

CONFORMED COPY

CREDIT NUMBER 4290-BEN

Financing Agreement

(Second Multisectoral HIV/AIDS Control Project)

between

REPUBLIC OF BENIN

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 14, 2007

FINANCING AGREEMENT

AGREEMENT dated May 14, 2007, entered into between REPUBLIC OF BENIN (“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 credit in an amount equivalent to twenty three million five hundred thousand Special Drawing Rights (SDR 23,500,000) (variously, “Credit” or “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. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Director General of the *Caisse Autonome d’Amortissement*.
- 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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are April 15 and October 15 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

- 2.07. The Payment Currency is the Euro.

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 the Project Implementing Entity in accordance with the provisions of Article IV of the General Conditions.
- 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 — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Event of Suspension consists of the following: the Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has adopted the updated Project Implementation Manual, the Administrative, Accounting and Financing Manual, and the Monitoring and Evaluation Manual, all in form and substance satisfactory to the Association;
 - (b) the Recipient has established the PA in a manner and with functions and resources satisfactory to the Association, and with the following staff: a Project Coordinator, a Health Specialist, a Social Mobilization Specialist, a Monitoring and Evaluation Specialist, a Chief Accountant, an internal Auditor, and a Procurement Specialist, all appointed in accordance with the provisions of this Agreement;
 - (c) the Recipient has recruited an independent audit firm and the Financial Management Agency in accordance with the provisions of this Agreement, both employed under conditions satisfactory to the Association;

- (d) the Project Account has been opened and an initial contribution of twenty millions FCFA (20,000,000 FCFA) has been deposited therein to pay allowances to the SP/CNLS' civil servant staff; and
 - (e) the Recipient has established an accounting and financial management system for the Project satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Minister of the Recipient at the time responsible for finance.

6.02. The Recipient's Address is:

Ministère de Développement, de l'Economie et des Finances
B.P. 302
Cotonou
Republic of Benin

Cable address:	Telex:	Facsimile:
MINFINANCES Cotonou	5009 MINFIN or 5289 CAA	(229) 21 30 18 51 (229) 21 31 53 56

6.03. 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) 64145 (MCI)	1-202-477-6391

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

REPUBLIC OF BENIN

By:

/s/ Cyrille Oguin
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

/s/ James P. Bond
Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to help the Recipient implement its new 2006-2010 National Strategic Framework for boosting its national response to HIV/AIDS by contributing to increasing and improving the coverage and utilization of prevention services, treatment and care for specific high-risk and vulnerable groups. More specifically, the Project will contribute to (a) strengthening access to, and increasing utilization of, prevention services for vulnerable and high-risk groups; (b) improve access and utilization of treatment and care services for HIV/AIDS infected and affected persons; and (c) consolidate the coordination, management, and the monitoring and evaluation of the national response to HIV/AIDS for its sustainability.

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

Part A: Social Mobilization and Prevention Services

(a) Support for community and NGO prevention activities to encourage behavior change

(i) *Promoting access to HIV/AIDS prevention information and services for all*

Provision of Grants to CSOs and CBOs for the financing of Subprojects for HIV/AIDS related activities, including, in particular: advice and promotion of voluntary HIV/AIDS testing; promotion of the use of condoms; strengthening prevention messages and utilization of prevention mechanisms; intensification of communication that encourages changes in sexual behavior and patterns; promotion of communication between various associations, including those of traditional healers, and support to local radio stations for their HIV/AIDS-related programs.

(ii) *Priority Line Ministries*

Assisting the PSOs to implement Action Plans consisting of HIV/AIDS prevention and control activities and initiatives, focusing, in particular, on: prevention activities for raising awareness; providing communication that encourages changes in sexual behavior and practices; advice and promotion of voluntary HIV/AIDS testing; advocacy, communication, and availability of information and guidance on HIV/AIDS matters in the ministries; and offering psychosocial counseling of infected persons.

(iii) *Capacity building*

Strengthening of institutional and technical capacities in CBOs, CSOs, and various HIV/AIDS-related associations to prepare, execute and monitor Subprojects through the provision of training and technical advisory services.

