

CONFORMED COPY

**CREDIT NUMBER 3557 BUR
GRANT NUMBER H160 BUR**

Agreement Amending the Development Credit Agreement

(HIV/AIDS Disaster Response Project)

between

BURKINA FASO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 2, 2005

CREDIT NUMBER 3557 BUR
GRANT NUMBER H160 BUR

**AGREEMENT AMENDING THE
DEVELOPMENT CREDIT AGREEMENT**

AGREEMENT, dated June 2, 2005, between BURKINA FASO (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower and the Association have entered into a Development Credit Agreement dated September 6, 2001, as amended from time to time (the Development Credit Agreement), for the financing of the HIV/AIDS Disaster Response Project as described in Schedule 2 to the Development Credit Agreement (the Project);

(B) the Borrower has requested the Association to provide additional assistance through a supplemental grant towards financing of the Project, by increasing the amount made available under the Development Credit Agreement in an amount in various currencies equivalent to three million four hundred thousand Special Drawing Rights (SDR 3,400,000); and

(C) the Association has agreed on the basis, *inter alia*, of the foregoing, to provide such additional assistance to the Borrower in the form of a grant upon the terms and conditions set forth in the Development Credit Agreement as amended by this Agreement Amending the Development Credit Agreement (as hereinafter defined).

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (as amended through May 1, 2004), with the modifications set forth in Schedule 6 to this Agreement (the General Conditions), constitute an integral part of this Agreement. A new Schedule 6 (Modifications to the General Conditions) is added to the Development Credit Agreement as shown in Attachment II to this Agreement Amending the Development Credit Agreement.

ARTICLE II

Amendment to the Development Credit Agreement

Section 2.01. In the Development Credit Agreement, the term “Development Credit Agreement” is replaced with the term “Development Financing Agreement”.

Section 2.02. The term “Credit” is being replaced with the term “Financing” in Sections 3.02, 3.04 (d), 4.01 (c) and 4.02 (a) of the Development Credit Agreement.

Section 2.03. The term “Project Management Report” is being replaced with the term “Financial Monitoring Report” in the Development Credit Agreement.

Section 2.04. Section 1.02 of the Development Credit Agreement is amended as follows:

- (a) the word “and” at the end of sub-section (gg) is deleted;
- (b) new sub-sections (ii), (jj), (kk), (ll) are added at the end of sub-section (hh) by deleting “.” and adding “;” at the end of sub-section (hh) to read:

“(ii) “Agreement Amending the Development Credit Agreement” means the Agreement dated June 2, 2005, between the Borrower and the Association;

(jj) “Development Financing Agreement” means the Development Credit Agreement as amended by the Agreement Amending the Development Credit Agreement;

(kk) “Financing Accounts” means, collectively, the Credit Account, and the Grant Account”; and “Financing Account” means the Credit Account, or the Grant Account, as the case may be; and

(ll) “Financing” means, collectively, the Credit and the Grant (or where the context so requires, either of the Credit or the Grant).

Section 2.05. Section 2.01, 2.02, 2.04 (a) and (b) of the Development Credit Agreement are amended to read as follows:

“Article II

The Financing

Section 2.01. The Association agrees to make available to the Borrower, on the terms and conditions set forth or referred to in the Development Financing Agreement:

- (i) a credit in various currencies equivalent to seventeen million three hundred thousand Special Drawing Rights (SDR 17,300,000) (the Credit); and
- (ii) a grant in an amount in various currencies equivalent to three million four hundred thousand Special Drawing Rights (SDR 3,400,000) (the Grant);”

“Section 2.02. (a) The amount of the Credit may be withdrawn from the Credit Account and the amount of the Grant may be withdrawn from the Grant Account in accordance with the provisions of Schedule 1 to this Agreement for: (i) amounts paid (or, if the Association shall so agree, amounts to be paid) by the Borrower on account of withdrawals made under a Subproject Grant or a Work Program Grant to meet the reasonable costs of goods, works and services required for a Subproject to be financed under Part B.2 of the Project, or a Work Program to be financed under Part A of the Project, in respect of which the withdrawal from the Financing is requested; and (ii) expenditures made (or if the Association shall so agree, to be made) in respect of the reasonable cost of goods, works and services required for the Project and to be financed out of the proceeds of the Financing.

