U.S. ECONOMIC ASSISTANCE PROGRAM IN EGYPT

04-320

CONFORMED COPY

USAID Grant Agreement No.263-K-640

FIRST AMENDMENT

TO

RESULTS PACKAGE AGREEMENT

BETWEEN

THE ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA

FOR

EGYPTIAN ENVIRONMENTAL POLICY PROGRAM

Dated:

30 SEP 2002

"Certified to be a true copy of the original document signed by Ambassador C. David Welch, and Fayza Aboulnaga, Minister of State for Foreign Affairs.

Monica Smith

Monica Smith
Legal Advisor

FUNDS RESERVED

App 721/21037 Res. No. P020213

EOCC BPCHES10223263KG13

Off Code Amount $28,000,000.00

Agent Code Acc Basis

Oblg Str Dt Oblg End 09/30/2003

By SAR B&A MACS Date 9/12/02

First Amendment, dated 30 SEP 2002 to the Results Package Grant Agreement, dated June 17, 1999, between the Arab Republic of Egypt ("A.R.E." or "Grantee") and the United States of America, acting through the United States Agency for International Development ("USAID")(collectively, the "Parties") for the Egyptian Environmental Policy Program.

SECTION 1. The Grant Agreement is hereby amended as follows:

A. Article 3, Section 3.1(a) is amended by deleting "Forty Five Million United States ("U.S.") Dollars ($45,000,000)" and substituting "Seventy Three Million United States ("U.S.") Dollars ($73,000,000)" therefor.

B. Article 4 is amended by deleting "September 30, 2002" and substituting "September 30, 2003" therefor.

C. Article 5, Section 5.1(d) is deleted and replaced in its entirety by "(d) evidence that an Executive Committee consisting of voting representatives from the Egyptian Environmental Affairs Agency (EEAA), Organization for Energy Planning (OEP), Tourist Development Authority (TDA), Egyptian Natural Gas Holding Company (EGAS), Ministry of Foreign Affairs, Sector of International Cooperation (MFA/SIC), and a nonvoting representative of USAID and a chair appointed by EEAA, has been

formally established and has commenced operation."

D. Article 9, Section 9.1 is amended by:

1. Deleting "To the GOE: Ministry of International Cooperation" and substituting "To the GOE: Ministry of Foreign Affairs" therefor,
2. Deleting "To USAID: USAID, c/o American Embassy, 8 Kamal El Din Salah Street, Garden City, Cairo, Egypt", and substituting "To USAID: USAID, Plot 1/A Off El-Laselki Street, New Maadi, Cairo, Egypt" therefor, and
3. Adding "To EGAS: Egyptian Natural Gas Holding Company 5, Dr. El Batraway Street, Nasr City, Cairo, Egypt".

E. Section 9.3 is amended by deleting "Minister of State for International Cooperation and/or the Administrator of the Department for Economic Cooperation with U.S.A." and substituting "Minister of State for Foreign Affairs and/or the First Undersecretary of the Sector of International Cooperation, Economic Cooperation with U.S.A., Ministry of Foreign Affairs" therefor.

F. Section IV "Results and Indicators" in the Amplified Description is deleted in its entirely and substituted by the

following:

IV. Results and Indicators

The major result under EEPP is "Improved Management of the Environment and Natural Resources (ENR) in Targeted Sectors" (sectors include: Red Sea Natural Resources, Urban/industrial Pollution and Energy Efficiency). Indicators for this result and end of program targets are as follows:

Indicator	Baseline (1999)	Target (2003)
Total volume (1000GGE) of compressed natural gas (CNG) sold per year for transportation	20,000	37,460
Percentage of tourism facilities in the Red Sea Region which have received approval through the Environmental Impact Assessment process prior to commencement of construction	20%	65%

The first Intermediate result under EEPP is "Foster Public-Private Partnerships". Indicators for this intermediate result are:

Indicator	Baseline (1999)	Target (2003)
Number of Governorates with at least one new private sector solid waste management (SWM) contractor.	0	3
Cumulative increase (over baseline) in the number of private and quasi-private sector companies offering energy efficiency services in the market.	9	21

The Second Intermediate result under EEPP is "Increase Investment In ENR Best Practices and Technology". Indicators for this intermediate result are:

