
**CREDIT NUMBER 7261-UG
GRANT NUMBER E147-UG**

Financing Agreement

(Uganda Climate Smart Agricultural Transformation Project)

between

REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

CREDIT NUMBER 7261-UG

GRANT NUMBER E147-UG

FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between REPUBLIC OF UGANDA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of assisting in financing the project described in Schedule 1 to this Agreement (“Project”). The Association has decided to provide this financing on the basis, among other things, of the existence of an adequate refugee protection framework. The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form 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 General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a grant and a credit, which are deemed as Concessional Financing for purposes of the General Conditions (collectively, “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):
 - (a) an amount equivalent to nineteen million five hundred thousand Special Drawing Rights (SDR 19,500,000) (“Grant”); and
 - (b) the amount of three hundred and twenty five million dollars (USD 325,000,000) (“Credit”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are May 1 and November 1 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.06. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Agriculture, Animal Industry and Fisheries (“MAAIF”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following, that the Recipient no longer has an adequate refugee protection framework.
- 4.02. The Additional Event of Acceleration consists of the following, namely that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of sixty (60) days after notice of the event has been given by the Association to the Recipient.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Association is satisfied that the Recipient has an adequate refugee protection framework.
 - (b) The Project Implementation Manual has been prepared and adopted by the Recipient in form and substance acceptable to the Association.
 - (c) The Recipient has established the National Project Coordination Unit with the mandate, composition, terms of references, and resources satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the Signature Date.
- 5.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.01. The Recipient’s Representative is its minister responsible for finance.

6.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Finance, Planning and Economic Development
Plot 2-8 Apollo Kaggwa Road
P. O. Box 8147
Kampala
Republic of Uganda; and

- (b) the Recipient's Electronic Address is:

Telex:	E-mail:
(+256) 414230163	finance@finance.go.ug

6.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

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


- (b) the Association's Electronic Address is:

Telex:	Facsimile:
248423 (MCI)	(+1) 202 477 6391

AGREED as of the Signature Date.

REPUBLIC OF UGANDA

By



Authorized Representative

Name: Hon. Matia Kasaija

Title: Minister of Finance, Planning & Economic Dvt

Date: 27-Feb-2024

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: R. Mukami Kariuki

Title: Country Manager

Date: 19-Feb-2024

SCHEDULE 1

Project Description

The objective of the Project is to increase productivity, market access and resilience of select-value chains in the Project Area and to respond promptly and effectively to an eligible crisis or emergency.

The Project consists of the following parts:

Part 1: Strengthening Climate-Smart Agricultural Research, Seed and Agro-Climatic Information Systems

- 1.1 Supporting climate-smart agricultural research and innovations through *inter alia*: provision of Competitive Research Grants to Competitive Research Grant Beneficiaries to finance adaptive and applied research activities for development of CSA TIMPs.
- 1.2 Building competitive and sustainable seed systems by *inter alia*: (a) provision of Matching Grants to farmers and Farmer Organizations for the production and marketing of commercial seed; (b) supporting the training of farmer groups and Private Sector Actors for acquisition of infrastructure, equipment, technology and technical skills for strengthening seeds, breeds, and fingerling production system; and (c) strengthening the regulatory functions of MAAIF to ensure production and marketing of quality seeds and stocking material.
- 1.3 Strengthening agro-climate monitoring and information systems by: (a) improving agro-meteorological forecasting and monitoring; (b) using big data to develop a climate-smart, agro-weather information system and advisories; (c) upgrading and operationalizing weather information dissemination systems; and (d) building the technical capacity for agro-meteorological observation and forecasting, and real time delivery of weather information and advisories to districts officials, extension staff, district farmer associations and target farmers organizations including refugees and host communities through (i) acquisition and establishment of functional automated weather stations in locations where gaps have been identified; (ii) rehabilitation and upgrading of existing weather stations in Project Areas; (iii) facilitating partnerships with local and international institutions to support generation of climate information using global data sources such as satellites; (iv) developing agroclimatic and climate smart digital tools to facilitate access to early warning, agroclimatic, and pest and disease surveillance information; (v) establishment of soil organic carbon monitoring reporting and verification of greenhouse gas removals including lab analysis for tracking application, adoption and impact of technology innovation and management practices; (vi) facilitating partnership with Uganda National Meteorological Authority to build capacity of MAAIF and local governments in agro-met data

collection, management, analysis and dissemination; and (vii) enhancement of Uganda National Meteorological Authority's capacity in agro-met data collection, management, analysis and dissemination.

