

Mr. Charles Stokes
President and Chief Executive Officer
CDC Foundation
55 Park Place, Suite 400
Atlanta, Georgia 30303
USA

Ref: Regional. Nonreimbursable Technical Cooperation
Program No. ATN/JF-11664-RG. Support for
Prevention and Control of the AH1N1 Influenza
Epidemic and Other Infectious Diseases in Latin
America and the Caribbean.

Dear Mr. Stokes:

This letter of agreement (the “Agreement”) between CDC Foundation (herein after the “Co-Executing Agency”, “Beneficiary” or “CDC Foundation”) and the Inter-American Development Bank (the “Bank”), which we are submitting for your consideration, is to formalize the terms of a grant of a nonreimbursable technical cooperation (the “Contribution”), for an amount of up to three hundred forty thousand five hundred dollars of the United States of America (US\$340.500), chargeable to the Japan Special Fund (JSF) administered by the Bank. The Contribution will advance a program to support the public health response to the AH1N1 influenza epidemic and other infectious diseases in Latin America and the Caribbean through the transfer of know-how and technology for the design and implementation of an epidemiological surveillance system to monitor infectious diseases and respond effectively to future outbreaks, which is set forth in the Annex of this Agreement. Unless otherwise stated in this Agreement, the term “dollars” shall hereinafter refer to the currency of legal tender in the United States of America.

The Bank and the Co-Executing Agency agree upon the following:

First. Components of the Agreement. This Agreement consists of this part one, referred to as the “Special Conditions”; part two, referred to as the “General Conditions”, and the Annex, which are attached hereto. The prevalence between the above-mentioned Sections and the Annex is established in Article 1 of the General Conditions.

Second. Co-Executing Agency. The Co-Executing Agency of this Program shall be the Bank, in coordination with the CDC Foundation (hereinafter the “Co-Executing Agency” or CDC Foundation). As Co-Executing Agency, the CDC Foundation shall execute the specific components and activities set forth in the Annex to this Agreement. CDC Foundation shall coordinate the execution of the activities assigned to it under this Agreement with the Pan-

American Health Organization (hereinafter “PAHO”), who is in turn is Co-Executing other Program activities listed in the Annex. Similarly, CDC Foundation shall coordinate and communicate with the Consejo de Ministros de Salud de Centro America (COMISCA) and the Centro de Coordinación para la Prevención de los Desastres Naturales en América Central (CEPRENAC), which are entities collaborating in the execution of the Program, as indicated in the Annex.

Third. Conditions Prior to First Disbursement. (a) The first disbursement of the Contribution shall be subject to the fulfillment, to the satisfaction of the Bank, of the conditions set forth in Article 2 of the General Conditions.

Fourth. Reimbursement of Expenditures Chargeable to the Contribution. With the consent of the Bank, resources of the Contribution may be used to reimburse expenditures incurred or to finance those that may be incurred in the Program on or after June 05, 2009, and up to the date of this Agreement, provided that requirements substantially similar to those set forth herein have been fulfilled.

Fifth. Revolving Fund. The amount of the Revolving Fund for this Program shall be the equivalent to twenty percent (20%) of the Contribution.

Sixth. Deadlines. (a) The period for execution of the Program shall be twelve (12) months, from the effective date of this Agreement.

(b) The deadline for the last disbursement of the resources from the Contribution shall be eighteen (18) months from the effective date of this Agreement. Any part of the Contribution which has not been utilized within this period shall be canceled.

(c) The aforementioned deadlines and any others that may be stipulated in this Agreement may be extended, when duly justified, with the written consent of the Bank.

Seventh. Total Cost of the Program and Additional Resources. The total cost of the Program is five million dollars (US\$5,000,000). Notwithstanding, the costs of components to be executed by the CDC Foundation as Co-Executing Agency and in accordance with this Agreement is an amount of up to three hundred and forty thousand five hundred and six dollars (US\$340,500).

Eighth. Currencies for Disbursements. The Bank will disburse the Contribution in U.S. dollars.

