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CREDIT NUMBER 2907 KE
 CREDIT NUMBER 2908 TA
 CREDIT NUMBER 2909 UG
 GEF TRUST FUND GRANT NUMBER 23819 KE
 GEF TRUST FUND GRANT NUMBER 23817 TA
 GEF TRUST FUND GRANT NUMBER 23818 UG

Joint Project Agreement

(Lake Victoria Environmental Management Project)

among

REPUBLIC OF KENYA

and

UNITED REPUBLIC OF TANZANIA

and

THE REPUBLIC OF UGANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
 and
 INTERNATIONAL BANK FOR RECONSTRUCTION
 AND DEVELOPMENT
 acting as an
 implementing agency of the
 Global Environment Facility

Dated September 10, 1996

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JOINT PROJECT AGREEMENT

AGREEMENT, dated September 10, 1996, among REPUBLIC OF KENYA (Kenya), UNITED REPUBLIC OF TANZANIA (Tanzania), REPUBLIC OF UGANDA (Uganda), INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association), and 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.

WHEREAS (A) by Development Credit Agreements of even date herewith with Kenya, Tanzania and Uganda respectively, the Association has agreed to make to Kenya, Tanzania and Uganda respectively, credits in principal amounts in various currencies equivalent to eight million nine hundred thousand, seven million and eight million four hundred thousand Special Drawing Rights (SDR8,900,000), (SDR7,000,000), and (SDR8,400,000), respectively (the IDA Credits), for the purpose of assisting in the financing of the Project described in Schedule 1 to this Agreement;

(B) by GEF Trust Fund Grant Agreements of even date herewith with Kenya, Tanzania and Uganda, respectively, the Bank has agreed to make to Kenya, Tanzania and Uganda, respectively, grants in principal amounts in various currencies equivalent to eight million, seven million two hundred thousand and nine million two hundred thousand Special Drawing Rights (SDR8,000,000, SDR7,200,000, and SDR9,200,000), respectively, (the GEF Grants) for the purpose of assisting in the financing of the Project described in Schedule 1 to this Agreement; and

WHEREAS the parties hereto have agreed on the execution of the Project and the allocations, withdrawal and use of the proceeds of the IDA Credits and GEF Grants, as well as other matters, as provided in the above-mentioned agreements and hereinafter;

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 IDA Credit Agreements, the GEF Trust Fund Grant Agreements, the Preamble to this Agreement and in the General Conditions (as so defined) have the respective meanings therein set forth and the following terms have the following meanings:

(a) "Borrowers" means Kenya, Tanzania and Uganda with respect to the IDA Credit Agreements;

(b) "Lake Victoria Fisheries Organization" and "LVFO" mean the organization to be established by Kenya, Tanzania and Uganda, pursuant to the convention, dated June 30, 1994;

(c) "FIRI" means the Fisheries Research Institute in Uganda;

(d) "Financing Agreement" means an agreement to be entered into between any of the Borrowers and a Community Project Committee for the purpose of carrying out a Microproject under Part A.3 (f) of the Project;

(e) "Community Project Committee" means a committee or other administrative institution, legally established under the applicable laws of a Borrower, to represent a group of people organized for the purposes of implementing a Microproject;

(f) "Beneficiary" means a community which is represented by a Community Project Committee;

(g) "Microproject Grant" means a grant made or proposed to be made by any of the Borrowers to a Beneficiary for a Microproject under Part A.3 (f) of the Project;

(h) "KEMFRI" means the Kenya Marine Fisheries Research Institute;

(i) "NGO" means a non-governmental organization within the territory of any of the Borrowers;

(j) "National Secretariats" means the three secretariats established in Kenya, Tanzania and Uganda pursuant to the Tripartite Agreement (as hereinafter defined);

