

Mission Report
Central Asia AIDS Project (CAAP)
Supervision Mission
February 12-23, 2007

A World Bank team visited Almaty, Kazakhstan (KZ) during the February 12-23, 2007 period to supervise the Central Asia AIDS Project. The mission included Patricio Marquez, Team Leader and Lead Health Specialist, Dorothee Eckertz, Co-Team Leader and Operations Officer, and Rianna Lisa Mohammed, Young Professional, ECSHD. During the first week of the mission, Naushad Khan, Lead Procurement Specialist, and John Ogallo, Senior Financial Management Specialist, joined the mission. During the second week of the mission, the team was joined by Elena Karaban, Communications Officer, ECCU8, Baktybek Zhumadil, Operations Analyst, Flora Salikhova, Operations Officer, Asel Sargaldakova, Health Specialist (ECSHD), and Juliana Victor-Ahuchogu, Monitoring and Evaluation Specialist, and Lusine Mirzoyan, Consultant (GAMET). Anne Bakilana, Economist (ECSHD) and Nikolai Soubbotin, Senior Legal Counsel, (LEGEC) provided advice from Washington, D.C. Ainoura Alzhanova (ECCU8) in Almaty and Karthika Nair (ECSHD) in Washington, D.C. were responsible for coordinating the arrangements for the mission.

The World Bank team was joined in Almaty and worked with representatives of the following agencies at different points of the mission:

DFID: Jason Lane, Head of DFID Kyrgyzstan, Anne Philpott, Health and AIDS Advisor for Europe and Central Asia Department, and Tim Shorten, Harm Reduction Policy Lead at DFID;

UNAIDS: Bertil Lindblad, Director for EE and CA, UNAIDS, and Regional CA Team led by Irina Savtchenko, CA Coordinator;

Global Fund: Valery Chernyavskiy, Portfolio Manager, Central Asia;

UNDP: Shombi Sharp, HIV/AIDS Focal Point for EE and CA, and Regional Team Members;

USAID CAPACITY Project: Lev Khodakevich, Director, and Team;

CDC Regional Office for Central Asia: Michael Favarov, Director, and Team

UNICEF: Nina Ferencic, HIV/AIDS Advisor for EE and Central Asia, and Jadranka Mimica, Adviser for CA.

The mission worked with the team of the Regional Project Management Unit (RPMU) led by Prof. Tilek Meimanaliev, met with EurAsec Officials, and presented its findings to the country representatives to the Regional Project Steering Committee (RPSC) in a VC held on February 23, 2007 that connected the four participating countries.

The mission would like to express its gratitude to the RPMU and the teams in the World Bank office in Almaty for the support provided.

Overall Assessment of Project Implementation Status

On the basis of the level of compliance with the agreements reached during the June 2006 and September 2006 missions and the good work performed by the RPMU, the status of project implementation is upgraded from **marginally satisfactory (MS) to satisfactory (S)**. The upgrade of the rating reflects several accomplishments achieved by the RPMU described below.

The RPMU led by Prof. Tilek Meimanaliev should receive recognition and be congratulated for its hard work and the initial results achieved during the startup implementation phase of the project.

Disbursements and Commitments under the Project. As of February 15, 2007, a total amount US\$8.85 mln. or about 33% of the total grant has been disbursed and committed under the Project.

Merger of CACO into the Eurasian Economic Cooperation Council (EurAsec)

As agreed at the CACO Heads of State Council Meeting held in St. Petersburg, Russia, on October 6, 2005, CACO will be integrated into the Eurasian Economic Community (EurAsec). To this end, the World Bank and EurAsec concluded and signed a Grant Assumption Agreement in November 2006 in order to provide the legal basis for further project implementation.

The mission met with the Deputy Chief of the EurAsec and his adviser, Mr. Aleksander Kim. The main points covered during the meeting were:

- Per the Decision of the Interstate Council of October 26, 2006, signed by the Prime Ministers of the 6 member countries, the draft Grant Assumption Agreement was approved and authorized to the Secretary General of EurAsec to sign it. Therefore, no additional ratification by member countries is required.
- As the EurAsec/CACO integration process has not been finalized due to the fact that the Parliaments in some of the countries have not ratified the Protocol of Integration of CACO into EurAsec, the Grant Assumption Agreement cannot become effective on February 15, 2007, the dateline for effectiveness stated in a World Bank letter to the Secretary General of EurAsec dated November 17, 2006. The Legal Opinion, the condition for Grant Assumption Agreement effectiveness, will be delayed until the ratification process is concluded. It was agreed, therefore, that a letter will be prepared and sent to IDA explaining this situation and requesting an extension on the effectiveness date.
- In the meantime, until the ratification process is concluded, the EurAsec officials confirmed that the project will continue to be implemented under the CACO Framework.

Subsequent to the meeting, a letter was sent to the World Bank requesting an extension of the Grant Assumption Agreement effectiveness deadline. This was signed by the Deputy Secretary General of EurAsec and submitted to the World Bank office in Almaty on February 15, 2007.

On the basis of the above, the World Bank Country Director for Central Asia extended the effectiveness deadline to April 15, 2007.

Remaining Legal Issues Associated to the Operation of the RPMU in the Republic of Kazakhstan

Accreditation of RPMU and its staff in Kazakhstan: RPMU was accredited by Kazakhstan Ministry of Foreign Affairs (MFA) as an international organization on February 19, 2007 following the signing of the Host Agreement by the Government of Kazakhstan (GoK) and the RPMU on September 5, 2006 and its subsequent ratification by the Kazakhstan Parliament and the enactment of the Law of Ratification by the President of the Republic in December 2006. Applications for accreditation of the RPMU staff were sent to the MFA on February 15, 2007, and this request will be processed and accreditation granted in subsequent 10 business days. This will exempt the RPMU from the legal requirement of having to obtain work permits for its non-resident staff as per provisions concerning staff of international organizations.

Taxation: According to the letter of Kazakhstan Ministry of Economy and Budget Planning (MOEBP) dated January 23, 2007 the ratified Host Agreement is superior to the national legislation of Kazakhstan and provides the RPMU with the right to enjoy exemption from the taxes and customs duties stipulated therein. A Ministry official verbally confirmed that these exemptions also apply to small and large grants provided by the RPMU from the Regional AIDS Fund. In order for this to take place, the Kazakhstan-based organizations receiving such grants from the RPMU, to implement sub-projects, will need to formally inform the Kazakhstan Ministry of Finance prior to grant implementation that these grants are received from the RPMU under the CA AIDS Control Project and ask for the tax/duty exemptions to be applied in accordance with the ratified Host Agreement.

Current Status of Project Activities

Component 1 Activities

The overall status of implementation under this component is rated as **Satisfactory**. A substantial level of activity and progress was achieved under the Regional Coordination and Policy Development subcomponent in the second half of 2006 working in partnership with UNAIDS, particularly in terms of establishing a forum to involve Parliamentarians from each of the countries, promoting the participation of Muslim religious leaders, fostering active engagement of mass media in the countries, establishing a regional forum for international partners to advance coordination and harmonization efforts, and developing a framework for regional information database (CARISA) jointly with UNAIDS.

The work under the MOUs signed with the USAID-funded CAPACITY Project for strengthening civil society participation and developing donor harmonization initiatives and the CDC-CAR for scaling up the electronic sentinel surveillance system to 13 pilot sites in the four countries has also progressed in earnest. The overall purpose of these MOUs is to implement an overall programmatic relationship and technical linkages between the Bank-funded project and the programs under the two entities in their joint efforts to address the HIV epidemic in Central Asia. In 2006, this resulted in the linkage between each project's staff, resources, technical skills and strategies, in order to promote critically-needed donor collaboration and appropriate

resource-use following a pooling approach. The RPMU has also reached an agreement with UNAIDS for developing a coordinated work plan to be formalized under a MOU in 2007.

In terms of human resources development through the preparation of qualified and certified trainers in several HIV-related areas, the mission recommends that the RPMU conducts an assessment of training programs and activities supported by other international agencies and projects in order to prepare joint initiatives, pool resources, and use existing methodologies and materials. This assessment in each of the participating countries and at the regional level would help minimize duplication and waste of resources. In addition, distance learning methodologies should be explored to benefit from economies of scale.