- 1.4
- (a) Strengthening institutional capacity for development and dissemination of CSA TIMPs of MAAIF and Animal Genetic Resources Centers ("AnGRC") by supporting: (i) training of district extension staff and farmer Producer Organizations; (ii) strengthening research-extension linkage through specified training of district CSA subject matter specialists; (iii) capacity building of department of crop inspection and certification to ensure seed quality including provision of machinery, laboratory and irrigation equipment for seed testing and evaluation; (iv) refurbishment of infrastructure for technology multiplication of select animal genetic resources centers at Rubona, Serere and Maruzi; (v) rehabilitation and equipping of laboratories, bull pens and bull stud at National Animal Genetic Resources Center and Data Bank; (vi) provision of mobile artificial reproductive technology laboratories and equipment; (vii) establishment of artificial technology satellite centers; (viii) establishment and operationalization of regional and district veterinary laboratories; (ix) revamping National Animal Quarantine and Evaluation Center; (x) acquisition of tractors and associated implements including specialized ground transport for AnGRCs; and (xi) Refurbishment of aquaculture fish disease diagnostic laboratory.
 - (b) Strengthening institutional capacity for development and dissemination of CSA TIMPs of select ZARDIs and NARIs listed in the PIM by supporting: (i) short-term training and re-tooling of staff in climate smart agriculture research; (ii) provision and refurbishing aquaculture brood stock hatcheries, indoor hatcheries and cage culture facilities, feed facilities for formulation of feed at NARO facility; (iii) development and refurbishment for technology multiplication of the animal genetic resources centre at Serere; (iv) procurement of research breeding bulls; (v) establishment of fish feed mill for fish feed production; (vi) establishment/rehabilitation/expansion of mother gardens; (vii) expansion and maintenance of irrigation facilities; (viii) supporting breeding programs for production of sorghum breeder seed; (ix) acquisition of tractors, farm machinery and specialized ground transport; and (x) supporting training of masters and doctoral scientists to build critical capacity for climate smart agriculture research and extension.

Part 2: Promoting Adoption of Climate Smart Agriculture Technologies and Practices

- 2.1 Supporting productivity enhancement and resilience investments for income generation: by (a) provision of Matching Grants to Matching Grant Beneficiaries, for community-level investments in micro-projects and district-level investments in larger sub-projects, to support climate smart agriculture investments for increased productivity, enhanced resilience and reduced greenhouse gas emissions (b) Labour Payments to PWP Beneficiaries for carrying out a program of activities of labor-intensive public works and private works (“Public Works Program” or “PWP”), designed to catalyze the promotion and adoption of appropriate sustainable land management practices on public/communal and private land; (c) training of PWP Beneficiaries in management of village revolving funds scheme; (d) provision of mechanization and irrigation services to enhance commercial production; and (e) contracting of service providers defined in the National Agricultural Extension Strategy for services where competency gaps are identified in the public extension system.
- 2.2 Supporting productivity enhancement and resilience for food and nutrition security in refugee settlements by: (a) provision of Nutrition Grants to Nutrition Grant Beneficiaries, for investment in farmer group micro-projects; (b) provision of Production Input Grants to Production Input Grant Beneficiaries to access quality climate smart production inputs; (c) capacity building of refugee farmer groups on revolving funds schemes; (d) funding to partner organizations to support nutrition education of refugee and host communities; and (e) provision of appropriate mechanization and water for agricultural production technologies to refugees on a case by case basis.
- 2.3 Building institutional capacity for productivity enhancement, resilience, and strengthening service delivery by:(a) supporting districts and sub-counties in CSA planning, prioritization of needs, mobilizing, organizing and aggregating farmer groups into higher level institutions (Producer Organizations); (b) supporting districts and sub-counties to deliver agricultural extension services and oversee implementation of sub-projects; (c) contracting service providers defined in the National Agricultural Extension Strategy to support community mobilization and strengthening of farmer and community institutions in planning and implementation of micro-projects; (d) provision of information, knowledge and advice through farmer field schools and lead farmers for the purpose of last mile service delivery; and (e) in Refugee Host Districts (“RHD”), support will be provided for: (i) capacity building of farmer groups in refugee settlements and host communities to adopt TIMPs; (ii) aggregation of farmer groups to form higher level associations and organizations for business planning and investments which will be primarily targeted at host communities and mixed farmer groups (comprising both refugee and host community beneficiaries); (iii) strengthening relations between farmer institutions in refugee settlements and host communities;

(iv) strengthening capacity of the RHD local government staff in provision of agricultural extension services; (v) recruitment of Community Based Facilitators in the refugee settlements and host communities to provide last mile service delivery to beneficiaries; (vi) support the development of agricultural settlement land management plans between MAAIF and OPM for each RHD with input from UNHCR; and (vii) facilitate on-going efforts in collaboration with OPM to develop partnerships between refugees and host communities for land utilization as a way of increasing access to land for agricultural production.

