Grant Assumption Agreement

(Central Asia AIDS Control Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

EURASIAN ECONOMIC COMMUNITY

Dated November 17, 2006
GRANT ASSUMPTION AGREEMENT

AGREEMENT dated November 17 2006, between the INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association) and the EURASIAN ECONOMIC COMMUNITY (EAEC);

WHEREAS (A) by the Development Grant Agreement dated May 12, 2005 (the Development Grant Agreement) between the Central Asia Cooperation Organization (the Recipient) and the Association, the Association agreed to make available to the Recipient an amount in various currencies equivalent to sixteen million two hundred thousand Special Drawing Rights (SDR 16,200,000) (the Grant) to assist in financing the Project described in Schedule 2 to the Development Grant Agreement (the Project);

(B) the Recipient has also obtained from the Department for International Development of the Government of the United Kingdom (DFID) a grant (the DFID Cofinancing) in an amount equivalent to one million nine hundred thousand Dollars ($1,900,000) to assist in financing the Project on the terms and conditions set forth in the agreement dated May 12, 2005, entered into between the Recipient and the Association acting as administrator of grant funds provided by the DFID (the Cofinancing Agreement);

(C) the Recipient has advised the Association about its decision to integrate with EAEC and that as a result of this act of integration EAEC will be assuming the Recipient’s obligations and responsibilities under the Project; and

(D) EAEC intends to assume the obligations and responsibilities of the Recipient arising under the Development Grant Agreement and the Cofinancing Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Section 1.01. Wherever used in this Grant Assumption Agreement, unless the context otherwise requires, the several terms defined in the Preamble to this Grant Assumption Agreement, in the “General Conditions Applicable to Development Credit Agreements” of the Association, dated January 1, 1985 (as amended through May 1, 2004), with the modifications set forth in Schedule 6 to the Development Grant Agreement (the General Conditions), in the Development Grant Agreement, as amended
pursuant to Article III thereof, and in the Cofinancing Agreement have the respective meanings therein set forth.

Section 1.02. Sections 10.01, 10.02, 10.03, 12.01, 12.02, 12.03 and 12.04 of the General Conditions shall apply to this Grant Assumption Agreement as if this Grant Assumption Agreement were the Development Grant Agreement.

ARTICLE II

Grant Assumption

Section 2.01. EAEC hereby assumes, and agrees to carry out and fulfill all of the covenants, agreements, liabilities and obligations of the Recipient arising as a result of actions taken or omitted to be taken the Recipient under the Development Grant Agreement and the Cofinancing Agreement.

Section 2.02. The Association hereby recognizes the assumption by EAEC of the rights and obligations of the Recipient under the Development Grant Agreement and the Cofinancing Agreement, and the Recipient is hereby substituted with EAEC for all purposes under the Project, the Development Grant Agreement and the Cofinancing Agreement.

Section 2.03. All actions taken, rights acquired or obligations incurred under the Development Grant Agreement and the Cofinancing Agreement by the Recipient shall be valid and binding on EAEC.

Section 2.04. Notwithstanding the provisions of Sections 2.01 and 2.02 above, the coming into effect of this Grant Assumption Agreement shall not affect the consequences of any action taken or omitted to be taken by the Association or by the Recipient under the Development Grant Agreement and the Cofinancing Agreement prior to the coming into effect of this Grant Assumption Agreement.

Section 2.05. The Regional Project Steering Committee and the Regional Project Management Unit established by the Recipient pursuant to paragraphs 2 and 4, respectively, of Part A of Schedule 4 to the Development Grant Agreement shall continue to operate until completion of the Project as if they were established by EAEC.

ARTICLE III

Amendments to the Development Grant Agreement
Section 3.01. Section 5.01 of the Development Grant Agreement is amended to read as follows:

“Section 5.01. Pursuant to Section 6.02 (l) of the General Conditions, the following additional event is specified, namely, that the Agreement dated October 10, 2000 On Establishment of Eurasian Economic Community, as amended on January 25, 2006, has been amended, suspended, abrogated, repealed or waived by its members or unilaterally by any one of the Benefiting Countries so as to affect materially and adversely the ability of EAEC to carry out the Project.”

Section 3.02. The address of the Recipient in Section 7.02 of the Development Grant Agreement is amended to read:

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

ARTICLE IV

Effectiveness; Termination

Section 4.01. The following event is specified as a condition to the effectiveness of this Agreement within the meaning of Section 12.01 (b) of the General Conditions, namely, the Protocol on the Integration of the Central Asia Cooperation Organization into the Eurasian Economic Community dated June 23, 2006 has been duly authorized or ratified by all its parties and is effective.

Section 4.02. Except as EAEC and the Association shall otherwise agree, this Grant Assumption Agreement shall enter into effect on the date on which the Association dispatches to EAEC notice of its acceptance of the evidence required by Section 12.01 of the General Conditions.

Section 4.03. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.
IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Grant Assumption Agreement to be signed in their respective names in Moscow, Russian Federation, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

EURASIAN ECONOMIC COMMUNITY

By /s/ Kristalina Georgieva
Authorized Representative

By /s/ G. Rapota
Authorized Representative