AIDS Strategy and Action Plan (ASAP) Facility: During the mission, the UNAIDS Director for Eastern Europe and Central Asia explained the objectives and scope of this facility. ASAP has been active in nineteen countries in the last six months of 2006, organizing peer reviews and sharing tools, providing technical and financial support to countries and beginning the process of capacity building. ASAP operations, which are hosted by the World Bank on behalf of UNAIDS, are done in consultation with the UNAIDS Secretariat, other partners, and the Technical Support Facilities. ASAP is currently responding to country demands and progress on capacity building in many regions of the world, focusing on:

- Peer Review of Draft National HIV/AIDS Strategies
- Focused Assistance in areas such as costing, prioritization and review of previous national strategies
- Comprehensive Assistance in the development of an operational program to implement the new strategic plan

It was agreed that the Executive Coordinator of the project in collaboration with UNAIDS will discuss with national authorities possible areas of support under ASAP and will inform on the results of these discussions by April 1, 2007.

Organization of Satellite Session at the 8th International Congress on HIV/AIDS in Asia and the Pacific, Colombo, Sri Lanka, 19-23 August, 2007. It was agreed during the mission that the RPMU, in coordination with national institutions, UNAIDS and other partners, will organize a satellite session to highlight the experience in Central Asia for dealing with HIV/AIDS at the national and regional levels. The World Bank team will also support the organization of this event.

International Harm Reduction Conference in Warsaw, Poland, May 12-15, 2007. It was agreed that the project will fund the participation of a national official to participate and make a presentation at a satellite session organized by the World Bank focusing on the harm reduction experiences and challenges in Russia, Ukraine, Moldova and Central Asia.

The mission reviewed the proposed implementation plan for this component in 2007 and found it adequate.

Proposed CAAP-UNICEF cooperation under Component 1: During the mission, UNICEF indicated its interest in exploring more closely with CAAP the type of cooperation that could be established under Component 1 of the project. In particular, since the epidemic is increasingly impacting on adolescents, and given trends towards earlier startup of sexual and drug injecting

activities, UNICEF can play an important role in advocacy and policy development. For example, UNICEF can contribute towards strengthening the evidence base on HIV programming for children, adolescents and women. This may include work on evidence related to PMTCT among HIV infected pregnant women, and support to children with HIV who are born to HIV positive mothers. UNICEF feels that it is also critical to continue to advocate for the segregation of data, by age and sex, in order to facilitate more relevant programming. Another area of potential cooperation is advocacy and legislation analysis. UNICEF would be able to contribute towards analyses of policies related to young people and most at risk adolescents, including exploring issues such as looking into developing alternatives to imprisonment and/or institutionalization of children involved in drugs, and development of alternative service options for adolescents engaging in risk behaviors.

To the above end, and in accordance with the donor coordination strategy pursued under the project, the mission supports this proposal and the efforts that the RPMU may undertake to prepare a MOU with UNICEF in the first half of 2007.

Component 2 Activities

Regional AIDS Fund

First Round of Sub-Project Proposals

Implementation status: Implementation progress of this component is rated satisfactory. The first round of grant proposals has been evaluated and recommendations for grant awards have been finalized. Grant negotiations with recipients of small grants have been finalized. Negotiations with large grant recipients are currently under way, and will be finalized by 27 February 2007. It is expected that disbursement of the first installments for small grants will take place from 26 February 2007.

The Bank team reviewed the results of the first round of sub-grants to be financed from the Regional AIDS Fund and discussed the results of the review with the RPMU. A total of 155 proposals were received by the RPMU. Of these, 134 were for small grants (up to US\$20,000), and 21 proposals for large grants. Following a comprehensive evaluation process with the participation of government, NGO and international donor organizations' representatives at the country and regional levels, a total of 51 projects were selected to receive funding from the RAF (5 large grants in the amount of US\$4,035,560 and 46 small grants in the amount of US\$513,492).

No objection for grant awards: The Bank team reviewed the award proposals for small sub-grant and supporting documents for Kazakhstan, the Kyrgyz Republic, Uzbekistan and Tajikistan and provided its no objection to proceed with funding the sub-grant awards. The team also discussed the requirements for approval of large sub-project proposals and is awaiting the no objection package including negotiated grant agreements for large sub-grants for no objection.

Findings from first grant round: The mission team discussed the following findings and feedback received from the four countries about the first grant round with the RPMU and donor representatives.

Process-related issues

- The grant registration process was not well understood and the two-step, internet-based registration process was perceived as cumbersome and limited access for some groups
- The initial screening process could be simplified to a concept note approach
- There was uncertainty regarding the eligibility criteria of international organizations and the requirement for a beneficiaries' signature
- Clarification was requested on the selection of evaluation committee members, rotation schedule and measures to prevent conflicts of interest
- Need for the evaluation committee members to be trained in the evaluation process and grant focus, complemented by technical briefings (epidemiology and existing coverage of services)
- Applicants expressed concern about the requirements for financial reporting. This was perceived as being too cumbersome for small organizations with low capacity. To this end, it is recommended that procedures for grant management and monitoring and evaluation be different for small (national) and large (regional) grants.
- Opportunities need to be explored for harmonization of grant application process and documentation for different donor programs

Focus and priority-setting

- Most proposals were for activities related to the general population. Hence, only a few funding requests targeted high-risk and vulnerable groups.
- Need for coordination of existing grant programs to ensure that high-priority areas and the provision of services to the drivers of the epidemic are adequately covered in all countries
- Lack of comprehensive information about actual coverage of services funded from government, donor and other sources. This is necessary in order to inform strategic and operational planning in future grant rounds

Support of UNDP: The RPSC has endorsed the management of small grants below US\$20,000 at the country-level. The UNDP country offices in Kazakhstan, the Kyrgyz Republic, Tajikistan and Uzbekistan will manage all fiduciary aspects related to the administration of small grants at the country level, and will support the National Coordinators in their overall coordination and management functions. As UNDP's regulations require its participation in the grant selection process and the use of the UNDP framework agreement for small grants, in order to extend the UNDP's tax and procurement arrangements to the Project and grant recipients, it was agreed that UNDP would be included in the grant selection committee as a non-voting participant for subsequent grant rounds. UNDP's role would be an advisory one on financial and fiduciary aspects of grant management. As an exception, UNDP agreed that it would waive the use of the UNDP grant agreement for the first round as grant agreements have already been signed using the RPMU's approved framework agreement. The Bank team reviewed the UNDP agreement and provided its comments on aligning the provisions with Bank requirements, specifically the need to return funds in case of default to implement, and the ownership of goods procured with grant funds.

Grant management, monitoring and supervision arrangements: The RPMU in discussion with the mission decided to select an appropriate software solution to support grant management and administration, following the evaluation of the OSI/GSM software package and a solution combining the 1C accounting package already in use in the RPMU in combination with the GMS

software used by the DFID-funded CARHAP project. The evaluation took into account the requirements for financial management information, monitoring indicators, core grant management features such as monitoring of tranche disbursements, grant recipients' reporting, results, and licensing and operating costs for the software. The CARHAP software package will be provided to the RPMU free of charge, although there may be a charge for adaptation of this software to RPMU systems. This was confirmed by DFID during the mission. Following the evaluation of both alternatives the RPMU decided to adopt the CARHAP software package and integrate it with existing IC applications. Full installation of the package will be finalized by **1 April 2007**.

Sub-project implementation will be supervised, at the country level, by the National Coordinators, with support of UNDP for fiduciary compliance and monitoring, and at the regional level, by the RPMU Component 2 coordinator with support of the National Coordinators, RPMU financial management and procurement specialists, and other RPMU staff and project partners as appropriate.

Second round of Sub-Project Proposals

Tentative time schedule for Round 2: The teams discussed the indicative schedule for launching Round 2 of sub-grants at the beginning of April 2007. The exact date will be confirmed as soon as agreement has been reached with other donors financing sub-grant programs (CARHAP/GFATM) and country leadership concerning: (i) priority areas for funding, to avoid duplication of funding offers and ensure availability of adequate resources throughout the region, with an emphasis on the drivers of the epidemic, and (ii) harmonized dates for the launch of each donor-financed grant program. Launching Round 2 in April 2006 will allow for a call for proposals to be made at the beginning of June 2006, evaluation and award of small grants at the beginning of October 2006, and for large grants in mid November 2006. The detailed schedule for Round 2 is attached in Annex 1.

