

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: AB2596

<b>Project Name</b>	HIV/AIDS MAP Supplemental
<b>Region</b>	AFRICA
<b>Sector</b>	Health (100%)
<b>Project ID</b>	P101950
<b>Borrower(s)</b>	GOVERNMENT OF CAPE VERDE
<b>Implementing Agency</b>	Comite de Coordenacao do Combate a Sida Av. Cidade de Lisboa P.O. Box 855 Cape Verde Tel: 238-60-37-73 Fax: 238-60-03-14 ccssida@cvtelecom.cv
<b>Environment Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
<b>Date PID Prepared</b>	October 10, 2006
<b>Date of Appraisal Authorization</b>	October 4, 2006
<b>Date of Board Approval</b>	December 21, 2006

1. Key development issues and rationale for Bank involvement

*Country context.* Cape Verde is a small archipelago of ten islands located off the coast of Senegal. Only about one-tenth of the country's surface is arable. While the islands are home to about 470,000 Cape Verdeans, twice as many Cape Verdeans live abroad while maintaining close ties with their homeland. The country's growth performance since the late 1980s has raised it to the ranks of lower middle income countries, with a GNI per capita of US\$2,040 in 2005. Real GDP growth (an average of 6 per cent per year over the last six years) has been sustained through public and private investment based on a high level of donor support, strong private capital flows, and remittances. Thanks to this growth, poverty has declined by one-fourth over the last decade, while the human development index has increased from 0.59 in 1990 to 0.67 in 2003. Adult literacy rates are high (approximately 76 percent in 2002), and life expectancy at birth (69) is the third highest in Africa.

Political openness has accompanied this economic and social progress. Since the adoption of a multi-party system in 1991, there have been four national elections and two orderly changes in government. A free press further supports the building of an open society. The last legislative and presidential elections were held in January and February 2006, respectively.

*The original Credit.* The original Development Credit Agreement (Cr 3629-CV) in the amount of SDR 7.3 million (US\$9.0 million equivalent) was approved on March 28, 2002. It became effective on July 17, 2002 and the closing date is December 31, 2006. It is executed under a Specific Investment Loan (SIL) for a total project cost of US\$9.6 million equivalent, of which the Government is financing US\$0.6 million equivalent. As of July 2006, 98 percent of the

Credit (SDR 7.2 million or US\$10.5 million equivalent) had been disbursed. The remaining balance is fully committed and the Credit is expected to be fully disbursed ahead of the project closing date of December 31, 2006.

The proposed Additional Financing of US\$5.0 million equivalent would help to finance the costs associated with: (i) scaling up key interventions successfully piloted under the initial credit within the context of the new national strategy to address HIV/AIDS; (ii) integrating the fight against HIV/AIDS into the budgetary system of Cape Verde to ensure sustainability. No changes to the objectives or general design and implementation modalities of the project are being proposed.

The conditions for additional financing are met as: (a) the additional financing will support activities that will increase project impact in a manner consistent with the Project Appraisal Document (PAD) presented to the Board in March 2002; (b) the current IDA-financed project is properly implemented; and (c) activities to be financed have shown results under the ongoing Project and additional financing will help set up mechanisms to ensure their sustainability after project completion.

## 2. Proposed objective(s)

The original project development objective as stated in the Project Appraisal Document remains relevant. It is to support the goal of the national HIV/AIDS strategy to reduce the spread of HIV infection in the country by supporting: (a) the mitigation of HIV/AIDS impact at individual, household, and community levels, thus sustaining an economically productive population; and (b) the establishment of a strong and sustainable national capacity to respond to the epidemic.

## 3. Preliminary description

The project has four components: (a) capacity-building; (b) public sector initiatives, including national and municipal levels, (c) civil society and private sector initiatives, and (d) project facilitation, coordination, monitoring and evaluation. It supports: (a) health promotion activities targeted at behavior change to reduce the transmission of HIV; (b) diagnosis, treatment, care and support for Persons Leaving with HIV/AIDS (PLWHA) and others affected by the epidemic; (c) mitigation of the impact of HIV/AIDS; and (d) operational research, surveillance, monitoring, and evaluation to strengthen national and local capacity to respond effectively and efficiently to the epidemic.

The four initial components will probably be reduced to three, as capacity building (component 1) has been successfully implemented and additional outside support does not appear to be needed to maintain current levels. In addition, the activities financed under the supplemental project will be more focused. In fact, the initial project was designed to cast a large net, as little was known about the characteristics of the epidemics and the most effective ways to fight it. Thanks to additional information and the implementation experience of the past three years, it is now possible to target efforts on a smaller, better targeted number of activities. The additional financing of US\$5.0 million equivalent will aim at: (i) implementing activities that will help consolidate project gains and focus on the most cost-effective approaches and actions; and (ii)

identifying ways of making the fight against HIV/AIDS financially sustainable as donor money is expected to dry up in the near future.

#### 4. Safeguard policies that might apply

The additional activities consist of a smaller and better targeted set of the activities financed under the initial operation, therefore the project remains essentially as originally designed and appraised. These activities were included in the original investment program and do not change the environmental category of the project, which is B, nor trigger any new safeguard policy, including OP 7.50. For that reason, the environmental and safeguards category for the requested additional fund remains B as it was under the original IDA credit, and no further safeguards study is needed. Procedures laid out in the Medical Waste Management Plan, 2002, will carry on for the execution of activities funded through the requested additional credit.

#### 5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	.5
INTERNATIONAL DEVELOPMENT ASSOCIATION	5
Total	5.5

#### 6. Contact point

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