August 8, 2002

The Right Honorable
Patrick Manning
Prime Minister and Minister of Finance
Ministry of Finance
Port of Spain
Trinidad and Tobago

Re: Japanese Grant for the Preparation of Caribbean HIV/AIDS Prevention Control Project - Grant No. TF026638

Dear Minister:

I am writing on behalf of the International Bank for Reconstruction and Development (the Bank) to indicate the Bank’s agreement, as administrator of grant funds provided by Japan, to make a grant in an amount not exceeding sixty thousand U.S. Dollars (US$60,000) (the Grant) to the Republic of Trinidad and Tobago (the Recipient). This grant is being extended to the Recipient as part of a larger regional grant to Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines (the Participating Countries).

The Grant is made in response to the Recipient’s request for financial assistance and for the purposes and on the terms and conditions set forth in the Annex to this Letter Agreement. The Recipient hereby confirms its request that the Bank carry out the activities described in paragraph 1 of the Annex to this Letter Agreement, and represents that it is authorized to contract the Grant for the said purposes and on the said terms and conditions.

Please confirm your agreement with the foregoing, on behalf of the Recipient, by signing, dating, and returning to us the enclosed copy of this Letter Agreement. Upon receipt by the Bank of the copy of this Letter Agreement countersigned by you, this Letter Agreement will become effective as of the date of the countersignature.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Orsalia Kalantzopoulos
Director
Caribbean Country Management Unit
Latin America and the Caribbean Region

AGREED:
REPUBLIC OF TRINIDAD AND TOBAGO

By: /s/ Patrick Manning
Authorized Representative

Date: January 2, 2003
Purposes, Terms and Conditions of the Grant

1. The purpose of the Grant is to assist the Recipient’s Ministry of Health in the preparation of the Caribbean HIV/AIDS Prevention and Control Project, which has as its main objective to help the countries in the Caribbean region, including the Recipient, in developing national HIV/AIDS programs comprising basic prevention, basic treatment and basic care (the Project). The activities (the Activities) for which the Grant is given are as follows:

   (a) carrying out of epidemiological assessments in the territory of the Recipient to: (i) estimate causes and burden of HIV/AIDS by age and sex, as well as other major associated risks; (ii) evaluate the cost-effectiveness of a selected set of the Recipient’s current health programs; (iii) identify potential new interventions against HIV/AIDS; and (iv) promote policy debate in identifying prevention and control priorities (these Activities are estimated to cost US$20,000 equivalent);

   (b) carrying out of an assessment of the current HIV/AIDS programmatic and service network’s capacity in the territory of the Recipient, including managerial and organizational structure; availability, location and staffing of the facilities; and population served (these Activities are estimated to cost US$20,000 equivalent); and

   (c) design and preparation of: (i) policy options and alternative HIV/AIDS prevention and control strategies in the territory of the Recipient; (ii) a demand–based funding proposal for the Project; and (iii) a monitoring and impact evaluation plan (these Activities are estimated to cost US$20,000 equivalent).

2. The Grant shall be used to finance consultants’ services required for the Activities.

3. The Bank shall carry out the Activities on behalf of the Recipient. The Recipient shall cooperate with the Bank to the extent necessary to permit the Bank to carry out the Activities promptly and effectively, and to evaluate the results of the Activities. The Recipient shall indemnify the Bank against any costs or liabilities incurred by the Bank as a result of claims against the Bank in connection with the Activities, except those resulting from the gross negligence or willful misconduct of its staff or external consultants.

4. The Activities shall be completed by not later than March 25, 2003, or such later date as the Bank may establish by notice to the Recipient (the Closing Date). Except in special circumstances, no proceeds of the Grant shall be used to fund Activities after Bank approval of financing for the Project, and the Closing Date shall not be extended beyond the expected date of such approval. After the Closing Date, the Bank may at any time cancel the remaining balance of the Grant.

5. The engagement and supervision of the consultants (the Consultants) required to assist in the carrying out of the Activities shall be the responsibility solely of the Bank and shall be governed, except as otherwise decided by the Bank, by the provisions of the Attachment to this Annex.
6. The Recipient shall be responsible for the payment of any taxes levied by, or in the territory of, the Recipient on the Consultants or any of the Consultants’ personnel (other than nationals or permanent residents thereof) in connection with the Activities.

7. The Recipient may at any time request the Bank in writing to terminate the Activities. Whether or not the Recipient has made such a request, the Bank may at any time suspend or, after consultation with the Recipient, terminate the right of the Recipient to receive Grant funds for the Activities if any of the following events has occurred and is continuing: (a) the Recipient has failed to perform any of its obligations under this Letter Agreement; or (b) the right of the Recipient, or any other entity to which the Bank has made a loan with the guarantee of the Recipient, to make withdrawals under any loan agreement with the Bank or any development credit agreement with the International Development Association shall have been suspended. The Bank may also terminate the right of the Recipient to receive Grant funds if: (a) the Bank has decided, at any time after consultation with the Recipient, to withdraw its support to the Project; or (b) the Recipient has withdrawn its request for the Bank’s assistance in the financing of the Project.

8. The Bank is not an agent of, or trustee for, the Recipient and shall not have any fiduciary relationship with the Recipient. The Recipient shall have no right to any portion of the Grant that is not expended by the Bank pursuant to this Letter Agreement.
Consultants’ Services

1. Consultants’ services shall be procured in accordance with the relevant provisions of Statement 15.00 of the Bank’s Administrative Manual, dated April 2002 (the Administrative Manual), the Introduction and Section IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997, January 1999 and May 2002 (the Consultant Guidelines), paragraph 1 of Appendix 1 thereto, Appendix 2 thereto, and the following provisions of this Section.

2. Services for some of the Activities under paragraph 1 (a), (b) and (c) of the Annex to this Letter Agreement shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines applicable to Quality- and Cost-based Selection of Consultants.

3. Services rendered by consulting firms for some of the Activities under paragraph 1 (a), (b) and (c) of the Annex to this Letter Agreement may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines (Selection Based on Consultants’ Qualifications).

4. Services rendered by individual consultants for the Activities under paragraph 1 (a), (b) and (c) of the Annex to this Letter Agreement shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.4 of the Consultant Guidelines.