

CONFORMED COPY

CREDIT NUMBER 2619 BUR

Development Credit Agreement

(Population and AIDS Control Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 8, 1994

CREDIT NUMBER 2619 BUR

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated June 8, 1994, between BURKINA FASO (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS: (A) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(B) the Association has received two letters dated May 4, 1994 and April 1, 1994, from the Borrower, describing a program of actions, objectives and policies designed to promote: (1) the Borrower's population policy; and (2) the Borrower's policy relative to the Acquired Immune Deficiency Syndrome (AIDS), respectively, declaring the Borrower's commitment to the execution of the Program;

(C) the Borrower and the Government of the Kingdom of Norway (Norway) intend to enter into an Agreement (the Norwegian Grant Agreement), for the purpose of making available to the Borrower a grant in an aggregate amount of twenty-two million five hundred thousand Norwegian Kroner (NOK 22,500,000) (the Norwegian Grant) to assist in financing part of the Project and, for that purpose, Norway has requested and the Bank has agreed to administer the Norwegian Grant pursuant to the provisions of an agreement to be entered into between Norway and the Bank and a Development Grant Agreement to be entered into between the Borrower and the Bank as Administrator on behalf of Norway;

(D) the Borrower intends to contract from the Government of the Kingdom of Denmark a grant (the Danish Grant) to assist in financing part of the Project; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement;

(b) "CFAF" means the currency of the Borrower;

(c) "MS" means Ministere de la Sante, the Borrower's Ministry of Health;

(d) "MASF" means Ministere de l'Action Sociale et de la Famille, the Borrower's Ministry of Social Action and Family;

(e) "MEFP" means Ministere de l'Economie, des Finances et du Plan, the Borrower's Ministry of Economy, Finance and Planning;

(f) "IEC" means Information, Education and Communication;

(g) "MCC" means Ministere de la Communication et de la Culture, the Borrower's Ministry of Communication and Culture;

(h) "WHO" means World Health Organization;

(i) "UNFPA" means United Nations Fund for Population Activities;

(j) "CNLS" means Comite National pour la Lutte contre le Sida, the National AIDS Committee;

(k) "PS/CNLS" means the Permanent Secretary of CNLS;

(l) "FP" means family planning;

(m) "MCH" means maternal and child health;

(n) "HIV" means human immunodeficiency virus;

(o) "STD" means sexually transmitted disease;

(p) "Family Code" means the Borrower's family code as enacted by ZATU AN VII-0013-FP-PRES of November 16, 1989;

(q) "NGO" means non governmental organization;

(r) "DPF" means Direction de la Promotion de la Famille, the Directorate of Family Promotion in MASF;

(s) "CONAPO" means Conseil National de Population, the Borrower's

Interministerial Population Committee, created by Decret No. 83-104/CSP/PRES/PL dated February 18, 1983 and amended by Decret No. 93-413/PRES/MFP dated December 28, 1993;

- (t) "PS/CONAPO" means the Permanent Secretary of CONAPO;
- (u) "DSF" means Direction de la Sante Familiale, the Directorate of Family Health in MS;
- (v) "ABBEF" means Association Burkinabe du Bien Etre Familial, a Burkinabe NGO for family well-being;
- (w) "CM" means Centre Medical, medical center;
- (x) "CMA" means Centre Medical avec Antenne Chirurgicale, medical center with surgical unit;
- (y) "CSPS" means Centre de Sante et de Promotion Sociale, health and social development center; and
- (z) "CAMEG" means Centrale d'Achat des Medicaments Essentiels et Generiques, the Borrower's procurement entity for essential and generic drugs.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to nineteen million Special Drawing Rights (SDR 19,000,000).

Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project described in Schedule 2 to this Agreement and to be financed out of the proceeds of the Credit.

(b) The Borrower shall, for the purposes of the Project, open and maintain in CFAF a special deposit account in a commercial bank in Ouagadougou on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.

