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Document of
The World Bank

Report No: 21458-GH

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR19.6 MILLION (US$25.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF GHANA

FOR A

AIDS RESPONSE PROJECT (GARFUND)

DECEMBER 8, 2000

Human Development III
Africa Regional Office

CURRENCY EQUIVALENTS

(Exchange Rate Effective 11/21/00)

Currency Unit = Cedis
Cedis 1.00 = US$0.0001474
US$1.00 = 6781.5

FISCAL YEAR
January 1 December 31

ABBREVIATIONS AND ACRONYMS

ACTafrica	AIDS Campaign Team for Africa
AIDS	Acquired Immune Deficiency Syndrome
CAS	Country Assistance Strategy
CBO	Community based Organization
CDF	Comprehensive Development Framework
CHAG	Christian Health Association of Ghana
CIDA	Canadian International Development Agency
DA	District Assembly
DAC	District AIDS Committee
DANIDA	Danish International Development Assistance
DHS	Demographic and Health Survey
DFID	Department for International Development (UK, formerly ODA)
DHS	Demographic and Health Survey
DPP	Detailed Procurement Plan
DRI	District Response Initiative
FINMI	Financial Management Initiative
GAC	Ghana AIDS Commission
GDP	Gross Domestic Product
GPP	Global Procurement Plan
GOG	Government of Ghana
HIV	Human Immunodeficiency Virus
HSPSP	Health Sector Program Support Project
ICB	International Competitive Bidding
IDA	International Development Association
IEC	Information, Education, Communication
IPAA	International Partnership Against AIDS in Africa
KAPB	Knowledge, Attitude, Practices and Behavior
MAP	Multi-Country HIV/AIDS Program
MDAs	Ministries, Departments, District Assemblies
MIS	Management Information System
MOH	Ministry of Health
MOU	Memorandum of Understanding
MTCT	Mother-To-Child Transmission
NACP	National AIDS/STD Control Program
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
OM	Operational Manual
PLWHA	People Living with HID/AIDS
PMTCT	Prevention of Mother-To-Child Transmission
QCBS	Quality and Cost Based Selection
SA	Special Account
SBD	Standard Bidding Documents
SOE	Statement of Expenses
STD	Sexually-Transmitted Diseases
UNAIDS	Joint United Nations Programme on HID/AIDS
UNDB	United Nations Development Business
USAID	United States Agency for International Development
VCT	Voluntary Counseling and Testing

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Sector Manager/Director:	Rosemary Bellew
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GHANA
AIDS RESPONSE PROJECT (GARFUND)

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MAP(S)
IBRD 26553

GHANA

AIDS Response Project (GARFUND)

Project Appraisal Document

Africa Regional Office
AFTH3

Date: December 8, 2000	**Team Leader:** Sandra Rosenhouse
Country Director: Peter C. Harrold	**Sector Manager:** Rosemary Bellew
Project ID: P071617	**Sector(s):** MY - Non-Sector Specific
Lending Instrument: Specific Investment Loan (SIL)	**Theme(s):** Health/Nutrition/Population
	Poverty Targeted Intervention: N

Project Financing Data
[ ] Loan [X] Credit [ ] Grant [ ] Guarantee [ ] Other:

For Loans/Credits/Others:
Amount (US$m): 25.0

Proposed Terms: Standard Credit
Grace period (years): 10 **Years to maturity:** 40
Commitment fee: 0.5% **Service charge:** %

Financing Plan: Source	Local	Foreign	Total
BORROWER	1.80	0.00	1.80
IDA	23.00	2.00	25.00
LOCAL COMMUNITIES	1.00	0.00	1.00
Total:	25.80	2.00	27.80

Borrower: GOVERNMENT OF GHANA
Responsible agency: GHANA AIDS COMMISSION

Address: Ministry of Employment and Social Welfare
P.O. Box CT 5169
Contact Person: Mr. Alhaji Muhammad Mumuni, Minister of Employment and Social Welfare

Estimated disbursements (Bank FY/US$M):

FY	2001	2002	2003	2004	2005			
Annual	2.00	6.00	6.00	7.00	4.00			
Cumulative	2.00	8.00	14.00	21.00	25.00			

Project implementation period: 4 years
Expected effectiveness date: 04/30/2001 **Expected closing date:** 06/30/2005

A. Project Development Objective

1. Project development objective: (see Annex 1)

The objective of the Garfund is to reduce the spread of HIV infection, and reduce the impact of AIDS on those infected and their families by financing interventions outside the MoH's mandate.

Project Purpose:

The main purpose of the Ghana AIDS Response Fund (Garfund) is to support the implementation of the Government's effort to reduce the spread of the HIV/AIDS epidemic and reduce the impact on those already infected and affected as articulated in the "Strategic Framework for HIV/AIDS in Ghana." The framework enables the Government of Ghana (GoG) to implement a balanced, diversified multi-sector response, engaging all relevant government sectors, non-governmental organizations and grassroots initiatives. To date, the Ministry of Health (MoH), which is already receiving donor/IDA support through the Health Sector Program Support Project (HSPSP, Cr. 2994-GH), has led the fight against HIV/AIDS. The MoH Program of Work supported by the donor partnership supports AIDS prevention and care activities, some of which is provided through other entities. However, its contribution to engage civil society in the fight against AIDS has been insufficient. Thus, the GoG has requested access to IDA resources within the framework of the first phase of the Multi-Country HIV/AIDS Program (MAP) for the Africa Region approved by the Board of Directors of the World Bank Group on September 12, 2000, to expand its response. IDA resources would finance eligible activities conducted by civil society organizations including NGOs, CBOs, trade and professional associations, associations of PLWHAs, Districts, among others, or groups of these entities and line ministries (excluding the MoH) to complement the MoH's ongoing program and in this way ensure a rapid multi-sector scaling up of activities in all regions of the country and all administrative levels. Eligible activities include prevention, care and support activities for those affected, prioritizing community-level responses. While the fund would initially be funded by IDA, other development partners are expected to contribute.

Compliance with MAP Eligibility Criteria:

Ghana satisfies the four MAP eligibility criteria:

(a) *satisfactory evidence of a strategic approach to HIV/AIDS*: Garfund is the product of a series of government sponsored actions involving all key line ministries, stakeholders and the donor partnership, under the guidance of UNAIDS. Among the GoG's efforts are the analysis of Ghana's response to the epidemic, and a draft Strategic Framework for HIV/AIDS in Ghana. The contents of the project itself include the needs and strategies identified in the documents prepared by the GoG, the comments of the GAC, and the views of stakeholders consulted. Thus, the project design is based on a broad national consensus of what needs to be done to combat HIV/AIDS.

(b) *the existence of a high-level coordinating body with broad representation from all sectors*: The Ghana AIDS Commission has been established in the Presidency, including all key line ministries, representatives from various religious organizations, labor unions, students and women's groups as well as networks of NGOs working with HIV/AIDS and representatives of associations of PLWHAs.

(c) *agreement to appropriate implementation arrangements to finance activities directly in communities* The project will finance activities in communities directly by financing proposals submitted by civil society

organizations at the local level, and by financing District level initiatives. In order to expand access to funds to the local level more rapidly, larger civil society organizations (affiliations) will be encouraged to manage subcontracts to several communities. The Government has also agreed to contract out subproject supervision, project evaluation, training, and knowledge management in order to be more agile and accelerate implementation.

(d) *agreement to fund multiple implementation entities, specially community-based and non-governmental institutions*: Implementation of activities will be conducted by line ministries other than the MoH, and by the NGO/CBO sector, and a growing number of district governments. The bulk of activities are to be conducted by NGOs and civil society organizations.

2. Key performance indicators: (see Annex 1)

It may be difficult to detect changes in impact indicators during the four years of implementation of Garfund. Thus, intermediate outcome measures are also included. The following indicators illustrate the three groups of core variables that will be employed to monitor the performance of the fund. A more extensive list of indicators is included in the logical framework (see Annex 1)

A. Output Indicators
Increase the proportion of funds awarded to CBO submitted subprojects (through windows B and C) to 20% of all subproject funding by 2005
Increase the proportion of all subprojects that develop IEC materials designed specifically for rural populations (in local dialects) to 30% by 2005
By 2005, 50% of all 1st and 2nd cycle schools are providing HIV/AIDS education.
By 2005, all line ministries (except MoH) have trained trainers at the district level on HIV/AIDS.
Increase by 50% the number of districts that provide community-based care for PLWHA.

B. Process Indicators
By 2005, an adequate referral system between home-based and institution-based care has been established in 40% of Districts.
Increase to 100 the number of Districts that have prepared strategic plans to confront HIV/AIDS by 2005.
Increase by 10% annually the proportion of subprojects that are meeting their stated objectives in a satisfactory manner.
Increase the proportion of existing affiliations (umbrellas) that are able to manage smaller civil society organizations to provide services by 30% by 2005.
All Districts receive regular (quarterly) "best practice" informational materials from the Project.
C. Impact /Outcome Indicators
Increase the proportion of women in a union using condoms during their last intercourse from 6% to 20% by 2005.
Increase the proportion of men in a union using condoms during their last intercourse from 15% to 30% by 2005.

Increase the proportion of men and women who have reduced the number of sexual partners in response to perceived risk from 60% to 80% by 2005.
Increase the proportion of PLWHA that are receiving home or community based care among those PLWHA that have sought medical treatment through the MoH network to 30% by the year 2005.

B. Strategic Context

1. Sector-related Country Assistance Strategy (CAS) goal supported by the project: (see Annex 1)
Document number: 20185-GH **Date of latest CAS discussion:** March 30, 2000

The Ghana CAS was prepared on the basis of CDF principles, and thus also addresses the activities of other donors in its response to Ghana's development agenda. The current CAS's overriding goal is to eliminate hard core poverty. The strategy outlined by the Government specifically seeks to (i) reduce poverty in rural and urban areas, (ii) strengthen the poor's income generating capacity, (iii) reduce gender and regional disparities, and (iv) improve the health, education and productivity of the population. The World Bank Group is supporting the proposed business strategy by helping the Government: (i) raise the growth rate of the economy; (ii) redefine the role of the State; and (iii) implement their strategy more effectively on the ground. As part of its support to redefine the role of the State so that it can efficiently provide public goods and services and ensure an equitable distribution of benefits, the CAS specifically identifies the need to continue to provide sector-wide support to the health sector in Ghana, and the urgent need to address the spread of HIV/AIDS through a multi-sector approach before it becomes a more generalized epidemic. This proposed project specifically addresses the need to control the spread of the HIV/AIDS epidemic through a multi-sector strategy. Garfund is expected to have a direct effect in increasing condom use amongst men and women to reduce the spread of HIV, a variable which will be measured as part of the CAS performance indicators.

2. Main sector issues and Government strategy:

The Dimensions of the HIV/AIDS Epidemic in Ghana

It is estimated that about 4.6 percent (1999 NACP) of the adult population of Ghana is infected with HIV. At least 400,000 Ghanaians are estimated to be living with HIV. Prevalence almost doubled between 1994 and 1998. At current rates of infection, it is estimated that 1.2 million Ghanaians will be infected by the year 2005. Prevalence rates are highest among commercial sex workers, with rates as high as 82 percent in Kumasi in the Ashanti region. The actual number of AIDS cases is difficult to estimate given the strong stigma associated with the disease and the culture of silence it imposes. While the epidemic has not reached the crisis dimension evident in other African countries, a failure to act now could have serious consequences as HIV prevalence rate has been known to accelerate rapidly once it reaches 5 percent of the population. Without concerted intensified action to reduce its spread now, Ghana's recent benefits from improved macroeconomic performance will be diminished. Even now, at current levels of infection, HIV/AIDS has had a serious impact on families and communities, with concomitant repercussions on the wider economy.

The primary mode of transmission of HIV in Ghana is heterosexual, accounting for 80 percent of the cases. Vertical transmission accounts for 15 percent and transmission through blood and blood products accounts for another 5 percent of cases. While the male to female ratio was 4:1 in 1996, the gap closed considerably to 2:1 in 1998.

Most of the people infected with HIV are young. Peak ages for reported AIDS cases are 25-29 for females, and 30-34 for males. Ninety percent of all reported AIDS cases occur to adults aged 20-49, the most economically productive years of life. This represents economic losses in terms of productive labor days lost due to increased absenteeism and reduction of the labor force, eroding the social and economic development accomplished in recent years. Added to this is the increased burden on the Ministry of Health budget and the strain on families and communities resulting from expenditures incurred in taking care of the ill and the increasing number of orphans left behind. There are an estimated 126,000 orphans in Ghana, and the figure is estimated to increase to over 250,000 by 2004.

The context and manner in which HIV infection occurs and the long delay in the onset of full blown AIDS make it a complex illness to address. The fact that HIV/AIDS is sexually transmitted makes it difficult to address modes of prevention publicly. And, because onset of visible symptoms is so delayed, individuals are often unaware they are infected, infecting others unintentionally. Moreover, its invisibility makes the community unaware of the extent of the problem. The considerable stigma associated with the disease only serves to complicate matters as it forces many people living with HIV/AIDS (PLWHA) to remain silent and hidden from the community and sometimes their own family and to not seek care when needed. The stigma imposes extreme hardship on those infected as they lack economic and social support. Women are particularly vulnerable as a result of their position in society (both economic and cultural), the culture of silence surrounding the disease making it impossible for women to negotiate safer sex, their desire to bear children, and limited information on sexuality and disease. The fact that 3 percent of the reported AIDS cases among females are to girls aged 15-19 only serves to underscore this point. Women are also more affected in that the burden of caring for the sick generally falls on them.

The Response to the Epidemic to Date

As has been clearly demonstrated by some countries in Africa and in other parts of the world, it is possible to prevent an explosive growth in the HIV/AIDS epidemic and limit its adverse impact. While the national response to the epidemic has improved, the Government recognizes that it is still inadequate, as it is too focused on health sector interventions and insufficiently funded. The response to date has been primarily the responsibility of the Ministry of Health (MoH).

The MoH is currently receiving support through the Health Sector Program Support Project (Cr. 2994 -GH) which became effective on June 18, 1998. The total program cost is estimated at $824 million. The program is co-financed by the GoG and partners including DFID, DANIDA, the Nordic Fund, the Netherlands, the European Community and IDA, with a credit of US$35 million equivalent. Additional earmarked funds are available from USAID and CIDA. The Credit supports the Ministry of Health's sector-wide reform program, financing a time-slice of the combined Government and external assistance budgets for developmental and operational activities.

