His Excellency M. Soares Sambu  
Minister of Economy and Regional Integration  
Ministry of Economy and Regional Integration  
Avenida Amilcar Cabral, No. 37  
Bissau  
Republic of Guinea-Bissau

Re: SPF MDTF Grant No. TF016304  
Extractive Industries Sectors Technical Assistance Project

Excellency:

I am writing on behalf of the International Development Association (the Association) to indicate the Bank’s agreement, as administrator of grant funds provided by various donors (“Donors”) under the Multi Donor Trust Fund for State- and Peace-Building Fund (SPF) (“TF071021”), to make a grant in an amount not exceeding three hundred thirty eight thousand United States Dollars (US$338,000) (the Grant) to the Republic of Guinea Bissau (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

Sajjad Ali Shah
Acting Country Director for Guinea-Bissau
Africa Region

AGREEED:

REPUBLIC OF GUINEA-BISSAU

By

Authorized Representative
Name: SOARES SAMBO
Title: MINISTER OF ECONOMY AND RE-CO-M INTEGRATION
Date: 18.03.2014
ANNEX

Purposes, Terms and Conditions of the Grant

1. The Activities for which the Grant is given are as follows:

   (a) Supporting measures to improve governance and institutional performance of the
       Extractive Industries (EI) sectors to ensure future investments are undertaken in an
       environmentally and socially sustainable manner; and

   (b) Supporting information sharing and increased awareness of communities
       potentially impacted by EI activities in order to increase their ability to take advantage of
       opportunities afforded by EI activities and reduce negative impacts, including conflict
       resulting from misinformation and unrealistic expectations.

2. The Grant shall be used to finance associated overheads, consultants’ services (including
   short term and extended term consultant fee and salary and benefits), contractual services,
   equipment lease cost, study tours (including travel), and media and workshop costs 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 February 29, 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 International Bank for Reconstruction and Development (the
   IBRD) has made a loan with the guarantee of the Recipient, to make withdrawals under any loan
   agreement with the IBRD or any development credit, grant or financing agreement with IDA 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.