

**CONFORMED COPY**

**CREDIT NUMBER 3624 UG**

# **Development Credit Agreement**

**(Decentralized Service Delivery:  
A Makerere University Training Pilot Project)**

**between**

**THE REPUBLIC OF UGANDA**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated April 10, 2002**

**CREDIT NUMBER 3624 UG**

**DEVELOPMENT CREDIT AGREEMENT**

AGREEMENT, dated April 10, 2002, between THE REPUBLIC OF UGANDA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

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

(B) the Project will be carried out by Makerere University with the Borrower's assistance and, as part of such assistance, the Borrower will make the proceeds of the Credit provided for in Article II of this Agreement (the Credit) available to Makerere University, as set forth in this Agreement;

(C) the Borrower will obtain from Rockefeller Foundation a contribution (the Rockefeller Grant), in an amount equivalent to US \$5,000,000 to assist in the financing of the Project on terms and conditions agreed to between the Borrower and Rockefeller Foundation; 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 and in the agreement of even date herewith between the Association and Makerere University (the Project 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 October 6, 1999) (the General Conditions), constitute an integral part of this Agreement.

Paragraph (c) of Section 9.06 of the General Conditions is modified to read as follows:

"(c) Not later than six months before the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, the Borrower shall prepare and furnish to the Association a report, of such scope and in such detail as the Association shall reasonably request, on the execution and initial operation of the Project, its cost and the benefits derived and to be derived from it, the performance by the Borrower and the Association of their respective obligations under the Development Credit Agreement and the accomplishment of the purposes of the Credit."

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) "Academic Excellence Grant" means an annual grant made or proposed to be made to a selected Makerere University Unit and/or a Partner Institution Unit (as hereinafter defined), for distinguished innovative work related to decentralization, for the year preceding the

grant, under the Fund for Innovative Excellence (as hereinafter defined);

(b) “District” means a district established under the Borrower's Constitution and its Local Government Act of 1997;

(c) “Eligible Categories” means categories (1) through (5) set forth in the table in Paragraph A.1 of Schedule 1 to this Agreement;

(d) “Eligible Expenditures” means the expenditures for goods, services and Grants referred to in Section 2.02 of this Agreement;

(e) “Fiscal Year” means the fiscal year of the Borrower commencing July 1 in any one year and ending June 30 the following year;

(f) “Financial Monitoring Report” means each report prepared in accordance with Section 4.02 of the Project Agreement;

(g) “Fund for Innovative Excellence” means a fund set up within Makerere University for the awarding of Academic Excellence Grants and Local Government Excellence Grants (as hereinafter defined);

(h) “Grant” means either an Academic Excellence Grant or a Local Government Excellence Grant (as hereinafter defined);

(i) “Grant Recipient” means a selected Makerere University Unit and/or a Partner Institution Unit, and a Local Government (as all hereinafter defined), which has received or is entitled to receive a Grant;

(j) “IAPSO” means the Inter-Agency Procurement Services of the United Nations;

(k) “[I@mak.com](mailto:I@mak.com)” means Innovations at Makerere Committee located within Makerere University and established for the purpose of supporting policy formulation, coordination, restructuring and reorganization of Makerere University’s training services, in line with the Borrower’s decentralization activities and policies;

(l) “Local Government” means the governing body of a district, or a unit of such a district including, a district council, sub county council, city council, city division council, municipal council, municipal division council and town council, established pursuant to the Local Governments Act of 1997;

(m) “Local Government Excellence Grant” means a grant made, or proposed to be made to a Local Government within a Pilot District (as hereinafter defined), for the carrying out of innovative research, studies and service delivery on decentralization, under the Fund for

Innovative Excellence;

(n) “Makerere University” means the Makerere University, operating under the Borrower’s Universities and Other Tertiary Institutions Act of 2001;

(o) “Makerere University Unit” means a college, faculty, department, school or institute within Makerere University, involved in the implementation of the Project;

(p) “MoES” means the Borrower’s Ministry of Education and Sports;

(q) “MoFPED” means the Borrower’s Ministry of Finance, Planning and Economic Development;

(r) “MoLG” means the Borrower’s Ministry of Local Government;

(s) “Partnership Agreement” means an agreement entered, or to be entered into between Makerere University and a Partner Institution (as hereinafter defined), in accordance with paragraph 4 (b) of Section II of Schedule 2 to the Project Agreement;

(t) “Partner Institution” means any tertiary institution, college or research center with which Makerere University has signed or will sign a Partnership Agreement for the purpose of this Project;

(u) “Partner Institution Unit” means a college, faculty, department, school or institute within a Partner Institution, involved in the implementation of the Project;