(k) "Pilot Zones" means areas which are designated to address specific environmental threats as follows: in Kenya: Nyakach Bay, Berkeley Bay (trans-border with Uganda), Usenge Bay, and Karungu Bay (trans-border with Tanzania); in Tanzania: Mwanza Gulf, Mara Shirati Bay (transborder with Kenya), Speke Gulf, Emin Pasha Gulf, and Kagera - Rubafu Bay (transborder with Uganda); in Uganda: Napoleon Gulf, Mac Donald - Berkele Bay, (transborder with Kenya), Murchison Bay, Sesse Islands and Sango Bay (transborder with Tanzania);

(l) "TAFIRI" means the Tanzania Fisheries Research Institute;

(m) "MENR" means the Kenyan Ministry of Environment and Natural Resources;

(n) "MLRRWD" means the Kenyan Ministry of Land Reclamation, Regional and Water Development;

(o) "MOW" means the Tanzanian Ministry of Water;

(p) "MNRT" means the Tanzanian Ministry of Natural Resources and Tourism;

(q) "MNR" means the Ugandan Ministry of Natural Resources;

(r) "MAAIF" means the Ugandan Ministry of Agriculture, Animal Industry and Fisheries;

(s) "Tripartite Agreement" means the Agreement on the preparation and implementation of a Tripartite Environmental Management Program for Lake Victoria, signed by representatives of the Borrowers on August 5, 1994;

(t) "RPSC" means the Regional Policy and Steering Committee jointly established by the Borrowers pursuant to the Tripartite Agreement; and

(u) PIP means "Project Implementation Plan" means the plan to be adopted by the Borrowers pursuant to Paragraph 4 of Schedule 2 to this Agreement.

ARTICLE II

Execution of the Project

Section 2.01. (a) Kenya, Tanzania, and Uganda, declare their commitment to the objectives of the Project as set forth in Schedule 1 to this Agreement and, to this end, without limitation or restriction upon any of their other obligations, either under this Agreement, the IDA Credit Agreements or the GEF Trust Fund Grant Agreements, shall carry out the Project, all with due diligence and efficiency and in conformity with appropriate administrative and financial practices, with due regard to ecological and environmental factors and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and, except as Kenya, Tanzania, Uganda, the Association and the Bank shall otherwise agree, Kenya, Tanzania and Uganda shall carry out the Project in accordance with the Implementation Program set forth in Schedule 2 to this Agreement.

Section 2.02. Except as the Association and the Bank shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credits or GEF Trust Fund Grants shall be governed by the provisions of Schedule 2 to the IDA Credit Agreements.

Section 2.03. For the purposes of Section 9.07 of the General Conditions, and without limitation thereto, Kenya, Tanzania and Uganda shall:

(a) prepare, on the basis of guidelines acceptable to the Asso-

ciation and the Bank, and furnish to the Association and the Bank not later than six (6) months after the Closing Date, or such later date as may be agreed for this purpose between Kenya, Tanzania and Uganda, the Association and the Bank, a plan designed to ensure the continued achievement of the objectives of the Project; and

(b) afford the Association and the Bank a reasonable opportunity to exchange views with Kenya, Tanzania and Uganda on said plan.

Section 2.04. (a) Kenya, Tanzania and Uganda shall carry out, jointly with the Association and the Bank, not later than March 31, 1999, a mid-term review of the Project. This review shall cover, inter alia: (i) the performance of LVFO, the National Secretariats and the RPSC; (ii) the arrangements for community participation in Project implementation; (iii) transboundary environmental concerns; (iv) the extent to which the development and other objectives of the Project have been achieved, (v) compliance with the financial audit and other obligations of the Borrowers; (vi) the provision of funds for the Project; and (vii) constraints to the successful implementation of the Project;

(b) Kenya, Tanzania and Uganda shall furnish to the Association and the Bank by February 28, 1999, a report in scope and detail, satisfactory to the Association and the Bank, describing the status of progress regarding the items listed in paragraph (a) above and of Project implementation generally; and

(c) Kenya, Tanzania and Uganda shall promptly prepare an action plan, satisfactory to the Association and the Bank, for the further implementation of the Project and shall thereafter implement such action plan.

