

CONFORMED COPY

GRANT NUMBER H399-CI

Financing Agreement

(Emergency Multisectoral HIV / AIDS Project)

between

REPUBLIC OF COTE D'IVOIRE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 25, 2008

GRANT NUMBER H399-CI

FINANCING AGREEMENT

AGREEMENT dated July 25, 2008, entered into between REPUBLIC OF COTE D'IVOIRE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to twelve million three hundred thousand Special Drawing Rights (SDR 12,300,000) ("Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. 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 March 15 and September 15 in each year.
- 2.05. The Payment Currency is Euro.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following: namely, that a situation shall have arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following:

A Project coordinator, with qualifications, experience, and terms of reference satisfactory to the Association, has been appointed, in accordance with the provisions of Section III of Schedule 2 to this Agreement if applicable.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient's Representative is its minister at the time responsible for finance.

6.02. The Recipient's Address is:

Ministry of Economy and Finance
17 P. O. Box 670
Abidjan 17
Côte d'Ivoire

Cable:

Facsimile:

MINFIN
Abidjan

225-20-30-25-25
225-20-30-25-28

6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Washington, D.C., United States of America, as of the day and year first above written.

REPUBLIC OF COTE D'IVOIRE

By

**/s/ Charles Koffi Diby
Authorized Representative**

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

**/s/ Madani M. Tall
Authorized Representative**

SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient's response to the HIV/AIDS pandemic, primarily in four (4) Regions, by: (a) strengthening access to and increasing utilization of prevention services among vulnerable and high-risk groups, such as women, youth, commercial sex workers, and personnel of line ministries; and (b) improving access to and utilization of treatment and care services for HIV/AIDS infected and affected persons, notably persons living with HIV/AIDS, orphans, and vulnerable children.

The Project, which is part of the Program, consists of the following parts:

Part 1 **Social mobilization and HIV/AIDS prevention services**

- (a) Scaling-up activities already being implemented in the Focus Regions by private entities (primarily, national and international non-governmental organizations) under the responsibility of the relevant line ministries of the Recipient, which aimed to provide targeted service packages, including HIV/AIDS prevention, treatment and care, to high-risk groups, through provision of Subproject Grants, and which include the following:
 - (i) supporting activities that promote safer behaviors by commercial sex workers, including provision of condoms and lubricants, conduct of campaigns and researches, and improved access to sexually transmitted disease and anti-retro viral treatment services;
 - (ii) assisting orphans and vulnerable children to access education and health services, nutritional assistance, clothing and counseling, pursuant to the strategy developed under the context of the National OVC Program;
 - (iii) supporting entities that provide assistance to PLWHA in carrying out activities related to counseling, anti-retro viral treatment, condoms, reagents and other HIV/AIDS prevention activities.
 - (iv) facilitating migrants, internally-displaced persons, refugees and long-distance drivers with: (1) campaigns and education to increase awareness on HIV/AIDS, promote safe behavior and encourage HIV/AIDS testing; and (2) access to HIV/AIDS testing services, counseling and treatment.

- (v) supporting peer education and campaigns targeting youth clubs, students and women groups, providing them with condoms, easier access to voluntary testing and sexually transmitted disease treatment, mother-to-child transmission services and anti-retro viral treatment, and providing assistance to victims of sexual violence including access to emergency anti-retro viral treatment.
- (b) Collaborating with the private sector in the Focus Regions in setting up HIV/AIDS committees within the various agro-industrial enterprises, and in supporting activities for the fight against HIV/AIDS in the workplace.
- (c) Strengthening the national HIV/AIDS prevention support, including expanding the related instruments and mechanisms developed in the Focus Regions for campaigns targeting commercial sex workers and vulnerable youths to other Regions of the Recipient, and supporting campaigns and communications to disseminate information on HIV/AIDS.

Part 2 **Public sector interventions**

(a) Health sector

Supporting the Ministry of Health in delivering all essential services for the prevention, care and treatment of sexually transmitted disease, tuberculosis and HIV/AIDS to the Focus Regions and selected police and army hospitals, including: (a) provision of medical treatments; (b) provision of technical assistance to laboratories; (c) development of centers providing mother-to-child transmission services and provision of reproductive health supplies; (d) provision of support to risk management in workplace; (e) conduct of epidemiological surveillance; (f) reinforcement of voluntary counseling and testing centers; and (g) finance of equipments and training for the implementation of the Medical Waste Management Plan.