The Plan of Work (POW) of the Ministry of Health identifies HIV/AIDS as one of the key/priority services, along with immunization, management of malaria, TB, maternal and reproductive health, and the eradication of the Guinea Worm. While the health sector response to the epidemic needs to be strengthened, it has made some notable advances. Training for syndromic management of STDs has been carried out widely and effectively, all blood for transfusion is being screened, providers are improving infection prevention practices including use of clean needles and sterilization practices and the sentinel surveillance system is functioning well. However, there are some weaknesses that need to be addressed. With respect to the MoH's clinical response, STD management, and clinical care for PLWHA, need to be strengthened, access to TB drugs improved, and the process of implementing activities to prevent mother-to-child transmission (MTCT) accelerated. On the prevention side, Voluntary Counseling and Testing (VCT)

services must be expanded, including adequate supply of HIV diagnostic tests. IEC materials need to be more plentiful and accessible, and efforts on peer and group counseling should be strengthened. Condom use should be more strongly promoted. As for home-based care and social support for PLWHA, efforts conducted primarily by the Christian Health Association of Ghana (CHAG) need to be expanded. It is important that the MoH scale up its current response in order to ensure it can address demand for prevention and care generated by a multi-sector effort.

Government Strategy

National awareness of the spread of HIV/AIDS dates back to the mid-eighties when the GoG established the National Technical Committee on AIDS. Soon after, the National AIDS/STD Control Program (NACP) was established within the MoH to coordinate the national response to the epidemic. However, its impact has been limited. Part of the reason is that prevention works primarily through behavior change, and the NACP/MoH has focused more on medical/clinical aspects and less on IEC and community initiatives. An October 1999 mission of the International Partnership against HIV/AIDS in Africa noted the need for a multi-sector approach to increase the effectiveness of the GoG's response. The GoG established a multi-sector national commission to coordinate all HIV/AIDS activities in the country. It also assessed the adequacy of its response to the epidemic to date and based on the results, developed a National Framework for HIV/AIDS in Ghana. The objectives of the Strategic Framework for HIV/AIDS in Ghana (Sept, 2000 draft) are to:

(a) reduce new HIV infections by 30 percent by 2005;
(b) improve service delivery and mitigate the impact of HIV/AIDS on individuals and families;
(c) create an enabling environment for the implementation of the strategic framework; and,
(d) establish a multi-sector and multi-disciplinary institutional framework for the coordination and implementation of HIV/AIDS programs in Ghana.

The guiding principles for this effort include:
(a) the adoption of a multi-sector public and private partnership approach;
(b) respect for fundamental human rights and appropriate cultural norms and practices;
(c) access to appropriate information and comprehensive basic services;
(d) decentralized implementation, community participation and individual responsibility in all HIV/AIDS programs; and,
(e) mobilization of adequate financial and human resources to implement the framework.

This project would provide support in the financing of a fund to assist in the expansion of the GoG's response to the HIV/AIDS epidemic by financing eligible activities conducted by civil society organizations including NGOs, CBOs, trade and professional associations, associations of PLWHAs, and line ministries (excluding the MoH) to complement the MoH's ongoing program, through a rapid multi-sector scaling up of activities nationwide. While the fund would initially be funded by IDA, other development partners are expected to contribute. The fund will implement the part of the National Strategic Framework for HIV/AIDS that is not being implemented by the MoH.

Partnership. Garfund was born out of a series of consultations between the GoG and the donor partnership. UNAIDS has been the main force behind the multilateral collaboration with the GoG, and has been instrumental in securing government commitment. Working with the HIV/AIDS thematic group, UNAIDS has guided the work of the inter-ministerial task force that was set up to assess the HIV/AIDS situation in Ghana and define a framework to confront the epidemic. The donor partnership is already financing a number of activities to combat HIV/AIDS in Ghana (refer to section D) and is currently

assessing how best to ensure the success of Garfund. DFID has already committed to finance technical assistance to help line ministries develop their action plans for HIV/AIDS well before effectiveness, as well as to assist in the expansion of the District Response Initiative to enable more districts to access funds at project start-up. USAID will support the equipping of the Secretariat's premises.

3. Sector issues to be addressed by the project and strategic choices:

Given the complex nature of HIV/AIDS, the context in which it is spread, and the rapid growth of the epidemic, the response needs to be broad-based, including all relevant levels and sectors of government and society, rapid and flexible. While a freestanding project to fund HIV/AIDS initiatives from all sectors including health was initially considered, it was discarded as it would seriously undermine the spirit of the ongoing Health Sector Program Support Project and the partnership arrangements in the health sector. Recognizing the emergency nature of the problem, and the need for flexibility, Garfund will be managed as a fund. To ensure a broad-based response the fund will finance eligible activities proposed and conducted by civil society organizations, districts and line ministries (excluding the MoH) to complement the MoH's ongoing efforts to reduce the spread of HIV/AIDS. Community-based responses will be prioritized.

Issues to be addressed by Garfund comprise two general groups: institutional/logistic issues, and programmatic issues. On the institutional aspects, three key issues being addressed are: the difficulty of coordinating multiple executors to ensure synergy; low implementation capacity in some line ministries, districts and smaller civil society organizations; and, ensuring the active participation of grassroots organizations and districts. On the programmatic side, two issues need to be addressed: increasing awareness of personal risk and encouraging adoption of safe practices in light of the invisibility and culture of silence, and the provision of care and support to PLWHA and their families in light of scarce resources and the stigma that prevails.

Coordination of a Balanced Multi-sector National Response: Ensuring an effective, balanced, and truly multi-sectoral approach entails close coordination between the health sector and other sectors participating in the national initiative. Duplication of efforts needs to be avoided and gaps in coverage need to be minimized. Inputs by all relevant sectors need to be adequate and timely both in terms of their involvement in the strategic coordination of the national response, as well as in the implementation of their individual sector commitments. Adequate timing of interventions is key to ensure synergy and a maximized response. The GoG has already taken a number of steps in this direction: (a) it has developed a Strategic Framework for HIV/AIDS in Ghana based on a situation analysis and a response analysis conducted by multi-sector teams employing a participatory approach, with constant interaction with HIV/AIDS Oversight Committee set up by the GoG; and (b) it has established the Ghana HIV/AIDS Commission in the Presidency which includes high level representation of all key sectors and an executive arm to implement the Strategic Framework.

However, a solid and balanced multi-sector response also requires a stronger and more focused response from the health sector to ensure the necessary synergy will be generated. IDA will continue to support the MoH's efforts to improve access to HIV/AIDS prevention, care and treatment of opportunistic infections, provide better quality of care and improve the overall efficiency of its efforts. Assurances will be obtained from the MoH that it will give greater priority to HIV/AIDS in its annual POW and that it will increase its budget allocation to HIV/AIDS interventions. An action plan of the activities to be scaled up will be prepared and discussed as part of the discussion of next year's POW. Areas where the MoH needs to improve its response have been identified in the "Response Analysis". They include increasing access to voluntary counseling and testing services (VCT) including in terms of physical availability and cost, defining a policy on prevention of mother-to-child transmission (MTCT) and implementing it, increasing

access to condoms, and increasing coverage of treatment of opportunistic infections and other clinical needs of PLWHAs.

Low Implementation Capacity of Executors. Implementation capacity is uneven across line ministries, and the majority have not worked on HIV/AIDS in the past. In the case of small NGOs, CBOs and districts, implementation capacity can be even lower. Garfund would provide, when needed, technical assistance and training support on basic project management, techniques to improve IEC effectiveness (including interpersonal communication skills) and induce behavior change, approaches to home-based care, and basic knowledge on HIV/AIDS prevention and care, among others.

Umbrellas and large civil society organizations with solid implementation capacity will be able to work with groups of small NGOs, CBOs and districts with lower capacity which will, in the process of subproject execution, slowly strengthen their capacity. Working with group subprojects will also allow for a more rapid response to HIV/AIDS.

Ensuring active participation of grassroots organizations, districts, and civil society. A broad-based response implies action on every front, particularly at the grass-roots level where links with the community are strong. Their participation is crucial as they can best address delicate, taboo subjects and can work with family members in the community to reduce the stigma and the barriers to "coming out" about HIV/AIDS status. Civil society organizations also have the added benefit of being more flexible and innovative in their approaches to the epidemic. Garfund will ensure participation of the smaller organizations by actively seeking proposals from them and providing technical support in their preparation. A communications campaign describing the purpose of Garfund, how to access financing and what may be financed will be implemented early on and before each funding cycle. More targeted campaigns will be carried out to reach CBOs in specific areas. To encourage participation, the smaller groups would get some seed funds to initiate some activities which could be expanded through a subsequent more formal proposal at a later date. Working through umbrella organizations (affiliation networks), Garfund will facilitate access to associations that may be otherwise difficult to reach.

Encouraging Adoption of Safe Practices. The culture of silence and the fact that the onset of AIDS takes place many years after infection contribute to the general population's lack of awareness of the extent of the epidemic and the risks they, as individuals, actually face. Without the awareness of personal risk of infection, behavior change will be difficult. While awareness of AIDS is universal in Ghana, knowledge on how to avoid HIV/AIDS is not. Moreover, over half of all men and women (DHS, 1998) did not perceive any risk of getting AIDS, with women perceiving themselves to be at lower risk than men. And, of those perceiving high risk, 20 percent did not modify their sexual behavior. Increasing awareness of personal risk and existing prevalence will both, encourage adoption of safe practices, and reduce the stigma attached to the disease. Garfund would support IEC initiatives employing some mass media, but focused primarily on interpersonal communication through peers, small groups or other one-on-one encounters, which tend to be more effective in transmitting sensitive messages. Messages would include the promotion of VCT and prevention of MTCT, and the need to seek diagnosis and treatment of STDs. This would complement the MoH's strengthening of its VCT capability. Garfund would also support advocacy in various contexts to ensure the message is disseminated. Work with the Ministry of Education would provide another venue to raise awareness and inform youth. Work with the Ministry of Food and Agriculture would work with extension workers to reach farmers. Condom promotion and distribution would also be supported.

Provision of care and support to PLWHA and their families: The stigma attached to the disease and the insufficient knowledge about how AIDS can be prevented pose unnecessary hardship for PLWHAs and their families. They represent important barriers to seeking care, and the abandonment by their families and

loss of employment can leave individuals destitute and without any psychological and social support. Illness and death leave many children orphaned in practical and real terms. Garfund will encourage IEC activities to dispel misconceptions about HIV/AIDS, and educate family members and the community about how to care for PLWHAs in their own homes or community hospices. It will support initiatives to mobilize the community to provide social support and the creation of income generation initiatives for PLWHA and their families. Garfund will also provide support to community initiatives to care for orphans, and provide counseling for PLWHA and their families in their homes. Home care, including some nursing services would also be covered. Garfund would also support training traditional healers and traditional birth attendants to teach them how to protect themselves and their clients, and how to ensure their current practices are safe. Garfund will also finance initiatives designed to protect PLWHAs rights, including the definition of policies against discrimination in the work place and with regard to access to care.

C. Project Description Summary

1. Project components (see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown):

(see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown)

Component	Sector	Indicative Costs (US$M)	% of Total	Bank-financing (US$M)	% of Bank-financing
Prevention and Care Services	AIDS, STDs	21.00	75.5	18.90	75.6
Strengthening Public/Private institutions for HIV/AIDS Control	AIDS, STDs	2.40	8.6	2.40	9.6
Knowledge Management	AIDS, STDs	1.40	5.0	1.00	4.0
Project Management (Incl. M&E)	AIDS, STDs	3.00	10.8	2.70	10.8
Total Project Costs		27.80	100.0	25.00	100.0
Total Financing Required		27.80	100.0	25.00	100.0

The Project, Garfund, would finance a US$25.0 million, 4-year component of the Government's Strategic Framework for AIDS, and would cover all activities not within the MoH's mandate (refer to annexes 5 and 6 for procurement and disbursement, and financial management). Garfund's objective is to intensify multi-sector activities designed to combat the spread of HIV/AIDS and to reduce its impact on those already affected. To achieve its objective, the project includes support for the following activities:

Prevention and Care Services by financing governmental (excluding health) and civil society entities to provide a broad spectrum of preventive and care activities at national, regional and local levels. Seventy percent of funding will be allocated to these activities out of which approximately 75%, or US$15.0 million, will be earmarked for non-governmental and community-based initiatives. The size of any single activity financed under the fund is not expected to be large (generally less than US$100,000). Prevention activities are designed to reduce high risk behavior and exposure to risk, and to reduce the vulnerability of those who are unaware of their risk by raising their awareness, and "de-stigmatizing" the disease so as to increase access to prevention and care. For families affected by HIV/AIDS, Garfund would reduce their vulnerability by financing services to protect their rights, income generation activities, care for orphans and home-based care for the ill.

Access to funds for the financing of proposals would be available through three windows, each with slightly different access rules. The first group (Group A) includes proposals from line ministries, and will finance activities for internal and external clients. The second group (Group B) includes financing for proposals from civil society organizations including NGOs, CBOs, trade and professional associations, associations of PLWHAs, Districts, among others, or groups of these entities, including affiliation networks (umbrella organizations). The third group (Group C) would provide seed money for activities conducted by very small CBOs and associations, not to exceed $2500 up front to engage in activities defined in a letter of intent.

Strengthening Public/Private institutions for HIV/AIDS Control and Care Giving by supporting training and technical assistance for institutions on technical and practical aspects of working with HIV/AIDS, and when required, some training on community participation and project management. Only entities implementing subprojects are eligible for training. The training will be subcontracted to NGOs and line ministries with expertise on the issue in question. Financing of this component will strengthen the impact of activities financed under Component 1.

Knowledge Management by providing support for the establishment of a mechanism/strategy to collect, organize and disseminate up to date information on AIDS prevention and care, best practices of existing projects, research results, and any reports that would be useful to implementing entities. It would also finance activities to bring together subproject representatives to share experiences with subprojects with similar orientations. Financing of this component will strengthen the impact of activities financed under Component 1.

Project Management. See Annex 5 for details. Garfund will also have a **Monitoring and Evaluation** subcomponent that will assess the progress attained in the fight against AIDS nationwide on the basis of the targets defined in the Strategic Framework and will monitor the advance of Garfund financed activities. (Refer to annex 4 for details).

2. Key policy and institutional reforms supported by the project:

Ghana AIDS Response Fund (Garfund) is a multi-sector operation designed to support the implementation of the Government's effort to reduce the spread of the HIV/AIDS epidemic and reduce the impact on those already infected and affected as articulated in the "Strategic Framework for HIV/AIDS in Ghana". The operation does not intend to address long-term sector and institutional reforms within any one sector, nor to include conditions linked to macroeconomic or sector policies. However, Garfund will strengthen several key policy and institutional changes, i.e. it will:

(a) establish the National HIV/AIDS Program coordination, under the Ghana AIDS Commission under the office of the President, making it more independent of the Ministry of Health, and giving other sectors, including civil society, a greater role. The institutional arrangement should strengthen the GoG's capacity to implement a balanced, diversified multi-sector response, engaging all relevant government sectors, non-governmental organizations and grassroots initiatives;

(b) mainstream HIV/AIDS control into the action plan of every of Government agency, at National and District levels;

(c) strengthen the public private partnership in HIV/AIDS control; and

(d) empower communities to be key players in HIV/AIDS control.