Need for adaptation of procedures and grant program focus: The RPMU team will immediately initiate a full review of grant procedures and documentation to ensure that recommendations for streamlining the application and selection process are being incorporated into the grant application and award process prior to the start of the information campaign for the next grant round. The RPMU team agreed to finalize the review by **31 March, 2007**. This will involve the following:

Need to harmonize administrative processes and procedures

- Adoption of the unified application form developed jointly by the RPMU and CARHAP
- Simplify the registration process- this will ensure full participation of applicants without internet access
- Ensure availability of specific technical expertise to support the NTECs and RTEC on an as-needs basis
- Clearly communicate eligibility criteria for international organizations. The mission pointed out that participation of international NGOs and other international organizations is possible in cooperation with regional organizations, provided that such grant requests do not finance the overhead costs of the international NGO or organization for implementation of the subproject.
- Simplify sub-grant recipients' reporting requirements to eliminate duplication of similar reports (e.g., project cost breakdown requirements, financial management reporting, etc.),

taking into account the size of small grants and that those applying for and receiving these grants are usually small NGOs with technical capacity yet to be developed. The mission recommends to have these forms reviewed and simplified keeping a balance between the scope of sub-project proposals and the time and skills

- Regular and structured exchange of experience with other grant-awarding programs
- Review the requirement to have a beneficiary's signature to the Framework Agreement

Need to revise programmatic aspects

- Ring-fencing of funding priorities to support proposals targeting high-risk groups
- Review ceiling for small grants implemented in only one country and consider raising to \$50,000 in order to encourage more national applications
- Country allocation for small grants in Round 2

Training and support activities for NTEC, RTEC and grant applicants

- Review curriculum and schedule for training of grant recipients with the Capacity project
- Training of NTEC and RTEC members on evaluation methodology and techniques
- Increase representation of vulnerable groups in the evaluation committees, e.g., People living with HIV/AIDS, and (ex) IDUs

Agreements reached and next steps. The Bank and RPMU teams agreed on the following next steps:

- RPMU will provide the Bank with the no objection request for large grants by **27 February 2007**. The Bank will review the request within 5 working days.
- RPMU and UNDP will clarify the role and responsibilities of UNDP to provide fiduciary support to the National Coordinators in the four countries and additional tasks as deemed useful and necessary, and supplement existing documentation as required. UNDP will provide workstation and office equipment to the AFA hired for project support. Interest earnings from project funds flowing through UNDP will accrue to UNDP.
- UNDP and RPMU will draw up a two page summary of their agreement on relative roles in this regard to be circulated to grant recipients.
- The RPMU will revise the Grant Recipient's Handbook and Regional AIDS Fund Manual, incorporating lessons learnt from round 1, to simplify and streamline grant applications and management. The revised documentation will be available and sent to the Bank by **March 31, 2007**.
- The RPMU, at the next partnership forum (April/May 07), in collaboration with UNAIDS, the GFATM, CARHAP and the beneficiary countries, will identify and agree on the priority areas for funding in the second grant round targeting high-risk groups and potential division of labor, by **June, 2007**
- The RPMU and USAID-funded CAPACITY will agree on a training schedule and curriculum for grant recipients by **March 31, 2007**
- The RPMU should discuss training of grant evaluators with the USAID-funded CAPACITY Project to increase capacity for grant evaluation and reporting at the national and regional levels
- The RPMU with Country Coordinators will revise all documents related to grant management (RAF Manual, Recipient's Handbook, Evaluation sheets, etc) prior to the agreed retreat with the CARHAP team, incorporating lessons learnt from 1st Round. As soon as the revision of documents is done by the RPMU, the revised documentation will

be send by the RPMU for the review of an international consultant for further simplification. This work will be done by **March 31, 2007**.

Technical Support to the RPMU to Streamline Project's Manuals and Procedures

During the mission it was agreed that the World Bank will support the hiring of a specialized international consultant to assist the RPMU in:

- (i) reviewing organizational and managerial implementation arrangements in the RPMU and identification of measures to strengthen planning, programming, and fiduciary capacity;
- (ii) identifying issues where RPMU and World Bank procedures are in need of alignment to ensure project implementation in line with World Bank fiduciary requirements, outline solutions and a time-bound action plan for implementation;
- (iii) reviewing and adapting the project's Operations Manual in accordance with the results of (i) and (ii) above
- (iv) reviewing the processes, procedures, documentation and manuals under Component 2 (particularly the Grant Recipient's Handbook and Regional AIDS Fund Handbook) with the goal being to simplify them in accordance with the harmonization arrangements agreed with other international partners and lessons learned from the 1st round of sub-grant proposals; and
- (v) reviewing the processes and procedures for grant management and supervision in order to recommend and implement systems that will facilitate achievement of the project goals and support the work of the RPMU and recipient organizations in as simple a manner as possible.

The assignment will be for a period of 20-25 working days. This includes desk review of project documentation and a mission to Kazakhstan (early May 2007), over the March 15-June 30, 2007 period.

Prioritization Process for Grant Selection

Overall concern was expressed during the mission about the need to increasingly target vulnerable populations more directly under the CAAP. Currently, only about 10% of the resources allocated through the current national project grants (round 1) focused on the most vulnerable populations. However, it should be noted that although a higher number of proposals on vulnerable groups was received, their quality was deemed to be inadequate.

The initial list of 19 priority areas has been approved by the health authorities of the various Central Asian countries. The list was developed in 2003 on the basis of areas identified in the national strategic plans and discussions with the various country representatives and stakeholders. Two questions were raised during the mission: (i) should the project change the number of priorities – reduce the list from 19 areas to a smaller list? and, (ii) should the project strengthen the focus on prevention among vulnerable groups, in particular harm reduction for IDUs?

The above discussion on the streamlining of priority areas stemmed from the need to ensure effective alignment between grant funding and the drivers of the HIV epidemic in Central Asia. While approximately 64-77% of HIV infected people in Central Asia are intravenous drug users

(IDUs), the second largest driver of the epidemic is commercial sex workers (CSWs). In this regard, the key issue surrounded whether the number of priority areas should be rationalized, in order to ensure that there was ample focus on HIV prevention among vulnerable populations- IDUs, CSWs, MSMs, prisoners, migrants and vulnerable youth. In this regard, although it was noted that the focus of external agency funding (GFATM and CARHAP/DFID) is currently directed towards vulnerable groups, and there is a need to ensure complementarities between project components 1 and 2 (and thus provide resources to areas under component 1 that are inadequately funded), it was decided that, based on international experience in dealing with concentrated epidemics, there is an urgent need to focus grants on vulnerable populations.

This stance will be advertised in the communication strategy associated with the second round of grants. In spite of this overall focus on vulnerable groups however, the grant selection process will consider 5 factors: (i) the epidemiological situation in each of the Central Asian countries; (ii) the budget envelope (Government funds and external donor funding) in each country; (iii) government priorities as articulated in national AIDS plans; (iv) HIV/AIDS activities by geographic area (in order to minimize duplication); and (v) capacity needs/ constraints of grant applicants (in order to ensure that NGOs, who work in priority areas, are directly targeted). This prioritization process will be greatly assisted by continuous updating of a list of donor-funded commitments and HIV/AIDS activities, by geographical location. This will help to reduce duplication, and provide a thrust towards evidence-based decision making. Notably, the USAID-funded CAPACITY Project is currently engaged in the developing such a database, at both the national and regional level.

Whatever the prioritization method, however, it remains essential to ensure that grant decisions are based on the merits of the actual proposal and on a reasonable guarantee regarding the capacity of the implementers to deliver results. Therefore, it will be critical to strengthen the capacity of NGOs working with vulnerable populations, particularly with regards to proposal-writing. It will also be important also to ensure that there is no monopolization of grants by the stronger NGOs and/or other partners who have more capacity to write good proposals.

Recommendations and Agreements

- The Project Appraisal Document (PAD) explains that grants will be ring-fenced to 60% for at risk group in the region (IDUs, CSW, MSM, Prisoners and Migrants). To this end, the mission and the RPMU agreed that for the second and subsequent grant cycles this target will be adhered to and analysis of the first round of grants will take place to demonstrate how the current grants reflect these priorities. This may require pro-actively sourcing applications from organizations working in these areas and/or being prepared to spend time with these organizations to help them develop and improve the quality of their initial technical proposals. One possible alternative that can be explored is identifying and contracting leading NGOs in the countries to provide technical assistance to technically and operationally weak NGOs, following a peer-to-peer cooperation approach, which takes place in the Latin America and Caribbean Region. The Bank team agreed to provide related information to the RPMU about these experiences.
- It is recommended that the RPMU place particular attention to improving access to vulnerable groups through community organizations, such as *mahalla funds* in Uzbekistan, as well as in other countries, that could benefit from the national or regional grants.