(b) The Borrower may, for the purposes of the Project, open and maintain in CFAF four special deposit accounts (collectively the “Special Accounts”) in a commercial bank, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. The first of the Special Accounts (Special Account A) shall be used exclusively for the financing of Part B.2 of the Project from the proceeds of the Credit; the second Special Account (Special Account B) shall be used exclusively for the financing of Parts A, B.1, C and D of the Project from the proceeds of the Credit; the third Special Account (Special Account C) shall be used exclusively for the financing of Part B.2 of the Project from the proceeds of the Grant; and the fourth Special Account (Special Account D) shall be used exclusively for the financing of Parts A, B.1, C and D of the Project from the proceeds of the Grant. Deposits into, and payments out of the Special Accounts shall be made in accordance with the provisions of Part B of Schedule 1 to this Agreement.”

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

(b) Each commitment charge shall accrue: (i) (A) on the principal amount of the Credit not withdrawn, 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 relevant Financing Account (as the case may be), or canceled; and (B) on the principal amount of the Grant not withdrawn, from the date sixty days after the date of the Agreement Amending the Development Credit Agreement (also the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the relevant Financing Account (as the case may be), or canceled; and (ii) at the respective rate set as of the June 30 immediately preceding the respective accrual dates and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The respective rate set as of June 30 in each year shall be applied from the next date specified in Section 2.06 of this Agreement.”

Section 2.06. Schedule 1 of the Development Credit Agreement is deleted and is replaced with Attachment 1 to this Agreement.

Section 2.07. Schedule 6 (Performance Indicators) of the Development Credit Agreement is replaced as set forth in Attachment III to this Agreement.

ARTICLE III

Effective Date; Termination

Section 3.01. This Agreement shall not become effective until evidence satisfactory to the Association shall have been furnished in form and substance satisfactory to the Association that: (i) the execution and delivery of this Agreement on behalf of the Borrower has been duly authorized or ratified by all necessary governmental action; and (ii) this Agreement is legally binding upon the Borrower in accordance with its terms.

Section 3.02. As part of the evidence to be furnished pursuant to Section 3.01 of this Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association showing, on behalf of the Borrower, that this Agreement, has been duly authorized or ratified by, and executed and delivered on behalf of the Borrower, and is legally binding upon the Borrower in accordance with its terms.

Section 3.03. This Agreement shall come into force and effect on the date upon which the Association shall dispatch to the Borrower notice of its acceptance of the evidence required by Section 3.01 of this Agreement.

Section 3.04. If this Agreement shall not come into force and effect by a date one hundred and twenty (120) days after the date of this Agreement, this Agreement and all obligations of the parties hereunder shall terminate, unless the Association establishes a later date for the purposes of this Section. If this Agreement shall terminate under the provisions of this Section, the Development Credit Agreement shall continue in full force and effect, as if this Agreement had not been executed.

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/ Tertius Zongo

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

/s/ A. David Craig

Authorized Representative

Attachment I

Revised SCHEDULE 1

Withdrawal of the Proceeds of the Financing

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

	<u>Category</u>	<u>Initial Financing Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>Supplemental Grant Amount Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1)	Civil works	400,000	0	100%
(2)	Goods and Vehicles	4,300,000	130,000	100%
(3)	Consultants' services, including audits, and training	4,700,000	1,400,000	100%
(4)	Subprojects	3,300,000	670,000	100% of amount disbursed
(5)	Work programs under Part A of the Project, including goods, supplies, training, workshops, and incremental operating costs	2,600,000	1,050,000	100%
(6)	Operating Costs	400,000	150,000	95% until December 31, 2002, 85% thereafter
(7)	Unallocated	1,600,000	0	
	Total	<u>17,300,000</u>	<u>3,400,000</u>	