Section 2.05. Without limitation on the provisions of Section 2.01 of this Agreement, the Borrowers shall each make budgetary allocations, satisfactory to the Association and the Bank representing their annual contributions to the Project.

ARTICLE III

Consultation and Information

Section 3.01. Kenya, Tanzania, Uganda, the Association and the Bank shall cooperate fully to assure that the objectives of the IDA Credits and GEF Trust Fund Grants will be accomplished. To that end, all parties shall from time to time, at the request of any party, exchange views through their representatives with regard to the performance of their respective obligations under this Agreement, the IDA Credit Agreements, the GEF Trust Fund Grant Agreements, and other matters relating to the objectives of the IDA Credits and GEF Trust Fund Grants.

Section 3.02. Kenya, Tanzania, Uganda, the Association and the Bank shall promptly inform each other of any condition which interferes with or threatens to interfere with the accomplishment of the objectives of the IDA Credits and GEF Trust Fund Grants, or the performance by any party of its obligations under this Agreement, the IDA Credit Agreements, the GEF Trust Fund Grant Agreements, and exchange views thereon with all the parties to this Agreement.

ARTICLE IV

Effective Date; Termination; Cancellation and Suspension

Section 4.01. This Agreement shall come into force and effect on the date upon which the IDA Credit Agreements and GEF Trust Fund Grant Agreements become effective.

Section 4.02. (a) This Agreement, and all obligations of Kenya, Tanzania, Uganda, the Association and the Bank thereunder, shall terminate on the later of the following two dates: (i) the date on which the IDA Credit Agreements or the GEF Trust Fund Grant Agreements shall terminate in accordance with their terms; or (ii) the date fifteen years

after the date of this Agreement.

(b) If the IDA Credit Agreements and GEF Trust Fund Grant Agreements terminate in accordance with their terms before the date specified in Section 4.02 of the Agreements, the Association and the Bank shall promptly so notify Kenya, Tanzania and Uganda.

Section 4.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

ARTICLE V

Miscellaneous Provisions

Section 5.01. 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, telegram, cable, telex or radiogram 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. The addresses so specified are:

For Kenya:

Ministry of Finance
P.O. Box 30007
Nairobi
Kenya

Cable Address:

FINANCE
Nairobi

Telex:

22921
MINFIN-KE

For Tanzania:

Ministry of Finance
P.O. Box 9111
Dar es Salaam
Tanzania

Cable Address:

TREASURY

Telex:

41329

For Uganda:

Ministry of Finance and Economic Planning
P.O. Box 8147
Kampala
Uganda

Cable Address:

FINSEC
Kampala

Telex:

61170

For the Association:

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

Cable address:

Telex:

INDEVAS
Washington, D.C.

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

For the Implementing Agency:

International Bank for
Reconstruction and Development

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

Cable address:

Telex:

INDEVAS
Washington, D.C.

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

Section 5.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of Kenya, Tanzania or Uganda may be taken pursuant to Section 7.01 of the respective IDA Credit Agreements and Section 11.03 of the General Conditions in the same manner as if such action were taken under the IDA Credit Agreements.

Section 5.03. 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.

REPUBLIC OF KENYA

By /s/ Benjamin Kipkorir

Authorized Representative

UNITED REPUBLIC OF TANZANIA

By /s/ Mustafa Nyang'anyi

Authorized Representative

THE REPUBLIC OF UGANDA

By /s/ Edith Sempala

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Callisto E. Madavo

Regional Vice President
Africa

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT acting as an
implementing agency of the Global
Environment Facility

By /s/ Callisto E. Madavo

Regional Vice President
Africa

SCHEDULE 1

Description of the Project

The objectives of the Project are to: (i) maximize the sustainable benefits to riparian communities of the Lake Victoria basin from using resources within the basin to generate food, employment and income, supply safe water and sustain a disease-free environment; and (ii) conserve biodiversity and genetic resources for the benefit of the riparian countries in particular and the global community in general.

