

June 25, 2010

Ms. Nathalia Feinberg  
Ambassador  
Royal Danish Embassy  
Plot No.3 , Lumumba Avenue  
P.O.Box 11243,Kampala

*Trust Fund Administration Agreement between the Kingdom of Denmark and the International Bank for Reconstruction and Development and the International Development Association concerning the Technical and Administrative Support to the Joint Budget Support Framework in Uganda Multi-Donor Trust fund (TF No. 071500)*

Dear Ms Feinberg:

1. We are pleased to acknowledge on behalf of the International Development Association (“IDA” or the “Bank”) that the Kingdom of Denmark, acting through its Ministry of Foreign Affairs (the “Donor”) shall make available as a grant the sum of three million seventy four thousand forty five Danish Kroner (DKK3,074,045.00) (the “Contribution”) for the Technical and Administrative Support to the Joint Budget Support Framework in Uganda Trust Fund (the “Trust Fund”) in accordance with the terms of this Agreement. Other donors are also expected to contribute to the Trust Fund on the terms and conditions specified in the Annexes to this Agreement.
2. The Contribution shall be used to finance the activities and the categories of expenditure set forth in the “Description of Activities and Expenditures under the Technical and Administrative Support to the Joint Budget Support Framework in Uganda Trust Fund” attached hereto as Annex 1, and shall be administered by the Bank on behalf of the Donor in accordance with the terms of this Agreement including the “Standard Provisions Applicable to the Technical and Administrative Support to the Joint Budget Support Framework in Uganda Trust Fund” (the “Standard Provisions”) attached hereto as Annex 2.
3. The Donor shall deposit the Contribution into such account designated by the Bank in installments in accordance with the following schedule:
  - (a) promptly following countersignature of this Agreement by the Donor, two million one hundred thousand Danish Kroner (DKK 2,100,000.00).
  - (b) on or before 31<sup>st</sup> June 2012, nine hundred and seventy four thousand forty five Danish Kroner (DKK 974,045.00).
4. When making respective deposits in (a) and (b) above, the Donor shall instruct its bank to include in its payment details information (remittance advice) field of its SWIFT payment message, information indicating: the amount paid, that the payment is made by

the Donor for TF071500 (Technical and Administrative Support to the Joint Budget Support Framework in Uganda Trust Fund), and the date of the deposit (the "Deposit Instruction"). In addition, the Donor shall provide a copy of the Donor's Deposit Instruction to the Bank's Accounting Trust Funds Division by e-mail sent to [tfremitadvice@worldbank.org](mailto:tfremitadvice@worldbank.org) or by fax sent to (202) 614-1315.

5. The Bank shall convert the Contribution funds into the holding currency of the Trust Fund, namely United States Dollars, promptly upon receipt of the Contribution funds and the Deposit Instruction containing the information specified in paragraph 4 at the exchange rate obtained by the Bank on the date of the conversion. Where the Contribution proves to be insufficient to complete the activities as a result of an exchange rate fluctuation, neither the Bank nor the Donor shall bear any responsibility for providing any additional financing.

6. Except as provided for in paragraph 4 above, any notice, request or other communication to be given or made under this Agreement shall be in writing and delivered by mail, facsimile or e-mail to the respective party's address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the Bank:

Paul Wade  
Senior Country Economist  
AFTP2

World Bank Uganda Country Office  
1 Lumumba Avenue, Rwenzori House  
P. O. Box 4463, Kampala, Uganda  
Tel: +256 (0)414 302247  
Fax: +256 (0)414 230092  
E-mail: [pwade@worldbank.org](mailto:pwade@worldbank.org)

For the Donor:

Name: Henrik Larsen  
Deputy Head of Mission  
Royal Danish Embassy, Kampala  
Plot No.3 , Lumumba Avenue  
P.O.Box 11243,Kampala  
Tel: +256(0)312263211  
Fax: +256(0)312264624  
E-mail:[kmtamb@um.dk](mailto:kmtamb@um.dk)

7. All annexes hereto constitute an integral part of this Agreement. This Agreement may be amended only in writing between the Bank and the Donor; provided, however,

that such annexes may be amended only with the agreement of all donors contributing to the Trust Fund.

8. Please confirm your agreement with the foregoing, on behalf of the Donor, by signing, dating, and returning to us the enclosed copy of this Agreement. Upon receipt by the Bank of the copy of this Agreement countersigned by you, this Agreement will become effective as of the date of the countersignature.

