

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

Report No.: AB3777

Project Name	Botswana HIV/AIDS Project
Region	AFRICA
Sector	Health (100%)
Project ID	P102299
Borrower(s)	MINISTRY OF FINANCE
	Ministry of Finance and Development Planning Botswana Tel: 011-267-395-0100 Fax: 011-267-395-6086
Implementing Agency	
Environment Category	<input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	March 28, 2008
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Date of Board Approval	July 10, 2008

1. Country and Sector Background

The first case of HIV infection in Botswana was diagnosed in 1985. Today, Botswana faces the second most severe HIV/AIDS epidemic in the world, with infection rates highest among young people and particularly young women. It is estimated that in 2008, 283,000 adults (over 15 years of age) were living with HIV/AIDS in Botswana. This indicates a national adult (15-49 years) prevalence of approximately 23.8 percent¹. Rising mortality rates have paralleled the maturing epidemic over the past decade (Table 1). AIDS-attributed mortality in Botswana increased from 4 percent to 27 percent of all reported deaths between 1992 and 2003.

The principal mode of epidemic transmission in Botswana is heterosexual. Key factors fueling the HIV/AIDS epidemic include the incidence of multiple concurrent sexual partnerships, the incidence of unprotected sex, the vulnerability of women, persistent inequality and poverty, and high levels of population mobility, including cross-border challenges. Given a total population of 1.8 million people (2005), the impact of the HIV/AIDS epidemic in Botswana has already undermined the very significant socioeconomic development achievements realized over the past three decades.

The Botswana HIV/AIDS epidemic is diverse, with the highest infection rates consistently reported from the northern segments of the country, in comparison with the southern and western regions. In 2004, the northeastern district of Chobe reported the highest population-based, district-specific prevalence in the country (29.4 percent), with Francistown recording the second highest rate (24.6 percent). In 2004, the median HIV prevalence in rural areas was estimated at 15 percent, with urban areas reporting rates of approximately 20 percent².

¹ *Current status of the HIV/AIDS epidemic in Botswana* (Draft, March 2008). NACA.

² *BAIS II Report* (2005). NACA.

2. Objectives

The project development objective is to assist the Government of Botswana to increase the coverage, efficiency, and sustainability of targeted and evidence-based HIV/AIDS interventions through (i) strengthening NACA's institutional management and coordination capacity; and (ii) financing strategic and innovative HIV/AIDS-related prevention and mitigation activities. It is envisioned that this project development objective would be measured by utilizing indicators addressing the longer-term planning, implementation, and effectiveness of national and decentralized coordination efforts.

3. Rationale for Bank Involvement

Economic growth and governance: Botswana's post-independence history has been characterized by good governance, democracy, strong macroeconomic policies, an open economy, relatively strong institutions and high public revenues from diamond-mining industries. With a gross national income per capita of \$4,340 (2004 estimate), Botswana is classified as an upper middle-income country. The government has managed the country's resources prudently and has kept its recurrent expenditure within its revenue, allowing for investment in human and physical capital. With its proven record of good governance, Botswana was ranked as Africa's least corrupt country by Transparency International in 2004, ahead of many European and Asian countries. Additionally, the World Economic Forum rates Botswana as one of the two most economically competitive nations in Africa.

The national challenge is to move forward with further development, particularly with respect to: (i) safeguarding and strengthening its human capital base; and (ii) achieving economic diversification through strengthening growth and competitiveness of the non-mining sectors. The continued spread of HIV, and the costs of preventing and treating the disease, are among the key issues the government is addressing. The Government asked the IBRD to assist in streamlining and strengthening its national response so as to help prevent a potentially debilitating economic as well as humanitarian disaster due to HIV/AIDS. Importantly, the Government's investments in HIV/AIDS prevention, care, treatment, and mitigation impact not only the population of Botswana, but also the sub-regional spread of the epidemic, given high levels of migrant workers and the increasing economic refugee population (primarily from Zimbabwe).

