

**CONFORMED COPY**

**ACGF GRANT NUMBER TF090523-RAF**

# **Africa Catalytic Growth Fund Grant Agreement**

**(Inter-Governmental Authority on Development  
Regional HIV / AIDS Partnership Program Support Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**acting as administrator of the Africa Catalytic Growth Fund**

**and**

**INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT**

**Dated June 28, 2007**

**ACGF GRANT NUMBER TF090523-RAF**

**AFRICA CATALYTIC GROWTH FUND  
GRANT AGREEMENT**

AGREEMENT dated June 28, 2007, entered into between:

INTERNATIONAL DEVELOPMENT ASSOCIATION (“World Bank”), acting as administrator of the Africa Catalytic Growth Fund; and

INTER-GOVERNMENTAL AUTHORITY ON DEVELOPMENT (“Recipient”).

The Recipient and the World Bank hereby agree as follows:

**Article I  
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 20, 2006 (“Standard Conditions”), 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 Standard Conditions or in this Agreement.

**Article II  
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out Parts 1 (b), 2, and 3 of the Project, and cause Part 1 (a) of the Project to be carried out by the Office of the United Nations High Commissioner for Refugees (“Project Implementing Entity”), in accordance with the provisions of Article II of the Standard Conditions.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III**  
**The Grant**

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to fourteen million five hundred eight thousand United States Dollars (US\$14,508,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

**Article IV**  
**Additional Remedies**

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (i) of the Standard Conditions consist of the following:
- (a) *Ineligibility.* IBRD or IDA has declared the Recipient ineligible to be awarded a contract financed by IBRD or IDA.
  - (b) *Event prior to Effectiveness.* The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

**Article V**  
**Effectiveness; Termination**

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:
- (a) The Project Operations Manual, in form and substance satisfactory to the Association, has been adopted by the Recipient.
  - (b) If the World Bank so requests, the condition of the Recipient and the Project Implementing Entity, as represented or warranted to the World Bank at the date of this Agreement, has undergone no material adverse change after such date.

- 5.02. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.03. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

**Article VI**  
**Recipient’s Representative; Addresses**

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its executive secretary.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

P. O. Box 2653  
Djibouti City  
Djibouti

Facsimile:

(253) 35 69 94  
(253) 35 35 20

- 6.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions 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) or  
64145 (MCI)

1 (202) 477-6391

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

**INTERNATIONAL DEVELOPMENT ASSOCIATION  
acting as administrator of the Africa Catalytic Growth Fund**

**By /s/ Mark D. Tomlinson**

**Authorized Representative**

**INTER-GOVERNMENTAL AUTHORITY ON  
DEVELOPMENT**

**By /s/ Peter N. R. O. Ogego**

**Authorized Representative**

## SCHEDULE 1

### Project Description

The objectives of the Project are to: (i) increase preventative action in relation to and reduce misconceptions of refugees, Internally Displaced Persons, returnees, surrounding host communities, and cross-border and mobile populations concerning HIV / AIDS prevention, treatment, and mitigation in selected sites in the territory of the Member States; and (ii) establish a common and sustainable regional approach to supporting these populations in the territory of the Member States.

The Project constitutes part of the Program and consists of the following parts:

1. Support to Internally Displaced Persons, Refugees, Returnees, Surrounding Host Communities, and Cross-Border and Mobile Populations

Provision of HIV / AIDS prevention, care, support, treatment, and mitigation services to:

- (a) internally displaced persons, refugees, returnees, and surrounding host communities; and
- (b) cross-border and mobile populations through the carrying out of Subprojects.

2. Cross-Border Collaboration on Health-Sector Response to HIV / AIDS

- (a) exchange of information and sharing of experiences through periodic meetings, study tours, and training programs;
- (b) elaboration of referral systems for service delivery and counseling;
- (c) review of protocols and materials and preparation and national adoption of implementation plans;
- (d) development of service-continuity mechanisms; and
- (e) development of comprehensive five-year regional HIV / AIDS / Sexually Transmitted Infection Strategy and Program plan with focus on regional dimensions of HIV and Sexually Transmitted Infections.