(iv) *Intensification of the fight against HIV/AIDS in the workplace*

Provision of Grants to CSOs for the financing of Subprojects to: (a) improve the advocacy, communication, and availability of advice in the workplace concerning HIV/AIDS; (b) increase prevention and understanding of HIV/AIDS and the effects of HIV/AIDS on infected persons; and (c) reduce the stigma of the HIV infection, through the provision of training, development of communication programs, development of workplace strategies and policy regulations.

(b) Support for impact mitigation activities for OVCs and PLWHAs

1. Provision of Grants to CSOs for the financing of Subprojects for HIV/AIDS related activities, including, for the provision of ARV treatment and management of opportunistic infections, taking care of AIDS patients; looking after infected children; providing nutritional support to families struck by AIDS; or providing psychosocial care and counseling to individual patients or families.
2. Provision of Grants to eligible PLWHA associations for the financing of Subprojects for income-generating activities.
3. Provision of Grants to CSOs for the financing of Subprojects for providing care and financial support to eligible OVCs identified by the Ministry of Family, Women and Children.

Part B: Access to Treatment, Care and Impact Mitigation Services

Facilitate access to treatment, care and impact mitigation services through the provision of works, equipment, training and technical support for: (i) reinforcement of preventive measures, including the establishment of voluntary counseling and testing centers, the acquisition of materials and reagents needed in testing, the purchase of equipment to the testing laboratories, and training of staff, the strengthening of the health-sector staff capacity; (ii) reinforcement of access to treatment through the procurement of ARV, reagents, and related drugs, equipment such as computers, monitoring of and medical, social, and psychosocial support to, HIV-infected children and social mobilization/sensitization of the population to accept the HIV-infected children, nutritional care for infected and affected children, improvement of the quality of the treatment facilities, promotion of the methods of diagnosing and treating of STIs among high risk

groups and procurement of drugs, reagents, other materials, and condoms for prevention and treatment of STIs and opportunistic infections, acquisition of two mobile laboratories to support the implementation of health advanced strategies, financing of activities underscored in the CWMP; and (iii) reinforcement of research, including training in epidemiological surveillance, operational research, monitoring and evaluation; and in strengthening of collaboration between traditional and modern medicine to promote research on plants used for traditional medicines.

Part C: Support to Project Coordination, Management, Monitoring and Evaluation

(a) Support for a unified national and decentralized coordination system and leadership of CNLS.

Strengthening the capacity of CNLS and PA to carry out and implement a coordination, management, and monitoring and evaluation framework for the Project through the provision of technical advisory services and training, and the acquisition of goods, equipment and vehicles.

(b) Support for a uniform national monitoring and evaluation system.

Provision of financing for the testing of the nationally functioning M&E system, and the recruitment of additional staff at both central and decentralized level of the SP/CNLS, necessary equipment and materials, extensive training of persons involved in M&E; financing of collection, processing, and publication of data from operations of this Project and those of other HIV/AIDS projects; special studies relating to HIV/AIDS in Benin and evaluation of project results (under CNLS supervision); and technical assistance.

(c) Financing the coordination and management of MAP II.

