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AHI FACILITY GRANT NUMBER TF098346

Avian and Human Influenza Facility Grant Agreement

(Regional One Health Project)

between

EURASIAN ECONOMIC COMMUNITY

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

(acting as administrator of grant funds provided by various donors under the Avian
and Human Influenza Facility)

Dated March 9, 2011

AHI FACILITY GRANT NUMBER TF098346

**AVIAN AND HUMAN INFLUENZA FACILITY
GRANT AGREEMENT**

AGREEMENT dated March 9 , 2011, entered into between:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“World Bank”), acting as administrator of grant funds provided by various donors under the Avian and Human Influenza Facility; and

EURASIAN ECONOMIC COMMUNITY (“Recipient”).

The World Bank and the Recipient hereby agree as follows:

**Article I
Standard Conditions; Definitions**

- 1.01. The Standard Conditions for Grants Made by the World Bank Out of Various Funds, dated July 31, 2010 (“Standard Conditions”), 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 Standard Conditions or in the Appendix to this Agreement.

**Article II
The Project**

- 2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement (“Project”). To this end, the Recipient shall carry out the Project through the RPMU in accordance with the provisions of Article II of the Standard Conditions and the agreement between the Recipient and the RPMU, as such agreement may be amended from time to time with the World Bank’s prior approval.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

- 3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to three million United States Dollars (\$3,000,000) (“Grant”) to assist in financing the Project.
- 3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.
- 3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions. In accordance with Section 3.02 of the Standard Conditions, the Recipient may withdraw the Grant proceeds subject to the availability of such funds.

Article IV
Additional Remedies

- 4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:
 - (a) The RPMU shall have failed to perform any of its obligations under the Project Implementation Agreement in such a way as to materially and adversely affect the implementation of the Project.
 - (b) The Project Implementation Agreement, or any provision thereof, shall have been amended, suspended, abrogated, repealed or waived in such a way as to materially and adversely affect the ability of the Recipient or the RPMU to carry out the Project.

Article V
Effectiveness; Termination

- 5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied.
 - (a) The execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary action.
 - (b) The Project Implementation Agreement referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement has been executed on behalf of the Recipient and the RPMU.

- 5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank showing the following matters:
- (a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and
 - (b) the Project Implementation Agreement has been duly authorized by the Recipient and the RPMU and is legally binding upon each such party in accordance with its terms.
- 5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Effective Date”). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.
- 5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date 90 days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

Article VI
Recipient’s Representative; Addresses

- 6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Deputy General Secretary.
- 6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Integration Committee of the Eurasian Economic Community
1st Basmanny Pereulok, 6, Building 4
105066 Moscow
Russian Federation

Telex:

(495) 223 90 00

Facsimile:

(495) 223 90 23

- 6.03. The World Bank's Address referred to in Section 7.01 of the Standard Conditions is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	1-202-477-6391

AGREED at Almaty, Kazakhstan, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
acting as administrator of the
Avian and Human Influenza Facility

By /s/ Motto Konishi

Authorized Representative

EURASIAN ECONOMIC COMMUNITY

By /s/ M. Musataev

Authorized Representative

SCHEDULE 1

Project Description

The objective of the Project is to assist the Benefiting Countries to manage infectious disease risks, focusing at the human, animal and environmental interface, through strengthening control of infectious diseases, including HIV/AIDS and other infectious diseases from systems perspective and advancing development of the intra-regional cooperation arrangements established under the Central Asia AIDS Control Project.

The Project consists of the following parts:

Part A: Gap Analysis and Action Plans for Veterinary and Public Health Services

1. Completion of gap analysis in veterinary sectors of Kazakhstan, Tajikistan and Uzbekistan based on the OIE Performance of Veterinary Services exercise.
2. Development of national action plans for veterinary services for Kazakhstan, Tajikistan and Uzbekistan based on the gap analysis to be conducted under Part A.1 of the Project.
3. Review of WHO-defined eleven core public health functions related to control of zoonotic diseases in the Benefiting Countries.
4. Development of the Regional One Health Action Plan to complement national efforts of the Benefiting Countries for harmonization of policies for zoonotic disease control.

Part B: Economic Assessment of the Impact of Zoonotic Diseases

Preparation of an economic assessment of the cost of at least one zoonotic disease for each Benefiting Country.

