

CONFORMED COPY

CREDIT NUMBER 4147 - UG

Development Credit Agreement

(East Africa Trade and Transport Facilitation Project)

between

THE REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated April 7, 2006

CREDIT NUMBER 4147 - UG

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated April 7, 2006, between THE REPUBLIC OF UGANDA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower has, pursuant to the Protocol on the Establishment of the East African Community Customs Union (the EACCU Protocol) dated March 2, 2004, entered into the Customs Union (as hereinafter defined), with other EAC Partner States (as hereinafter defined), confirming, *inter alia*, EAC Partner States' commitment to a regional trade and transport facilitation program in the Customs Union (the Regional Program);

(B) the East African Community (as hereinafter defined) and NCTTCA Countries (as hereinafter defined) have pursuant to a Memorandum of Understanding (MOU) dated October 18, 2005, committed to cooperate in the development of transport infrastructure, transit transport, customs and trade facilitation including, *inter alia*, implementation of the Regional Program;

(C) the Association has received a letter from the Borrower, dated July 4, 2005, declaring the Borrower's commitment to the execution of the Regional Program;

(D) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of Parts C and D of the Project;

(E) the East African Community (EAC Community), NCTTCA and (CCTFA) (all as hereinafter defined) intend to obtain financial assistance from the African Development Fund (AfDB Grant) in an amount of approximately eleven million United States Dollars (\$11,000,000) to assist in financing Parts A and B of the Project;

(F) Part C.1 of the Project will be carried out by Uganda Revenue Authority (URA), with the Borrower's assistance and, as part of such assistance, the Borrower will make part of the proceeds of the credit provided for in Article II of this Agreement (the Credit) available to URA, as set forth in this Agreement; and

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the Credit to the Borrower 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. The “General Conditions Applicable to Development Credit Agreements” of the Association, dated January 1, 1985 (as amended through May 1, 2004), with the modifications set forth below (the General Conditions), constitute an integral part of this Agreement:

(a) Section 5.08 of the General Conditions is amended to read as follows:

“Section 5.08. *Treatment of Taxes*

Except as otherwise provided in the Development Credit Agreement, the proceeds of the Credit may be withdrawn to pay for taxes levied by, or in the territory of, the Borrower on the goods or services to be financed under the Credit, or on their importation, manufacture, procurement or supply. Financing of such taxes is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits. To that end, if the Association shall at any time determine that the amount of any taxes levied on or in respect of any item to be financed out of the proceeds of the Credit is excessive or otherwise unreasonable, the Association may, by notice to the Borrower, adjust the percentage for withdrawal set forth or referred to in respect of such item in the Development Credit Agreement as required to be consistent with such policy of the Association.”

(b) Section 6.03 (c) of the General Conditions is amended by replacing the words “corrupt or fraudulent” with the words “corrupt, fraudulent, collusive or coercive”.

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

(a) “Abbreviated Resettlement Plan” means the plan titled “Abbreviated Resettlement Plan for Uganda Railway Concessioning”, dated June 2005, and referred to in Part D.2 of the Project, for implementing the involuntary resettlement of Displaced Persons (as hereinafter defined) on URC (as hereinafter defined) land;

(b) “ASYCUDA” means Automated System for Customs data provided by UNCTAD (as hereinafter defined);

(c) “BOU” means the Bank of Uganda, the Borrower's central bank;

(d) “Concession Agreement” means the agreement to be entered into between the Borrower and the Concessionaire (the Concessionaire) pursuant to which the Borrower shall award the concession referred to in Part D.1 of the Project, to the Concessionaire, for a period of twenty five years as of the Commencement Date as defined in the said Concession Agreement;

(e) “Central Corridor Transit Transport Facilitation Agency” or “CCTFA” means the transit and transport coordination body to be established under an agreement, to be entered into among the Borrower, Republic of Burundi, Democratic Republic of the Congo, and Republic of Rwanda, and the United Republic of Tanzania;

(f) “Commencement Date” means the commencement date of the Concession Agreement as defined in the said Concession Agreement;

(g) “Displaced Person” means a person who, on account of the execution of Part D of the Project, has experienced or would experience direct economic and social impacts caused by the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; and “Displaced Persons” means more than one Displaced Person;

(h) “EACCU” or “Customs Union” means the East African Community Customs Union established under Article 2 of the EACCU Protocol;