- It is also recommended that there is clear communication on the grants awards in the form of minutes of the discussion at the RTEC meetings, if possible taken by an independent observer and agreed with all RTEC members. Translated in Russian and English and circulated to co-financiers and RTEC members two weeks after the meeting.
- The Regional Technical Evaluation Committees (RTEC) and the National Technical Evaluation Committees (NTEC) need adequate briefing and information in order to make evidence based decisions about priority interventions in Central Asia (epidemiology, coverage of other interventions). Thus, it is recommended that the RPMU, in collaboration with UNAIDS and CDC, should work on providing this briefing. Global Fund procedures should also be studied and this model should be explored. In addition, as part of the training activities included in the MOU with the US-AIDS-funded CAPACITY Project, a module should be developed to update the knowledge and skills of the evaluation committee members
- It is also recommended that conditional approval be considered as an element of the NTEC procedures – i.e. many grants were approved in the first round on the grounds of unacceptable budgets and yet those budgets were not reduced. Hence, they should be approved on condition of reduced budgets, if this is not part of the grant negotiation agreement. This could also apply to applications where the goal and objectives are largely met but NTEC members feel that some technical improvements/ adjustments should be made.
- It was agreed that the project, with support from the World Bank, would organize a study tour to visit and learn from successful international experiences in dealing with concentrated HIV epidemics (e.g., Thailand) or harm reduction experiences (e.g., city of Toronto, Australia). The participants of the study tour should be selected high level officials in the countries with power to influence decision making. Additional funding support from the DFID-funded CARHAP will be explored to this end.
- UNICEF recommended that there is a need to introduce gender sensitive and age sensitive approaches. Based on country experiences, it is believed that there is insufficient data on the sex and age ranges of target populations and project beneficiaries. In particular, adolescents are simply grouped together with young people in their 20s. Thus, in order to improve programming, it was suggested that there is a strong need for gender-differentiated and age-differentiated approaches. Programming for adolescent (under 18) sex workers or kids who have just started injecting drugs therefore, should be differentiated from programming for adults who may be in a better position to make their own informed choices. Service referrals for adolescents, for example, are different than for adults. Legal frameworks often require parental consent for aspects such as HIV testing which need to be addressed when programs are developed. The CAAP project, therefore, should ensure that age and sex specificities are taken into account whenever appropriate.

Development of a Unified Grant Application

In an effort to decrease the transaction costs that NGOs and other agencies face in the region in having to complete varied donor grant application forms, a unified application form has been developed. It is hoped that this form will not only help to simplify grant procedures, but, will also minimize NGO resources that are directed towards this activity. Notably, the concept for a

unified form was suggested at a regional workshop in July 2006, which involved representatives from both international organizations, and NGOs from the 4 countries.

The development of this form has been spearheaded and coordinated by the USAID-funded CAPACITY Project, and involved the analysis of existing application forms under different international funded projects. A draft was then presented and discussed at the first CAAP First Regional Partners Forum in Samarkand in December 2006 that was organized by the RPMU and UNAIDS, and based on comments from different partner agencies, the form was finalized. Although a number of partners have already agreed to use this form, further confirmation is required from the Global Fund and DFID-funded CARHAP, before this form is used by all the agencies.

Although this unified grant form is a significant step in the process of harmonizing donor grant cycles, it is hoped that the next step will be to ensure that grants do not overlap, and a unified grant announcement mechanism is developed. Whilst this places a premium on effective grant advertising, it will allow organizations to better plan their project development activities, in line with clearly defined grant cycles. In addition to the unification of the grant application form, the mission recommends the RPMU to further discuss with partners the possibility of having a common funding cycle and a single evaluation process for grants.

Strategic Communication

Current Status: Since the last mission undertaken in June 2006, communications by RPMU have improved significantly. Most of the recommendations made by the previous mission were implemented, although there were some minor delays in the implementation of some of these activities (i.e., hiring of the Communications Strategist, website enhancement). (i) A new Communication Coordinator and Strategist was hired in December 2006 and the new comprehensive communications strategy for the next year was developed. (ii) Routine communications within RPMU and with the RPSC, WB Central Asia project team, national coordinators, and other internal stakeholders were streamlined and contributed to overall better organizational effectiveness. (iii) The CAAP website, which is currently active, contains most of the necessary information but needs considerable improvements in design, structure, and functionality. The new enhanced version of the CAAP website however, which is currently under development, should address all of these issues. Databases of NGOs and Mass Media are being developed and expanded using inputs from the PR specialist and national coordinators. Communications with key donors, including GFATM, USAID, DFID, UNAIDS, and others are functioning well and contributing to better donor coordination. CAAP communications strategy has been well aligned with those of the implementing agencies such as CAPACITY and CDC, and good partnership has been established with TPAA.

Recommendations and Agreements

- CAAP Communications strategy for calendar year 2007 needs to be fully implemented. Implementation status reports by the RPMU communications team need to be provided regularly to the Executive Director and WB CA AIDS team.
- New version of the website should go live **by March 20, 2007**. Once the new website is launched, it needs to be aggressively promoted using all possible means (i.e., listing with most popular search engines, banner exchange, e-newsletter, etc.).

- New PR specialist/assistant to the Communications Coordinator and Strategies should be hired **by the end of March.**
- Communication Coordinator and Strategies should visit all the countries **in March-April 2007** and establish working relations with all the partners and External Affairs Officers working in the WB country offices.
- Lists of journalists writing about HIV/AIDS and related issues from the four countries should be updated (with inputs from partners such as AIDS Centers, CAPACITY, and others) and used for information dissemination and training for mass media.
- Training module and Guidelines for journalists should be prepared in partnership with TPAAs **by May 2007.**
- Lists of experts willing and capable of speaking professionally to mass media about HIV/AIDS related issues in all four countries should be prepared and provided to journalists **by May 2007.**
- Once the new website is functioning the e-newsletter could be piloted. This will involve emails, with links to all the newly published articles on the website being regularly sent to the distribution list comprised of all the NGOs, grant applications, mass media, donors, government counterpart, and others. This is an easy and cost-effective way to (i) disseminate information and ii) ensure website traffic. If this e-newsletter proves to be effective, the printed monthly bulletin could be abolished.
- Outreach to private sector companies will be piloted in Kazakhstan. During the pilot phase, the following private sector associations will be targeted: Forum of Entrepreneurs of Kazakhstan, Foreign Investors' Council, and American Chamber of Commerce.

Revised Project Results Framework

During the mission, the following monitoring and evaluation activities were accomplished:

The results framework of the project was revised. In particular, baseline values and targets for core behavioral indicators were included (Annex 2), and core indicators for subgrants were selected (Annex 3). After the discussion with RPMU and partners, it was decided that the project will focus not on all areas of HIV prevention and control, but on vulnerable groups and will give the utmost priority to the sub-projects working with most-at-risk groups (IDU, SW, MSM, and prisoners), populations at risk (youth, migrants, law enforcement officers) and people living with HIV/AIDS (PLWH). Accordingly, the indicators to measure service coverage and adoption of risk reduction behaviors for HIV transmission are included in the revised M&E framework (Appendix 2).

Time was also allocated to discuss the methodological limitations of using the “prevalence” indicator. Detailed arguments are attached in Annex 4.

In order to finalize the framework and set targets for all indicators, the RPMU will need to:

- Set concrete targets for all service delivery activities based on agreed subproject activities as contained in approval subproject proposals for 2007. For this the subprojects need to make clarifications in their proposals regarding number of beneficiaries and service coverage for 2007. The targets in the proposals should be set separately for each targeted group. This activity should be finalized by **March 15, 2007.**

- Conduct a brief review exercise of national HIV/AIDS behavioral outcome targets as outlined in National Strategic Plans and or national Monitoring and Evaluation framework/plans for each country in order to further identify required missing baseline values for knowledge and behavioral outcomes and to ensure alignment of behavioral outcome targets with country specific targets. This activity should be finalized by **March 15, 2007**.
- Conduct a behavioral outcome data planning exercise closely linked and alongside the brief exercise described above. This exercise will be conducted with the objectives of identifying current/planned behavioral data collection by countries and plan along with the countries and partners to ensure inclusion of project sites into the planned surveys (by **April 15, 2007**).
- Develop a single standardized routine (quarterly) progress reporting form for the grantees for routine progress reporting to the RPMU. This form should include the standard set of indicators for sub grants as agreed during this mission. The RPMU should also collect and review similar quarterly progress review forms being used by other similar projects in the region. The progress reporting form should be consistent all of the processes of RAF reporting guidelines.
- Ensure that targets for the CAAP can be monitored through use of existing data sources such as ; UNAIDS annual epidemiological update; UNGASS country status reports; CDC data and national/government reports
- Elaborate sub grant M&E guidelines in collaboration with UNAIDS including description of data sources, methods of data collection, way of analysis, from project sites to RPMU and data use (**April 30, 2007**)
- Train M&E specialists in collaboration with UNAIDS seconded to the countries on tracking project data and on integration of project monitoring system into the National M&E systems. The main focus would be on the revised results framework adopted for the project. It is necessary to include the RAC M&E staff members in this training to further facilitate harmonization and progress towards the Third One “ One national M&E system”..
- The World Bank team will process the necessary amendments to the project’s legal documents once it receives the request to amend the Results Framework from CACO by **April 1, 2007**.

