**The World Bank** 1818 H Street N.W. (202) 473-1000

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D.C. 20433 Cable Address: INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION U.S.A. Cable Address: INDEVAS

**CONFORMED COPY**

June 2, 2011

Ms. Helena Nosolini Embaló

Minister of Economy, Planning and Regional Integration

Ministry of Economy, Planning and Regional Integration

Avenida Amílcar Cabral, No. 37

Bissau

Guinea-Bissau

Re: **Emergency Electricity and Water Rehabilitation Project**

 **Amendment to the Financing Agreement – Grant H606-GW**

 **(including Additional Financing Grant H689-GW)**

Excellency,

TheRepublic of Guinea-Bissau (“Recipient”) and the International Development Association (“Association”) executed a financing agreement on September 15, 2010 (“Original Financing Agreement”) for the above-captioned Project.

 We are pleased to inform you that, pursuant to your letter of request dated
January 11, 2011, and our discussions on the subject, the Association hereby agrees to grant to the Recipient the amount of one million four hundred thousand Special Drawing Rights
(SDR 1,400,000) to provide additional financial assistance to the Project described in Schedule 1 to the Original Financing Agreement.

 Consequently, the Original Financing Agreement is hereby amended as follows:

**CHAPTER I**

**Amendments**

1. Grant References

Reference to Grant Number in the Original Financing Agreement shall add the following new number, in addition to the existing one:

GRANT NUMBER H689-GW

2. Article II

Article II is hereby amended and replaced to read in its entirety as follows:

**“ARTICLE II - FINANCING**

* 1. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, an amount equivalent to ten million one hundred thousand Special Drawing Rights (SDR 10,100,000) (“Financing”) which consists of: (a) a grant in an amount equivalent to eight million seven hundred thousand Special Drawing Rights (SDR 8,700,000) (“Original Financing”); and (b) the grant in an amount equivalent to one million four hundred thousand Special Drawing Rights
	(SDR 1,400,000) (“Additional Financing”) to assist in financing of Parts B(i) and (ii) of the Project, as described in Schedule 1 to this Agreement.
	2. The Recipient may withdraw the proceeds of the Financing in accordance with
	Section IV of Schedule 2 to this Agreement.
	3. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Payment Dates are January 15 and July 15 in each year.

2.05. The Payment Currency is Dollar.”

1. Article IV

Paragraph 4.03 of Article IV is hereby amended and replaced to read in its entirety as follows:

**“**4.03. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate in twenty (20) years after the date of dispatch by the Association of the letter constituting the first amendment to the Original Financing Agreement.”

1. Schedule 2, Section III.B

A new Paragraph 3 is added to Schedule 2, Section III, B, as follows:

“3. For the purposes of following National Competitive Bidding (NCB) procedures in the procurement of goods, works and non-consulting services to be financed out of the proceeds of the Financing, the following modifications and additions shall apply:

1. four (4) weeks shall be provided for preparation and submission of bids, after the issuance of the invitation to bid or availability of the bidding documents, whichever is later;
2. invitations to bid shall be advertised in at least one widely circulated national daily newspaper;
3. minimum experience, technical and financial requirements of the bidders shall be explicitly stated in the bidding documents;

(iv) the Recipient shall use the World Bank’s Standard Bidding Documentsin the procurement of goods, works and non-consulting services and other bidding documents, if any, acceptable to the Association shall be modified in order to meet the exceptions authorized under NCB; and

(v) (1) bids shall be submitted in a single envelope containing the bidder’s qualification information, technical and price bids, which shall be opened simultaneously at the public bid opening; (2) bids shall be opened in public, immediately after the deadline for submission of bids. The name of the bidder, the total amount of each bid and any discounts offered shall be read aloud and recorded in the minutes of the public bid opening; (3) the procedures shall include the publication of the results of evaluation and of the award of the contract, and provisions for bidders to protest; (4) no preference shall apply under National Competitive Bidding; and (5) eligible firms, including foreign firms, shall not be excluded from the competition.”

1. Schedule 2, Section IV.A

The table in Section IV.A of this Schedule is hereby amended and replaced to read in its entirety as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Amount of the Original Financing Allocated (Expressed in SDR)****H606 GW** | **Amount of the Additional Financing Allocated** **(expressed in SDR) H689-GW** | **Percentage of Expenditures to be Financed (inclusive of Taxes)** |
| (1) Goods, except for Part B(i)(b) of the Project | 6,450,000 | 1,400,000 | 100% |
| (2) Works | 850,000 | 0 | 100% |
| (3) Consultants’ services (including audits) | 1,200,000 | 0 | 100% |
| (4) Operating Costs | 100,000 | 0 | 100% |
| (5) Training | 100,000 | 0 | 100% |
| (6) Unallocated | 0 | 0 |  |
| **TOTAL** | **8,700,000** | **1,400,000** |  |

1. APPENDIX, Section 1:

The following definitions shall be replaced in their entirety added to Section I of the APPENDIX:

“24. “Original Financing” means the grant in an amount equivalent to eight million seven hundred thousand Special Drawing Rights (SDR 8,700,000) provided to the Recipient on the terms and conditions set forth in this Agreement.

25. “Additional Financing” means the grant in an amount equivalent to one million four hundred thousand Special Drawing Rights (SDR 1,400,000) provided to the Recipient on the terms and conditions set forth in this Agreement.”

**CHAPTER II**

**Retroactive Financing**

Notwithstanding the provisions of the amended Schedule 2, Section IV.A of the Original Financing Agreement, no withdrawal shall be made under the Additional Financing for payments made prior to the date of this Amendment Letter, except that withdrawals up to an aggregate amount not to exceed eight hundred eighty thousand Dollars (US$880,000) equivalent may be made for payments made prior to this date but on or after
December 6, 2010, for Eligible Expenditures under Category 1.

**CHAPTER III**

**Effectiveness - Termination**

1. The provisions set forth in this Amendment Letter shall become effective as of the date of this letter upon receipt by the Association of: (a) one fully executed original of this amendment letter; and (b) a legal opinion satisfactory to the Association, showing that this amendment letter has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient, and is legally binding on the Recipient. For the purposes of the Additional Financing, the Recipient hereby agrees that the term “Effective Date” referred to in the General Conditions means the date this letter becomes effective.
2. This Amendment Letter and the obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this letter, unless the Association, after consideration of the reasons for the delay establishes a later date for the purpose of this Section. The Association shall promptly notify the Recipient of such later date.

**CHAPTER IV**

**Execution**

Please confirm your agreement with the foregoing amendment by signing and dating this letter in the spaces provided below. Thereafter, all other provisions of the Original Financing Agreement, except as amended through this letter, shall remain in full force and effect.

This Amendment Letter shall be executed in two counterparts each of which shall be an original

Upon confirmation, please return one fully executed original to us.

Very truly yours,

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

 /s/ McDonald P. Benjamin

By \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Representative

Africa Region

AGREED:

**THE REPUBLIC OF GUINEA-BISSAU**

 /s/ Ms. Helena Nosolini Embaló

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Representative

Title: Minister of Economy, Planning and Regional Integration

Date: \_June 2, 2011\_\_\_\_\_\_