(b) Support to the action plans of key ministries

Supporting the implementation of the HIV/AIDS related action plans of the Ministry of Defense, Ministry of Interior and Ministry of Education, targeting on high-risk groups that cannot be easily reached by non-governmental organizations, to the extent which the Association has provided no objection to such action plans, and including the following:

- (i) supporting the Ministry of Defense and Ministry of Interior in: (i) setting up Regional AIDS Control Committees; (ii) strengthening capacity of the

army and police health services in the Focus Regions in offering mother-to-child transmission services; (iii) carrying out of information and sensitization activities in the workplace; (iv) encouraging voluntary HIV/AIDS testing and providing sexually transmitted disease treatment; (v) proper handling of bio-medical waste; and (vi) introducing HIV/AIDS modules in programs of army and police academies; and

- (ii) supporting the Ministry of Education in: (i) disseminating HIV/AIDS modules for pre-teenagers; and (ii) financing activities of PLWHA who are teachers, all of which will be prioritized in the Focus Regions before implementing in other Regions.

Part 3 **Capacity Building**

- (a) Supporting capacity building activities for key technical ministries (consisting of Ministry of Education, Ministry of Health, Ministry of Social Affairs, Ministry of Youth and MLS) and civil society organizations, which are necessary for successful Project implementation, through the provision of training, capacity building activities, technical advisory services, development of monitoring and evaluation system and acquisition of goods.
- (b) Supporting activities in the Focus Regions to ensure proper performance of their respective Regional PCU.

Part 4 **Coordination, management, monitoring and evaluation**

- (a) Supporting the MLS in: (i) establishing and operationalizing the Regional AIDS Committees and the CTAIL in all Regions; and (ii) establishing a monitoring and evaluation system for the Project and supporting the national monitoring and evaluation framework of the Recipient.
- (b) Supporting general Project administration and management, including the carrying out of vulnerability mapping and other researches needed for effective targeting of high-risk groups, provision of training and technical support activities, funding of Operating Costs and hiring of consultants.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient shall ensure that the NACC, Regional AIDS Committees, MLS, CTAIL, PCU and Regional PCUs are maintained at all times during the execution of the Project with institutional framework, functions, staffing and resources satisfactory to the Association so as to ensure prompt and efficient implementation of the Project.
2. The Recipient shall ensure, at all times during the execution of the Project, the carrying out by the following institutions of responsibilities for Project implementation described herein below, and as detailed in the Project Implementation Manual:
 - (a) Project supervision
 - (i) The NACC shall be responsible for supervising the overall implementation of the Project.
 - (ii) The Regional AIDS Committee in each of the Region shall be responsible, through its secretariat, for the coordination and supervision of Project activities within its Region.
 - (b) Project implementation

MLS, PCU, and FMU

 - (i) The MLS, through the PCU, shall be responsible for day-to-day Project implementation and coordination at the national level.
 - (ii) The Recipient shall establish, no later than one (1) month after the Effective Date, and thereafter maintain, throughout Project implementation, within the MLS, the PCU, with an institutional framework, functions, and resources satisfactory to the Association, and comprising, inter alia: (i) a national

coordinator; (ii) a public sector program officer; (iii) a civil society program officer; (iv) a monitoring and evaluation officer; (v) a capacity strengthening officer, all with qualifications, experience, and terms of reference satisfactory to the Association and recruited in accordance with the provisions of Section III of this Schedule.

- (iii) The Fiduciary Management Unit shall be responsible for financial, procurement, and administrative management, including disbursements, under the Project.
- (iv) The Recipient shall maintain, throughout Project implementation, within the PCU, the FMU, with an institutional framework, functions, and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association and recruited in accordance with the provisions of Section III of this Schedule

CTAIL and Regional PCU

- (v) The CTAIL in each of the Regions, through its respective Regional PCU, shall be responsible for day-to-day Project implementation and the coordination, administrative and financial management of the Project within its Region.
- (vi) The Recipient shall establish, no later than one (1) month after the Effective Date, and thereafter maintain, throughout Project implementation, within the CTAIL in each of the Regions, a Regional PCU, with an institutional framework, functions, and resources satisfactory to the Association, and comprising, *inter alia*: (i) a regional coordinator; and (ii) a monitoring and evaluation assistant, both with qualifications, experience, and terms of reference satisfactory to the Association and recruited in accordance with the provisions of Section III of this Schedule.