GAMET will continue to provide technical support to the RPMU. In the short term, these support will consist of the following (a) for finalization of the results framework with RMPU, (b) for the review and finalization of the standardized routine reporting form for grantees (c) to develop a concept guidance note for behavioral data review exercise (d) working with the identified consultant to iterate the M&E sections of RAF guidelines (e) development and delivery of the M&E training for RPMU. In addition, GAMET will facilitate the participation of the RPMU M&E Adviser in the regional UNAIDS HIV Estimates training for the Central Asia region, which will take place in Moscow in June 2007.

Regional Project Management Unit (RPMU) – Administrative Issues and Actions

Staffing of RPMU. The RPMU is now fully staffed. However, the tender processes for one additional Procurement Officer, to share the burden of procurement activities both on regional and country levels is now underway with the agreement that the selection will be made by **March 1, 2007**. In addition, the mission received and reviewed the terms of reference for an additional communications officer. The selection process for this position will be initiated by **March 1, 2007**.

Financial Management Issues and Actions

Project accounting system and reporting: The 1-C accounting software is now fully operational and is a reliable mechanism of processing and recording accounting transactions. The software is specifically designed to meet accounting and reporting requirements of project, and produces reliable financial monitoring reports, including the quarterly Financial Monitoring Reports (FMR). The mission reviewed the trial balances as of 12/31/2006, and compared this with both information in the FMR for the 4th Quarter 2006 and other source data, such as bank account balances and expenditure ledgers. No discrepancies were noted.

Internal Controls: The RPMU has adequate internal controls for the project, including regular reconciliation of bank accounts, adequate segregation of duties between the various staff of the RPMU, adequate procedures for expenditure authorization, including payroll authorization. All expenditures are authorized by the Executive Director, after verification by the Financial Manager. Salary payments are made against payroll sheets prepared on the basis of attendance registers maintained by the Legal Specialist, who also acts as the Human Resources person, and approved by the Executive Director. The mission reviewed payroll against approved list of RPMU staff approved by the RSC and the World Bank. The RPMU complies with all accounting policies and procedures, as described in the financial procedures manual, as well as financial regulations issued by the Ministry of Finance in the host country of Kazakhstan.

Disbursement Summary and SDR Reconciliation: Although it was agreed during the previous mission that the RPMU would begin to maintain a monthly Disbursement Summary in SDR and USD, this has not been done. The disbursement summaries should form the basis of monitoring the movement between the SDR and USD caused by fluctuating exchange rates. The summaries should be prepared from records maintained by the RPMU and regularly checked against World Bank' disbursement figures in the *Client Connection* website. It was agreed that the RPMU would begin to maintain the Disbursement Summaries and perform the necessary reconciliation at the end of February 2007.

Budgeting and Reporting: The budget for fiscal year 2007 has been finalized and submitted to RSC for review and approval. As previously advised the budget should be based on the implementation plan and the milestones to be achieved during 2007. Involvement of Component and Country Coordinators in this process is critical in ensuring that realistic and achievable milestones are set, which provide clear linkages with the planned financial outlays. Once approved, the budget should be entered into the accounting system to be used in the quarterly financial reporting (FMR). The mission received and reviewed FMRs for the 4th Quarter 2006, and found to be satisfactory.

Staffing: The RPMU financial management function is adequately staffed, with a financial manager playing a key role in the establishment of effective financial management arrangements, with the support of an experienced chief Accountant/Disbursement Specialist.

Fixed Assets Management: The fixed assets register is now maintained in the 1-C software. All fixed assets are given identification (inventory) numbers, and there was physical inventory carried out in January 2007 and the results of the physical inventory reconciled with the fixed assets register.

Country level fiduciary arrangements: The RPMU has concluded a contract with the UNDP to provide fiduciary support to the project in all the four participating countries. The arrangement envisages that the UNDP would handle payments, accounting, reporting and procurement activities at the country level, working very closely with the National Coordinators. The UNDP will, for example, observe the selection of sub-grant recipients, handle all country level procurements, maintain records and accounts and provide periodic reports to the RPMU on the utilization of the funds. Payments will be effected by the UNDP from funds released by the RPMU, based on requests for payments submitted by the National Coordinators. The UNDP will also provide regular reports to the RPMU, based on mutually agreed reporting format. It was agreed that the RPMU would provide the reporting format to the UNDP, based primarily on the SOE format. This will make it easy for the RPMU to incorporate the SOEs submitted by the RPMU, to the World Bank, in support of withdrawal applications.

The mission met with UNDP team, lead by Mr. Shombi Sharp. During this time, most of the operational and relational issues were discussed and resolved. It was, for example, agreed that the UNDP would provide all the necessary facilities to enable the Administrative and Finance Assistants hired as part of the fiduciary arrangement to operate effectively.

Grant management arrangements. The mission reviewed, together with the RPMU, proposed framework agreements for small and large grant recipients and made a number of suggestions to be incorporated in the revised agreements. For small grant recipients (up to US\$20,000) selection will follow UNDP rules and the UNDP will co-sign the contracts with the national Coordinators. A draft framework agreement was reviewed and comments provided to the UNDP. The mission was informed that a total of 46 small grant recipients were approved by the National Technical Evaluation Committees for a total sum of US\$513,492. The UNDP indicated that, since they did not participate in the selection of the 46 small grant recipients they would not sign the contracts, and their involvement would be limited to providing fiduciary services according to the signed contract. The Regional Technical Evaluation Committee (RTEC) also approved 5 large grants for a total amount of US\$4,035,560 and contracts will be signed once the standard framework agreement for large grants is finalized. The mission had the opportunity to provide comments of the draft prepared by the RPMU and commented on some of the prospective large grant recipients.

The RPMU raised the issue of bank guarantees to cover initial payments to grant recipients to ensure satisfactory performance and accountability of funds released against the signed framework agreement. For small grants it was agreed that the RPMU will manage the tranche releases in such a way that minimizes the risks without requiring the grant recipients to provide bank guarantees. For large grants the RPMU will carry out financial management due diligence of the grant recipients to ensure that there are adequate mechanisms to guard against misuse of grant funds. The RPMU will also carry out regular monitoring of the grant recipients, in addition to receiving regular reports on the implementation of the sub-projects. Any incidences of inappropriate use of grant funds will need to be dealt with promptly in accordance with the conditions in the framework agreement, and be brought to the attention of the World Bank. The Bank will also review activities of selected large grant recipients, as part of regular financial management supervision. In the meantime it was agreed that the Bank will provide a template for financial management due diligence for the large grant recipients to be used by the RPMU.

Project Audit: The Terms of Reference for the audit of the project have been cleared with the Bank and the procurement process is at an advanced stage. In order to meet the audit report submission due date of June 30, 2007 it was agreed that the RPMU would expedite the contracting of the auditor to enable the audit report to be completed before the due date.

Transaction Review: The mission conducted sample review of Withdrawal Application # 11 for US\$482,509.57. The review confirmed that all expenditures were authorized, payments approved by the Executive Director and all transactions properly recording in the accounting system. Adequate supporting documents were maintained, and readily accessible. The mission was informed that the RPMU continues to pay VAT and other taxes levied in the host country despite the agreement by participating countries that the project would be exempted from taxes. The RPMU has compiled a list of all invoices paid with VAT (total – KT 3,371,184, approx. US\$26,970 at current exchange rate) for submission to the Ministry of Finance of KZ for refund.

It was noted, that, as previously agreed, the RPMU has now designed a form for travel advances to be signed by all applicants, and the form has clear instructions on submission of statements of expenses upon return from the business trips.