The Project consists of the following parts, subject to such modifications thereof as Kenya, Tanzania, Uganda, the Association, and the Bank may agree upon from time to time to achieve such objectives:

Part A: Fisheries

1. Fisheries Management

(a) Establishment of the LVFO.

(b) Rehabilitation of offices, acquisition of vehicles and office equipment, and provision of technical advisory services for activities under Part A.1 (a) above.

2. Fisheries Research

(a) Carrying out studies of fish biology and biodiversity conservation, through the acquisition of vehicles, boats, office, laboratory and field equipment and the provision of training, workshops and technical advisory services.

(b) (i) Carrying out studies on aquaculture with a view to restoring and sustaining the survival of several endangered and threatened species of fish; and

(ii) acquisition of vehicles, boats, office, laboratory and field equipment and provision of training, workshops and technical advisory services for the activities in

paragraph (i) above.

- (c) (i) Carrying out socio-economic studies on small-scale fishing and fishing commodity systems, their effects on the environment, alternative management strategies, consequences of changes in fishing policies, social amenities in fishing communities and the contribution of fisheries to the national economy;
- (ii) establishment of a database to develop bibliographies and a central clearing house for information about Lake Victoria and an electronic communications network; and
- (iii) acquisition of vehicles, boats, office, laboratory and field equipment, books and journals and provision of training, workshops and technical advisory services for above activities.

3. Fisheries Extension, Policies and Law

- (a) Harmonization of fisheries laws of the Borrowers.
- (b) Identification and establishment of closed fishing areas in Kenya and Uganda and confirmation of those already established in Tanzania.
- (c) Training of officers to ensure compliance with laws related to fisheries and establishment of customs posts at selected border landing sites.
- (d) Introduction in pilot zones of new techniques in fishery, small-scale aquaculture and promotion of organizations of persons engaged in fishing to monitor fisheries in the Lake.
- (e) Establishment of a fish quality control laboratory in each of the Borrowers' territories.
- (f) Carrying out by communities of Microprojects to provide sanitary facilities, water supply, local roads and health facilities.
- (g) Acquisition of vehicles, boats, office, laboratory and field equipment and provision of training, workshops and technical advisory services for activities in paragraphs (a) through (f) above.

4. Fish Levy Trust

Carrying out a study and making recommendations to raise revenues and to implement a system to collect levies from the fishing industry to support fisheries and ecosystem management in the Lake Victoria Basin and its catchment area.

Part B: Water Hyacinth Control

- 1. Establishment of sustainable long-term capacity for maintaining control of water hyacinth and other invasive weeds in the Lake Victoria Basin, through an integrated effort involving, inter alia, intensified publicity, enactment of relevant legislation and integrated pest management, all with community involvement.
- 2. (a) Acquisition of vehicles, boats, office, laboratory and field equipment, laboratory chemicals, herbicides and biological control agents, for above activities.
- (b) Rehabilitation of offices and laboratories and provision of training, workshops and technical advisory services for above activities.

Part C: Water Quality and Ecosystem Management

- 1. Establishment of periodic assessments of the physical and chemical characteristics of Lake Victoria, estimation of plankton abundance, species composition and primary production, estimation of effects of water quality on the regional economy, and establishment of the basis

for a nutrient and pollution control program.

2. Carrying out a study to estimate sedimentation loading at the mouths of the Kagera, Simiyu, and Nyando rivers, and to estimate the sedimentation rates within the lake.

3. Carrying out a hydraulic study to measure patterns of water circulation in the Rusinga Channel and similar areas in the territorial waters of Tanzania and Uganda, to determine the interaction between vertical and horizontal circulation components, improve existing estimates of hydraulic retention periods in Lake Victoria and develop simulation models of the dynamics of nutrients and phytoplankton, which will be used to predict the impacts of eutrophication control programs and pollution intervention strategies.

4. Acquisition of vehicles, boats, office, laboratory and field equipment, laboratory chemicals and reagents, and rehabilitation of offices, laboratories and monitoring stations and provision of training, workshops and technical advisory services for the above activities.

