

CONFORMED

GRANT NUMBER H082 COB

Development Grant Agreement

(HIV/AIDS and Health Project)

between

REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 5, 2004

CONFORMED

GRANT NUMBER H082 COB

DEVELOPMENT GRANT AGREEMENT

AGREEMENT, dated May 5, 2004, between the Republic of Congo (the Recipient) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of the Project;

(B) the Project is part of the second phase of the Multi-Country HIV/AIDS Program (MAP II) for the Africa Region, approved by the Board of Executive Directors of the Association on February 7, 2002;

(C) the Association has received from the Recipient a "National Strategic Plan for the Fight against HIV/AIDS 2003-2007" dated November 2002, containing details of the design and content of the Recipient's national multi-sectoral strategy to fight the HIV/AIDS epidemic that was prepared through a participatory approach under the leadership of the National Council for the Fight against HIV/AIDS (*Conseil National de Lutte Contre le SIDA*) (said document being hereinafter referred to as the "Program") and declaring the Recipient's commitment to the execution of the Program; and

(D) the Association has agreed, on the basis, *inter alia*, of the foregoing, to extend the Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (as amended through October 6, 1999), with the modifications set forth in Schedule 5 to this Agreement (the General Conditions), constitute an integral part of this Agreement.

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) “Action Plan” means the document describing a series of activities to fight against the HIV/AIDS epidemic to be carried out by a PSO (as hereinafter defined);

(b) “AIDS” means the Acquired Immune Deficiency Syndrome;

(c) “ARVs” means anti-retroviral medication;

(d) “Bio-Medical Waste Management Plan” means the plan adopted by the Recipient satisfactory to the Association for the management of hazardous health/medical waste under the Project, referred to in paragraph 1 of Schedule 4 to this Agreement, as the same may be amended from time to time, and such term includes any schedule to the Project Implementation Manual;

(e) “CDLS” means a *Comité Départemental de Lutte contre le VIH/SIDA*, the Recipient’s Provincial Committee for the Fight against HIV/AIDS established and operating pursuant to the Recipient’s Decree No. 2003/245 dated September 25, 2003 (the “CDLS Decree”);

(f) “CNLS” means the *Conseil National de Lutte contre le SIDA*, the Recipient’s National Council for the Fight against HIV/AIDS, established and operating pursuant to the Recipient’s Decree No. 2002/368 dated November 30, 2002 (the “CNLS Decree”);

(g) “CNSEE” means *Centre National de la Statistique et des Études Économiques*, the Recipient’s national statistic authority under the Minister of Plan

(h) “CSO” means a civil society organization established and operating under the laws of the Recipient, including *inter alia* rural or urban communities, grass-root organizations, religious and cultural organizations, professional and non-professional associations, private enterprises, NGOs (as hereinafter defined) and community-based associations involved in the fight against HIV/AIDS and which have met the eligibility criteria set out in the Project Implementation Manual (as defined hereafter) and the requirements of Schedule 4 to this agreement and, as a result, have received or are entitled to receive a Micro-Grant (as hereinafter defined) through a Micro-Grant Agreement (as hereinafter defined) for carrying out Micro-Project (as hereinafter defined);

(i) “FCFA” means *Franc de la Coopération Financière en Afrique Centrale*, the currency of the Recipient;

(j) “Fiduciary Management Agency” or “FMR” means the firm to be recruited by the Recipient to carry out financial management, accounting and procurement activities under the Project, as well as the collection of data for monitoring and evaluation purposes, referred in Section 6.01 of this Agreement;

(k) “Financial Monitoring Report” means each report prepared in accordance with Section 4.02 of this Agreement;

(l) “HIV” means the Human Immuno-Deficiency Virus;

(m) “HIV/AIDS Sector Unit” means a team within each of the Recipient’s PSO (as hereinafter defined), in charge of preparing and implementing an Action Plan for said PSO;

(n) “Memorandum of Understanding” means the agreement to be entered into between the CNLS and a PSO (as hereinafter defined) for the purpose of carrying activities under an Action Plan referred to in paragraph 3 of Schedule 4 to this Agreement;

(o) “Micro-Project” means specific activities in the fight against HIV/AIDS to be carried out by a CSO and financed, or proposed to be financed, through a Micro-Grant (as hereinafter defined) under the Project;

(p) “Micro-Grant” means a sub-grant to be made out of the proceeds of the Grant to finance a Micro-Project;

(q) “Micro-Grant Agreement” means the agreement to be entered into between the CNLS or CDLS, as the case may be, and a CSO, referred to in paragraph 4 of Schedule 4 to this Agreement;

(r) “MOHP” means the Ministry of Health and Population of the Recipient;

(s) “NGO” means a non-governmental organization established and operating under the laws of the Recipient;

(t) “Orphans” means children under to the age of 16 who have lost one or both parents;

