

Public Disclosure Authorized

CONFORMED COPY

GRANT NUMBER H328-AF

Financing Agreement

(HIV/AIDS Prevention Project)

between

ISLAMIC REPUBLIC OF AFGHANISTAN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated September 2, 2007

GRANT NUMBER H328-AF

FINANCING AGREEMENT

AGREEMENT dated September 2, 2007, entered into between the ISLAMIC REPUBLIC OF AFGHANISTAN (“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 six million six hundred thousand Special Drawing Rights (SDR 6,600,000) (“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 February 15 and August 15 in each year.
- 2.05. The Payment Currency is United States Dollars.

ARTICLE III - PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through MOPH in accordance with the provisions of Article IV of the General Conditions, and in conformity with the health care principles of medical confidentiality and informed consent.

- 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 - EFFECTIVENESS; TERMINATION

- 4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate twenty (20) years after the date of this Agreement.

ARTICLE V - REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Recipient's Minister of Finance.
- 5.02. The Recipient's Address is:

Ministry of Finance
Kabul
Islamic Republic of Afghanistan

- 5.03. 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 Kabul, Islamic Republic of Afghanistan, as of the day and year first above written.

ISLAMIC REPUBLIC OF AFGHANISTAN

By

/s/ Anwar-ul Haq Ahady
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ Alastair J. McKechnie
Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to slow down the spread of HIV/AIDS and build up the Recipient's capacity to respond to the epidemic by: (i) achieving a behavioral change in High Risk Groups; and (ii) improving knowledge of HIV/AIDS prevention mechanisms and reducing stigma related to HIV/AIDS of the Recipient's general population.

The Project consists of the following parts:

Part 1: Communication and Advocacy

Planning and implementing advocacy and communication activities aimed at creating a policy environment that enables the scaling up of targeted interventions for HIV/AIDS prevention in High Risk Groups, including: (i) carrying out targeted audience research and surveys; (ii) developing training and information packages; and (iii) coordinating high-level meetings, workshops and training sessions for, *inter alia*, service providers, private practitioners and journalists.

Part 2: Strengthening of HIV/AIDS Surveillance

Developing and implementing a second generation surveillance system in order to: (i) map and estimate the size of High Risk Groups; (ii) collect biological and behavioral data from representative samples of their population; and (iii) determine HIV/AIDS dynamic and the trajectory and magnitude of the epidemic in the country.

Part 3: Targeted Interventions for High Risk Behaviors

Supporting targeted interventions in four (4) major cities in order to prevent further spread of HIV/AIDS among High Risk Groups, by promoting safe behavioral practices and implementing comprehensive harm reduction packages, including, *inter alia*, the establishment and operation of drop-in-centers providing social support, needle and syringe exchange, condom distribution, care, and referral for voluntary confidential counseling and testing.

Part 4: Project Management and Innovation Initiative

1. Strengthening the institutional capacity of: (i) MOPH in order to manage, implement, monitor and evaluate the Project; and (ii) HACCA in order to coordinate the Recipient's Multi-Sector HIV/AIDS Response.
2. Developing and implementing an Innovation Initiative in order to provide financing to selected HIV Prevention Activities to be carried out by Eligible Partners for mainstreaming the Multi-Sector HIV/AIDS Response.

SCHEDULE 2**Project Execution****Section I. Implementation Arrangements****A. Institutional Arrangements**

1. The Recipient shall vest the responsibility for the overall management and coordination of the Project in MOPH. To this end, the Recipient shall cause MOPH to:
 - (a) maintain, throughout the implementation of the Project, the HACCA with composition acceptable to the Association, chaired by the Deputy Minister for Technical Affairs of MOPH, and including among other, representatives of other public agencies, the private sector and civil society, external development partners, provincial governments, and High Risk Groups, said committee to be responsible for the multi-sectoral, broad-based and inclusive policy guidance and general oversight of the Project, including the development of a national policy for the treatment and prevention of HIV/AIDS;
 - (b) maintain, throughout the implementation of the Project, the NACP and GCMU, which units shall be responsible for the day-to-day technical, financial and procurement management (except procurement under HIV Prevention Activities under the Innovation Fund) and coordination of the Project as set forth in the Project Implementation Plan; each such unit to be provided with sufficient resources under the direction of a qualified and experienced manager acceptable to the Association, and assisted by staff in adequate numbers, with terms of reference acceptable to the Association;
 - (c) establish within the NACP, by not later than one month after the Effective Date, and thereafter maintain throughout the implementation of the Project, a Planning Committee, with composition acceptable to the Association; said committee to be responsible for the preparation of the Annual Work Plan and the estimate budget therefor;
 - (d) establish under the auspices of NACP, by not later than one (1) month after the Effective Date, and thereafter maintain throughout the implementation of the Project, an HIV-Surveillance Working Group, with composition acceptable to the Association, including representatives of various MOPH departments, public and private agencies or organizations engaged in HIV/AIDS surveillance, and technical experts; said group to be responsible, *inter alia*, for providing guidance to NACP