Status of previously agreed actions:

Proposed Actions	Due Date	Status
The RPMU to finalize the 2007 budget, based on the procurement and implementation plans, and enter the approved budget into the accounting system. Budget should include physical targets to be achieved during the budget period to facilitate linkage between physical outputs with the financial information	By December 31 2006	Pending
Monthly Disbursement Summaries to be maintained in both USD and XDR and periodic reconciliation be performed to determine any potential gains or losses	December 31, 2006, and thereafter on a monthly basis	Pending
The RPMU to ensure timely update of financial transactions in the accounting system	Daily Basis	Done
The RPMU to submit FMRs for the 3 rd quarter ended September 30, 2006, to include procurement reports and brief explanatory notes. RPMU should ensure timely submission of the quarterly FMRs, based on previously agreed format	December 31, 2006	Done
All assets to be given identification numbers and the fixed assets register to be updated in the 1-C software. Physical inventory to be conducted at the end of the year	By December 31, 2006	Done
RPMU to include in the travel advance Form requirement for staff to submit SOE within 48 hours after return from Business trips	By December 31, 2006	Done

NB: All the pending actions should be implemented by February 28, 2007.

Additional Recommended Actions:

- (i) RPMU to provide the reporting format to the UNDP - **February 28, 2007**
- (ii) World Bank to provide a template for financial management due diligence of the large grant recipients – **February 28, 2007**

- (iii) RPMU to conduct financial management due diligence of large grant recipients to confirm existence of adequate capacity to properly account for the use of grant funds and submit regular reports to the RPMU – **March 15, 2007**
- (iv) RPMU to expedite the contracting of the auditor to enable the audit to be completed before the due date – **March 15, 2007**.

Procurement Issues and Actions

Procurement Plan: The mission provided the Fiduciary Staff of the RPMU with detailed comments on the procurement plan, and requested that they: (i) justify each proposal for Sole Sourcing/Direct Contracting; (ii) use realistic dates for each procurement step, e.g., not to begin all the activities at the same time, and calculate each contract package key dates backward from the contract completion time; (iii) for consultants, combine the three CQS contracts under component 2 into a single QCBS contract; to use CQS only for contracts estimated to cost less than US\$100,000 each; and (iv) involve the national coordinators and other relevant staff in the procurement planning process. The RPMU has revised the procurement plan and re-submitted these for Bank's review and no objection. The Bank will review this document and provide comments by **February 28, 2007**.

The mission also requested the RPMU to prepare by **March 1, 2007** a procurement plan listing all the contracts that have been concluded so far.

Measures to Strengthen the RPMU's Procurement Capacity: For the procurement consultant's position in the RPMU, ten candidatures have been received. A tender committee comprising the Executive Director of the RPMU and other staff of the RPMU will evaluate these candidatures and submit an evaluation report to the Bank by **March 1, 2007**. It was agreed that the Procurement Consultant will be selected in time for the March 2007 regional procurement workshop in Tashkent that is being organized by the Bank.

Direct Contracting of Test Kits under MOU with CDC: A discussion was held on the proposed sole sourcing of test kits. It was concluded that the test kits were available from different sources in almost every country and could be procured through the Shopping Method. There will be several contract shopping packages amounting to approximately US\$130,000.

Contract for SS and ES: The RPMU has developed the necessary breakdown of the costs for these contracts. The RPMU raised the issue of whether it should enter into contracts with each individual trainer from the Republican AIDS Centers or with the Republican AIDS Centers. It was advised that the RPMU staff should enter into a contract with the Republican AIDS Centers. The contract should include: the trainers that the Republican AIDS Centers will make available for training; the period of their availability and the hourly or daily rate at which they will be paid. In addition, the contract should include provision under which invoices will be submitted by each trainer for his or her inputs, through the respective Republican AIDS Center; payment however will be made directly to the trainer rather than through the Center. This will ensure that the individual trainers are paid in a timely manner and will create an incentive for providing training in a timely and efficient manner. This however will necessitate that the contract includes a clear mechanism to certify that the trainer has provided training successfully. Hence, some performance standards for successful training will have to be developed and also included in the contract. The next step for the RPMU is to submit these contracts along with the necessary cost breakdowns to the Bank for review and no objection.

Procurement of Grant Management System: Regarding the proposal of direct contracting of the OSI/GMS software, it was agreed that the RPMU will discuss this matter further as it has already spent US\$15,000 (approximately) on 1C system and it was agreed that it would not be desirable to procure this system again as part of the OSI/GMS system. The RPMU will explore the possibility of either procuring the GMS software from some other sources or procuring only the GMS part of the OSI software. While the Executive Director of the RPMU emphasized the need for a good GMS, he agreed that the cost (US\$130,000) should be commensurate with the benefit to the project. Thus, a further analysis of the proposal is necessary.

Ex-post review: At this time, approximately 10 contracts have been signed and about US\$1 million have been disbursed. The mission reviewed two consultants (one CQ and one individual) contracts and two Shopping contracts. Highlights of this review are as follows:

- In the case of a contract (a small value contract) for developing CAAP's cooperative image, and other activities, the draft terms of reference was not cleared with the Bank. This is a mandatory requirement whether a contract is subject to prior or ex-post review. Incorrect CQ procedures were therefore followed. In particular, the request for proposals is not on file; the evaluation report was not prepared (a serious oversight); the contract is not on file; and the Executive Director's approval of payment is not dated.
- In the case of the contract for the M&E specialist for the Kyrgyz Republic, the Bank's no objection to the draft TORs is not available on file;
- For the contract for IT equipment/furniture, the request for quotations were not on file; no evaluation report were prepared; several proposals received by the firm which was awarded the contract, i.e., a negotiation process which is not permissible; the acceptance certificate was signed by only one person, i.e., the procurement officer. Goods are usually accepted in the presence of a committee of a minimum of three members who inspect the goods and sign the acceptance certificate.
- For the IT equipment and office furniture for M&E system and TOT Center in Tajikistan, no invitation to quote was on file; there was no information on how many suppliers were invited and the evaluation report was signed only by the national coordinator. No signature of approval of the RPMU director was available on the evaluation report- this should be a common practice; and the original contract was not available on file.
- In summary, the procurement process is not being conducted totally in accordance with the World Bank Procurement Guidelines and the procurement files are incomplete and scattered.

Next World Bank/DFID/UNAIDS Mission

It was discussed that a joint WB/DFID/UNAIDS supervision mission will take place tentatively in **July 2007**. It is recommended that the annual review in 2008 takes place in March/April in order to facilitate field visits to service provision sites with vulnerable groups in the region and is held in more than one country. RPMU will lead in setting the agenda and chairing appropriate sessions.

Almaty, February 23, 2007

Annex 1: Indicative schedule for Round 2 of Sub-Project Proposals

SMALL GRANTS

	Start date	End date
Review Grant Manual and Processes	26/02/2007	30/03/2007
Collect information on sub-grant schemes, funding priorities and resource envelope	26/02/2007	15/03/2007
RAF team /National coordinators' meeting in Tashkent	16/03/2007	19/03/2007
CAAP / CARHAP retreat	05/03/2007	06/03/2007
Agree on priority areas with partners (CCM, donors)	26/02/2007	30/03/2007
Information campaign	02/04/2007	20/04/2007
Letter of Intent submission	23/04/2007	04/05/2007
Deadline for Lol	04/05/2007	04/05/2007
Screening of Lols and invitation to submit grant proposal /selection of potential grant recipients	07/05/2007	01/06/2007
Call for proposals	01/06/2007	01/06/2007
Training for Grant recipients	04/06/2007	15/06/2007
Preparation of proposals	04/06/2007	22/06/2007
Deadline for proposal submission	22/06/2007	22/06/2007
Documentation review and evaluation preparation / screening of organization	25/06/2007	20/07/2007
Proposal evaluation by NTEC	23/07/2007	10/08/2007
CCM approval for small grants	13/08/2007	31/08/2007
RSC approval	03/09/2007	03/09/2007
Grant Negotiations and signing of Framework Agreement	04/09/2007	01/10/2007
Small grants kick-off	01/10/2007	01/10/2007
Implementation	03/10/2007	26/09/2008

LARGE GRANTS

Review Grant Manual and Processes	26/02/2007	30/03/2007
Collect information on sub-grant schemes, funding priorities and resource envelope	26/02/2007	15/03/2007
RAF team /National coordinators' meeting in Tashkent	16/03/2007	19/03/2007
CAAP / CARHAP retreat	05/03/2007	06/03/2007
Agree on priority areas with partners (CCM, donors)	26/02/2007	30/03/2007
Information campaign	02/04/2007	20/04/2007
Letter of Intent submission	23/04/2007	04/05/2007
Deadline for Lol	04/05/2007	04/05/2007
Screening of Lols and invitation to submit grant proposal /selection of potential grant recipients	07/05/2007	01/06/2007
Training for Grant recipients	04/06/2007	15/06/2007
Call for proposals	01/06/2007	01/06/2007
Preparation of proposals	04/06/2007	27/07/2007
Proposal submission deadline	27/07/2007	27/07/2007
Documentation review and evaluation preparation / screening of organization	30/07/2007	24/08/2007
Proposal evaluation by RTEC	27/08/2007	14/09/2007
RSC approval	15/10/2007	15/10/2007
Grant Negotiations and signing of Framework Agreement	16/10/2007	12/11/2007
Large grants kick-off	12/11/2007	12/11/2007
Implementation	14/11/2007	06/05/2009