(v) “Pilot Districts” means the Borrower’s districts of Arua, Mbarara, Mbale, Rakai and Kampala, identified in the Demand Assessment Study carried out by MISR and dated October 2000, and the Local Government units within the Pilot Districts;

(w) “PIP” means the Project Implementation Plan referred to in Section 6.01 (C) of this Agreement;

(x) “Post Graduate Students” means Masters and PhD students of Makerere University;

(y) “Project Account” means the account to be opened pursuant to Section 3.03 (a) of this Agreement;

(z) “Project Agreement” means the agreement between the Association and Makerere University of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement;

(aa) “Project Implementation Support Allowance” means any payment made or to be made to any member of [I@mak.com](mailto:I@mak.com), over and above their salary, for implementation of the Project, and referred to in paragraph A.2 (c) of Schedule 1 to this Agreement;

(bb) “Secretariat” means the [I@mak.com](mailto:I@mak.com) Secretariat of Makerere University referred to in paragraph 2 Section II of Schedule 2 to the Project Agreement;

(cc) “Special Account” means the account referred to in Schedule 1. B of this Agreement;

(dd) “Subsidiary Grant Agreement” means the agreement to be entered into between the Borrower and Makerere University pursuant to Section 3.01 (b) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Grant Agreement; and

(ee) “Ug. Shilling” means Uganda Shilling, the currency 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 four million Special Drawing Rights (SDR 4,000,000).

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 goods, services and Grants required for the Project and to be financed out of the proceeds of the Credit.

Section 2.03. The Closing Date shall be December 31, 2005 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 April 1 and October 1 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 April 1 and October 1 commencing April 1, 2012 and ending October 1, 2041. Each installment to and including the installment payable on October 1, 2021 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 the 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, without any limitation or restriction upon any of its other obligations under the Development Credit Agreement, shall cause Makerere University to perform in accordance with the provisions of the Project Agreement all the obligations of Makerere University therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable Makerere University to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) The Borrower shall make the proceeds of the Credit available to Makerere University under a Subsidiary Grant Agreement to be entered into between the Borrower and Makerere University, under terms and conditions which shall have been approved by the Association.

(c) The Borrower shall exercise its rights under the Subsidiary Grant 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 Grant Agreement or any provision thereof.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods and consultants' services required for the Project shall be governed by the provisions of Schedule 1 to the Project Agreement.

Section 3.03. Without limitation to its obligations under Section 3.01 of this Agreement, the Borrower, for the purposes of making available its counterpart contribution to the financing of the Project, shall:

(a) open and maintain, for the duration of the Project, an account (the Project Account) in Ug. Shillings in a commercial bank on terms and conditions satisfactory to the

Association;

(b) deposit into the Project Account an initial advance equivalent to \$50,000, and thereafter replenish the Project Account on a quarterly basis, or whenever the balance thereof equals not more than \$15,000 equivalent, whichever occurs first; and

(c) ensure that funds deposited into the Project Account shall be used only for the purposes of defraying the cost of expenditures incurred in the execution of the Project which are not financed out of the proceeds of the Credit.

Section 3.04. For purposes of Part B.2 of the Project, the Borrower shall apply the proceeds of the Credit allocated to Category (4) of the table in paragraph A.1 of Schedule 1 to this Agreement to finance Grants under terms and conditions which shall have been approved by the Association, and which shall include the terms and conditions set forth in Section IV of Schedule 2 to the Project Agreement.

Section 3.05. The Borrower and the Association hereby agree that 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) shall be carried out by Makerere University pursuant to Section 2.03 of the Project Agreement.

## **ARTICLE IV**

### **Financial Covenants**

Section 4.01. (a) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of Financial Monitoring Reports, the Borrower shall:

- (i) maintain or cause to be maintained in accordance with sound accounting practices, records and separate accounts reflecting such expenditures;
- (ii) ensure that all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures are retained until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account was made; and
- (iii) enable the Association's representatives to examine such records.

(b) The Borrower shall:

- (i) have the records and accounts referred to in paragraph (a) (i) of this Section and those for the Special Account for each fiscal year audited, in



accordance with appropriate auditing principles consistently applied, 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 the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested, including a separate opinion by said auditors as to whether the Financial Monitoring Reports 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; and
- (iii) furnish to the Association such other information concerning said records and accounts and the audit thereof as the Association shall from time to time reasonably request.

Section 4.02. The Borrower shall have the independent auditors referred to in paragraph (b) of Section 4.01, appointed no later than September 30, 2002, or such later date as may be agreed to with the Association.