3. Benefits and target population:

The proposed project is expected to:

(a) reduce the risk of contracting HIV in both the population at large and vulnerable and high-risk groups by seeking to induce behavior change through the personalization of risk and increased access to information (including both HIV and STD infections), and the provision of condoms. The benefit to women will be greater, given their greater lack of information on HIV/AIDS and their inability to negotiate safer sex in a context of the culture of silence that prevails and traditional role expectations;

(b) reduce rates of mother to child transmission by providing information on its prevention and alternatives to breast feeding

(c) improve the quality of life for those living with AIDS by providing care and support in the community, working with the community to reduce stigma, and ensuring a closer link with the health sector;

(d) provide support to families affected by AIDS by providing access to income generating activities, support for orphans, among others;

(e) improve the ability of civil society, including communities, NGOs, trade and professional organizations, etc. to respond to the epidemic and strengthen prevention efforts;

(f) mainstream HIV/AIDS into line ministry work programs to ensure long term, sustainable change, and,

(g) reduce future costs of care, treatment, and orphan care.

4. Institutional and implementation arrangements:

Institutional Arrangements: Garfund is expected to be implemented within a four-year period. The proposed project would be placed under the authority of theGhana AIDS Commission (GAC) which would be in charge of the definition of broad priorities for action, the selection of eligible proposals (through a technical subcommittee), and the monitoring of the performance of the project. The Secretariat of the GAC would implement the GAC's decisions. The GAC includes high level representatives of all line Ministries that can play a role in the fight against HIV/AIDS, religious, occupational, NGO affiliations, women's and student organizations and other interest groups. It is located in the Presidency under the chairmanship of the President. The vice-chairmanship of the GAC will rotate every year. The current vice-chair is the Minister of Employment and Social Welfare.

The Secretariat of the GAC would be responsible for the financial and administrative aspects of Garfund, as specified in a detailed operational manual. It would contract the necessary technical support to guide executing entities support in preparing proposals and implementing subprojects. The Secretariat would provide entities awarded contracts under Garfund with basic training on financial management and procurement procedures in order to ensure compliance with Bank procedures. It would prepare and administer contracts to selected executing entities and monitor their technical and financial performance. The Secretariat would provide financial and technical reports on a quarterly basis to the GAC, and prepare annual reports for financing agencies. The Secretariat would also ensure annual audits are carried out in accordance with agreements with IDA and ensure the use of funds follows procedures agreed upon with IDA as specified in the Credit Agreement and the operational manual.

To be responsive and agile, it is important that the staff be composed of highly qualified and politically neutral professionals. For the purposes of administration of the project, the Secretariat would need a coordinator, a finance and administration division with 3-4 key staff including procurement capacity, and a technical division including 4-5 full-time specialists, and support staff, to provide technical guidance in the day-to-day issues of implementation, monitor technical aspects of the project, identify technical assistance needed to ensure adequate support to subprojects, oversee the knowledge management activities, keep the GAC informed about key technical issues that arise during implementation, and be responsible for the overall monitoring and evaluation of the project. With regards to the finance and administration division, it is expected that the financial component will be larger than the procurement aspects as most procurement will be some limited goods, and many contracts for services and technical assistance, the majority of which are expected to be small.

Implementation Arrangements: Garfund will employ a fund mechanism to finance subprojects executed by a wide range of organizations at the national, regional and local levels. The GAC will select technical subcommittee to review and select subproject proposals on a semiannual basis and to submit its recommendations to the GAC for their final endorsement. The membership of the subcommittee will be public and will rotate on an annual basis. The Secretariat would call for proposals, receive and assess them for completeness, and, once selected by the technical subcommittee with the endorsement of the GAC, would process and finance the contracts. In the case of line ministries, they would submit proposals based on previously prepared action plans to address HIV/AIDS. To access funds, line ministries will have to have had defined a line item for HIV/AIDS in their budget and contribute their own matching funds. To ensure subprojects address local needs and minimize duplication, all implementing entities (NGOs, civil society, CBOs) need to secure the endorsement of the Districts they are working in.

To streamline project selection and to ensure local needs are addressed, proposals in Group C will be reviewed and selected by District authorities (eventually the District AIDS committees once they are established) who will submit their recommendations to the Secretariat. When the Secretariat makes the call for proposals it will inform Districts approximately how much they may have available to finance subprojects. The indicative amount would be population-based, and would not be disbursed unless letters of intent/proposals have been submitted. Districts would submit their recommendations for funding to the Secretariat who would issue the necessary contracts. As implementation proceeds and the capacity of districts is ascertained, the process could be further decentralized by having the Secretariat transfer the total amount of funding for the proposals submitted to each District Assembly to disburse and supervise. Given that project activities need to be demand-driven, the funding amounts available to each District are only indicative. Should some Districts be submitting an insufficient amount of proposals, the Secretariat would reallocate the extra funds to other Districts. If the Secretariat is overwhelmed with the number of contracts it needs to process, alternative arrangements will be sought. To ensure transparency and encourage accountability, the names of entities or associations receiving awards and the amount of the award would be listed in a local paper of broad circulation. The members of the technical subcommittee will be technically qualified to evaluate subproject proposals. They will meet twice a year for a period of 3-5 days to assess proposals. Garfund will be managed from Accra, and, with the exception of Group C proposals, all subproject funding decisions will take place centrally by the GAC.

Garfund will conduct a wide communications campaign to inform potential implementing entities about the nature of the fund, what it can finance and how to apply for funding. A specific campaign will be conducted prior to each call for proposals, with specific messages targeting civil society organizations in areas and or populations that need to be targeted.

D. Project Rationale

1. Project alternatives considered and reasons for rejection:

Three project design alternatives were considered and rejected.
A stand-alone HIV/AIDS Prevention and Care project, incorporating all sectors including health, was initially considered. However, it was thought that financing health expenditures in parallel to the HSPSP would go against the spirit of the HSPSP and undermine its effectiveness. The HSPSP finances a time slice of the combined GoG and external assistance budget for developmental and operational activities of the MoH.

Consideration was also given to topping up the MoH's budget so that they could finance additional activities and subcontract NGOs to conduct them. However, the MoH is already working at full capacity and would be unable to adequately expand its activities to include actors outside the MoH. Moreover, they would be unable to finance activities in other line ministries.

A structured project with clearly defined actors and activities, and plans of action for each one was considered but rejected in favor of a fund financing mechanism. A fund structure is more flexible, allowing for a more rapid response and is open to more innovative proposals as the content of the activities is not previously defined except generally. Furthermore, a fund-like approach allows for modifications in funding priorities, the timing of financing, and the amounts to be supported.

2. Major related projects financed by the Bank and/or other development agencies (completed, ongoing and planned).completed, ongoing and planned

Sector Issue	Project	Latest Supervision (PSR) Ratings (Bank-financed projects only)	
		Implementation Progress (IP)	Development Objective (DO)
Bank-financed			
Health sector-wide support	Ghana Health Sector Program Support Project	S	HS
AIDS and STD control	Brazil AIDS/STD	S	S
	Brazil Second AIDS/STD Control Project	S	S
	Argentina AIDS/STD Control Project	S	U
	Kenya Decentralized STD/AIDS and Reproductive Health Project (Approve but not yet effective)		
	Ethiopia Multisectoral HIV/AIDS Project (Approved but not yet effective		
Other development agencies			

USAID	IEC, STD management training, MTCT, VCT, condom distribution, NGO support, advocacy, workplace programs, surveillance		
CIDA	CSW, IEC, STD management, support for PLWHA		
GTZ	TA to integrate HIV/AIDS into district PHC		
DANIDA	PLWHA		
DFID	Reproductive Health		
EU	Support for NGOs, STD management		
UNAIDS	Advocacy, resource mobilization, training traditional healers and physicians, planning		
UNICEF	IEC, peer education to adolescents, CSW		
UNDP	Home based care		
UNFPA	Training, support for NGOs, peer education, IEC, advocacy		
WHO	Surveillance, training on STD and counseling, IEC, home-based care, support to NACP		

IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

3. Lessons learned and reflected in the project design:

Several design features of successful AIDS/STD programs in Africa and other regions are reflected in the design. These examine the overall approach of Garfund and the content of the interventions. In Uganda *political leadership* was a key factor in the success of the program. The high level of the GAC members under the chairmanship of the President gives the program the visibility it needs. In Brazil*building a constituency* for AIDS/STD program early on at local, regional and national levels are key. Garfund will conduct a communications campaign early on to inform potential actors about its objectives and strategy. A *coordinated multi-sector approach* has also been found to be the most effective in addressing the epidemic. Garfund is ensuring that the GAC designate a technical subcommittee to which it will delegate many of its advisory tasks to avoid delays in implementation caused by competing opportunities for GAC member's time. An annual half-day workshop will be held with representatives of sector ministries once their work plans for HIV/AIDS are developed in order to ensure coherence, coordination and reduce duplication of efforts.

NGO and CBO participation is critical for project success. In both Brazil and Uganda these organizations were the most effective in reaching high risk groups and in delivering IEC messages through less formal channels. In Uganda they were more easily mobilized to provide care in the community (in the broadest sense, ranging from providing home-based care of AIDS patients and also supporting income generating

activities for those who are still strong enough to work). NGOs are very effective in peer education, which has been shown to be cost-effective in modifying community and individual norms and attitudes in the United States and Zimbabwe. NGOs can more easily address cultural and ethnic issues to care and prevention. NGOs also have the added value that they are more innovative and flexible in their approaches and already have an infrastructure in the communities where they work. A communications campaign will be carried out to inform and encourage civil society organizations to participate. Targeted campaigns will be conducted in areas with low coverage to encourage CBOs and NGOs in the area to participate prior to each funding cycle. Their participation in the GAC will be encouraged.

The *targeting* of specific high risk groups has been shown to be very effective in reducing the spread of the epidemic (United States, Brazil, Uganda). While Garfund intends to have nation-wide coverage, specific activities will target high risk groups, including, the police, army, prisons, commercial sex workers and truck drivers, all of whom were among the first to be hit by the epidemic. Youth need to be targeted as well, as HIV is on the rise among them and they have demonstrated the greatest capacity to adopt safer sex practices. In Uganda, HIV growth rates have declined the most in this age group. While there are subgroups of women who are more vulnerable, HIV has increased significantly among women in general and targeting them will be crucial to reduce the spread of infection. High risk groups will be mapped and their coverage will be carefully monitored. Coverage attained by each funding cycle in terms of number and groups reached will be assessed through the MIS prior to the call for proposals to define funding priorities for the subsequent funding cycle.

Capacity building was found to be a key feature of the program in Uganda. A phased approach was employed in the implementation of district level activities, beginning with those districts most affected by the epidemic. Within three years, all the districts were covered. This project will provide implementing entities with funds to contract technical assistance and training when necessary. It will also phase both the implementation of district activities, beginning with those that have already completed district level strategic plans, allowing the others to prepare their own. It will also permit the incremental implementation responsibilities of umbrella organizations over subsequent funding cycles.

Monitoring and evaluation are necessary components of any strategy to combat AIDS. Ghana has a reasonable surveillance system which can give some estimates of prevalence among women receiving antenatal care, and on women seeking STD diagnosis and treatment. Data from these specific groups will be employed to assess prevalence. However, data on prevalence need to be complemented with population-based information on Knowledge, Attitudes, Practices and Behavior (KAPB) regarding HIV/AIDS to be able to assess what interventions have had the greatest effects and define where future priorities need to be placed. Some baseline information is already available. A Demographic and Health Survey (DHS) was conducted in 1998 which can be used as baseline information for Garfund activities. Another DHS is planned for sometime around 2003/2004 and can be used to measure population-based indicators of program impact. Moreover, some information will be available on knowledge, attitudes and behavior for high risk groups including youth (both males and females aged 18-24), commercial sex workers, miners and police. The survey is being conducted now (October 2000) in Accra, Kumasi and Obuasi by Family Health International. An endline survey will also be conducted. In addition, the project will monitor process and outcome indicators, and will also involve civil society in monitoring and ensuring accountability at the grass roots level.

4. Indications of borrower commitment and ownership:

In early 1999, the GoG set up a multi-sector task force to assess the status of the epidemic and to make recommendations to reduce its spread. Based on its recommendations, the Vice-President called on the International Partnership Against AIDS in Africa (IPAA) to assess its readiness to join the Partnership. It was the first African country to do so. In his endorsement of the recommendations of the task force, the Vice-President expressed the government's concern with the status of the epidemic and recognized HIV/AIDS as a priority health and development issue. In response, a mission of the IPAA visited Ghana in October 1999 and recommended the establishment of a special fund to scale up the fight against AIDS through a multi-sector effort.

Since early 1999 the GoG has conducted a Situation Analysis of HIV/AIDS, a Response Analysis examining its achievements to date and gaps, and has developed a Strategic Framework for the next five years. In addition, it has established a high level multi-sector commission (the Ghana AIDS Commission, GAC) and is in the process of setting up its executive arm, the GAC's Secretariat.

5. Value added of Bank support in this project:

Availability of sufficient funding for HIV/AIDS. Many donors are supporting both the Health Program Support Project and Ghana's efforts to step up efforts to combat HIV/AIDS. However, no donor alone is able to mobilize the amount of resources necessary for a fund which could finance the efforts of non-governmental and community-based groups as well as public agencies.
Cross country experience: The Bank is the largest financier of HIV/AIDS and STD control projects and has ample experience in the design, implementation and evaluation of these programs in all continents the Bank works in. Through its regional AIDS Campaign Team for Africa (ACTafrica), the Bank is well-positioned to make available regional experiences to Garfund. Moreover, the Bank has ample experience in the management of investment and community development funds all over the world in which implementing entities are largely organizations of civil society and local district governments.

Analytical capacity. The Bank has authored numerous studies analyzing HIV/AIDS and its impact, drawing upon knowledge in epidemiology, public health, and economics in order to make recommendations on defining priorities, strategies to confront it, and the measurement of its impact. The Bank can provide added value in its technical assistance on monitoring and evaluation.

E. Summary Project Analysis (Detailed assessments are in the project file, see Annex 8)

1. Economic (see Annex 4):

● Cost benefit NPV=US$ million; ERR = % (see Annex 4)
○ Cost effectiveness
○ Other (specify)

Economic: A very detailed economic analysis of the impact of MAP activities on the HIV/AIDS epidemic and the economic benefits of these activities was conducted for the preparation of the Multiple Country HIV/AIDS Program for the Africa Region (MAP). A summary of that econometric analysis is included here with a focus on Ghana. For illustrative purposes, it was assumed that some eight representative African countries (including Ghana) would have access to the financing provided by the MAP. These countries include some 280 million people, just under half of Sub-Saharan Africa's population. The cost of implementing comprehensive, national HIV/AIDS programs in full in these countries was estimated at US$575 million per year.

