter, withdrawal from the GEF Trust Fund Account of the remaining unwithdrawn amount of the GEF Trust Fund Grant shall follow such procedures as the Bank shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in UWEC Special Account as of the date of such notice will be utilized in making payments for Eligible Expenditures.

SCHEDULE 2

Description of the Project

The objectives of the Project are to achieve sustainable and cost-effective management of the Recipient's wildlife and cultural resources through: (a) improving the Recipient's ability to attract tourists to its wildlife and cultural heritage sites; and (b) developing and implementing cost-effective management strategies in managing these resources.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Bank may agree upon from time to time to achieve such objectives:

Part A: Sustainable Wildlife Management

1. Capacity building for UWA to implement the Strategic Plan and the PASP through: (a) carrying out of training to UWA staff; (b) acquisition of equipment and vehicles; (c) construction of approximately 1200 housing units to provide accommodation for the Protected Areas' field staff; and (d) renovation of UWA's Headquarters office.
2. Development and carrying out of an UWA community management program to: (a) collaborate with district and local government communities on wildlife management outside the Protected Areas; and (b) address wildlife management issues outside the Protected Areas including animal control, establishment of community wildlife management areas, and encouraging and assisting local communities to improve the use of wildlife resources.
3. Enhancement of general management of the Protected Areas through: (a) provision of support for increased park patrols by UWA's field staff; (b) monitoring of Protected Areas; (c) development and implementation of park management plans and annual operations plans for Protected Areas; (d) training of UWA staff in data collection, conservation education, and first medical aid; and (e) acquisition of equipment and vehicles.
4. Rehabilitation and maintenance of Protected Areas': (a) rangers' outpost; (b) existing roads; and (c) headquarters office.

5. Carrying out of studies for the preparation of a plan to design options to address issues of people resident in the Protected Areas or using the Protected Areas' resources, including those Protected Areas of Mt. Elgon National Park, Katonga Wildlife Reserve, and Pian Upe Wildlife Reserve.

Part B: Environmental Conservation Education

1. Carrying out of an IEC campaign through: (a) teacher education programs; (b) development of conservation education materials; and (c) visits to schools and children in remote areas.

2. Construction within UWEC facilities of: (a) natural open air exhibits of the three major ecosystems of the Recipient (rainforest, savannah, and wetland); (b) access roads; (c) staff accommodation; and (d) a child discovery center.

3. Development and carrying out of an animal welfare and rehabilitation program aimed at improving animal holding under the Convention of International Trade in Endangered Species, through improvement of: (a) care of wildlife species; and (b) veterinary facilities.

4. Development of a plan to strengthen the institutional structure, management, and capitalization of UWEC.

Part C: Tourism Framework

1. Development of the tourism sector through: (a) establishment of a sustainable tourism framework based on policy development strategy and enabling legislation; (b) establishment of a licensing and registration system for operators within the sector; (c) compiling of accurate statistics on the sector; and (d) training of MTTI's staff in human resources.

2. Capacity building for the Wildlife Department in the MTTI through: (a) acquisition of equipment; and (b) staff training and management and technical support to enable the Wildlife Department to carry out the Recipient's responsibilities under international treaties in particular under the Convention on International Trade in Endangered Species.

Part D: Cultural Heritage

Strengthening of DAM through: (a) renovation and maintenance of its current buildings; (b) refurbishment of museums; (c) establishment of a heritage trail in Fort Portal; (d) construction of a facility to house a cultural center in Kabale; (e) development of a country wide cultural historic sites register and database; (f) development of pilot cultural sites; and (g) training of DAM's staff in visitor management and museum operations.

* * *

The Project is expected to be completed by June 30, 2007.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

Goods and works shall be procured in accordance with: (a) the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines); and (b) the provisions of the following Parts of this Section I.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods and works shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.
2. The following provisions shall apply to goods to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B:

Grouping of contracts

To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost US \$100,000 equivalent or more each.

Part C: Other Procurement Procedures

1. National Competitive Bidding

(a) Works estimated to cost less than US \$200,000 equivalent per contract; and (b) goods estimated to cost less than US \$100,000 equivalent per contract, up to an aggregate amount not to exceed US \$350,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. Shopping

Goods estimated to cost less than US \$30,000 equivalent per contract, up to an aggregate amount not to exceed US \$250,000 equivalent, may be procured under contracts awarded on the basis of shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. Force Account

Works which meet the requirements of paragraph 3.8 of the Guidelines, and costing US \$21,000 equivalent or less in the aggregate, may, with the Bank's prior agreement, be carried out by force account in accordance with the provisions of said paragraph of the Guidelines.