3. Capacity Building and Project and Program Coordination, Management, and Monitoring and Evaluation
- (a) development and implementation of comprehensive regional HIV / AIDS monitoring and evaluation system addressing biological and behavioral surveillance, essential research, and financial, procurement, and Program-activity monitoring, particularly data collection in relation to Project-targeted populations and linking with national HIV / AIDS monitoring and evaluation systems;
  - (b) development of interactive website for information sharing between Member States;
  - (c) overall Project and Program facilitation; and
  - (d) provision of direct support to national HIV / AIDS authorities in coordination of national HIV / AIDS efforts.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

##### 1. Recipient

- (a) The Recipient shall be responsible for coordination, management, and oversight of Project implementation.
- (b) The Recipient shall maintain, throughout Project implementation, the following entities, with functions and resources satisfactory to the World Bank, including, where applicable, staff with qualifications, experience, and terms of reference satisfactory to the World Bank:
  - (i) The Ministerial Committee on Health and HIV / AIDS, which shall provide policy orientation and guidance to the Project;
  - (ii) The Steering Committee, comprising the chief executives of the Member States' national AIDS programs, which shall review Project budgets and audit reports and participate in the Project's annual review and planning exercises;
  - (iii) The Secretariat, which shall be responsible for coordination, management, and oversight of Project implementation, including of the work of the Program Facilitation Office, and financial management and procurement under the Project;
  - (iv) The Program Facilitation Office referred to in Section V.D.2 of this Schedule, which shall be responsible for day to day implementation of Parts 1 (b), 2, and 3 of the Project;
  - (v) The Technical Working Group on Health-Sector Response to HIV / AIDS, which shall provide support to implementation of Part 2 of the Project;
  - (vi) The Technical Working Group on Monitoring and Evaluation referred to in Section V.D.5 of Schedule 2, which shall provide support to implementation of Part 3 of the Project; and
  - (vii) Each Member State entity responsible for coordination of HIV / AIDS activities, which shall be responsible for: (A) coordination



between Project and Member State activities; (B) coordination, with the Secretariat and Program Facilitation Office, of implementation of activities relating to surrounding host communities under Part 1 (a), and Part 1 (b), of the Project; and (C) provision of support to Part 2, and Program-activity monitoring under Part 3 (a), of the Project.

2. Project Implementing Entity

The Project Implementing Entity shall be responsible for implementation of Part 1 (a) of the Project.

**B. Subsidiary Agreement**

1. To facilitate the carrying out of Part 1 (a) of the Project, the Recipient shall make the proceeds of the Grant allocated from time to time to Category (1) of the table set forth in Section IV.A.2 of this Schedule available to the Project Implementing Entity under a subsidiary agreement between the Recipient and said entity, under terms and conditions approved by the Association (“Subsidiary Agreement”), which shall include the following:

- (a) The Recipient shall provide to the Project Implementing Entity the proceeds of the Grant allocated from time to time to Category (1) of the table set forth in Section IV.A.2 of this Schedule on terms and conditions satisfactory to the World Bank.
- (b) The Project Implementing Entity shall ensure that the Project is implemented in accordance with the provisions of the Project Operations Manual, and, except as the World Bank shall otherwise agree, the Project Implementing Entity shall not amend or waive, or permit to be amended or waived, any provision of the aforementioned.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

**C. Manuals**

Except as the World Bank shall otherwise agree, the Recipient shall: (i) carry out the Project, or cause the Project to be carried out, in accordance with the Project Operations Manual and the Project Monitoring and Evaluation Manual; and (ii) except as the World Bank shall otherwise agree, not amend, abrogate, or

waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof.

**D. Subprojects**

1. General

Without limitations upon the provisions of Section I.A of this Schedule, the Recipient shall appraise, approve, and monitor Subprojects in accordance with the provisions of this Section and the Project Operations Manual.