Part 3: Market Development and Linkages for Selected Value Chains

- 3.1 Investments in market development and linkages for selected value chains to support farmers in non-refugee communities by: (a) strengthening the institutional capacity of Producer Organizations and supporting business development services of Farmer Organizations through (i) strengthening of Producer Organization in governance; and managerial and technical capacity; (ii) improving technical skills in entrepreneurship and business plan development; (iii) training in financial literacy and linkage to the formal financial sector; (iv) developing negotiation skills of Farmer Organizations; and (v) supporting development of partnerships and networking through productive alliances; (b) provision of a Matching Grant to Matching Grant Beneficiaries for investment in clean energy equipment, machinery and infrastructure; (c) facilitating market linkages through provision of market information and training to conform with productivity/standards; and (d) rehabilitation of infrastructure for the prioritized farm access road chokes listed in the PIM.
- 3.2 Investments in market development for selected value chains for farmers in refugee settlements and host communities by: (a) supporting development of skills of service providers (including selected youth, district, and sub-county local government extension staff); and (b) provision of Matching Grants to Matching Grant Beneficiaries for investment in clean energy equipment, machinery and infrastructure.

Part 4: Contingent Emergency Response Component

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

Part 5: Project Management, Coordination and Implementation

- 5.1 Supporting: (a) effective coordination of Project activities; (b) coordination and management of structures at national, zonal, district, sub-county and parish levels; (c) coordination with existing implementation structures in the RHD and refugee settlements established through OPM; (d) recruitment of key support staff for Project implementation support; and (e) asset and inventory management.

- 5.2 Supporting Project monitoring, evaluation, communication and learning system, including: (a) the project management information system for monitoring inputs, output, processes; (b) evaluation of outcome and impacts; (c) environmental and social risk monitoring of implementation progress; and (d) provision of timely and accurate information, education and communication messages.
- 5.3 Strengthening the environment, social, safety and health risk management system of the MAAIF by, *inter alia*: (a) building the technical capacity of MAAIF staff and project stakeholders on ESS applicable to the Project; (b) supporting stakeholder engagements, preparation and implementation of site specific instruments and tools including mainstreaming of environment, social, safety and health aspects in other sector operations; (c) strengthening environment, social, safety and health compliance monitoring and supervision by MAAIF; (d) enhancing MAAIF's risk infrastructure such as environment, social, safety and health risks tracking system, hazardous waste disposal facilities and analytical monitoring equipment; (e) strengthening grievance redress mechanism structures; (f) acquisition of environment, social, safety and health safeguards statutory permits and certificates in respect of project components; (g) strengthening gender mainstreaming aspects in the project including sexual exploitation and abuse/gender based violence; and (h) strengthening institutional participation, and mindset change including protection of vulnerable groups.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangement

1. Ministry of Agriculture, Animal Industry and Fisheries (“MAAIF”):

The Recipient shall designate and charge the MAAIF at all times during Project, with the overall responsibility for implementation of the Project, including collaborating with other relevant ministries, departments and agencies for the implementation of the Project.

2. National Level:

(a) National Project Steering Committee (“NPSC”):

- (i) The Recipient shall no later than three (3) months after the Effective Date, establish and thereafter, maintain throughout the Project, the NPSC with the mandate, composition, terms of references and resources satisfactory to the Association. The NPSC will be co-chaired by the permanent secretaries of MoFPED and the MAAIF respectively.
- (ii) The NPSC shall be responsible for providing strategic guidance oversight and policy guidance, coordinate policy actions to facilitate effective implementation and approving the Annual Work Plans and Budgets.

(b) National Technical Advisory Committee (“NTAC”):

- (i) The Recipient shall no later than three (3) months after the Effective Date, establish and thereafter, maintain throughout the Project, the NTAC with the mandate, composition, terms of references and resources satisfactory to the Association.
- (ii) NTAC shall be responsible for providing technical guidance on Project implementation and reviewing and advising on eligibility of Competitive Research Grant proposals for financing under the Project.

