

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER H710-BI

Financing Agreement

(Lake Victoria Environmental Management Project II)
(Phase II)

between

REPUBLIC OF BURUNDI

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 12, 2011

GRANT NUMBER H710-BI

FINANCING AGREEMENT

AGREEMENT dated September 12, 2011, entered into between REPUBLIC OF BURUNDI (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”).

WHEREAS (A) The Recipient, the Republic of Rwanda (“Rwanda”), the Republic of Kenya (“Kenya”), the Republic of Uganda (“Uganda”) and the United Republic of Tanzania (“Tanzania”) have, pursuant to the Protocol for the Sustainable Development of Lake Victoria Basin dated November 29, 2003, undertaken to co-operate in the joint and efficient management and sustainable utilization of natural resources within the Lake Victoria Basin; and

(B) In order to assist in carrying out activities aimed at improving the collaborative management of the trans-boundary natural resources of the Lake Victoria Basin and reducing environmental stress in targeted pollution hotspots and selected degraded sub-catchments so as to improve livelihoods of the communities living in the Lake Victoria Basin:

(1) the Recipient has requested the Association to assist in the financing of the project described in Schedule 1 to this Agreement (“Project”);

(2) under LVEMP II Phase I, Kenya, Uganda and Tanzania have each received from the Association credits to assist in the financing of activities related to the Project that are designed to further the objectives of this Project and the Protocol (respectively, “Kenya Project”, “Uganda Project” and “Tanzania Project”);

(3) under LVEMP II Phase I, the East African Community (“EAC”) has received grants from: (A) the International Bank for Reconstruction and Development (“Bank”), acting as an implementing agency for the Global Environment Facility (“GEF”); and (B) the Association, acting as administrator of various funds made available by the Swedish International Development Agency (“SIDA”); to assist in the financing of activities related to the Project that are designed to further the objectives of this Project and the Protocol (“EAC Project”); and

(4) Rwanda has requested the Association to assist in the financing of activities related to the Project that are designed to further the objectives of this Project and the Protocol (“Rwanda Project”).

WHEREAS the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the Grant to the Recipient upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to nine million three hundred thousand Special Drawing Rights (SDR 9,300,000) (variously, “Grant” and “Financing”) to assist in financing the Project.
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is Dollars.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project, through its Ministry of MEEATU, in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Protocol has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the: (i) EAC to perform any of its obligations under the GEF Grant Agreement and the SIDA Grant Agreement; and/or (ii) Recipient, Rwanda, Kenya, Uganda and Tanzania to perform their obligations under their respective financing agreements.
 - (b) The right of any one of: (i) Uganda to withdraw the proceeds of the financing under the Uganda Financing Agreement; (ii) Tanzania to withdraw the proceeds of the financing under the Tanzania Financing Agreement; (iii) Kenya to withdraw the proceeds of the financing under the Kenya Financing Agreement; (iv) Rwanda to withdraw the proceeds of the financing under the Rwanda Financing Agreement; or (v) the EAC to withdraw the proceeds of the financing under the GEF Grant Agreement or the SIDA Grant Agreement, has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the aforesaid agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The Recipient has prepared and adopted a Project Implementation Manual in accordance with Section I.B1(a) of Schedule 2 to this Agreement.
 - (b) The Recipient has established the National Policy Steering Committee and National Technical Advisory Committee in accordance with the provisions of Sections I.A.1 and I.A.2 of Schedule 2 to this Agreement.
 - (c) The Recipient has established the National Project Coordination Team in accordance with Section I.A.3 of Schedule 2 to this Agreement, and has recruited a national Project coordinator, a Project accountant and a procurement officer for the said team.
- 5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its Minister at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of Finance
P.O. Box1830
Bujumbura
Republic of Burundi

Facsimile:
+257-22-223-827

6.03. The Association's Address is:

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

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI)	1-202-477-6391

AGREED at Bujumbura, Burundi, as of the day and year first above written.

REPUBLIC OF BURUNDI

By

/s/ Clotilde Nizigama
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Mercy Miyang Tembon
Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to: (i) improve the collaborative management of the trans-boundary natural resources of the LVB for the shared benefits of the Partner States; and (ii) reduce environmental stress in targeted pollution hotspots and selected degraded sub-catchments to improve the livelihoods of communities, who depend on the natural resources of LVB.