2. Eligibility Criteria and Procedures for Subprojects

- (a) No proposed Subproject shall be eligible for financing out of the proceeds of the Grant unless the Recipient has determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Project Operations Manual, that the Subproject satisfies eligibility criteria and procedures satisfactory to the Association and set out in the Project Operations Manual, and which shall include the following:
- (i) the Subproject shall be proposed by a public or private or other non-governmental organization which fulfils the eligibility criteria set out in the Project Operations Manual; and such organization shall be eligible for future Sub-financings if it has completed the preceding Subproject to the satisfaction of the Association and the Recipient;
  - (ii) the proposed Subproject shall be for any of the types of activities set out under Part 1 (b) of the Project, and in further detail in the Project Operations Manual; and
  - (iii) the cost of the proposed Subproject is entirely covered by the amount of the Sub-financing and the Sub-financing Beneficiary's contribution, if any.
- (b) No proposed Subproject shall be eligible for financing under the Project if the Recipient has determined, on the basis of an appraisal conducted in accordance with the provisions of this Section and the Project Operations Manual, that the proposed Subproject meets any of the non-eligibility criteria set out in the Project Operations Manual, which shall include the following:
- (i) the proposed Subproject shall be for activities political or religious in nature;

- (ii) the proposed Subproject could potentially have an adverse environmental or social impact;
- (iii) the proposed Subproject shall be for investments not proven to be in compliance with applicable agrarian or land law; and
- (iv) the proposed Subproject shall be for activities relating to the production of tobacco or hallucinogen plants.

### 3. Terms and Conditions of Sub-financing Agreements

- (a) The Recipient shall make each Sub-financing under a Sub-financing Agreement, concluded between the Recipient and the respective Sub-financing Beneficiary on terms and conditions approved by the Association, described in further detail in the Project Operations Manual, and which shall include the following:
  - (i) The Sub-financing shall be: (i) denominated in dollars; and (ii) made on a grant basis.
  - (ii) The Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to:
    - (A) suspend or terminate the right of the Sub-financing Beneficiary to use the proceeds of the Sub-financing, or obtain a refund of all or any part of the amount of the Sub-financing then withdrawn, upon the Sub-financing Beneficiary's failure to perform any of its obligations under the Sub-financing Agreement; and
    - (B) require the Sub-financing Beneficiary to, and this with the assistance of a technical support agency as needed:
      - (1) contribute, in cash or in kind, at least ten percent (10%) of the estimated Subproject costs;
      - (2) carry out its Subproject with due diligence and efficiency and in accordance with sound health care, economic, financial, managerial, administrative, environmental, and social standards and practices satisfactory to the Association, including in accordance with the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient;

- (3) provide, promptly as needed, the resources required for the purpose;
  - (4) procure the goods, works, and services to be financed out of the Sub-financing in accordance with procedures ensuring efficiency and economy and the provisions of Section III of this Schedule, and use said goods, works, and services exclusively in the carrying out of the Subproject;
  - (5) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Subproject and the achievement of its objectives;
  - (6) (a) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources, and expenditures related to the Subproject; and (b) at the Association's or the Recipient's request, have such financial statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association;
  - (7) enable the Recipient and the Association to inspect the Subproject, its operation, and any relevant records and documents; and
  - (8) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing; and
- (C) recruit a technical support agency in accordance with the provisions of Section III of this Schedule for purposes of provision of assistance to the Sub-financing Beneficiary

in the identification, preparation, implementation, and oversight of Subprojects.

- (b) The Recipient shall exercise its rights under each Sub-financing Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-financing Agreement or any of its provisions.