Indicator	Baseline (1999)	Target (2003)
Percentage of hotel rooms in facilities located on TDA-Owned lands in the Red Sea region, which instituted best practice	38.1%	59%
Number of qualified EEAA Nature Protection Rangers assigned to work within the Red Sea Governorate.	10	40

G. Section VI "Roles and Responsibilities" in the Amplified Description is deleted in its entirety and the following is substituted therefor: "Principal GOE partners for the program are the Egyptian Environmental Affairs Agency (EEAA), the Ministry of Electricity's Organization for Energy Planning (OEP), the Ministry of Petroleum's Egyptian Natural Gas Holding Company (EGAS), and the Ministry of Tourism's Tourism Development Authority (TDA). An executive committee chaired by EEAA and comprising voting representatives from EEAA, OEP, TDA, EGAS, MFA/SIC, and non-voting representation of USAID, will be responsible for the overall management of this program. These

entities will be responsible for the completion of policy measures agreed upon for inclusion in the program. Other potential partners include governorates, the protocol signatory public sector entities collaborating under the National Energy Efficiency Strategy, and other line ministries. MFA has a critical role to play for the program. MFA will coordinate with the Central Bank which will manage the U.S. Dollar Separate Account and with the Ministry of Finance, which will manage the Local Currency Special Account. USAID will monitor the overall implementation of the program on behalf of the U.S. Government."

H. The table appearing in Attachment No. 1, Table 1 to Annex I of the Grant Agreement, Illustrative Financial Plan, USAID Contribution, is deleted in its entirety and replaced with Attachment 1, Table 1 to Annex I of the Grant Agreement, Illustrative Financial Plan, USAID Contribution, attached hereto.

SECTION 2. Language of Amendment. This Amendment is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

SECTION 3. Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

SECTION 4. Effectiveness. This Amendment shall enter into force when signed by both parties hereto.

SECTION 5. Ratification. The A.R.E. will take all necessary action to complete all legal procedures necessary to ratification of this Amendment and will notify USAID as promptly as possible of the fact of such ratification.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its respective duly authorized representatives, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY :

NAME : Fayza Aboulnaga

TITLE: Minister of State for Foreign Affairs

BY :

NAME : Dr. Abdulla Marzban

TITLE: First Undersecretary Sector of International Cooperation, Economic Cooperation with U.S.A.

UNITED STATES OF AMERICA

BY :

NAME : C. David Welch

TITLE: Ambassador

BY : Willard J. Pearson, Jr.

NAME : Willard J. Pearson, Jr.

TITLE: Director, USAID/Egypt

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of State for Environmental Affairs

BY : _____

NAME : Dr. Mamdouh Riyad Tadrous

TITLE: Minister of State for Environmental Affairs and Chairman of the Board of Directors of the Egyptian Environmental Affairs Agency

Egyptian Environmental Affairs Agency

BY : _____

NAME : Prof. Dr. Ayman Farid Abou Hadid

TITLE: Chief Executive Officer

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of Petroleum

BY : _____

NAME : Eng. Sameh Fahmy

TITLE: Minister of Petroleum

Egyptian Natural Gas Holding Company

BY : _____

NAME : Eng. Mohamed Ibrahim Tawila

TITLE: Chairman

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of Tourism

BY : _____

NAME : Dr. Mamdouh El-Beltagui

TITLE: Minister of Tourism

Tourism Development Authority

BY : _____

NAME : Mr. Fateh El Negoumy

TITLE: Acting Chairman

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of Electricity and Energy

BY : _____

NAME : Dr. Hassan Younis

TITLE: Minister of Electricity and Energy

Organization for Energy Planning

BY : _____

NAME : Dr. Ibrahim Abdel Gelil

TITLE: Chairman

Attachment 1

Table 1
Egyptian Environmental Policy Program
Illustrative Financial Plan ($000)
Program Assistance
U.S. Contribution

Component/Activity/ Budget Input	Previous Obligation	FY 2001 Obligation	Obligations To-date	Anticipated Future Year Obligations	Total USAID Planned Contribution
Program Assistance/ Cash Transfer	45,000	28,000	73,000	37,000	110,000
Total	45,000	28,000	73,000	37,000	110,000