(c) **National Project Coordination Unit (“NPCU”):**

- (i) The Recipient shall establish and thereafter, maintain throughout the Project, the NPCU with the mandate, composition, terms of references and resources satisfactory to the Association. The NPCU shall be headed by the national project coordinator and supported by a deputy national project coordinator and component managers.
- (ii) Without limitation to paragraph (i) of this section I.2(c), the Recipient shall recruit to the NPCU: deputy project coordinator, monitoring and evaluation officer; senior financial management officer; grant management officer; finance officer; senior procurement officer; senior environment health and safety officer; senior social safeguards officer; and senior sustainable land management officer; all with the terms of reference acceptable to the Association and in accordance with the Procurement Regulations.
- (iii) The NPCU shall be responsible for overall coordination, monitoring and quality assurance of project activities including overseeing the day to day implementation of project activities, prepare consolidated workplan and budget for all project activities and submit the workplan and budget to NPSC for approval.

(d) **NARO Secretariat:**

- (i) The Recipient shall maintain throughout the Project, the NARO Secretariat with the mandate, composition, terms of references and resources satisfactory to the Association.
- (ii) The NARO Secretariat shall be responsible for initiating of procurement processes to submit to NPCU implementing activities agreed under the annual workplan and budget, issuing calls for proposals, evaluating and selecting proposals for financing, submitting successful proposals to NPCU for approval prepare workplan and budget for research grant activities, submit workplan and budget to NPCU for approval.

3. **Zonal Technical Committee (“ZTC”):**

- (a) The Recipient shall no later than one (1) month after the Effective Date, establish and thereafter maintain during the period of Project implementation the ZTC with the mandate, composition, terms of references and resources satisfactory to the Association.

- (b) The ZTC shall be responsible for zonal and regional coordination as detailed in the PIM.

4. **District level**

(a) **District Project Implementation Committee (“DPIC”)**

- (i) The Recipient shall no later than one (1) month after the Effective Date, and thereafter maintain during the period of Project implementation, the DPIC with the mandate, composition, terms of references and resources satisfactory to the Association.
- (ii) The DPIC shall be responsible for: (A) selection of project and demonstration sites in consultation with sub-county extension staff and farmer groups; (B) monitoring and reporting on district project activities; (C) facilitation of research, farmer, extension linkages; and (D) identification and establishment of farmer field schools in consultation with sub-county extension staff and farmer groups.

5. **Sub-county level**

(a) **Sub-county Technical Planning Committee (“STPC”)**

- (i) The Recipient shall no later than one (1) month after the Effective Date, establish and thereafter maintain throughout the Project implementation the STPC with the mandate, composition, terms of references and resources satisfactory to the Association.
- (ii) STPC shall be responsible for supporting and guiding the planning and priority setting process for farmer organizations and reviewing and consolidating the work plan and budgets for micro-projects submitted by the farmer organizations.

6. **Farmer Organizations**

- (a) The Recipient shall identify and/or establish and maintain Farmer Organizations, throughout the Project, each with the mandate, composition, terms of references and resources satisfactory to the Association.
- (b) Farmer Organizations shall be responsible for (i) preparing community development plans and community climate smart agriculture micro-projects; (ii) implementing and managing community grants; (iii) undertaking community participatory monitoring and reporting; (iv) aggregate and bulk agricultural produce/inputs; and (v) mobilization of new members with support from

community-based facilitators and extension staff among other activities detailed in the PIM.

7. Without limitation to the provision of paragraphs 1-6 above, the Recipient shall recruit and retain such consultants as may be needed to support the functions of the entities referred to in these paragraphs, all with composition and terms of reference acceptable to the Association as further detailed in the Project Implementation Manual.

B. Project Implementation Manual and Grants Manual

1. The Recipient shall through MAAIF, prepare and adopt an implementation manual acceptable to the Association (“Project Implementation Manual” or “PIM”), which shall contain detailed work flow, methods and procedures for the implementation of the Project, including but not limited to: (a) administration and coordination arrangements, including placement of necessary human resources for Project implementation; (b) performance indicators of the Project; (c) disbursement arrangements, reporting requirements, financial management procedures and audit procedures (d) monitoring and evaluation; (e) financial management guidelines and procedures; (f) corruption and fraud prevention measures; (g) roles and responsibilities of various agencies and stakeholders in the implementation of the Project; (h) Personal Data collection and processing requirements in accordance with good international practice; (i) environmental and social framework aspect, including a detailed description of the grievance redress mechanism process as well as any process for recording and reporting project-related accidents and incidents; (j) framework for climate-smart infrastructure mainstreaming along the value chains; (k) a public works program handbook for the Public Works Program, setting forth the detailed policies and procedures for said program; and (l) such other arrangements and procedures as shall be required for the effective implementation of the Project.
2. The Recipient shall prepare and adopt a manual which shall contain details of the management of Grants under the Project, acceptable to the Association (“Grants Manual”). The Grants Manual shall include details on: (a) due diligence, eligibility and selection criteria of Beneficiaries; (b) terms and conditions of each Grant Agreement; (c) criteria for selection and implementation requirements for activities and subprojects financed through the Grants; (d) administration modalities for the Grants; and (e) monitoring and verification mechanisms.
3. The Recipient shall exchange views with the Association on the Project Implementation Manual and Grants Manual prior to adoption, and thereafter ensure that the Project is carried out in accordance with the Project Implementation Manual and Grants Manual. Provided, however, that in case of any conflict between the provisions of the Project Implementation Manual and/or Grants

Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

4. Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual or Grants Manual.