Ninth. Procurement of Goods. Goods and related services shall be procured in accordance with the provisions set forth in Document GN-2349-7 “Policies for the Procurement of Works and Goods financed by the Inter-American Development Bank”, dated July 2006, Appendix IV, the contents of which the Co-Executing Agency hereby declares to be familiar with, and in accordance with the following provision. The Co-Executing Agency may also utilize any of the methods listed under Section III of the aforementioned policies, in the circumstances described therein.

Tenth. Selection and Contracting of Consulting Services. The selection and contracting of consulting services by the Co-Executing Agency shall be carried out in accordance with the provisions set forth in Document GN-2350-7 “Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank” dated July 2006, Appendix IV, the contents of which the Co-Executing Agency hereby declares to be familiar with. The Co-Executing Agency may also utilize the modalities set forth in Sections III and V of the aforementioned Policies when hiring consulting firms and individual consultants, respectively, under the circumstances described therein.

Eleventh. Procurement Plan. Before starting any competitive bidding process or any request for proposals for the acquisition of goods and services (different from consulting services) and consulting services, respectively, the Co-Executing Agency shall prepare and furnish to the Bank for its approval, a Procurement Plan acceptable to the Bank setting forth: (a) the particular contracts required to carry out the Program, including the estimated cost of each contract, and the proposed methods for acquisition of goods and selection of consultants’ services, in accordance with paragraphs 1 of Appendixes 1 of the Procurement of Goods and Consultants Policy referred to in paragraphs Ninth and Tenth of these Special Conditions. This Plan shall be updated during the execution of the Program or as needed throughout the duration of the Program, and each updated version shall be submitted to the Bank’s approval.

Twelfth. Review by the Bank. Unless the Bank agrees otherwise in writing, each contract for the acquisition of goods and consulting services shall be subject to an *ex post* review, in accordance with the procedures set forth in the Procurement of Goods and Consultants Policy.

Thirteen. Auditing. (a) The Co-Executing Agency undertakes to present, to the Bank’s satisfaction, notwithstanding the provisions of Article 11 of the General Conditions, within one hundred and twenty (120) days after the final disbursement deadline, the financial statements of the Program, as certified by the Co-Executing Agencies Certified Public Accountant. The CDC Foundation will also provide their annual audited report to the Bank upon its completion expected to be in March 2011, which shall include the Program expenses as a supplemental schedule. The Bank may reserve the right to request a specific audit of the program if any particular circumstance of the execution of the Program arises at the Bank’s expense.

Fourteenth. Reports. (a) The Bank and the Co-Executing Agency will hold semiannual meetings to review the progress achieved in the implementation of the Program. Prior to each meeting, the Co-Executing Agency shall provide the information and documentation requested by the Bank regarding the advancement of the Program. The Co-Executing Agency shall prepare quarterly progress and financial reports of the Program.

(b) A final evaluation will also be conducted for Program supervision and monitoring, based on the indicators and goals established in the logical framework. The evaluation will focus on: (i) verifying the degree of compliance with the indicators for the Program and the different components; (ii) taking stock of the successes and shortcomings of program design; and (iii) recommending corrective or monitoring measures for future programs of this kind.

Fifteenth. Information Disclosure. (a) The Co-Executing Agency undertakes to notify the Bank, in writing, within a maximum period of ten (10) working days from the date of signature of this Agreement, whether it considers any part of this Agreement to be confidential or sensitive, or to contain information that may adversely affect relations between the Bank and the Co-Executing Agency, or between the Bank and its private sector clients, in which case the Co-Executing Agency undertakes to identify those provisions considered as such. In accordance with the Bank's Disclosure of Information Policy, the Bank will make the text of this Agreement available to the public once it has been signed and has entered into effect, with the sole exception of the information specifically identified by the Co-Executing Agency as confidential, sensitive or adverse to relations with the Bank in the manner indicated in this paragraph.

(b) CDC Foundation shall acknowledge the JSF contribution in any printed materials, presentations, or formal documents prepared within the framework of the technical cooperation project. Information on project execution will be shared periodically with the Japanese embassies in the region and the Japan International Cooperation Agency (JICA).

