July 10, 1997

The Honorable J.S. Mayanja-Nkangi Minister of Finance and Economy Kampala, Uganda

> Re: Interim Fund Credit No. N023-UG (Third Structural Adjustment Credit) Interim Fund Development Credit Agreement (Article I, Section 1.01)

List of Participating Countries

Dear Sirs:

We refer to the Interim Fund Development Credit Agreement (the Agreement) of even date herewith between the Republic of Uganda (the Borrower) and the International Development Association (the Association) as Administrator (the Administrator) of the Interim Trust Fund (the Interim Fund) established with funds contributed by certain members of the Association pursuant to Resolution No. IDA 184 of the Board of Governors of the Association and, more particularly, to the definition of "Participating Countries" to be found in Section 1.01 (c) thereof.

We have to inform you that, for purposes of the Agreement, the following countries are not "Participating Countries" and, therefore, not eligible to supply goods and services under the Credit: Bahamas, Bahrain, Barbados, Brunei Darussalam, Cyprus, Israel, Kuwait, Oman, Qatar, Singapore, United Arab Emirates and United States. This list of ineligible countries is in addition to the list of ineligible countries under paragraphs 1.6 and 1.8 of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996 (the Guidelines).

In accordance with the operational policies of the Administrator, the term "ineligible countries" applies both to the nationality of bidders, and to the source of goods and services provided.

Please confirm your agreement to the foregoing by signing the enclosed copy of this letter and returning it to us for our records.

Sincerely yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION as Administrator of the interim trust fund established with funds contributed by certain members of International Development Association pursuant to Resolution No. IDA 184 of the Board of Governors of International Development Association

By /s/ Regional Vice President Africa

CONFIMED AND AGREED:

REPUBLIC OF UGANDA

By /s/ Authorized Representative