If such nationwide scale could be achieved quickly, the MAP would help reduce the HIV prevalence rate in these countries from 7.9 percent in 1999 to 5.6 percent over ten years and below 4 percent over 15 years. The driving force would be the reduction by half in the number of new HIV infections among 15-24 year-olds over the next decade. This is an ambitious but achievable goal that has been met in some parts of Uganda and Zambia in the 1990s. For the rest of the adult population, new HIV infections would decrease in a similar fashion, but because of the stock of existing HIV infections, the adult HIV prevalence rate would fall by only 25 percent over ten years period. The rate of return on HIV/AIDS prevention activities for the eight countries was estimated to range from 22% to 13%. The benefit was an increase in the rate of growth of GDP per capita of about 0.35 percentage points per year.

The economic benefits would be manifold. The fall in new HIV infections would reduce the number of new AIDS cases. Over the next 20 years, some 6.7 million adult deaths would be averted. In economic terms, this would result in lower costs of treatment and care of HIV/AIDS patients, which would offset part of the MAP costs. The macroeconomic benefits, while intuitively compelling, are difficult to quantify. Data constraints and the wide variety of ways through which the epidemic affects development limit the types of analysis that can be done. Cross-country analysis has produced estimates broadly consistent with those of other methods, but the limitations of this approach should be borne in mind. That said, on the basis of existing evidence as discussed in Annex 5 of the MAP, the fall in the HIV prevalence rate would likely increase the growth rate of GDP per capita. In addition, the reduction in AIDS-related deaths would increase labor force growth, further raising GDP growth. In total, the rate of growth of GDP would increase gradually by about 0.2 percentage points per year in 2007-2015 and 0.5 percentage points afterwards. Calculating the net economic benefits that would result from the combination of output increase and the different assumptions concerning costs is necessarily speculative. The estimated internal rate of return is, however, quite similar under the two cost assumptions, at around 30 percent.

Ghana has made great improvement in macroeconomic policy (its CPIA rating rose substantially between 1995 and 1999). This can explain the increase in per capita growth from -1.1% per year in the 1980s to 1.5% in the 1990s. Without a strong HIV/AIDS program, the benefits from improved macroeconomic performance are going to be undermined by the spread of HIV. According to UNAIDS data, the estimated HIV prevalence rate rose from 2.38% (1997 UNAIDS estimate) to 3.6% (1999 UNAIDS estimate). The estimated impact is a reduction in the rate of growth of GDP per capita of about -0.4 percentage points per year. Put differently, Ghana's per capita GDP would have increased by 1.9% per year instead of 1.4% per year in 1990-97 if the HIV prevalence rate had been zero.

There are clear benefits of acting early. The estimated cost of a national-scale prevention and care program amounts to 1.2% of GDP per year. This is low compared to other countries. One reason is that the cost of treatment and care of AIDS is a small share of total cost because few people have AIDS. But if one waits, the cost will rise quickly and reach a point where the increased number of AIDS cases result in a total cost that cannot be afforded by countries. For a typical African country with a per capita income of US$300, the cost of prevention and care increases from 1% of GDP (HIV rate below 5%) to 5.7% of GDP when the prevalence rate reaches 25%. At current prevalence rates (less than 5%) implementing an HIV/AIDS control program would amount to 1.0 percent of GDP. Should action be delayed until prevalence reaches 25 percent, the budgetary costs of the program are estimated at 5.7 percent of GDP. Thus, the timing of the program is paramount in significantly containing costs in the medium and long term.

Compared to the average African country, Ghana is well placed as concerns gender inequality and income inequality (both are much better than Southern Africa). But it is not well placed as concerns ethnic fractionalization, (which may worsen the allocation of public expenditures across ethnic groups). This

could be addressed by focusing on community-based organizations, which are quite strong in Ghana, and can offset the potential adverse impact of ethnic fractionalization.

2. Financial (see Annex 4 and Annex 5):
NPV=US$ million; FRR = % (see Annex 4)
Not applicable.

Fiscal Impact:

No civil works nor medical equipment will be procured and thus the project is not expected to generate additional recurrent costs.

3. Technical:
The activities financed under Garfund follow internationally accepted best practice for HIV/AIDS responses, as validated by UNAIDS. The project was prepared in close collaboration with the GoG and UNAIDS, and contains the input of the donor partnership working on health and HIV/AIDS in Ghana. Several key line ministries have been involved in the preparation of project components and implementation arrangements to ensure consistency with national technical standards and procedures. Given the key role of the MoH in HIV/AIDS activities and the need to ensure adequate coordination between Garfund and MoH activities, the preparation team included someone from the Policy Planning Monitoring & Evaluation Division and the head of the National AIDS Control Program from the MoH. Standard protocols, as recommended by UNAIDS or the World Health Organization will be used for the provision of voluntary counseling and testing, and counseling in other contexts. Training will be provided as required to address the handling and disposal of medical equipment, supplies, and waste technology.

4. Institutional:
The Ghana AIDS Commission, located under the Office of the President, is well placed for coordinating the National HIV/AIDS program and the project, and to provide a multi-sector perspective. Coordination of all sectors financed by Garfund with MoH activities will pose an important challenge. Ensuring active participation of the MoH in the GAC will be crucial.

Implementation capacity differs by implementing agency. TheGhana AIDS Commission has just been established, as has its Secretariat, and therefore lacks project implementation experience. However, the Secretariat includes some staff who have had prior experience with implementation of large donor/IDA financed projects. Included is at least one key staff from the MoH, which has had a close relationship with IDA and a satisfactory implementation record. IDA will work closely with the GAC to ensure they have the necessary financial management and procurement skills.Line ministries differ in the extent to which they have taken HIV/AIDS into account and their implementation capacity. Several line ministries including the Ministries of Education, Communications, and Agriculture have prepared draft action plans. DFID has already committed to finance technical assistance to help line ministries develop their action plans for HIV/AIDS well before effectiveness.Districts also have differing implementation capacity and levels of planning for HIV/AIDS. To date, 22 districts have prepared strategic plans to integrate HIV/AIDS into their work plans. DFID has also committed to assist in the expansion of the District Response Initiative to enable more districts to access funds at project start-up. As forcivil society, NGOs and CBOs, Garfund will finance technical assistance to strengthen their capacity.

4.1 Executing agencies:

Not applicable.

4.2 Project management:

Not applicable.

4.3 Procurement issues:

Not applicable.

4.4 Financial management issues:

Not applicable.

5. Environmental: Environmental Category: C (Not Required)

5.1 Summarize the steps undertaken for environmental assessment and EMP preparation (including consultation and disclosure) and the significant issues and their treatment emerging from this analysis.

It is expected that the program activities would not generate any adverse environmental effects. Guidelines will be prepared as part of the procedural manual to ensure that environmental considerations are taken into account in all subprojects supporting home based care and the training of traditional birth attendants and healers, to ensure the proper disposal of medical waste. When needed, training will be provided.

5.2 What are the main features of the EMP and are they adequate?

Not applicable

5.3 For Category A and B projects, timeline and status of EA:
Date of receipt of final draft: Not applicable

5.4 How have stakeholders been consulted at the stage of (a) environmental screening and (b) draft EA report on the environmental impacts and proposed environment management plan? Describe mechanisms of consultation that were used and which groups were consulted?

Not applicable

5.5 What mechanisms have been established to monitor and evaluate the impact of the project on the environment? Do the indicators reflect the objectives and results of the EMP?

Not applicable

6. Social:

6.1 Summarize key social issues relevant to the project objectives, and specify the project's social development outcomes.

Garfund is expected to have a very positive social impact by assisting and empowering people and institutions to deal more effectively with the HIV/AIDS epidemic. Garfund activities will deal with a broad and sensitive range of social issues concerning HIV/AIDS. Opposition may arise to providing assistance and empowerment to some vulnerable groups such as youth and women, and especially socially marginalized groups such as commercial sex workers, men having sex with men, and inmates.
Issues such as distribution of condoms to youths and to married women may raise cultural and religious sensitivities. The project will involve key stakeholders who are experienced in dealing with these issues (i.e. civil society organizations and people living with HIV/AIDS) to help overcome such barriers in locally appropriate ways and ensure that no groups are excluded in program implementation. In addition the

project will carry out a series of advocacy, information, education and communication activities to create awareness of the legal rights of PLWHA.

6.2 Participatory Approach: How are key stakeholders participating in the project?

key stakeholders, how involved, and what they have influenced; if participatory approach not used, describe why not applicable

Garfund is the product of a series of government sponsored actions involving all key line ministries, stakeholders and the donor partnership, under the guidance of UNAIDS. Stakeholder consultation (including NGOs, civil society, PLWHAs and Districts) was conducted at key moments of the process. The GoG established a multi-sector HIV/AIDS Oversight Committee which has coordinated and supervised two important activities: (a) a draft Strategic Framework for HIV/AIDS in Ghana, and (b) and a response analysis conducted by multi-sector teams employing a participatory approach. The recommendations of the response analysis, and of the consultations with the donor community under the guidance of UNAIDS, were to establish a mechanism that would allow the GoG to implement a scaled-up multi-sector response to the epidemic. This led the GoG to establish the Ghana HIV/AIDS Commission in the Presidency which includes high level representation of all key sectors, including line ministries and civil society (church, professional and trade groups, and NGOs working on HIV/AIDS), and to seek financing for this scaled up response. Several members of the donor partnership have responded in addition to IDA, including DFID and USAID. As part of the process of project preparation, meetings were held with the broader group of members of the GAC to obtain their feedback. Actual preparation was conducted with staff from the GAC's secretariat. The donor partnership was also consulted. The contents of the project itself include the needs and strategies identified in the documents prepared by the GoG, the comments of the GAC, and the views of stakeholders consulted. Thus, the project design is based on a broad national consensus of what needs to be done to combat HIV/AIDS.

During project implementation, a number of beneficiary assessments will be conducted to obtain feedback on the nature and quality of services being delivered to monitor quality through the eyes of beneficiaries. The process will contribute to raising awareness amongst both beneficiaries and the project implementation team. Project supervision and oversight also involves stakeholders. Subproject activities financed under Group C would be supervised by District teams. And, a hotline will be established for the stakeholders to be able to report irregularities.

6.3 How does the project involve consultations or collaboration with NGOs or other civil society organizations?

NGO's and other civil society group are eligible for such project financing.

6.4 What institutional arrangements have been provided to ensure the project achieves its social development outcomes?

The institutional arrangements envisage collaboration with civil society in project supervision and through beneficiary assessments.

6.5 How will the project monitor performance in terms of social development outcomes?

Beneficiary assessments as well as specific monitoring indicators.

7. Safeguard Policies:

7.1 Do any of the following safeguard policies apply to the project?

Policy	Applicability
Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	○ Yes ● No
Natural habitats (OP 4.04, BP 4.04, GP 4.04)	○ Yes ● No
Forestry (OP 4.36, GP 4.36)	○ Yes ● No
Pest Management (OP 4.09)	○ Yes ● No
Cultural Property (OPN 11.03)	○ Yes ● No
Indigenous Peoples (OD 4.20)	○ Yes ● No
Involuntary Resettlement (OD 4.30)	○ Yes ● No
Safety of Dams (OP 4.37, BP 4.37)	○ Yes ● No
Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	○ Yes ● No
Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)	○ Yes ● No

7.2 Describe provisions made by the project to ensure compliance with applicable safeguard policies.

Not applicable

F. Sustainability and Risks

1. Sustainability:

The project is built upon the strong government ownership and supports the national program. Institutional capacity building to be provided at national and local level would enhance the sustainability of the project and its local sub-projects. Moreover, many project management functions will be slowly decentralized to the Districts when capacity is assessed as adequate.

2. Critical Risks (reflecting the failure of critical assumptions found in the fourth column of Annex 1):

Risk	Risk Rating	Risk Mitigation Measure
From Outputs to Objective		
Garfund institutional arrangements may be cumbersome	S	Obtain assurances from the GoG as to the autonomy of the Secretariat. Provide ample supervision support in the first year or two
The MoH may be unable to scale up its share of HIV/AIDS activities	S	Obtain assurances from the MoH that the budget for HIV/AIDS will be increased in the next POW. Additional financing for health would be considered by IDA
From Components to Outputs		
An insufficient amount of Garfund resources will flow from central line ministries to the districts	S	Action plans submitted by line ministries must detail how the funds will reach the districts. This will be carefully monitored. Districts will be encouraged to submit proposals for funding
There will be insufficient NGO/civil society participation	M	The project will work closely with Districts that are not opening the door to NGOs/civil society
Smaller CBOs in more rural districts will be too hard to reach and may lack capacity, leaving large areas uncovered	S	The project will seek proposals from the more remote CBOs and assist them in proposal preparation when needed. They will be targeted by the communications campaign
Slow disbursement due to limited financial capacity, procurement capability and/or project management		Most procurement will be done through subprojects and will be for small contracts. Assistance from Ministries receiving IDA funding will be sought
Overall Risk Rating	S	

Risk Rating - H (High Risk), S (Substantial Risk), M (Modest Risk), N(Negligible or Low Risk)

2. Risks

A well-balanced multisector response requires a*stronger and more focused response from the health sector* to ensure the necessary synergy will be generated. A less than adequate response from the MoH could greatly limit and possibly have a detrimental effect on the project as Garfund will generate demand for MoH services, including VCT, prevention of MTCT, condoms and clinical care, and a failure to respond will lead to a loss of credibility in the GoG's effort. This poses an important risk to project success as the MoH is currently not focusing sufficiently on HIV/AIDS. IDA will continue to support the MoH's efforts to improve access to HIV/AIDS prevention, care and treatment of opportunistic infections, provide better quality of care and improve the overall efficiency of its efforts. Assurances will be obtained from the MoH, that it will give greater priority to HIV/AIDS in its annual POW and that it will increase its budget allocation to HIV/AIDS interventions. An action plan of the activities to be scaled up will be prepared and discussed as part of the discussion of next year's POW. Areas where the MoH needs to improve its response have been identified in the "Response Analysis". Should additional funding for the health sector be required, IDA will be willing to reconsider it.

Ensuring active participation of grassroots organizations, districts, and civil society. An important risk to Garfund is that capacity is so low at the grassroots that it would be difficult to encourage a strong grassroots response. Garfund will ensure participation of the smaller organizations by actively seeking proposals from them and providing technical support in their preparation and implementation. A communications campaign describing the purpose of Garfund, how to access financing, and what may be financed, will be implemented early on and before each funding cycle. More targeted campaigns will be carried out to reach CBOs in specific areas. To encourage participation, the smaller groups would get some seed funds to initiate some activities which could be expanded through a subsequent more formal proposal at a later date. In the case of line ministries, there is a danger that funds destined to reach the district level will do so very slowly or not get there at all. Garfund will seek local initiatives, particularly from districts that have already prepared a strategic plan to confront HIV/AIDS. DFID will finance the provision of technical assistance to Districts to ensure a substantial number of them have prepared a strategic plan to confront HIV/AIDS prior to project start-up. A related risk is that Government, at national and district levels may not be as willing as necessary to finance civil society organizations to provide services. The current distribution of funds amongst the three windows in component 1 is designed to encourage more civil society participation.