B. Project Implementation Manual

1. The Recipient shall, no later than one (1) month after the Effective Date, adopt the Project Implementation Manual, in form and substance satisfactory to the Association.

2. The Recipient shall: (i) adopt, no later than one (1) month after the Effective Date, a Project Implementation Manual, in form and substance satisfactory to the Association; (ii) carry out the Project in accordance with said Manual; and (iii) except as the Association shall otherwise agree, not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.
3. In case of any conflict between the provisions of the Project Implementation Manual and those of this Agreement, the latter shall prevail.

C. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Subprojects

1. General

- (a) The Recipient shall establish, no later than one (1) month after the Effective Date, and thereafter maintain, throughout Project implementation, the National Selection Committee and four (4) Regional Selection Committees, with an institutional framework, functions, and resources satisfactory to the Association.
- (b) The following entities shall, on behalf of the Recipient, appraise, approve, and monitor and evaluate Subprojects in accordance with the provisions of this Part D and the Project Implementation Manual:
 - (i) the Regional Selection Committees shall appraise, approve, and monitor and evaluate Subprojects costing up to \$12,500 equivalent; and
 - (ii) the National Selection Committee shall appraise, approve, and monitor and evaluate Subprojects costing more than \$12,500 equivalent.

2. Subproject grant eligibility and Subproject implementation guidelines and procedures

No proposed Subproject shall be eligible for financing under the Project unless the respective Regional Selection Committee or the National Selection Committee, as the case may be, has determined, on the basis of an appraisal conducted in accordance with this Part D and the Project Implementation Manual, that the proposed Subproject and the proposed Beneficiary satisfy the eligibility criteria specified below and in further detail in the Project Implementation Manual, which shall include the following:

- (a) the proposed Subproject has been prepared by a civil society organization which meets the eligibility criteria specified in the Project Implementation Manual;
- (b) the proposed Subproject is for activities set forth in Part 1 (a) of the Project and described in further detail in the Project Implementation Manual;
- (c) the proposed Subproject satisfies none of the non-eligibility criteria specified in the Project Implementation Manual;
- (d) the proposed Subproject complies with the Medical Waste Management Plan; and
- (e) the proposed Subproject complies with the standards and requirements set forth in the Recipient's applicable laws and regulations relating to the Program.

3. Terms and conditions of Subproject Grant Agreements

- (a) A Subproject shall be carried out by a Beneficiary pursuant to a Subproject Grant Agreement, to be concluded between the Project Coordination Unit or the respective Regional Coordination Unit, as the case may be, representing the Recipient's ministry at the time responsible for AIDS control on behalf of the Recipient and the respective Beneficiary, under terms and conditions satisfactory to the Association, and described in further detail in the Project Implementation Manual, which shall include the following:

- (i) a description of the Subproject, its budget, and applicable performance indicators;
- (ii) the provision of the Subproject Grant on a grant basis;
- (iii) the obligation of the Beneficiary to: (A) carry out the Subproject with due diligence and efficiency and in accordance with sound medical, technical, environmental, financial, and administrative practices; (B) ensure that the resources required for the Subproject are provided promptly as needed; (C) maintain adequate records to reflect, in accordance with sound accounting practices, the resources, operations, and expenditures relating to the Subproject; and (D) at the request of the Association or the Recipient, have such records audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the records as so audited to the Recipient and the Association;
- (iv) the obligation of the Beneficiary to carry out the Subproject in accordance with the provisions of the Anti-Corruption Guidelines;
- (v) the requirement that the goods, works, and consultants' services to be financed from the proceeds of the Subproject Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Subproject; and
- (vi) the right of the Recipient, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants, and construction included in the Subproject, the operations thereof, and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation, and financial condition of the Subproject and the Beneficiary; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Subproject Grant upon failure by the Beneficiary to perform any of its obligations under the Subproject Grant Agreement.

- (b) The Project Coordination Unit or the respective Regional Coordination Unit, as the case may be, on behalf of the Recipient, shall exercise its rights under the Subproject Grant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project objective, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate, or waive, or permit to be assigned, amended, abrogated, or waived, any substantive provision of the aforementioned.