(i) “East African Community” or “EAC” means the community established under Article 2 of the Treaty for the Establishment of the East African Community (the Treaty), dated November 30, 1999;

(j) “East African Community Customs Management Act, 2004”, means the Act of the East African Community dated January 1, 2005, to make provisions for the management and administration of Customs and for related matters;

(k) “EAC Directorate of Trade and Customs” means the Directorate established under Article 75(3) of the Treaty, and operating pursuant to the provisions of Section 3 of the East African Community Customs Management Act, 2004;

(l) “EAC Secretariat” means the secretariat of the East African Community as defined in the Treaty;

(m) “Eligible Categories” means Categories (1) through (4) set forth in the table in Part A.1 of Schedule 1 to this Agreement;

(n) “Eligible Expenditures” means the expenditures for goods, works and consultants’ services referred to in Section 2.02 of this Agreement;

(o) “EAC Partner States” means the Borrower, the Republic of Kenya and the United Republic of Tanzania, and any other country granted membership to the Community under Article 3 of the Treaty;

(p) “EIA” or “Environmental Impact Assessment” means the specific environmental assessment dated June, 2005, undertaken in respect to the activities under Part D of the Project and specifically outlining appropriate institutional measures required for monitoring, evaluation, and mitigating the environmental impacts of such activities;

(q) “EMP” or “Environmental Management Plans” means the plan referred to in paragraph 8(a) of Schedule 4 to this Agreement, dated June 3, 2005, and adopted by the Borrower, which constitutes the framework for a set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to mitigate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, or to enhance positive impacts of any activity under Part D of the Project;

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

(s) “Implementing Agencies” means MoWHC (as hereinafter defined) and URA (as hereinafter defined); and the term “Implementing Agency” means either one of such Implementing Agencies;

(t) “KRA” means Kenya Revenue Authority, a body corporate established and operating pursuant to the Kenya Revenue Authority Act, (CAP 469), of the laws of

the Republic of Kenya, and responsible for the management and customs administration in the Republic of Kenya;

(u) “MOF-PED” means the Ministry of Finance Planning and Economic Development of the Borrower;

(v) “MoWHC” means the Ministry of Works, Housing and Communications of the Borrower;

(w) “MOU” and “Memorandum of Understanding” mean the memorandum of understanding dated October 18, 2005, between the EAC and NCTTCA (as hereinafter defined);

(x) “Northern Corridor Transit Transport Coordination Authority” or “NCTTCA” means the transit transport coordination authority established under the agreement (the Northern Corridor Transit Agreement), dated February 19, 1985, (as amended), among the Borrower, Republic of Burundi, Democratic Republic of Congo, Republic of Kenya, and the Republic of Rwanda;

(y) “NCTTCA Countries” means the Borrower, Republic of Burundi, Democratic Republic of Congo, Republic of Kenya, and Republic of Rwanda;

(z) “Non-tariff barriers” means the non-tariff barriers as described in the EACCU Protocol including, laws, regulations, administrative and technical requirements other than tariffs imposed by a Partner State whose effect is to impede trade;

(aa) “PCT” means the Project Coordination Team referred to in paragraph 3(a) of Schedule 4 to this Agreement;

(bb) “PIT” means the project implementation team referred to in paragraph 1 of Schedule 4 to this Agreement, and established by MoWHC and URA; and the term “PITs” means, collectively, MoWHC-PIT and URA-PIT;

(cc) “Project Implementation Manual” or “PIM” means the manual setting out the measures required for the implementation of the Project, as the same may be amended from time to time, subject to prior approval of the Association;

(dd) “Procurement Plan” means the Borrower’s procurement plan, dated November 3, 2005, covering the initial 18 month period (or longer) of Project implementation, as the same shall be updated from time to time in accordance with the

provisions of Section 3.02 to this Agreement, to cover succeeding 18 month periods (or longer) of Project implementation;

(ee) “PSC” means the Project Steering Committee referred to in paragraph 3(b) of Schedule 4 to this Agreement;

(ff) “RRA” means Rwanda Revenue Authority, an incorporated body established and operating pursuant to the Republic of Rwanda’s Law No. 15/97 of November 8, 1997, responsible for the management and customs administration in the territory of the Republic of Rwanda;

(gg) “Regional Countries” means the Borrower, Republic of Kenya, Republic of Rwanda, and United Republic of Tanzania, all participating in the Regional Program, and the term “Regional Country” means any such country participating in the Regional Program;