on the development of a second generation surveillance system and the strategy plan for implementing surveillance activities;

- (e) establish under the auspices of HACCA, by no later than three (3) months after the Effective Date, and thereafter maintain throughout the implementation of the Project, a multi-sector review board (the “Innovation Initiative Review Board), with composition acceptable to the Association, chaired by the director of NACP, and including representatives of, *inter alia*, the GCMU, HACCA (other than those nominated by MOPH), MOPH, IRB, APHI, NGOs, High Risk Groups, the private sector and the CCM Secretariat; said panel to be responsible for the selection and approval of proposals by Eligible Partners for innovative HIV/AIDS Prevention Activities consistent with the Multi-Sector HIV/AIDS Response;
- (f) engage, through the NACP, and thereafter retain throughout the implementation of the Project, four additional advisers for the areas of: (i) monitoring and evaluation; (ii) advocacy and communications; (iii) interventions on injecting drug users interventions; and (iv) interventions on other High Risk Groups, in order to ensure NACP’s technical coordination of the Project is carried out with due regard to efficiency, economy, and transparency principles and sound environmental and health practices and standards, and in consistency with the Environmental and Social Safeguard Framework and the Project Implementation Plan; and
- (g) engage, through the GCMU, and thereafter retain throughout the implementation of the Project, two (2) additional advisers for the areas of: (i) procurement; and (ii) financial management, in order to ensure that the GCMU’s carries out the procurement and financial administration of the Project with due regard to efficiency, economy and transparency principles, and sound financial management practices and standards, and in consistency with the Procurement and Consultants Guidelines and the Project Implementation Plan; said advisers to be responsible for, *inter alia*: (i) updating the annual Procurement Plan for the Project, handling the procurement of goods and services, and preparing summary reports; and (ii) assisting GCMU in carrying out the day-to-day financial management of the Project, including the preparation of withdrawal applications, statement of expenditures, payments orders and financial reports.

2. In order to guide the NACP and GCMU in the implementation of Project activities, the Recipient shall:
- (a) through MOPH, develop and adopt a Project Implementation Plan, in form and substance acceptable to the Association, setting forth, *inter alia*, (i) the assignment of responsibilities and coordination arrangements between NACP and GCMU; (ii) guidelines and procedures for the preparation and implementation of HIV/AIDS surveillance and targeted interventions, including protocols to protect individually identifiable health information and ensure voluntary participation; (iii) procurement arrangements consistent with Section III of this Schedule; (iv) terms of reference for the Innovation Initiative and minimum qualifications and requirements for Eligible Partners to participate; (v) selection criteria and procedures for the approval of proposals for HIV Prevention Activities to be financed under the Innovation Initiative; and (vi) the standard terms and conditions of the MOUs and Subgrant Agreements for the implementation of approved HIV Prevention Activities, including those set forth in the Attachment to this Schedule;
 - (b) adopt a Financial Management Manual, in form and substance satisfactory to the Association, setting forth policies, protocols and procedures for the flow of funds, settlements of payments, accounting, maintenance of records, and reporting, internal control and auditing requirements; and
 - (c) neither amend, nor revise or waive, the provisions of the Project Implementation Plan or the Financial Management Manual, if, in the opinion of the Association, such amendment, revision or waiver may materially and adversely affect the carrying out of the Project or the achievement of the Project's objectives.