Part C: Food Borne Diseases and Food Safety

1. Review of the current situation with respect to food safety, focusing on food borne diseases, domestic, trans-boundary and international trade aspects, and nutrition related illness especially of women and children for Kyrgyzstan, Tajikistan and Uzbekistan.
2. Preparation of the draft Regional Action Plan for food safety.

Part D: Project Management, Monitoring and Evaluation

Strengthening of the Recipient's and RPMU's capacity for the Project management, monitoring and evaluation, including audit, procurement, disbursement and financial management activities, through provision of technical assistance, training and financing of Incremental Operating Costs.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. For the purposes of overall Project coordination and supervision the Recipient shall maintain during the entire Project implementation period the RSC comprising high level representatives of each of the Benefiting Countries. The main responsibilities of the RSC shall be: (i) to provide high level inter-agency coordination of the project activities in the Benefiting Countries; and (ii) to provide policy level guidance to the RPMU for effective implementation of the Project.
2. The Recipient shall assign day-to-day responsibilities for Project management and implementation, including financial management, disbursement, procurement, safeguards compliance and reporting arrangements to the RPMU. To this effect the Recipient shall enter into the Project Implementation Agreement with the RPMU on terms and conditions satisfactory to the Bank and shall not amend, suspend, abrogate, repeal or waive said Agreement, or any provision thereof, in such a way as to materially and adversely affect the ability of the Recipient or the RPMU to carry out the Project.
3. The Recipient shall cause the RPMU to perform the Project in a timely manner and in accordance with the Project Operational Manual and shall not amend or waive said Manual or any provisions thereof, except with the prior written approval of the Bank.

B. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 (“Anti-Corruption Guidelines”).

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be

furnished to the World Bank not later than one month after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than three months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than [one month] after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.
3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 World Bank not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Consultant Guidelines.** All services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:
 - (a) Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services; and
 - (b) the provisions of this Section III, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Project in accordance with paragraph 1.24 of the Consultant Guidelines (“Procurement Plan”).
2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of

particular contracts, refer to the corresponding method described in the Consultant Guidelines.

B. 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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those assignments which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants' Qualifications; (e) Single-source Selection; (f) Selection of Individual Consultants; and (g) Sole Source Procedures for the Selection of Individual Consultants.

C. Review by the World Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may 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 World Bank 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 Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Consultants' services, including audit, and Training under the Project	2,850,000	100%
(2) Operating Costs	150,000	100%
TOTAL AMOUNT	3,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2011.

APPENDIX

Definitions

1. “Benefiting Countries” means jointly the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Tajikistan and the Republic of Uzbekistan and “Benefiting Country” means any of these countries.
2. “Operating Costs” means incremental expenses incurred by the RPMU on account of Project implementation, management and monitoring, including office rent and utilities, office and equipment maintenance and repair, vehicle maintenance and repair, travel, communication, translation and interpretation, bank charges, and other miscellaneous costs directly associated with the Project, all based on periodic budgets acceptable to the World Bank.
3. “OIE” means the World Organization for Animal Health.
4. “Project Operational Manual” or “POM” means the Project Operational Manual adopted by the RSC pursuant to Section 5.01 (d) of this Agreement, setting forth procedures and rules related to Project implementation, including financial management, procurement and disbursement issues, and referred to in paragraph 4 of Part A of Section I of Schedule 2 to this Agreement.
5. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 10, 2011 and referred to in paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraph.
6. “Project Implementation Agreement” means the agreement entered into between the Recipient and the RPMU pursuant to Section 5.01 (b) of this Agreement, which shall include terms specifying the responsibilities of RPMU in respect of management and implementation of the Project, including compliance with the Anti-Corruption Guidelines, the Consultants Guidelines and the Project Operational Manual, and referred to in paragraph 2 of Part A of Section I of Schedule 2 to this Agreement.
7. “RPMU” means the Regional Project Management Unit established by the Benefiting Countries for the purposes of the Central Asia AIDS Control Project and referred to in paragraph 2 of Part A of Section I of Schedule 2 to this Agreement.

8. “RSC” means the Project Steering Committee established by the Benefiting Countries for the purposes of the Central Asia AIDS Control Project and referred to in paragraph 1 of Part A of Section I of Schedule 2 to this Agreement.

9. “Training” means expenditures for Project related study tours, training courses, seminars, workshops and other training activities not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel and per diem costs of trainees and trainers.

10. “WHO” means the World Health Organization.