Part D: Industrial and Municipal Waste Management

1. Improvement of the management of industrial and municipal effluent and assessment of the contribution of urban runoff to lake pollution, with a view to designing alleviation measures through: (a) the preparation of inventories and classification for all factories and industries in the catchment area, (b) assessment of treatment of effluent before discharge and its dilution and dispersion levels, (c) quantification of pollution and nutrient flows from urban runoff, (d) identification and characterization of areas with excessive pollution, (e) formulation of guidelines and effluent discharge standards, (f) establishment of training programs in managing industrial and municipal waste for industrialists and local authorities, (g) launching of public awareness campaigns, and (h) initiation of pilot treatment projects in selected municipalities and industries.

2. Creation of "wetlands" to test tertiary treatment through filtration of industrial waste from the Pan Paper Mill in Webuye (Kenya) and from various industrial companies in Mwanza and in Jinja.

3. Creation of "wetlands" to test tertiary treatment through filtration of municipal waste in Kisumu, Mwanza, and Jinja.

4. Rehabilitation of urban sanitation systems in Kisumu, Mwanza, Bukoba and Kampala, which are currently discharging untreated waste directly into the lake.

5. Acquisition of vehicles, boats, office, laboratory and field equipment, laboratory chemicals and reagents, construction of artificial wetlands, construction of urban sanitation works, and provision of training, workshops, and demonstrations, and technical advisory services for above activities.

Part E: Land Use and Wetland Management

1. Management of Pollution Loading: Establishment of a water quality monitoring network throughout the Lake Victoria catchment area, to estimate the effects of changes in land use on pollution loads in the lake, and development of policies and programs to control non-point source pollution.

2. Buffering Capacity of Wetlands: Investigation of the buffering processes and capacity of Lake Victoria wetlands and devising of a management strategy for the wetlands.

3. Role of Agro-Chemicals in Pollution: Implementation of the following activities on selected sites in the Winam Gulf, Nyando, and Nzoia catchment areas in Kenya, the Simiyu catchment area in Tanzania and the Kakira sugar estate in Uganda : (a) carrying out inventories of agro-chemicals; (b) conducting fields trials on pesticides and nutrients applied on farms; (c) monitoring residues leaching out of the catchments

and pesticide levels in receiving rivers; (d) assembling of a database of agro-chemical use in the Lake Victoria Basin; (e) establishing arrangements for dissemination of information; and (f) providing training courses for extension services personnel on better use of agro-chemicals.

4. Soil Conservation: Implementation in the catchments areas of the Simiyu, Nyando and Kagera rivers of soil conservation measures, including: (a) the quantification of soil erosion and nutrient loss, (b) designing of remedial measures and sustainable agricultural practices; (c) development of systems to promote soil and water conservation; and (d) establishment of demonstration units.

5. Wetlands: Carrying out a wetlands pilot program in selected communities, to: (a) estimate economic benefits from wetlands products; (b) develop management strategies for their sustainable use and for the rehabilitation of specific degraded wetlands; (c) develop strategies for community participation in sustainable use and initiation of pilot activities to demonstrate this use; and (d) strengthen capacity of local NGOs and community-based organizations to undertake activities.

6. Afforestation: Protection of selected parts of the lake catchment area including planting trees.

7. Acquisition of vehicles, boats, office, laboratory and field equipment, books and journals, laboratory chemicals and reagents, construction of rain gauge stations, provision of training, workshops, and demonstrations, and technical advisory services, carrying out of ground and aerial survey work, and creation of forestry seedling nurseries and reserves to support the above activities.

Part F: Institutional Framework

1. Strengthening the National Coordinating Secretariats in Kenya, Tanzania and Uganda.

2. Strengthening facilities for environmental analyses and graduate teaching at Moi University, School of Environmental Studies and the Fisheries Department (Kenya), the Zoology Department of the University of Dar es Salaam (Tanzania) and the Department of Zoology of Makerere University (Uganda).