Section 2.03. The Closing Date shall be June 30, 2000 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date or at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next payment date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($3/4$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on February 15 and August 15 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each February 15 and August 15 commencing August 15, 2004 and ending February 15, 2034. Each installment to and including the installment payable on February 15, 2014 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the terms of repayment of installments under paragraph (a) above by requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid. If so requested by the Borrower, the Association may revise such modification to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(c) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the French Republic is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through MEFP, MS and MASF with due diligence and efficiency and in conformity with appropriate administrative, financial, sociological and health management practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall carry out the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) Without limitation or restriction of its obligations under paragraphs (a) and (b) of this Section, and except as the Borrower and the Association shall otherwise agree, the Borrower shall: (i) provide in its annual budget amounts adequate to cover its counterpart contributions to the costs of the Project; and (ii) open and maintain in a commercial bank in Ouagadougou an account (the Project Account) to be used exclusively to meet expenditures under the Project and deposit into the Project Account: (A) an initial amount of \$25,000 equivalent by January 1, 1996; and (B) the remaining amount of its counterpart contributions, quarterly in advance, according to a schedule of payments agreed upon between the Borrower and the Association.

Section 3.02. The Borrower shall: (a) no later than March 1997, or at such later

date as the Association and the Borrower shall agree upon, carry out jointly with the Association an in-depth review of the Project implementation (mid-term review), and invite Norway, Denmark and other donors contributing to the Project to participate in such review; such review to assess, inter alia: (i) progress in meeting the Project's objectives; and (ii) status of Project implementation assessed against: (A) monitoring indicators agreed upon by the Borrower and the Association and attached to each of the two policy letters referred to under Recital B of this Agreement; and (B) the monitoring and evaluation system referred to under paragraph (3) of Schedule 4 to this Agreement; and propose ways to improve Project implementation, if required;

(b) furnish to the Association, not later than one month prior to such mid-term review, a report intended to prepare such review, with proposals for change to improve the effectiveness of Project implementation, if warranted; and

(c) following such review, act promptly and diligently in taking any corrective action deemed necessary by the participants of the mid-term review, and prepare and implement an action plan and take such measures satisfactory to the Association as appropriate in furtherance of the objectives of the Project.

Section 3.03. The Borrower shall ensure the conclusion of an agreement between MFP and MCC, satisfactory to the Association, stipulating the scope and frequency of IEC and media activities to be carried out under the Project.

Section 3.04. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall maintain or cause to be maintained records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) The Borrower shall:

(i) have the records and accounts referred to in paragraph (a) of this Section including those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(ii) furnish to the Association, as soon as available, but in any case not later than six months after the end of each such year, a certified copy of the report of such audit by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and

(iii) furnish to the Association such other information concerning said records, accounts and the audit thereof as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

(i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;

(ii) retain, until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account was made, all records (contracts, orders, invoices, bills,

receipts and other documents) evidencing

such expenditures;

(iii) enable the Association's representatives to examine such records;
and

(iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (h) of the General Conditions, the following additional events are specified:

(a) A situation has arisen which shall make it improbable that the Program, or significant parts thereof, will be carried out;

(b) (i) Subject to subparagraph (ii) of this paragraph, the right of the Borrower to withdraw the proceeds of any grant made to the Borrower for financing Part D of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that: (A) such suspension, cancellation, or termination is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for Part D of the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) the event specified in paragraph (a) of Section 5.01 of this Agreement shall occur and shall continue for a period of ninety days after notice thereof shall have been given by the Association to the Borrower; and

(b) the event specified in paragraph (b) (i) of Section 5.01 of this Agreement shall occur, subject to the proviso of paragraph (b) (ii) of that Section and shall continue for a period of one hundred and twenty days.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) all conditions precedent to the effectiveness of the Norwegian Grant Agreement have been fulfilled, other than those related to the effectiveness of this Agreement;

(b) all conditions precedent to the effectiveness of the Danish Grant Agreement have been fulfilled, other than those related to the effectiveness of this Agreement;

(c) the Borrower has concluded with WHO an agreement, satisfactory to the Association, for the carrying out of Part B (b) of the Project;

(d) the Borrower has concluded with UNFPA an agreement, satisfactory to the Association, for the carrying out of Part A (b) of the Project;

(e) a training program, acceptable to the Association, has been approved by the Borrower;

(f) the staff of the Coordinating Team referred to in paragraph (1) of Schedule 4 to this Agreement has been appointed in accordance with the provisions of said paragraph and has assumed its positions in offices adequate to carry out their functions;

