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Date: July 19, 2018

H. E. Aristides Gomes
Prime Minister
Minister of Economy and Finance
Ministry of Economy and Finance
Republic of Guinea-Bissau
Bissau, Guinea-Bissau

Re: *Republic of Guinea-Bissau*
Advance Agreement for Preparation of Proposed Quality Education for All Project
Project Preparation Advance No. V2140

Excellency:

In response to the request for financial assistance made on behalf of the Republic of Guinea Bissau ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed five hundred thousand United States Dollars (USD500,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of the proposed project which is designed to improve the teaching and learning environment in grades 1-4 in targeted schools in Guinea-Bissau ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of IBRD or IDA to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

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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effective as of the date of the countersignature; provided, however, that the offer of this Agreement shall be deemed withdrawn if the World Bank has not received this countersigned copy within 90 days after the date of signature of this Agreement by the World Bank, unless the World Bank has established a later date for such purpose.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION


By: 

Louise J. Cord

Country Director for Senegal, Cabo Verde, the Gambia, Guinea-Bissau and Mauritania
Africa Region

AGREED:

REPUBLIC OF GUINEA-BISSAU

By: 
Authorized Representative



Date: 24.07.2018

Aristides Gomes
Prime Minister
Minister of Economy and Finance
Ministry of Economy and Finance

Enclosures:

- (1) "Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility", dated July 31, 2010; and
- (2) "Disbursement Guidelines for Investment Project Financing" dated February 2017.

Article I
Standard Conditions; Definitions

1.01. **Standard Conditions.** The “Standard Conditions for Advances Made by the World Bank under its Project Preparation Facility” dated July 31, 2010 (“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, including the Appendix to this Agreement.

(a) “Implementation Unit” means the unit established within the Recipient’s Ministry in charge of Economy and Regional Integration pursuant to the provisions of the Financing Agreement for the Emergency Water and Electricity Services Upgrading Project (Credit No. 5467-GW and IDA Grant No. H956-GW) dated June 5, 2014 and Additional Financing Credit No. 6057-GW and IDA Grant No. D190-GW).

(b) “Operating Costs” means the incremental expenses incurred under the Advance to finance: (i) allowances of staff of the Implementation Unit; (ii) operation and maintenance costs of vehicle and (iii) communications expenses.

(c) “School Management Committee” or “SMC” means a representative body established by the Recipient at the school level for each of the targeted schools participating in the school grants program comprised of several community members such as parents, community leaders, teachers, students and village officials.

Article II
Execution of the Activities

2.01. **Description of the Activities.** The Activities for which the Advance is provided consist of the following parts:

(a) Establishment of a Project Implementation Unit through recruitment of key staff including a Project Coordinator, a Financial Management Specialist, an Accountant, a Procurement Specialist, and a Senior Monitoring and Evaluation specialist.

(b) Provision of technical assistance to carry out critical preparatory activities such as:

(i) development of a detailed Project implementation manual which would set forth all the operational standards and requirements needed to effectively implement and monitor project-supported activities;

(ii) development of a national School Management Committee (SMC) policy/manual and a standard training programs for SMCs;

(iii) establishment of baseline data on teacher competencies to develop and design the in-service teacher training program; and

(c) Procurement of goods including furniture and equipment for the newly established Project Implementation Unit such as vehicles needed to facilitate the collection of baseline data and to carry out routine monitoring visits to project-supported areas; learning materials required to begin the pilot of the new curriculum; and an accounting software.

2.02. **Execution of the Activities Generally.** The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the Implementation Unit in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) 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 and as of July 1, 2016.

2.03. **Institutional and Other Arrangements.** Without limitation upon Section 2.02 above, the Recipient, shall maintain, throughout the implementation of the Activities, the Implementation Unit with structure, functions and responsibilities acceptable to the World Bank and with competent staff in adequate numbers, with qualifications and experience satisfactory to the World Bank to be responsible for the implementation of the Activities including financial management and procurement.

2.04. **Monitoring, Reporting and Evaluation of the Activities.** The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.05. **Financial Management.** (a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than one month after the end of each calendar semester, covering the semester, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. A single audit of the Financial Statements shall cover the entire period of of the PPA, commencing with the fiscal year in which the first withdrawal under the Advance was made.

2.06. **Procurement**

All goods, non-consulting services and consulting services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for IPF Borrowers” dated July 2016 and revised in November 2017 (“Procurement Regulations”) and the provisions of the Recipient’s procurement plan for the Activities dated March 15, 2018 (“Procurement Plan”), provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank.

**Article III
Withdrawal of the Advance**

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the "Disbursement Guidelines for Investment Project Financing" dated February 2017, 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 each category of Eligible Expenditures that may be financed out of the proceeds of the Advance "Category", the amount of the Advance Allocated to each Category and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

Category	Amount of the Advance Allocated (expressed in US Dollars)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services and consulting services, Operating Costs	500,000	100%
TOTAL AMOUNT	500,000	

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. **Refinancing Date.** The Refinancing Date is December 31, 2018.

**Article IV
Terms of the Advance**

4.01. **Refinancing under the Refinancing Agreement:** If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be paid to the World Bank as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of such amount of the Refinancing Proceeds, in accordance with the provisions of the Refinancing Agreement.

4.02. **No Repayment in the absence of a Refinancing Agreement:** Notwithstanding any provision to the contrary in the Standard Conditions, if, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then the Recipient shall not be obligated to repay the Withdrawn Advance Balance.

Article V
Recipient's Representative; Addresses

5.01. **Recipient's Representative.** The Recipient's Representative referred to in Section 9.02 of the Standard Conditions is its minister responsible for finance.

5.02. **Recipient's Address.** The Recipient's Address referred to in Section 9.01 of the Standard Conditions is:

Minister of Economy and Finance
Ministry of Economy and Finance
Av. Amilcar Cabral, Caixa Postal N^o 67
Bissau – Republic of Guinea-Bissau

Facsimile: (245) 9666 54715

5.03. **World Bank's Address.** The World Bank's Address referred to in Section 9.01 of the Standard Conditions is:

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

Facsimile: (1)-202-477-6391