

CONFORMED COPY

GEF TRUST FUND GRANT NUMBER TF051204 UG

UWEC Project Agreement

(Protected Areas Management and Sustainable Use Project)

between

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

acting as an Implementing Agency of the Global Environment Facility

and

UGANDA WILDLIFE EDUCATION CENTER

Dated September 16, 2002

GEF TRUST FUND GRANT NUMBER TF051204 UG

PROJECT AGREEMENT

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

WHEREAS (A) by the Global Environment Facility Trust Fund Grant Agreement (GEF Trust Grant Agreement) of even date herewith between the Republic of Uganda (the Recipient) and the International Bank for Reconstruction and Development (the Bank), acting as an implementing agency of the Global Environment Facility (GEF) in respect of grant funds provided to the Global Environment Facility Trust Fund (GEF Trust Fund) by certain members of the Bank as participants to the GEF, the Bank has agreed to make available to the Recipient an amount of six million four hundred seven thousand Special Drawing Rights (SDR 6,407,000), on terms and conditions set forth in the GEF Trust Fund Grant Agreement; and

(B) by a subsidiary agreement to be entered into between the Recipient and UWEC (UWEC Subsidiary Agreement), proceeds of the GEF Trust Fund Grant provided for under the GEF Trust Fund Grant Agreement, will be made available to UWEC on the terms and conditions set forth in said UWEC Subsidiary Agreement;

WHEREAS UWEC, in consideration of the Bank's entering into the GEF Trust Fund Grant Agreement with the Recipient, has agreed to undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires, the several terms defined in the GEF Trust Fund Grant Agreement, the Preamble to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth.

ARTICLE II

Execution of Part B of the Project

Section 2.01. (a) UWEC declares its commitment to the objectives of the Project as set forth in Schedule 2 to the GEF Trust Fund Grant Agreement, and, to this end, shall carry out Part B of the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, environmental practices, and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for Part B of the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Bank and UWEC shall otherwise agree, UWEC shall carry out Part B of the Project in accordance with the Implementation Program set forth in Schedule 1 to this Agreement.

Section 2.02. Except as the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for Part B of the Project and to be financed out of the proceeds of the GEF Trust Fund Grant shall be governed by the provisions of Schedule 3 to the GEF Trust Fund Grant Agreement.

Section 2.03. (a) UWEC shall carry out the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) in respect of Part B of the Project.

(b) For the purposes of Section 9.06 of the General Conditions and without limitation thereto, UWEC shall:

- (i) prepare, on the basis of guidelines acceptable to the Bank and furnish to the Bank not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Bank and the Recipient, a plan for the future operation of Part B of the Project; and
- (ii) afford the Bank a reasonable opportunity to exchange views with UWEC on said plan.

Section 2.04. UWEC shall duly perform all its obligations under the Subsidiary Agreement. Except as the Bank shall otherwise agree, UWEC shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Agreement or any provision thereof.

Section 2.05. (a) UWEC shall, at the request of the Bank, exchange views with the Bank with regard to the progress of Part B of the Project, the performance of its obligations under this Agreement and under the Subsidiary Agreement, and other matters relating to the purposes of the Project .

(b) UWEC shall promptly inform the Bank of any condition which interferes or threatens to interfere with the progress of Part B of the Project, the accomplishment of the purposes of the Project, or the performance by the Recipient of its obligations under this Agreement and under the Subsidiary Agreement.

ARTICLE III

Management and Operations of UWEC

Section 3.01. UWEC shall carry on its operations and conduct its affairs in accordance with sound administrative, financial and environmental practices under the supervision of qualified and experienced management assisted by competent staff in adequate numbers.

Section 3.02. UWEC shall at all times operate and maintain its equipment and other property, and from time to time, promptly as needed, make all necessary maintenance and renewals thereof, all in accordance with sound engineering, financial and environmental practices.

Section 3.03. UWEC shall take out and maintain with responsible insurers, insurance against such risks and in such amounts as shall be consistent with appropriate practice.

ARTICLE IV

Financial Covenants

Section 4.01. (a) UWEC shall maintain a financial management system, including records and accounts, and prepare financial statements, all in accordance with

accounting standards acceptable to the Bank, consistently applied, adequate to reflect its operations and financial condition and to register separately the operations, resources and expenditures related to Part B of the Project.

(b) UWEC shall:

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

(c) For all expenditures with respect to which withdrawals were made on the basis of statements of expenditure, UWEC shall:

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

- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) Without limitation upon UWEC's progress reporting obligations set out in Section 4.01, UWEC shall prepare and furnish to the Bank a Financial Monitoring Report, in form and substance satisfactory to the Bank, which:

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

(b) The first FMR shall be furnished to the Bank not later than 45 days after the end of the first calendar quarter after the Effectiveness Date, and shall cover the period from the incurrence of the first expenditure under Part B of the Project through the end of such first calendar quarter; thereafter, each Financial Monitoring Report shall be furnished to the Bank not later than 45 days after each subsequent calendar.

ARTICLE V

Effective Date; Termination; Cancellation and Suspension

Section 5.01. This Agreement shall come into force and effect on the date upon which the GEF Trust Fund Grant Agreement becomes effective.

Section 5.02. (a) This Agreement and all obligations of the Bank and of UWEC thereunder shall terminate on the earlier of the following two dates:

- (i) the date on which the GEF Trust Fund Grant Agreement shall terminate in accordance with its terms; or
- (ii) the date 20 years after the date of this Agreement.

(b) If the GEF Trust Fund Grant Agreement terminates in accordance with its terms before the date specified in paragraph (a) (ii) of this Section, the Bank shall promptly notify UWEC of this event.

Section 5.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE VI

Miscellaneous Provisions

Section 6.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telex or facsimile to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. Deliveries made by facsimile transmission shall also be confirmed by mail. The addresses so specified are:

For the Bank:

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

Cable address:

Telex:

facsimile:

INTBAFRAD
Washington, D.C.

248423 (MCI)
64145 (MCI)

(202)477 6391

For Uganda Wildlife Education Center:

Plot # 56/57 Johnson Rd
P. O. Box 369
Entebbe, Uganda
Facsimile: 256-41-320073

Section 6.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of UWEC may be taken or executed by the Executive Director or such other person or persons as the Executive Director shall designate in writing, and the Executive Director shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 6.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

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

INTERNATIONAL BNAK FOR RECONSTRUCTION
AND DEVELOPMENT

By /s/ Theodore Ahlers
Acting Regional Vice President

UGANDA WILDLIFE EDUCATION CENTER

By /s/ Edith Ssempala
Authorized Representative

SCHEDULE 1

Implementation Program

1. UWEC shall carry out Part B of the Project under the overall supervision of the Permanent Secretary of MTTI.
2. UWEC shall: (a) appoint a Financial Manager and an Accountant; and (b) establish a procurement unit with staff having qualifications and experience satisfactory to the Bank.
3. UWEC shall:
 - (a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 5 to the GEF Trust Fund Grant Agreement, the carrying out of Part B of the Project and the achievement of the objectives thereof;
 - (b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about 24 months after the Effectiveness Date, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of Part B 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 Part B of the Project and the achievement of the objectives thereof during the period following such date; and
 - (c) review with the Bank, by no later than 60 days after the date of such report, or such later date as the Bank shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of Part B of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Bank's views on the matter.