(hh) “Regional Steering Committee” or “RSC” means the committee referred to in paragraph 4 of Schedule 4 to this Agreement, established by the EAC Partner States and the Republic of Rwanda;

(ii) “Report-based Disbursements” means the Borrower’s option for withdrawal of funds from the Credit Account referred to in Part A.5 of Schedule 1 to this Agreement;

(jj) “SMP” or “Safety, Management Plan” means the plan referred to in paragraph 8(b) of Schedule 4 to this Agreement, to be prepared and implemented by the Concessionaire, outlining appropriate institutional measures required for monitoring, evaluation, and mitigating the environmental, safety and health impacts of activities of the Concessionaire pursuant to the concession referred to in Part D.1 of the Project;

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

(ll) “Subsidiary Financing Agreement” means the agreement to be entered into between the Borrower and URA 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 the Subsidiary Financing Agreement;

(mm) “Tripartite Agreement on Road Transport” means the Agreement dated November 29, 2001, among the EAC Partner States relating to regulation and facilitation of road transport in the EAC;

(nn) “TRA” means Tanzania Revenue Authority, a body corporate established and operating pursuant to the Tanzania Revenue Authority Act No. 11 of 1995 of the laws of the United Republic of Tanzania, and responsible for the management and customs administration in the United Republic of Tanzania;

(oo) “Team Leader” means the person designated by either MoWHC or URA to manage a PIT in the implementation of Parts C and D of the Project;

(pp) “UNCTAD” means The United Nations Conference on Trade and Development;

(qq) “Uganda Railways Corporation” or “URC” means a body corporate established and operating pursuant to the Uganda Railways Corporation Act (CAP 331) of the laws of the Borrower, and responsible for the management and control of the railways network located in the territory of the Borrower; and

(rr) “Uganda Revenue Authority” or “URA” means, a body corporate established and operating pursuant to the Uganda Revenue Authority Act (CAP 196) of the laws of the Borrower, and responsible for the management and customs administration in the territory of the Borrower.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to eighteen million two hundred thousand Special Drawing Rights (SDR 18,200,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of works, goods and services required for the Project, and to be financed out of the proceeds of the Credit.

Section 2.03. The Closing Date shall be September 30, 2011, or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on February 15 and August 15 in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each February 15 and August 15 commencing February 15, 2016 and ending August 15, 2045. Each installment to and including the installment payable on August 15, 2025 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by:

- (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and
- (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(d) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01.(a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, shall carry out Parts C and D of the Project through the Implementing Agencies, and: (i) cause URA to carry out Part C.1 of the Project; and (iii) through MoWHC carry out Parts C.2, C.3, and D of the Project, all with due diligence and efficiency and in conformity with appropriate administrative, financial engineering, technical and environmental practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall cause the Implementing Agencies to carry out Parts C and D of the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) The Borrower shall make part of the proceeds of the Credit available to URA as a grant, under Subsidiary Financing Agreement to be entered into between the Borrower and URA, under terms and conditions which shall have been approved by the Association, which shall include the terms and conditions set forth in paragraph 7 of Schedule 4 to this Agreement.

(d) The Borrower shall exercise its rights under the Subsidiary Financing Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit, and, except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Financing Agreement or any provision thereof.

Section 3.02. (a) Except as the Association shall otherwise agree, procurement of the goods, works and services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement as said provisions may be further elaborated in the Procurement Plan.

(b) The Borrower shall update the Procurement Plan in accordance with guidelines acceptable to the Association, and furnish such update to the Association not later than 12 months after the date of the preceding Procurement Plan, for the Association's approval.

Section 3.03. For the purposes of Section 9.06 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan for the future operation of the Project; and

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

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall, and shall cause the Implementing Agencies to maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, adequate to reflect the operations, resources and expenditures related to Parts C and D of the Project.

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

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of reports referred to in Part A.5 of Schedule 1 to this Agreement (Report-based Disbursements) or on the basis of statements of expenditure, the Borrower shall, and shall cause the Implementing Agencies to:

- (i) retain, until at least one year after the Association has received the audit report for, or covering, the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

- (ii) enable the Association's representatives to examine such records; and
- (iii) ensure that such reports and statements of expenditure are included in the audit for each fiscal year (or other period agreed to by the Association), referred to in paragraph (b) of this Section.