- (u) “OVC” means orphans and other vulnerable children;
- (v) “PES” means the permanent executive secretariat of the CNLS the specific attributions of which are defined in *arrêté* No. 200 dated February 3, 2003 (the “PES Decree”);
- (w) “PLWHA” means people living with HIV/AIDS;
- (x) “Project Implementation Manual” or “PIM” means the manual to be adopted pursuant to Section 6.01 (a) of this Agreement and referred to in paragraph 1 of Schedule 4 to this Agreement, including, *inter alia*, policies, financial, administrative, procurement and accounting procedures as well as guidelines to be followed in the implementation and monitoring of each and all components of the Project, as the same may be amended from time to time, and such term includes any schedule to the PIM;
- (y) “Project Preparation Facilities” means the project preparation facilities granted by the Association to the Recipient pursuant to the Letters of Agreement signed respectively on behalf of the Association on January 13, 2003, and on November 26, 2003, and on behalf of the Recipient on January 28, 2003, and on December 22, 2003.
- (z) “PSO” means a public sector organization including sector ministries, secretariats of state, parastatal companies and public agencies existing and operating under the laws of the Recipient;
- (aa) “Second Generation Accounts” means the accounts referred to in Part B. 8 of Schedule 1 to this Agreement;
- (bb) “Special Account A” means the special deposit account opened for withdrawals in respect of expenditures made under Parts A, D.1, D.2 and D.3 of the Project, and referred to in Part B.1 of Schedule 1 to this Agreement;
- (cc) “Special Account B” means the special deposit account opened for withdrawals in respect of expenditures made under Parts B and C of the Project, and referred to in Part B.1 of Schedule 1 to this Agreement;
- (dd) “Special Account C” means the special deposit account opened for withdrawals in respect of expenditures made under Parts D.4 of the Project, and referred to in Part B.1 of Schedule 1 to this Agreement;

(ee) “Special Accounts” means Special Account A, Special Account B and Special Account C;

(ff) “STI” means sexually transmitted infections; and

(gg) “TANGO” means a technical assistance NGO, recruited to provide technical assistance to a CSO for the preparation and implementation of Micro-Project.

ARTICLE II

The Grant

Section 2.01. The Association agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to twelve million eight hundred thousand Special Drawing Rights (SDR 12,800,000).

Section 2.02. (a) 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) expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for carrying out the Project and to be financed out of the proceeds of the Grant;
- (ii) amounts paid (or if the Association shall so agree, amounts to be paid) by the Recipient on account of withdrawals made for the benefit of a PSO to meet the reasonable costs of goods and services to be financed under Part A of the Project out of the proceeds of the Grant; and
- (iii) amounts paid (or if the Association shall so agree, amounts to be paid) by the Recipient on account of withdrawals made for the benefit of a CSO to meet the reasonable costs of goods, works and services required for Micro-Project to be financed under Part B of the Project out of the proceeds of the Grant.

(b) Promptly after the Effective Date, the Association shall, on behalf of the Recipient, withdraw from the Grant Account and pay to itself the amount required to repay the principal amount of the Project Preparation Facility withdrawn and outstanding

as of such date and to pay all unpaid charges thereon. The unwithdrawn balance of the authorized amount of the Project Preparation Facility shall thereupon be canceled.

Section 2.03. (a) The Recipient shall pay to the Association 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, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) 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 Recipient from the Grant Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.04 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Recipient; and (iii) in currency specified in this Agreement or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of Section 4.02 of the General Conditions.

Section 2.04. Commitment charges shall be payable semiannually on March 15 and September 15 in each year.

Section 2.05. The Closing Date shall be June 30, 2009 or such later date as the Association shall establish. The Association shall promptly notify the Recipient.

Section 2.06. The currency of Republic of France is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement and, to this end, shall carry out the Project through CNLS and CDLS with due diligence and efficiency and in conformity with appropriate administrative, financial, environmental and public health practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Recipient and the Association shall otherwise agree, the Recipient shall carry out the Project in accordance with the implementation program set forth in Schedule 4 to this Agreement.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. For the purposes of Section 9.06 of the General Conditions and without limitation thereto, the Recipient shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six months after the Closing Date or such later date as may be agreed for this purpose between the Recipient and the Association, a plan designed to ensure the future achievement of the operation of the Project; and

(b) afford the Association a reasonable opportunity to exchange views with the Recipient on said plan.

Section 3.04. By October 31, 2004, at the latest, the Recipient shall have appointed the independent auditor satisfactory to the Association referred to in Section 4.01 (b) of this Agreement, in accordance with the provisions of Section II of Schedule 3 to this Agreement.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Recipient shall maintain, or cause to be maintained, a financial management system, including records and accounts, and prepare financial statements according to financial and accounting standards acceptable to the Association, adequate to reflect the operations, resources and expenditures related to the Project.