Seventeenth. Other Commitments. Notwithstanding the provision set forth in Article 14 (a) of the General Conditions and in lieu thereof, the Co-Executing Agency shall provide the Consultants and local experts with appropriate allowances for logistical support required for the execution of their work, to the extent permitted by law.

Eighteenth. Termination. Each of the Parties may terminate this Agreement under the circumstances described in Article 6 of the General Conditions, by giving 30 days advanced written notice to the other Party, with the understanding that any part of the Contribution disbursed to the Co-Executing Agency and not utilized at the time of such notice, must be returned to the Bank.

Nineteenth. Notice. Any notice, request, or communication from one party to another by virtue of this Agreement shall be made in writing and shall be considered to have been made when the relevant documents are delivered to the addressee, unless the parties otherwise agree in writing.

If to the Co-Executing Agency, such notice shall be addressed to:

Verla Neslund, J.D.
Vice President for Program
CDC Foundation
50 Park Place, Suite 400
Atlanta Georgia 30303
U.S.A .

Facsimile: 404-653-0330

If to the Bank, such notice shall be addressed to:

Inter-American Development Bank
1300 New York Avenue, N.W.
Washington, D.C. 20577
U.S.A.

Facsimile: (202) 623-3096

Please confirm your acceptance of the terms and conditions of this Agreement, in representation of the Co-Executing Agency, by signing and returning one of the originals hereof to the Bank.

This Agreement shall be signed in two (2) originals of equal tenor by duly authorized representatives of the parties and shall enter into force on the date of its signature by the Co-Executing Agency.

Yours Faithfully,

f// Kei Kawabata

Kei Kawabata
Manager, Social Sector

AGREED:

f// Charles Stokes

Name: Mr. Charles Stokes

Title: President and CEO

Date: September 9, 2009

**GENERAL CONDITIONS APPLICABLE TO
NONREIMBURSABLE TECHNICAL COOPERATIONS**

Article 1. Application and Scope of General Conditions. (a) These General Conditions set forth terms and conditions generally applicable to all nonreimbursable technical cooperations made by the Bank, and their provisions form an integral part of this Agreement. Any exception to these General Conditions shall be expressly stated in the text of the Special Conditions.

(b) If any provision of the Special Conditions or of the Annex or Annexes should present any inconsistency or contradiction with these General Conditions, the provisions of the Special Conditions or the corresponding Annex shall prevail. In case of inconsistencies or contradictions between the Special Conditions and the corresponding Annex or Annexes, specific provisions shall prevail over general provisions.

Article 2. Conditions Prior to First Disbursement. (a) The first disbursement of the Contribution shall be subject to the fulfillment of the following requirements, by the Beneficiary, directly or through the Executing Agency:

- (i) designation of the person or persons authorized to represent it in all acts relating to the execution of this Agreement, and submission to the Bank of authenticated specimen signatures of such persons. If two or more officials are designated, the designation shall indicate whether they may act severally or jointly;
- (ii) submission to the Bank of a request for disbursement, justified in writing; and
- (iii) presentation to the Bank of a timetable for use of the Counterpart Resources.

(b) If within one hundred and eighty (180) days from the effective date of this Agreement, or within such longer period as the parties may agree in writing, the conditions precedent to the first disbursement established in this Article and in the Special Conditions have not been fulfilled, the Bank may terminate this Agreement by giving notice to the Beneficiary.

Article 3. Disbursement Procedure. (a) The Bank shall make disbursements of the Contribution to the Beneficiary, through the Executing Agency, each time it requests such disbursements and provides justification, to the Bank's satisfaction, for the expenses to be paid with the Contribution resources.

(b) At the request of the Beneficiary, through the Executing Agency, and provided that the requirements set forth in paragraph (a) above, in Article 2 and in the Special Conditions

have been satisfied, the Bank may establish a revolving fund with the Contribution resources, which the Beneficiary, through the Executing Agency, shall utilize to cover eligible Program expenses charged against the Contribution. The Beneficiary, through the Executing Agency, shall inform the Bank about the status of the revolving fund within a period of sixty (60) days from the closing date of each semester.