Section 4.02. (a) Without limitation upon the Borrower's progress reporting obligations set out in paragraphs 10 through 12 of Schedule 4 to this Agreement the Borrower shall, and shall cause the Implementing Agencies to prepare and furnish to the Association a financial monitoring report, in form and substance satisfactory to the Association, which:

- (i) sets forth sources and uses of funds for Parts C and D of the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Credit, and explains variances between the actual and planned uses of such funds;
- (ii) describes physical progress in implementation of parts C and D of the Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned implementation of Parts C and D of the Project; and
- (iii) sets forth the status of procurement under Parts C and D of the Project, as at the end of the period covered by said report.

(b) The first FMR shall be furnished to the Association not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under Parts C and D of the Project through the end of such first calendar quarter; thereafter, each FMR shall be furnished to the Association not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

ARTICLE V

Remedies of the Association

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

(a) the Borrower shall have abrogated or modified the legal status of the URA, or taken any action, including the enactment or issuance of laws or regulations, which, in the opinion of the Association, may adversely affect, prevent, or interfere with, the carrying out of Part C.1 of the Project or the performance by the Borrower of any of its obligations under this Agreement;

(b) the Borrower shall have failed to afford reasonable opportunity for representatives of the Association to visit any part of its territory for purposes related to the Project; and

(c) URA shall have failed to perform its obligations under the respective Subsidiary Financing Agreement.

Section 5.02 Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified, namely that the events specified in Section 5.01 (a) through (c) of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Borrower.

ARTICLE VI

Effective Date; Termination

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

(a) the Subsidiary Financing Agreement has been executed on behalf of the Borrower and URA;

(b) the Borrower has adopted the Project Implementation Manual in form and substance satisfactory to the Association;

(c) the Borrower and URA, have each: (i) demonstrated the ability to produce an FMR; and (ii) opened books of accounts and completed the chart of accounts for the Project, all in form and substance satisfactory to the Association; and

(d) the Borrower has implemented a training program for the staff of MoWHC and URA relating to the procurement guidelines and procedures, in a form and substance satisfactory to the Association.

Section 6.02. The following is specified as additional matter, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association, namely, that the Subsidiary Financing Agreement has been duly authorized or ratified by the Borrower and URA and is legally binding upon the Borrower and URA in accordance with its terms.

Section 6.03. 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.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Borrower's Minister of Finance is designated as representative of the Borrower 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 Borrower:

Ministry of Finance, Planning and Economic Development
PO Box 8147
Kampala
Uganda

Cable address:

Telex:

Facsimile:

FINSEC
Kampala

61170

256-41 230 163

For the Association:

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

Cable address:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI) or
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 Kampala, Republic of Uganda, as of the day and year first above written.

THE REPUBLIC OF UGANDA

By /s/ Ezra Suruma

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Grace M. Yabrudy

Authorized Representative

SCHEDULE 1

A. Withdrawal of the Proceeds of the Credit

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

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Goods		100 %
(a) for Part C.1 of the Project	1,590,000	
(b) for Parts C.2, C.3 and D of the Project	2,550,000	
(2) Works		100%
Parts C.2, C.3 and D of the Project	9,960,000	
(3) Consultants' services (including audit)		100%
(a) for Part C.1 of the Project	350,000	
(b) for Parts C. 2 C.3 and D of the Project	2,750,000	
(4) Operating Costs		100%
for Parts C.2, C.3 and D of the Project	140,000	
(5) Unallocated	860,000	
	<u>18,200,000</u>	
TOTAL	=====	

2. For the purposes of this Schedule, the term "Operating costs" means the cost arising under Parts C.2, C.3 and D of the Project on account of implementation of Parts C.2, C.3 and D of the Project, management and monitoring, including, utilities, office supplies, consumables, maintenance and operation of vehicles and equipment for PITs, travel and accommodation for Project staff, 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:

(a) payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR 1,800,000, may be made on account of payments made for expenditures before that date but after June 30, 2005; and

(b) expenditures under Categories 1(b), 2 and 3(b), for Part D.1 of the Project unless the Concession Agreement has been executed between the Borrower and the Concessionaire.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts for: (a) goods costing less than \$200,000 equivalent per contract; (b) works costing less than \$350,000 equivalent per contract; (c) services of individual consultants costing less than \$50,000 equivalent per contract; and (d) services of consulting firms under contracts costing less than \$100,000 equivalent per contract, all under such terms and conditions as the Association shall specify by notice to the Borrower.