Sincerely,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

\_\_\_\_\_  
/s/ Kundhavi Kadiresan

John McIntire  
Country Director for Uganda  
Africa Region

**AGREED:**

**ROYAL MINISTRY OF FOREIGN AFFAIRS**

By: \_\_\_\_\_

Date: July 1, 2010

Name: /s/ Nathalia Feinberg

Title: Ambassador

**Description of Activities and Expenditures under the Technical and Administrative Support to the Joint Budget Support Framework in Uganda Trust Fund**

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and entities (collectively, the “Donors”) that provide contributions (the aggregate of all contributions from the Donors, the “Contributions”) to be administered by the Bank for the Trust Fund.

**A. DESCRIPTION OF ACTIVITIES**

The objective of the Multi Donor Trust Fund (MDTF) is to strengthen the Recipient’s policy program by providing an analytical foundation for the Joint Budget Support Framework (JBSF) and by improving its administration, through the establishment of a Technical and Administrative Support Unit (TASU).

The activities covered include:

(i) Providing technical and analytical support to the JBSF. The TASU will conduct research and technical analysis that will underpin the JBSF policy dialogue, provide a basis for the design of the JAF, and contribute to effective monitoring of Government performance. The TASU’s technical and research work will contribute to the two main JBSF outputs: the annual identification of future JAF indicators and actions, conducted jointly with the Government of Uganda, and the monitoring and final appraisal of the JAF, completed in Oct/Nov of each year. To support these key activities, the TASU will produce policy notes giving policy guidance on proposed reforms or key performance constraints; commission/conduct in-depth impact evaluations of new policies or initiatives supported under the JAF, where/if possible in close collaboration with relevant Government counterparts; coordinate and commission other studies and research relevant to the JBSF review; and follow the budget process and analyze budget outcomes; work with UBOS to ensure that the Uganda Panel Survey results and other survey data are used to inform the JBSF; and report on projected and disbursed aid flows.

(ii) Providing administrative and logistical support to the JBSF technical and policy dialogue taskforce. Administrative functions of the TASU will include performing secretarial functions (e.g. sending out relevant paper work, taking minutes, arranging meetings, and keeping a record of the relevant papers), supporting the recruitment and contracting of consultancies identified by the taskforce, coordinating production of aide memoires for the JBSF missions, ensuring that sectors are briefed on the JBSF processes and progress, working with the government to arrange annual workshops and conferences, and facilitating the preparation of logistics, necessary documentation and reports for JBSF identification missions, the JAF appraisal and the JAF review processes.

(iii) Developing and implementing a communication strategy for the JBSF.

The communications officer, in close collaboration with the Government, will develop a communication strategy for the JBSF including the establishment of a website, and facilitate the development of JBSF press releases and information sharing.

**B. CATEGORIES OF EXPENDITURE**

The Contributions may be used to finance Associated Overheads, Consultant Fees, Equipment Cost Lease, Extended Term Consultants, Temporary Staff Costs (STT and ETT), Contractual Services, Field Assignment Benefits, Staff Costs (excluding indirect cost), Travel Expenses, and Media and Workshop Costs.

The foregoing categories of expenditures may include the financing of taxes.

**Standard Provisions Applicable to the Technical and Administrative Support to the Joint Budget Support Framework in Uganda Trust Fund**

This Annex shall be applicable to and form an integral part of all agreements entered into between the Bank and the Donors that provide Contributions to be administered by the Bank for the Trust Fund.

1. Administration of the Contributions

1.1. The Bank shall be responsible only for performing those functions specifically set forth in this Agreement and shall not be subject to any other duties or responsibilities to the Donors, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Agreement shall be considered a waiver of any privileges or immunities of IDA under its Articles of Agreement or any applicable law, all of which are expressly reserved.

1.2. The Contribution shall be administered in accordance with the Bank's applicable policies and procedures, as the same may be amended from time to time, including its framework to prevent and combat fraud and corruption and its screening procedures to prevent the use of Bank resources to finance terrorist activity, in line with the Bank's obligations to give effect to the relevant decisions of the Security Council, taken under Chapter VII of the Charter of the United Nations. The Donor acknowledges that this provision does not create any obligations of the Bank under the anti-terrorist financing and asset control laws, regulations, rules and executive orders of an individual member country that may apply to the Donor, nor shall it be deemed a waiver, express or implied, of any of the privileges and immunities of the Bank.

2. Commingling, Exchange and Investment of the Contributions

2.1. The Contributions shall be accounted for as a single trust fund and shall be kept separate and apart from the funds of the Bank. The Contributions may be commingled with other trust fund assets maintained by the Bank.

