July 30, 2012

Dr. Richard Sezibera
Secretary General
East African Community
Arusha, TANZANIA

Dear Dr. Sezibera:

Lake Victoria Environmental Management Project II
(gef Grant No. Tf094205)
Amendment No. 1 to gef Trust Fund Grant Agreement

We refer to the Global Environment Facility ("gef") trust fund grant agreement for the above mentioned project (the "project"), dated May 5, 2009 (the "agreement"), between the East African Community ("recipient") and the International Bank for Reconstruction and Development ("World Bank"), acting as an implementing agency of the gef. We refer also to your letter dated April 25, 2012, requesting the World Bank for specific amendments to the agreement.

We are pleased to inform you that the World Bank agrees to your request and proposes to amend the agreement in respect of the provisions below:

1. Paragraph 1 of schedule 1 to the agreement is amended to read as follows:

   "The objectives of the project are to contribute to: (i) the improvement of the collaborative management of the trans-boundary natural resources of the LVB among the Partner States; and (ii) the improvement of environmental management of targeted pollution hotspots and selected degraded sub-catchments for the benefit of communities who depend on the natural resources of LVB."

2. Sections I.B.1 and 2 of schedule 2 to the agreement are deleted in their entirety; sections I.B. 3, 4, 5, and 6 of said schedule are renumbered as sections I.B.1, 2, 3, and 4 respectively.

3. Section II.A of schedule 2 to the agreement is deleted in its entirety and is replaced with the following:

   "A. Project Reports; Completion Report

   1. (a) The Recipient shall monitor and evaluate the progress of the project and consolidate the LVB Countries' Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar quarter, and shall be..."
furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.”

4. Section IV of Schedule 2 to the Agreement is deleted in its entirety is replaced with the table in Annex I to this amendment letter.

5. A new definition 16 is added to read as follows in the Appendix to this Agreement; existing numbers 16 through 29 of said Appendix are renumbered to read as 17 through 30:

“16. “Partner States” mean the LVB countries.”

Except as provided herein, all other provisions of the Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing by countersigning, dating, and returning to us the enclosed copy of this letter. Upon receipt by the World Bank of the copy of this letter countersigned by you, this amendment will become effective as of the date of the countersignature.

Sincerely,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
(Acting as an implementing agency of the GEF)

Sajjad Ali Shah
Acting Country Director for Tanzania, Uganda and Burundi
Africa Region

AGREED:

EAST AFRICAN COMMUNITY

By: ____________________________

Name: DR. RICHARD SEZIBERA

Title: SECRETARY GENERAL

Date: 21/05/2012

Annex 1
"Section IV. Withdrawal of Grant Proceeds"

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank 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 Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods and consultants' services (Pro memoria)</td>
<td>640,958</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Training and Incremental Operating Costs (Pro memoria)</td>
<td>2,933,835</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, consultants' services, Training, and Incremental Costs for Part 1 of the Project</td>
<td>2,849,622</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, consultants' services, Training, and Incremental Costs for Part 4 of the Project</td>
<td>575,585</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>7,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 30, 2015."