Amendment
dated January 24, 2018
to
Indemnity Agreement
(Partial risk Guarantee for the Private Power Generation (Bujagali) Project)
between
REPUBLIC OF UGANDA
and
INTERNATIONAL DEVELOPMENT ASSOCIATION
AMENDMENT TO INDEMNITY AGREEMENT

AMENDMENT ("Amendment Agreement") dated January 24, 2018 to the Indemnity Agreement (as defined below) between the REPUBLIC OF UGANDA ("Uganda") and INTERNATIONAL DEVELOPMENT ASSOCIATION (the "Association").

(A) WHEREAS Uganda and the Association entered into an Indemnity Agreement, dated July 18, 2007 (the "Indemnity Agreement"), pursuant to which Uganda undertook certain obligations to the Association in consideration of the Association entering into the IDA Guarantee Agreement;

(B) WHEREAS Uganda and the Association wish to amend the Indemnity Agreement as provided herein;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Terms in initial capital letters in this Amendment Agreement are used as defined herein, and if not defined herein, as defined in the Indemnity Agreement.

ARTICLE II

Amendments

Section 2.01. With effect from the date of this Amendment Agreement, the Indemnity Agreement is amended as follows.

(a) Section 1.02(c)(x) is deleted in its entirety and replaced with the following:

"(x) "Kalogala Falls Site" means the area designated as "KALAGALA-ITANDA FALLS CONSERVATION AREA" in the map attached to this Indemnity Agreement and encompassing the stretch of Nile River approximately 15 kilometers long that begins upstream at 2.5 kilometers below the Bujagali Dam wall and ends downstream at the tail end of the Isimba Dam reservoir (Maximum Pool Level of 1,055 meters above sea level), thereby including (A) the entire Nile River aquatic area within these limits; (B) all river islands within these limits; (C) all land within 100 meters of both the left and right river banks from the annual maximum high-water line; and (D) the entire area of the Namavundu, Kalagala Falls and Nile Bank Central Forest Reserves except any portions inundated by the reservoir of the Isimba Dam."

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(b) Section 1.02(c)(xii) is deleted in its entirety and replaced with the following:

"(xii) "Mabira Forest Reserve" means the area designated on the map entitled "Mabira Central Forest Reserve – Management Zonation" attached to this Indemnity Agreement, including all use classifications set forth on such map as agreed with the Association;"

(c) Section 3.06(a) is deleted in its entirety and replaced with the following:

"Section 3.06. Uganda shall:

(a) (i) set aside the Kalagala Falls Site exclusively to protect its natural habitat and environmental and spiritual values in conformity with sound social and environmental standards acceptable to the Association;

(ii) ensure that any tourism development at the Kalagala Falls Site will be carried out only in a manner acceptable to the Association and in accordance with the aforementioned standards;

(iii) not develop power generation that could adversely affect the above-stated protection of the Kalagala Falls Site without the prior agreement of the Association;

(iv) (A) conserve, through a sustainable management program and long-term funding mutually agreed by the Government and the Association (no later than expiration of the prevailing sustainable management program or such later date as the Association may agree), the present ecosystem of the Mabira Forest Reserve, as well as the Kalagala Falls Site, including the Kalagala Falls Central Forest Reserve, the Namavundu Central Forest Reserve and the Nile Bank Central Forest Reserve and (B) as part of such management program, as soon as reasonably practicable, but in any event not later than November 30, 2018, prepare and adopt a management plan for the Kalagala Falls Site;¹

(v) take all necessary action within its authority (A) to adopt, as soon as reasonably practicable, but in any event not later than November 30, 2018, and (B) to thereafter maintain, a mechanism satisfactory to the Association that ensures legally-binding and long-term conservation, protection and management of the Kalagala Falls Site; and

(vi) upon receiving the Association's notice of a termination (or prospective termination) of the IDA Guarantee Agreement (whether by the Association's payment thereunder or otherwise) which in turn may lead to a termination of the Project or this Agreement, enter into discussions with the Association regarding an extension (and the terms of any extension) of the afore-

¹ The term "Kalagala Falls Site" is the term used in the Indemnity Agreement for the area to be protected. Uganda may use a different term to designate this area for purposes of the above-referenced sustainable management program, management plan or legally binding mechanism.
mentioned setting aside of and undertakings in respect of the Kalagala Falls Site and the Mabira Forest Reserve;”;

(d) The map attached to the Indemnity Agreement which designates the Kalagala Falls Site is deleted and replaced with the map attached as Annex 1 to this Amendment Agreement.

ARTICLE III

Miscellaneous

Section 3.01. The provisions of the Indemnity Agreement shall, save as amended by this Amendment Agreement, continue in full force and effect and references in the Indemnity Agreement to "this Indemnity Agreement", "hereunder", "herein" and like terms or to any provision of the Indemnity Agreement shall be construed as a reference to the Indemnity Agreement, or such provision, as amended by this Amendment Agreement.

Section 3.02. This Amendment Agreement shall come into force and effect as of the day and year first above written.

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

REPUBLIC OF UGANDA

By: [Signature]

Authorized Representative

Name (printed): KASANJA MATIA

Title: MINISTER

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]

Authorized Representative

Name (printed): Christina Malmberg Calvi

Title: Country Manager