Annex 2: Revised Results Framework and Monitoring

Project Development Objective:	Key Results	Baseline and Targets	Means of verification/ Data Source
<p>Contribute to the Control of the Spread of HIV in Central Asia region through the strengthening of regional and national capacity and cooperation between the public sector, NGOs and Private Sector</p>	<p>Improved policy and enabling environment for regional and national HIV/AIDS response</p> <p>Increased scale and availability of services for most risk at risk populations</p> <p>Increased utilization of HIV prevention services by most at risk populations</p> <p>Improved HIV prevention knowledge and adoption of behaviors that reduce transmission of HIV</p>	<p>Key results will be tracked and measured as described for each indicator</p>	<p>National Policy Index (UNGASS, biennial)</p> <p>Program monitoring data (quarterly), service records (quarterly), special studies (annually)</p> <p>Program monitoring data and service records (quarterly)</p> <p>National Behavioral Surveillance Surveys among most at risk populations (annually)</p>
<p>Outcomes from each component: Component 1, sub component 1 Support the development of an enabling environment which facilitates the implementation of the HIV regional strategy, which focuses on prevention activities among highly vulnerable populations</p>	<p>Outcome and Outputs:</p> <p>Improved National Policy Index</p> <p>National sentinel surveillance reports published and disseminated</p> <p>Annual Regional Forum of Partners</p> <p>Number of journalists trained</p> <p>Number of religious leaders participating in project activities</p> <p>Number of parliamentarians participating in project activities</p> <p>Number of informational materials, articles, reports, radio/TV programs developed and disseminated by the project</p> <p>Number of people trained in HIV electronic surveillance system</p> <p>Number of PLWA monitored by HIV electronic</p>	<p>Baseline and Targets</p> <p>Baseline: 0 (2006) Target: 3 countries per year</p> <p>Baseline: 0 (2006) Target: 5 (2010)</p> <p>Baseline: 0 (2005) Target: 0 (2010)</p> <p>Baseline: 0(2006) Target: TBD(2010)</p> <p>Baseline: 0 (2006) Target: TBD (2010)</p> <p>Baseline: 0 (2006) Target: TBD (2010)</p> <p>Baseline: 0 (2006) Target: TBD (2010)</p> <p>Baseline: 0 (2006) Target: TBD (2010)</p> <p>Baseline: 0 (2006) Target: Not applicable</p>	<p>Data Source and Frequency</p> <p>National Composite Policy Index Reports (UNGASS) National sentinel survey reports (annually)</p> <p>Partners forum report (annually)</p> <p>Training reports (quarterly)</p> <p>Program monitoring reports (quarterly)</p> <p>Program monitoring reports (quarterly)</p> <p>Program monitoring reports (quarterly)</p> <p>Training reports (quarterly)</p> <p>Program monitoring reports (quarterly)</p>

	surveillance system		
	Number of sentinel surveillance studies supported	Baseline (0): 2006 Target: TBD (2010)	Sentinel surveillance reports (annually)
	Number of countries providing data to CARISA	Baseline 0: 2007 Target: 3 countries per year	CARISA program reports (TBD)
Outcomes from each component: Component 2: Mobilize resources in the Regional AIDS Fund, in order to finance initiatives, which assist in containing the HIV epidemic in Central Asia Countries	Outcome and outputs Percentage of IDU reached with HIV prevention programs (UNGASS)	Baseline and Targets Baseline: KZ: 5.0% (2006) Target: 10-15% increase (2008), 10-15% (2010)	Data Source and frequency National Behavioral Surveillance surveys (BSS) (annually)
	Percentage of MSM reached with HIV prevention programs (UNGASS)	Baseline: TBD Target: 10-15% increase (2008), 10-15% increase (2010)	National Behavioral Surveillance surveys (BSS) (annually)
	Percentage of female sex workers reached with HIV prevention programs (UNGASS)	Baseline: TBD Target: 10-15% increase (2008), 10-15% increase (2010)	National Behavioral Surveillance Survey (BSS) (annually)
	Percentage of IDU who both correctly identify ways of preventing the sexual transmission of HIV and who reject major misconceptions about HIV transmission (UNGASS)	Baseline: TBD Target: 10-15% increase (2008), 10-15% increase (2010)	National Behavioral Surveillance Survey (BSS) (annually)
	Percentage of MSM who both correctly identify ways of preventing the sexual transmission of HIV and who reject major misconceptions about HIV transmission (UNGASS)	Baseline: KG: 6.9% (2006) Target: 10-15% increase (2008), 10-15% increase (2010)	National Behavioral Surveillance Surveys (BSS) (annually)
	Percentage of female sex workers both correctly identify ways of preventing the sexual transmission of HIV and who reject major misconceptions about HIV (UNGASS)	Baseline: KG: 1.1% Target: 10-15% increase (2008), 10-15% increase (2010)	National Behavioral Surveillance Surveys (BSS) (annually)
	Percentage of female sex workers reporting the use of a condom with their most recent client (UNGASS)	Baseline: UZ: 65.3% (2006) Target: 10-15% increase (2008)	National Behavioral Surveillance Survey (BSS) (annually)
Percentage of men reporting the use of a condom the last	Baseline: TBD Target: 10-15% increase	National Behavioral Surveillance Survey (BSS)	

	time they had anal sex with a male partner (UNGASS)	(2008), 10-15% increase (2010)	(annually)
	Number of sex workers reached through HIV prevention services	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of IDUs reached through HIV prevention services including drug treatment services	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of MSM reached through HIV prevention services	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of prisoners reached through HIV prevention services	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of law enforcement officers reached through HIV prevention services	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of migrants reached through HIV prevention services	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of needles and syringes distributed among IDUs in harm reduction services	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of condoms distributed to end users	Baseline: 0 Target: TBD	Condom distribution logs, program monitoring data (quarterly)
	Number of health care providers trained	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of young people trained as peer educators	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of young people reached	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of PLWHA reached through care and support services (including palliative care)	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of PLWHA participating in peer to peer support activities	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Number of subprojects implemented by joint efforts of 2 or more countries	Baseline: 0 Target: TBD	Program monitoring data (quarterly)
	Amount of received funds	-	Financial records

	<p>disbursed by subprojects</p> <p>Percentage of grantees who achieve at least 80% of planned expenditure targets</p>	-	Program and financial records
<p>Outcomes from each component:</p> <p>Component 3: Project Management Unit supports both the implementation and the monitoring and evaluation of the project</p>	<p>Outcome and outputs</p> <p>Percentage of total grantees who achieve at least 80% of planned expenditure targets</p> <p>Percentage of funds disbursed to each subproject (of total approved funds)</p> <p>Percentage of disbursed funds expended by each subproject</p> <p>Development and dissemination of annual report of CAAP project results (with at least 75% reporting on results framework indicators)</p>	<p>Baseline and Targets</p> <p>Target: 75% (2007) 80% (2008) 100 (2010)</p> <p>Target: 5 (2010)</p>	<p>Data Source and Frequency</p> <p>Program and financial records</p> <p>Financial records</p> <p>Financial records</p> <p>Annual CAAP Program Report, program monitoring reports</p>

Annex 3: Indicators for Grant monitoring

Routine program monitoring indicators ((for quarterly progress reporting)

Number of sex workers reached through HIV prevention services
Number of IDUs reached through HIV prevention services including drug treatment services
Number of MSM reached through HIV prevention services
Number of prisoners reached through HIV prevention services
Number of migrants reached through HIV prevention services
Number of law enforcement officers reached through HIV prevention services
Number of needles and syringes distributed among IDUs in harm reduction services
Number of condoms distributed
Number of health care providers trained
Number of religious leaders participating in project supported activities
Number of young people trained as peer educators
Number of young people reached through in-school and out-of school based services
Number of PLWH reached through care and support services (including palliative care)
Number of PLWH participating in peer to peer support activities
Percentage of received funds disbursed/expended

Tracking of HIV Behavior outcomes

Behavioral outcome indicators will be measured and tracked at the national level through national behavioral surveillance surveys. This is to ensure consistency and compliance with national behavioral surveillance system requirement and international standards and to facilitate consistency of measures across the project.