(b) The Recipient shall:

- (i) have the records, accounts and financial statements referred to in paragraph (a) of this Section and the records and accounts for the Special Accounts for each fiscal year (or other period determined by the Association) audited, in accordance with auditing standards acceptable to the Association, consistently applied, by independent auditors acceptable to the Association;
- (ii) furnish to the Association as soon as available, but in any case not later than six months after the end of each such year (or such other period determined by the Association), (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year (or other period determined by the Association), as so audited, and (B) an opinion on such statements, records and accounts, and the report of such audit, by said auditors, of such scope and in such detail as the Association shall have reasonably requested; and
- (iii) furnish to the Association such other information concerning such records, accounts and financial statements and the audit thereof, and concerning said auditors, as the Association shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Grant Account were made on the basis of reports referred to in Part A.6 of Schedule 1 to this Agreement (Report-Based Disbursements) or on the basis of statements of expenditure, the Recipient shall:

- (i) retain, until at least two years after the Association has received the audit report for the fiscal year in which the last withdrawal from the Grant Account was made, all records (contracts, orders,

invoices, bills, receipts and other documents) evidencing such expenditures;

- (ii) enable the Association's representatives to examine such records; and
- (iii) ensure that such reports and statement of expenditure are included in the audit for each fiscal year (or other period determined by the Association) referred to in paragraph (b) of this Section.

Section 4.02. (a) Without limitation upon the Recipient's progress reporting obligations set out in Schedule 4 of this Agreement, the Recipient shall prepare and furnish to the Association a Financial Monitoring Report, in form and substance satisfactory to the Association, which:

- (i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Grant and explains variances between the actual and planned uses of such funds;
- (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation targets; and
- (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.

(b) The first Financial Monitoring Report shall be furnished to the Association not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar quarter; thereafter, each Financial Monitoring Report shall be furnished to the Association not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

Section 4.03 The Recipient shall:

- (a) have a technical audit, the conditions of which are defined in more details in the Project Implementation Manual, carried out to review procurement, statements of expenditures, and immobilizations as well as verifying the physical existence of

goods, equipments and services acquired throughout the Project for each period running from July 1 of each fiscal year through June 30 of the following fiscal year (or other period determined by the Association) (the Technical Audit Period), by independent technical auditors acceptable to the Association; and

- (b) furnish to the Association as soon as available, but in any case not later than four months after the end of the Technical Review Period a report prepared by said technical auditors on said technical audit.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (l) of the General Conditions, the following additional events are specified:

- (a) a situation shall have arisen which shall make it improbable that the Program or the Project or a significant part thereof will be carried out; and
- (b) the CNLS Decree or any texts enacted for its application shall have been amended, suspended, abrogated, repealed or waived so as to materially and adversely affect the implementation of the Project.

ARTICLE VI

Effectiveness; Termination

Section 6.01. The following events are specified as conditions to the effectiveness of this Agreement within the meaning of Section 12.01 (b) of the General Conditions:

- (a) the Recipient has adopted the Project Implementation Manual in form and substance satisfactory to the Association;
- (b) the Recipient has employed the Fiduciary Management Agency satisfactory to the Association in accordance with the provisions of Section II of Schedule 3 to this Agreement and established an accounting and financial management system for the Project satisfactory to the Association; and

(c) the Recipient has amended the CNLS Decree, and any text enacted for its application, in form and substance satisfactory to the Association.

Section 6.02. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Recipient; Addresses

Section 7.01. The Minister of the Recipient responsible for Economy, Finance and Budget is designated as representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02 The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Minister of Economy, Finance and Budget
Ministry of Economy, Finance and Budget
P.O. 2083
Brazzaville
Republic of Congo

Facsimile: (242) 814 145

For the Association:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423 (MCI) 64145 (MCI)	(202) 477 6391

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.

REPUBLIC OF CONGO

By: /s/ Serge Mombouli

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Emmanuel Mbi

Authorized Representative

SCHEDULE 1

Withdrawal of the Proceeds of the Grant

A. General

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

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in SDR)</u>	<u>% of Expenditures to be Financed</u>
(1) Works	40,000	100%
(2) Goods, equipment and vehicles;	2,670,000	100%
(3) Pharmaceutical	560,000	100%
(4) Consultant Services and Audits		
(a) Part A and D.1, D.2 and D.3 of the Project	1,590,000	100%
(b) Part D.4	250,000	100%
(5) Training	930,000	100%
(6) (a) Micro-Grants	1,670,000	100%
(b) Service contracts with TANGO	170,000	100%

<u>Category</u>	<u>Amount of the Grant Allocated (expressed in SDR)</u>	<u>% of Expenditures to be Financed</u>
(7) Operating Costs		100%
(a) Part A, C and D1, D2 and D3	2,220,000	
(b) Part D4	280,000	
(8) Refunding of Project Preparation Facility	670,000	Amount due pursuant to Section 2.02 (b) of this Agreement
(9) Unallocated	1,750,000	
Total	<hr style="width: 100px; margin: 0 auto;"/> 12,800,000 <hr style="width: 100px; margin: 0 auto;"/>	

2. For the purposes of this Schedule the term:

(a) “foreign expenditures” means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient;

(b) “local expenditures” means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient, provided, however, that if the currency of the Recipient is also that of another country from which goods or services are supplied, expenditures in such currency for such goods or services shall be deemed to be “foreign expenditures”;

(c) “Operating costs” means the incremental expenses incurred on account of Project implementation, including office supplies, vehicle operation and maintenance, communication and insurance costs, Special Account banking charges, rental expenses, office maintenance costs, office equipment maintenance, utilities, documents duplication/printing, consumables, travel cost and per diem for Project staff for travel

linked to the implementation of the Project and salaries of contractual staff for the Project, but excluding salaries of officials of the Recipient's civil service; and

(d) "training" includes scholarships stipendiums, purchase of training materials, rental of training facilities, health insurance for travel abroad, per diem and travel costs.

