H. E. Kerfalla Yansané  
Minister of Economy and Finance  
Ministry of Economy and Finance  
P. O. Box 579 Conakry  
Guinea  

Re: State and Peace Building Fund Grant (SPF) for Public Sector Governance and Accountability Project  
Grant No. TF014366

Dear Sir/Madam:

I am writing on behalf of the International Development Association (the Bank) to indicate the Bank’s agreement, as administrator of grant funds provided by Australia, Denmark, Netherlands, Norway and Sweden ("Donors"), to make a grant in an amount not exceeding six hundred fifty five thousand United States Dollars ($655,000) (the Grant) to the Republic of Guinea (the Recipient).

The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. The Recipient hereby confirms its request that the Bank carry out the activities described in paragraph 1 of the Annex to this Letter Agreement, and represents that it is authorized to contract the Grant for the said purposes and on the said terms and conditions.

Please note that it is the Bank’s policy to make publicly available this Letter Agreement and any information related thereto, after this Letter Agreement has become effective and the Recipient has given its consent to such disclosure. The Recipient, by countersigning this Letter Agreement, confirms its consent to such disclosure.
Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon receipt by the Bank of the copy of this Letter Agreement countersigned by you, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,
INTERNATIONAL DEVELOPMENT ASSOCIATION

By
Ousmane Diagana
Country Director for Guinea
Africa Region

AGREED:
REPUBLIC OF GUINEA

By

Name

Title

Date: 24/07/2013
Purposes, Terms and Conditions of the Grant

1. The purpose of the Grant is to foster the Recipient’s leadership and strategic capacity in implementing critical reforms in public finance management and service delivery and in promoting awareness and consensus for good governance among civil society in the Recipient’s territory. The activities (the Activities) for which the Grant is given are as follows:
   
   (a) Carrying out analytical work in support of the Recipient’s public sector reform program.

2. The Grant shall be used to finance consultants’ services required for the Activities.

3. The Bank shall carry out the Activities on behalf of the Recipient. The Recipient shall cooperate with the Bank to the extent necessary to permit the Bank to carry out the Activities promptly and effectively, and to evaluate the results of the Activities. The Recipient shall indemnify the Bank against any costs or liabilities incurred by the Bank as a result of claims against the Bank in connection with the Activities, except those resulting from the gross negligence or willful misconduct of its staff or external consultants.

4. The Bank shall carry out the Activities pursuant to this Letter Agreement only to the extent that the Grant funds required for such Activities are available to the Bank from the Donors.

5. The Activities shall be completed by not later than March 31, 2016, or such later date as the Bank may establish by notice to the Recipient (the Closing Date). After the Closing Date, the Bank may at any time cancel the remaining balance of the Grant.

6. The engagement and supervision of the consultants (the Consultants) required to assist in the carrying out of the Activities shall be the responsibility solely of the Bank and shall be done according to the Bank’s applicable procedures.

7. The Recipient may at any time request the Bank in writing to terminate the Activities. Whether or not the Recipient has made such a request, the Bank may at any time suspend or, after consultation with the Recipient, terminate the right of the Recipient to receive Grant funds for the Activities if any of the following events has occurred and is continuing: (a) the Recipient has failed to perform any of its obligations under this Letter Agreement; or (b) the right of the Recipient, or any other entity to which the Bank has made a loan with the guarantee of the Recipient, to make withdrawals under any loan agreement with the Bank or any development credit, grant or financing agreement with the International Development Association has been suspended.

8. The Bank is not an agent of, or trustee for, the Recipient and shall not have any fiduciary relationship with the Recipient. The Recipient shall have no right to any portion of the Grant that is not expended by the Bank pursuant to this Letter Agreement.