(c) The Bank may replenish the revolving fund entirely or in part as the resources are used, if the Beneficiary, through the Executing Agency, so requests and presents to the Bank's satisfaction, a detailed statement of expenses charged to such fund, together with the supporting documents thereof and a justification for such request. The detailed statement of expenses shall be submitted according to the catalog of accounts indicated in the Annex of this Agreement, which describes the Program.

Article 4. Expenditures Chargeable to the Contribution. The Contribution shall exclusively finance those eligible expenses which are set forth in the Program budget contained in the Annex that describes the Program. Only direct and actual Program expenses may be charged to the Contribution. Indirect or general operating expenses, which are not included in the Program budget, cannot be charged to the Contribution.

Article 5. Request for Final Disbursement. The Executing Agency shall present the final request for disbursement of the Contribution, accompanied by the appropriate supporting documentation, to the Bank's satisfaction, at least thirty (30) days before the expiration of the disbursement period referred to in the Special Conditions of this Agreement, or of any extension thereto that the parties may have agreed upon in writing. This final request for disbursement shall include the supporting documentation required for payment of the auditing services mentioned in Article 11 of these General Conditions.

Article 6. Suspension and Cancellation of Disbursements and Other Measures. (a) The Bank may suspend the disbursements or cancel the Contribution if any of the following circumstances occurs: (i) the failure of the Beneficiary to fulfill any obligation stipulated in this Agreement; (ii) if it is determined at any stage that evidence is sufficient to support a finding that an employee, agent, or representative of the Beneficiary, Executing Agency or Contracting Agency, has engaged in an act of fraud and corruption during the bidding process, negotiation of a contract, or the execution of the contract; or (iii) any circumstance which, in the Bank's opinion, may render unlikely the attainment of the objectives of the Program. Under these circumstances, the Bank shall notify the Co-Executing Agency in writing so that it may present its points of view, and after thirty (30) days from the date of the Bank's notice, it may suspend the disbursement or cancel the undisbursed portion of the Contribution.

(b) Pursuant to paragraph (a) above, the parties agree that upon the occurrence of institutional or organizational changes within the Co-Executing Agency, which, in the Bank's opinion, might affect the timely execution of the Program's objectives, the Bank shall review and evaluate the likely attainment of the objectives and may at its discretion, upon written notice as outlined in Article 6 (a), suspend, condition or cancel the disbursements of the Contribution.

(c) Upon written notice to the Executing Agency as outlined in article 6 (a), the Bank may cancel the part of the Contribution pertaining to the procurement of certain goods, works or related services, or consulting services, if it determines at any time that: (i) the procurement was carried out without following the procedures set forth in this Agreement; or (ii) representatives of the Beneficiary, Executing Agency or Contracting Agency have committed any acts of fraud and corruption, either in the process of selecting the supplier or consultant or in the negotiation or execution of the respective contract, and the Beneficiary has not taken timely and remedial measures, observing the due process guarantees of the legislation of the Beneficiary's country, which are acceptable to the Bank.

(d) For the purposes of the above paragraph, acts of fraud and corruption shall be understood to include, but not be limited to, acts of: (i) a corrupt practice is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of another party; (ii) a fraudulent practice is any act or omission, including a misrepresentation, which misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation; (iii) a coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or property of the party to influence the actions of a party; and (iv) a collusive practice is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

(e) If, in accordance with the administrative procedures of the Bank, it is demonstrated that any firm, entity or individual bidding for or participating in a Bank-financed Program including, *inter alia*, Beneficiary, bidders, suppliers, contractors, sub-contractors, applicants, consultants, Executing Agency or Contracting Agency (including their respective officers, employees and agents) has engaged in an act of fraud or corruption, the Bank may:

- (i) decide not to finance any proposal to award a contract or a contract awarded for works, goods, related services and consultant services financed by the Bank;
- (ii) suspend disbursement of the Contribution as described in Article 6 (a) above of these General Conditions if it is determined at any stage that evidence is sufficient to support a finding that an employee, agent or representative of the Beneficiary, Executing Agency or Contracting Agency has engaged in an act of fraud or corruption;
- (iii) cancel, the portion of the Contribution earmarked for a contract as described in Article 6 (c) above of these General Conditions, when there is evidence that the representative of the Beneficiary has not taken the adequate remedial measures within a time period which the Bank considers reasonable, and in accordance with the due process guarantees of the Beneficiary country's legislation;
- (iv) issue a reprimand in the form of a formal letter of censure of the firm, entity or individual's behavior;

- (v) issue a declaration that an individual, entity or firm is ineligible, either permanently or for a stated period of time, to be awarded or participate in contracts under Bank-financed Programs except under such conditions as the Bank deems to be appropriate;
- (vi) refer the matter to appropriate law enforcement authorities; and/or
- (vii) impose other sanctions that it deems to be appropriate under the circumstances, including the imposition of fines representing reimbursement of the Bank for costs associated with investigations and proceedings. Such other sanctions may be imposed in addition to or in lieu of other sanctions.

(f) The imposition of any action to be taken by the Bank pursuant to the provisions referred to above may be public or private.

(g) The provisions established in the precedent paragraphs (a) and (c) shall not affect the disbursement by the Bank of any amounts which the Bank by specific written agreement with the Beneficiary, Executing Agency or Contracting Agency, as the case may be, has agreed to provide from the resources of the Contribution to make payments to a supplier of goods and related services or consultant services. The exceptions set forth in this paragraph (g) shall not apply if the Bank determines that acts of fraud and corruption occurred with respect to the procurement of, or the negotiation or execution of the contract for, such goods and related services or consultant services.

Article 7. Exchange Rate for Programs Financed with Funds Expressed in Dollars of the United States of America. (a) Disbursements:

- (i) The equivalence in dollars of the United States of America of other convertible currencies in which the disbursements of the Contribution might be made, shall be calculated applying the exchange rate in effect in the market on the date of the disbursement; and
- (ii) the equivalence in dollars of the United States of America of the local currency, or other non-convertible currencies, in the case of regional Programs, in which the disbursements of the Contribution might be made, shall be calculated applying, on the date of the disbursement, the exchange rate established pursuant to the understanding in force between the Bank and the respective country for the purpose of maintaining the value of its currency, or other non-convertible currencies, in the case of regional Programs, held by the Bank.

(b) Expenses:

- (i) The equivalence in Dollars of the United States of America of an expenditure made with convertible currencies shall be calculated applying

the exchange rate in effect in the market on the date in which payment is rendered for the expenditure in question.

- (ii) The equivalence in Dollars of the United States of America of an expenditure made in local currency, or in other non-convertible currencies, in the case of regional Programs, shall be calculated applying, on the date in which payment is rendered for the expenditure in question, the exchange rate established pursuant to the understanding in force between the Bank and the respective country for the purpose of maintaining the value of its currency held by the Bank.
- (iii) For purposes of subparagraphs (i) and (ii) above, it is understood that the date of payment for the expenditure, is the date on which the Beneficiary, the Executing Agency, or any other natural or legal person to whom the right to make expenditures has been delegated, makes the respective payments to the contractor, consultant or supplier.

Article 8. Exchange Rate for Programs Financed with Funds Constituted in Convertible Currencies Other than the US Dollar. (a) Disbursements. The Bank may convert the disbursed currency chargeable to the resources of the trust fund indicated in the Special Conditions in:

- (i) other convertible currencies applying the exchange rate in effect in the market on the date of the disbursement; or
- (ii) the local currency or other non-convertible currencies, in the case of regional Programs, applying, on the date of the disbursement, the following procedure: (A) the equivalence of the currency of the trust fund indicated in the Special Conditions shall be calculated in Dollars of the United States of America, applying the exchange rate in effect in the market; (B) next, the equivalence of these Dollars of the United States of America shall be calculated in local currency or other non-convertible currencies, in the case of regional Programs, applying the exchange rate established pursuant to the understanding in force between the Bank and the respective country for the purpose of maintaining the value of its currency held by the Bank.