The Project constitutes the second phase of the Program, and consists of the following parts:

Part 1. Strengthening Institutional Capacity for Managing Shared Water and Fisheries Resources

(a) Harmonization of policies and regulatory standards

Carrying out a program aimed at strengthening the Recipient's capacity for development and implementation of harmonized regulatory standards for water, fisheries resources and watershed management, such program to consist of:

- (i) participation of national and local authorities in the regional dialogue organized by the EAC on matters relating to harmonization of the Recipient's national policies and regulatory standards for water, fisheries resources and watershed management;
- (ii) implementation of recommendations made by the EAC under the EAC Project with a view to harmonizing the Recipient's policies and regulatory standards for water and fisheries with those of the other Partner States;
- (iii) development (in coordination with the other Partner States and the EAC) and implementation of appropriate regulatory and policy frameworks for the natural resources and environmental management of the LVB; and
- (iv) development of sustainable financing mechanisms to support sustainable development in the LVB.

(b) Ecosystem Monitoring and Applied Research

Carrying out a program to strengthen the capacity of the Recipient to conduct ecosystem monitoring and applied research, such program to consist of:

- (i) development (in coordination with the other Partner States and the EAC) of appropriate scientific and socio-economic data gathering protocols;

ecosystem monitoring tools; and data sharing mechanisms for the LVB;
and

- (ii) carrying out priority research related to the management of water, fisheries and land resources with particular focus on transboundary and multi-disciplinary issues affecting the LVB.

Part 2. Point Source Pollution Control and Prevention

Carrying out of a program of activities designed to reduce point sources pollution from municipal wastewater and improve sanitation services, such program to consist of:

- (a) undertaking pollution assessment studies and implementation of localized wastewater collection and treatment schemes;
- (b) carrying out of feasibility and detailed engineering studies for wastewater treatment systems, including development of related master plans; and
- (c) construction or rehabilitation of basic sanitation facilities in schools, selected public facilities and pollution hotspots.

Part 3. Watershed Management

(a) **Restoration of Wetlands and Riparian Vegetation**

Carrying out a program of activities designed to enhance integrated management and rehabilitation of critical wetland ecosystems and river banks vegetation in the LVB.

(b) **Rehabilitation of Hillsides**

Carrying out a program of activities designed to enhance sustainable land management practices, reduce soil erosion and improve ecosystem services in targeted watersheds.

(c) **Livelihoods Improvement**

- (i) Carrying out a program of activities aimed at mobilizing communities and developing such communities' capacities to prepare and implement Subprojects.
- (ii) Carrying out specific development activities designed to improve watershed management in selected sub-catchment areas and/or support alternative income generating activities.

Part 4. Project Coordination and Management

(a) **Project Coordination and Communication**

Carrying out a program of activities designed to strengthen the capacities of NPSC, NPCT, and NTAC in Project management, coordination and planning, including development and implementation of a communication strategy relating to the sustainable use of LVB resources and information exchange with the other Partner States.

(b) **Monitoring and Evaluation**

Carrying out a program of activities aimed at strengthening the monitoring and evaluation capacities of the implementing agencies at the national and district level, such program to include development of a GIS-based management information system.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**1. National Policy Steering Committee

The Recipient shall establish and thereafter maintain, at all times during Project implementation, the NPSC, with composition, mandate and resources satisfactory to the Association and with responsibility for: (i) providing national level Project operational policy guidance; (ii) approving Project investments; (iii) reviewing annual work plans and budgets; and (iv) resolving obstacles to Project implementation. Without limitation to the foregoing, the NPSC shall be headed by the permanent secretary of MEEATU; and its composition shall include, permanent secretaries of the Recipient's Ministries responsible for agriculture; finance; industry; planning; national solidarity; sanitation and local administration.

2. National Technical Advisory Committee

The Recipient shall establish and thereafter maintain throughout Project implementation, the NTAC with composition, terms of reference and resources satisfactory to the Association, to be responsible for providing technical advice to the NPSC and NPCT relating to the Project. Without limitation to the foregoing, the NTAC shall be chaired by the national focal point officer and shall be comprised of representatives of the Recipient's ministries responsible for agriculture and environment; local government; universities and research institutions; the private sector and non-governmental organizations; all with qualifications and experience satisfactory to the Association.