3. For purposes of this Agreement, it is understood that the percentages of expenditures to be financed under the table set forth in paragraph 1 of this Schedule have been calculated on the basis of the provisions of Letter 0426/MEFB-CAB from the Minister of Economy and Finance of the Recipient dated March 5, 2004 which provides for an exemption of taxes and custom duties levied in the territory of the Recipient on works, goods and services for this Project. In the event of any change made to said letter which has the effect of levying taxes or customs duties on such works, goods and services, the percentages referred to above shall be decreased in accordance with the provisions of Section 5.08 of the General Conditions.

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

(a) a Micro-Project unless the Micro-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 paragraph 4 of Schedule 4 to this Agreement; and

(b) expenditures prior to the date of this Agreement.

5. The Association may require withdrawals from the Special Accounts to be made on the basis of statements of expenditure for expenditures for: (a) goods and works under contracts costing less than \$250,000 equivalent each; (b) consultant services under contracts costing less than: (i) \$100,000 equivalent each for consulting firms, and (ii) \$50,000 equivalent each for individual consultants; and (c) Micro-Projects, training and Operating costs, all under such terms and conditions as the Association shall specify by notice to the Recipient.

6. The Recipient may request withdrawals from the Grant Account to be made on the basis of reports to be submitted to the Association in form and substance satisfactory to the Association, such reports to include the FMR and any other information as the Association shall specify by notice to the Recipient (Report-Based Disbursements). In the case of the first such request submitted to the Association before any withdrawal has been made from the Grant Account, the Recipient shall submit to the Association only a statement with the projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. SPECIAL ACCOUNTS

1. The Recipient may, for the purposes of the Project, open and maintain in FCFA three special deposit accounts (Special Accounts A, B and C) in a commercial bank, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of the Special Accounts shall be made in accordance with the provisions of this Schedule 1 to this Agreement and with the Project Implementation Manual, and shall be managed by the FMA, subject to the approval of PES.

2. For the purposes of this Schedule:

(a) the term “Eligible Categories” means for Special Account A, categories 1, 2, 3, 4.a, 5 and 7.a, for Special Account B, category 6, and for Special Account C, categories 4.b and 7.b as set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term “Eligible Expenditures” means expenditures 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 Grant allocated from time to time to the Eligible Categories in accordance with the provisions of Schedule 1 to this Agreement;

3. After the Association has received evidence satisfactory to it that the Special Accounts have been opened, withdrawals from the Grant Account of amounts to be deposited into the Special Accounts shall be made as follows:

(a) if the Recipient is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) if the Recipient is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

4. Payments out of the Special Accounts shall be made exclusively for Eligible Expenditures. For each payment made by the Recipient out of the Special Accounts, the Recipient 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.

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

(a) if the Association, at any time, is not satisfied that the reports referred to in Part A.6 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

(b) if the Association determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Recipient directly from the Grant Account; or

(c) if the Recipient 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: (A) the records and accounts for the Special Accounts; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based Disbursements or were made on the basis of statements of expenditure, as the case may be.

6. The Association shall not be required to make further deposits into the Special Accounts in accordance with the provisions of Part B.3 of this Schedule if, at any time, the Association shall have notified the Recipient of its intention to suspend in whole or in part the right of the Recipient to make withdrawals from the Grant Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Association shall determine, in its sole discretion, whether further deposits into the Special Accounts may be made and what procedures should be followed for making such deposits, and shall notify the Recipient of its determination.

7. (a) If the Association determines at any time that any payment out of the Special Accounts was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Association, the Recipient shall, promptly upon notice from the Association, provide such additional evidence as the Association may request, or deposit into the Special Accounts (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Accounts shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association determines at any time that any amount outstanding in the Special Accounts will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Recipient shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Recipient may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in the Special Accounts.

(d) Refunds to the Association made pursuant to subparagraph (a), (b) or (c) of this paragraph 7 shall be credited to the Grant Account for subsequent withdrawal or for cancellation in accordance with the provisions of the Grant Agreement.

8. Upon completion of a financial management system review, to be found satisfactory by the Association, to evaluate the financial management system in place in each CDLS, the Recipient may additionally open and maintain in FCFA, for the benefit of each CDLS, one Second Generation Account of Special Account B, each in a commercial bank and on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and or attachment, and to be managed in accordance with the Project Implementation Manuals by the FMA.

9. (a) The Recipient shall withdraw from Special Account B and deposit into each Second Generation Account funds to assist each CDLS to pay for Micro-Grants and services to be provided by TANGO. Such withdrawals and deposits shall be in amounts sufficient to assist each CDLS in the manner contemplated in Schedule 1 to this Agreement, to pay for such Micro Grants and services in due course, provided that, at no time, shall the Recipient cause the amount held in any Second Generation Account to exceed FCFA 50,000,000.

(b) Any withdrawal from any Second Generation Account must be justified to the Recipient by the same documentation and other evidence regarding eligible expenditures required pursuant to paragraph B.4 of this Schedule.