B. Anti-Corruption

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

C. Safeguards

In carrying out the Project, the Recipient shall implement, or cause to implement, the environmental measures and risk mitigation protocols provided in the Environmental Management Plan, in a manner satisfactory to the Association; and shall not amend, revised or waived the provision of said plan without the prior concurrence of the Association.

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

1. 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 indicators agreed with the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than ninety (90) days after the end of the period covered by such report.
2. Without prejudice to the provisions of paragraph (1) above, and upon the expiration of the periods covered by each Annual Work Plan, the Recipient shall prepare integrated annual reports, in form and substance satisfactory to the Association, covering the activities implemented over the said period. Each integrated annual report to be furnished to the Association not later than ninety (90) days after the end of the period covered by such report.

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 quarterly interim unaudited financial reports covering the activities implemented under the Project on each calendar quarter, in form and substance satisfactory to the Association. Each such interim unedited financial reports to be furnished to the Association not later than forty five (45) days after the end of the period covered by such report.
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, commencing with the fiscal year in which the first withdrawal under the Project Preparation Advance was made. 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.** All goods 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

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

Procurement Method
(a) National Competitive Bidding*
(b) Shopping
(c) Direct Contracting

*National Competitive Bidding procedures shall be subject to the following additional requirements:

- (a) standard bidding documents approved by the Association will be used;
- (b) invitations to bid will be advertised in at least one (1) widely circulated national daily newspaper and bidding documents will be made available

to prospective bidders, at least twenty eight (28) days prior to the deadline for the submission of bids;

- (c) bids will not be invited on the basis of percentage premium or discount over the estimated cost;
- (d) bidding documents will be made available, by mail or in person, to all who are willing to pay the required fee;
- (e) foreign bidders will not be precluded from bidding;
- (f) qualification criteria (in case pre-qualifications were not carried out) will be stated on the bidding documents, and if a registration process is required, a foreign firm determined to be the lowest evaluated bidder will be given reasonable opportunity of registering, without any hindrance;
- (g) bidders may deliver bids, at their option, either in person or by courier service or by mail;
- (h) all bidders will provide bid security as indicated in the bidding documents. A bidder's bid security will apply only to a specific bid;
- (i) bids will be opened in public in one place preferably immediately, but no later than one hour, after the deadline for submission of bids.
- (j) evaluation of bids will be made in strict adherence to the criteria disclosed in the bidding documents, in a format, and within the specified period, agreed with the Association;
- (k) bids will not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Association;
- (l) split award or lottery in award of contracts will not be carried out. When two (2) or more bidders quote the same price, an investigation will be made to determine any evidence of collusion, following which: (A) if collusion is determined, the parties involved will be disqualified and the award will then be made to the next lowest evaluated and qualified bidder; and (B) if no evidence of collusion can be confirmed, then fresh bids will be invited after receiving the concurrence of the Association;
- (m) contracts will be awarded to the lowest evaluated bidders within the initial period of bid validity so that extensions are not necessary. Extension of bid validity may be sought only under exceptional circumstances;

- (n) extension of bid validity will not be allowed without the prior concurrence of the Association: (A) for the first request for extension if it is longer than eight (8) weeks; and (B) for all subsequent requests for extensions irrespective of the period;
- (o) negotiations will not be allowed with the lowest evaluated or any other bidders;
- (p) re-bidding will not be carried out without the Association’s prior concurrence; and
- (q) all contractors or suppliers will provide performance security as indicated in the contract documents. A contractor’s or a supplier’s performance security will apply to a specific contract under which it was furnished.

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) Quality Based Selection
(b) Selection Based on Consultants’ Qualifications
(c) Least-Cost Selection
(d) Selection under a Fixed Budget
(e) Single-Source Selection
(f) Selection of Individual Consultants

D. Review by the Association of Procurement Decisions.

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 USD200,000 or

more; (b) each contract for goods procured on the basis of Direct Contracting regardless of value; (c) each contract for consultants' services with firms estimated to cost the equivalent of USD100,000 or more; (d) each contract for consultants' services with individual consultants estimated to cost the equivalent of USD50,000 or more; and (e) each contract for consultants' services procured on the basis of Single-Source Selection regardless of value. 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	Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultants' services, training, Incremental Operating Costs and Subgrants	6,502,000	100%
(2) Refund of Project Preparation Advance	98,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	6,600,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 657,000 (USD1,000,000 equivalent) may be made for payments made prior to this date but on or after March 1, 2007, for Eligible Expenditures under Category (1).
2. The Closing Date is December 31, 2010.