For the purposes of this Schedule the term "Operating costs" means the incremental operating costs incurred on account of Project implementation, management and monitoring, including office supplies, office space rental and utilities, Special Accounts banking charges, communications, maintenance and insurance of vehicles and fuel, travel per diems and allowances, travel and accommodations, and contract staff recruited to work with the PMU, but excluding salaries of officials of the Borrower's civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR 235,000, may be made in respect of Categories (3), (5) and (6) on account of payments made for expenditures before that date but after July 1, 2001; and

(b) Subprojects Grants unless such Subprojects Grants have been made in accordance with eligibility criteria and on terms and conditions set forth or referred to in the Manual of Operations and paragraphs 4 and 6 of Schedule 4 to this Agreement.

4. The Association may require withdrawals from the Financing Accounts to be made on the basis of statements of expenditure for expenditures and Financial Monitoring Reports for: (i) goods under contracts not exceeding \$100,000 equivalent each; (ii) civil works under contracts not exceeding \$100,000 equivalent each; (iii) consulting firms under contracts not exceeding \$100,000 equivalent each; (iv) individual consultants under contracts not exceeding \$50,000 equivalent each; (v) Operating costs and training; and (vi) Subprojects Grants and Work Programs, all under such terms and conditions as the Association shall specify by notice to the Borrower.

B. Special Accounts

1. The Borrower shall open and maintain in FCFA in a commercial bank, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment four special deposit accounts, namely:

(a) Special Account A for the proceeds of the Credit allocated to the financing of Part B. 2 of the Project;

(b) Special Account B for the proceeds of the Credit allocated to the financing of Parts A, B.1, C and D of the Project;

(c) Special Account C for the proceeds of the Grant allocated to the financing of Part B. 2 of the Project; and

(d) Special Account D for the proceeds of the Grant allocated to the financing of Parts A, B.1, C and D of the Project.

Except as the Association may otherwise specify by notice to the Borrower, all withdrawals from the Financing Accounts shall be deposited by the Association into the respective Special Account in accordance with the provisions of this Schedule. Payments out of each Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of a 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.

2. Except as the Association shall otherwise agree, after the Association has received evidence satisfactory to it that a Special Account have been duly opened, withdrawals from the relevant Financing Account of amounts to be deposited into the said Special Account shall be made as follows:

(a) Each application for withdrawal from the Financing Accounts shall be supported by a Financial Monitoring Report.

(b) Upon receipt of each application for withdrawal of an amount of the Financing, the Association shall, on behalf of the Borrower, withdraw from the relevant Financing Account and deposit into the said Special Account an amount equal to the lesser of: (i) the amount so requested; and (ii) the amount which the Association has determined, based on the Financial Monitoring Report accompanying said application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such report; provided, however, that the amount so deposited, when added to the amount indicated by said report to be remaining in the said Special Account, shall not exceed the equivalent of CFAF 300,000,000 in respect of Special Account A, CFAF 1.2 billion in respect of Special Account B, CFAF 250,000,000 CFAF in respect of Special Account C, and CFAF 900,000,000 CFAF in respect of Special Account D. Each such deposit into said Special Account shall be withdrawn by the Association from the relevant Financing Account under one or more Categories of said Special Account's Eligible Expenditures.

3. Notwithstanding the provisions of Part B.2 of this Schedule, the Association shall not be required to make further deposits into any Special Account:

(a) if the Association determines at any time that any Financial Monitoring Report does not adequately provide the information required pursuant to Section 4.02 of this Agreement;

(b) if the Association determines at any time that all further withdrawals should be made by the Borrower directly from the Financing Accounts; or

(c) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit

of: (i) the records and accounts for any of the Special Accounts, or (ii) the records and accounts reflecting expenditures with respect to which withdrawals were made on the basis of Financial Monitoring Reports.

4. The Association shall not be required to make further deposits into any of the Special Accounts in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Financing Accounts pursuant to Section 6.02 of the General Conditions. Upon such notification, the Association shall determine, in its sole discretion, whether further deposits into a Special Account may be made and what procedures should be followed for making such deposits, and shall notify the Borrower of its determination.