(c) If the Association or the Recipient shall have determined at any time that any amount outstanding in any Second Generation Account will not be required to cover further payments for Eligible Expenditures, the relevant CDLS shall, promptly upon notice from the Association or the Recipient, refund to Special Account B such outstanding amount.

**Annex A
to
SCHEDULE 1**

**Operation of Special Account
When Withdrawals Are Not
Report-Based Disbursements**

1. For the purposes of this Annex, the term “Authorized Allocation” means the amount of FCFA 800,000,000 equivalent to be withdrawn from the Grant Account and deposited into the Special Account A pursuant to paragraph B.2 of this Schedule 1.

2. For the purposes of this Annex, the term “Authorized Allocation” means the amount of FCFA 350,000,000 equivalent to be withdrawn from the Grant Account and deposited into the Special Account B pursuant to paragraph B.2 of Schedule 1.

3. For the purposes of this Annex, the term “Authorized Allocation” means the amount of FCFA 70,000,000 equivalent to be withdrawn from the Grant Account and deposited into the Special Account C pursuant to paragraph B.2 of this Schedule 1.

4. Withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

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

(b) For replenishment of the Special Account, the Recipient shall furnish to the Association requests for deposit into the Special Account at such intervals as the Association shall specify. Prior to or at the time of each such request, the Recipient shall furnish to the Association the documents and other evidence required pursuant to Part B.4 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 Recipient, withdraw from the Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for Eligible Expenditures. Each such deposit into the Special Account shall be withdrawn by the Association from the Grant Account under one or more of the Eligible Categories.

5. The Association shall not be required to make further deposits into the Special Account, once the total un-withdrawn amount of the Grant minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the Grant Account of the remaining un-withdrawn amount of the Grant shall follow such procedures as the Association shall specify by notice to the Recipient. 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 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 Account
When Withdrawals Are
Report-Based Disbursements

1. Withdrawals from the Grant Account shall be deposited by the Association into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Association from the Grant Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the Grant, the Association shall, on behalf of the Recipient, withdraw from the Grant Account and deposit into the 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 reports referred to in Part A.6 of this Schedule 1 applicable to such withdrawal application accompanying said application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.

SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Recipient in: (i) limiting the spread of HIV/AIDS and STIs in the Recipient's population; (ii) mitigating the health and socioeconomic impact of HIV/AIDS and STIs on persons infected with or affected by HIV/AIDS and STIs within the Recipient's territory; and (iii) building strong and sustainable national capacity to respond to the HIV/AIDS epidemic.

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: Public Sector Response

1. Health Sector Response: supporting the MOHP in its initiatives against HIV/AIDS and STIs including, *inter alia*: (a) improving the bio-medical waste management; (b) improving the quality of the blood transfusion system throughout the Recipient's territory; (c) improving HIV counseling and voluntary testing and psychological support; (d) improving diagnosis, treatment and prevention of STIs; (e) promoting condom use and distribution of men's and women's condoms; and (f) setting up of a global system of care, support and treatment of PLWHA including "parents and child"; all through the provision of technical advisory services and training, the acquisition of goods and equipment.

2. Multi Sector Response: Supporting PSOs in the implementation of measures to fight and mitigate the impact of the HIV-AIDS and STIs on communities through, *inter alia*: (a) information; (b) peer education; (c) communication for behavior change; (d) distribution of male and female condoms; and (e) adopt a legal framework appropriate to protect victims of HIV/AIDS and sexual violence; all through the provision of technical advisory services and training and the acquisition of goods and equipment.

Part B: Civil Society Response

Supporting the mobilization of CSOs in their initiatives against HIV/AIDS through the preparation, implementation and management of Micro-projects aimed at HIV/AIDS prevention, provision of care and support and treatment and mitigation of HIV impact, all through the provision of Micro-Grants and the provision of technical advisory services in accordance with the Project Implementation Manual.

Part C: Orphans and OVC

Investing in the social integration and education of OVC to limit future erosion of human capital by, *inter alia*: (a) identifying OVC using objective criteria included in the Project Implementation Manual; (b) providing medical insurance cards that provide for visit to health centers and medication; (c) providing registration fees for education and vocational training; (d) psychological support; and (e) improving socio-economic well being of OVC; all through the provision of technical advisory services and training in accordance with the Project Implementation Manual.

Part D: Management and Coordination, Capacity Building and Monitoring and Evaluation

1. Management and coordination: coordinating and supporting the CNLS with Project management activities including: (a) coordination of the Project, (b) updating the National HIV/AIDS Strategic Plan, (c) coordinating the preparation of Action Plans, as well as sectorial and regional work plans, and (d) carrying out financial management, accounting, procurement and data collection activities, as well as financial and technical audits; all through the provision of technical services and training and the acquisition of goods and equipment.
2. Capacity Building: strengthening the capacity of CNLS, PSOs and CSOs in carrying out Project activities, through the provision of technical services and training and the acquisition of goods and equipment.
3. Monitoring and Evaluation: supporting the CNLS, PSOs and CSOs in carrying out monitoring and evaluation activities under the Project; through the provision of technical services and training.
4. Data Collection at the national level: acquisition of technical services and goods necessary to strengthen the capacity of the CNSEE within the Beneficiary's Ministry of Plan to carry out a national demographic and health survey.