C. Annual Work Plan and Budget

1. The Recipient shall, not later than one (1) month after the Effective Date for the Fiscal Year in which this Agreement shall become effective, and not later than March 31 of each subsequent Fiscal Year, prepare and furnish to the Association for the Association's no objection, a consolidated annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget which shall include the funds from the financing (including the portion of Counterpart Funds to be provided), and any other funds which may become available for the implementation of the Project.
2. Without limitation to the provision of Section I.C.1 of this Schedule, each annual work plan and budget prepared under Section I.C.1 of this Schedule shall set forth: (a) a detailed description of the planned activities, including any proposed conferences and training, under the Project for the period covered by the plan; (b) the sources and proposed use of funds therefore; (c) procurement and environmental and social management arrangements therefor, as applicable; and (d) responsibility for the execution of said Project activities, budgets, start and completion dates, outputs and monitoring indicators to track progress of each activity.
3. The Recipient shall ensure that in preparing any training plan proposed for inclusion in an Annual Work Plan and Budget it shall identify in the training plan: (a) the objective and content of the Training envisaged; (b) the selection method of the institutions or individuals conducting such Training, and said institutions if already known; (c) the expected duration and an estimate of the cost of said Training; and (d) the selection method of the personnel who will attend the Training, and number and names of such personnel if already known.
4. The Recipient shall exchange views with the Association on each such proposed consolidated Annual Work Plan and Budget and take into account comments which the Association may have before finalizing its Annual Work Plan and Budget not later than one (1) month after the date referred to in Section I.C.1 of this Schedule (once finalized and approved by the Association, an "Annual Work Plan and Budget").
5. The Recipient shall carry out the activities included in each of the Annual Work Plans and Budgets during the Fiscal Year to which they related. Annual Work

Plans and Budgets may be revised during the Fiscal Year to which they relate, with the prior written agreement of the Association.

D. Environmental and Social Standards

1. The Recipient shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Association. To this end, the Recipient shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. Without limitation upon the provisions of paragraph 2 above, if sixty (60) days prior to the Closing Date, the Association determines that there are measures and actions specified in the ESCP which will not be completed by the Closing Date, the Recipient shall: (a) not later than thirty (30) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and actions, including a timetable and budget allocation for such measures and actions (which action plan shall be deemed to be considered an amendment of the ESCP); and (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.
4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
5. The Recipient shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the

Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
6. The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
7. The Recipient shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, and subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

E. Contingent Emergency Response Component

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project (“Contingent Emergency Response Part”), the Recipient shall ensure that:
- (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial

management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;

- (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
 - (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
 - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Association.
3. The Recipient shall ensure that:
- (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
 - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

F. Grants under Parts 1.1, 1.2(a), 2.1(a), 2.2(a), 2.2(b), 3.1(b) and 3.2(b) of the Project

1. The Recipient shall ensure that the administration, management and implementation of any Grants under Parts 1.1, 1.2(a), 2.1(a), 2.2(a), 2.2(b), 3.1(b)

and 3.2(b) of the Project is made in accordance with the Anti-Corruption Guidelines, the environment and social management, relevant provisions of the Procurement Regulations, the criteria and procedures set forth in a Project Implementation Manual, Grants Manual, or other manual or plan as the Recipient and the Association shall agree, and under terms and conditions approved by the Association.

2. Procedures and Eligibility Criteria

Any Beneficiary of a Grant shall be determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Association, and elaborated in the Grants Manual.

3. Term(s) and Condition(s) of Grants

(a) For purposes of the implementation of Parts 1.1, 1.2(a), 2.1(a), 2.2(a), 2.2(b), 3.1(b) and 3.2(b) of the Project, the Recipient shall extend a Grant to each Beneficiary, through a corresponding Grant Agreement, and in accordance with the eligibility criteria and procedures set forth in the Grants Manual.