In recent years, Botswana's HIV/AIDS program has been supported by a few international donors, including the Global Fund Against AIDS, Tuberculosis, and Malaria (GFATM), the U.S. Government (PEPFAR), other selected bilaterals, the Gates Foundation, and Merck, an international pharmaceutical company. However, even the combined levels of donor and government spending have not kept pace with the rising cost of the response to the epidemic. The Government of Botswana requested the proposed concessional IBRD operation in anticipation that these additional financial and technical resources would play a strategically significant role in supporting a more efficient and evidence-based response to the epidemic. This was particularly so given the Bank's comparative advantage in the areas of strategic planning,

knowledge-sharing, implementation support, and the leveraging of additional resources. Given the magnitude and long-term impact of the epidemic, an additional focus of the proposed operation would be to enable a transition from an “emergency” response to a broader, more strategic, and more sustainable approach.

The World Bank’s involvement will mainly be in the following areas, where the Bank has a comparative advantage:

- *Advisory*: Provision of sound, current and effective technical and fiduciary advice to address the program deficits discussed above;
- *Convening authority*: In partnership with the GOB, the WB will seek to institutionalize collaborative development partner forums towards facilitating a more synchronized, complementary and effective response; and
- *Regional and thematic response*: The WB brings a wealth of technical experience having implemented similar projects elsewhere in the Region and having worked on the special requirements for addressing the epidemic in the MIC’s and Southern Africa generally. A successful project will enhance the Government’s standing within the Region and potentially provide a model for the HIV response in the region.

A successful Project could also create in-roads for the WB to expand its engagement within the sub-region. The proposed project has been designed to strengthen and support the national strategic frameworks and contexts (National HIV/AIDS Strategic Framework, National Development Plan 9, Poverty Policy), in addition to the “Three Ones” and Greater Involvement of People Living with HIV/AIDS (GIPA) principles. Within the National HIV/AIDS Strategic Framework, the prioritized goals of prevention of HIV infection, provision of care and support, and strengthened management of the national response to HIV/AIDS will be the project focus. As far as World Bank policy is concerned, the project is fully in line with the Global Health, Nutrition, and Population Strategy (2007), Regional Africa health policies, and the Africa HIV/AIDS Strategy (2007).

4. Description

The Government of Botswana requested the Bank’s support in anticipation that these additional resources would play a strategically significant role in supporting a more efficient and evidence-based response to the epidemic. The Bank’s comparative advantage in the areas of strategic planning, knowledge-sharing, implementation support, leveraging of financial and technical resources. Given that the national HIV/AIDS program has emphasized treatment-related issues to date, the proposed project is designed to enhance overall program efficiency while re-emphasizing prevention and the balanced response envisaged in the National Strategic Framework.

With respect to the project's geographic focus, activities for the first two years would focus intensively on the eastern border of the country, between Gaborone and Francistown. This decision was based on by the fact that the vast majority of the national population (about 80 percent) resides along this corridor, which also includes the country's highest prevalence districts. This phased-approach would enable the rapid expansion and coverage of high-impact interventions among vulnerable and high-risk populations in Botswana. It is planned that the final three years of the project would be nationwide in scope, following a intensive evidence-based learning and capacity development over the first two years of the project. The locations selected by Government for the first phase of the project are located along the Eastern border of the country and include South East District, Kwaneng East District, Francistown District, Selebi-Phikwe Districts and Goodhope Sub-District.

It is important to note that the framework for the project design is comprehensive and, in close collaboration with Government, seeks to achieve prioritized and phased implementation. The proposed project components follow from the key program coordination and implementation channels and are based on the analysis of key challenges in the national response presented earlier. It should be emphasized that the figures below are indicative allocations and that re-allocation of resources between components would be possible during project implementation, on the basis of implementation performance and regular assessments.

Component One: Support to NACA (US\$7.5 million)

The analysis above summarized the weaknesses in NACA. Similar weaknesses are found in many sub-Saharan African countries' national HIV/AIDS coordinating bodies. But the solutions need to be tailored to the circumstances of each country. For Botswana, with NACA as the institutional home of the Project, the NACA component will provide very focused and strategic attention to build internal capacity to coordinate HIV/AIDS activities effectively, both for the Project and the program more generally. The role of NACA as primarily a program coordinator would continue to be emphasized. This includes the decentralized program and Project activities which would continue to be implemented through the Ministry of Local Government, the district administrations, NGOs, etc. Importantly, this component would also provide support complementing other inputs for the improved design and strengthening of the National M&E Framework both centrally and in the districts. This includes technical assistance, and support for database development and surveys. A central part of the Project is long-term technical support for NACA.