3. National Project Coordination Team

The Recipient shall establish and thereafter maintain, throughout implementation of the Project, the NPCT, within MEEATU, with composition, terms of reference and resources satisfactory to the Association, to be responsible for overall day to day Project implementation, supervision and monitoring and evaluation of the Project. Without limitation on the foregoing, the NPCT shall at all times be supported by competent staff in adequate numbers, including a national Project coordinator, an accountant, a procurement officer and other technical specialists as required under the Project, all with qualifications, experience and terms of reference satisfactory to the Association.

4. Commune Project Coordination Teams

The Recipient shall by not later than March 30, 2012 , establish and thereafter maintain, throughout Project implementation, the CPCTs in each participating district with resources and mandate satisfactory to the Association, to be responsible for facilitating and/or implementing Project activities under Parts 2 and 3 of the Project.

B. Implementation Covenants

1. Project Implementation Manual

(a) The Recipient shall prepare and adopt a manual, in form and substance satisfactory to the Association, outlining *inter alia*, financial management, procurement, disbursement arrangements, monitoring arrangements for the Project, guidelines for the eligibility, preparation and implementation of the Subprojects, including the financial management manual, procurement manual, community financial management and procurement handbook (“Project Implementation Manual”).

(b) The Recipient shall carry out the Project in accordance with the Project Implementation Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and, except as the Association shall otherwise agree in writing, shall not amend, abrogate or waive any provision of the Project Implementation Manual.

2. Consultation, Information Sharing and Cooperation with the EAC and other Partner States

Without limitation upon the provisions of Section 4.10 of the General Conditions, the Recipient shall, at all times during Project implementation, and in accordance with the provisions

(a) exchange views with the EAC and the other Partner States on the Project and its objectives, and shall promptly inform the EAC and the other Partner States of any condition that interferes with or threatens to interfere with the accomplishment of the objectives of the Project or the Recipient’s performance under this Agreement;

(b) take all measures required on its part to enable the EAC: (i) carry out its obligations as overall coordinator of the regional projects in the LVB as stipulated under the Protocol and the EAC Project; and (ii) carry out the EAC Project, including facilitating any requisite consultations taking place within the Recipient’s territory; and

- (c) comply with its obligations under the EAC Treaty and the Protocol, including cooperation with the EAC and other Partner States on matters relating to the Project in accordance with the provisions of the EAC Treaty and the Protocol.

3. Annual Work Plans

- (a) The Recipient shall prepare and furnish to the Association for its approval, not later than ninety (90) days before the end of each fiscal year during the implementation of the Project, a proposed work plan (including a budget therefor) containing all activities proposed to be carried out under the Project during the following fiscal year.
- (b) The Recipient shall exchange views with the Association on each such proposed annual work plan (including budget), and shall thereafter adopt, and carry out such program of activities for such following fiscal year as shall have been agreed with the Association, as such plan may be subsequently revised during such following fiscal year with the prior written agreement of the Association (“Annual Work Plan”).

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Environmental and Social Safeguards

- 1. (a) The Recipient shall carry out the Project in accordance with the provisions of the ESMF, IPPF, RPF, IPM and any ESMPs and RAPs.
- (b) If any activities included in an Annual Work Plan would, pursuant to the ESMF, require the adoption of an ESMP, the Recipient shall ensure that no such activities shall be implemented unless and until an ESMP for such activities: (i) is prepared, in accordance with the ESMF and furnished to the Association for review and approval; and (ii) is disclosed as required by the ESMF; and
- (c) If a RAP would be required for any activities included in an Annual Work Plan on the basis of the RPF, the Recipient shall ensure that: (i) said RAP has been prepared in accordance with the requirements of the RPF, disclosed locally and furnished to the Association as part of the proposed Annual Work Plan; and (ii) that no such activities shall commence until: (A) all measures required to be taken under said RAP prior to the initiation of said activities have been taken; (B) a report, in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP has been prepared and

furnished to the Association; and (C) the Association has confirmed that said activities may be commenced.

2. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall, in accordance with terms of reference satisfactory to the Association: (a) monitor the status of compliance with the ESMF, IPPF, IPM, RPF, and all ESMPs and RAPs; and (b) prepare and furnish to the Association, as part of each Project Report, a report on the results of such monitoring activities during the period covered by said Project Report, giving details of:
 - (i) measures taken in furtherance of such ESMF, IPPF, RPF, IPM, ESMPs and RAPs;
 - (ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such ESMF, IPPF, RPF, IPM, ESMPs and RAPs; and
 - (iii) remedial measures taken or required to be taken to address such conditions.
3. The Recipient shall afford the Association a reasonable opportunity to review the reports prepared under paragraph 2 of this Part D, and thereafter shall carry out with due diligence all remedial measures agreed with the Association so as to ensure the proper implementation of the Project in accordance with the ESMF, IPPF, RPF, IPM and any RAPs and ESMPs.

E. Subprojects

1. General

The Recipient shall appraise, approve and monitor the Subprojects under Part 3(c)(ii) of the Project in accordance with the provisions of this Section I.E, as further elaborated in the Project Implementation Manual.

2. Eligibility Criteria and Procedures for Subprojects

The Recipient shall make Sub-grants to Beneficiaries in accordance with eligibility criteria and procedures acceptable to the Association and further outlined in the PIM, which shall include the following:

- (a) the proposed Beneficiary is a village or a community in a selected sub-catchment;
- (b) the proposed Subproject: (i) consists of specific development activities designed to generate community benefits such as: (A) natural resource conservation interventions, including upstream rain water harvesting and

storage, sediment retention structures, gully erosion control, planting multipurpose trees, afforestation and reforestation; (B) livelihood improvement interventions, including horticulture, terracing, aquaculture, livestock development, small scale irrigation, energy efficient cook stoves, and latrines; (C) low-cost technologies aimed at reducing post harvest losses to fish, horticultural, and livestock products; and supply chain linkages; (ii) is economically and technically viable; and (iii) is in compliance with all applicable laws and regulations of the Recipient relating to safety, health and environmental protection;

- (c) the Beneficiary has undergone a capacity building training program provided for under Part 3(c)(i) of the Project;
- (d) the total cost of the proposed Subproject is fully covered by the sum of the proposed Sub-grant and the Beneficiary's contribution; and
- (e) if, on the basis of the environmental and social assessment conducted for the Subproject, an environmental and social management plan, pest management plan, resettlement action plan, and/or vulnerable groups participation plan tailored to the Subproject are or is required, such plan or plans have been prepared pursuant to the ESMF, RPF and/or IPPF.

3. Terms and Conditions of Sub-grant Agreements

- (a) A Sub-Grant shall be made for each Subproject approved in accordance with the provisions of paragraph 2 of this Section I. E under a Sub-Grant Agreement between the Recipient and the Beneficiary implementing the Subproject, on terms and conditions satisfactory to the Association, including the following, whereby:
 - (i) the Beneficiary shall undertake to: (A) contribute, in cash or in kind, at least 10% of the total estimated Subproject cost; (B) carry out the Subproject with due diligence and efficiency and in accordance with sound environmental, social, engineering, financial, and managerial standards and practices, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Financing proceeds other than the Recipient; (C) procure the goods, works, and services to be financed out of the proceeds of the Sub-grant in accordance with the provisions of Section III of this Schedule 2, and use the same exclusively in the carrying out of the Subproject; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and

the achievement of its objectives; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Subproject; and (2) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association; (F) enable the Recipient and the Association to inspect the Subproject, its operation and any relevant records and documents; and (G) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and

(ii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to suspend or terminate the right of any Beneficiary to use the proceeds of the Sub-grant upon failure by the Beneficiary to perform any of its obligations under the Sub-grant Agreement.

(b) The Recipient shall exercise its rights under the Sub-grant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project's objective, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive the Sub-grant Agreement or any of its provisions.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.
2. For purposes of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six months before Closing Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. The Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following sentence specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used: (a) Limited International Bidding; (b) National Competitive Bidding; (c) Shopping; (d) Direct Contracting; and (e) Community Participation procedures which have been found acceptable to the Association.