(b) Without limitation upon the terms and conditions that shall be established in the Grants Manual, the Recipient shall monitor and evaluate, under terms of reference, satisfactory to the Association, the implementation of all approved activities under such Grants and ensure that payments are made to the Beneficiaries exclusively for that purpose.

G. Public Works Program;

1. No proposed PWP Subproject shall be eligible for financing under Part 2.1(b) of the Project unless the Recipient has determined, on the basis of an assessment conducted with the participation of the impacted communities and in accordance with the procedures outlined in the Project Implementation Manual, that the proposed PWP Subproject satisfies the eligibility criteria specified in further detail in the Project Implementation Manual, which shall include, *inter alia*, that:

(a) the proposed PWP Subproject catalyzes the promotion and adoption of appropriate sustainable land management technologies on both public and private land; and

(b) the proposed PWP Subproject has fulfilled the environmental and social management requirements.

2. Each PWP Beneficiary under Part 2.1(b) of the Project shall either (i) receive Labour Payments in an amount determined under the procedures detailed in the Project Implementation Manual, all in accordance with the terms and conditions

set out in the relevant PWP Subproject Contract or (ii) receive Labour Payments for adopting sustainable land management practices on Privately Owned Land all in accordance with the terms and conditions set out in the relevant Subproject Contract .

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Bank, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data. The Recipient shall ensure that each Project Report contains an update on Personal Data processing and management under the Project.

Section III. Withdrawal of the Proceeds of the Financing

1. General

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Grant Allocated (expressed in SDR)	Amount of the Credit Allocated (expressed in USD)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, Works, non-consulting services, consulting services, Training, Operating Costs, under Parts 1, 2, 3, and 5 (except under Parts 1.1, 1.2(a), 2.1(a),2.1(b), 2.2(a), 2.2(b), 3.1(b) and 3.2(b) of the Project	2,730,000	169,700,000	5% Grant 98% Credit

(2) Competitive Research Grants under Part 1.1 of the Project	0	9,800,000	100% Credit
(3) Matching Grants, Production Input Grants and Nutrition Grants under Parts 1.2(a), 2.1(a), 2.2(a), 2.2(b), 3.1(b) and 3.2(b) of the Project	15,600,000	137,000,000	13% Grant 87% Credit
(4) Labour Payments under Part 2.1(b) of the Project	1,170,000	8,500,000	15% Grant 85% Credit
(5) Emergency Expenditures under Part 4 of the Project	0	0	
TOTAL AMOUNT	19,500,000	325,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date;
 - (b) for Competitive Research Grants under Category (2) unless and until the Recipient has prepared and adopted the Grants Manual in form and substance acceptable to the Association;
 - (c) for Matching Grants, Production Input Grants and Nutrition Grants under Category (4) unless and until the Recipient has prepared and adopted the Grants Manual in form and substance acceptable to the Association; and
 - (d) for Emergency Expenditures under Category (5) until:
 - (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has requested the Association to address such Eligible Crisis or Emergency under Part 4 of the Project and in accordance with the provisions of this Agreement; and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

- (ii) the Recipient has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is December 31, 2028.

Section IV. Other Undertakings

1. The Recipient has established the grievance redress mechanism within two (2) months of the Effective Date with the mandate, composition, terms of references and resources satisfactory to the Association.
2. The Recipient shall, within three (3) months of the Effective Date, prepare, consult on, update, adopt, and disclose the Stakeholder Engagement Plan for the Project, in form and substance satisfactory to the Association.
3. The Recipient shall, within three (3) months of the Effective Date, prepare, consult on, adopt and disclose the Vulnerable and Marginalized Groups Plan for the Project, in form and substance satisfactory to the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each May 1 and Nov 1, commencing May 1, 2033 to and including Nov 1, 2072	1.25%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to renumbered Section 3.03(b) (originally numbered Section 3.05(b)) of the General Conditions.

APPENDIX

Definitions

1. “Animal Genetic Resources Center” or the acronym “AnGRC” means centers under NAGRC&DB for animal breeding and production that facilitate and promote the utilization of climate smart practices and technologies in the various livestock value chains.
2. “Annual Work Plan and Budget” means the work plan and budget prepared annually by the Recipient in accordance with the provisions of Section I.C.1 of Schedule 2 to this Agreement.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, 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 and as of July 1, 2016.
4. “Beneficiary” means a Matching Grant Beneficiary, Production Input Grant Beneficiary, Nutrition Grant Beneficiary and Competitive Grant Beneficiary.
5. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
6. “CERC Manual” means the manual referred to in Section I.E of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Association, and which is an integral part of the Project Implementation Manual.
7. “Community Based Facilitators” means individuals who specializes in community mobilization and engagement and undertake activities to enhance beneficiary participation in project activities for greater benefit. They also serve as resident sources of information and knowledge.
8. “Competitive Research Grant Beneficiaries” means recipients of Competitive Research Grants who meet the eligibility criteria outlined in the Grants Manual.
9. “Competitive Research Grants” means the grants administered under Part 1.1 of the Project by the National Agricultural Research Organization to Competitive Research Grant Beneficiaries in accordance with Section I.F of schedule 2 to this Agreement and the Grants Manual.
10. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part 4 of the Project to respond to an Eligible Crisis or Emergency.