Institutional arrangements need to be agile. Given the Secretariat's lack of experience in implementation of IDA-funded projects it is expected there will be some disbursement delays initially. Both financial management and procurement need to be carefully supported through supervision and technical assistance. IDA will recommend the contracting of someone with prior Bank procurement experience. Should the financial management system not be adequately established to permit smooth implementation, the need to subcontract that function will be considered. Delays can also result from the politicization of the project. The Secretariat must be staffed by politically neutral professionals and must have sufficient independence from the GAC to not delay implementation. Moreover, the subcommittee selecting proposals to be funded will have a rotating membership.

On IDA's side

Given the multi-sectoral nature of the project, the limited capacity of the newly formed Ghana AIDS Commission and its Secretariat, the number of players involved, and the agility required to disburse rapidly, the supervision of the project will require greater-than-standard effort. IDA will have to ensure the necessary financial management and procurement support are available to the project, and that supervision

staff comprise specialists from several sectors. Higher than average supervision coefficients need to be provided particularly during the first year of implementation.

3. Possible Controversial Aspects:

Activities to be financed by Garfund have been amply discussed in the Government and with members of the GAC who include NGO, religious, trade representatives, among others and thus are not expected to spark controversy.

G. Main Loan Conditions

1. Effectiveness Condition

There are five proposed conditions of effectiveness for the credit: (a) adoption by the Government of the operational manual for the Project; (b) establishment of a financial management system for the Project acceptable to IDA; (c) establishment of GAC the Secretariat with appointment thereto of staff with qualification and experience satisfactory to the Association; (d) the adoption of a legal framework for the management and operation of the AIDS Response Fund; and, (e) the selection of auditors for the Project with qualifications and experience satisfactory to IDA.

2. Other [classify according to covenant types used in the Legal Agreements.]

Grants for the financing of sub-projects shall be awarded in accordance with the policies and procedures set forth in the Operational Manual.

H. Readiness for Implementation

☐ 1. a) The engineering design documents for the first year's activities are complete and ready for the start of project implementation.
☒ 1. b) Not applicable.

☐ 2. The procurement documents for the firstyear's activities are complete and ready for the start of project implementation.
☒ 3. The Project Implementation Plan has been appraised and found to be realistic and of satisfactory quality.
☒ 4. The following items are lacking and are discussed under loan conditions (Section G):

I. Compliance with Bank Policies

☒ 1. This project complies with all applicable Bank policies.
☐ 2. The following exceptions to Bank policies are recommended for approval. The project complies with all other applicable Bank policies.

Sandra Rosenhouse	Rosemary Bellew	Peter C. Harrold
Team Leader	**Sector Manager**	**Country Director**

Annex 1: Project Design Summary

GHANA: AIDS Response Project (GARFUND)

Hierarchy of Objectives	Key Performance Indicators	Monitoring & Evaluation	Critical Assumptions
Sector-related CAS Goal:	**Sector Indicators:**	**Sector/ country reports:**	**(from Goal to Bank Mission)**
Reduce the spread of HIV/AIDS through a multisectoral approach	Increase the proportion of men in a union using condoms during their last intercourse from 15% to 30% by 2005	Ghana Demographic and Health Survey (GDHS)	The supported programs will enable the mobilization of sufficient financial and human resources to support a multi-sectoral and sustainable national response to the epidemic
	Increase the proportion of women in a union using condoms during their last intercourse from 6% to 20% by 2005	Ghana Demographic and Health Survey (GDHS)	
Project Development Objective:	**Outcome / Impact Indicators:**	**Project reports:**	**(from Objective to Goal)**
To reduce the spread of HIV infection	Maintain prevalence of HIV of pregnant women at or below 6 percent by 2005	HIV/AIDS surveillance	Multi-sectoral activities financed will lead to attitudinal and behavior change regarding prevention. Close coordination with health sector activities designed to reduce the spread of HIV/AIDS and its impact. The Secretariat will have sufficient autonomy to operate in an agile manner
	Reduce the prevalence of HIV infections to 75% among commercial sex workers in Kumasi by 2005	Special Studies (CIDA financed)	Idem
	Increase the proportion of men and women who have reduced the number of sexual partners in response to perceived risk from 60% to 75% by 2005	Demographic and Health Survey (GDHS)	Idem
	Increase the median age at first intercourse from 17 to 18 years of age by 2005	Demographic and Health Survey (GDHS)	Idem
Reduce the impact of AIDS on those infected and their families	Increase the proportion of PLWHA that are receiving home or community based care among those PLWHA that have sought medical treatment through the MoH network to 30% by the year 2005	Macro systems Services Survey, Special Study based on sample of Districts	Multi-sectoral activities financed will reduce the stigma associated with HIV/AIDS and lead to attitudinal and behavior change regarding care-giving to PLWHAs

Provision of Prevention and Care Services	Increase the proportion of funds awarded to CBO submitted subprojects (through windows B and C) to 20% of all subproject funding by 2005	Project Data	Civil society organizations know about Garfund, are interested in participating, and the Garfund is agile in responding to them
	Increase to 100 the number of Districts that have prepared plans to address HIV/AIDS and are implementing part of their plans by 2005	Project Data	Districts will have the capacity and interest to carry out activities
Output from each Component:	**Output Indicators:**	**Project reports:**	**(from Outputs to Objective)**
	Increase the % of males/females who know they can avoid HIV by using condoms from 40% to 75% (males) and from 22% to 50% (females) by 2005	Ghana Demographic and Health Survey	Information about condom availability is transmitted and will be absorbed and understood
	Increase the % of males/females who know they can avoid HIV by restricting sex to one partner from 60% to 90% by 2005	Ghana Demographic and Health Survey	Sufficient information about HIV transmission is provided, absorbed and understood
	Increase the proportion of all subprojects that develop IEC materials designed specifically for rural populations (in local dialects) to 30% by 2005	Project Data	Civil society organizations working in rural areas see IEC as a priority
	By 2005, 50% of all 1st and 2nd cycle schools are providing HIV/AIDS education	Ministry of Education, Project data	There is no public opposition to providing AIDS training to students
	By 2005, all line ministries have trained trainers at the district level on HIV/AIDS	Project data	Line Ministries are interested in receiving training and the training is adequate
	By 2005, 30% of districts have organized care of AIDS orphans	Project data	Willingness of NGOs and civil society to participate
	By 2005, 50% of districts have community-based care for PLWHAs	Project data	Willingness of NGOs and civil society to participate. Stigma is reduced, and individuals are not afraid of AIDS
	By 2005, an adequate referral system between home-based and institution-based care has been established and is functioning in 40% of districts	MoH statistics, Project Data	Adequate collaboration between the MoH and the rest of Garfund exists

Strengthening Public/Private Institutions for HIV/AIDS control	The funding received by affiliations (umbrellas) that are able to manage smaller civil society organizations or affiliates to provide services will increase to 30% of funds disbursed by component 1 by 2005	Project Data	A sufficient number of existing affiliations are willing to manage funds for their members or other organizations /associations
	The proportion of subprojects implemented effectively, meeting their stated objectives will increase by 10% every year	Project data	The training and TA provided by Garfund is adequate to meet the needs of implementing entities
Knowledge Management	100% of Districts regularly receive information on "best practice" examples of HIV/AIDS interventions	Project reports, random site-visits, supervision	Access to rural Districts is available by mail

Project Components / Sub-components:	**Inputs: (budget for each component)**	***Project reports:***	**(from Components to Outputs)**
A. Prevention and Care Services	US$21.0 million	Project information system	The purpose of the project is adequately disseminated
B. Strengthening Public/Private Institutions for HIV/AIDS Control	US$2.4 million	Project information system	There is ample participation by grassroots organizations
C. Knowledge Management	US$1.4 million	Project information system	The materials and information generated by the project are utilized at the local level
D. Project Management and Monitoring and Evaluation	US$3.0 million	Project information system	Line ministry allocations reach the districts The institutional framework for the Garfund is agile Procurement procedures are implemented smoothly

Annex 2: Detailed Project Description

GHANA: AIDS Response Project (GARFUND)

The Project, Garfund, would finance a US$25.0 million, 4-year component of the non-MoH mandated activities of the Government's Strategic Framework for AIDS. Garfund aims to intensify multi-sector activities designed to combat the spread of HIV/AIDS and to reduce its impact on those already affected. To achieve its objective, the project includes support for the following activities:

By Component:

Project Component 1 - US$21.00 million
HIV/AIDS Prevention and Care

This component would employ a fund mechanism to solicit, evaluate and fund service provision subproject proposals to carry out activities in prevention of HIV transmission and care of PLWHAs and their families.

Access to funds for the financing of proposals would be available through three windows, each with slightly different access rules. The first group (Group A) includes proposals from line ministries, and will finance activities for internal and external clients. The second group (Group B) includes financing for proposals from civil society organizations including NGOs, CBOs, trade and professional associations, associations of PLWHAs, Districts, among others, or groups of these entities, including affiliation networks (umbrella organizations). The third group (Group C) would provide seed money for activities conducted by very small CBOs and associations, not to exceed $2500 up front to engage in activities defined in a letter of intent. Garfund will encourage group proposals to scale-up the response more rapidly. Affiliation networks that do not possess sufficient capacity to subcontract and manage smaller entities will be encouraged to submit proposals that include training and TA to strengthen their capacity and allow them to scale up in subsequent funding cycles. Likewise, Districts will be encouraged to present proposals for activities to be conducted by several civil society organizations in their district. Proposals will indicate the activities to be conducted and can include up to 10 % for TA to be received by the implementing entity to improve the entity's ability to provide the proposed services. The maximum duration of contracts is to be one year. Each funding cycle is expected to disburse approximately US$2.5 million. The amounts to be allocated to fund proposals under each group are set initially as described below but will be adjusted as needed as implementation proceeds. Calls for proposals will take place on a semi-annual basis. The selection of proposals to be funded for Groups A and B will be carried out by a technical subcommittee of the GAC. Proposals for Group C would be selected by the Districts and sent to the Secretariat for the processing of contracts.

Line Ministries (Group A) will be able to submit proposals once: (a) they have included a line item in their budget to work on HIV/AIDS activities; (b) have prepared an action plan to address HIV/AIDS. A ceiling for the amount of funding allocated to Group A will be defined for each funding cycle. Initially it will represent about 25 percent of the funds available for that cycle, i.e. approximately US$625,000. Line Ministries will have to provide matching funds of up to 10% of the proposed activities, and the maximum amount to be requested will not exceed US$100,000. Garfund would finance only those activities considered eligible for funding (as described below). Line Ministries will primarily need financing for sensitizing/training their own staff at all levels), for developing policies and guidelines to address HIV/AIDS and its consequences, and some sector-specific interventions involving external clients. District-level interventions/proposals involving work with external clients will be funded through group B.

Activities eligible for funding in Group A include, among others:

(a) advocacy to increase political support and mobilize the community.
(b) targeted messages to captive homogeneous audiences such as schools, unions, and other organizations with large membership on promotion of safe practices, and to dispel misconceptions about HIV/AIDS.
(c) policy development
(d) preparation of guidelines and manuals related to confronting AIDS in their sector.
(e) sensitization and training of ministerial staff centrally and training of trainers at the District level on HIV/AIDS
(f) preparation of strategic plans at the district level to combat AIDS
(g) technical assistance required to provide that service more effectively

Proposals from Group B will be selected on a competitive basis. Group proposals would be encouraged. Proposals would be assessed on the basis of their technical merits and on their fulfillment of some basic eligibility requirements. The latter are more stringent for large contracts. The criteria are specified in the Operational Manual. Less than 5 percent of proposals are expected to be for contracts over US$100,000. Group proposals that include the subcontracting of other smaller entities will have to include information on how the funds will be managed and the activities supervised. It is expected that close to two-thirds of each funding cycle will go to Group B (approximately US$1.6 million). Included in this group would be Districts submitting proposals on the basis of Strategic Plans prepared under the District Response Initiative. These may or may not include activities executed by local civil society organizations. Recipients of grants under Group B would have to make in-kind contributions of up to 10% of subproject costs. To ensure subprojects address local needs and minimize duplication, all implementing entities (NGOs, civil society, CBOs) need to secure the endorsement of the Districts they are working in.

Approximately 11 percent, or US$275,000 will be available per funding cycle initially for funding small contracts under $2500 (Group C). Proposals from Group C would require a statement of intent, a guarantee in the form of a declaration of joint liability signed by at least 5 unrelated community members, and some very basic information (this has worked very well in other settings). The details of the requirements are spelled out in Garfund's Operational Manual.

Activities eligible for funding by Groups B and C include, among others:

(a) advocacy to increase political support and mobilize the community;
(b) local campaigns to raise awareness and understanding about HIV/AIDS, its mode of transmission and its consequences;
(c) interventions targeting high risk groups to encourage low risk behavior and voluntary counseling and testing of both HIV and STDs. High risk groups include commercial sex workers and their clients, truck drivers, the prison population, the army and youth;
(d) targeted messages to captive homogeneous audiences such as schools, unions, and other organizations with large membership on promotion of safe practices, and to dispel misconceptions about HIV/AIDS;
(e) peer education in the community, schools, workplace, etc. to promote safe practices, encourage voluntary counseling and testing for both HIV and STDs, and to encourage community-based care of PLWHAs;
(f) counseling;
(g) condom distribution combined with information about safe practices;
(h) home-care for PLWHAs including nursing care and support in daily routine activities;
(i) community care for orphans;
(j) income generation activities for PLWHAs and their families;
(k) legal advice and information for protection of PLWHA;

(l) activities designed to prepare legislation to protect PLWHAs, and;
(m) technical assistance required to provide that service more effectively.

A broad communications campaign will be conducted to inform potential executing entities about the objectives of Garfund, how to access funds, and on activities that may be financed. Brief campaigns would be held at the time of each call for proposals. Prior to each cycle, analyses of coverage will be conducted to identify areas that are insufficiently covered to target them through a targeted communications approach. Accountability and transparency will be promoted by establishing a hotline for reporting fraudulent practices, and advertising in the newspapers of the widest circulation, the names of the entities receiving awards, the amount of the awards and the activities financed. CBOs and NGOs would be expected to submit evidence of their prior work in the District. All subprojects must be endorsed by the Districts they are proposing to work in.

