

CONFORMED COPY

SECOND CIDA GRANT RELATED TO CREDIT NUMBER 2416 GUI

Development Grant Agreement

(Second Power Project)

between

THE REPUBLIC OF GUINEA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
as Administrator of Grant Funds
Provided by the
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Dated April 13, 1994

SECOND CIDA GRANT RELATED TO CREDIT NUMBER 2416 GUI

DEVELOPMENT GRANT AGREEMENT

AGREEMENT, dated April 13, 1994, between THE REPUBLIC OF GUINEA (the Recipient) and the INTERNATIONAL DEVELOPMENT ASSOCIATION, as Administrator (the Administrator) of Grant Funds Provided by the CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA).

WHEREAS: (A) the Recipient has requested the assistance of the International Development Association (the Association) and CIDA in the financing of its Second Power Project (the Project), referred to in the Preamble to Development Credit Agreement Number 2416-GUI, dated October 19, 1992, between the Recipient and the Association (the IDA Development Credit Agreement);

(B) the Association has granted a Credit for this purpose on the terms and conditions set forth in the Development Credit Agreement;

(C) CIDA wishes to make available to the Recipient a grant in an amount of one million six hundred thousand Canadian Dollars (Can\$1,600,000) (the CIDA Grant) to assist the Recipient in carrying out part of the Project on the terms and conditions hereinafter set forth;

(D) pursuant to an agreement, dated February 21, 1994 between CIDA and the Association (the Contribution Agreement), CIDA has requested the Association, and the Association has agreed, to administer the CIDA Grant in accordance with the provisions of the Contribution Agreement; and

(E) the Recipient acknowledges that the financial assistance extended to the Recipient under this CIDA Grant Agreement shall be considered as part of the bilateral development aid extended by CIDA to the Recipient;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definition

Section 1.01. The parties to this Agreement accept all the provisions of the "General Conditions Applicable to Development Credit Agreements", dated January 1, 1985 (the General Conditions), with the same force and effect as if they were fully set forth herein subject, however, to the following modifications thereof:

(a) the term "Association", wherever used in the General Conditions, means the International Development Association, acting as Administrator of the CIDA Grant, pursuant to the Contribution Agreement between CIDA and the Association referred to in the Preamble to this Agreement, except in the phrase "member of the Association" in Section 2.01 (5) and Section 6.02 (e);

(b) the term "Development Credit Agreement", wherever used in the General Conditions, means this Development Grant Agreement;

(c) the term "Credit", wherever used in the General Conditions, means the CIDA Grant extended to the Recipient under this Agreement;

(d) the term "Credit Account", wherever used in the General Conditions or in this Agreement, means the account opened by the Administrator in its books in the name of the Recipient to which the amount of the CIDA Grant is credited;

(e) Section 2.01 of the general conditions shall be modified to read:

"Section 2.01. 'Project' means the consulting services that may be financed out of the proceeds of the CIDA Grant as provided in Section 2.02 (a) of the CIDA Grant Agreement."

(f) Section 4.01 of the general conditions shall be modified to read:

"Section 4.01. Withdrawals from the CIDA Grant Account shall be made in Canadian dollars."

(g) in Section 6.02 and 7.01, the term "Association" shall also include the International Development Association acting in its own capacity;

(h) Section 9.06 (c) shall be modified to read:

"(c) Not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Administrator, the Recipient shall prepare and furnish to the Administrator a report, of such scope and in such detail as the Administrator shall reasonably request, on the execution of the Project referred to in the Preamble to the Development Credit Agreement, the performance by the Recipient and the Administrator of their respective obligations under the Development Grant Agreement, and the accomplishment of the purposes of the CIDA Grant.";

(i) Sections 3.02, 3.03, 3.04, 3.05, 4.02, 4.03, 4.04, 4.05, 4.06, 6.05, 7.01, 8.01 (a), 12.02 and 12.05 are deleted; and

(j) the term "Borrower", whenever used in the General Conditions, means the Recipient.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions, in the Preamble to this Agreement and in the IDA Development Credit Agreement have the respective meanings therein set forth.