5. (a) If the Association determines at any time that any payment out of a Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association, provide such additional evidence as the Association may request, or deposit into the said Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment.

(b) If the Association determines at any time that any amount outstanding in a Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, 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 a Special Account.

(d) Refunds to the Association made pursuant to sub-paragraph (a), (b) or (c) of this paragraph 5 shall be credited to the relevant Financing Account for subsequent withdrawal or for cancellation in accordance with the provisions of the Development Financing Agreement.

**Annex A
to
SCHEDULE 1**

**Operation of the Special Accounts
When Withdrawals Are Not Made
On the Basis of Financial Monitoring Reports**

1. For the purposes of this Annex:

the term “Authorized Allocation” means: (i) in respect of Special Account A, an amount equivalent to CFAF 300,000,000 to be withdrawn from the Credit Account and deposited into such Special Account pursuant to paragraph 2 of this Annex; provided, however, that, unless the Association shall otherwise agree, said Authorized Allocation shall be limited to an amount equivalent to CFAF 150,000,000, until the aggregate amount of withdrawals from the Credit Account of amounts allocated to said Special Account’s Eligible Categories, plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions in respect of amounts allocated to said Categories, shall equal or exceed the equivalent of SDR 1,600,000; (ii) in respect of Special Account B, an amount equivalent to CFAF 1.2 billion to be withdrawn from the Credit Account and deposited into such Special Account pursuant to paragraph 2 of this Annex; provided, however, that, unless the Association shall otherwise agree, said Authorized Allocation shall be limited to an amount equivalent to CFAF 600,000,000, until the aggregate amount of withdrawals from the Credit Account of amounts allocated to said Special Account’s Eligible Categories, plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions in respect of amounts allocated to said Categories, shall equal or exceed the equivalent of SDR 7,000,000; (iii) in respect of Special Account C, an amount equivalent to CFAF 250,000,000 to be withdrawn from the Grant Account and deposited into such Special Account pursuant to paragraph 2 of this Annex; and (iv) in respect of Special Account D, an amount equivalent to CFAF 900,000,000 to be withdrawn from the Grant Account and deposited into such Special Account pursuant to paragraph 2 of this Annex.

2. Withdrawals of a Special Account’s Authorized Allocation and subsequent withdrawals to replenish the said Special Account shall be made as follows:

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

(b) For replenishment of said Special Account, the Borrower shall furnish to the Association requests for deposit into the said Special Account at such intervals as the Association shall specify. 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 Part B.3 of Schedule 1 to this Agreement 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 relevant Financing Account and deposit into the said 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 said Special Account for Eligible Expenditures. Each such deposit into the said Special Account shall be withdrawn by the Association from the relevant Financing Account under one or more of the said Special Account's Eligible Categories.

3. The Association shall not be required to make further deposits into a Special Account, once the total unwithdrawn amount of the Financing allocated to said Special Account's Eligible Categories minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions in respect of expenditures to be financed out of the proceeds of the Financing allocated to said Categories, shall equal the equivalent of twice the amount of the said Special Account's Authorized Allocation. Thereafter, withdrawal from the Financing Accounts of the remaining unwithdrawn amount of the Financing allocated to said 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 said Special Account as of the date of such notice will be utilized in making payments for Eligible Expenditures.

**Annex B
to
SCHEDULE 1**

**Operation of Special Accounts
When Withdrawals Are Made
On the Basis of Financial Monitoring Reports**

1. Except as the Association may otherwise specify by notice to the Borrower, all withdrawals from the Financing Accounts shall be deposited by the Association into a Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into a Special Account shall be withdrawn by the Association from the relevant Financing Account under one or more of the said Special Account's Eligible Categories.
2. Each application for withdrawal from the Financing Accounts for deposit into a Special Account shall be supported by a Financial Monitoring Report.
3. Upon receipt of each application for withdrawal of an amount of the Financing, the Association shall, on behalf of the Borrower, withdraw from the relevant Financing Account and deposit into the relevant Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Association has determined, based on the Financial Monitoring Report accompanying said application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such report; provided, however, that the amount so deposited, when added to the amount indicated by said Financial Monitoring Report to be remaining in the said Special Account, shall not exceed the equivalent of CFAF 300,000,000 in respect of Special Account A, CFAF 1.2 billion in respect of Special Account B, CFAF 250,000,000 in respect of Special Account C, and CFAF 900,000,000 in respect of Special Account D.