Section V. Other Undertakings

1.
 - (a) The Recipient shall, by no later than January 31 each year, commencing on January 31, 2008, cause the Planning Committee to prepare an annual work plan setting out the Project activities to be carried out during the following solar year and the respective procurement plan, which plan shall be in form and substance satisfactory to the Association.
 - (b) By no later than February 15 each year, submit such plan to HACCA's approval and, thereafter, implement the Project activities in accordance with such plan, as approved.
2. In carrying out Part 2 of the Project, the Recipient shall:
 - (a) by no later than one (1) month as of the Effective Date, adopt a national HIV/AIDS monitoring and evaluation plan acceptable to the Association setting forth the monitoring and evaluation structure, national indicators and guidelines for the collection and use of indicator data; and
 - (b) within nine (9) months as of the Effective Date, carry out integrated biological and behavioral surveys, under terms of reference acceptable to the Association, to obtain baseline measures of representative samples of High Risk Groups;
3. In carrying out Part 4(2) of the Project, the Recipient shall only finance innovative HIV Prevention Activities submitted by an Eligible Partner, provided that:
 - (a) the HIV Prevention Activities have been screened and approved by the Innovation Initiative Review Board pursuant to the procedures and selection criteria set forth in the Project Implementation Plan, to ensure: (i) the quality of the proposal; (ii) its epidemiological relevance; (iii) its alignment with, and expected contribution to, the Project's development objectives; and (iv) the optimal use of existing resources; and

- (b) upon approval of any such HIV Prevention Activity, MOPH and the respective Eligible Partner have entered into an MOU or Subgrant Agreement, as the case may be, in terms and substance satisfactory to the Association, setting forth the undertakings of the parties for the implementation of the HIV Prevention Activity, including those set forth in the Attachment to this Schedule.

4. In carrying out Part 4(2) of the Project, the recipient shall:

- (a) ensure that the Other Line-Ministries execute the HIV Prevention Activities in accordance with, and perform all their obligations pursuant to, their respective MOUs, in such a manner as to accomplish the purposes of this Financing and to protect the interests of the Recipient and the Association; and
- (b) exercise its rights under the Subgrant Agreements in order to ensure that the NGOs and CBOs execute the HIV Prevention Activities in accordance with, and perform all their obligations pursuant to, their respective Subgrant Agreements, in such a manner as to accomplish the purposes of this Financing and to protect the interests of the Recipient and the Association.

**ATTACHMENT
TO
SCHEDULE 2**

**Standard Terms and Conditions
for MOUs and Subgrant Agreements**

Section I. MOUs among MOF, MOPH and Other Line-Ministries under the Innovation Initiative

The Recipient shall ensure that the terms and conditions of the MOUs provide that:

- (a) in carrying out the HIV Prevention Activities, the Other Line-Ministries:
 - (i) appoint a dedicated and qualified team, capable of implementing the activities with due regard to community sensitivities and ethical considerations, including principles of personal respect, informed consent, medical confidentiality and limited disclosure, and equal access to services without discrimination or stigmatization;
 - (ii) abide by, and comply with, the provisions of the Anti-corruption Guidelines;
 - (iii) abide by, and comply with, the Environmental and Social Safeguard Framework and/or the Environmental Management Plan, as the case may be;
 - (iv) prepare semiannual implementation progress reports and quarterly financial reports satisfactory to NACP, GCMU and the Association and, at the request of the Association, NACP or GCMU, exchange views with regard to such implementation, and/or furnish NACP, GCMU or the Association with all such related information as may reasonably be required; and
 - (v) promptly inform NACP of any conditions which interferes or threatens to interfere with the progress of activities or the compliance with their respective obligations and responsibilities under the MOUs;
- (b) goods and services be procured in accordance with the provisions of Section III of Schedule 2 to this Agreement;

- (c) the financial and procurement arrangements be satisfactory to the Association and in accordance with the Financial Management Manual; and
- (d) no civil servants' salaries, salary supplements, and/or overheads be eligible for financing under the Innovation Initiative.

