H.E. Mr. Kerfalla Yansane
Minister of Economy and Finance
Ministry of Economy and Finance
B. P. 579
Conakry
Republic of Guinea

Re: PHRD Grant No. TF011065
Republic of Guinea: Japan PHRD TA Grant to Support Disability and Development - Development of Inclusive Education in Guinea Project

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 International Development Association ("World Bank"), acting as administrator of grant funds provided by Japan "Donor" under the Japan Policy and Human Resources Development Program, proposes to extend to the Recipient a grant in an amount not to exceed two million eight hundred fifty seven thousand United States Dollars (U.S.$2,857,000) ("Grant") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in the financing of the project described in the Annex ("Project").

This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donor. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned trust fund, and the Recipient's right to withdraw the Grant proceeds is subject to the availability of such funds.

The Recipient represents, by confirming its agreement below, that it is authorized to enter into this Agreement and to carry out the Project in accordance with the terms and conditions set forth or referred to in 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 specified by the World Bank in accordance with Section 4.02 of the Annex to this Agreement.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By Ousmane Dione
Country Director for Chad, Guinea, Mali and Niger
Africa Region

AGREED:

REPUBLIC OF GUINEA

By Authorized Representative
Name
Title
Date: 28/03/2012

Enclosures:

(2) Disbursement Letter of the same date as this Agreement, together with World Bank Disbursement Guidelines for Projects, dated May 1, 2006
PHRD Grant No. TF011065
ANNEX

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The Standard Conditions for Grants Made by the World Bank out of Various Funds dated February 15, 2012 ("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.

(a) "Beneficiary" means a school or other entity that shall be deemed eligible by the Recipient, and to which the Recipient proposes to make, or has made, a Sub-grant for a Sub-project.

(b) "Environmental and Social Impact Assessment" or "ESIA" means a site-specific report, to be prepared, acceptable to the World Bank, identifying and assessing the potential environmental and social impacts of the activities to be undertaken under the Project, evaluating alternatives, and designing appropriate mitigation, management, and monitoring measures.

(c) "Operational Manual" or "OM" means the Recipient's set manual of procedures pursuant to Section 2.03 of this Annex outlining, *inter alia*, processes, rules, regulations and implementation arrangements, responsibilities, criteria for the selection of teachers to be trained under the Project, procurement procedures and other requirements for the implementation of the Project, as the same may be amended from time to time in accordance with the provisions of this Agreement and with the agreement of the World Bank.

(d) "PIU" means the national coordination of the education sector program (CN/PSE) under the Ministry of Pre-university Education.

(e) "RAP" or "Resettlement Action Plan" means a site-specific resettlement action plan, acceptable to the World Bank, adopted for the purposes of the Project, and giving details of the specific actions, measures and policies designed to facilitate the achievement of the objectives of the Project along with the procedural and institutional measures needed to implement such actions, measures and policies.

(f) "Selected Prefectures" means a maximum of ten (10) of the following prefectures of the Recipient's territory: Boffa, Boké, Coyah, Dabola, Dalaba, Dubréka, Faranah, Fria, Kérouané, Kissidougou, Kouroussa, Labé, Léouma, Mamou, Pita, Télimélé, and Tougué.

(g) "Sub-grant Agreement" means the agreement between the Recipient and a Beneficiary, setting forth the terms and conditions under which proceeds of a Sub-grant are to be made available to the Beneficiary.
"Sub-grant" means a grant made or proposed to be made out of the proceeds of the Grant to finance a Sub-project under Section 2.01 B (ii) of this Annex.

"Sub-project" means a specific development project consisting of the acquisition of equipment and learning materials by a Beneficiary under Section 2.01B (ii) of this Annex.

Article II
Project Execution

2.01. Project Objectives and Description. The objectives of the Project are to develop capacities of schools and teachers and to increase access of children with mild disabilities to mainstream pre-primary and primary schools in Selected Prefectures. The Project consists of the following parts:

Part 1. Diagnostic Assessment and Awareness Campaign

Carrying out of: (i) a diagnostic survey with focus on auditory and visual perception, learning ability and cognitive development, with the aim of assessing the magnitude and prevalence of children with disabilities in Conakry and Selected Prefectures; and (ii) an awareness campaign through, inter alia, electronic media, community meetings and psychosocial support to inform relevant parties of the survey results.