(g) PS/CNLS has been reorganized according to paragraph (2) of Schedule 4 to this Agreement;

(h) the monitoring and evaluation system referred to under paragraph (3) of Schedule 4 to this Agreement has been established;

(i) (a) The Fund and the Committee, referred to under paragraph (4)(a) of Schedule 4 to this Agreement, have been established; and (b) the standard contract and the Manuel des Procedures, referred to under paragraph (4)(b) of Schedule 4 to this Agreement, have been adopted by the Borrower, all to the satisfaction of the Association;

(j) the accounting firm referred to in paragraph (5) of Schedule 4 to this Agreement has been recruited in accordance with the provisions of said paragraph, and has installed a computerized accounting system for the Project; and

(k) the independent auditors, referred to in Section 4.01 (b) of this Agreement, have been appointed under a multiyear contract in accordance with the provisions of Section II of Schedule 3 to this Agreement.

Section 6.02. The date one hundred eighty (180) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of the Borrower responsible for planning is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministere de l'Economie, des Finances
et du Plan
BP 7050
Ouagadougou
Burkina Faso

Cable address:

SEGEGOUV
Ouagadougou

Telex:

5555 SEGEGOU

For the Association:

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

Cable address:

Telex:

INDEVAS
Washington, D.C.

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

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

BURKINA FASO

By /s/ Thomas Kambou

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Edward V.K. Jaycox

Regional Vice President
Africa

SCHEDULE 1

Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Works	360,000	100%
(2) Goods	3,960,000	100%
(3) Drugs, Contraceptives and Condoms	6,550,000	100%
(4) Consultant services	2,090,000	100%
(5) Training	1,510,000	100%
(6) Media	1,590,000	100%
(7) Incremental operating costs:		
(a) salaries	360,000	100%

(b) other	510,000	100% through December 31, 1995; 65% through December 31, 1997; 35% thereafter
(8) Unallocated	2,070,000	
	<hr/>	
TOTAL	19,000,000	
	=====	

2. For the purposes of this Schedule:

(a) the term "Media" means all costs related to information, communication and education campaigns, inter alia: (i) radio and television features; (ii) interviews; and (iii) salaries and fees for artists and interpersonal communicators;

(b) the term "Incremental operating costs: (a) salaries" means salaries, benefits, travel allowances, per diems and recurrent operating costs for the Coordinating Team within PS/CONAPO and the two IEC experts with PS/CNLS; and

(c) the term "Incremental operating costs: (b) other" means operating and maintenance costs for items under Categories (1) and (2) of the table set forth under paragraph (1) of this Schedule.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts for goods, works and services not exceeding \$20,000 equivalent, under such terms and conditions as the Association shall specify by notice to the Borrower.

SCHEDULE 2

Description of the Project

The objectives of the Project are to assist the Borrower in his efforts to reduce the rate of fertility by increasing the prevalence of modern contraceptive methods and to reduce the incidence of the human immunodeficiency virus infections by promoting behavioral change and treatment of sexually transmitted diseases.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Population Policy, Birth Control and Public Awareness

1. Strengthen the quality of, and the access to, FP/MCH services in about 400 CSPS not currently providing such services through:

(a) training of medical staff and supply of training equipment; (b) acquisition of contraceptives; and (c) construction of animal drawn village ambulances for about 400 villages.

2. Support to the establishment of an outreach program.

3. Promotion of an IEC program to: (a) increase support for population issues among opinion leaders; (b) increase public knowledge of, and demand for, contraceptive services; and (c) strengthen women's rights through: (i) dissemination of the Borrower's Family Code in four selected provinces; (ii) establishment of legal information centers; (iii) support to the National Committee Against Excision and its plan of action; and (iv) training of social workers.

4. Integration of population topics into the curricula of secondary schools.

Part B: Health Policy and HIV/STD Control

1. (a) Promotion of behavioral changes in the field of sexual activity through the services of: (i) public health facilities; (ii) NGOs; and (iii) IEC and the Media; (b) distribution of condoms; and (c) inclusion of HIV/STD information in the training curricula of DPF;
2. Support in upgrading HIV/STD prevention and control capabilities through: (a) strengthening of epidemiological surveillance; (b) strengthening of blood screening capacity and STD diagnosis and treatment capability; (c) carrying out of research, surveys and studies; (d) acquisition of equipment, tests, material and vehicles; (e) financing of operating and maintenance expenses; and (f) construction of civil works; and
3. Strengthening: (i) clinical management to improve the capacity of staff to treat HIV infected patients, and (ii) community care for HIV infected patients and their families.