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following sentence specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the

amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consultants' services for Part 1 of the Project	1,350,000	100%
(2) Goods, works, non-consulting services, and consultants' services for Part 2 of the Project	1,350,000	100%
(3) Goods, works, non-consulting services, consultants' services and Training for Part 3(a), (b) and (c)(i) of the Project	3,650,000	100%
(4) Goods, non-consulting services, consultants' services, Training and Incremental Operating Costs for Part 4 of the Project	1,750,000	100%
(5) Goods, works and services for Subprojects under Part 3(c)(ii) of the Project and to be financed out of the proceeds of a Sub-Grant	400,000	100%
(6) Unallocated	800,000	
TOTAL	9,300,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement; or
 - (b) under Category (5) unless the Sub-Grant Agreement for each Subproject has been made in accordance with Section I.E of this Schedule 2.
2. The Closing Date is June 30, 2017.

APPENDIX

Definitions

1. “Annual Work Plan” means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.B.3 of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011.
3. “Beneficiary” means a community or village which meets the eligibility criteria set forth or referred to in Section I.E.2 of Schedule 2 to this Agreement and the PIM, and to which a Sub-grant is made or proposed to be made to benefit groups or individuals within such communities or villages.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Commune Project Coordinating Teams” or “CPCTs” means the teams referred to in Section I.A.4 of Schedule 2 to this Agreement, responsible for facilitating and/or implementing Project activities under Parts 2 and 3 of the Project.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
7. “EAC” or “East African Community” means the inter-governmental organization established under Article 2 of the EAC Treaty and comprising of the Partner States.
8. “EAC Project” means the GEF Project and the SIDA Project.
9. “EAC Treaty” means the treaty dated November 30, 1999, establishing the EAC, and pursuant to which the Partner States have undertaken to cooperate in relation to the LVB in a coordinated and sustainable manner.
10. “ESMF” or “Environmental and Social Management Framework” means the Recipient’s framework of same name dated May 2011.
11. “ESMP” or “Environmental and Social Management Plan” means with respect to each activity under the Project pursuant to which the ESMF requires it, a plan, such plan to be prepared by the Recipient pursuant to Section I.D.1 of Schedule 2

to this Agreement, in accordance with the provisions of the ESMF and approved by the Association, setting out measures to mitigate any adverse environmental and social impacts arising from such activities; and “ESMPs” means more than one ESMP.

12. “GEF Grant Agreement” means the agreement dated May 5, 2009, entered into between the EAC and the Bank, acting as implementing agency for the Global Environment Facility, providing for a grant to the EAC to assist the EAC in the carrying out of the GEF Project.
13. “GEF Project” means the project carried out by EAC as part of LVEMP II Phase I, and for which a grant in the amount of \$7,000,000 has been made by the Bank as implementing agency for the Global Environment Facility.
14. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
15. “GIS” means geographic information system.
16. “Incremental Operating Costs” means the incremental expenses incurred by the Recipient’s implementing agencies on account of Project implementation, management, and monitoring, including office space rental, utilities, and supplies, bank charges, communications, advertising, vehicle operation, maintenance, and insurance, building and equipment maintenance costs, travel and supervision costs, and salaries of supporting staff, but excluding salaries of officials of the Recipient’s civil service.
17. “IPM” or “Integrated Pest Management” means the Recipient’s plan of same name dated May 2011.
18. “IPPF” or “Indigenous People’s Planning Framework” means the Recipient’s framework entitled “Cadre de Participation des Groupes Vulnérables dans le Projet” dated May 2011 outlining modalities to be followed in assessing the potential positive and adverse effects of Project investments, including Subprojects, on vulnerable groups.
19. “Kenya Financing Agreement” means the agreement dated May 8, 2009, entered into between Republic of Kenya and the Association providing for a credit to the Republic of Kenya to assist it in the carrying out of the Kenya Project.
20. “Kenya Project” means the project being carried out by Kenya as part of LVEMP II Phase I, and for which a credit in the amount of SDR 19,100,000 has been made by the Association.
21. “LVB” or “Lake Victoria Basin” means the region located in the upper Nile River Basin that contains Lake Victoria and its tributaries.