E. Safeguards

- 1. The Recipient shall update and disclose to the public, no later than six (6) months after the Effective Date, the Medical Waste Management Plan, in form, substance and condition satisfactory to the Association.
- 2. The Recipient shall ensure that the Project, including any Subproject, is implemented in accordance with the provisions of the Medical Waste Management Plan, and except as the Association shall otherwise agree, the Recipient shall not amend or waive, or permit to be amended or waived, any provision of the aforementioned.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

- 1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
 - (i) percentage of female sex workers reporting condom use with their most recent client (under 25 years of age; over 25 years of age);

- (ii) percentage of women and men from 15-49 years of age having had more than one (1) sexual partner in the preceding twelve (12) months reporting condom use during their last sexual intercourse (15-19 years of age; 20-24 years of age; 25-49 years of age);
 - (iii) percentage and number of HIV-infected pregnant women having received a completed antiretroviral treatment to reduce the risk of mother-to-child transmission; and
 - (iv) percentage and number of adults and children with advanced HIV infection having received antiretroviral therapy (under 15 years of age; over 15 years of age).
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

B. Financial Management, Financial Reports and Audits

- 1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method
(a) National Competitive Bidding
(b) Shopping
(c) Limited International Bidding
(d) Direct Contracting
(e) Procurement from United Nations Agencies
(f) Procurement Agents
(g) Community Participation in Procurement, procedures are as described in the Project Implementation Manual

C. Particular Methods of Procurement of Consultants' Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method
(a) Least-Cost Selection
(b) Selection Based on the Consultants' Qualifications
(c) Single-Source Selection
(d) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions

1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:
(a) each contract for goods estimated to cost the equivalent of \$500,000 or more procured on the basis of International Competitive Bidding; (b) the first two (2) contracts for goods procured on the basis of National Competitive Bidding; (c) each contract for works estimated to cost the equivalent of \$500,000 or more procured on the basis of International Competitive Bidding; (d) each contract for goods or works procured on the basis of Direct Contracting; (e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$200,000 or more; (f) the first two (2) contracts for consultants' services provided by a firm estimated to cost less than \$200,000 each; (g) each contract for consultants' services provided by an individual estimated to cost the equivalent of \$50,000 or more; (h) each contract for consultants' services procured on the basis of Single-Source Selection; (i) each contract for consultants' services with regard to the terms of reference for such contract; and (j) each contract for Training in accordance with the provisions of the annual work plans and budgets referred to in Section V.G of this Schedule. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

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:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consultants’ services (including audits), Training, and Subprojects for Parts 1, 2, and 3 of the Project	10,750,000	100
(2) Goods, works, consultants’ services (including audits), Training, and Operating Costs for Part 4 of the Project	1,550,000	100
TOTAL AMOUNT	12,300,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments:

- (a) made prior to the date of this Agreement; or
- (b) under Category (1), unless the Recipient has established, within the PCU, the FMU, with an institutional framework, functions, and resources satisfactory to the Association, including staff with qualifications, experience, and terms of reference satisfactory to the Association and recruited in accordance with the provisions of Section III of this Schedule.

2. The Closing Date is September 30, 2012.

Section V. Other Undertakings

A. Financial Management System

The Recipient shall establish, no later than one (1) month after the Effective Date for purposes of Project implementation, a financial management system satisfactory to the Association.

B. Procurement Plan

The Recipient shall submit to the Association, no later than one (1) month after the Effective Date, a Procurement Plan, in form and substance satisfactory to the Association.

C. Independent auditors

The Recipient shall appoint, no later than four (4) months after the Effective Date and in accordance with the provisions of Section III of this Schedule: (a) the independent financial auditor referred to in Section 4.09 (b) of the General Conditions; and (b) an independent technical auditor for purposes of the audits referred to in Part E of this Section, both with terms of reference, qualifications, and experience satisfactory to the Association.

D. Audit during first year of Project implementation

Notwithstanding the provisions of Section II.B.3 of this Schedule 2, the Recipient shall ensure that the audit of the Financial Statements during the first year of Project implementation shall be carried out semi-annually, and the Financial

Statements for such period shall be furnished to the Association not later than three (3) months after the end of each such period.