11. “Counterpart Funds” means an amount equivalent to USD 4,700,000 to be made available by the Recipient for purpose of cofinancing parts of the Project.
12. “CSA TIMPs” means climate smart agriculture-technologies, innovations and management practices.
13. “District Project Implementation Committee” or “DPIC” means the committee established and maintained in accordance with Section I.A.4(a) of Schedule 2 to this Agreement.
14. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.
15. “Emergency Action Plan” means the plan referred to in Section I.E of Schedule 2 detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
16. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section I.F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
17. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 25, 2022 as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
18. “Environmental and Social Standards” or “ESSs” means, collectively:
 - (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”;
 - (ii) “Environmental and Social Standard 2: Labor and Working Conditions”;
 - (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”;
 - (iv) “Environmental and Social Standard 4: Community Health and Safety”;
 - (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”;
 - (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”;
 - (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”;
 - (viii) “Environmental and Social Standard 8: Cultural Heritage”;
 - (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and

- (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
19. “Farmer Organization” means a farmer organization listed in the PIM and registered under the Cooperative Societies Act CAP 112, Laws of Uganda.
 20. “Fiscal Year” means the Recipient’s twelve-month period starting July 1 and ending June 30 of the following calendar year.
 21. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
 22. “Grant” means a Matching Grant, Nutrition Grant, Production Input Grant, and Competitive Research Grant.
 23. “Grant Agreement” means an agreement entered into or to be entered into between the Recipient and a Beneficiary for the extension of a Grant, under the terms and conditions outlined in the Grants Manual.
 24. “Grants Manual” means the manual referred to in Section I.B.2 of Schedule 2 to this Agreement.
 25. “Labour Payments” means remuneration or incentives to be made or proposed to be made to a PWP Beneficiary.
 26. “Matching Grant Beneficiaries” means the Recipient of a Matching Grant under parts 1.2(a), 2.1(a), 3.1(b) and 3.2(b) that meets the eligibility criteria outlined in the Grants Manual.
 27. “Matching Grants” mean a grant made or proposed to be made to a Matching Grant Beneficiary under Parts 1.2(a), 2.1(a), 2.2(b), 3.1(b) and 3.2(b) of the Project, and in accordance Section I.F of schedule 1 to this Agreement and the Grants Manual.
 28. “Ministry of Agriculture, Animal Industry and Fisheries” or “MAAIF” means the Recipient’s ministry responsible for agriculture as established under the laws of the Recipient or any successor thereto.
 29. “Ministry of Finance, Planning and Economic Development” or “MoFPED” means the Recipient’s ministry responsible for finance as established under the laws of the Recipient, or any successor thereto.
 30. “NARO Secretariat” means secretariat for the NARO that assists the NARO Governing Council, the Supreme organ overseeing and ensuring good Corporate Governance practices are upheld in the National Agricultural Research

Organization in execution of its roles and responsibilities. It is headed by Director general, Deputy Director-General -Research Coordination and Deputy Director-General – Agricultural Technology Promotion, Director for Corporate Services, Director Finance and Accounts, Director Human Resources and Head of Internal Audit.

31. “National Agricultural Extension Strategy” means the plan developed by the Ministry of Agriculture Animal Industry and Fisheries (“MAAIF”) in 2016 to guide, harmonize and implement agricultural extension services to farmers, farmers’ groups, and other actors in agriculture value chains throughout the country.
32. “National Agricultural Research Organization” or “NARO” means the body corporate established under the National Agricultural Research Act of 2005, mandated to undertake research in all aspects of agriculture including crops, livestock, fisheries, forestry, agro-machinery, natural resources and socio-economics.
33. “National Agriculture Research Institutes” or “NARIs” means are public research Institutions established under the NARO Act of 2005.
34. “National Animal Genetic Resources Center and Data Bank” or “NAGRC&DB” means the body corporate established pursuant to the Animal Breeding Act, 2001.
35. “National Animal Quarantine and Evaluation Center” means the national holding ground and breed adaptation evaluation center for all imported and exported live animals for food and agriculture.
36. “National Project Coordination Unit” or “NPCU” means the Project coordination unit established and maintained in accordance with Section I.A.2(c) of schedule 2 to this Agreement.
37. “National Project Steering Committee” or “NPSC” means the committee established and maintained in accordance with Section I.A.2(a) of Schedule 2 to this Agreement.
38. “National Technical Advisory Committee” or “NTAC” means the committee established and maintained in accordance with Section I.A.2(b) of Schedule 2 to this Agreement.
39. “Nutrition Grant Beneficiaries” means recipients of Nutrition Grants who meet the eligibility criteria outlined in the Grants Manual.
40. “Nutrition Grants” means the grant made or proposed to be made to a Nutrition Grant Beneficiary under Part 2.2(a) of the Project and in accordance Section I.F of Schedule 1 to this Agreement and, the Grants Manual.