**E. Safeguards**

The Recipient shall ensure that the Project is implemented in accordance with the provisions of the respective Medical Waste Management Plan and, except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate, or waive, or permit to be amended, abrogated, or waived, any provision of the aforementioned.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports; Completion Report**

- 1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard 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 quarter, and shall be furnished to the World Bank not later than 45 days after the end of the period covered by such report, except for the first Project Report, which shall cover the period of one (1) calendar quarter, and shall be furnished to the World Bank not later than 45 days 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:

<b>Indicator</b>
(1) Percentage of internally displaced person, refugee, returnee, and surrounding host community target populations aged 15-49 having undergone voluntary HIV counseling and testing and obtained test results in past 12 months (By gender)
(2) Percentage of internally displaced person, refugee, returnee, and surrounding

host community target populations reached via community-based HIV prevention programs
(3) Percentage of internally displaced person and refugee target populations aged 15-49 having had more than one (1) sexual partner over previous 12 months reporting use of condom during last instance of sexual intercourse (By gender and age)
(4) Percentage of internally displaced person and refugee target populations aged 15-49 correctly identifying at least three (3) prevention methods of, and rejecting major misconceptions relating to, HIV transmission (By target population and gender)
(5) Number of operational voluntary HIV counseling and testing sites in targeted areas
(6) Number of condoms (male and female) distributed to target populations under the Project
(7) Number of Member States having harmonized their HIV treatment drug lists.
(8) Number of Member States having adopted national HIV / AIDS strategies during Project implementation incorporating targeting of cross-border and mobile populations.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date. In order to assist the Recipient in preparing the Completion Report, the Recipient shall employ consultants in accordance with the provisions of Section III of this Schedule.

**B. Financial Management; Financial Reports; Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim un-audited financial reports for the Project are prepared and furnished to the World Bank as part of the Project Report not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard 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 World Bank not later than six (6) months after the end of such period.

**Section III. Procurement**

**A. General**

**1. Procurement and Consultant Guidelines.** All goods, works, and services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

- (a) Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006 (“Procurement Guidelines”) in the case of goods and works, and Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 (“Consultant Guidelines”) in the case of consultants’ services; and
- (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).

**2. Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank 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 methods, other than International Competitive Bidding, may be used for procurement of goods and works for those contracts specified in the Procurement Plan.

<b>Procurement Method</b>
(a) National Competitive Bidding
(b) Shopping

(c) Procurement by United Nations Agencies
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**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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those assignments which are specified in the Procurement Plan.

<b>Procurement Method</b>
(a) Consultants’ Qualifications
(b) Selection of Individual Consultants
(c) Single Source Selection

**D. Review by the World Bank of Procurement Decisions**

Except as the World Bank shall otherwise determine by notice to the Recipient, the terms of reference of all contracts for consultants’ services procured on the basis of Consultants’ Qualifications and Selection of Individual Consultants, and the following contracts shall be subject to Prior Review by the World Bank: (a) each contract for goods or works estimated to cost the equivalent of \$250,000 or more; (b) the first two (2) contracts for goods or works estimated to cost less than \$250,000 but more than \$50,000; (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of \$100,000 or more; (d) each contract for consultants’ services provided by an individual consultant estimated to cost the equivalent of \$50,000 or more; (e) each contract procured on the basis of Single Source Selection; and (f) each contract for Training not included in the annual work plan for a given year referred to in Section V.A. of this Schedule and estimated to cost the equivalent of \$10,000 or more. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

**A. General**

1. The Recipient may withdraw the proceeds of the Grant 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 “World Bank Disbursement Guidelines for Projects” dated May 2006, 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 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 Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Grant Allocated (Expressed in USD)</b>	<b>Percentage of Expenditures to be Financed (Inclusive of Taxes)</b>
(1) Part 1 (a) of Project (Goods, works, consultants’ services (including audits), and Training)	5,100,000	100
(2) Part 1 (b) of Project (Sub-financings)	4,100,000	100% of amounts disbursed
(3) Parts 2 and 3 of Project (Goods, works, consultants’ services (including audits), Training, and Operating Costs)	4,300,000	100
(4) Unallocated	1,008,000	
<b>TOTAL AMOUNT</b>	<b>\$14,508,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
- (a) for payments made prior to the date of this Agreement, except that withdrawals for Eligible Expenditures up to an aggregate amount not to exceed \$250,000 equivalent may be made for payments made prior to this date but on or after May 1, 2007, for Eligible Expenditures under Category (2); and

- (b) under Category (1), unless the Subsidiary Agreement referred to in Section I.B.1 of this Schedule has been signed between the Recipient and the Project Implementing Entity for the purpose of implementation of Part 1 (a) of the Project by the latter.
3. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2011.