Provision of support to CNLS, PA and FMA staffs for the coordination and management of the Project, through the provision of rehabilitation work, training for Project administration; the financing of updating and strengthening of the computerized financial management system; replacement of vehicles, equipment, and materials used for project activities, provision of training for the operation of the project-specific M&E system; and financing of external audits.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. Except as the Association shall otherwise agree, the Recipient shall: (i) apply the criteria, policies, procedures and arrangements set out in the Project Implementation Manual, the Administrative, Accounting and Financial Manual and the Monitoring and Evaluation Manual; and (ii) not amend or waive, or permit to be amended or waived, the CWMP, the Project Implementation Manual, the Administrative, Accounting and Financial Manual and the Monitoring and Evaluation Manual or any provision thereof, in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of the Project.
2.
 - (a) The Recipient shall maintain CNLS with an Assembly, a National Consultative Group, a Technical Secretariat and the Decentralized Committees of CNLS in a form and with functions consistent with the CNLS Decree and with resources and staffing necessary for the execution of the activities of the Technical Secretariat.
 - (b) The Decentralized Committees of CNLS shall assist: (i) CNLS in the establishment of an appropriate framework for the execution of the Program; and (ii) CNLS and PA in the coordination of the implementation of the Project as specified in paragraphs B and C below and in more detail in the Project Implementation Manual.
 - (c) The Technical Secretariat, a multi-sector unit, shall assist CNLS in, *inter alia*, selecting the Action Plans to be implemented by PSOs, reviewing the execution of the Subprojects and Action Plans and preparing completion reports relating thereto, and keeping CNLS informed of the implementation of the activities under the Monitoring and Evaluation Manual.
3. The Recipient shall maintain a PA in a form and with functions, staffing and resources satisfactory to the Association. PA's functions shall include: (i) financial management of the Project, on the basis of the Administrative, Accounting and Financial Manual; (ii) facilitation of Project execution within the framework of the National HIV/AIDS Program; and (iii) supporting the Technical Secretariat of CNLS in the carrying out of its functions under the Project.

B. Subprojects to be implemented by a CBO

1. No Subproject to be implemented by a CBO shall be eligible for financing out of the proceeds of the Credit unless the concerned CALS or CCLS, as the case may be, has determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Project Implementation Manual, that the Subproject satisfies the eligibility criteria specified below and in more detail in the Project Implementation Manual, which shall include the following:
 - (a) the Subproject shall be for any of the types of activities referred to in Part A.(a)(i) of the Project;
 - (b) the Subproject shall be initiated by a CBO or a CSO for the account of a CBO;
 - (c) the Subproject shall be implemented by a CBO;
 - (d) the Subproject shall be in accordance with the standards specified in the Project Implementation Manual;
 - (e) the Subproject shall be in compliance with the standards set forth in the applicable laws and regulations of the Recipient relating to the Project; and
 - (f) no Grant to a Subproject shall be in excess of the equivalent of \$4,000.

2. Subprojects referred to in paragraph B.1 above shall be carried out pursuant to CBO Grant Agreements, to be concluded between the relevant CDLS, the Financial Management Agency and the relevant CBO, under terms and conditions satisfactory to the Association, which shall include the following:
 - (a) provisions requiring the financing to be made on a grant basis;
 - (b) the obligation for the relevant CBO to: (i) carry out the Subproject with due diligence and efficiency and in accordance with sound administrative, financial and public health standards and the provisions of the Project Implementation Manual; (ii) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Subproject; and (iii) comply with the reporting obligations specified in the Project Implementation Manual;

- (c) the requirement that: (i) the goods, works and services to be financed from the proceeds of the Credit shall be procured in accordance with the procedures set forth in this Agreement; and (ii) such goods, works and services shall be used exclusively in the carrying out of the Subproject;
- (d) the right of CNLS, the relevant CDLS, CCLS or CALS, PA and the Financial Management Agency to inspect, by themselves, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Subproject, the operations thereof and any relevant records and documents;
- (e) the right of CNLS, the relevant CDLS, PA and the Financial Management Agency to obtain all information as CNLS, the relevant CDLS, PA, the Financial Management Agency or the Association shall reasonably request regarding the administration, operations and financial conditions of the Subproject; and
- (f) the right of the relevant CDLS to suspend or terminate the right of the relevant CBO to use the Grant for the Subproject upon failure by the relevant CBO to perform any of its obligations under its CBO Grant Agreement.