* * *

The Project is expected to be completed by December 31, 2008.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: General

Goods shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines) and the following provisions of this Section.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.

2. The following provisions shall apply to goods to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(a) Grouping of contracts

To the extent practicable, contracts for goods and pharmaceuticals shall be grouped in bid packages estimated to cost \$150,000 equivalent or more each.

Part C: Other Procurement Procedures

1. National Competitive Bidding

Goods estimated to cost less than \$150,000 equivalent per contract, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

2. International or National Shopping

Goods for contracts estimated to cost less than \$30,000 equivalent per contract, and pharmaceutical products for HIV/AIDS and STI estimated to cost less than \$100,000

equivalent per contract, may be procured in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines under contracts awarded on the basis of: (a) national shopping procedures, if available locally; or (b) international shopping procedures, if not available locally.

3. Direct Contracting

Proprietary items, such as HIV/AIDS testing reagent may be procured, with the Association's prior agreement, from a particular manufacturer or an authorized local supplier in accordance with the provisions of paragraph 3.7 of the Guidelines.

4. Procurement from UN Agencies

Goods, including pharmaceuticals and medical consumables, may be procured from, *inter alia*, the Inter-Agency Procurement Services Office of the United Nations (IAPSO), the United Nations International Children's Fund (UNICEF), the United Nations Fund for Population Activities (UNFPA), and the World Health Organization (WHO), in accordance with the provisions of paragraph 3.9 of the Guidelines.

5. Community Participation

Goods and works required for Micro-projects may, pursuant to paragraph 3.15 of the Guidelines, be procured in accordance with procedures acceptable to the Association and defined in the Project Implementation Manual.

6. Procurement of Small Works

Works estimated to cost less than \$30,000 equivalent per contract may be procured under lump-sum, fixed-price contracts awarded in accordance with the provisions of paragraph 3.5 of the Guidelines on the basis of quotations obtained from three (3) qualified domestic contractors in response to a written invitation. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, a basic form of agreement acceptable to the Association, and relevant drawings, where applicable. The award shall be made to the contractor who offers the lowest price quotation for the required work, and who has the experience and resources to complete the contract successfully.

Part D: Review by the Association of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods and works shall be undertaken in accordance with such procurement plan as shall have been approved by the Association, and with the provisions of said paragraph 1.

2. Prior Review

With respect to: (a) each contract for goods estimated to cost the equivalent of \$250,000 or more; (b) the first three contracts for goods estimated to cost less than \$150,000; and (c) the first three contracts for works, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Recipients" published by the Association in January 1997 and revised in September 1997, January 1999, and May 2002 (the Consultant Guidelines) and the provisions of the following Parts of this Section II.

Part B: Quality- and Cost-based Selection

1. Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

2. The following provisions shall apply to consultants' services to be procured under contracts awarded in accordance with the provisions of the preceding paragraph. The short list of consultants, estimated to cost less than \$100,000 equivalent per contract,

may comprise entirely national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Part C: Other Procedures for the Selection of Consultants

1. Least-cost Selection

Services for financial and technical audits estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

2. Selection Based on Consultants' Qualifications

Services for consultant contracts estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

3. Single Source Selection

Services for training and the demographic and health survey, up to an aggregate amount not to exceed \$700,000 equivalent may, with the Association's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the Consultant Guidelines.

4. Individual Consultants

Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines (including services for small studies) shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

5. NGO

Services to be provided by NGOs shall be procured in accordance with the provisions of paragraph 3.1 and 3.14 of the Consultant Guidelines.

Part D: Review by the Association of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Association for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall

be undertaken in accordance with such selection plan as shall have been approved by the Association, and with the provisions of said paragraph.

2. Prior Review

(a) The procedures set forth in paragraphs 1, 2 and 5 of Appendix 1 to the Consultant Guidelines shall apply with respect to the following, namely: (i) the contracts for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more; (ii) the contracts for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more; and (iii) all contracts procured by sole source selection.

(b) With respect to each contract for the employment of consultants and single source selections, regardless of value, the qualifications, experience and terms of reference of the consultants shall be furnished to the Association for its prior review and approval.

3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.

SCHEDULE 4

Implementation Program

1. General

The Recipient shall carry out the Project in accordance with the Project Implementation Manual and the Bio-Medical Waste Management Plan, and shall not amend or waive any provision of the Project Implementation Manual and the Bio-Medical Waste Management Plan without the Association's prior written approval. The Project Implementation Manual and the Bio-Medical Waste Management Plan will not be amended or waived if, in the opinion of the Association, such amendment or waiver may materially and adversely affect the carrying out of the Project or the achievement of the objectives thereof.

2. CNLS and CDLS

(a) The Recipient shall maintain CNLS in a form and with functions, staffing, resources and operation satisfactory to the Association, in accordance with the CNLS Decree and the Project Implementation Manual;

(b) The Recipient shall cause PES to carry out daily facilitation, implementation, monitoring, evaluation and coordination of the Project to include, *inter alia*: (i) the preparation of consolidated annual work programs and budgets for the Project; (ii) in collaboration with FMA, the preparation of FMRs in accordance with Section 4 of this Agreement; (iii) the preparation of reports on the status of Project implementation; and (iv) approving Action Plans and Micro-projects and entering into the relevant agreements in accordance with the Project Implementation Manual.