These behavioral indicators are presented below for informational purposes. Subprojects are not expected to conduct subproject specific behavioral studies except as needed for development of appropriate behavior change/ IEC messages e.g. qualitative studies such as focus group discussions and interviews with target populations. Subprojects should consult with the CAAP/RPMU for further clarity and exceptions.

Percentage of most-at-risk population reached with HIV prevention programs (UNGASS)
i.e. Sex workers, Intravenous Drug Users, Men having Sex with Men

Percentage of most-at-risk populations who both correctly identify ways of preventing the sexual transmission of HIV and who reject major misconceptions about HIV transmission (UNGASS) i.e. Sex workers, Intravenous Drug Users, Men having Sex with Men

Percentage of young men and women aged 15-24 who both correctly identify ways of preventing HIV transmission and who reject major misconceptions about HIV transmission (UNGASS)

Percentage of injecting drug users who have adopted behaviors that reduce transmission of HIV, that is who avoid both sharing injecting equipment during the last month and who report using a condom with their most recent sexual partner (UNGASS)

Percentage of female sex workers reporting the use of a condom with most recent client (UNGASS)

Percentage of MSM reporting the use of a condom the last time they had anal sex with male partner (UNGASS)

Annex 4: Limitations of prevalence as a PDO

The following major limitations are identified:

- HIV prevalence is slow to respond to changes in HIV risk behavior and HIV incidence
- In concentrated epidemics, HIV prevalence in the general population reflects the tail-end of a long infection chain
- HIV prevalence provides no timely information as to whether a project is on or off track and does not enable management to manage by results
- HIV prevalence depends on the balance between incidence and mortality, which may be changed by increasing access to treatment
- HIV prevalence changes cannot be attributed to a single development partner's efforts – they reflect the totality of national and international HIV responses
- HIV prevalence measures may not be consistent or stable over time

These reasons are discussed in greater detail in ensuing paragraphs:

HIV prevalence is slow to respond to changes in HIV risk behavior and HIV incidence

Because of the long-time lag between HIV prevalence and HIV illness and mortality, HIV prevalence continues to rise even after HIV risk behavior and HIV incidence have begun to decline. The illustrative Kenya graph below depicts the relationship between HIV incidence and HIV prevalence. HIV incidence appears to have begun to decline around 1992. However, because of the long latency between HIV infection and mortality, prevalence rose even as incidence began to fall and finally peaked around 1997, when mortality rose to match incidence.

Because of the long lag between changes in HIV risk behavior and HIV incidence on the one hand and HIV prevalence on the other hand, HIV prevalence is unsuitable as a PDO. It is unlikely to respond to interventions introduced during the three-to-five year life cycle of a typical project. It may lead to erroneous conclusions: first, a project may either claim success for changes HIV risk behavior and incidence that predated the project; second, a project may conclude it is unsuccessful because HIV prevalence has not declined, even if the project has begun to contribute to reduced HIV risk behavior and HIV incidence.

In concentrated epidemics, HIV prevalence in the general population reflects the tail-end of a long infection chain

In concentrated epidemics, including several epidemics in the Horn of Africa and West Africa, HIV prevalence among the general population, such as antenatal clients, reflects the tail-end of a long and distal infection chain, which may have begun with sex workers, spread to bridge populations of clients and from such bridge populations to the general population. This further compounds the existing lag between changes in HIV infection and HIV prevalence, by creating a long chain between those most likely to experience reduced HIV prevalence, through behavior

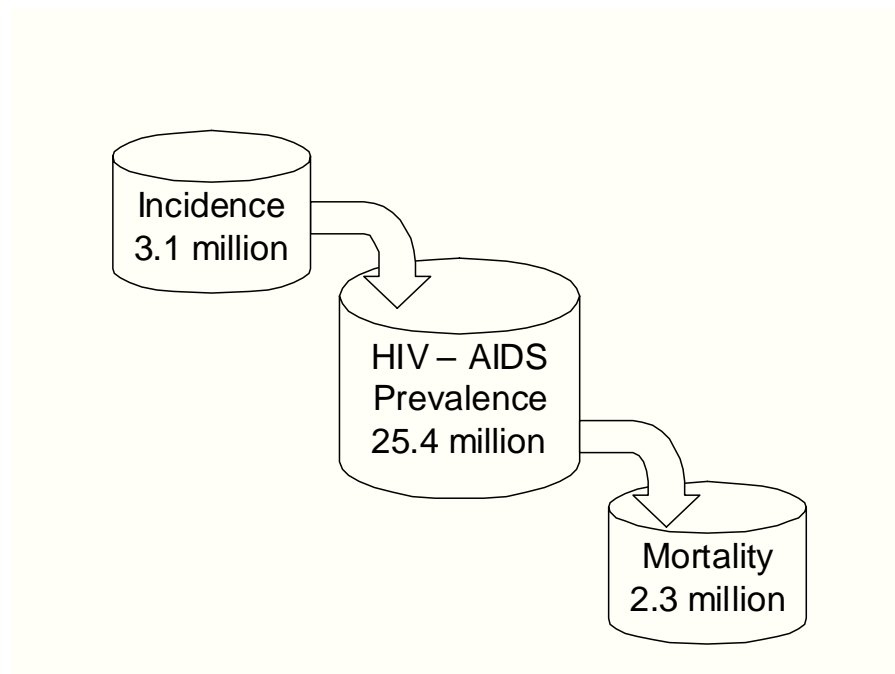
change and mortality, such as sex workers, as those populations chosen to measure prevalence, such as antenatal patients.

HIV prevalence provides no timely information as to whether a project is on or off track

In addition, as a review of Bank project showed, an HIV prevalence PDO provides no useful information as to whether the design and implementation of a project is on or off track and does not enable management to manage by results. A more realistic overall PDO, together with well defined, responsive intermediate outcomes, assists management to detect whether a project is on track and to steer by results.

HIV prevalence depends on the balance between incidence and mortality, which may be changed by increasing access to treatment

HIV prevalence reflects the balance between incidence and mortality, as the following figure below depicting HIV dynamics in Africa in 2004 illustrates.



If treatment reduces mortality, the HIV prevalence will rise, even if HIV incidence remains stable, or declines more slowly than HIV mortality. Thus, in an era of increased access to treatment, HIV prevalence is unsuitable as a performance indicator.

HIV prevalence changes cannot be attributed to a single development partner's efforts

Changes in HIV prevalence reflect changes in HIV risk behavior and HIV incidence that result from a complex interplay of factors that are beyond the scope of any single development partner and reflect a complex range of formal and informal factors. What causes changes in HIV prevalence? The earliest effects are likely to be purely epidemiological phenomena--those most susceptible become infected first (because of sexual behavior and networks) and the susceptible

pool shrinks. Moreover, at some point the chain reaction derived from the infectiousness of the newly-infected subsides. These may be followed by behavior changes. Some safer behavior is probably adopted by people on their own. Knowledge of the causes and consequences of AIDS, albeit imperfect, is widespread. But some behavioral change is likely to be related to national programmatic prevention efforts. However, these efforts cannot be attributed to a single actor. Indeed, as the Bank's relative size as an HIV financier declines as funding from other sources grows, it becomes even less tenable to ascribe changes in HIV prevalence directly to Bank investments.

HIV prevalence measures may not be consistent or stable over time

In the limitations described above must be added a final problem – HIV prevalence measures are unlikely to be stable over time. There are several reasons for this. First, HIV diagnostics used in early HIV prevalence surveys yielded a higher number of false positives, thus inflating early HIV estimates. Second, HIV samples have changed over time. Most countries rely on HIV prevalence among antenatal clients. Antenatal sites were initially understandably selected on the basis of the proximity to geographic areas of elevated risk. Moreover, most sites were initially urban. The inclusion of more antenatal sites outside areas of elevated risk and more rural sites altered the composition of antenatal sites. This may result in putative reductions in HIV prevalence, which in fact reflects changes in the composition of antenatal samples.

In addition, HIV prevalence estimates may be derived from other sources, such as population based surveys and these estimates may be lower than antenatal estimates. As the following comparison between antenatal and population-based HIV prevalence shows, antenatal estimates usually considerably overestimate population-based prevalence. In such cases if antenatal and population-based HIV prevalence estimates are compared, it may seem as if HIV prevalence has fallen. Such erroneous comparisons usually do occur, despite every effort to discourage them).