5. The Borrower may request withdrawals from the Credit Account to be made on the basis of reports to be submitted to the Association in form and substance satisfactory to the Association, such reports to include the FMR and any other information as the Association shall specify by notice to the Borrower (Report-based Disbursements). In the case of the first such request submitted to the Association before any withdrawal has been made from the Credit Account, the Borrower shall submit to the Association only a statement with the projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. Special Accounts

1. The Borrower may open and maintain in Dollars two separate special deposit accounts: (i) URA Special Account for Part C of the Project; and (ii) MoWHC Special Account for Parts C.2, C.3, and Part D of the Project, all in BOU, on terms and conditions satisfactory to the Association.

2. After the Association has received evidence satisfactory to it that the Special Accounts have been opened, withdrawals from the Credit Account of amounts to be deposited into the Special Accounts shall be made as follows:

(a) if the Borrower is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) if the Borrower is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of each Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of a Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

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

(a) if the Association, at any time, is not satisfied that the reports referred to in Part A.5 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

(b) if the Association determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Borrower directly from the Credit Account; or

(c) if the Borrower shall have failed to furnish to the Association, 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 Association pursuant to said Section in respect of the audit of: (A) the records and accounts for any Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based Disbursements or were made on the basis of statements of expenditure, as the case may be.

5. The Association 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 Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Association 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 Borrower of its determination.

6. (a) If the Association determines at any time that any payment out of any Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association, provide such additional evidence as the Association may request, or deposit into said Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment. Unless the Association shall otherwise agree, no further deposit by the Association into any Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

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

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in a Special Account.

(d) Refunds to the Association made pursuant to subparagraph (a), (b) or (c) of this paragraph 6 shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the provisions of the Credit Agreement.

Annex A

to

SCHEDULE 1

**Operation of Special Accounts
When Withdrawals Are Not
Report-based Disbursements**

1. For the purposes of this Annex, the term “Authorized Allocation” means:
 - (a) in respect of URA Special Account, an amount of \$500,000 to be withdrawn from the Credit Account and deposited into the said Special Account pursuant to paragraph 2 of this Annex; and
 - (b) in respect of MoWHC Special Account, an amount of \$2,000,000 to be withdrawn from the Credit Account and deposited into said Special Account pursuant to paragraph 2 of this Annex.

2. Withdrawals of a Special Account’s Authorized Allocation and subsequent withdrawals to replenish the respective Special Account shall be made as follows:
 - (a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for deposit into the respective 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 Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the said Special Account such amount as the Borrower shall have requested.

 - (b) For replenishment of said Special Account, the Borrower shall furnish to the Association requests for deposit into said Special Account at such intervals as the Association shall specify. Prior to or at the time of each such request, the Borrower shall furnish to the Association 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 Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the respective Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for Eligible Expenditures. Each such deposit into the respective Special Account

shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

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

Annex B

to

SCHEDULE 1

**Operation of Special Accounts
When Withdrawals Are
Report-based Disbursements**

1. Withdrawals from the Credit Account shall be deposited by the Association into any Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the respective Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the Credit, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the respective Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Association has determined, based on the reports referred to in Part A.5 of this Schedule 1 applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.

SCHEDULE 2

Description of the Project

The objectives of the Project are: (a) improving the trade environment among the Regional Countries, through effective implementation of the EACCU Protocol; (b) enhancing the efficiency of transport and logistic services along key transport corridors by reducing non-tariff barriers and uncertainty of transit time; and (c) improving railway services in the territory of the Borrower and the Republic of Kenya.

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

Part A: Support to Implementation of the EACCU

1. Strengthening the capacity of EAC Secretariat EAC Directorate of Trade and Customs, and customs departments in the Regional Countries, including provision of: (a) training to the staff of EAC Secretariat, EACCU and customs departments in the EAC Partner States; (b) technical advisory services and acquisition of equipment for monitoring implementation of the EACC, Non-tariff barriers to trade within the EAC; and (c) enhanced communication facilities to the EAC Secretariat and customs authorities in the EAC Partner States.

2. Improving information technology connectivity within the EACCU, including, (a) designing a study of interconnectivity for Regional Countries within the customs union; (b) carrying out studies for investing in customs inter connectivity; (c) establishing common database within EACCU; and (d) developing EAC customs training centre.