Part 2. Pilot Initiative to Increase Enrollment

Supporting the development of a pilot program aimed at increasing student enrollment through, inter alia, (i) the development of a training program focusing on special education, including provision of training to trainers and teachers; (ii) the provision of Sub-grants to qualified schools for the acquisition of hearing aids, glasses, textbooks and other specialized learning materials; and (iii) the implementation of a school improvement program including, construction of latrines, ramps and provision of required equipment, including donkey cars for transportation of disabled children.

Part 3. Development and Dissemination of a Strategy for Inclusive Education

Provision of technical assistance for the development of a national strategy for inclusive education, and its dissemination among relevant stakeholders.

Part 4. Monitoring and Evaluation

Carrying out of: (i) the monitoring and evaluation of the Project activities including, the evaluation of teachers’ training, the provision and use of equipment and material, and the improvement in access of children with disabilities to mainstream schools; and (ii) the dissemination thereafter of the results of the evaluation.

Part 5. Project Management and Administration

Provision of technical assistance for the management and administration of the Project, including the annual audit of the Project activities.
2.02. **Project Execution Generally.** The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through its ministry responsible for pre-university education (Ministry of Pre-university Education) in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) 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 (“Anti-Corruption Guidelines”); and (c) this Article II.

2.03. **Institutional and Other Arrangements**

The Recipient shall maintain, throughout the implementation of the Project, the PIU with mandate, staffing and resources satisfactory to the World Bank for the purpose of ensuring the prompt and efficient overall coordination, monitoring, reporting, procurement, evaluation and implementation of the Project activities.

**A. Operational Manual**

The Recipient shall: (i) carry out the Project in accordance with the OM and (ii) not assign, amend, abrogate or waive the OM or any of its provisions without the World Bank’s prior agreement. Notwithstanding the foregoing, if any of the provisions of the OM is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail and govern.

**B. Safeguards**

1. The Recipient shall: (i) ensure that part B (iii) of the Project is implemented in accordance with the provisions of the Environmental and Social Impact Assessment (“ESIA”) and the Resettlement Action Plan (“RAP”), in a timely and technical manner satisfactory to the World Bank; and (ii) not amend or waive any provision of the aforementioned documents without the prior written agreement of the World Bank.

2. The Recipient shall afford the World Bank a reasonable opportunity to review and exchange views with the Recipient on the ESIA and the RAP, and thereafter, shall implement with due diligence and efficiency such ESIA and RAP, as shall have been approved by the World Bank.

**C. Sub-Grants**

1. The Recipient may provide Sub-grants under Part B (ii) of the Project to Beneficiaries for Sub-projects, in accordance with eligibility criteria and procedures and on terms and conditions acceptable to the World Bank, which, except as the World Bank may otherwise agree in writing, shall include the following, as the same may be elaborated upon in the OM:

(a) No Sub-grant under Section 2.01 B (ii) of this Annex shall be eligible for financing out of the proceeds of the Grant unless said Sub-grant satisfies the eligibility criteria set forth or referred to in the OM satisfactory to the World Bank, which shall include, but not be limited to, the following:
(i) the Recipient has determined, on the basis of a proposal prepared by the Beneficiary and an appraisal conducted by the Recipient in accordance with guidelines acceptable to the World Bank, that the proposed Sub-project satisfies the eligibility criteria specified below in paragraph (b) of this Section, and such additional criteria as may be specified in the OM;

(ii) the proposed Beneficiary is a legal entity with the necessary managerial, financial, and technical qualifications and experience to carry out the Sub-project, and has prepared an acceptable financing and implementation plan for the Sub-project;

(iii) the cost of the proposed Sub-project shall not exceed ten thousand U.S. Dollars (US$10,000) each; and

(iv) the proposed Sub-projects shall be economically, financially, and technically viable.