C. Subprojects to be implemented by a CSO

1. No Subproject to be implemented by a CSO and estimated to cost the equivalent of \$100,000 or less shall be eligible for financing out of the proceeds of the Credit unless the relevant CDLS has determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Project Implementation Manual, that the Subproject satisfies the eligibility criteria specified below and in more detail in the Implementation Manual, which shall include the following:
 - (a) the Subproject shall be for any of the types of activities referred to in Part A.(a)(i), Part A.(a)(iv), Part A.(b)(1) or Part A.(b)(3) of the Project, as applicable;
 - (b) the Subproject shall be initiated and implemented by a CSO;
 - (c) the Subproject shall be in accordance with the standards specified in the Project Implementation Manual;
 - (d) the Subproject shall be in compliance with the standards set forth in the applicable laws and regulations of the Recipient relating to the Program; and

- (e) the estimated cost of the Subproject is the equivalent of (i) \$100,000 or less for activities mentioned under Part A.(a)(i), Part A.(b)(1) and Part A.(b)(3) of the Project; or (ii) \$20,000 or less for activities mentioned under Part A.(a)(iv) of the Project.
2. Subprojects referred in paragraph C.1 above shall be carried out pursuant to CSO Grant Agreements, to be concluded between the relevant CDLS, the Financial Management Agency and the relevant CSO, under terms and conditions satisfactory to the Association, which shall include the following:
- (a) provisions requiring the financing to be made on a grant basis;
 - (b) the obligation for the relevant CSO to: (i) carry out the Subproject with due diligence and efficiency and in accordance with sound administrative, financial and public health standards and the provisions of the Project Implementation Manual; (ii) maintain adequate records to reflect in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Subproject; and (iii) comply with the reporting requirements specified in the Project Implementation Manual;
 - (c) the requirement that: (i) the goods and services to be financed from the proceeds of the Credit shall be procured in accordance with the procedures set forth in this Agreement; and (ii) such goods and services shall be used exclusively in the carrying out of the Subproject;
 - (d) the right of CNLS, the relevant CDLS, PA and the Financial Management Agency to inspect, by themselves, or jointly with the Association, if the Association shall so request, the goods included in the Subproject, the operations thereof and any relevant records and documents;
 - (e) the right of CNLS, the relevant CDLS, PA and the Financial Management Agency to obtain all information as CNLS, the relevant CDLS, PA, the Financial Management Agency or the Association shall reasonably request regarding the administration, operations and financial conditions of the Subproject; and
 - (f) the right of the relevant CDLS to suspend or terminate the right of the relevant CSO to use the Grant for the Subproject upon failure by the relevant CSO to perform any of its obligations under its CSO Grant Agreement.

D. Subprojects to be Implemented by an eligible PLWHA Association

1. No Subproject to be implemented by an eligible PLWHA Association, and estimated to cost the equivalent of \$4,000 or more shall be eligible for financing out of the proceeds of the Credit unless the relevant CCLS has determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Project Implementation Manual, that the Subproject satisfies the eligibility criteria specified below and in more detail in the Implementation Manual, which shall include the following:
 - (a) the Subproject shall be for any of the types of activities referred to in Part A.(b)(2) of the Project;
 - (b) the Subproject shall be initiated and implemented by an eligible PLWHA Association;
 - (c) the Subproject shall be in accordance with the standards specified in the Project Implementation Manual;
 - (d) the Subproject shall be in compliance with the standards set forth in the applicable laws and regulations of the Recipient relating to the Project; and
 - (e) the estimated cost of the Subproject is equal to the equivalent \$4,000 or less.

2. Subprojects referred in paragraph D.1 above shall be carried out pursuant to CSO Grant Agreements, to be concluded between an eligible PLWHA Association, FMA, and the relevant CDLS, under terms and conditions satisfactory to the Association, which shall include the following:
 - (a) provisions requiring the financing to be made on a grant basis;
 - (b) the obligation for the relevant PLWHA Association, to: (i) carry out the Subproject with due diligence and efficiency and in accordance with sound administrative, financial and public health standards and the provisions of the Project Implementation Manual; (ii) maintain adequate records to reflect in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Subproject; and (iii) comply with the reporting requirements specified in the Project Implementation Manual;
 - (c) the requirement that: (i) the goods and services to be financed from the proceeds of the Credit shall be procured in accordance with the procedures set forth in this

Agreement; and (ii) such goods and services shall be used exclusively in the carrying out of the Subproject;

- (d) the right of CNLS, PA, FMA and the relevant CDLS to inspect, by themselves, or jointly with the Association, if the Association shall so request, the goods included in the Subproject, the operations thereof and any relevant records and documents;
- (e) the right of CNLS, PA, FMA and the relevant CDLS to obtain all information as CNLS, PA, FMA, relevant CDLS or the Association shall reasonably request regarding the administration, operations and financial conditions of the Subproject; and
- (f) the right of CDLS to suspend or terminate the right of the relevant PLWHA Association to use the Grant for the Subproject upon failure by the relevant PLWHA Association to perform any of its obligations under its Grant Agreement.