(b) Expenses: (i) The equivalence in the currency of the trust fund, indicated in the Special Conditions, of an expenditure made with convertible currencies shall be calculated applying the exchange rate in effect in the market on the date in which payment is rendered for the expenditure in question.

- (ii) The equivalence in the currency of the trust fund, indicated in the Special Conditions, of an expenditure made in local currency or other non-convertible currencies, in the case of regional Programs, shall be calculated in the following manner: (A) the equivalence in Dollars of the

United States of America of such expenditure, applying, on the date in which payment is rendered for the expenditure in question, the exchange rate established pursuant to the understanding in force between the Bank and the respective country for the purpose of maintaining the value of its currency held by the Bank; (B) next, the equivalence in the currency of the trust fund indicated in the Special Conditions of the value of the expenditure in Dollars of the United States of America, shall be calculated applying the exchange rate in effect in the market on the date in which payment is rendered for the expenditure in question.

- (iii) For purposes of subparagraphs (i) and (ii) above, it is understood that the date of payment for the expenditure, is the date on which the Beneficiary, the Executing Agency, or any other natural or legal person to whom the right to make expenditures has been delegated, makes the respective payments to the contractor, consultant or supplier.

Article 9. Other Contractual Obligations of Consultants. In addition to the special requirements included in the Special Conditions, Annex or Annexes and in the respective terms of reference, the Executing Agency agrees that contracts signed with Consultants shall also specify the Consultants' obligations to:

- (a) provide any clarifications or additional information that the Executing Agency or the Bank consider necessary with respect to the Consultants' reports required under the terms of reference set forth in their respective contracts;

- (b) provide the Executing Agency and the Bank with any additional information as they may reasonably request concerning the performance on their work;

- (c) in the case of international consultants, perform their work in an integrated manner with the local professional staff assigned or contracted by the Beneficiary to participate in the execution of the Program, with a view to carrying out technical and operational training of such staff by the conclusion of the work;

- (d) assign copyrights, patents and any other form of industrial property right to the Bank in cases where such rights result from the work and documents carried out by the Consultants under the consulting contracts financed with resources of the Program; and

- (e) notwithstanding paragraph (d) above, in order to obtain a timely dissemination of the results of the Program, the Bank authorizes the Beneficiary, or the Executing Agency, to make use of the products resulting from the consulting services financed with the resources of the Program, with the understanding that the Beneficiary, or the Executing Agency, shall utilize such consulting products under the terms set forth in Article 15 of these General Conditions.

Article 10. Acquisition of Goods and Services. (a) The Beneficiary may acquire, chargeable to the Contribution, the goods and services (other than consulting services) required for the

execution of the Program, in an amount not to exceed the allocation specified for that purpose in the budget set forth in the Annex that describes the Program.

(b) When the goods acquired and services (other than consulting services) contracted for the Program are entirely financed with local counterpart contribution, the Beneficiary shall, whenever possible, follow procedures that allow the participation of several bidders, and shall take into account principles of economy, efficiency and price reasonability.

(c) When sources of financing other than resources of the Contribution or of the Counterpart Resources are used, the Beneficiary may agree with the financing entity the procedure to be followed for the acquisition of goods and services. Notwithstanding, at the Bank's request, the Beneficiary shall prove the reasonability of both the price agreed upon or paid for the acquisition of such goods and services, and of the financial conditions of such credits. The Beneficiary shall likewise demonstrate that the quality of the goods meets the technical requirements of the Program.

(d) During the execution of the Program, the goods referred to in subsection (a) above shall be used exclusively for the execution of the Program.

(e) The goods included in the Program shall be adequately maintained according to generally accepted technical standards, at a level compatible with the services that they should provide.

