June 20, 2016

His Excellency Henrique Horta dos Santos
Minister of Economics and Finance
Ministry of Economics and Finance
Bissau
Republic of Guinea-Bissau

GUINEA-BISSAU: West Africa Regional Fisheries Program APL-B1
(Grant No. H653-GW) - Amendment #1

Excellency:

We refer to the Financing Agreement (the Financing Agreement) for the above-mentioned Project, dated May 2, 2011, between the Republic of Guinea-Bissau (the Recipient) and the International Development Association (the Association), as amended. We also refer to your letter, dated November 4, 2015, requesting the Association to: (a) extend the Closing Date from June 30, 2016 to June 30, 2017; (b) reallocate proceeds of the Grant among existing categories; and (c) make several changes to the activities described in the Project Description.

We are pleased to inform you that the Association agrees to your request and, therefore, proposes to amend the Financing Agreement in respect of the provisions as follows:

1. Schedule 1 of the Financing Agreement is deleted in its entirety and replaced with the Schedule 1 attached as Annex 1 to this Amendment.

2. Schedule 2, Section I, Part E, paragraph 4 of the Financing Agreement is deleted in its entirety and replaced with the following:

   “The Recipient shall not later than June 27, 2016, undertake a social assessment of the impact of the Project on the management of its fisheries resources upon terms of reference satisfactory to the Association, and implement measures satisfactory to mitigate adverse social impacts.”

3. The table in Section IV, Part A, paragraph 2 is deleted in its entirety and replaced with the following table:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works, goods, non-consulting services, consultants' services, training, and Operating Costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) under Parts 1 and 4.1 of the Project</td>
<td>660,000</td>
<td>23%</td>
</tr>
<tr>
<td>(b) under Parts 2.1 (except 2.1(c)(ii)), 2.2 and 3 of the Project</td>
<td>2,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(c) under Parts 2.3 and 4.2 of the Project</td>
<td>350,000</td>
<td>100%</td>
</tr>
<tr>
<td>(d) under Part 2.1(c)(ii) of the Project</td>
<td>390,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT:</td>
<td>3,900,000</td>
<td></td>
</tr>
</tbody>
</table>

4. Section IV, Part B, paragraph 1(b) is deleted in its entirety.

5. Section IV, Part B, paragraph 2 is deleted in its entirety and replaced with the following:

   "The Closing Date is June 30, 2017."

6. Appendix, Section 1, paragraph 24 ("Lease Payments") is deleted in its entirety and the subsequent paragraphs are renumbered accordingly.

   All other provisions of the Financing Agreement, except amended herein, shall remain in full force and effect.

Please indicate your agreement with the foregoing by countersigning, dating and returning to the Association the enclosed copy of this letter, while keeping the original for your records. This letter, and its attachments, will become effective as of the date of your countersignature.
Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Rachid Benmessaoud
Country Director for Nigeria and Coordinating Director for West Africa
Regional Integration Program
Africa Region

CONFIRMED

REPUBLIC OF GUINEA-BISSAU

By: [Signature]
Authorized Representative

Name: Henrique Horta dos Santos

Title: [Title]

Date: 18/07/16
The objective of the Project is to strengthen the capacity of the Recipient to govern and manage targeted fisheries, reduce illegal fishing, and increase local value added to fish products.

The Project constitutes part of the first phase of the Program, and consists of the following parts:

Part 1: Good Governance and Sustainable Management of Fisheries

Carrying out of a program designed to build the capacity of the Recipient and stakeholders to implement in the Recipient’s territory a shared approach to marine fish resources so they are used in a manner that is environmentally sustainable, socially fair and economically profitable, entailing the provision of consultants’ services, training, goods and equipment and the financing of Operating Costs required for the following:

1. Strengthened Policy and Regulatory Framework for the Use of Fish Resources

Carrying out by the Recipient of a comprehensive review and adaptation of its policy and regulatory framework for fisheries with a view to achieve a more sustainable and profitable use of its fish resources, and including: (i) the review of the institutional arrangements necessary to finalize and implement the National Strategic Plan and its medium-term goals; (ii) an encompassing revision of the general fisheries laws, so as to incorporate updated regulations on industrial and artisanal fisheries, special regimes for conservation areas, co-management arrangements, vessel monitoring systems, and fish inspection and quality control; (iii) the development of revised regulations for the industrial fisheries, MCS and Fish Inspection Systems, including rules supporting the development and implementation of future Fisheries Management Plans (FMPs), the production of revised licensing arrangements favoring longer-term commitments and access rights, and the establishment of catch and reporting requirements for vessels; (iv) the updating and adoption of existing FMPs (2010) for the coastal shrimp, cephalopod and demersal fish species; (v) the carrying out of a study to determine the policy/regulatory frameworks required to incentivize industrial fishing companies to invest on land (nationally) in exchange for secured extended fishing rights (access); and (vi) the strengthening of the Recipient’s coordination of development aid and international/private sector agreements supporting the fisheries sector assistance, including provision of training to the Fisheries Secretariat for the implementation of the revised policy and regulatory framework resulting under this Part 1.1.

2. Assessment of the Biological and Economic Status of Key Fish Stocks

Development by the Recipient of a sound and transparent framework for decision-making by all the users of fish resources, entailing: (i) an assessment of coastal shrimp, cephalopod and demersal fish stocks, with a special focus on the Common Management Zone; (ii) the training of the Fisheries Secretariat staff in data collection techniques at landing sites and as observers on offshore fishing vessels (including foreign operators) so as to provide continuous monitoring of the exploitation status of the main fish stocks, to inform management decisions, and to develop industrial and artisanal Fisheries Management Plans; (iii) the development of a statistical sampling system for the small-scale fisheries; (iv) the carrying out of a study of the projected impacts of
climate change on the key fish stocks and on coastal communities, including potential adaptation and mitigation measures; (v) the evaluation of the status of the health of the coastal ecosystems underpinning the fish stocks, including the Common Management Zone; (vi) the preparation and maintenance of a bioeconomic model analysis for the coastal shrimp, cephalopod and demersal fisheries; and (vii) the carrying out of a modeling exercise to test different management measures to determine the one that sustainably maximizes the benefits in the fishery.

3. Development of Tools at the Community, National and Regional Level to Ensure Transparency and Accessibility of Basic Fisheries Management Information for Controlling Access to the Resources

Carrying out by the Participating Countries of a program to support increased transparency and accessibility to all stakeholders of key information for the governance and management of the use of the marine fish resources in West Africa, specifically through the development, installation and operation in the Recipient's territory of a dashboard of fisheries management indicators, comprising social, biological and economic statistics, linked to a regional information technology platform, and including the development and implementation of the rules and procedures to be followed for the proper collection and transmittal of information, for the regular maintenance and update of the system, and for the sharing of information with the public, and the linkage of the Recipient's national node of the dashboard to the regional information platform established at the Regional Coordination Unit.

4. Feasibility Study for the Nation-wide Extension of Pilot Co-management Partnerships for the Small-scale Fisheries

Carrying out by the Recipient of a study for the nation-wide extension of pilot co-management partnerships for the small-scale fisheries and a social assessment of fishing communities with the aim of developing additional co-management partnerships in the remainder of the Recipient's coastal fisheries on the basis of the country's specific conditions and regions.