## **ARTICLE V**

### **Remedies of the Association**

Section 5.01. Pursuant to Section 6.02 (1) of the General Conditions, the following additional events are specified:

(a) Makerere University shall have failed to perform any of its obligations under the Project Agreement.

(b) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that Makerere University will be able to perform its obligations under the Project Agreement.

- (c) (i) Subject to subparagraph (ii) of this paragraph the right of the Borrower to withdraw the proceeds of the Rockefeller Grant made to the Borrower for the financing of the Project shall have been suspended, canceled or terminated in whole or in part; and
- (ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that: (A) such suspension, cancellation or termination is not caused by the failure of the Borrower to perform any of its obligations in relation to the Rockefeller Grant; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the

obligations of the Borrower under this Agreement.

Section 5.02. Pursuant to Section 7.01 (h) of the General Conditions, the following additional event is specified, namely that any event specified in paragraph (a) through (c) of Section 5.01 of this Agreement shall occur and shall continue for a period of ninety (90) 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 this Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) the Subsidiary Grant Agreement has been executed on behalf of the Borrower and Makerere University;

(b) the Borrower has opened the Project Account pursuant to Section 3.03 (a) of this Agreement and has deposited therein the initial deposit referred to in Section 3.03 (b) of this Agreement;

(c) a Project Implementation Plan satisfactory to the Association has been adopted for the Project; and

(d) a management information system satisfactory to the Association has been adopted for the Project.

Section 6.02. The following are specified as additional matters, 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: (a) that the Project Agreement has been duly authorized or ratified by the Borrower, and is legally binding upon Makerere University in accordance with its terms; and (b) that the Subsidiary Grant Agreement has been duly authorized or ratified by the Borrower and Makerere University and is legally binding upon the Borrower and Makerere University 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 responsible for 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  
P.O. Box 8147  
Kampala  
Uganda

Cable address:	Facsimile:
FINSEC	230163
KAMPALA	

For the Association:

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

Cable address:	Telex:	Facsimile:
INDEVAS	248423 (MCI) or	(202) 477-6391
Washington, D.C.	64145 (MCI)	

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.

THE REPUBLIC OF UGANDA

By /s/ Edith Grace Ssempala  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Callisto Madavo

Regional Vice President  
Africa

## SCHEDULE 1

### Withdrawal of the Proceeds of the Credit

#### A. General

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	124,400	50% of foreign expenditures and 45% of local expenditures
(2) Consultants' services including audit fees	188,700	50% of foreign expenditures and 45% of local expenditures
(3) Training and workshops (other than <a href="mailto:I@mak.com">I@mak.com</a> allowances)	3,451,600	50%
(4) Grants		50%
(a) Academic Excellence Grant	30,200	
(b) Local Government Excellence Grant	36,300	
(5) Operating Costs	139,400	45%

(6) Unallocated	29,400
	<hr/>
TOTAL	4,000,000_
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2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;

(b) the term “local expenditures” means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower; and

(c) the term “operating costs” means the incremental expenses under the Project on account of supervision costs, office supplies, administrative support, communication, insurance and utility services, travel, vehicle operation and maintenance costs, and bank charges, but excluding salaries of officials of the Borrower’s civil service and Project Implementation Support Allowances.

**B. Special Account**

1. The Borrower shall open and maintain in Dollars a special deposit account in a commercial bank, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment. Except as the Association may otherwise specify by notice to the Borrower, all withdrawals from the Credit Account shall be deposited by the Association into the Special Account in accordance with the provisions of this Schedule. Payments out of the Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of the 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.

2. Except as the Association shall otherwise agree, after the Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals from the Credit Account of amounts to be deposited into the Special Account shall be made as follows:

(a) Each application for withdrawal from the Credit Account shall be supported by a Financial Monitoring Report.

(b) 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 Special Account an amount equal to the lesser of: (i) the amount so requested; and (ii) the amount which the Association has determined, based on the Financial Monitoring Report accompanying said application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such report; provided, however, that the amount so deposited, when added to the amount indicated by said report to be remaining in the Special Account, shall not exceed the equivalent of \$1,000,000. Each such deposit into the

that the amount so deposited, when added to the amount indicated by said report to be remaining in the Special Account, shall not exceed the equivalent of \$1,000,000. Each such deposit into the Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Special Account's Eligible Categories.

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

(a) if the Association determines at any time that any Financial Monitoring Report does not adequately provide the information required pursuant to Section 4.02 of the Project Agreement;

(b) if the Association determines at any time that all further withdrawals 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 and Section 4.01(b) (ii) of the Project Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of: (i) the records and accounts for the Special Account; or (ii) the records and accounts reflecting expenditures with respect to which withdrawals were made on the basis of Financial Monitoring Reports.