E. Action Plans to be implemented by a PSO

No Action Plan to be implemented by a PSO shall be eligible for financing out of the proceeds of the Credit unless CNLS has determined, on the basis of an appraisal conducted in accordance with the guidelines set forth in the Project Implementation Manual, that the Action Plan satisfies the eligibility criteria specified below and in more detail in the Implementation Manual, which shall include the following:

- (a) the Action Plan shall be for any of the types of activities referred to in Part A.(a)(ii)(1) of the Project;
- (b) the Action Plan shall be initiated and implemented by a PSO;
- (c) the Action Plan shall be in accordance with the standards specified in the Project Implementation Manual;
- (d) the Action Plan shall be in compliance with the standards set forth in the applicable laws and regulations of the Recipient relating to the Program; and
- (e) the estimated cost of the Action Plan is equal to the equivalent of \$50,000 or less.

2. Action Plans referred in paragraph E.1 above shall be carried out pursuant to Action Plan Agreements, to be concluded between CNLS, FMA and the relevant PSO, under terms and conditions satisfactory to the Association, which shall include the following:
- (a) provisions requiring the financing to be made on a grant basis;
 - (b) the obligation for the relevant PSO, to: (i) carry out the Action Plan with due diligence and efficiency and in accordance with sound administrative, financial and public health standards and the provisions of the Project Implementation Manual; (ii) maintain adequate records to reflect in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Action Plan; and (iii) comply with the reporting requirements specified in the Project Implementation Manual;
 - (c) the requirement that: (i) the goods and services to be financed from the proceeds of the Credit shall be procured in accordance with the procedures set forth in this Agreement; and (ii) such goods and services shall be used exclusively in the carrying out of the Action Plan;
 - (d) the right of CNLS and PA to inspect, by themselves, or jointly with the Association, if the Association shall so request, the goods included in the Action Plan, the operations thereof and any relevant records and documents;
 - (e) the right of CNLS and PA to obtain all information as CNLS, PA or the Association shall reasonably request regarding the administration, operations and financial conditions of the Action Plan; and
 - (f) the right of CNLS to suspend or terminate the right of the relevant PSO to use the proceeds of the Credit upon failure by the relevant PSO to perform any of its obligations under its Action Plan Agreement.

F. Safeguards

The Recipient shall implement the CWMP, in a manner and according to a timing satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) 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 the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than 45 days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

Component One: Social Mobilization and HIV Prevention Services

- Number of subprojects financed targeting vulnerable populations, high risk groups and geographic hot spots;
- Number of public sector organizations supported and implementing HIV interventions;
- Number of persons reached with community outreach and support and IEC/BCC programs; and
- Number of condoms sold/distributed.

Component Two: Access to Treatment, Care, and Impact Mitigation Services

- Number of people with advanced HIV infection receiving ARV combination therapy;
- Number of people with advanced HIV infection receiving psychosocial care;
- Number of PLWHA receiving nutritional support;
- Number of pregnant women receiving a complete course of ARV prophylaxis to reduce the risk of mother to child transmission of HIV; and

- Number of orphans and other vulnerable children whose households have received care and support in the last 12 months.

Component Three: Coordination, Management, and Monitoring and Evaluation

- Annual joint workplan review and work planning exercise by all donors (under the coordination of SP/CNLS);
 - Number and Percentage of CDLS and municipal committees operational;
 - Number of persons trained in HIV service delivery; and
 - Percentage and number of implementing agencies (public sector and civil society) submitting timely quarterly monitoring and financial.
2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than June 30, 2012.