(b) The Recipient shall make each Sub-grant under a Sub-grant Agreement with the respective Beneficiary in the form of the model agreement attached to the OM and on terms and conditions described in more details in the OM, which shall include the following:

(i) the Sub-grant shall be made on a non-reimbursable grant basis;

(ii) the Recipient shall obtain rights adequate to protect its interests and those of the World Bank, including the right to:

(A) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant, or obtain a refund of all or any part of the amount of the Sub-grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Sub-grant Agreement;

(B) require each Beneficiary to:

(1) carry out the Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including, without limitation to the generality of the foregoing, in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;

(2) provide, promptly as needed, the resources required for the purpose of the Sub-project;

(3) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement;
(4) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the World Bank, the progress of the Sub-project and the achievement of its objectives;

(5) to the extent required under the OM, (x) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Sub-Project; and (y) at the World Bank's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the World Bank, in accordance with consistently applied auditing standards acceptable to the World Bank, and promptly furnish the statements as so audited to the Recipient and the World Bank;

(6) enable the Recipient and the World Bank to inspect the Sub-project, its operation and any relevant records and documents;

(7) prepare and furnish to the Recipient and the World Bank all such information, as the Recipient or the World Bank shall reasonably request relating to the foregoing; and

(8) promptly inform the Recipient and the World Bank of any condition which interferes or threatens to interfere with the progress of the Sub-project, or the performance by the Sub-project Beneficiary of its obligations under the Sub-grant Agreement.

c) The Recipient shall exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

2.04. Project Monitoring, Reporting and Evaluation. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators listed in the Operational Manual and acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one month after the end of the period covered by such report.

(b) The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section 2.06 of this Agreement.

2.05. Financial Management. (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than one month after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.06. Procurement

(a) General. All goods, works, non-consulting services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Procurement Guidelines”), in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (“Consultant Guidelines”) in the case of consultants’ services; and

(iii) the provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines (“Procurement Plan”).

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

(c) Particular Methods of Procurement of Goods, Works and Non-consulting Services

(i) Except as otherwise provided in sub-paragraph (ii) below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding; (B) Shopping; (C) Direct Contracting.
(d) Particular Methods of Procurement of Consultants' Services

(i) Except as otherwise provided in item (ii) below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants’ services for those assignments which are specified in the Procurement Plan: (A) Quality-Based Selection; (B) Least-Cost Selection; (C) Selection under a Fixed-Budget; (D) Selection Based on Consultants' Qualifications; (E) Single Source Selection; (F) Selection of Individual Consultants.

(e) Review by the World Bank of Procurement Decisions. The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Article III
Withdrawal of Grant Proceeds

3.01. Eligible Expenditures. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, 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 the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, training, non-consulting services and consultants’ services under the Project</td>
<td>2,002,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Sub-grants</td>
<td>780,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Operating costs</td>
<td>75,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>2,857,000</td>
<td></td>
</tr>
</tbody>
</table>
For the purpose of this Section, the term:

"Training" means the reasonable cost of the following expenditures incurred to finance: (i) in-country training, workshops, conferences and forums provided under the Project; (ii) the transportation costs, accommodation, and per diem of trainers and trainees, (iii) rental of training facilities; and (iv) preparation, acquisition, reproduction, translation and distribution of training materials.

"Operating costs" means the reasonable cost of the following expenditures incurred to finance under the Project: (i) salaries of staff involved in the Project (excluding civil servants); (ii) per diem and travel expenses of staff required to perform their responsibilities under the Project; (iii) fuel, and vehicle maintenance and insurance services; (iv) communication technology (including, without limitation, internet and telephone service); (v) rent for office space and building security and office maintenance services; (vi) translation and interpretation services, photocopies and publications; (vii) utilities and office supplies; and (viii) reasonable bank charges related to the operation of designated accounts.

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. Withdrawal Period. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is August 31, 2014.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the condition specified below has been satisfied:

The OM referred to in Section 2.03 A of this Annex has been adopted.

4.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 4.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

4.03. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article V
Recipient's Representative; Addresses

5.01. Recipient's Representative. The Recipient's Representative referred to in Section 7.02 of the Standard Conditions is its minister at the time responsible for finance.

5.02. Recipient's Address. The Recipient's Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance
B. P. 579
Conakry
Republic of Guinea

Telex: 22399 MIFIGE
Facsimile: (224) 30 45 54 22; (224) 30 41 1717

5.03. World Bank's Address. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI) or 1-202-477-6391
Facsimile: 64145 (MCI)