Part C: Institutional Support

Strengthening administrative management, supervisory and coordinating capacity of: (a) CONAPO to coordinate effectively all population oriented activities and execute demographic research; (b) DSF to plan and implement family health policy within a coherent policy framework; (c) CNLS to implement the national HIV prevention policy; and (d) DPF to promote social programs through: (i) provision of technical advisory services; (ii) carrying out of local and overseas training programs; (iii) acquisition of equipment, material, vehicles and scientific literature; (iv) financing of operating and maintenance expenses; and (v) construction of civil works.

Part D: Establishment of a Fund

Support the establishment of a Fund to provide grant financing for projects in the areas of: (a) FP/MCH; and (b) prevention of HIV/STD infection, carried out by NGOs, associations and private organizations.

* * *

The Project is expected to be completed by December 31, 1999.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Works and Goods

Part A: International Competitive Bidding

Except as provided in Part D hereof works and goods, (drugs, condoms, contraceptives, etc.) shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1992 (the Guidelines).

1. For fixed-price contracts, the invitation to bid referred to in paragraph 2.13 of the Guidelines shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by two predisclosed correction factors acceptable to the Association, one to be applied to all foreign currency components and the other to the local currency component of the bid price. Such an increase shall not be taken into account in the bid evaluation.

2. In the procurement of works and goods, in accordance with said Part A, the Borrower shall use the relevant standard bidding documents issued by the Bank, with such modifications thereto as the Association shall have agreed to be necessary for the purposes of the Project. For the procurement of drugs, the Borrower shall use the sample bidding documents "Procurement for Drugs and Vaccines" published in September

1993. Where no relevant standard bidding documents have been issued by the Bank, the Borrower shall use bidding documents based on other internationally recognized standard forms agreed with the Association.

3. To the extent practicable: (i) contracts for works shall be grouped into bid packages estimated to cost the equivalent of \$200,000 or more; and (ii) contracts for goods shall be grouped into bid packages estimated to cost the equivalent of \$150,000 or more.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A hereof, goods manufactured in Burkina Faso may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.

Part D: Other Procurement Procedures

1. (a) Works estimated to cost the equivalent of \$200,000 or less per contract, up to an aggregate amount equivalent to \$600,000; and (b) goods estimated to cost the equivalent of \$150,000 or less, up to an aggregate amount equivalent to \$1,500,000, may be procured under contracts awarded on the basis of competitive bidding, advertised locally, in accordance with procedures satisfactory to the Association.

2. Works and goods, estimated to cost the equivalent of \$50,000 or less per contract, up to an aggregate amount equivalent to \$1,000,000, may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Association.

Part E: Review by the Association of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract for works and goods estimated to cost the equivalent of \$200,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Association pursuant to said paragraph 2 (d) shall be furnished to the Association prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract, together with the other information required to be furnished to the Association pursuant to said paragraph 3, shall be furnished to the Association as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 5 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the Credit Account are to be made on the basis of statements of expenditure.

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

1. In order to assist the Borrower in carrying out: (a) Part B.1 (b) of the Project, the Borrower shall employ WHO; (b) Part (A).1 (b) of the Project, the Borrower shall employ UNFPA; and (c) all other parts of the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Association. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Association on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and

by the World Bank as Executing Agency" published by the Bank in August 1981 (the Consultant Guidelines). For complex, time-based assignments, the Borrower shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Association. Where no relevant standard contract documents have been issued by the Bank, the Borrower shall use other standard forms agreed with the Association.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultant Guidelines requiring prior review by the Association or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts shall not apply to: (a) contracts for the employment of consulting firms estimated to cost less than \$75,000 equivalent each; or (b) contracts for the employment of individuals estimated to cost less than \$30,000 equivalent each. However, said exceptions to prior review by the Association shall not apply to: (a) the terms of reference for such contracts; (b) single-source selection of consulting firms; (c) assignments of a critical nature, as reasonably determined by the Association; (d) amendments to contracts for the employment of consulting firms raising the contracts' value to \$75,000 equivalent or above; or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$30,000 equivalent or above.