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 as part of the Project Report not later than forty five days after the end of each semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.
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 fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works 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 and Works

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

Procurement Method
(a) Limited International Bidding
(b) National Competitive Biding
(c) Shopping
(d) Direct Contracting
(e) Procurement from United Nations Agencies

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) Selection based on the Consultants' Qualifications
(b) Least Cost Selection
(c) Selection under Fixed Budget
(d) Direct Contracting
(e) Single Source Selection

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review; in addition the first two (2) contracts of each Procurement and selection methods shall be subject to prior Review. 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 Credit to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Works	670,000	100%
(2) a) Vehicles, Motorcycles, and Equipment b) Medical Equipment, Drugs, Tests, and Reagents	740,000 7,200,000	100%
(3) Consultants Services, Studies, Audits, and Training	3,700,000	100%
(4) a) Grants to CBO b) Grants to CSO c) Grants to Line Ministries	2,350,000 4,200,000 1,000,000	100% of amounts disbursed
(5) Operating Costs	2,100,000	100%
(6) PPF	330,000	
(7) Unallocated	1,210,000	
TOTAL AMOUNT	23,500,000	

3. For the purposes of this Schedule, the term:

“Operating Costs” means the incremental operating costs of CNLS, PA and FMA incurred on account of Project implementation, management and supervision, including travel and other allowances, local contractual staff salaries, utilities, communication costs, office supplies, office equipment and vehicle maintenance and operation costs, but excluding salaries of the Recipient’s civil servants.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed \$300,000 equivalent may be made for payments made prior to this date but on or after the date which is one year prior to the date of this Agreement, for Eligible Expenditures; and
 - (b) for a Grant to a Subproject, unless the Grant has been made in accordance with eligibility criteria and on terms and conditions set forth or referred to in the Project Implementation Manual and the provisions of Schedule 2 to this Agreement;
2. The Closing Date is December 31, 2011.

Section V. Other Undertakings

- (a) by November 30 of each year during the implementation of the Project, commencing on November 30, 2007, the Recipient shall submit to the Association for its review and comments its draft of: (i) the program of activities to be carried out under the Project during the following year; and (ii) the related budget and procurement schedule;
- (b) the Recipient shall, in preparing the final version of such program, budget and procurement schedule, take into account the comments made by the Association; and
- (c) by December 31 of each year during the implementation of the Project, commencing on December 31, 2007, the Recipient shall adopt the program of activities to be carried out under the Project during the following calendar year, and the annual related budget and procurement plan, in form and substance satisfactory to the Association.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each April 15 and October 15:	
commencing on April 15, 2017 to and including October 15, 2026	1%
commencing April 15, 2027 to and including October 15, 2046	2%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.

APPENDIX

Definitions

1. “Action Plan” means the annual action plans prepared by a PSO and approved by CNLS, which is eligible for financing under Part A.(a)(ii) of the Project;
2. “Action Plan Agreement” means the agreement to be entered into among CNLS (as hereinafter defined), PA (as hereinafter defined) and a PSO for the purpose of carrying out and financing an Action Plan;
3. “Administrative, Accounting and Financial Manual” means the manual outlining the administrative, financial, accounting and reporting procedures for the implementation of the Project referred to in Schedule 2 to this Agreement and adopted pursuant to Section 5.01 of this Agreement, as the same may be amended from time to time, and such term includes any schedules to the Administrative, Accounting and Financial Manual;
4. “AIDS” means the Acquired Immuno-Deficiency Syndrome;
5. “BCC” means Behavioral Communication for Change;
6. “CALs” means *Comités d’Arrondissement de Lutte Contre le SIDA*, the decentralized arrondissement level HIV/AIDS committees established and operating pursuant to the CNLS Decree (as hereinafter defined);
7. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement;
8. “CBO” means a community-based organization established and operating under the laws of the Recipient, which has met the eligibility criteria set out in the Project Implementation Manual (as hereinafter defined) and the requirements of Schedule 2 to this Agreement and, as a result, has received or is entitled to receive a Grant (as hereinafter defined) for the carrying out of a Subproject (as hereinafter defined);
9. “CBO Grant Agreement” means the agreement to be entered into among the relevant CDLS (as hereinafter defined), the Financial Management Agency (as hereinafter defined) and a CBO for the purpose of making a Grant to such CBO for carrying out a Subproject;

