

CONFORMED COPY

CREDIT NUMBER 4336-KE

Project Agreement

(Total War Against HIV and AIDS Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

NATIONAL AIDS CONTROL COUNCIL

Dated July 18, 2007

PROJECT AGREEMENT

Agreement dated July 18, 2007, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and the NATIONAL AIDS CONTROL COUNCIL (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between the Republic of Kenya (“Recipient) and the Association. The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing 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 Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objectives of the Project. To this end, the Project Implementing Entity shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — REPRESENTATIVE; ADDRESSES

3.01. The Project Implementing Entity's Representative is the Director.

3.02. The Association's Address is:

International Development Association
1818 H Street, NW
Washington, DC 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391

3.03. The Project Implementing Entity's Address is:

P.O. Box 61307-00200
Nairobi
Kenya

Telephone:	Facsimile:
+254-20-2715109	+254-20-2711072
+254-20-2715144	+254-20-2711231

AGREED at Nairobi, Republic of Kenya, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

/s/ Colin Bruce
Authorized Representative

NATIONAL AIDS CONTROL COUNCIL

By:

/s/ Alloys S. S. Oraga
Authorized Representative

SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional Arrangements. In implementing and managing the Project, the Project Implementing Entity shall review the priorities and monitor implementation progress with the Inter-Agency Coordinating Committee and the Steering Committee.

B. Sub-financing

The Project Implementing Entity shall make Sub-financings available to Beneficiaries in accordance with eligibility criteria and procedures in the Operations Manual, which shall include financing for the following priority areas: (a) interventions with the most impact in preventing further spread of HIV; and (b) target populations who are most susceptible to infection or most affected already such as: (i) commercial sex workers; (ii) orphans and vulnerable children; (iii) highly mobile populations (truck drivers, migrant workers); (iv) women (including widows); (v) the youth (including young girls); (vi) workers in small and medium-sized enterprises, micro-enterprises, and the informal sector; (vii) people with disabilities; (viii) people exposed to sexual violence; (ix) men having sex with men; and (x) injecting drug users.

C. Safeguards. The Project Implementation Entity shall ensure that the Project is carried out in accordance with the National Health Care Waste Management Plan (NHCWMP), satisfactory to the Association and completed, approved, and disclosed in accordance with the national legal and policy requirements and the Association's requirements;

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Project Implementing Entity shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in subparagraph (b) of this paragraph agreed with the Association. Each such Project Report shall cover the period of one Fiscal Year, and shall be furnished to the Recipient not later than forty-five days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

- i. NACC composite score on the annual independent performance evaluation.
 - ii. Proportion of overall targets for NACC-funded programs in civil society, private sector and public sector met.
 - iii. Key outcome indicators for prevention and mitigation of HIV and AIDS.
2. The Project Implementing Entity shall provide to the Recipient not later than January 31, 2011 for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.
2. The Project Implementing Entity shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one Fiscal Year of the Project Implementing Entity. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

Section III. Procurement

All goods, works and services required for the Project shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.

Section IV Other Undertakings

The Project Implementing Entity shall by April 30 of each Fiscal Year submit in form and substance satisfactory to the Association, a consolidated annual work plan for the subsequent year. Any such work plan shall include inter alia an updated procurement plan and budget proposal for project activities in accordance with the Operations Manual.