(c) the Recipient shall cause PES to furnish, not later than December 31, 2004, and thereafter by December 31 of each year, to the Association for its review and approval, proposed detailed 12-month work plans, including the procurement plan, training programs and proposed budgets in respect of Project activities for the forthcoming year.

(d) The Recipient shall cause CDLS to facilitate the implementation and coordination of the Project at the regional level to include, *inter alia*, approving Micro-Projects and entering into the relevant agreements in accordance with the Project Implementation Manual.

3. Action Plans

(a) The Action Plans under Parts A of the Project shall be submitted by each PSO to PES for appraisal and approval, in compliance with the Project Implementation Manual, it being specified that no Action Plan may be approved until the relevant PSO has established a HIV/AIDS Sector Unit with a financial management system satisfactory to the Association.

(b) Following receipt of the approved Action Plan, and prior to any financing of activities under an Action Plan, PES will enter into a Memorandum of Understanding with each PSO under terms and conditions satisfactory to the Association and defined in the Project Implementation Manual, which, *inter alia*, shall include the following:

- (i) the obligation of the PSO to carry out activities under the Action Plan in accordance with the Project Implementation Manual with due diligence and efficiency and in accordance with sound technical, financial, environmental, public health and managerial standards, and to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Action Plan;
- (ii) the requirement that the goods, works and services to be financed from the proceeds of the Grant shall be procured in compliance with Schedule 3 to this Agreement and used exclusively in carrying out activities agreed upon under the Action Plan;
- (iii) the right of the Recipient to inspect by itself, or jointly with the Association, or if the Association shall so request, the goods, works, sites or plants financed under the Action Plan, the operations thereof and any relevant records and documents;
- (iv) the right of the Recipient to obtain all information, as the Association shall reasonably request regarding the administration, operation and financial management of activities under the Action Plan;
- (v) the right of the Recipient, as the case may be, to suspend or terminate the right of the PSO to use or benefit from the proceeds of the Grant upon failure by the PSO to perform any of

its obligations under the Memorandum of Understanding or Action Plan and, as the case may be; and

- (vi) the right to receive from the PSO quarterly (or any other period agreed upon by the Association) progress reports reflecting, *inter alia*, the Action Plan's performance indicators, and a final report upon completion of the Action Plan.

4. Training and Workshops

Training and workshops shall be carried out on the basis of annual programs, which shall have been approved by the Association, and which shall, *inter alia*, identify: (a) the objective and content of training or workshop envisaged; (b) the selection method of institutions conducting such training or workshop; (c) the expected duration and an estimate of the cost of said training or workshops; and (d) the personnel selected to attend the training or the workshop.

5. Micro-Projects

(a) Micro-Projects shall be prepared with the assistance of TANGO and submitted by each CSO to PES or to a CDLS, as the case may be, for appraisal and approval, in compliance with the Project Implementation Manual, it being specified that without limitation upon the provisions of paragraph 1 above, no Micro-Project shall be eligible for financing under a Micro Grant out of the proceeds of the Grant unless the PES or a CDLS, as the case may be, has determined so on the basis of an appraisal conducted in accordance with criteria and the guidelines set forth in the Project Implementation Manual, and including, *inter alia* that the proposed activities and CSO must be eligible and that the CSO has the legal capacity to contract under the laws of the Recipient.

(b) Micro-Projects shall be carried out pursuant to Micro-Grant Agreements, to be entered into by PES or CDLS, as the case may be, under terms and conditions satisfactory to the Association, which shall include, *inter alia*, the following:

- (i) a description of the approved Micro-Project, with its budget and performance indicators;

- (ii) provisions requiring the financing to be made on a grant basis;
- (iii) the obligation to: (A) carry out the Micro-Project with due diligence and efficiency and in accordance with sound administrative, technical and financial standards taking into account environmental and ecological implications and in accordance with the provisions of the Project Implementation Manual; (B) maintain adequate records to reflect, in accordance with simple and sound accounting practices defined in the Project Implementation Manual, the operations, resources and expenditures in respect of the Micro-Project; and (C) maintain adequate reporting in accordance with the standards specified in the Project Implementation Manual;
- (iv) the requirement that: (A) the goods, works and services to be financed from the proceeds of the Grant shall be procured in accordance with the procedures set forth in the Project Implementation Manual and referred to in Schedule 3 to this Agreement; and (B) such goods, works and services shall be used exclusively in the carrying out of the Micro-Project;
- (v) the right of the Recipient to inspect, by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites and plants included in the Micro-Project, the operations thereof and any relevant records and documents;
- (vi) the right of the Recipient to obtain all information as the Recipient or the Association shall reasonably request regarding the administration, operations and financial conditions of the Micro-Project; and
- (vii) the right of the Recipient to suspend or terminate the right of the CSO to use the proceeds of Grant for the Micro-Project upon failure by the CSO to perform any of its obligations under the Micro-Grant Agreement.