Component Two: Public Sector Ministries (US\$20.0 million)

This component will support public sector line ministries focusing on initiatives in line with the National Strategic Framework (NSF). In consultation with partners and as indicated in the NSF, the Project will commence with the following ministries: (i) Health; (ii) Works and Transport; (iii) Labor and Home Affairs; (iv) Education; (v) Local Government; and (vi) Youth, Sports and Culture. Annual work plans for funding under the project will be submitted for the Project Steering as well as the HIV/AIDS Technical Sub-Committee's review. Upon approval, funding will be channeled through NACA for further disbursement to the relevant ministries. However the current financial disbursement architecture is under review as proposed by the pending Organization and Methods Review report. Monitoring and evaluation of activities will be

coordinated by NACA. The key thematic areas of support would focus on programs and activities in the three priority areas reflected in the NSF.

Component Three: Civil Society Organizations/Private Sector (US\$22.5 million)

This component has been allocated the majority of the Project funds, reflecting the importance of the civil society organizations (CSOs) in the achievement of Project activities. This component would make financial resources available to civil society, private sector, focusing on initiatives in line with the NSF. In terms of implementation of this component, the process could be described in four interlinked processes: developing calls for proposals; receiving, evaluating, and awarding proposals; financial flows monitoring outputs. The project design has emphasized results-based support and targeted community level activities. This component will focus on proposals and activities that prioritize specific HIV/AIDS prevention results and target vulnerable populations. Vulnerable population groups eligible for BNAPS financing will be decided through the agreed processes involving both the HIV/AIDS Technical Sub-Committee and Project Steering Committee, as outlined in the draft Operations Manual. It is expected that this process will streamline funding procedures while focusing on specific thematic areas based on comparative strengths and regional needs.

5. Financing

Source:	(\$m.)
Borrower	0
International Bank for Reconstruction and Development	50
Bilateral Agencies (unidentified)	0
Total	50

6. Implementation

Implementation of the BNAPS project will be by the existing institutions for implementing and overseeing the national response to HIV/AIDS, and use existing systems and processes. However, where needed, the project will help ensure that the existing institutions, systems and processes are strengthened under the project to help ensure improvements in the implementation efficiency and effectiveness of the overall national response. Detailed implementation arrangements are presented in Annex 4, and are briefly summarized below.

The project design calls for a detailed work program for the first year and broad parameters for the remaining four years in order to retain flexibility for adjusting the program for subsequent years taking into account implementation experience gained in the previous year(s), and evolving priorities of the NACA. Therefore, the project design includes annual implementation performance reviews of the BNAPS based on the progress reports prepared by NACA, and discussions and an agreement among the partners on the work program for the subsequent year(s). NACA will coordinate and lead the overall implementation of the BNAPS. The project will be implemented mainly by the civil society organizations and the private sector, and selected public sector ministries. A strengthened NACA, staffed with the requisite qualitative and quantitative capacity, will facilitate the implementation of the project.

At the strategic level, the Project Steering Committee (PSC), which had already been established and functioning, is responsible for providing strategic direction and oversight of the BNAPS project, approving the annual work plans and budgets for all the BNAPS implementing partners. As a high level body, the PSC will hold implementers accountable for results. The PSC is chaired by the NACA National Coordinator, and includes key implementing partners at the national level, specifically from the MFDP, MOH, MOLG, NACA, MOE, the UN technical agencies and CSO/Private Sector.

The HIV/AIDS Technical Sub-Committee (TSC), which already exists and is chaired by the NACA National Coordinator, will review plans and activities of implementing partners and address strategic implementation and coordination issues under the project. More specifically, this committee will review all CSO proposals over US\$5,000 and all public sector work plans to ensure consistency with the strategic thematic and geographical areas defined by the PSC, as well as with the goals and objectives of the NSF. It will assess and ensure the technical and financial plausibility of the proposals as well as emphasize the results-based focus of all project activities. TSC's members at the national level include specifically from the MOH, MOLG, NACA, MOE (at the Director level), the UN technical agencies and CSO/Private Sector.