4. The Association shall not be required to make further deposits into the Special Account in accordance with the provisions of Paragraph 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 Account may be made and what procedures should be followed for making such deposits, and shall notify the Borrower of its determination.

5. (a) If the Association determines at any time that any payment out of the 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 the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment.

(b) If the Association determines at any time that any amount outstanding in the 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 the Special Account.

(d) Refunds to the Association made pursuant to sub-paragraph (a), (b) or (c) of this paragraph 5 shall be credited to the Credit Account for subsequent withdrawal or for cancellation

(d) Refunds to the Association made pursuant to sub-paragraph (a), (b) or (c) of this paragraph 5 shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the provisions of this Agreement.

## SCHEDULE 2

### Description of the Project

The objective of the Project is to develop an effective and replicable mechanism for the improvement of public service delivery at local government levels, through the improvement and restructuring, of educational and other training services offered by Makerere University and Partner Institutions.

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: Enhancement of Academic Institutional Capacity

1. Organization of workshops and provision of advisory services and training on the issues and concepts of decentralization, for the benefit of professional staff of Makerere University and Partner Institutions, and development of a decentralization resource center at Makerere University.
2. Provision of training and organization of workshops for the benefit of [I@mak.com](mailto:I@mak.com) staff, to support the continued operation and activities of [I@mak.com](mailto:I@mak.com).
3. Provision of training to Makerere University undergraduate students on the concepts and issues of decentralization, through the establishment of an internship program in accordance with PIP.

#### Part B: Support to Local Government Capacity Building

1. Provision of advisory services, organization of workshops and carrying out of research and training, for the benefit of selected staff of Makerere University and Partner Institutions, for the reorganization of existing courses and the development of new courses in the areas of: (a) basic health and medicine; (b) agricultural services; (c) planning and management including budgeting, accounting and financial management; and (d) governance.
2. Supporting the Fund for Innovative Excellence, for the provision of Academic Excellence Grants and Local Government Excellence Grants in accordance with PIP.
3. Provision of advisory services and training, and organization of workshops for the benefit of Local Government staff of Pilot Districts, by selected Makerere University Units and Partner Institution Units.
4. Provision of technical advisory services and material support for the training of staff of

4. Provision of technical advisory services and material support for the training of staff of planning units within the Pilot Districts.

Part C: Enhancement of Policy Research and Formulation Capacity

1. Provision of advisory services, material support and training for the benefit of selected Makerere University and Partner Institutions staff, and the staff of selected ministries involved in the Project, to support the establishment and enhancement of linkages with foreign universities and other institutions of learning involved in decentralization research and training.

2. Provision of fellowships to selected Post Graduate Students to support the carrying out of research on decentralization, in accordance with PIP.

3. Provision of advisory services, material support and training to selected Makerere University and Partner Institutions' staff, for the strengthening of collaboration between Makerere University Units and Partner Institution Units, for the building of policy formulation and research capacity.

Part D: Strengthening Project Coordination, Management, Monitoring and Evaluation

Provision of technical advisory services, equipment and training to selected staff of Makerere University and the Secretariat involved in the implementation, supervision and monitoring and evaluation of the Project.

\* \* \*

The Project is expected to be completed by June 30, 2005.

### **SCHEDULE 3**

#### **Performance Indicators**

By the completion date of the Project:

1. Not less than nine (9) new courses relevant to decentralization offered by Makerere University and Partner Institutions;

2. Qualitative improvement in breadth, academic value, substance and practical utility of course content;

3. Internship Programs developed in not less than 10 disciplines relevant to the Project;

4. Number of Local Governments involved in activities related to the Project in addition to the five (5) pilot districts;



5. Not less than 800 Makerere University and Partner Institutions staff trained in areas relevant to the Project;
  6. Establishment of an operational decentralization resource center at Makerere University;
  7. Not less than 300 Makerere University students undertaking or have completed internships supported by the Project;
  8. Not less than 60 Local Government staff trained by Makerere University and Partner Institutions at undergraduate level;
  9. Not less than 20 Local Government staff trained by Makerere University and Partner Institutions at Masters level;
  10. Airing of educational and informational radio programs in the five (5) pilot districts and beyond;
  11. Not less than 10 faculty based research activities on decentralization undertaken;
  12. Not less than 15 masters level research activities on decentralization undertaken;
  13. Not less than 10 PhD research activities undertaken; and
  14. Not less than three (3) successfully operating partnerships between Makerere University and Partner Institutions.
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