2.2. The Contributions may be freely exchanged by the Bank into other currencies as may facilitate their disbursement.

2.3. The Bank shall invest and reinvest the Contributions pending their disbursement in accordance with the Bank's policies and procedures for the investment of trust funds administered by the Bank. The Bank shall credit all income from such investment to the Trust Fund to be used for the same purposes as the Contributions.

3. Administrative Cost Recovery

3.1. In order to assist in the defrayment of the costs associated with the establishment of the Trust Fund, the Bank may, following deposit of the first Contribution from any Donor to the Trust Fund, deduct and retain for its own account from that Contribution an amount equal to and not greater than thirty-five thousand United States Dollars (US\$35,000).

3.2. In order to assist in the defrayment of the costs of administration and other expenses incurred by the Bank under this Agreement, the Bank may deduct and retain for its own account an amount equal to five percent (5%) of each Contribution. If the contributions increase beyond what was originally expected at the time of counter-signature of the first administration agreement, and the administrative costs increase as a result, the Donors acknowledge that an additional administrative fee may be applied to such new contributions.

#### 4. Procurement

The employment and supervision of any consultants and the procurement of any goods financed by the Contributions shall be the responsibility of the Bank and shall be carried out in accordance with its applicable policies and procedures.

#### 5. Accounting and Financial Reporting

5.1. The Bank shall maintain separate records and ledger accounts in respect of the Contributions deposited in the Trust Fund account and disbursements made therefrom.

5.2. The Bank shall furnish to the Donors current financial information relating to receipts, disbursements and fund balance *in the holding currency* of the Trust Fund with respect to the Contributions via the World Bank's Trust Funds Donor Center secure website. Within six (6) months after all commitments and liabilities under the Trust Fund have been satisfied and the Trust Fund has been closed, the final financial information relating to receipts, disbursements and fund balance *in the holding currency* of the Trust Fund with respect to the Contributions will be made available to the Donors via the World Bank's Trust Funds Donor Center secure website.

5.3. The Bank shall provide to the Donors, within six (6) months following the end of each Bank fiscal year, an annual single audit report, comprising (1) a management assertion together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for all cash-based trust funds as a whole; and (2) a combined financial statement for all cash-based trust funds together with the Bank's external auditor's opinion thereon. The cost of the single audit shall be borne by the Bank.

5.4. If a Donor wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the Trust Fund, the Donor and the Bank shall first consult as to whether such an external audit is necessary. The Bank and the Donor shall agree on the appropriate scope and terms of reference of such audit. Following

agreement on the scope and terms of reference, the Bank shall arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, shall be paid by the requesting Donor.

6. Progress Reporting

6.1. The Bank shall provide the Donors with an annual report on the progress of activities financed by the Contributions. Within six (6) months of the final disbursement date specified in paragraph 8.1, the Bank shall furnish to the Donors a final report on the activities financed by the Trust Fund.

6.2 Any Donor may review or evaluate activities financed by the Trust Fund. The Donor and the Bank shall agree on the scope and conduct of such review or evaluation, and the Bank shall provide all relevant information within the limits of its policies and procedures. All associated costs shall be borne by the Donor. It is understood that any such review or evaluation will not constitute a financial, compliance or other audit of the Trust Fund.

7. Disbursement; Cancellation; Refund

7.1 It is expected that the Contributions will be fully disbursed by the Bank by October 31, 2013. The Bank shall only disburse Contributions for the purposes of this Agreement after such date with the written approval of the Donors.

7.2 Any Donor or the Bank may, upon three (3) months' prior written notice, cancel all or part of the Donor's pro rata share, of any remaining balance of the Contributions that is not committed pursuant to any agreements entered into between the Bank and any consultants and/or other third parties for the purposes of this Agreement prior to the receipt of such notice.

7.3 Following the final disbursement date specified in paragraph 7.1, the Bank shall return any remaining balance of the Contributions to the Donor on a pro rata basis based on the Donors' paid Contributions. In the event of a cancellation the Bank shall promptly return to the relevant Donor the Donor's pro rata share of uncommitted Contributions in accordance with paragraph 7.2.

8. Disclosure

The Bank may disclose this Agreement and information on this Trust Fund in accordance with the Bank's policy on disclosure of information, in effect at the time of such disclosure. By entering into this Agreement, Donors consent to disclosure of this Agreement and information on this Trust Fund.