NACA will have three main committees for facilitating the implementation of BNAPS. The Programs Committee will review, assess, and recommend for projects and plans submitted to the TSC, technical steering committee. The Finance, Administration and Audit Committee will include staff of NACA's Financial Management Unit (FMU). This committee will (i) review and recommend to NACA on expenditure estimates and budgeting activities for the project, (ii) ensure that management of financial resources are well coordinated at both the national and district levels, (iii) facilitate quarterly disbursements to individual NGOs based on satisfactory performance as provided by specific tracking measures, (iv) provide a forum for private and direct communication between committee members and the external auditors, internal auditors, and senior staff, and (v) establish procedures to receive retain and treat complaints received by the PSC regarding accounting, internal accounting controls, or audit matters and for the confidential, anonymous submissions by staff of concerns regarding questionable accounting or audit matters.

The Procurement Committee will primarily consist of members of NACA's procurement team as well as selected district and national level representatives of the procurement teams of the implementing partners; in addition, it may be useful to also consider inclusion of representatives from civil society and private sector. This committee will (i) undertake procurement activities for activities implemented under the NACA component, (ii) support other implementing partners in the Ministries in carrying out procurement or undertake procurement for them as necessary, and (iii) review and verify that all procurement activities under the project have been undertaken in accordance with the agreed policies and procedures agreed with the World Bank.

The public sector ministries will focus their activities on their behavioral change activities targeting their staff and clients (MLG will focus on community level clientele and OVCs /out of school youths, MLHA on Prisons staff and Prisoners, MOE on teachers and in-school youths, MYSC on ministerial staff and out of school youths, MWT on staff, mobile population and CSWs, and MOH on HIV+ patients on ARVs as well as on providing technical assistance as

needed to the participating ministries). Ministerial work plans will be reviewed and approved by the PSC annually to ensure complementarities and synergies where available. To improve program management, implementers within the Ministries will be primarily responsible but will be able to access capacity building support for results based management, and monitoring and evaluation from NACA.

District Level Coordination and Implementation: As a small country, Botswana has been very effective in decentralizing project implementation- with the District Multi-Sectoral AIDS Committees (DACs) playing an important role in the implementation of HIV/AIDS activities by coordinating public sector, CSOs, FBOs, and partner activities at the community level with technical and fiduciary support from their national level counterparts as and when needed. DACs are the primary units that coordinate and facilitate implementation of HIV/AIDS activities at the district level. They are multisectoral with representation from all the public sector ministries and the local CSOs that are implementers of HIV/AIDS activities. They will coordinate Project activities through the District AIDS Coordinator's (DAC's) office (Technical) and the District Council (Fiduciary).

These committees, through these arms will (i) design district plans based on inputs on implementation priorities of the target groups for the various stakeholders, and the public sector ministerial plans, and (ii) facilitate implementation where necessary, primarily through technical reviews of the proposed activities, and implementation support to the implementation partners, where needed. They will (i) review and approve CSO proposals below the \$5,000 dollar threshold, (ii) disburse the grants to the NGOs, and (iii) monitor implementation progress. Where needed, programmatic, procurement and financial management capacity will be sourced from NACA. NACA will conduct an assessment of the capacity gaps in the DACs in the coming weeks that need to be provided under BNAPS, prior to commencement of district level activities.

7. Sustainability

(i) Institutional sustainability. The Government, with support of IBRD and other development partners, has mobilized different sectors, mass organizations and communities to increase their capacity to respond to the demands of the HIV/AIDS epidemic. Although the project is a modest contribution to the overall national response, it provides focused assistance of institutional strengthening especially in key areas such as fiduciary management and results reporting among NGOs and CSOs, strategic planning and M&E in NACA, managing targeted technical interventions in participating Ministries and other government agencies, and evidence-based policymaking in the health sector through a modest agenda of research and evaluation at the Ministry of Health. Much of the institutional strengthening activities involve nationals who are likely to continue working locally. Thus, it is expected that the social, sectoral and community capacity built within the different components of the BNAPS Project would be sustained even after project closure.

