

**PERFORMANCE AND FUNDING GRANT AGREEMENT**

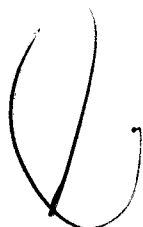
**BETWEEN**

**THE GOVERNMENT OF THE REPUBLIC OF  
UGANDA**

**Represented by the Ministry of Finance, Planning and Economic  
Development**

**AND**

**UGANDA MARTYRS UNIVERSITY**



# PERFORMANCE AND FUNDING GRANT AGREEMENT

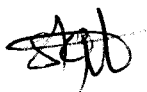
THIS AGREEMENT is made this.....Day of .....2017

between the **GOVERNMENT OF THE REPUBLIC OFUGANDA**, represented by the Ministry of Finance, Planning and Economic Development (hereinafter referred to as “**THE GOVERNMENT**”) of the one part and the **UGANDA MARTYRS UNIVERSITY**, of P.O. Box 5498, Kampala (hereinafter referred to as “**UMU**”) and where the context shall allow refer to its legal representatives, assignees and successors in title of the other part.

**WHEREAS**, by the Financing Agreement for the Eastern and Southern Africa Higher Education Centers of Excellence Project dated **17<sup>th</sup> March, 2017** (hereinafter referred to as the “**The Financing Agreement**”) made between The Government and the International Development Association (hereinafter called “**The ASSOCIATION**”), the Association agreed to lend to the Government an amount in various currencies not exceeding the equivalent of Special Drawing Rights (SDR) 17.1 Million (hereinafter referred to as “**the Credit**”) for the purpose of financing the Eastern and Southern Africa Higher Education (hereinafter referred to as “**The Project**”) and upon the terms and conditions of the Financing Agreement; and

**WHEREAS** under the provisions of Section 1.D of Schedule 2tothe Financing Agreement, the Government is required to enter into a Performance and Funding Grant Agreement with UMU for the purpose of on-granting the portion of the Credit allocated from time to time to Category 1of the Project(hereinafter “**its Respective Part of the Project**”); and

**WHEREAS**, the Government and UMU have agreed to enter into this Performance and Funding Grant Agreement which is the Agreement contemplated under the Financing Agreement upon the terms and conditions set forth therein;



**NOW THEREFORE**, and subject to the terms and conditions of the Financing Agreement, the parties hereto, hereby agree as follows:

## ARTICLE 1

- 1.01. The several capitalized terms used in this Agreement, shall have their respective meanings as ascribed to them in the Financing Agreement.
- 1.02. The term "Uganda Currency" refers to the legal tender in use in the Republic of Uganda.
- 1.03. "Non-Refundable grant" means, the grant provided for under Article 2 of this Agreement.

## ARTICLE 2

### PERFORMANCE FINANCING & ITS TERMS

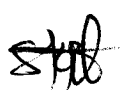
- 2.01. The Government agrees to channel to UMU as a grant, and to the extent that, it is made available to the Government by the Association an amount of US\$6,000,000 (Six million United States Dollars only) Equivalent to SDR 4,275,000 (Four million two hundred seventy five thousand Special Drawing Rights only) on terms and conditions herein set forth. Such amount is hereafter referred to as the "**Non-Refundable Grant**". The funds will be availed through a Designated Account (DA) maintained in US\$ in Bank of Uganda. An annual work plan will be agreed and cleared by Government and the Association for utilization of the Non-Refundable Grant.
- 2.02. For the purpose of withdrawing the Non-Refundable Grant, each withdrawal by UMU under the Performance and Funding Grant Agreement shall be deemed to be a withdrawal of the proceeds of the Credit contribution. Each such withdrawal shall be on the basis of performance-based results achieved by UMU as measured against specific disbursement linked indicators and which results are specifically set out in the Financing Agreement.

**ARTICLE 3**  
**OBLIGATIONS OF UMU**

UMU shall:

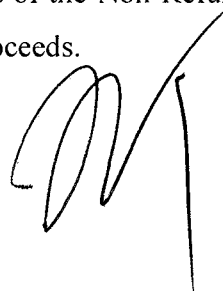

3.01. Use the proceeds of this Non - Refundable Grant wholly and exclusively for the purposes enumerated in the Financing Agreement and this Performance and Funding Grant Agreement and specifically;

- a. Execute Part 1 and collaborate with IUCEA in carrying out Part 2 and 3 of the Project in accordance with the provisions of Article IV of the General Conditions, the Project Agreement for the Project (dated the same date as the Financing Agreement) and Operations Manual, and with due diligence and efficiency and in accordance with sound administrative, financial and technical practices under the supervision of qualified personnel, and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Government and the Association, including in accordance with the provisions of the Anti - Corruption Guidelines.
- b. Procure the goods, non - consulting services and services to be financed out of the Non-Refundable Grant in accordance with the provisions of the Financing Agreement.
- c. Perform and observe the covenants, terms and conditions contained in the Financing Agreement in so far as the same are required to be carried out by the Government.
- d. Maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association and Government, the



progress of its Respective Part of the Project and the achievements of its objectives.

- e. Maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association and Government, both in a manner adequate to reflect the operations, resources and expenditures related to its Respective Part of the Project.
- f. Ensure that the accounts of the project are audited by the Auditor General, in accordance with consistently applied auditing standards acceptable to the Government and the Association, and promptly furnish the statements so audited to the government and the Association.
- g. Cooperate fully with the Government to ensure that the purpose of the Financing Agreement is accomplished and do everything possible to enable the Government to fulfill its obligations under the Financing Agreement.
- h. Promptly inform the Government of any condition which interferes with or threatens to interfere with the progress of its Respective Part of the Project or performance by UMU of any of its obligations.
- i. Afford or cause to be afforded all the reasonable opportunity for duly authorized representatives of the Association and the Government to make visits and to inspect its Respective Part of the Project, its operation and any relevant records and documents.
- j. Furnish or cause to be furnished to the Association and the Government all such information as the Government and the Association may reasonably request concerning the expenditure of the proceeds of the Non-Refundable Grant and the goods and services financed out of such proceeds.