4. Procurement of Small Works

Works estimated to cost less than US \$50,000 equivalent per contract, up to an aggregate amount not to exceed US \$200,000 equivalent, may be procured under lump-sum, fixed-price contracts awarded on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Bank, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

Part D: Review by the Bank of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to prequalify for bidding or to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

With respect to each contract for each contract estimated to cost the equivalent of US \$200,000 or more for works, and US \$100,000 or more for goods, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with (a) the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997 and January 1999, subject to the modifications thereto set forth in paragraph 2 of this Part A (the Consultant Guidelines), and (b) the provisions of the following Parts of this Section II.

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants for services under the Project, estimated to cost less than US \$100,000 equivalent per contract, may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

1. Consultants Qualifications

Services estimated to cost less than US \$100,000 equivalent per contract, up to an aggregate amount not to exceed US \$250,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

2. Least-cost Selection

Services estimated to cost less than US \$50,000 equivalent per contract, up to an aggregate amount not to exceed US \$110,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

3. Single Source Selection

Services tasks that meet the requirements set forth in paragraphs 3.8 through 3.11 of the Consultant Guidelines, estimated to cost up to an aggregate amount not to exceed US \$200,000 equivalent, may, with the Bank's prior agreement, be procured on single source basis.

4. Individual Consultants

Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in

accordance with such selection plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of US \$100,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2(a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of US \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. The Recipient shall: (a) cause UWA to carry out Part A of the Project; (b) cause UWEC to carry out Part B of the Project; and (c) carry out Parts C and D of the Project; under the overall supervision of the Permanent Secretary of MTTI who shall be assisted by the PCU.

2. The Recipient shall:

(a) prepare and furnish to the Bank, a PIP satisfactory to the Bank setting out: (i) details of all procurement and disbursement arrangements for the Project; (ii) the performance indicators; and (iii) such other administrative, financial and organizational arrangements as shall be required for the Project; and

(b) carry out the Project in accordance with the provisions of this Schedule 4 and the procedures set out in the PIP, and shall not, except as the Bank may otherwise agree, amend or waive any provision thereof which, in the opinion of the Bank, may adversely and materially affect the implementation of the Project.

3. (a) The Recipient shall not carry out any involuntary resettlement for any people resident within the Protected Areas, or impose any restriction of access to legally designated Protected Areas resulting in adverse impacts on the livelihoods of the people resident within such Protected Areas;

(b) For the purposes of this paragraph: (i) involuntary resettlement includes the involuntary taking of land resulting in relocation or loss of shelter; loss or destruction of housing, crops, or other assets or access to assets; or loss of income sources or means of livelihood, whether or not the affected people must move to another location; and (ii) restriction of access includes restriction on use of the resources of the Protected Areas imposed on: (A) people living outside such Protected Areas, but who are dependent on such resources; or (B) people who continue to live inside such Protected Areas during and after Project implementation; and

(c) Notwithstanding the provisions of (a) and (b) above, the Recipient may, in accordance with the Wildlife Statute, exercise its right to restrict any new encroachment to, or expansion of settlement in, the Protected Areas.

4. The Recipient shall cause UWA and UWEC to:
 - (a) each appoint a Financial Manager and an Accountant; and
 - (b) each establish a procurement unit with staff having qualifications and experience satisfactory to the Bank.

5. The Recipient shall:
 - (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 5 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;
 - (b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about 48 months after Effectiveness Date, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
 - (c) review with the Bank, no later than two months or 60 days after the date of such report, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.

Schedule 5

Performance Indicators

The performance indicators for the Project shall include the following, said indicators being subject to modifications by agreement between the Recipient and the Bank:

1. Increase of UWA's revenues to Uganda Shillings 6,000,000,000 by the 5th year of Project Effectiveness Date.
2. Reduction of key species poaching in patrol area from existing initial baseline.
3. increase of population number of key mammal species in Queen Elizabeth, Murchison Falls and Kidepo National Parks by 5% within 5 years of Project Effectiveness Date.
4. Satisfactory handling by UWA of problem animals in particular within communities near Queen Elizabeth and Kibale National Parks that reported significant number of problem animals incidents in the past
5. Approximately 120,000 visitors/year including 80,000 students to visit Uganda Wildlife Education Center.
6. Adoption by the Recipient's Ministry of Education of Wildlife Conservation Education (WCE) into primary school education by the end of the Project.
7. Distribution of Wildlife Conservation Education materials to 40% of primary schools by the end of the Project.
8. Establishment of accurate and reliable data base on the Recipient's tourist potentials such as statistics and market analysis.