SCHEDULE 4

Implementation Program

The Borrower shall:

1. establish a Coordinating Team within PS/CONAPO to include: (a) the Coordinator; (b) an administrator; (c) a monitoring and evaluation specialist; (d) an accountant; (e) a junior accountant; and (f) four support staff; all such personnel referred to in this paragraph to be suitably qualified and experienced, acceptable to the Association, to be recruited in accordance with Section II of Schedule 3 to this Agreement; said positions to remain staffed by suitably qualified and experienced personnel acceptable to the Association at all times until the completion of the Project; said Coordinating Team to assist PS/CONAPO in the execution of its duties and to administer and coordinate Project activities and supervise Project implementation and progress;

2. appoint a suitably experienced and qualified Permanent Secretary, acceptable to the Association, to head PS/CNLS; such Permanent Secretary to be assisted by suitably qualified and experienced technical officers, acceptable to the Association, to be in charge, respectively, for: (a) surveillance; (b) case management; (c) blood safety and laboratory; (d) IEC; and (e) research; and recruit an additional IEC expert suitably experienced and qualified, acceptable to the Association; the IEC officer referred to under subparagraph (d) of this paragraph and the additional IEC expert to be recruited in accordance with Section II of Schedule 3 to this Agreement;

3. establish a periodically updated monitoring and evaluation system, featuring process and impact indicators for each activity implemented under the Project, satisfactory to the Association;

4. (a) establish: (i) the Fund, under administration of PS/CONAPO, referred to under Part D of the Project, according to the Manuel des Procedures as agreed upon between the Association and the Borrower; and (ii) a Committee, staffed by officers suitably qualified and experienced in population issues, health care and IEC, acceptable to the Association, to select projects to be financed under such Fund, consistent with eligibility criteria stipulated in the Manuel des Procedures; and (b) submit to the Association for approval: (i) the first three agreements to regulate activities of third parties to be financed under the Fund referred to under (a)(i) of this paragraph drafted in accordance with the standard agreement as agreed between the Association and the Borrower attached to the Manuel des Procedures; and (ii) all such future agreements containing obligations in excess of \$75,000;

5. recruit, in accordance with the provisions of Section II of Schedule 3 to this

Agreement, a qualified accounting firm experienced in working according to the International Accounting Standards, acceptable to the Association, to assist in the establishment of an accounting system for the Project and to give periodic support to the Project accountant;

6. (a) recruit, in accordance with the provisions of Section II of Schedule 3 to this Agreement: (i) an IEC firm under a three year contract; and (ii) two national IEC experts, assigned to PS/CNLS; and (b) assign one national IEC expert to PS/CONAPO; such firm and such experts to be suitably qualified and experienced, acceptable to the Association; such expert positions to remain at all times staffed by suitably qualified and experienced personnel until the completion of the Project;

7. undertake: (a) a study on HIV/STD prevalence among gold miners; and (b) a study on HIV transmission from mother to child, according to terms of reference satisfactory to the Association, and submit the final reports on such studies within twelve months after the Effective Date;

8. (a) undertake a knowledge, attitude and practice survey according to terms of reference acceptable to the Association; (b) inform the Association of the result of such survey within twelve months after the Effective Date; (c) repeat such survey according to terms of reference satisfactory to the Association: (i) after twenty-four months; and (ii) forty-eight months after the Effective Date; and (d) submit the final reports of such surveys to the Association;

9. monitor distribution of contraceptives and condoms and take corrective action as required;

10. (a) develop, test and produce mass media campaigns designed to inform on HIV/STD transmission; (b) evaluate their impact after twenty-four months of campaign activity; (c) invite NGOs, donors participating in Project financing and the Association to an assessment meeting of such evaluation; and (d) implement an action plan, based on recommendations of such meeting, satisfactory to the Association;

11. (a) construct animal drawn village ambulances for about 50 selected villages within twelve months after the Effective Date; (b) evaluate the effectiveness of such ambulances after one year of service; (c) report the result of such evaluation to the Association; and (d) expand, if found satisfactory and recommended by the Association, such construction to cover an additional 350 villages;

