Dear Sirs,

Re: REPUBLIC OF GUINEA: AFD Grant No. CGN 3000 01 F
Village Communities Support Project - Phase II

1. I refer to the International Development Association as “the Association”.

2. I also refer to the Village Communities Support Project - Phase II (the "Project") which is to be partly financed by a grant from the French Development Agency ("AFD") under an Agreement between the Republic of Guinea (the "Recipient") and the AFD dated 12 July 2013 ("AFD Grant Agreement"). The Project is also partly financed by a grant from the Association ("the IDA Grant") under an IDA Financing Agreement dated 20 September 2007 ("the IDA Financing Agreement"), as well as from the International Fund for Agricultural Development (the "Fund") under an Agreement between the Recipient and the Fund dated 4 October 2007. Copies of the AFD Grant Agreement have been furnished to you under separate cover.

3. For the purpose of the Project, and with the agreement of the Recipient, AFD hereby appoints the Association to act as the Cooperating Institution responsible for the fiduciary and procurement aspects, as set forth in Sections 3.2 and 6.4 of the AFD Grant Agreement, subject to and in accordance with the contractual terms and conditions on which the AFD provides financing for the Project. The project will also follow the IDA social and environmental policy requirements as set forth in Section 6.9 of the AFD Grant Agreement. The technical aspects of the Project will be jointly supervised. The Association hereby accepts such appointment.

4. The AFD and the Association shall fully cooperate to ensure an effective coordination of their respective actions in connection with, and the achievement of, the purposes of the AFD Grant and the IDA Grant. To this end, inter alia:

   (a) AFD and the Association shall promptly inform each other and exchange views whenever either one of them proposes to:

      (i) to modify materially their respective Agreement; or

      (ii) to take any action under their respective Agreements.
(b) notwithstanding sub-paragraph (a), above, AFD and the Association shall retain their independent right of decision and action under their respective Agreements with respect to any such matter;

(c) on request from the AFD, the Association shall furnish to AFD reports on the execution of the Project (e.g. Audit reports); and

(d) AFD and the Association shall promptly inform each other of any suspension or cancellation of the AFD Grant or the IDA Grant.

5. The Association shall administer all procurement financed from the proceeds of the AFD Grant, in accordance with Schedule 2, Section III of the Association's Financing Agreement dated 20 September 2007 (Grant Number H329-GUI), and amended June 22, 2012.

6. (a) The Association shall process each application for withdrawal from the AFD Financing submitted by the Recipient to the Association to determine the amounts which the Recipient is entitled to withdraw from the AFD Grant in conformity with the relevant provision(s) of the AFD Grant Agreement.

(i) where such application is for the withdrawal of funds from both the AFD Grant and the IDA Grant, the Association shall apportion the withdrawals from the AFD Grant and the IDA Grant as nearly as practicable in the circumstances between the AFD Grant and the IDA Grant in the ratio as defined in the disbursement letter.

(ii) The Association shall promptly advise AFD of the amount which the Recipient is entitled to withdraw from the AFD Grant. AFD shall make appropriate arrangements to make the necessary payments of such amounts.

(b) From time to time, AFD shall inform the Association of the amounts available for withdrawal from the AFD Grant.

7. AFD hereby authorizes the Association to enter into special commitments, on behalf and for the account of AFD, to pay amounts out of the proceeds of the AFD's Grant in respect of the cost of goods or services required for the Project and to be financed out of the AFD Grant. Any such special commitment shall, once it has been notified to AFD, constitute an obligation on the part of AFD to pay, notwithstanding any subsequent suspension or cancellation of the AFD Grant, the amount to be disbursed out of the proceeds of the AFD Grant in fulfillment of such special commitment.

8. The AFD and the Association shall each be entitled to terminate this appointment at any time by written notice to the other party, whereupon this appointment shall terminate six months after the date of such notice.
9. This Letter of Appointment shall enter retroactively into full force and effect on 1 September 2013.

10. Please confirm your agreement with the foregoing by signing the two copies of this Letter and returning one signed original to AFD for its records. Additionally, once countersigned, please send copies of this Letter to the Recipient and the Lead Project Agency as set forth on the first page of this Letter.

Yours sincerely,

FRENCH DEVELOPMENT AGENCY

Head of the Agriculture, Rural Development and Biodiversity Division

CONFIRMED:

INTERNATIONAL DEVELOPMENT ASSOCIATION

Authorized Representative

Date: Dec 9, 2013