Calls for proposals will take place semiannually. Proposals for groups A and B will be reviewed by a rotating subcommittee of the GAC, who will select those to be funded and obtain the GAC's endorsement. The composition of the subcommittee will be public. To streamline project selection and to ensure local needs are addressed, proposals in Group C will be reviewed and selected by District authorities (eventually the District AIDS committees, once they are established) who will submit their recommendations to the Secretariat. When the Secretariat makes the call for proposals it will inform Districts approximately how much they may have available to finance subprojects. The indicative amount would be prevalence and population-based, and would not be disbursed unless letters of intent/proposals have been submitted. Districts would submit their recommendations for funding to the Secretariat who would issue the necessary contracts. The funds would go directly to the entities submitting the proposals. As implementation proceeds and the capacity of districts is ascertained, the process could be further decentralized by having the Secretariat transfer the total amount of funding for the proposals submitted to each District Assembly to disburse and supervise. As Regional AIDS Committees are established and possess the necessary capacity, they will be given a role in subproject supervision and dissemination of information.

Participating entities will have to meet pre-defined eligibility criteria specified in the Operational Manual to receive funding. The Secretariat will prepare the contracts and work with the implementing entities on all the implementation arrangements. The project will provide orientation on how to prepare proposals, and once awards are made, it will provide training on basic project management, bank procurement procedures, and financial management. Technical training on HIV/AIDS prevention and care issues, community participation techniques, home-based care, and in technical areas specifically addressing HIV/AIDS will be available. Implementing entities receiving funding will be requested to coordinate with local health authorities or other local health services when relevant to ensure coordination.

The funding cycle process allows for a phased implementation and will allow for a more rapid start-up by allocating resources to those who are ready to go first. It also allows the flexibility to modify funding priorities each cycle to reflect the perceived needs. The first cycle will target greater Accra and Kumasi, and the Eastern region which, in addition to being more accessible, allowing project staff to work out unforeseen implementation issues and ensure all arrangements are in place, are also the areas of the highest incidence of HIV/AIDS. In order to ensure high risk groups and vulnerable groups are being prioritized, a careful mapping of the location of these groups will be prepared when Garfund is established, and the coverage attained through each funding cycle will be assessed prior to each subsequent funding cycle to define funding priorities for the following call for proposals.

The proposed fund would be placed under the authority the GAC, which would be in charge of the definition of broad priorities for action, the selection of eligible proposals (through the subcommittee), and

the monitoring of the performance of those receiving funding (with inputs from the Secretariat). The fund would not finance drugs, civil works nor any physical rehabilitation, vehicles, overseas training, laboratory or medical equipment.

Project Component 2 - US$2.40 million
Strengthening Public/Private institutions for HIV/AIDS Control (Capacity Building)

Capacity building is essential to improve skills and strengthen structures to help achieve the Garfund objective of scaling up the national HIV/AIDS response. The purpose is to enhance both the technical and managerial capacity of implementing entities to implement projects as well as sustain the process of scaling the HIV/AIDS response. Both technical assistance to specific projects (not previously defined in subproject proposals) as well, as training to groups of implementing entities will be provided. Although implementing entities will have identified some TA in their proposals, it is expected that through project supervision and the entity's experience in the implementation of subproject activities, additional needs would be identified. Only entities implementing subprojects are eligible for training. The training will be subcontracted to NGOs and line ministries with expertise on the issue in question. The project will keep a live list of pre-qualified TA/training providers on hand and contract them as needs arise. The Secretariat will contract TA/training providers directly. Feedback from beneficiaries will be obtained on a regular basis to monitor the quality of the services provided. Random site visits will be made by Garfund.

Project Component 3 - US$ 1.40 million
Knowledge Management

The project will set up and maintain an information clearing house/data base on HIV/AIDS relevant to implementing entities to improve their effectiveness. The purpose is to provide implementers with the latest information on HIV/AIDS prevention and care, best practice examples from other countries, research results, and any other reports that would be useful to them. In addition it would provide a forum for information and experience exchange by implementing entities, and access to technical information on the project itself. Information would be disseminated in various mediums, including newsletters, copies of published papers, meetings to exchange information and via the internet. It is expected that umbrella organizations could have a key role as vehicles of dissemination of information. Once the Regional AIDS committees are all established, they will also serve as focal points for dissemination.

Project Component 4 - US$3.00 million
Project Management and Monitoring and Evaluation

Project Management. (Refer to Section C, Implementation Arrangements). The Garfund will have a strong **Monitoring and Evaluation** subcomponent that will assess the progress attained in the fight against AIDS nationwide on the basis of the targets defined in the Strategic Framework and will monitor the advance of Garfund financed activities.

Annex 3: Estimated Project Costs

GHANA: AIDS Response Project (GARFUND)

Project Cost By Component	Local US $million	Foreign US $million	Total US $million
Component 1 (Prevention and Care Services	20.00	1.00	21.00
Component 2 (Strengthening Public/Private Institutions for HIV/AIDS Control)	2.10	0.30	2.40
Component 3 (Knowledge Management)	0.90	0.50	1.40
Project Management (incl. M& E)	2.80	0.20	3.00
Total Baseline Cost	25.80	2.00	27.80
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs	25.80	2.00	27.80
Total Financing Required	25.80	2.00	27.80

Project Cost By Category	Local US $million	Foreign US $million	Total US $million
Goods	0.50	0.50	1.00
Consultant Services & Training	4.00	0.50	4.50
Subproject	20.20	0.80	21.00
Operating Costs	1.10	0.20	1.30
Total Project Costs	25.80	2.00	27.80
Total Financing Required	25.80	2.00	27.80

[1] Identifiable taxes and duties are 0 (US$m) and the total project cost, net of taxes, is 27.8 (US$m). Therefore, the project cost sharing ratio is 89.93% of total project cost net of taxes.

Annex 4: Cost Benefit Analysis Summary
GHANA: AIDS Response Project (GARFUND)

Summary of Benefits and Costs:
Not applicable.

Main Assumptions:
Not applicable.

Sensitivity analysis / Switching values of critical items:
Not applicable.

Annex 5: Financial Summary
GHANA: AIDS Response Project (GARFUND)

Not applicable.

Annex 6: Procurement and Disbursement Arrangements
GHANA: AIDS Response Project (GARFUND)

Procurement

General

Although the specific type of activities to be financed under the project have been defined, it is not possible at this stage to determine the exact mix of goods and services which will be procured as most will be procured through demand driven subprojects (Component 1, Prevention and Care Services). Part of Component 2 (Strengthening Public/Private Institutions for HIV/AIDS Control) will also be based on perceived need and thus is difficult to forecast.

Guidelines

All goods financed under the IDA credit would be procured in accordance with the*Guidelines: Procurement under IBRD Loans and IDA Credits, January 1995 and as revised in January and August 1996, September1997 and January 1999.* Consultants will be selected in accordance with the*Guidelines: Selection and Employment of Consultants by World Bank Borrowers, January 1997 and as revised September 1997 and January 1999.* National Competitive Bidding (NCB) procedures will include: (a) an explicit statement to bidders of the evaluation and award criteria; (b) national advertising with public bid opening; (c) award to the lowest evaluated responsive and qualified bidder and (d) foreign bidders would not be precluded from participation in NCB.

The Bank's Standard Bidding Documents (SBD) will be used for all ICB (and with appropriate amendments for all NCB) for goods. However, no ICB is envisioned at this stage. The Bank's Standard Request for Proposals (SRFP) would be used for all consulting assignments.

GAC may not use less competitive bidding and selection procedures only as an expedient to by-pass more competitive methods or fraction large procurements into smaller ones solely to allow the use of less competitive methods. A Project Operational Manual (OM) has been prepared which describes the procurement procedures to be followed under the project, including the Bank's Guidance on Shopping.

Procurement Notices

A General Procurement Notice (GPN) is mandatory and will be published in the UN Development Business. The GPN would show ICB contracts– if any- and a list of expected consulting assignments, and would be updated on a yearly basis. Specific Procurement Notices (SPN) will be required in UNDB for contracts to be procured under ICB and consulting assignments estimated to cost above US$ 200,000, and in the national press for NCB. Consultant contracts with an estimated cost of US$ 100,000 or more will also be advertised in the national press prior to the preparation of the shortlist. Very small contracts will be advertised either in the national press or by other practical means.

Procurement Capacity

The GAC secretariat has yet to be made operational and a procurement capacity assessment was, therefore, not possible. Since other than one or two vehicles for project management, the project will not finance vehicles, drugs, nor civil works, the Secretariat would only require one procurement specialist who is

familiar with Bank procurement guidelines and who will be contracted through an open competitive process. Procurement capacity is needed mostly for the selection of consultant services and drafting and management of their contracts, and for monitoring the procurement process for subprojects. Goods to be purchased are minor, including a small number of computers for knowledge management (Component 3) and possibly some minimal equipment for project management. Processing of these contracts is not likely to cause delays as the GAC Secretariat can seek procurement support from specialists of ongoing Bank-financed operations or the services of a procurement agent to be hired under the project. This would be balanced with the presence of a strong financial management team. It is expected that the procurement staff could work together in the same unit with the financial management team. The presence of a qualified team, acceptable to the Bank, would be a condition of effectiveness. Once staff have been selected, an orientation workshop would be held. Topics to be covered include Bank procurement and disbursement procedures.

Institutional Arrangements

The responsibility for procurement under the project will be with the GAC Secretariat. The Secretariat is expected to process primarily contracts with NGOs and CBOs to finance subprojects and contracts for a variety of consultant services to conduct Garfund's capacity building activities (Component 2), subproject supervision, and Garfund's evaluation.

The GAC Secretariat will monitor the procurement workload and when required will use the above mentioned procurement agent/or an individual to provide short term support on specific assignments such as preparation of procurement plans, preparation of bidding documents and Requests for Proposals and assistance in preparing evaluation reports

Procurement Plans

Only an indicative Global Procurement Plan (GPP) for the procurement of goods and selection of consultants and training for project components 1 and 2 will be prepared because it is difficult to determine the exact mix of goods and services, in particular for the subprojects (component 1) where procurement is yet undetermined. Procurement planning will only be possible, at this point, for activities in the Knowledge Management (Component 3) and Project Management and M&E Components (Component 4). As for component 2 (Strengthening Public/Private Institutions for HIV/AIDS Control), it is likely that once project implementation gets under way, some forecasting will be feasible.

The procurement plan for the first year will be based on the needs of the GAC Secretariat for project management, including monitoring and evaluation, and Knowledge Management. Procurement plans for subsequent years will only be indicative, based on subprojects submitted on each round and an estimation of training needs. Where possible, a Detailed Procurement Plan (DPP) will be prepared for the first year of the project showing contract packages, the estimated cost for each package, and the procurement method and processing times till completion. When subproject proposals have been approved by the GAC technical subcommittee, the GAC Secretariat will submit up-dated versions of the GPP, and the annual DPPs.

PMRs

At the end of each quarter the GAC will send to IDA a Project Management Report which will include but will not limited to the following information. (i) Financial Management Report (ii) Progress Monitoring Report and (iii) Procurement and Subproject plans for the following six months. PMRs will be prepared

from the beginning of the project, but moving to PMR-based disbursement will not take place before the first fourteen months of implementation and before a satisfactory assessment has been made that the financial and procurement management systems meet IDA PMR requirements.

Goods, Vehicles and Equipment (USD 1.0m)

The project would finance one or two vehicles, office equipment and supplies for the GAC Secretariat, and computers for both project management and knowledge management. No ICB is expected under the project. However, where goods and equipment to be purchased under the project could be grouped into packages estimated to cost the equivalent of US$300,000 or more, they would be procured under ICB procedures using Bank Standard Bidding Documents. To the extent possible and practicable, goods and equipment to be purchased under the project would be combined into packages worth at least US$100,000 and procured under National Competitive Bidding (NCB). Contracts for goods estimated to cost between US$30,000 and US$300,000 each would be procured through NCB, using procedures acceptable to IDA, to an aggregate amount not to exceed US$500,000 equivalent. Vehicles estimated to cost less than US$50,000 equivalent per contract, up to an aggregate amount of US$100,000 equivalent, may be procured on the basis of National Shopping Procedures (NSP) using shopping procedures as described in the Bank's Guidelines on Shopping. Procurement for readily available off-the-shelf goods that cannot be grouped, or standard specification commodities for individual contracts of less than US$30,000 and not exceeding an aggregate amount of US$400,000, would be procured on the basis of national shopping procedures as described in the Bank's Guidelines. The GAC secretariat will maintain records to advise IDA prior to when these aggregate limits may be exceeded. If these goods are not available in the country, international shopping procedures would be followed. Requests for such quotations will include a clear description and quantity of the goods, requirements for delivery time, if they are not immediately available, and the place of delivery.

Consulting Services/Training, Audits (US$ 4.5m)

As a rule, consultant services will be selected through the Quality and Cost Based Selection (QCBS) or Least Cost Selection (LCS) method if appropriate. For assignments up to US$100,000, the shortlist may consist entirely of national consultants, provided that at least three qualified national consultants are available in the country and foreign consultants who wish to participate are not excluded from consideration. Consultant services estimated to cost less than the equivalent of US$ 50,000 may be contracted by comparing the qualifications of consultants who have expressed an interest in the job or who have been identified. Auditors would be selected using the Least-Cost-Selection method.

Training programs and workshops, which are designed to familiarize entities conducting subprojects on IDA procurement and financial reporting and to improve subproject management will be carried out on the basis of approved semi-annual programs that will identify the general framework of training activities for the following six months, including the nature of training/workshops, the number of trainees, and cost estimates. The training institutions for all workshops/training with costs exceeding US$ 5,000 should be identified within the semi-annual program; where the training cost exceeds US$ 15,000, the selection of the training institution should be based on a competitive process preferably using a quality-based method of selection. In the case of training on technical skills of entities (NGOs, CBOs etc) implementing subprojects, needs will be initially difficult to forecast as the needs will vary with the type of subprojects being financed and the capacity of the implementing entities. However, as project implementation proceeds, i.e., after the first 12 months of implementation, those needs would be more easily estimated up-front and included in the semi-annual plans.

Subprojects (US$ 21.0m)

Entities proposing Subprojects, which are not expected to exceed US$100,000 per project, will handle their own procurement. When subprojects selected for funding include significant procurement or selection of consultants, an assessment will be made of the entity's ability to carry out procurement. In the case of government entities, Ministries, Departments, District Assemblies (MDAs) are currently implementing Bank Projects and have the basic knowledge in public procurement. In addition, the subproject application package will include a write up on procurement procedures to be followed.

Procurement is expected to include small purchases such as supplies, such as video equipment, and other products easily available in the local market through local shopping procedures as specified in the OM. Entities will also contract technical assistance for very specific needs identified such as learning how to manage people living with AIDS, how to prepare better educational material, etc. Items will be procured under simplified procurement procedures similar to those applicable to social funds.

Arrangements for selecting and funding subproject proposals are detailed in Annexes 2 & 5. GAC will sign a Memorandum of Understanding (MOU) with each MDA and a contract with each NGO/CBO whose proposal is chosen for funding under the program. The MOU/Contract will detail the deliverables expected from the MDA/NGO/CBO as well as the schedule of payments to be made by GAC in relation to the deliverables. The OM will specify at what level these contracts would be signed and supervised. All subproject proposals costing US$ 100,000 or more will be subject to IDA prior review.