ARTICLE II

The Grant

Section 2.01. (a) The Administrator agrees to extend to the Recipient, on the terms and conditions set forth or referred to herein, a grant in an amount of up to one million six hundred thousand Canadian dollars (Can\$1,600,000).

(b) Notwithstanding the provisions of paragraph (a) of Section 2.01 of this Agreement, the Administrator shall be relieved from its obligations set forth or referred to in this Agreement to make any payment to the Recipient to the extent that any amount of the Contribution is not received from Canada as a result of non-appropriation by the Parliament of Canada for the fiscal year in which the payment of any such amount is to be made.

(c) Promptly after deposit of the Contribution, the Administrator shall, on behalf of the Recipient, withdraw from the T-Account and pay to itself the amount of the Contribution allocated to Category (2) of the table set forth in paragraph 1 of the Schedule to this Agreement.

Section 2.02. The amount of the CIDA Grant may be withdrawn from the CIDA Grant Account in accordance with the provisions of the Schedule to this Agreement to finance expenditures for consulting services.

Section 2.03. Except as the Administrator shall otherwise agree, consulting services to be financed out of the proceeds of the CIDA Grant shall be procured in accordance with the provisions of Schedule 2 to the IDA Credit Agreement.

Section 2.04. The Closing Date shall be December 31, 1997, or such later date as the Administrator shall establish. The Administrator shall promptly notify the Recipient of such later date.

ARTICLE III

Execution of the Project

Section 3.01. Except as the Administrator shall otherwise agree Articles III and IV of the IDA Credit Agreement are hereby incorporated into this Agreement with the same force and effect as if the provisions of those Sections were fully set forth herein. All references to the Association in Articles III and IV of the IDA Credit Agreement shall be deemed to be references to the Administrator of the CIDA Grant under this Agreement. All references to the "Development Credit Agreement" shall be deemed to be references to this Development Grant Agreement, and all references to the "Credit" shall be deemed to be references to the CIDA Grant.

ARTICLE IV

Effectiveness; Representation

Section 4.01. This Agreement shall become effective upon signature.

Section 4.02. This Agreement and all obligations of the Recipient hereunder shall terminate on the date on which the IDA Credit Agreement shall terminate in accordance with its terms.

Section 4.03. The representative designated in Section 7.01 of the IDA Credit Agreement shall be the representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 4.04. The addresses specified in Section 7.02 of the IDA Credit Agreement shall be the addresses specified for the purposes of

Section 11.01 of the General Conditions.

Section 4.05. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the IDA Credit Agreement.

ARTICLE V

Transfer of Rights and Obligations

Section 5.01. In accordance with the Contribution Agreement, the rights and obligations of the Administrator under this Agreement may be transferred to CIDA. The Recipient accepts and agrees that, upon notice to that effect by the Administrator to the Recipient, CIDA shall, ipso facto, from the date specified in such notice, be substituted in all rights and obligations of the Administrator under this Agreement as if CIDA had been an original party to this Agreement without any further action or formality being required on the part of any party and, from such date, the Administrator shall cease to have any rights or obligations as a party under this Agreement.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

THE REPUBLIC OF GUINEA

By /s/ Boubacar Barry

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION
as Administrator of Grant Funds
Provided by the
CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

By /s/ Olivier Lafourcade

Acting Regional Vice President
Africa

SCHEDULE

Withdrawal of the Proceeds of the Contribution

The table below sets forth the Categories of items to be financed and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Contribution Allocated (Expressed in Can \$ Equivalent)	% of Expenditures to be Financed
(1) Consulting services	1,565,000	100%
(2) Administration fee and auditing of T-Account	35,000	Amount due pur- suant to Section 2.01 (c) of this Agreement
TOTAL	1,600,000 =====	