Section II. Subgrant Agreements between MOPH and CBOs and/or NGOs under the Innovation Initiative

The Recipient shall ensure that the terms and condition of the Subgrant Agreements provide that in carrying out the HIV Prevention Activities, the NGOs and/or CBOs:

- (i) undertake to implement the activities with due diligence and efficiency, and in conformity with appropriate administrative, technical, financial, economic environmental and social standards and practices, consistent with the requirements of this Agreements;
- (ii) appoint a dedicated and qualified team, capable of implementing the activities with due regard to community sensitivities and ethical considerations, including principles of personal respect, informed consent, medical confidentiality and limited disclosure, and equal access to services without discrimination or stigmatization;
- (iii) abide by, and comply with, the provisions of the Anti-corruption Guidelines;
- (iv) abide by, and comply with, the Environmental and Social Safeguard Framework and/or the Environmental Management Plan, as the case may be;
- (v) undertake to carry out procurement in accordance with the provisions set forth in Section III of Schedule 2 to this Agreement, as the said provisions may be further elaborated in the Procurement Plan;
- (vi) undertake to maintain a financial management system, prepare financial statements in a manner adequate to reflect their operations and financial conditions, including the operations, resources and expenditures related to the Project, and carry out audits with terms of reference satisfactory to the NACP and the Association;

- (vii) prepare semiannual implementation progress reports and quarterly financial reports satisfactory to NACP, GCMU and the Association and, at the request of the Association, GCMU or NACP, exchange views with regard to such implementation, and/or furnish GCMU, NACP or the Association with all such related information as may reasonably be required;
- (viii) promptly inform NACP of any conditions which interferes or threatens to interfere with the progress of activities or the compliance with their respective obligations and responsibilities under the Subgrant Agreements; and
- (ix) agree that NACP may suspend or terminate the right of any such NGOs or CBOs to use the proceeds of this Financing made available under the Subgrant Agreements: (A) upon failure of such NGOs or CBOs to perform any of their obligations under the Subgrant Agreements; or (B) upon suspension of this Financing by the Association or the issuance of a notice declaring the Association's intent to proceed with such suspension.

APPENDIX**Definitions**

1. “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.
2. “Annual Work Plan” means the plan to be prepared by the Planning Committee pursuant to Section V.1 of Schedule 2 to this Agreement.
3. “APHI” means the Afghanistan Public Health Institute, a General Directorate within MOPH.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “CBO” means a community-based organization.
6. “CCM Secretariat” means the Secretariat of the Country Coordinating Mechanism, i.e. the local multi-sectoral administrative body responsible of coordinating country activities for the Global Fund to fight AIDS, Tuberculosis and Malaria.
7. “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.
8. “Eligible Partners” means any NGOs, CBOs or Other Line-Ministries which qualify for the submission of proposals for the carrying out of HIV Prevention Activities, pursuant to the selection criteria set forth in the Project Implementation Plan.
9. “Environmental and Social Safeguards Framework” means the Recipient’s environmental and social safeguard framework, dated March 12, 2007, which sets out, *inter alia*: (i) key principles for social and environmental management for the Project; (ii) procedures for the environmental screening of Project activities in order to identify their social and environmental impacts, and design appropriate mitigation plans; (iii) mechanisms to ensure that these principles, procedures and plans are properly applied during Project implementation; and (iv) guidelines for capacity building and monitoring; as said framework may be amended from time to time with the prior concurrence of the Association.
10. “Environmental Management Plan” means the Recipient’s plan to be approved by the MOPH, pursuant to Section I.C of Schedule 2 to this Agreement, aimed at mitigating the Project environmental risks; which plan includes an infection

control and waste management protocol for the handling, treatment and disposal of infectious biological, laboratory and pharmaceutical wastes related to the testing, treatment and prevention of HIV/AIDS.