**Section V. Other Undertakings**

**A. Annual Work Plans and Budgets**

The Recipient shall furnish to the World Bank as soon as available, but in any case not later than October 31 of each year, an annual work plan and budget for the Project for the following year, in form and substance satisfactory to the World Bank and of such scope and detail as the World Bank shall have reasonably requested, except for the annual work plan and budget due in 2007, which shall be furnished not later than October 31, 2007 or thirty (30) days after the Effective Date, whichever is sooner.

**B. Annual Reviews**

The Recipient shall:

1. Maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the performance indicators referred to in Section II.A.1 (a) of Schedule 2 to this Agreement, the carrying out of the Project and the achievement of the objectives thereof;
2. Prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about June 30 in each year, with the exception of the year in which the review referred to in Part C below is carried out, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 1 of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
3. Review with the Association, by July 31 in each year, with the exception of the year in which the review referred to in Part C below is carried out, or such later date as the Association shall request, the report referred to in paragraph 2 of this Section, 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.

**C. Midterm Review**

The Recipient shall:

1. Carry out jointly with the World Bank, 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 (a) of Schedule 2 to this Agreement. Such review shall include an assessment of the following: (i) overall progress in Project implementation; (ii) results of monitoring and evaluation activities; (iii) implementation of annual work plans and budgets; and (iv) progress on procurement and disbursement; and make adjustments to the Project and reallocate funds to improve performance, if needed;
2. Prepare and furnish to the World Bank, three (3) months before such review, a report, in form and substance and scope and detail satisfactory to the World Bank, 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 said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and
3. Review, jointly with the World Bank, 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 said report and the World Bank's views on the matter.

**D. Other**

The Recipient shall, no later than three (3) months after the Effective Date:

1. Appoint to the Secretariat staff with qualifications, experience, and terms of reference satisfactory to the World Bank in accordance with the provisions of Section III of this Schedule, including an accountant and a procurement officer.
2. Establish the Program Facilitation Office referred to in Section I.A.1 (b) (iv) of this Schedule, with functions and resources satisfactory to the World Bank, including staff with qualifications, experience, and terms of reference satisfactory to the World Bank in accordance with the provisions of Section III of this Schedule, including a coordinator, assistant coordinators for each of Parts 1 and 2 of the Project, a liaison officer, an assistant accountant, a monitoring and evaluation officer, and general service staff.

3. Conclude an agreement, in form and substance satisfactory to the World Bank, with the entity of each Member State responsible for coordination of HIV / AIDS activities for purposes of collaboration vis-à-vis implementation of Part 1 (b) of the Project.
4. Adopt the Project Monitoring and Evaluation Manual, in form and substance satisfactory to the Association.
5. Establish the Technical Working Group on Monitoring and Evaluation, comprising Member State representatives, with a composition, functions, and resources satisfactory to the World Bank.

**APPENDIX****Section I. Definitions**

1. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
2. “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.
3. “Medical Waste Management Plan” means the plan of one of the Member States (as hereinafter defined) or the Project Implementing Entity (as hereinafter defined), as the case may be, agreed with the World Bank, for the medical waste management procedures and measures to be followed under the Project, as the same may be updated from time to time with the concurrence of the World Bank, and such term includes any schedules to the Medical Waste Management Plan.
4. “Member State” means a member of the Recipient, as defined in the Agreement Establishing the Inter-Governmental Authority on Development of March 21, 1996.
5. “Ministerial Committee on Health and HIV / AIDS” means the Recipient entity established and operating pursuant to the Recipient’s Report on the Inter-Governmental Authority on Development HIV / AIDS Regional Partnership Program Based on the Meeting of the Heads of National AIDS Commissions / *Commissions Nationales de Lutte contre le SIDA* of the Member States of March 9, 2007.
6. “Operating Costs” means the incremental expenses incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries of general service staff, but excluding salaries, fees, honoraria, and bonuses of members of any of the Member States’ civil service.
7. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the World Bank in May 2004 and revised in October 2006.
8. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated June 21, 2007 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.