3. Preparation of a pollution disaster contingency plan including: (a) carrying out an inventory of hazardous sites and vulnerable water uses and sites; (b) review of safety regulations; (c) assessment of available facilities and planning provisions to deal with emergencies; (d) implementation of a public education program; (e) establishment of early warning systems; and (f) development of a draft Regional Disaster Plan and Protocol.

* * *

The Project is expected to be completed by June 30, 2002.

SCHEDULE 2

Implementation Program

Overall Project Coordination

1. (a) Each Borrower shall maintain the Regional Policy and Steering Committee (RPSC), established pursuant to the Tripartite Agreement dated August 5, 1994. The RPSC shall, inter alia, be responsible for the overall Project coordination and approve the annual plans prepared by each of the National Secretariats.

(b) The Borrowers shall each maintain until the completion of the Project, their National Secretariats, established pursuant to the Tripartite Agreement. Such National Secretariats shall, for Project activities within their respective territories: (i) provide a day-to-day central contact point and information clearing house for all agencies implementing the Project; (ii) gather information from all agencies in their respective territories; (iii) be responsible for monitoring; and

(iv) prepare progress reports.

2. (a) Each National Secretariat shall be headed by an appointee, with qualifications and experience, satisfactory to the Association and the Bank, and which are equivalent to the position of Deputy Principal/Permanent Secretary.

(b) Each Secretariat shall have suitably qualified staff in adequate numbers, with qualification and experience, satisfactory to the Association and the Bank.

3. The Borrowers shall establish and maintain a high level panel of internationally renowned scientists (PS), whose qualifications shall be satisfactory to the Association and the Bank, to serve as an overall advisory group for the scientific studies in Lake Victoria under the Project. The PS, shall have seven members, at least three members being suitably qualified natural scientists, and two members suitably qualified social scientists. The membership shall be reviewed by the Borrowers every two years. The PS shall assist in ensuring maximum benefits to the Borrowers from activities of the international scientific community relevant to the Project activities, by providing a means for improving coordination of such activities and increasing their contribution to specific capacity building and problem solving in the Lake Victoria Basin. The PS shall provide to the Project agencies guidance, comments and advice, and bring their technical expertise to bear on Project activities. The PS shall meet at least once a year to review issues arising during Project implementation or, at the request of the RPSC, to provide advice on specific issues.

4. Except as the Association and the Bank shall otherwise agree, the Borrowers shall, in carrying out the Project, apply the procedures, guidelines and monitoring indicators set out in the Project Implementation Plan, and shall not amend or waive any provision of said Plan, which, in the opinion of the Association and the Bank, will materially or adversely affect the implementation of the Project.

5. The National Secretariats shall by March 31, in each year, commencing March 31, 1997, prepare annual work programs, training plans and related financing plans, submit such plans to the RPSC for approval and thereafter furnish them by no later than May 15 in each year to the Association for its review and comments. The RPSC shall also review all Project components with regional implications and propose appropriate measures to ensure that implementation is carried out at a comparable pace in Kenya, Tanzania, and Uganda.

6. The Borrowers shall annually, commencing June 1997, hold national workshops coordinated by the National Secretariats and a regional workshop coordinated by the Regional Secretariat in Tanzania, to assess implementation progress and reach agreement on any adjustment needed.

7. The Borrowers shall annually, commencing in July 1997, carry out with the Association and the Bank, a comprehensive review, to discuss the annual work plans, financial procedures and arrangements for the following year.

Part A: Fisheries

8. The Borrower shall: (a) take all measures necessary to establish LVFO not later than November 30, 1996, and (b) thereafter cause LVFO to: (i) coordinate the activities associated with fisheries; (ii) liaise with KEMFRI, TAFIRI and FIRI, who shall take the lead in carrying out the activities related to fisheries research; (iii) collaborate with the Fisheries Departments of the respective Borrowers in fisheries extension activities and the various Ministries responsible for water with regard to the water quality activities.

Water Hyacinth Control

9. Each Borrower shall, by no later than November 30, 1996, establish national steering committees for the water hyacinth control program. Such national committees shall be comprised of at least five members,

and shall meet at least twice a year.

