CREDIT NUMBER 4672-UG

Eastern Africa Agricultural Productivity program

NARO Project Agreement

(Eastern Africa Agricultural Productivity Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NATIONAL AGRICULTURAL RESEARCH ORGANIZATION

Dated February 3, 2010

PROJECT AGREEMENT

AGREEMENT dated February 3, 2010, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and NATIONAL AGRICULTURAL RESEARCH ORGANIZATION (NARO), ("Project Implementing Entity") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between THE REPUBLIC OF UGANDA ("Recipient) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The NARO declares its commitment to the objectives of the Project and the Program. To this end, NARO shall carry out Parts A, B.1, C.1 and D.2 of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Parts of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and NARO shall otherwise agree, NARO shall carry out its Respective Parts of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

- 4.01. The Project Implementing Entity's Representative is the Director General.
- 4.02. The Association's Address is:

International Development Association 1818 H Street, NW Washington, DC 20433 United States of America

Cable: Telex: Facsimile:

INDEVAS 248423(MCI) 1-202-477-6391

Washington, D.C.

4.03. The Project Implementing Entity's Address is:

National Agricultural Research Organization Plot 11-13 Lugard Avenue PO Box 295 Entebbe Republic of Uganda

Facsimile:

256 414 321 070

AGREED at Kampala, Republic of Uganda, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Kundhavi Kadiresan

Authorized Representative

NATIONAL AGRICULTURAL RESEARCH ORGANIZATION

By /s/ Denis Kyetere

Authorized Representative

SCHEDULE

Execution of the Project Implementing Entity's Respective Parts of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements

- 1. NARO shall, at all times during the period of the Project implementation maintain:
 - (a) active participation in ASARECA; and
 - (b) a project management unit, including a project manager, a monitoring and evaluation officer, a program assistant, and a specialist trained in the Procurement and Consultants Guidelines respectively, all with qualifications, and terms of reference satisfactory to the Association.
- 2. NARO shall carry out its Respective Parts of the Project in accordance with the Project Implementation Plan, the Procurement Plan, the Environmental and Social Management Framework, and any environmental and social management mitigation plan(s), and shall not amend or waive, or permit to be waived, any provision of any one thereof, without the prior consultation with the Recipient, and prior written consent of the Association.

B. Anti-Corruption

NARO shall ensure that its Respective Parts of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

C. Environmental Safeguards

1. NARO shall:

- (a) carry out its Respective Parts of the Project in accordance with the environmental and social guidelines, rules and procedures defined in the Environmental and Social Management Framework, and any environmental and social mitigation plan; and
- (b) wherever applicable, prepare, adopt, disclose, and implement, in form and substance satisfactory to the Association, an environmental and social mitigation plan, based on the ESMF, defining (i) the measures to be taken during the implementation of the relevant activities to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels, and (ii) the actions needed to implement these measures.

- 2. NARO shall not amend or waive, or permit to be waived, the ESMF, or any environmental and social mitigation plan, or any provision of any one thereof, without the prior written consent of the Association.
- 3. Without limitation upon its other reporting obligations under this agreement and under Section 4.08 of the General Conditions, NARO shall include in the Project Reports referred to in Section II.A of this Schedule adequate information on monitoring the measures defined in the ESMF, and in any environmental and social mitigation plan, giving details of:
 - (a) measures taken in furtherance of such ESMF, or any environmental and social mitigation plan;
 - (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, or any environmental and social mitigation plan; and
 - (c) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such ESMF, or environmental and social mitigation plan.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. NARO shall monitor and evaluate the progress of its Respective Parts of the Project and prepare Project Reports for its Respective Parts of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in Section II.A.1 (b) of Schedule 2 to the Financing Agreement. Each such Project Report shall cover the period of six months, and shall be furnished to the Recipient not later two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.
- 2. NARO shall provide to the Recipient not later than four months after the Closing Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

 NARO shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the NARO, including the operations, resources and expenditures related to its Respective Parts of the Project. 2. NARO shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of the NARO. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

Section III. Procurement

All goods, works and services required for NARO's Respective Parts of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.