December 13, 2013

His Excellency Kerfalla Yansané
Minister of State in charge of Economy and Finance
Ministry of Economy and Finance
Republic of Guinea

Re: GUINEA: Village Communities Support Program – Phase II
Second Amendment to the Financing Agreement
(Grant No. H329-GUI)

Excellency:

We refer to the Financing Agreement (the Financing Agreement) for the above-
mentioned Project, dated September 20, 2007, between the Republic of Guinea (the
Recipient) and the International Development Association (the Association) and the
amendment to that agreement dated June 22, 2012. We also refer to your letter, dated
October 23, 2013, requesting specific amendments to the Financing Agreement.

We are pleased to inform you that the Association agrees to your request and
proposes to amend the Financing Agreement as follows:

1. The preamble is amended by adding the following paragraphs:

“(C) the Recipient intends to obtain from the Agence Française de Développement
(“AFD”), a grant in an aggregate amount equivalent to €6,000,000, to assist in financing
the Program on the terms and conditions set forth in a grant agreement to be entered into
between the Recipient and the Agence Française de Développement (“AFD Grant”).

(D) for the purposes of the Project, and with the concurrence of the Recipient, AFD
has appointed the Association to act as the Cooperating Institution.”

2. ARTICLE IV REMEDIES OF THE ASSOCIATION is amended by adding the
following Section:

4.01 The Additional Events of Suspension referred to in Section VI of the General
Conditions consist of the following:

(a) Either Co-financing Agreement shall have failed to become effective in
accordance with its respective terms.

(b) (i) Subject to subparagraph (ii) of this paragraph:
(A) the right of the Recipient to withdraw the proceeds of the Co-financing made to the Recipient for the financing of the Project shall have been suspended, canceled or terminated in whole or in part, pursuant to the terms of either Co-financing Agreement;

(B) the Co-financing shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Recipient establishes to the satisfaction of the Association that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Recipient to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in Section 4.01 (b) (i) of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the World Bank to the Recipient.

3. The Appendix (Definitions) to the Financing Agreement is amended by adding the following definitions:

“AFD Grant” means the financing provided by the AFD in support of the Project.

“Co-financiers” means the International Fund for Agricultural Development (“IFAD”) and the Agence Française de Développement (“AFD”).

“Co-financing” means an amount of the amount of SDR 6,600,000 to be provided by IFAD and €6m to be provided by AFD as Co-financiers to assist in financing the Project.

“Co-financing Agreement” means either the “AFD Grant Agreement” between the Recipient and AFD dated July 12, 2013; or the “IFAD Co-financing Agreement” means the agreement between the Recipient and IFAD, dated October 4, 2007 (as same may be amended), providing for the Co-financing.

“Cooperating Institution” means the International Development Association (“IDA”), appointed to be responsible for fiduciary and procurement aspects of the Co-financing.”
4. The table set forth in paragraph 2 of Section IV.A and paragraph 3 of Section IV.A of Schedule 2 to the Financing Agreement are hereby deleted and replaced by the following:

"2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing 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 Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td>750,000</td>
<td>18%</td>
</tr>
<tr>
<td>(2) Works</td>
<td>190,000</td>
<td>18%</td>
</tr>
<tr>
<td>(3) Consultants’ services, including audits</td>
<td>1,170,000</td>
<td>18%</td>
</tr>
<tr>
<td>(4) Training</td>
<td>1,090,000</td>
<td>18%</td>
</tr>
<tr>
<td>(5) Subproject Grants</td>
<td>5,420,000</td>
<td>18% of amounts disbursed</td>
</tr>
<tr>
<td>(6) Operating Costs</td>
<td>2,300,000</td>
<td>18%</td>
</tr>
<tr>
<td>(7) Refund of Project Preparation Advance</td>
<td>580,000</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
<tr>
<td>(8) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>11,500,000</td>
<td></td>
</tr>
</tbody>
</table>

5. The Section IV.A 3. of Schedule 2 to the Financing Agreement is hereby deleted and replaced by the following:

"Each application by the Recipient for withdrawal shall be deemed a request to withdraw funds from the Financing account, the IFAD Account and the AFD Account. For
expenditures incurred from September 1, 2013, the funds to be withdrawn pursuant to such application shall be apportioned by the Association, as nearly as practicable under the circumstances between the three accounts in the ratio of 18:12:70 or such other ratio as shall be agreed upon between the Association, IFAD and AFD.”

Please indicate your agreement with the foregoing amendment by countersigning, dating and returning to us the enclosed copy of this letter, while keeping one original for your records. Upon countersignature this amendment shall be deemed retroactively effective from September 1, 2013.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

Ousmane Diagana
Country Director for Guinea
Africa Region

ACKNOWLEDGED AND AGREED

REPUBLIC OF GUINEA

By:  YANSANE
Name: KERFALLA
Title: Ministre de l’Economie et des Finances
Date: 19/12/2013
Cleared with and cc: S. McInerney-Lankford (LEGAM), L. Schwarz (CTRLA)

bcc: H. Maiga (AFCW3); P. Ridolfi (AFCML); S. McInerney-Lankford (LEGAM); J. Hopkins, A. Alassane, M. Van Nieukoop (AFTA1); S. Follea, (AFTN1), M-S Issa (AFTN2); W. Chadab, I. Thiam (CTRLA); C. Niamien, (AFTMW); A. Bah (AFTPW); C. Kanté, M. Diabaté-Jabbie, T. Diallo, K. Bah (AFMGN); WBdocs