- k. Ensure that the goods financed out of the proceeds of the Non-Refundable Grant are properly insured with reputable insurers against hazards incident to the acquisition, transportation and delivery of the goods to the place of their use or installation.

#### **ARTICLE 4**

##### **RESPONSIBILITIES OF THE GOVERNMENT**

4.01. The Government through the Ministry of Education and Sports (MoES) will:

- a. Provide overall strategic guidance, oversight and direction to the project, to ensure that the project objectives are attained and enforce compliance to the project procedures and decisions.
- b. Appoint and establish a National Steering Committee. The NSC is tasked with the semi-annual review of performance, withdrawal applications and implementation planning and support, but with no day to day implementation or approvals.
- c. Convene and Chair on Quarterly basis the National Steering Committee, where review will be made on the DLI results and related withdrawal applications, oversee audits through approval of the terms of reference for the annual audit, monitoring of required follow-ups on recommendations outlined in the annual audit reports, monitor overall progress of the project implementation, recommend changes to the Project Operations Manual and decisions to be considered by the Regional Steering Committee and promote good practices in project implementation.



- d. Ensure coordination and communication across the selected African Centers of Excellence.

## ARTICLE 5


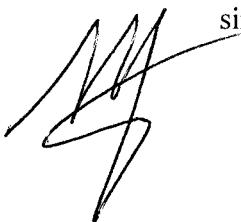
### RIGHTS AND REMEDIES OF THE GOVERNMENT

- 5.01. In the event that UMU shall fail in the performance of any obligation or covenant under this Agreement and such default shall continue for a period of thirty (30) days after notice has been given by Government to UMU, the Government may demand the immediate refund of all amounts disbursed, together with any charges notwithstanding anything to the contrary, and/or suspend or terminate the right of UMU to use the proceeds of this Agreement.

## ARTICLE 6

### EFFECTIVE DATE AND TERMINATION

- 6.01. This Agreement shall enter into force and effect on the date on which it has been signed.
- 6.02. Notwithstanding any cancellation of any amount of the Credit and suspension of the right of the Government to make withdrawals from the Credit, all the provisions of the Agreement shall remain in full force and effect except as expressly provided to the contrary in this section and Article IV Sec 4.02 of the Financing Agreement hereof.
- 6.03. In the event that the rights of the Government under the Financing Agreement to benefit from the same shall be suspended or terminated, then regardless of the reason thereof, the right of UMU to receive further monies, as otherwise provided in this Agreement, shall simultaneously and to the same extent be terminated or suspended as the case may be.



- 6.04. This Agreement shall terminate and all the obligations of the parties hereunder shall cease when the Financing Agreement and Project Agreement expires.
- 6.05. This Agreement shall be binding upon all successors of UMU in whatever forms constituted including their assignees.
- 6.06. No delay in exercising or omission to exercise any right, power or remedy accruing to either party under this Agreement upon any default, shall impair any such right, power or remedy or its exercise or be construed as a waiver thereof or as acquiescence in such default or shall affect or impair any such right, power or remedy in respect of any other subsequent default.

## ARTICLE 7

### MISCELLANEOUS PROVISIONS

- 7.01 (a) Any notice request, approval, information, declaration or further Agreement between the parties, permitted or required by this Agreement shall be in writing and shall be deemed to have been duly given, made or sent when it shall be delivered by hand or by mail, telex or telegram, to the party to which it is required or permitted to be given or made at the address of such party specified below or at such other address as such party shall have designated by notice to the party giving such notice or making such requests:

#### FOR THE GOVERNMENT

The Permanent Secretary/Secretary to the Treasury  
Ministry of Finance, Planning and Economic Development  
P.O.Box 8147, KAMPALA.





**FOR ACE (UMU)**

African Center for Agro-Ecology and Livelihood Systems

Uganda Martyrs University

P. O. Box 5498, Kampala

Tel. No: +256-038-410611; Fax. No: +256 038-410100

Mobile: +256 700171955

E-mails: [vcumu@umu.ac.ug](mailto:vcumu@umu.ac.ug)

Website: <http://www.umu.ac.ug>

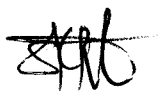
(b) Any action permitted or required to be taken and any document permitted or required to be executed under this Agreement may, on behalf of UMU be taken or executed by the Vice Chancellor or such other person as he/she shall designate in writing.

7.02. Subject to the opinion of the Attorney General, if any dispute arises between the parties hereto, the decision of the Minister of the Government at the time responsible for Finance shall prevail.

7.03. This Agreement may be executed in several counter parts of each of which shall be an original.

7.04 This Agreement shall be read and construed according to the laws of Uganda.

7.05. This Agreement shall not be amended, supplemented, varied or rescinded except with the consent and approval of the Government and the Association.



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

SIGNED BY: *M. M. M. M. M.*

FOR AND ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF UGANDA

Name: *K. S. M. M. M.*

In presence of: .....

SIGNED BY: *Alex Kabooza*

FOR AND ON BEHALF OF THE MINISTRY OF EDUCATION AND SPORTS

Name: *Alex Kabooza*

THE COMMON SEAL of Uganda Martyrs University

*M. M. M. M. M.*  
VICE CHANCELLOR

Name: *John C. Maviiri*

In presence of: .....  
UNIVERSITY LAWYER

Name: *S. S. S. S. S.*