E. Technical audits

The Recipient shall ensure that:

- (a) the independent technical auditor, appointed in accordance with the provisions of Part C of this Section, shall carry out two (2) technical audits, of the Project and any Subprojects, respectively, each covering one (1) fiscal year of the Recipient;
- (b) copies of the technical audit reports shall be made available to the Association no later than three (3) months after the end of each such period; and
- (c) should either the Recipient or the Association determine necessary, the Recipient shall prepare and submit to the Association for the Association's review and comment a time-bound action plan for remedy of any identified problems pursuant to the technical audit report, and shall, promptly after the Association has discussed the results of its review with the Recipient, take all necessary actions to carry out the time-bound action plan, taking into account the Association's comments on such plan.

all in accordance with the terms of reference and procedures satisfactory to the Association and as set forth in the Project Implementation Manual.

F. Semi-annual reviews

The Recipient shall review with the Association, no later than one (1) month after its transmittal to the Association, or such later date as the Association shall request, the report referred to in Section II.A.1 (a) of this Schedule, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

G. Annual work plans and budgets

The Recipient shall:

- (a) prepare in accordance with guidelines acceptable to the Association and furnish to the Association not later than November 1 of each year, a proposed annual work plan and budget (which includes the disbursement plan) for the Project for the following year, of such scope and in such detail as the Association shall reasonably request; and
- (b) (i) afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed work plan and budget; and
(ii) thereafter carry out such work plan as shall have been approved by the Association during such following year.

H. Midterm Review

The Recipient shall:

- (a) carry out jointly with the Association, no later than twenty-four (24) months after the Effective Date, a midterm review to assess the status of Project implementation, as measured against the performance indicators referred to in Section II.A.1 (b) of this Schedule 2. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) annual work plans and budgets; (iv) progress on procurement and disbursement; and (v) Project implementation arrangements; and make adjustments to the Project and reallocate funds to improve performance, if needed;
- (b) prepare and furnish to the Association, three (3) months before such review, a report, in scope and detail satisfactory to the Association, needed to undertake the review, integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section on the progress achieved in the carrying out of the Project during the period preceding the date of the said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the period following such date; and
- (c) review, jointly with the Association, the report referred to in paragraph (b) of this Section and thereafter take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

APPENDIX

Definitions

1. “AIDS” means the Acquired Immune Deficiency Syndrome.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
3. “Beneficiary” means a Civil Society Organization which meets the criteria specified in Section I.D of Schedule 2 to this Agreement and the Project Implementation Manual, and to which or for whose benefit a Subproject Grant is made or proposed to be made for the carrying out of a Subproject.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Civil Society Organization” means an entity established and operating pursuant to the Recipient’s laws, including rural or urban communities, grassroots organizations, religious and cultural organizations, professional and non-professional associations, private enterprises, non-governmental organizations, and community-based associations involved in HIV / AIDS control.
6. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
7. “CTAIL” means any of the technical committees to support local initiatives, established under the MLS in each of the Regions.
8. “Fiduciary Management Unit” or “FMU” means the Project entity referred to in Section I.A.2 (b) (iv) of Schedule 2 to this Agreement, and whose responsibilities are set forth in Section I.A.2 (b) (iii) of said Schedule.
9. “Financial and Administrative Procedures Manual” means the Recipient’s manual (which forms part of the Project Implementation Manual), in form and substance satisfactory to the Association, outlining administrative, financial management, disbursement, procurement, and other such arrangements, as shall have been agreed with the Association for purposes of Project and Subproject implementation, as the same may be amended from time to time with the

concurrence of the Association, and such term includes any schedules to said manual.

10. "Focus Regions" means the following Regions of the Recipient: (a) 18 Mountains (Man); (b) South Comoe (Aboisso); (c) Savanes (Korhogo); and (d) Lagunes (Abidjan).
11. "General Conditions" means the "International Development Association General Conditions for Credits and Grants", dated July 1, 2005 (as amended through October 15, 2006).
12. "HIV" means the Human Immuno-deficiency Virus.
13. "Medical Waste Management Plan" means the Recipient's plan, in form and substance satisfactory to the Association, setting out the measures to be taken for the development and implementation of medical waste management and safe handling of said waste in the course of Project and Subproject implementation, as the same may be updated from time to time with the concurrence of the Association, to be prepared and applied in accordance with the provisions of Section I.E of Schedule 2 to this Agreement, and such term includes any schedules to the said plan.
14. "Ministry in Charge of HIV/AIDS" or "MLS" means the Recipient's ministry at the time responsible for HIV/AIDS.
15. "Ministry of Defense" means the Recipient's ministry at the time responsible for defense.
16. "Ministry of Education" means the Recipient's ministry at the time responsible for education.
17. "Ministry of Health" means the Recipient's ministry at the time responsible for health.
18. "Ministry of Interior" means the Recipient's ministry at the time responsible for interior.
19. "Ministry of Social Affairs" means the Recipient's ministry at the time responsible for social affairs.