3. Strengthening and modernizing the customs departments of the Regional Countries, including: (a) rolling out information communication technology systems to key border posts; (b) provision of training to customs officers, and provision of technical advisory services in specific areas essential for the development of the Customs Union; (c) acquisition of equipment; and (d) development of necessary infrastructure.

Part B: Institutional Support for Transport Facilitation

1. Strengthening the NCTTCA, including: (a) building the capacity of its secretariat to improve its efficiency and for monitoring and evaluation performance; (b) facilitating harmonization of national policies and regulations relating to transport and transit; (c) developing participation of its stakeholders; and (d) carrying out a comparative study on

cost of transport in the Region, all through the acquisition of goods and provision of technical advisory services.

2. Supporting the establishment of the CCTFA, including: (a) supporting its secretariat, and stakeholder consultations; (b) provision of monitoring tools; and (c) carrying out studies on transport and trade issues along the corridor.

3. Supporting the harmonization of Regional Countries regulations relating to cross-border transport with the relevant regional treaties and agreements, including harmonization of axle load control policies.

4. Supporting the EAC Secretariat in implementing and monitoring the implementation of the Tripartite Agreement on Road Transport among the EAC Partner States.

5. Supporting the EAC, NCTTCA, and CCTFA in coordinating the implementation of the Regional Program, including in effectively carrying out: (a) their role as part of the Regional Steering Committee; and (b) monitoring of efficiency along key transport corridors in the Regional Countries.

Part C: Support to Implementation of EACCU Trade and Transport Facilitation in the Territory of the Borrower

1. Supporting URA: (a) to implement its cargo tracking system and its interconnection with KRA, RRA, and TRA for effective monitoring of transit transport crossing the territory of the Borrower, eliminating large convoys of transporters, and reducing the cost of bonds; and

(b) to implement a customs reform and modernization program, including building the capacity of the staff of customs department to implement the ASYCUDA system, through the provision of technical advisory services, training and acquisition of equipment.

2 Supporting: (a) installation of four axle weigh bridges at *Malaba, Busia, Katuna, and Mutukula* border posts, and four mobile weigh bridges along *Tororo-Mbale, Soroti-Lira, Kyotera-Mutukula, Mbarara-Kasese* roads all in the territory of the Borrower;

(b) establishment of a one-stop border post at the *Malaba* border; and (ii) developing the Borrower's side of *Busia* border post, *Katuna* border post, and *Mutukula* border post; and

(c) improvement of the railway inland container depot in Kampala.

3. Supporting: (a) implementation of regional and national transport regulations, including relevant transport conventions and agreements, which have been ratified by the Borrower; and

(b) strengthening the capacity of MoWHC for monitoring and evaluation of Parts C and D of the Project.

Part D: Support to Joint Concession of Kenya and Uganda Railways

1. Institutional Support to MoWHC and URC:

(a) Assisting in restructuring assets of URC, training and retraining URC's staff on their new role.

(b) Building the capacity of URC and MoWHC for monitoring of environmental and social effects of the railways concession.

(c) Improving assets of URC, including rehabilitation and reconditioning of two wagon ferries (MV *Pamba* and MV *Kaawa*), and a dry dock.

(d) Carrying out a feasibility study for upgrading of about 500km on Tololo-Pakwach railway line.

2. Implementation of Abbreviated Resettlement Action Plan:

Implementing the Abbreviated Resettlement Action Plan for involuntary resettlement of Displaced Persons along the railway tracks, specifically on URC land.

* * *

The Project is expected to be completed by March 31, 2011.

SCHEDULE 3

Procurement

Section I. General

A. All goods, works and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Association of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants' Services)

A. International Competitive Bidding:

Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the and works to be carried out by domestic contractors.

B. Other Procurement Procedures

1. Limited International Bidding:

Goods which the Association agrees can only be purchased from a limited number of suppliers may be procured under contracts awarded on the basis of Limited International Bidding.

2. National Competitive Bidding:

(a) Goods estimated to cost less than \$200,000 equivalent per contract; and (b) works estimated to cost less than \$350,000 equivalent per contract, may be procured under contracts awarded on the basis of National Competitive Bidding.

3. Shopping:

(a) Goods estimated to cost less than \$30,000 equivalent per contract; and (b) works estimated to cost less than \$50,000 equivalent per contract, may be procured under contracts awarded on the basis of Shopping.

Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection.:

Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$200,000 equivalent per contract may comprise entirely national consultants.

B. Other Procedures

1. Quality-based Selection:

Services for assignments which the Association agrees meet the requirements set forth in paragraph 3.2 of the Consultant Guidelines may be procured under contracts awarded on the basis of Quality-based Selection in accordance with the provisions of paragraphs 3.1 through 3.4 of the Consultant Guidelines.

2. Selection Under a Fixed Budget:

Services for assignments which the Association agrees meet the requirements of paragraph 3.5 of the Consultant Guidelines may be procured under contracts awarded on the basis of a Fixed Budget in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.

3. Least-cost Selection:

Services for assignments which the Association agrees meet the requirements of paragraph 3.6 of the Consultant Guidelines may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

4. Selection Based on Consultants' Qualifications:

Services estimated to cost less than \$200,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7 and 3.8 of the Consultant Guidelines.

5. Individual Consultants:

Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

Section IV. Review by the Association of Procurement Decisions

Except as the Association shall otherwise determine by notice to the Borrower, the following contracts shall be subject to Prior Review by the Association:

(a) each contract for goods and services (other than consultants' services) estimated to cost the equivalent of \$200,000 or more procured on the basis of International Competitive Bidding, Shopping, Limited International Bidding or National Competitive Bidding;

(b) each contract for works and services (other than consultants' services) estimated to cost the equivalent of \$350,000 or more procured on the basis of International Competitive Bidding, Limited International Bidding or National Competitive Bidding;

(c) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more; and

(c) each contract for individual consultants' estimated to cost the equivalent of \$50,000 or more.

All other contracts shall be subject to Post Review by the Association.

SCHEDULE 4

Implementation Program

A. Implementation Responsibilities

1. For the purpose of ensuring the proper execution of Parts C and D of the Project, the Borrower shall cause each of the Implementing Agencies, to establish and maintain at all times during the implementation of Parts C and D of the Project, a PIT under terms of reference and with staff and resources satisfactory to the Association.

2. Each PIT, acting under the direction of a Team Leader, shall perform all technical responsibilities for the implementation of the respective Part of the Project, including: (a) the preparation, with the assistance of consultants, of bidding and contract documents; (b) maintenance of Project financial records and accounts and arranging for the audit thereof; (c) preparation of the half-yearly reports, referred to in paragraph 10 of this Schedule; and (d) supervision of progress in carrying out of the respective Part of the Project. To this end, MoWHC-PIT shall be responsible for Parts C.1, C.2, C.3 and Part D. of the Project, and URA-PIT shall be responsible for Part C.1 of the Project.

3. The Borrower shall establish and maintain at all times during the implementation of Parts C and D of the Project, with composition and terms of reference satisfactory to the Association:

(a) a PCT, comprising of all the PIT Team Leaders of the Implementing Agencies, with the responsibility for overall coordination and reporting; and

(b) a PSC, with the responsibility for providing overall oversight and policy guidance. The PSC shall be comprised of, the Permanent Secretary of MoWHC, a representative of the Permanent Secretary MOFPED, Engineer-in-chief MoWHC, Director for Transport and Communications (MoWHC), Managing Director of URC, and Commissioner General of URA.

4. The Borrower shall, during implementation of the Project, maintain its participation in the RSC, including in the preparation of the agenda, and organizing meetings of the RSC with the other Regional Countries.

B. Execution Covenants

5. Except as the Association shall otherwise agree, the Borrower shall, for the purpose of Parts C and D of the Project: (a) cause MoWHC and URA to implement the

Project in accordance with procedures, guidelines, timetables and criteria set forth in the Project Implementation Manual; (b) in coordination with URC, carry out the concession of Uganda Railways in accordance with timetables, criteria, guidelines and procedures set forth in the Project Implementation Manual; and (c) not amend, or abrogate, or waive, or permit to be amended, abrogated or waived, the Project Implementation Manual, or any provision thereof, in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of Parts C and D of the Project, or the achievement of the objectives thereof.

6. The Borrower shall select the auditors referred to in Section 4.01 (b) (i) of this Agreement on or before September 30, 2006.