Part 2: Reduction of Illegal Fishing

1. Monitoring, Control and Surveillance Systems

Carrying out of a program designed to reduce the illegal fishing activities threatening the sustainable management of the Recipient's marine fish resources and the wealth they can generate for West Africa and to support the implementation of the National Fisheries Surveillance Strategy, through the implementation of appropriate and sustainable civilian-led surveillance of fishing activities along the Recipient's coast, consisting of:

(a) Equipping of the fisheries monitoring center to be managed by the autonomous Fisheries Surveillance Unit to ensure it is able to access the dashboard to be developed under Part 1.3 of the Project, including the provision of communications systems, a satellite-based vessel monitoring system, a data reception platform, computer hardware and software, office materials and vehicles;

(b) Equipping and operation of the Recipient's coastal surveillance stations located in Cacheu, Bubaque, Caravelha and Cacine, including the provision of updated communications systems, a satellite-based vessel monitoring system, a data reception platform, computer hardware and software, and office materials;
(c) Developing and operating the Recipient's civilian-led patrol capacity at sea, through: (i) the rehabilitation, maintenance, operation and equipping of twelve (12) of FISCAP's rapid response vessels for surveillance activities in the inshore areas, including the provision of updated communications systems; and (ii) the hiring of a surveillance vessel and crew for offshore operations, including the financing of the costs of operating the vessel, and a satellite-based vessel monitoring system; and

(d) Strengthening of the capacity of FISCAP's staff to operate the civilian led surveillance and monitoring systems to be developed under this Part of the Project, including harmonization and development of curriculum and the provision of training for fisheries inspectors and observers and other personnel directly involved in fisheries surveillance operations.

2. **Sustainability of the Operating Costs of the Monitoring, Control and Surveillance System**

   Carrying out by the Recipient of a study to determine suitable mechanisms to finance the operating costs of MCS activities, including the development of available financing options on the initial basis of retaining a percentage of the revenue generated from catching/prosecuting illegal canoes/vessels and, thereafter, on the basis of receiving a percentage of the funds from increased license fees and fishing agreements.

3. **Strengthened Regional Collaboration for Monitoring, Control and Surveillance of Fishing**

   The carrying out by CSRP of a training program to assist the Participating Countries in their implementation of the Fish Catch Certification Scheme and their preparation of bilateral cooperation agreements, and the performance of periodic reviews and audits by an Independent Panel of Experts, of the fisheries surveillance activities financed under the Project.

**Part 3: Increasing the Contribution of Marine Fish Resources to the Local Economies**

Carrying out of a program to increase the benefits to West Africa from the marine fish resources, by means of increasing the share of the value-added captured in the region, including:

1. **Upgrading of the Capabilities of Fish Inspection and Quality Control Department**

   Development of the Recipient's capacity for certifying fisheries' products exports through: (i) the establishment of a competent authority in the Recipient's territory for the setting up of relevant protocols and standards for quality and traceability, encompassing the provision of the goods, laboratory equipment and equipment required for food safety inspection, consultants services and long-term training; and (ii) strengthening of the Fish Inspection and Quality Control Department in developing annual work plans and budgets.

2. **Enabling Environment Conducive to Higher Values from Local Fish Products**

   Delivery by the Recipient of a comprehensive training program, including the provision of education materials, to the fishers carrying out activities along the Recipient's coast: (i) to improve product handling, processing/marketing, transport practices and sanitary measures and the maintenance of landing site equipment; and (ii) to access local commercial micro-finance
opportunities for the purchase of fish preservation equipment and the maintenance of boats and fishing gear in good working order.

Part 4: Coordination, Monitoring and Evaluation and Program Management

Carrying out of a program to support the Participating Countries implement the Program in the context of the CSRP Strategic Action Plan, ensuring an accurate and independent monitoring and evaluation of results, and consisting of:

1. National Implementation

The preparation by the Recipient of Annual Work Plans, including updating procurement plans and related budgets, the development of a management information system for the Project, and Project management, monitoring and evaluation, encompassing the provision of goods, works, consultants services and training and the financing of Operating Costs for a Policy and Planning Office.

2. Regional Coordination

The carrying out of a program by CSRP to: (i) facilitate the harmonization of fisheries policy among the Participating Countries; (ii) monitor and evaluate Program investments and share information and results throughout the territories of the Participating Countries; (iii) implement ongoing communication activities to raise awareness about the Program and implementation progress; and (iv) provide implementation support to each of the Participating Countries, including the coordination of regional procurement.