(ii) Technical sustainability. The BNAPS Project aims to support well-established, proven technical interventions whose operational implications have been well-documented in other countries. In service delivery, the project will endeavor to support existing technical programs, but will work with government and other partners to introduce needed changes (e.g., strengthening counseling under VCT; providing a sharper focus on youth interventions; arguing

for more extensive use of generic drugs; and greater integration of services). In project management, the project will introduce results-based grants provision that has been demonstrated to work extremely well in other countries in the Africa region in instigating local responses to the epidemic. The project will work at different levels (project implementation, strategic and program planning, and policy formulation) to ensure that technical interventions are sustained.

(iii) Financial sustainability. The prevention and mitigation of HIV/AIDS is a public good which would support efforts towards improved economic growth and poverty alleviation. The economic analysis has clearly argued that Botswana needs a balanced approach of prevention and treatment to ensure that HIV/AIDS expenditures do not unduly crowd out other budgetary priorities, and do not endanger the government's strong fiscal position achieved through prudent macroeconomic management through the years. The economic analysis has also identified specific approaches and interventions that Botswana should seriously consider to achieve a more cost-effective HIV/AIDS control program. The project will serve as a platform to further ventilate discussions on these programmatic and policy areas. Finally, although the national AIDS response comes with a relatively high price tag, macromodeling work has shown that through the positive demographic and macroeconomic effects of a large-scale AIDS response, it also helps to contain larger future expenditures by mitigating the disease's adverse effects on the tax base (dead taxpayers) and the fiscal burden of caring for a sicker population.

8. Lessons Learned from Past Operations in the Country/Sector

The October 2004 multi-partner review of several MAP projects at different stages of implementation summarized the following major lessons; these have now been incorporated in the Bank's Africa HIV/AIDS Strategy (2007). First, greater strategic planning is needed in terms of supporting specific activities and interventions which have the greatest impact, based on analyses of current epidemiological and behavioral data. Second, there is need for an evidence-based approach that strikes a balance between broad-based general public intervention and the targeting of vulnerable groups. Third, more performance-based disbursement systems should be introduced to encourage strong performers. Fourth, civil society should be fully involved in the design of materials and procedures for grant making, application and reporting. And fifth, adequate resources should be set aside to develop operational M&E systems which can provide adequate biological, behavioral and routine program activity monitoring information.

In recent years, the World Bank has carried out several studies of its HIV/AIDS lending and non-lending operations. The following key lessons have emerged from these reviews and have guided the development of its Global AIDS Program of Action: (i) the Bank, by its acts and its omissions, influences both developed and developing countries in their actions on HIV/AIDS; (ii) country ownership, leadership, and capacity are crucial to successful action; (iii) the Bank's policy advice and country-led approach are important assets to countries in pursuing their goals; (iv) HIV/AIDS needs to be better integrated into development policy and planning, and the Bank is uniquely positioned to assist countries with this; (v) HIV/AIDS strategies, policies and programs should be evidence-based, with priorities based on local epidemic conditions; and (vi) monitoring and evaluation are essential, and consistently neglected. To the extent possible and in so far as these lessons are directly relevant for Botswana, these lessons have been incorporated in the design of the proposed project.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Physical Cultural Resources (OP/BP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP 7.60)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

10. List of Factual Technical Documents

World Bank Documents

Project Concept Note
Minutes from Project Concept Note Review Meeting
Aide-Memoire from Identification Mission (September 2006)
Aide Memoires from Preparation Support Missions (June 2007, September 2007, December 2007)
Aide Memoire from Pre-Appraisal Mission (February 2008)
Minutes from Quality Enhancement Review (April 3, 2008)
Decision Meeting Minutes (April 17, 2008)
Aide-Memoire from Appraisal Mission (April 2008)
(Draft) Operations Manual (April 2008)

Government Documents

Current status of the HIV/AIDS epidemic in Botswana (Draft). National AIDS Coordinating Agency (March 2008).
BIAS II Report (2004)
Macroeconomic Impacts of HIV/AIDS (2007)
Demographic Impacts of HIV/AIDS
Botswana UNGASS 2005 Report
National Strategic Framework on HIV/AIDS and its Mid Term Review
Report of the 2006 National Conference on Prevention
Sentinel Surveillance Report 2006
Ministry of Health Waste Management Plan

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