6. Reports and MidTerm Review

Reports

The Recipient shall:

- (i) implement maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the Project Implementation Manual and performance indicators satisfactory to the Association, the carrying out of the Project and the achievement of the objective thereof;
- (ii) prepare, under the conditions provided for in the Project Implementation Manual terms of reference satisfactory to the Association, and furnish to the Association, not later than January 31, April 30, July 31 and October 31 of each year, or at any later date agreed with the Association, a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph 5 above and including beneficiaries' feedback reports and Micro-Project completion reports, on the progress achieved in the carrying out of the Project during the calendar quarter preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objective thereof during the calendar quarter following such date; and
- (iii) review with the Association, not later than one month after the submission of the report referred to in paragraph (ii) above, or at any later date agreed with the Association, the report referred to in paragraph (ii) above, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objective thereof, based on the conclusions and recommendations of the said report and the Association's views on the matter.

(b) Midterm Review

- (i) Not later than June 30, 2007, or any other period agreed upon by the Association, the Recipient shall carry out jointly with the Association a midterm review of the progress made in carrying out the Project (hereinafter referred to as the Midterm Review).

The Midterm Review shall cover, amongst other things progress made in meeting the Project's objective; and overall Project performance against Project performance indicators.

- (ii) The Recipient shall cause PES to prepare and furnish to the Association, not later than April 15, 2007, a separate report describing the status of implementation of each component of the Project and a summary report of Project implementation generally, including, in particular, the results of project beneficiary assessments.

- (iii) The Recipient provides the Association, no later than September 30, 2007, with a working plan satisfactory to the Association integrating the results of the Midterm Review for future satisfactory implementation of the Project and Program.

SCHEDULE 5

Modifications to the General Conditions

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

1. Sections 3.02, 3.03, 3.04 (a), 3.04 (b), 3.05, 6.02 (l), 6.05, Article VII, are deleted in their entirety.

2. Wherever used in the General Conditions, the following terms are modified to read as follows:

(a) The term “Borrower” is modified to read “Recipient”.

The term “Credit” is modified to read “Grant”.

The term “credit” is modified to read “grant”; except that where used in Sections 6.02 (a) (ii) and 6.02 (c) (i), as modified below, the term “credit” shall continue to read “credit”.

(d) The term “Credit Account” is modified to read “Grant Account”.

(e) The term “Development Credit Agreement” is modified to read “Development Grant Agreement”.

3. 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 Commitment Charges are Payable

(a) The Recipient shall pay the commitment charge on the Grant in the currency specified in the Development Grant 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 “commitment charge”.

Section 4.03 and its heading are modified to read as follows:

“Section 4.03. Amount of the Grant

The amount of the Grant withdrawn from time to time shall be the equivalent in terms of SDR (determined as of the date or respective dates of withdrawal from the Grant Account) of the value of the currency or currencies so withdrawn.”

4. Section 6.02 is modified as follows:

(a) The phrase “any other development credit agreement” in Section 6.02 (a) (ii) is modified to read: “any other development grant agreement or any development credit agreement or development financing agreement”.

(b) The phrase “any development credit agreement” in Section 6.02 (c) (i) is modified to read: “any development grant agreement, development credit agreement or development financing agreement”.

5. The words “The principal of, and any other charges on” in paragraph (a) of Section 8.01 are modified to read “The commitment charge on”.

6. Section 12.05 and its heading are modified to read as follows:

“Section 12.05. Termination of Development Grant Agreement.

The obligations of the Recipient under the Development Grant Agreement shall terminate on the date 20 years after the date of the Development Grant Agreement.”

SCHEDULE 6

Indicators

Outcome

1. By the end of the Project, 60% of adults aged 15 to 49 used a condom during their last sexual contact with a casual partner (from 40%).
2. By the end of the Project, 90% of adults aged 15 to 49 report knowledge of vertical transmission (mother to child) (from 60%) and 90% mention condom use as preventive measure .
3. By the end of the Project, 70% of women attending prenatal consultations accept voluntary testing for HIV (from PN>90%).
4. By the end of the Project, HIV prevalence among 15 to 24 years old pregnant women is under 2% and under 1.5% among 14 to 19 years old men (from 2.4% and 1.9% respectively).
5. By the end of the Project, the prevalence of STI among pregnant women is not more than 2% (from 3%).

Performance and Monitoring

6. By the end of the Project, 13 HIV and STI sentinel sites are functional (from 0).
7. By the end of the Project, 23 health facilities provide quality treatment of STI in five *départements* covered under the Project (from 0).
8. By the end of the Project, more than 80% of pregnant women tested positive get benefit from the global care, support and treatment strategy.
9. By the end of the Project, less than 20% of sale points experienced a shortage of condoms in the last month.
10. By the end of the Project, all of the 12 selected sector ministries are implementing more than 80% of the agreed Action Plan.

11. By the end of the Project, disbursement for community, civil society and private sector initiatives reaches at least 70% of planned level.
12. By the end of the Project, 90% of the population is reached through HIV/AIDS Information Education Communication /BCC radio/television.
13. By June 2005, data for the monitoring of outcome and impact indicators are collected regularly.