Attachment II

SCHEDULE 6

Modifications to the General Conditions

For the purpose of this Agreement, the provisions of the General Conditions are modified as follows:

1. Section 1.01 is modified to read:

“Section 1.01. Application of General Conditions

These General Conditions set forth the terms and conditions generally applicable to the Development Financing Agreement to the extent and subject to any modifications set forth in such agreement.

2. Section 2.01 is modified to read as follows:

- (a) Paragraph 3 of Section 2.01 is modified to read as follows:

“3. “Borrower” means the party to the Development Financing Agreement to which the Financing is made.”

- (b) Paragraph 8 of Section 2.01 is modified to read as follows:

“8. “Development Financing Agreement” means the particular Development Financing Agreement to which these General Conditions apply, as such agreement may be amended from time to time. Development Financing Agreement includes these General Conditions as applied thereto, and all schedules and agreements supplemental to the Development Financing Agreement.”

- (c) The following new paragraphs are added after paragraph 11 of Section 2.01, and paragraphs 12 through 14 are renumbered as paragraphs 16 through 18 accordingly:

“12. “Grant” means the development grant provided for in the Development Financing Agreement.”

“13. “Grant Account” means the account opened by the Association on its books in the name of the Borrower to which the amount of the Grant is credited.”

“14. “Financing” means, collectively, the Credit and the Grant.”

“15. “Financing Accounts” means, collectively, the Credit Account and the Grant Account”; and “Financing Account” means the Credit Account or the Grant Account, as the context may require.”

3. The term “Credit”, wherever used in the following Articles and Sections of the General Conditions, is modified to read “Financing”: Sections 2.01(3), 2.01(12), 4.01, Article V, Article VI, Section 7.01(d), Article VIII, and Article IX.

4. The term “Credit Account”, wherever used in the following Articles and Sections of the General Conditions, is modified to read “Financing Accounts”: Section 2.01(6), the heading of Article III, Section 4.01, Article V, Article VI, and Section 12.03.

5. The term “Development Credit Agreement”, wherever used in the General Conditions, is modified to read “Development Financing Agreement”.

6. Article III is modified as follows:

(a) Section 3.01 is modified to read as follows:

“Section 3.01. *Financing Accounts*

The amount of the Credit shall be credited to the Credit Account and may be withdrawn from the Credit Account by the Borrower as provided in the Development Financing Agreement and in these General Conditions. The amount of the Grant shall be credited to the Grant Account and may be withdrawn from the Grant Account by the Borrower as provided in the Development Financing Agreement and in these General Conditions.”

(b) The words “The principal of, and service charges on, the Credit” in Section 3.05 are modified to read “All amounts required to be paid under the Development Financing Agreement”.

7. Article IV is modified as follows:

(a) Section 4.02 (a) and the heading of Section 4.02 are modified to read as follows:

“Section 4.02. *Currencies in which Payments are to be Made*

(a) The Borrower shall pay all amounts required to be paid by it under the Development Financing Agreement in the currency specified in such agreement or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to paragraph (c) or (e) of this Section.”

(b) Wherever used in Section 4.02 (c) and (e) of the General Conditions, the words “principal and service charges” are modified to read “amounts”.

(c) Section 4.06 (b) is modified to read as follows:

“(b) All amounts which the Borrower shall be required to pay under the Development Financing Agreement shall be paid without restrictions of any kind imposed by, or in the territory of, the Borrower.”