C. Execution Covenants for Parts C.1(a) and C.1(d) of the Project

7. Subsidiary Financing Agreement:

The terms and conditions of the Subsidiary Financing Agreement shall include, but not limited to the obligation of URA, to:

(a) carry out the respective Part C.1 of the Project with due diligence and efficiency, in conformity with appropriate administrative, financial, technical and environmental practices and in accordance with the PIM, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the Project;

(b) comply with the procedures for procurement of goods, works and consultant services set forth in Schedule 3 to this Agreement;

(c) comply with record keeping, auditing and reporting requirements set forth in Section 4.01 of this Agreement with respect to the respective Part of the Project, including the annual auditing of its records and accounts in respect of Part C.1 of the Project (operations, resources and expenditure in respect of the Project);

(d) at the request of the Borrower or the Association, exchange views with the Borrower and the Association with regard to the progress of the respective Part of the Project and the performance of its obligations under the Subsidiary Financing Agreement;

(e) promptly inform the Borrower and the Association of any condition which interferes or threatens to interfere with the progress of the Project, or the performance of its obligations under the Subsidiary Financing Agreement;

(f) except as the Borrower and the Association shall otherwise agree, neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving Subsidiary Financing Agreement or any provision thereof; and

(g) ensure that in the event of conflict between the Subsidiary Financing Agreement and this Agreement, the latter shall prevail.

D. Environmental Covenants and Execution of the Abbreviated Resettlement Plan under Part D.2 of the Project

8. EMP, EIA and SMP

The Borrower shall:

(a) prior to commencement of any civil works on inland container depot, cause URC, to implement the EIA and EMP in a form and substance satisfactory to the Association; and

(b) cause the Concessionaire to prepare: (i) the SMP within 12 months of the Commencement Date; and (ii) the Concessionaire's environmental management plan within six months of the Commencement Date; and to subsequently implement such plans, in accordance with the time tables specified in such plans.

9. Implementation of Abbreviated RAP under Part D.2 of the Project

Prior to commencement of any activity on the rail track, or other site adjacent to the rail tracks, which may involve involuntary resettlement or involuntary acquisition of land, including displacement of existing traders and vendors within the safety corridor (as defined in the Abbreviated RAP), the Borrower, through MoWHC and URC, shall: (a) implement the Abbreviated RAP for involuntary resettlement of Displaced Persons; and (b) ensure appropriate compensation including necessary compensatory measures, resettlement and rehabilitation of such Displaced Persons, in accordance with the Abbreviated RAP.

F. Reporting, Monitoring and Midterm Review

10. Reporting:

The Borrower shall ensure timely preparation by PITS of the respective Implementing Agencies, and submission to the Association of half yearly progress reports of implementation of Parts C and D of the Project.

11. Monitoring:

The Borrower shall cause each Implementing Agency to:

(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 Parts C and D of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 30 in each Project Year, a report integrating the results of the monitoring 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 Association, by October 31 in each Project Year, or such later date as the Association shall request, the report referred to in paragraph (a) 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 Association's views on the matter.

12. Midterm Review

The Borrower shall not later than twenty four (24) months after the Effective Date, carry out jointly with the Association, and the Implementing Agencies a mid-term review (the Midterm Review) of the progress made in carrying out Parts C and D of the Project. The Midterm Review shall among other things cover:

(a) an assessment of: (i) work programs prepared as of the date of the Midterm Review and the progress made in carrying out the said programs; (ii) training provided under Parts C and D of the Project; (iii)

procurement under Parts C and D of the Project; (iv) the extent to which actions described in the indicators set out in Schedule 5 to this Agreement have been carried out; and (v) plans made or proposed for updating said indicators.

- (b) a review of the state of maintenance of any works carried out under Parts C and D of the Project.

SCHEDULE 5

Performance Monitoring Indicators

- (1) Corridor Transit Time
 - (a) Total Transit time through the Northern Corridor from Mombasa to Kampala decreases by 20%.
 - (b) Border-crossing time between Uganda and Kenya, Uganda and Rwanda, decreases by 20%.
 - (c) Uncertainty in total transit time along regional main trade corridors decreases by half.
- (2) The net transfers from GoK and GOU to the rail sector become negative.
- (3) The freight traffic carried by railways in Uganda and Kenya and measured in net-ton-kilometers increases by 75% in five years.
- (4) The EAC Customs Management Law and Regulations are implemented in Uganda.
- (5) Total Transit time through the Ugandan portion on (Malaba-Katuna) of Northern Corridor decreases by 20%.