The MOU/Contract will include an explicit statement that (i) proceeds of the fund will be used solely for the intended purposes; (ii) any procurement of any goods, equipment, materials or services will be done in accordance with good public procurement practice and in accordance with the thresholds and procedures in the DCA and Table 5B below; (iii) The MDA/NGO/CBO will maintain proper accounting and procurement records of all inputs for the implementing the subproject; (iv) The implementing entity shall at all times exercise procurement in the best interest of the Client and any discounts or commissions obtained by the entity in the exercise of such responsibility shall be for the account of the Client; and (v) The MDA/NGO/CBO will permit independent auditors and or Bank staff to inspect their accounts and records relating to the performance of the MOU/Contract.

During appraisal, IDA reviewed formats for inviting subproject proposals in national newspapers, MOUs and sample Contracts prepared by GAC and has found them acceptable. Every six months GAC will publish in at least one newspaper of nation circulation all subproject awards together with the names of the beneficiaries.

IDA Review

With the exception of vehicles, all goods contracts estimated to cost US$ 100,000 or more will be subject to IDA review of bidding documents including draft contract and technical specifications prior to inviting bids, and IDA review of bid evaluation prior to contract award. Contracts for vehicles estimated to cost more than US$ 50,000 will also be subject to prior review. All subproject proposals and contracts for subprojects above US$ 100,000 will also be subject to IDA review prior to contract award. For subproject contracts estimated to cost between US$ 50,000 and US$ 100,000, one subproject proposal and its corresponding contract for each of windows A and B for each funding cycle will be subject to prior review. In addition, one subproject proposal and contract will be reviewed for window C each funding cycle.

The TOR for all consulting assignments irrespective of value will be subject to IDA prior review. For consultant contracts with firms costing US$ 100,000 or more, and US$ 50,000 or more in the case of individuals, the draft Request for Proposals (RFP) and the shortlist of consultants must be cleared by IDA prior to inviting proposals from consultants. In addition, the evaluation of technical proposals must be cleared with IDA before financial proposals of the qualifying firms are opened and the negotiated contract will require IDA no objection before the final version is signed. All procedures in Appendix I of the Consultants Guidelines would apply. Contracts which are not subject to prior review will be selectively reviewed ex-post by the Bank during project implementation and will be governed by the procedures set forth in paragraph 4 of Appendix I to the Guidelines.

Monitoring and evaluation of procurement performance at all levels (national, district and community) will be carried out through annual ex-post procurement audits and regular ad-hoc reviews. Such audits would: (a) verify that the procurement and contracting procedures and processes followed for the projects were in accordance with the Development Credit Agreement (DCA); (b) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample; (c) review and comment on contract administration and management issues as dealt with by participating agencies; (d) review capacity of participating agencies in handling procurement efficiently; and (e) identify improvements in the procurement process in the light of any identified deficiencies.

Procurement methods (Table A)

Table A: Project Costs by Procurement Arrangements
(US$ million equivalent)

Expenditure Category	Procurement Method[1] ICB	NCB	Other[2]	N.B.F.	Total Cost
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.50 (0.45)	0.50 (0.45)	0.00 (0.00)	1.00 (0.90)
3. Services Consulting/Training and Audits	0.00 (0.00)	0.00 (0.00)	4.50 (4.50)	0.00 (0.00)	4.50 (4.50)
4. Miscellaneous Subprojects	0.00 (0.00)	0.00 (0.00)	21.00 (18.70)	0.00 (0.00)	21.00 (18.70)
Operating Costs	0.00 (0.00)	0.00 (0.00)	1.30 (0.90)	0.00 (0.00)	1.30 (0.90)
Total	0.00 (0.00)	0.50 (0.45)	27.30 (24.55)	0.00 (0.00)	27.80 (25.00)

[1/] Figures in parenthesis are the amounts to be financed by the IDA Credit. All costs include contingencies

[2/] Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Figures in parenthesis are the amounts to be financed by the Bank loan.

Figures in Goods includes vehicles and equipment.

Table A1: Consultant Selection Arrangements (optional)
(US$ million equivalent)

Consultant Services Expenditure Category	Selection Method							
	QCBS	QBS	SFB	LCS	CQ	Other	N.B.F.	Total Cost[1]
A. Firms	2.20	0.00	0.00	0.20	0.30	0.00	0.00	2.70
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
B. Individuals	0.00	0.00	0.00	0.00	0.12	0.60	0.00	0.72
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total	2.20	0.00	0.00	0.20	0.42	0.60	0.00	3.42
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

1\ Including contingencies

Note: QCBS = Quality- and Cost-Based Selection
QBS = Quality-based Selection
SFB = Selection under a Fixed Budget
LCS = Least-Cost Selection
CQ = Selection Based on Consultants' Qualifications
Other = Selection of individual consultants (per Section V of Consultants Guidelines), Commercial Practices, etc.

N.B.F. = Not Bank-financed
Figures in parenthesis are the amounts to be financed by the Bank Credit.

Prior review thresholds (Table B)

Table B: Thresholds for Procurement Methods and Prior Review [1]

Expenditure Category	Contract Value Threshold (US$ thousands)	Procurement Method	Contracts Subject to Prior Review (US$ millions)
1. Works N/A			
2. Goods	>US$ 300,000	ICB	All contracts
Vehicles	<US$ 30,000	Shopping	None
	>US$ 50,000	Shopping	All contracts
Other	US$ 30,000	NCB	All contract above US$100,000
	US$ 300,000		
3. Services Consulting/Training	>US$ 100,000	QCBS, LCS (UNDB and National Advert)	All contracts
	US$ 50,000	QCBS/LCS/CQ/CV (National Advert)	All contracts with individual and first two contracts with firm
	US$ 100,000		
	<US$50,000	LCS/CQ/CV	First two contracts
4. Subprojects	>US$100,000	See Note 1	All MOUs/Contracts
	US$ 50,000		One grant agreement under group C during each funding cycle
	US$ 100,00		
	<US$50,000		One grant agreement under Group A and one grant agreement under Group B, during each funding cycle

Total value of contracts subject to prior review: US$2.5 million

Overall Procurement Risk Assessment

High

Frequency of procurement supervision missions proposed: One every six months (includes special

procurement supervision for post-review/audits)

Procurement supervision will be provided from the Ghana office. In addition to the supervision missions, the Ghana office team will visit the project as needed, with a minimum of four visits during at least the first year of implementation.

Note 1: All single sources consulting assignments and all TORs for consulting services irrespective of value are subject to prior review

LCS (Least Cost Selection)
CQ (Selection based on Consultants Qualifications)
CV (Selection of Individual Consultants)

[1] Thresholds generally differ by country and project. Consult OD 11.04 "Review of Procurement Documentation" and contact the Regional Procurement Adviser for guidance.

Disbursement

Allocation of credit proceeds (Table C)

The proceeds of the proposed IDA credit of US$25.0 million would be disbursed over a period of about four years. The project completion date would be December 31, 2004. IDA would retroactively finance expenditures incurred up to twelve months prior to credit signing for setting up the Secretariat's premises, including rent, purchase of office equipment and supplies, salaries of key staff, and additional preparatory work required including the design and establishment of the financial management system, up to an amount of US$1.5 million (equivalent to six percent of the value of the credit). Given that the Secretariat is not fully established and there is at present no financial management system, it is crucial that these activities get under way prior to effectiveness as they are conditions of effectiveness.

Table C: Allocation of Credit Proceeds

Expenditure Category	Amount in US$million	Financing Percentage
Goods	1.00	100% foreign, 90% local
Consultant Services and Tranining	4.50	100%
Subprojects	18.00	100% of amount disbursed
Incremental Operational Costs	1.00	90%
Unallocated	0.50	90%
Total Project Costs	25.00	
Total	25.00	

Use of statements of expenditures (SOEs):

Withdrawal applications for goods with a contract value of US$100,000 or more, for consulting services with a contract value of US$100,000 or more and for contracts with individuals for US$50,000 or more, and for all subprojects or Memorandums of Understanding (MOUs) above US$100,000, would be supported by full documentation. Disbursement under contracts valued below US$100,000 for goods, consultant firms, subprojects and MOUs, under US$50,000 for individual consultants, and for other activities not undertaken under contract, would be made on the basis of Statements of Expenses (SOEs), for which supporting documentation would be maintained by the GAC Secretariat and made available for periodic review by IDA.

Special account:

A Special Account would be established for the project in a commercial bank acceptable to IDA. The authorized allocation to the SA would be US$2.5 million, or 10 percent of the credit amount. Replenishment of the SA would be on the basis of the submission of Statements of Expenses (SOEs). A plan to establish the necessary mechanisms to get the project FINMI ready by the end of the first year of implementation has been prepared and agreed upon with the Government.

Annex 7: Project Processing Schedule
GHANA: AIDS Response Project (GARFUND)

Project Schedule	Planned	Actual
Time taken to prepare the project (months)		11
First Bank mission (identification)	08/20/2000	08/20/2000
Appraisal mission departure	10/22/2000	10/22/2000
Negotiations	11/27/2000	12/04/2000
Planned Date of Effectiveness	04/30/2001	

Prepared by:

Ghana AIDS Commission

Preparation assistance:

BB funds

Bank staff who worked on the project included:

Name	Speciality
Sandra Rosenhouse	Task Team Leader
Francois Decaillet	Task Team Leader, Ghana HSPSP
Theresa Jones	Ghana Program Coordinator, Social Fund Specialist
Evelyn Awittor	Health Specialist, Ghana World Bank Office
Monica Bleboe	Consultant, IEC Specialist
Eddie Addai	Consultant, Health Specialist
Frederick Yankey	Financial Management Specialist, Ghana World Bank Office
Kofi Awanyo	Procurement Specialist, Ghana World Bank Office
Mbuba Mbungu	Sr. Procurement Specialist, Ghana World Bank Office
Ferdinand Tsri Apronti	Implementation Specialist, Ghana World Bank Office
Bachir SouhlalQuality Advisor	Jonathan Brown, Quality Advisor
Barbara T. Barbosa Machado	Language Program Assistant

Peer Reviewers: Wendy Rosenberry, Senior Health Specialist; Salim Habayeb, Lead Public Health Specialist; Keith Hansen, Senior Economist

Annex 8: Documents in the Project File*
GHANA: AIDS Response Project (GARFUND)

A. Project Implementation Plan

Draft Operational Manual For GARFUND.

B. Bank Staff Assessments

Financial Management Assessment, Frederick Yankey, October, 2000.

C. Other

The Response to HIV/AIDS in Ghana: Country Profile, UNAIDS, January 1999
Report of UNAIDS Partnership Team,

A National Strategic Plan for Responding to HIV/AIDS in Ghana: Draft Situation Analysis Report, October 1999, Government of Ghana,

Strategic Framework for HIV/AIDS in Ghana, 2001-2005, September 2000, Government of Ghana
Ghana HIV/AIDS Response Analysis, June 2000, Ghana Health Service, and

Knowledge, Attitudes, Beliefs and Practices on AIDS, 1993, University of Ghana.
*Including electronic files

Annex 9: Statement of Loans and Credits

GHANA: AIDS Response Project (GARFUND)

15-Oct-2000

Project ID	FY	Borrower	Purpose	Original Amount in US$ Millions			Difference between expected and actual disbursements*		
				IBRD	IDA	Cancel.	Undisb.	Orig	Frm Rev'd
P000968	2001	Ghana	AGRIC SERVICES	0.00	67.00	0.00	66.85	0.00	0.00
P000975	1996	Ghana	BASIC EDUCATION	0.00	50.00	0.00	22.48	21.14	0.00
P040659	1999	Ghana	COMMUNITY DEV.	0.00	5.00	0.00	4.98	1.27	0.00
P050616	2000	Ghana	COMMUNITY WATER II	0.00	25.00	0.00	22.52	-1.73	0.00
P000948	1995	Ghana	EDUC/VOC.TRNG	0.00	9.60	0.00	2.43	2.70	0.20
P040557	1999	Ghana	ERSO II	0.00	230.20	0.00	96.99	31.27	0.00
P000962	1995	Ghana	FISHERIES	0.00	9.00	0.00	2.23	1.89	0.00
P000949	1998	Ghana	HEALTH SCTR SUPPORT	0.00	35.00	0.00	15.91	2.07	0.00
P000957	1996	Ghana	Highway Sector Investment Program	0.00	100.00	0.00	28.47	24.03	0.00
P000936	1994	Ghana	LOCAL GOVT DEV.	0.00	38.50	0.00	9.28	7.74	0.00
P000966	1995	Ghana	MINING SEC.DEV & ENV	0.00	12.30	0.00	2.10	2.86	0.00
P000974	1999	Ghana	NAT FUNC LIT PROG	0.00	32.00	0.00	30.46	5.34	0.00
P000946	1998	Ghana	NAT.RES.MANAGEMENT	0.00	9.30	0.00	7.23	7.44	0.00
P000943	1996	Ghana	NON-BANK FIN INS AST	0.00	23.90	2.66	10.02	15.38	0.00
P045588	1997	Ghana	PUB. FIN. MGMT. TAP	0.00	20.90	0.00	13.21	12.76	0.00
P050615	1999	Ghana	PUB.SECTOR MNGT.PROG	0.00	14.30	0.00	10.26	3.29	0.00
P042516	1996	Ghana	PUBLIC ENTERPRISE/PR	0.00	26.45	0.00	14.31	11.13	0.00
P069465	2000	Ghana	RURAL FINANCIAL SERVICES PROJECT	0.00	5.13	0.00	5.20	0.00	0.00
P000926	1995	Ghana	THERMAL (P-VII)	0.00	175.60	0.00	34.52	40.24	39.53
P000970	1999	Ghana	TRADE GATEWAY & INV.	0.00	50.50	0.00	44.57	7.89	0.00
P050624	2000	Ghana	URBAN 5	0.00	10.83	0.00	10.88	0.00	0.00
P000973	1996	Ghana	URBAN ENVIRONMENTAL SANITATION	0.00	71.00	0.00	31.73	35.66	0.00
P041150	1997	Ghana	VILLAGE INFRASTRUCTURE	0.00	30.00	0.00	19.78	1.23	0.00
			Total:	0.00	1051.51	2.66	506.41	233.60	39.73

GHANA
STATEMENT OF IFC's
Held and Disbursed Portfolio
15-Oct-2000
In Millions US Dollars

