H. E. Mamadi Camara  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Conakry  
Republic of Guinea

Re: Republic of Guinea: Advance Agreement for the Preparation of the Proposed Project to Support Program Nafa  
Project Preparation Advance No. V279

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Guinea ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank’s Project Preparation Facility in an amount not to exceed four million two hundred thousand United States Dollars (USD $4,200,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed project designed to increase access to safety nets, improve productive potential of targeted poor households, and improve practices in early childhood, health and education among poor and vulnerable targeted households ("Project") for the carrying out of which the Recipient has requested the World Bank’s financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project, and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient’s agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature; provided, however, that the offer of this
Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Soukeyna Kane
Country Director for Guinea
Africa Region

AGREED:
REPUBLIC OF GUINEA

By

Authorized Representative

Name: Mamadi Canaa
Title: Ministre de l'Économie et des Finances
Date: 24/06/2019

Enclosures:

(1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and

(2) Disbursement Letter for the Advance of the same date as this Agreement, together with "Disbursement Guidelines for Investment Project Financing", dated February 2017.
Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility”, dated July 31, 2010 (“Standard Conditions”), constitute an integral part of this Agreement.

1.02. **Definitions.** Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms shall have the following meanings:

(a) “Agency for Social and Economic Inclusion” or “ANIES” means the agency established under the Prime Minister’s office, pursuant to a presidential decree no. D/2019/049/PRG/SGG, dated January 31, 2019, to be in charge of the design, steering and animation of the national inclusion policy in its three main dimensions: economic, social and financial.


(c) “Implementation Unit” means the unit established pursuant to the IDA-financed agreement for the Productive Social Safety Nets project between the Recipient and the International Development Association, dated July 18, 2012 (Grant No. H782-GN).

(d) “Operating Costs” means reasonable recurrent costs incurred on the account of the implementation of the Activities, including: (i) operation and maintenance of vehicle, including repairs, fuel and spare parts; (ii) computer maintenance, including hardware and software; (iii) communication and shipment costs (whenever these costs are not included in the cost of Goods); (iv) office supplies; (v) rent and maintenance for office facilities; (vi) utilities and insurance, including health insurance and health-related services; (vii) travel and per diem; and (viii) salaries of the support staff, but excluding salaries of regular staff of the Recipient.

(e) “Training” means the following expenditures incurred in providing training, seminars or workshops, including: (i) travel by participants and presenters to the training or workshop site; (ii) per diem allowances of such persons during the training, seminars or workshops;
(iii) honoraria for the presenters; (iv) rental of facilities; (v) materials, supplies; and (vi) translation and interpretation services.

Article II
Execution of the Activities

2.01. Description of the Activities. The Activities for which the Advance is provided consist of the following parts:

(a) Operating costs for the purpose of Project preparation.

(b) Carrying out of technical studies and analytical work, including studies on productive economic inclusion and urban youth, and identification and enrollment of potential beneficiaries of safety nets livelihood support and financial inclusion activities.

(c) Strengthening the capacity of the Agency for Social and Economic Inclusion (ANIES), including supporting procurement processes, for the purpose of Project implementation.

(d) Recruitment of staff and consultants for the purpose of Project implementation.

(e) Acquisition of vehicles for the purpose of Project preparation and implementation.

2.02. Execution of the Activities Generally. The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through an Implementation Unit in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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 and as of July 1, 2016.

2.03. Institutional and Other Arrangements. Without limitation upon the provisions of Section 2.02 above, the Recipient shall maintain, throughout the Refinancing Date, the Implementing Unit with staffing, function and resources satisfactory to the World Bank, to be responsible for the overall implementation of the Activities, including financial management and procurement.

2.04 Technical Assistance. The Recipient shall ensure that: (a) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental, social and health and safety implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Bank; and (b) such terms of reference shall require the technical assistance, design and capacity building activities to take into account the requirements of the applicable World Bank Environmental and Social Standards.

2.05. Monitoring, Reporting and Evaluation of the Activities. The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.06. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.
(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions.

(i) If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, the Recipient shall have the Financial Statements included in the first audit of financial statements required under the Refinancing Agreement.

(ii) If, by the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, such audit of the Financial Statements shall cover the period of the Advance, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of the Recipient’s fiscal year in which the Refinancing Date occurs.

(iii) Notwithstanding the provisions of paragraphs (i) and (ii) of this Section, the World Bank may request an audit of the Financial Statements prior to the Refinancing Date, covering such period as is indicated in its request. The audited Financial Statements for such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

2.07. Procurement

All goods, non-consulting services, and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016, revised November 2017, and August 2018 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated May 3, 2019 (“Procurement Plan”) provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

Article III
Withdrawal of the Advance

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Advance 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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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 following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance (“Category”), the amount of the Advance allocated 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 Advance Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consulting services, Operating Costs, and Training under the Activities</td>
<td>4,200,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>4,200,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is December 30, 2019.

**Article IV**  
**Terms of the Advance**

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:

(a) **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) **Repayment in the absence of a Refinancing Agreement:** If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed $50,000, it shall be repaid by the Recipient to the World Bank (together with service charges...
accrued on the Withdrawn Advance Balance to the date of repayment) on such
date as the World Bank shall specify in a notice to the Recipient, which shall in no
event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds $50,000, it (together
with service charges accrued on the Withdrawn Advance Balance to the Notice
Date) (the “Aggregate Balance”) shall be paid by the Recipient to the World Bank
in ten approximately equal semiannual installments, in the amounts and on the
dates (“Payment Dates”) which the World Bank shall specify in a notice to the
Recipient. In no event shall the first Payment Date be set earlier than 60 days
following the date (“Notice Date”) of dispatch of such notice. The Recipient shall
pay a service charge on the Aggregate Balance at the rate of three-fourths of one
percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The
service charge shall be computed on the basis of a 360-day year of twelve 30-day
months.

Article V
Recipient’s Representative; Addresses

5.01. Recipient’s Representative. The Recipient’s Representative referred to in Section 9.02 of
the Standard Conditions is its minister in charge of finance.

5.02. Recipient’s Address. The Recipient’s Address referred to in Section 9.01 of the Standard
Conditions is:

Ministry of Economy and Finance
P.O. Box 579
Conakry
Republic of Guinea
Telex: Facsimile:
22399 MIFIGE (224) 30 45 30 48 / 30 42 21 02

5.03. World Bank’s Address. The World Bank’s Address referred to in Section 9.01 of the
Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Telex: Facsimile:
248423 (MCI) or (1)-202-477-6391
64145 (MCI)