12. ensure the adoption of the agreement referred to under Section 3.03 of this Agreement prior to the Project launch workshop;

13. enter, by March 31, 1995, into a twinning arrangement in favor of PS/CNLS with an international institute specializing in HIV control management;

14. (a) evaluate the IEC campaigns by PS/CNLS; (b) based upon such evaluation, convene, by June 30, 1995, a seminar to define a IEC strategy directed at HIV/STD prevention; (c) invite NGOs, donors participating in the Project and the Association to attend such seminar; (d) based upon the recommendations of such seminar, elaborate, by September 30, 1995, a national IEC strategy satisfactory to the Association; and (e) implement such strategy;

15. establish, by June 30, 1995, an epidemiological surveillance system, satisfactory to the Association;

16. by June 30, 1995, ensure the submission to the Association, for its approval, of the CONAPO research program, and implement said program, as approved, by June 30, 1998;

17. (a) construct an extension to the ABBEF model clinic in Ouagadougou within twelve months of the Effective Date; (b) implement an ABBEF pilot project of community based distribution of contraceptives in three selected provinces; (c) support ABBEF counselling on FP and prevention of HIV/STD infection to youth in Koudougou; and (d) submit to the Association, in preparation of the second annual meeting referred to under Paragraph (21) of this Schedule, an evaluation of the activities referred to

under subparagraphs (b) and (c) of said paragraph;

18. (a) establish, by December 31, 1995, treatment protocols for HIV/STD related diseases, based upon rapid STD assessments and the experience of other African countries; (b) convene a workshop to assess such protocols; (c) invite to such workshop NGOs, other donors participating in the Project and the Association; (d) finalize such protocols taking into account the recommendations of such workshop, as approved by the Association; and (e) submit to the Association for approval any proposal to change a protocol affecting the use of drugs to be procured under the Project;

19. undertake contraceptive prevalence surveys every two years, the first such survey to take place within the first twelve months after the Effective Date, and submit the result of such surveys to the Association;

20. (a) evaluate, twelve months after the Effective Date, the STD treatment training received by about 54 doctors and about 16 nurses at CMs and CMAs; (b) submit the result of such evaluation to the Association; and (c) extend, subject to the recommendation of the Association, such training to all staff of those CSPS depending on the CMAs referred to under subparagraph (a) of this paragraph;

21. hold annually in March, beginning March 1995, a Project implementation review meeting with the Association, based on a report, submitted one month prior to such meeting by the Coordinating Team referred to under paragraph (1) of this Schedule, of Project implementation in the year past and a proposed budget for Project implementation in the following year; such meeting to assess: (a) Project progress against monitoring indicators agreed upon by the Borrower and the Association, attached to each of the two policy letters referred to under Recital B of this Agreement; and (b) the effectiveness of the monitoring and evaluation system referred to under paragraph (3) of this Schedule; and to agree on, inter alia: (i) the number and content of CONAPO organized seminars; and (ii) HIV/STD related research;

22. evaluate, twenty-four months after the Effective Date, contraception and condom procurement under the Project and decide, in consultation with the Association, on the prolongation of respective technical assistance agreements;

23. conduct, prior to the mid-term review referred to in paragraph (a) of Section 3.02 of this Agreement, according to terms of reference satisfactory to the Association, operational research on HIV infections, including their impact on the economy of the Borrower; and

24. not repeal, nor substantially modify without prior approval of the Association: (a) Decret No. 93-413/PRES/MFP dated December 28, 1993, amending Decret No. 83-104/CSP/PRES/PL dated February 18, 1983, creating CONAPO; and (b) Decret No. 92-127/SAN-ASF dated May 21, 1992; and Decret No. 94-070/PRES/SASF dated February 15, 1994, establishing and regulating CAMEG.

SCHEDULE 5

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) through (7) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Credit allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to \$500,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Association has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Association a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

(b) (i) For replenishment of the Special Account, the Borrower shall furnish to the Association requests for deposits into the Special Account at such intervals as the Association shall specify.

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures.

All such deposits shall be withdrawn by the Association from the Credit Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Association shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Association shall have determined that all further withdrawals should be made by the Borrower directly from the Credit Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Association pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Association shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may

be.

(b) If the Association shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Association made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