8. Article VI is modified as follows:

(a) The word “credit” in paragraphs (a) (ii) and (c) (i) of Section 6.02 is replaced with the words “credit, grant or financing”.

(b) Section 6.03 (c) is modified by replacing the words “corrupt or fraudulent” with the words “corrupt, fraudulent, collusive or coercive”.

(c) Section 6.05 is modified to read as follows:

“Except as the Borrower and the Association shall otherwise agree, any cancellation of any amount of the Credit shall be applied *pro rata* to the several installments of the principal amount of the Credit maturing after the date of such cancellation.”

9. Section 7.01 is modified to read as follows:

(a) The words “principal or interest or any other amount” in paragraph (b) are modified to read “any amount”.

(b) The word “credit” in paragraph (b) (i) is replaced with the words “credit, grant or financing”.

10. Section 8.01(a) is modified to read as follows:

“(a) All amounts which the Borrower shall be required to pay under the Development Financing Agreement shall be paid without deduction for, and free from, any taxes levied by, or in the territory of, the Borrower.”

11. Paragraph (c) of Section 9.06 is modified to read as follows:

“(c) Not later than six months before the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, the Borrower shall prepare and furnish to the Association a report, of such scope and in such detail as the Association shall reasonably request, on the execution of the Project, its cost and the

benefits derived and to be derived from it, the performance by the Borrower and the Association of their respective obligations under the Development Financing Agreement and the accomplishment of the purposes of the Financing.”

Attachment III

Revised SCHEDULE 5

Key Performance Indicators

	Indicators	Baseline (1998/99)	End of original Project (Dec. 2006)	Target at Mid- Term Review (March 2004)	Mid-term review (June 2004)	As of SPN (December 2004)
		Actual	Target	Target	Actual	Actual
	<i>Outcome indicators</i>					
1.	Decrease the percentage of non-married individuals who report having 2 or more sexual partners. ④ Females ④ Males	4% 18%	2 % 10%	3% 14%	n.a. n.a.	n.a. n.a.
2.	Increase (by 20%) condom utilization rates at previous high-risk sexual contact ④ Females (15-45) ④ Males (15-45) ④ Females (15-24) ④ Males (15-24) ④ Female sex workers ④ Truckers ④ Miners	59% 42% n.a. n.a. 86% 79% 77%	75% 60% 60% 70% 90% 90% 80%	65% 45% n.a. n.a. n.a. n.a. n.a.	69% 53% 54% 67% n.a. 83% 65%	69% 53% 54% 67% n.a. 83% 65%
	<i>Output indicators</i>					
3.	Increase percentage of sexually active individuals who know that they can avoid contracting HIV by using a condom: ④ Females ④ Males	24% 57%	50% 80%	30 65	40 62	40 62
4.	Increase percentage of sexually active individuals who know					

	Indicators	Baseline (1998/99)	End of original Project (Dec. 2006)	Target at Mid- Term Review (March 2004)	Mid-term review (June 2004)	As of SPN (December 2004)
		Actual	Target	Target	Actual	Actual
	that a person who looks well can be infected by HIV:					
	④ Females (rural/urban)	42/78	60/90	n.a.	48/80	48/80
	④ Males (rural/urban)	67/88	75/92	n.a.	62/89	62/89
5.	Increase number of HIV infected people receiving ARV treatment.	1000	5000	n.a.	2500	2617
6	Increase number of pregnant, HIV positive women receiving treatment to prevent mother to child transmission	n.a.	1000	n.a.	250	250
7.	Increase (by 25%) number of orphans receiving care and support					
	• Nationally	n.a.	100,000	n.a.	66,000	66,000
	• 13 pilot provinces	n.a.	40,000	n.a.	35,000	35,000
	• Ministries	n.a.	1500	n.a.	1059	1059
8	Increase the					
	• number of villages and OBC carrying out HIV/AIDS micro-projects	603	4,500	n.a.	4,604	4,604
	• HIV/AIDS awareness activities carried out by Ministries	n.a.	6000	n.a.	5300	5300