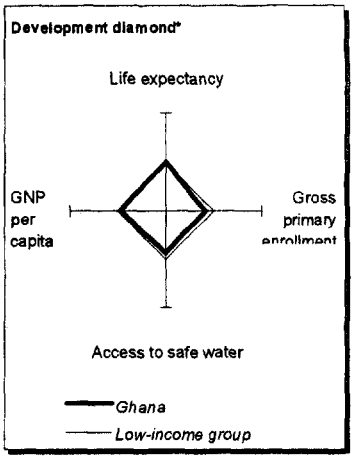
		Committed				Disbursed			
		IFC				IFC			
FY Approval	Company	Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
1993	AEF Afariwaa	0.18	0.00	0.00	0.00	0.18	0.00	0.00	0.00
1990	AEF Alugan	0.05	0.00	0.00	0.00	0.05	0.00	0.00	0.00
1992	AEF CFL	0.28	0.00	0.00	0.00	0.28	0.00	0.00	0.00
1995	AEF Dupaul Wood	0.13	0.00	0.00	0.00	0.13	0.00	0.00	0.00
1998	AEF NCS	0.00	0.00	0.67	0.00	0.00	0.00	0.67	0.00
1997	AEF PTS	0.00	0.00	0.31	0.00	0.00	0.00	0.31	0.00
1991	AEF Packrite	0.05	0.00	0.00	0.00	0.05	0.00	0.00	0.00
1999	AEF PharmaCare	0.40	0.00	0.00	0.00	0.40	0.00	0.00	0.00
1994	AEF Shangri-la	1.04	0.00	0.00	0.00	1.04	0.00	0.00	0.00
1996	AEF Tacks Farms	0.37	0.00	0.00	0.00	0.37	0.00	0.00	0.00
1988/89/91/93	Bogosu	1.25	0.00	0.00	0.00	1.25	0.00	0.00	0.00
1989/91/93	Cont Acceptances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1993/96	Ecobank - Ghana	4.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	GAGL	0.00	0.00	3.26	0.00	0.00	0.00	3.26	0.00
1990/91/96	GHANAL	0.00	0.44	0.00	0.00	0.00	0.44	0.00	0.00
1991	Ghana Leasing	0.48	0.73	0.00	0.00	0.48	0.73	0.00	0.00
	Hotel Inv. Ghana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1992/93	Wahome Steel	0.87	0.00	0.00	0.00	0.87	0.00	0.00	0.00
1991/92									
1989/92									
	Total Portfolio:	9.20	1.17	4.24	0.00	5.10	1.17	4.24	0.0(

		Approvals Pending Commitment			
FY Approval	Company	Loan	Equity	Quasi	Partic
2000	AEF Computer Sch	230.00	0.00	0.00	0.00
1995	AEF GHANA PACK	360.00	0.00	0.00	0.00
1999	AEF Garden Court	1500.00	0.00	0.00	0.00
1999	AEF Japan Motors	1500.00	0.00	0.00	0.00
2000	ELAC	0.00	0.00	250.00	0.00
2000	GAGL IV-Restr	0.00	538.04	0.00	0.00
2000	GMCC	0.00	0.00	200.00	0.00
2000	Ghana Telecom	40000.00	0.00	0.00	60000.00
2000	SSB	10000.00	0.00	0.00	0.00
	Total Pending Commitment:	53590.00	538.04	450.00	60000.00

Annex 10: Country at a Glance

GHANA: AIDS Response Project (GARFUND)

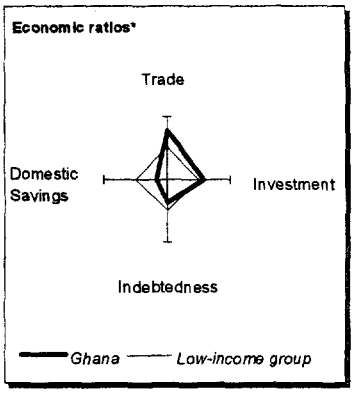
POVERTY and SOCIAL	Ghana	Sub-Saharan Africa	Low-income
1999			
Population, mid-year *(millions)*	18.9	642	2,417
GNP per capita *(Atlas method, US$)*	390	500	410
GNP *(Atlas method, US$ billions)*	7.5	321	988
Average annual growth, 1993-99			
Population *(%)*	2.6	2.6	1.9
Labor force *(%)*	2.6	2.6	2.3
Most recent estimate (latest year available, 1993-99)			
Poverty *(% of population below national poverty line)*	.	.	.
Urban population *(% of total population)*	38	34	31
Life expectancy at birth *(years)*	60	50	60
Infant mortality *(per 1,000 live births)*	65	92	77
Child malnutrition *(% of children under 5)*	27	32	43
Access to improved water source *(% of population)*	56	43	64
Illiteracy *(% of population age 15+)*	30	39	39
Gross primary enrollment *(% of school-age population)*	79	78	96
Male	84	85	102
Female	74	71	86



KEY ECONOMIC RATIOS and LONG-TERM TRENDS

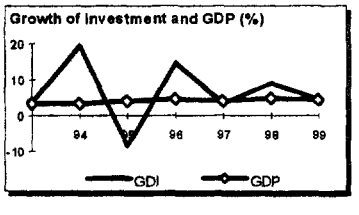
	1979	1989	1998	1999
GDP *(US$ billions)*	4.0	5.2	7.5	7.8
Gross domestic investment/GDP	6.5	13.2	23.6	23.2
Exports of goods and services/GDP	11.2	16.7	33.9	33.5
Gross domestic savings/GDP	6.6	5.6	10.7	6.2
Gross national savings/GDP	6.2	7.2	18.8	12.4
Current account balance/GDP	1.0	-6.0	-4.7	-10.5
Interest payments/GDP	0.7	1.1	1.8	1.6
Total debt/GDP	31.9	64.7	82.9	81.0
Total debt service/exports	8.9	32.1	21.8	20.1
Present value of debt/GDP	..	..	53.8	50.7
Present value of debt/exports	.	.	156.1	151.7

	1979-89	1989-99	1998	1999	1999-03
(average annual growth)					
GDP	2.0	4.2	4.7	4.4	5.1
GNP per capita	0.5	1.9	2.1	2.2	2.6
Exports of goods and services	-0.3	10.8	8.4	12.8	7.1

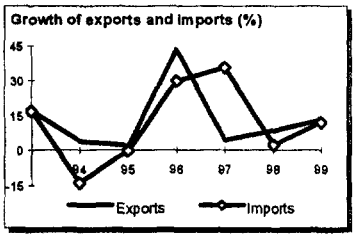


STRUCTURE of the ECONOMY

	1979	1989	1998	1999
(% of GDP)				
Agriculture	60.0	49.0	36.0	35.6
Industry	12.3	16.7	25.3	25.3
Manufacturing	8.7	10.0	9.0	8.9
Services	27.8	34.3	38.7	39.1
Private consumption	83.1	84.5	78.9	82.9
General government consumption	10.3	9.8	10.3	10.8
Imports of goods and services	11.2	24.3	46.7	50.5



	1979-89	1989-99	1998	1999
(average annual growth)				
Agriculture	0.6	3.0	5.1	4.9
Industry	1.1	2.5	3.2	6.9
Manufacturing	1.6	-4.5	4.1	6.0
Services	4.5	5.4	6.0	2.2
Private consumption	1.8	4.0	3.4	15.9
General government consumption	2.6	4.4	-12.5	11.2
Gross domestic investment	0.6	3.7	9.0	4.7
Imports of goods and services	-1.8	9.3	2.3	12.0
Gross national product	1.8	4.2	4.8	4.8

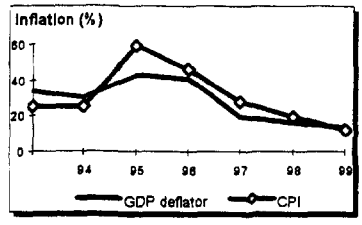


Note: 1999 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

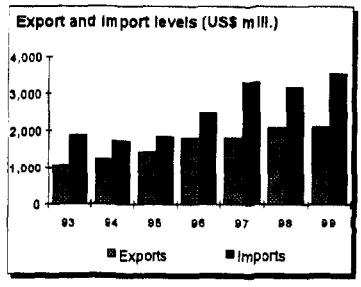
PRICES and GOVERNMENT FINANCE

	1979	1989	1998	1999
Domestic prices				
(% change)				
Consumer prices	..	25.2	19.3	12.4
Implicit GDP deflator	37.9	28.3	16.0	14.0
Government finance				
(% of GDP, includes current grants)				
Current revenue	10.5	13.6	20.5	20.2
Current budget balance	-4.1	2.5	3.3	4.7
Overall surplus/deficit	..	-5.3	-8.1	-6.0



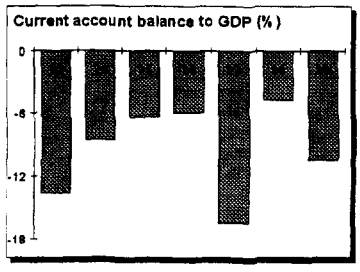
TRADE

	1979	1989	1998	1999
(US$ millions)				
Total exports (fob)	913	808	2,091	2,099
Cocoa	..	408	622	550
Timber	..	81	171	174
Manufactures	..	..	..	..
Total imports (cif)	853	1,087	3,167	3,556
Food	..	42	..	..
Fuel and energy	176	161	220	342
Capital goods	..	190	..	..
Export price index *(1995=100)*	46	89	98	91
Import price index *(1995=100)*	26	94	88	90
Terms of trade *(1995=100)*	179	95	111	101



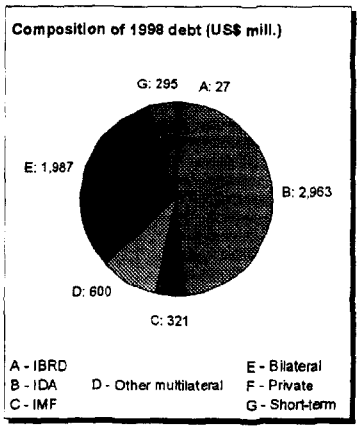
BALANCE of PAYMENTS

	1979	1989	1998	1999
(US$ millions)				
Exports of goods and services	1,163	879	2,532	2,567
Imports of goods and services	1,061	1,278	3,491	3,865
Resource balance	101	-399	-958	-1,298
Net income	-58	-118	-136	-138
Net current transfers	-3	202	741	620
Current account balance	41	-315	-353	-816
Financing items (net)	-72	442	453	722
Changes in net reserves	31	-127	-100	94
Memo:				
Reserves including gold *(US$ millions)*	401	436	508	446
Conversion rate *(DEC local/US$)*	7.0	270.0	2,314.0	2,647.3



EXTERNAL DEBT and RESOURCE FLOWS

	1979	1989	1998	1999
(US$ millions)				
Total debt outstanding and disbursed	1,282	3,397	6,193	6,297
IBRD	93	114	27	18
IDA	95	1,030	2,963	3,099
Total debt service	104	285	560	522
IBRD	10	19	4	10
IDA	1	8	32	41
Composition of net resource flows				
Official grants	32	208	239	159
Official creditors	101	275	349	126
Private creditors	-6	54	-10	115
Foreign direct investment	-3	15	56	203
Portfolio equity	..	0	15	80
World Bank program				
Commitments	19	272	97	256
Disbursements	34	168	211	219
Principal repayments	3	11	17	28
Net flows	31	157	195	191
Interest payments	8	17	19	23
Net transfers	23	141	175	168



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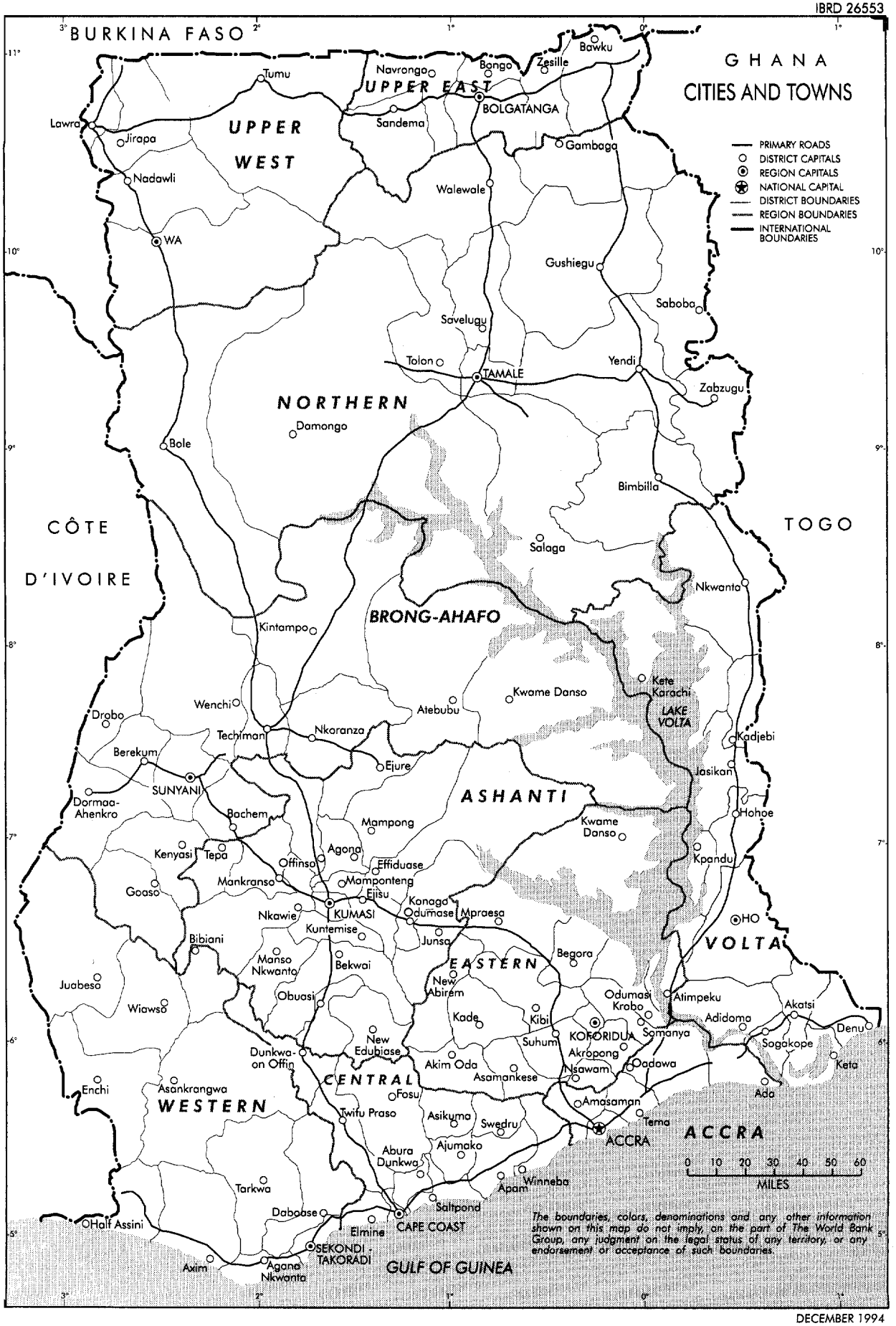

DECEMBER 1994