10. The Borrowers shall ensure that all herbicides used in the water hyacinth control program shall; (a) be acceptable to the Association; (b) be used sparingly in strictly selected and confined areas; (c) be handled by persons trained in their safe and appropriate handling and use; and (d) establish mechanisms for careful monitoring of their use.

11. The Borrowers shall ensure that, with the exception of the biological control agents for water hyacinth, no new species shall be introduced into Lake Victoria without first carrying out an environmental impact assessment.

12. The Borrowers shall ensure that environmental impact assessments, including public comments thereon, are carried out prior to introducing any new interventions likely to have a negative impact on fish ecology.

13. Part D: Industrial and Municipal Waste Management

The Borrowers shall ensure that Environmental Impact Assessments are carried out prior to implementing any activities under Parts D.1 (h) and D.4 of the Project.

14. Part A-4 Fish Levy Trust

The Borrowers shall: (a) by December 31, 1997, complete the Levy Trust Study under Part A.4 of the Project, and furnish the recommendations to the Association and the Bank for their review; (b) by July 31, 1998, jointly establish a Levy Trust Fund to support joint fisheries and management and central monitoring initiatives under the Project.

15. Microprojects under Part A.3 (f)

The Microprojects shall be administered by the relevant regional administrations in each of the Borrowers' territories and supervised by the Ministry of Tourism and Wildlife in Kenya, Office of the Vice President in Tanzania and the Ministry of Agriculture, Animal Industries and Fisheries in Uganda. Each Borrower shall establish an Evaluation Committee to approve proposals from said regional administrations.

Eligibility Criteria for Microprojects

16. Without limitation upon the provisions of paragraph 15 above, Microprojects shall be eligible for financing out of the proceeds of the Credit, only if they cost less than \$15,000 per Microproject and are determined by each Borrower, on the basis of an appraisal conducted in accordance with the guidelines set forth in the PIP, to satisfy the eligibility criteria specified below and in more detail in the PIP, which shall include, inter alia, the following:

(a) the Microproject shall be for water supply from groundwater, sanitary facilities, local roads and health facilities;

(b) the Microproject shall be initiated by a Beneficiary which shall include a village, group of villages, a district area, cluster of communities or a neighborhood in an urban area or their representing institutions;

(c) the Microproject shall be economically, financially and technically viable in accordance with standards defined in the PIP;

(d) the Beneficiary community must provide at least 10% of the estimated Microproject costs in the form of cash, materials, labor and other services; and

(e) the Microproject shall be in compliance with the standards set forth in the applicable laws and regulations of each Borrower relating to health, safety and environmental protection.

Terms and Conditions of Grants made for microprojects

17. In financing Microprojects, each Borrower shall enter into a Financing Agreement with a Community Project Committee or other appropriate administrative institutions legally constituted under the laws of each Borrower. The terms and conditions of the Financing Agreements shall include provisions pursuant to which:

(a) the Community Project Committee shall be responsible for Microproject implementation;

(b) financing shall be on a grant basis;

(c) each Community Project Committee shall be responsible for implementing the Microproject in accordance with the provisions of the Financing Agreement and the PIP, with due diligence and efficiency in accordance with sound technical, financial, environmental and managerial standards, and for maintaining adequate records;

(d) each Community Project Committee shall have the obligation to report to each Borrower on the progress made in the implementation of the Microproject;

(e) Each Borrower shall have the right to obtain all such information as such Borrower, the Association or the Bank shall reasonably request regarding Microproject implementation, administration, operations and the financial condition of the Community Project Committee and the benefits to be derived from the Microproject;

(f) the goods, civil works and services to be financed out of the proceeds of the Credit for Microprojects shall be procured in accordance with the provisions of Schedule 2 to the IDA Credit Agreement; and

(g) Each Borrower shall have the right to suspend or terminate the right of the Community Project Committee to use the proceeds of the Credit for a Microproject upon failure by any such Community Project Committee to perform any of its respective obligations under the Financing Agreement.