9. “Program” means the Recipient’s program designed to address the regional challenges of HIV / AIDS, particularly in relation to vulnerable groups in cross-border areas in the territory of the Member States, and set forth or referred to in the Recipient’s Report on the Inter-Governmental Authority on Development HIV / AIDS Regional Partnership Program Based on the Meeting of the Heads of National Aids Commissions / *Commissions Nationales de Lutte contre le SIDA* of the Member States of March 9, 2007.
10. “Program Facilitation Office” means the Recipient entity charged with facilitation of Program implementation.
11. “Program Steering Committee” means the Recipient’s entity established and operating pursuant to the Recipient’s Report on the Inter-Governmental Authority on Development HIV / AIDS Regional Partnership Program Based on the Meeting of the Heads of National AIDS Commissions / *Commissions Nationales de Lutte contre le SIDA* of the Member States of March 9, 2007.
12. “Project Implementing Entity” means the Office of the United Nations High Commissioner for Refugees.
13. “Project Monitoring and Evaluation Manual” means the manual adopted by the Recipient outlining monitoring and evaluation arrangements, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to the Project Monitoring and Evaluation Manual.
14. “Project Operations Manual” means the manual adopted by the Recipient, outlining implementation, organizational, administrative, monitoring and evaluation, environmental and social monitoring and mitigation, financial management, disbursement, and procurement arrangements, as shall have been agreed with the Association for purposes of Project implementation, as the same may be amended from time to time with the concurrence of the Association, and such term includes any schedules to the Project Operations Manual.
15. “Sub-financing” means a grant made, or proposed to be made, by the Recipient to a Sub-financing Beneficiary (as hereinafter defined) to finance a Subproject (as hereinafter defined).
16. “Sub-financing Agreement” means the agreement to be entered into between the Recipient and a Sub-financing Beneficiary (as hereinafter defined) for the purposes of carrying out and financing a Subproject (as hereinafter defined).
17. “Sub-financing Beneficiary” means a public or private or other non-governmental organization established and operating as such under the laws of

the respective Member State, which has met the eligibility criteria set out in Section I.D of Schedule 2 to this Agreement and in further detail in the Project Operations Manual, and, as a result, has received or is entitled to receive a Sub-financing.

18. “Subproject” means a specific activity financed, or proposed to be financed, through a Sub-financing under Part 1 (b) of the Project.
19. “Subsidiary Agreement” means the agreement referred to in Section I.B.1 of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Grant available to the Project Implementing Entity.
20. “Technical Working Group on Health Response to HIV / AIDS” means the Recipient entity established and operating pursuant to the Recipient’s Report on the Inter-Governmental Authority on Development HIV / AIDS Regional Partnership Program Based on the Meeting of the Heads of National AIDS Commissions / *Commissions Nationales de Lutte contre le SIDA* of the Member States of March 9, 2007.
21. “Technical Working Group on Monitoring and Evaluation” means the Recipient entity established pursuant to Section V.D.5 of Schedule 2 and whose responsibilities are set out in Section I.A.1 (b) (vi) of said Schedule.
22. “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 of 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.

## **Section II. Modifications to the Standard Conditions**

The Standard Conditions are modified as follows:

The reference to “Member Country” in the Standard Conditions and in this Agreement means the Recipient or a Member State. If the Project is carried out in the territory of more than one member of the World Bank, “Member Country” refers separately to each such member.

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