11. “Financial Management Manual” means the manual to be adopted by the Recipient for purposes of implementing the Project, pursuant to Section I.A(2)(b) of Schedule 2 to this Agreement.
12. “GCMU” means the MOPH’s Grant and Contracting Management Unit, or any successor thereto.
13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005, (as amended through October 15, 2006).
14. “HACCA” means the Recipient’s HIV/AIDS Coordination Committee of Afghanistan established on February 1, 2007.
15. “High Risk Groups” means groups engaged in, or exposed to, high risk behaviors, such as injection drug users and their partners, sex workers and clients, prisoners, and males having sex with males.
16. “HIV/AIDS” means the human immunodeficiency virus and the associated acquired immunodeficiency syndrome.
17. “HIV Prevention Activities” means, collectively, the multi-sectoral approach proposals for innovative HIV prevention activities submitted by Eligible Partners to the Innovation Initiative Review Board for approval and financing through the Innovation Initiative; and the term “HIV Prevention Activity” means each such proposal, individually.
18. “HIV-Surveillance Working Group” means the technical group to be established by the Recipient pursuant to Section I.A(1)(d) of Schedule 2 to this Agreement.
19. “Incremental Operating Costs” means the reasonable cost of incremental expenditures incurred by NACP and GCMU on account of Project implementation which costs (which expenditures would not have been incurred absent the Project), including: (i) rental of office space; (ii) the operation, maintenance, rental and insurance of vehicles; (iii) fuel; (iv) communications supplies and charges; (v) advertisements; (vi) books and periodicals; (vii) office administration and maintenance costs; (viii) office consumables; (ix) bank transaction charges; (x) utility charges; and (xi) domestic travel expenditures and per diem allowance, but excluding salaries of officials and staff of the Recipient’s civil service.

20. “Innovation Initiative” means the financing program set forth in the Project Implementation Plan for the carrying out of innovative, multi-sectoral and epidemiologically relevant activities by Eligible Partners, to help contain the transmission dynamics of the HIV/AIDS.
21. “Innovation Initiative Review Board” means the board to be established by the Recipient for purposes of screening and approving HIV Prevention Activities, pursuant to Section I.A(1)(e) of Schedule 2 to this Agreement.
22. “IRB” means the MOPH’s Institutional Review Board established within APHI.
23. “MOPH” means the Recipient’s Ministry of Public Health, or any successor thereto.
24. “MOF” means the Recipient’s Ministry of Finance, or any successor thereto.
25. “MOUs” means, collectively, the memoranda of understanding to be entered among MOPH, MOF and Other Line-Ministries for the financing and implementation of approved HIV Prevention Activities; and the acronym “MOU” means each such memorandum, individually.
26. “Multi-Sector HIV/AIDS Response” means the national multi sector response as outlined in the national HIV/AIDS strategy plan contained in the Recipient’s Program Operational Plan.
27. “NACP” means the MOPH’s National AIDS Control Program Directorate.
28. “NGO” means a non-governmental organization.
29. “Other Line-Ministries” means the Recipient’s Ministries, other than MOPH, interested in applying for financing through the Innovation Initiative for the carrying out of HIV Prevention Activities.
30. “Planning Committee” means the committee to be established pursuant to Section I.A(c) of Schedule 2 to this Agreement.
31. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004, and revised in October 2006.
32. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 31, 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.

33. “Program Operational Plan” means the Recipient’s national plan for the years 2006 through 2010, aimed at maintaining a low prevalence of HIV/AIDS in the population and to reduce mortality and morbidity associated with HAIV/AIDS, as approved by HACCA on April 19, 2007.
34. “Project Implementation Plan” means the Recipient’s implementation plan to be adopted pursuant to Section I.A(2)(a) of Schedule 2 to this Agreement, which plan covers a subset of HIV/AIDS preventive activities and planned interventions for the period 2007-2009 consistent with the Program Operational Plan, and sets forth the implementation arrangements for the Project.
35. “Project Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on November 7, 2006, and on behalf of the Recipient on December 18, 2006.
36. “Subgrants” means, collectively, the financings to be provided out of the proceeds of this Financing to NGOs and CBOs through the Innovation Initiative, under the terms and conditions set forth in the Subgrant Agreements, for the carrying out of HIV Prevention Activities approved by the Innovation Initiative Review Board in accordance with the Project Implementation Plan and the provisions of this Agreement; and the term “Subgrant” means each such financing, individually.
37. “Subgrant Agreements” means, collectively, the subgrant financing agreements to be entered between MOPH and an NGO or a CBO for the financing and implementation of approved HIV Prevention Activities; and the term “Subgrant Agreement” mean each subgrant financing agreement, individually.