41. “Office of the Prime Minister” and the acronym “OPM” means the office of the Recipient’s prime minister or any successor thereto.
42. “Operating Costs” means the incremental expenses incurred on account of Project implementation based on the Annual Work Plan and Budget, and consisting of: costs of office rental, vehicle rental, fuel, routine repair and maintenance of equipment and vehicles, communication costs, internet costs, stationery and other office supplies, utilities, office consumables, travel costs, costs of translation, printing, photocopying and advertising, *per diem*, accommodation expenses, and salaries of Project staff, but excluding the salaries of the Recipient’s civil servants, meeting allowances, other sitting allowances, salary top ups and all honoraria to Recipient’s civil servants or contracted consultants.
43. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or indirectly, by reference to an attribute or combination of attributes within the data, or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
44. “Privately Owned Land” means land held in accordance with the Recipient’s laws.
45. “Private Sector Actors” means the part of the Recipient’s economy, which is run by private individuals or groups, usually as an enterprise for profit, and is not controlled by the Recipient.
46. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
47. “Producer Organization” means a collection of Farmer Organizations registered under the Cooperative Societies Act CAP 112, Laws of Uganda.
48. “Production Input Grant” means a grant made or proposed to be made to a Production Input Beneficiary under Part 2.2(b) of the Project, and in accordance Section I.F of Schedule 2 to this Agreement and the Grants Manual.
49. “Production Input Grant Beneficiary” means a recipient of a Production Input Grants that meets the eligibility criteria outlined in the Grants Manual.
50. “Project Area” means the Recipient’s districts listed in the Project Implementation Manual.

51. “Project Implementation Manual” and the acronym “PIM” means the manual detailing the implementation arrangements of the Project referred to in section I.B of Schedule 2 to this Agreement.
52. “Public Works Program” and the acronym “PWP” means a program of labor-intensive public works under Part 2.1(b) of the Project carried out in accordance with the PIM.
53. “PWP Beneficiary” means an eligible participant of the Public Works Program as further described in the PIM.
54. “PWP Subproject Contracts” means contracts entered between the Recipient (or designated representative of the Recipient) and a PWP Beneficiary for PWP Subprojects, in accordance with Section I.G of Schedule 2 to this Agreement, and the PIM.
55. “PWP Subproject” means a subproject implemented under a PWP as further described in the PIM.
56. “Refugee Host Districts” or the acronym “RHD” means seven (7) districts hosting refugees that are participating in these project as listed in the PIM.
57. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
58. “Sub-county Technical Planning Committee” or “STPC” means the committee established and maintained in accordance with Section I.A.5 of Schedule 2 to this Agreement.
59. “Technologies, Innovations, and Management Practices” or the acronym “TIMPs” means improved techniques and measures promoted for adoption to enhance productivity, resilience, and profitability of agricultural commodities.
60. “Training” means the costs of training under the Project, based on the Annual Work Plans and Budgets as approved by the Association, and attributable to seminars, and workshops, along with travel and subsistence allowances for training participants, services of trainers, rental of training facilities/workshop venues, preparation and reproduction of training materials (including costs of translation, printing, photocopying and advertising), food and materials provided at workshop, or seminars and other activities directly related to course preparation and implementation.
61. “Uganda National Meteorological Authority” means the government institution responsible for weather and climate services established pursuant to the Uganda National Meteorological Authority Act, 2012.

62. “UNHCR” means the United Nation High Commissioner for Refugees.
63. “Zonal Agricultural Research Development Institute” or the acronym “ZARDI” means the institute for promotion of agricultural research and development established pursuant to NARO act of 2005 with mandate to conduct conducting adaptive research in the nine agro-ecological zones of the Recipient.
64. “Zonal Technical Committee” or “ZTC” means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.