22. “LVEMP II Phase I” means the phase I of the second Lake Victoria Environmental Management Project described in Schedule 1 of the Kenya Financing Agreement, the Tanzania Financing Agreement, the Uganda Financing Agreement, the SIDA Grant Agreement and the GEF Grant Agreement.
23. “MEEATU” means the Recipient’s ministry responsible for water, environment, land and urban planning, and any successor thereto.
24. “NPCT” or “National Project Coordination Team” means the team referred to in Section I.A.3 of Schedule 2 to this Agreement.
25. “NPSC” or “National Policy Steering Committee” means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.
26. “NTAC” or “National Technical Advisory Committee” means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement.
27. “Partner States” means the Recipient, Kenya, Rwanda, Uganda and Tanzania.
28. “PIM” or “Project Implementation Manual” means the Recipient’s manual referred to in Section I.B.1 of Schedule 2 to this Agreement.
29. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011.
30. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 12, 2011 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
31. “Program” means the three phases of the Lake Victoria management program designed to: (i) support sustainable development and management of water and fisheries resources in the LVB; and (ii) address cross sector interests in watershed management and participatory integrated approaches in water resources planning, development and management and set forth or referred to in the letter dated May 3, 2011, from the Recipient to the Association.
32. “Protocol” or “Protocol for the Sustainable Development of Lake Victoria Basin” means the instrument of same name, dated November 29, 2003, pursuant to which the Partner States have undertaken to implement concerted measures to co-operate in the joint and efficient management and sustainable utilization of natural resources within the LVB.
33. “RAP” or “Resettlement Action Plan” means with respect to each activity under the Project pursuant to which the RPF requires a resettlement action plan, such plan, to be prepared by the Recipient pursuant to Section D.1(c) of Schedule 2 to

this Agreement, in accordance with the provisions of the RPF, and approved by the Association, giving details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the RPF, along with the procedural and institutional measures needed to implement such actions, measures and policies; and “RAPs” means more than one such RAP.

34. “RPF” or “Resettlement Policy Framework” means the Recipient’s framework of same name dated May, 2011.
35. “Rwanda Financing Agreement” means the agreement to be entered into between the Republic of Rwanda and the Association providing for a grant to the Republic of Rwanda to assist it in the carrying out of the Rwanda Project.
36. “Rwanda Project” means the project to be carried out by Rwanda in parallel with this Project, and for which a grant is proposed to be made by the Association.
37. “SIDA Grant Agreement” means the agreement dated June 9, 2009, entered into between the EAC and the Bank, as administrator for certain funds made available by the Swedish International Development Agency (“SIDA”), providing for a grant to EAC to assist EAC in the carrying out of the SIDA Project.
38. “SIDA Project” means the project to be carried out by EAC as part of LVEMP II Phase I, and for which a grant in the amount of Swedish Kronor 80,000,000 has been made by the Bank as administrator of certain funds made available by SIDA.
39. “Sub-grant” means a grant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for the purpose of financing a Subproject; and “Sub-grants” means more than one such Sub-grant.
40. “Sub-grant Agreement” means an agreement between the Recipient and a Beneficiary, providing for a Sub-grant to the Beneficiary for the purpose of financing a Subproject.
41. “Subproject” means a specific development activity under Part 3(c)(ii) of the Project, and included in the Community and Sector Development Plans, to be financed out of the proceeds of a Sub-grant; and “Subprojects” means more than one such Subproject.
42. “Tanzania Financing Agreement” means the agreement dated May 22, 2009 entered into between United Republic of Tanzania and the Association providing for a credit to the United Republic of Tanzania to assist it in the carrying out of the Tanzania Project.
43. “Tanzania Project” means the project being carried out by the United Republic of Tanzania as part of LVEMP II Phase I, and for which a credit in the amount of SDR 20,700,000 has been made by the Association.

44. “Training” means the training of persons under Parts 3 and 4 of the Project carried out in accordance with the Annual Work Plan, such term to include travel and subsistence of participants of seminars, workshops, and study tours, rental of training facilities, services of trainers and presenters, preparation and reproduction of training materials, and other costs directly related to preparation and implementation of training programs.
45. “Uganda Financing Agreement” means the agreement dated October 29, 2009 entered into between the Republic of Uganda and the Association providing for a credit to the Republic of Uganda to assist it in the carrying out of the Uganda Project.
46. “Uganda Project” means the project carried out by Uganda in parallel with this Project, and for which a credit is in the amount of SDR 17, 600,000 has been made by the Association.