10. “CCLS” means *Comités Communaux de Lutte Contre le SIDA*, the decentralized district level HIV/AIDS committees established and operating pursuant to the CNLS Decree;
11. “CDLS” means the *Comités Départementaux de Lutte Contre le SIDA*, the decentralized departmental level HIV/AIDS committees established and operating pursuant to the New CNLS Decree;
12. “CFA Francs” or “CFAF” means the currency of the Recipient;
13. “CNLS *Arrêté*” means the *Arrêté* N. 11/MCCAG-PD/MSP/MFE/DC/SG/SA setting forth the role, function and organization of the Technical Secretariat of the CNLS;
14. “CNLS Decree” means the Decree N. 2002-273 dated June 18, 2002 creating and setting forth the composition, attributions, organization and functions of the CNLS;
15. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004;
16. “CSO” means a civil society organization established and operating under the laws of the Recipient, including NGOs and any other private sector entity engaged in HIV/AIDS activities, which has met the eligibility criteria set out in the Project Implementation Manual and the requirements of Schedule 2 to this Agreement and, as a result, has received or is entitled to receive a Grant for the carrying out of a Subproject;
17. “CSO Grant Agreement” means the agreement to be entered into among a CDLS, the Financial Management Agency and a CSO, or among CNLS, PA and a CSO, as the case may be, for the purpose of making a Grant to such CSO for carrying out a Subproject;
18. “CVLS” means *Comité Villageois de Lutte contre le VIH/SIDA*; the HIV/AIDS control committee at the level of the village;
19. “CWMP” means the clinical waste management plan for the Project referred to in Schedule 2 to this Agreement, as the same may be amended from time to time, and such term includes any schedules to the CWMP;
20. “Decentralized Committees of CNLS” means the CALS, CCLS, CDLS and CVLS;
21. “Financial Management Agency” means the firm employed by the Project Implementing Entity pursuant to Section 5.01 of this Agreement, responsible for the accounting, financial reporting and disbursement for all the activities of the Project;

22. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005.
23. “Grant” means a grant made, or proposed to be made, by a CDLS or CNLS through the Financial Management Agency to a CBO, CSO, or PSO to finance a Subproject or an Action Plan, or by CNLS through PA to a CSO or PSO to finance a Subproject or Action Plan, as the case may be;
24. “HIV” means the Human Immuno-Deficiency Virus;
25. “IEC” means Information Education and Communication;
26. “MOPH” means the Recipient’s Ministry of Public Health;
27. “NGO” means a non-governmental organization, established and operating under the laws of the Recipient;
28. “PA” means the Project Administration located within the Permanent Secretariat of the CNLS referred to in Schedule 2 to this Agreement and established pursuant to Section 5.01 of this Agreement;
29. “PLWHA” means people living with HIV/AIDS;
30. “PLWHA Association” means the associations of people living with HIV/AIDS that have been considered eligible under the Project;
31. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004;
32. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 5, 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. “Project Implementing Entity” or “CNLS” means the *Comité National de Lutte Contre le SIDA*, the national HIV/AIDS committee established and operating pursuant to the CNLS Decree;
34. “Project Implementing Entity’s Legislation” means the CNLS Decree and the CNLS *Arrêté*;

35. "Project Implementation Manual" means the manual setting out, *inter alia*, the criteria, procurement and disbursement procedures, the institutional aspects, and other arrangements for the implementation of the Project, including those applicable to the Subprojects and Action Plans, referred to in Schedule 2 to this Agreement and adopted pursuant to Section 5.01 of this Agreement, as the same may be amended from time to time, and such term includes any schedules to the Project Implementation Manual;
36. "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 February 19, 2007;
37. "PSO" means a public sector organization of the Recipient;
38. "SP/CNL" means Permanent Secretariat of National HIV/AIDS Control Committee; and
39. "Subproject" means a specific activity or set of activities financed, or proposed to be financed, through a Grant made under Part A.1 of the Project.