20. “Ministry of Youth” means the Recipient’s ministry at the time responsible for youth.
21. “National HIV/AIDS Control Council” or “NACC” means the Recipient’s established under the supervisory authority of the Recipient’s Presidency, assisted by the MLS as its technical secretariat and operating pursuant to the Recipient’s Decree No. 2004-13 of January 7, 2004, which is charged with the provision of general Program orientation and evaluation of the Program implementation results.
22. “National Orphans and Vulnerable Children Program” means the Recipient’s program established and operating pursuant to its Decree No. 2003-383 of October 9, 2003, the objective of which is to reduce the impact of HIV / AIDS on children infected with or affected by HIV / AIDS.
23. “Operating Costs” means the incremental expenses incurred under the Project, based on the annual work plans and budgets referred to in Section V.G of Schedule 2 to this Agreement as approved by the Association, on account of Project implementation, management, and monitoring and evaluation, including for utilities and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, office space rental, building and equipment maintenance, advertising and communication expenses, travel and supervision, and salaries of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
24. “PCU” means the Project coordination unit, under the supervisory authority of the MLS, established and operating pursuant to the Recipient’s Order No. 2004/019/MLS/CAB of June 4, 2004, and as charged with responsibilities set forth in Section I.A.2(b)(i) of Schedule 2 to this Agreement.
25. “PLWHA” means people living with HIV/AIDS.
26. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.
27. “Procurement Plan” means the Recipient’s procurement plan for the Project, including the simplified procurement plan dated May 23, 2008, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

28. "Program" means the Recipient's HIV/AIDS National Strategic Plan for the years 2006 to 2010 of June 2006.
29. "Project Implementation Manual" means the Recipient's manual (including the Financial and Administrative Procedures Manual) as agreed with the Association and referred to in Section I.B of Schedule 2 to this Agreement, outlining, *inter alia*, the implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements for purposes of implementation of the Project and Subprojects, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to said manual.
30. "Region" means an administrative area of the Recipient, established pursuant to the Recipient's Law No. 2001-476 of August 9, 2001, representing a designated area and population within the territory of the Recipient.
31. "Regional AIDS Control Committee" means any of the Recipient's entities established within one of its Regions and operating pursuant to the Recipient's Decree No. 2003-410 of October 27, 2003, and as charged with responsibilities set forth in Section I.A.2 (a) (v) of Schedule 2 to this Agreement.
32. "Regional PCU" means any of the Regional Project coordination units, under the supervisory authority of the respective CTAIL, established and operating pursuant to the Recipient's Order No. 2004/019/MLS/CAB of June 4, 2004, and as charged with responsibilities set forth in Section I.A.2 (b) (iii) of Schedule 2 to this Agreement.
33. "Subproject" means a specific activity carried out by a Beneficiary under Part I (a) of the Project, financed or proposed to be financed through a Subproject Grant.
34. "Subproject Grant" means a grant made or proposed to be made to finance a Subproject.
35. "Subproject Grant Agreement" means an agreement between the Recipient, represented by the MLS or the CTAIL, as the case may be, and a Beneficiary, setting forth the terms and conditions under which proceeds of the Financing shall be made available to the Beneficiary for the purpose of financing Subprojects.

36. “Technical Committee to Support Local Initiatives” means any of the Recipient’s entities, under the supervisory authority of its ministry at the time responsible for AIDS control, established and operating in each of the Recipient’s Regions pursuant to the Recipient’s Decree No. 2007-566 of August 10, 2007. “Training” means the training of persons involved in Project-supported activities, such term including seminars, workshops, and study tours, and costs associated with such activity include travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course preparation and implementation.
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