Article 11. Financial Statements. (a) When the period for execution of the Program exceeds one (1) year, and the amount of the Contribution exceeds one million five hundred thousand Dollars of the United States of America (US\$1,500,000), the Beneficiary, through the Executing Agency, undertakes to submit, to the Bank's satisfaction:

- (i) annual financial statements, and one final financial statement, regarding Program expenditures charged to the Contribution and to the Counterpart Resources. These financial statements shall be audited by independent public accountants acceptable to the Bank, in accordance with procedures satisfactory to the Bank;
- (ii) the annual financial statements shall be presented no later than ninety (90) days following the close of each year of execution, beginning with the year that corresponds to the fiscal year in which disbursements of the Contribution begin; and the final financial statement shall be presented no later than ninety (90) days following the date of the last disbursement of the Contribution, with the exception of the disbursement of the resources necessary to cover the cost of the auditing services referred to in this Article. These time periods shall only be extended with the written consent of the Bank; and
- (iii) the Bank may suspend disbursements of the Contribution, if it does not receive, to its satisfaction, the annual financial statements within the

periods stipulated in paragraph (ii) above, or within any extension of these periods it may have authorized.

(b) When the period for execution of the Program does not exceed one (1) year, or the amount of the Contribution is equal to or less than the equivalent of one million five hundred thousand Dollars of the United States of America (US\$1,500,000), the Beneficiary, through the Executing Agency, undertakes to submit to the Bank's satisfaction, and within ninety (90) days following the date of the last disbursement of the Contribution, with the exception of the disbursement of the resources necessary to cover the cost of the auditing services referred to in this Article, a financial statement of Program expenditures charged to the Contribution and to the Counterpart Resources, audited by independent public accountants acceptable to the Bank and in accordance with procedures satisfactory to the Bank.

Article 12. Internal Control and Records. The Beneficiary, the Executing Agency, or the Contracting Agency, as the case may be, shall maintain an appropriate system of internal accounting and administrative controls. The accounting system shall be organized so as to provide the necessary documentation to permit the verification of transactions and facilitate the timely preparation of financial statements and reports. The records of the Program shall be maintained for a minimum of three (3) years after the date of final disbursement of the Contribution, in such a way that: (a) make it possible to identify the sums received from the various sources; (b) show, in accordance with the catalogue of accounts approved by the Bank, the investments in the Program, both with the resources of the Contribution and with the other funds to be provided for its complete execution; (c) include sufficient detail to show the works performed, the goods acquired and the services contracted, as well as the utilization of such works, goods and services; (d) such documents include documentation relating to the bidding process and the execution of the contracts financed by the Bank including, but not limited to, bid requests, bid packages, summaries, bid evaluations, contracts, correspondence, work product and drafts, and invoices, including documents relating to the payment of commissions, and payments to agents, consultants and contractors; and (e) show the cost of the investments in each category and the progress of the Program.

Article 13. Inspections. (a) The Bank may establish such inspection procedures as it deems necessary to assure the satisfactory development of the Program.

(b) The Beneficiary, the Executing Agency and the Contracting Agency, if any, shall permit the Bank to inspect at any time the Program, the equipment and materials involved therein, and to examine such records and documents as the Bank may deem pertinent. The personnel which the Bank shall send or designate as investigators, agents, auditors or experts for this purpose shall receive the complete cooperation of the respective authorities. All the costs relating to transportation, salaries, and other expenses of such personnel shall be borne by the Bank.

(c) The Beneficiary, the Executing Agency or the Contracting Agency, as the case may be, shall, upon request of an authorized representative of the Bank, provide to the Bank any documents, including procurement-related documents, that the Bank might reasonably request. In addition, the Beneficiary, the Executing Agency and the Contracting Agency shall make their

personnel available, upon reasonable notice, to respond to questions from Bank personnel, which arise during the review or audit of such documents. The Beneficiary, the Executing Agency or the Contracting Agency, as the case may be, shall produce the documents in a timely manner or shall submit an affidavit to the Bank setting forth the reasons why the requested material is unavailable or is being withheld.

(d) If the Beneficiary, the Executing Agency or Contracting Agency, as the case may be, refuses to comply with the Bank's request, or otherwise obstructs the Bank's review of the matter, the Bank in its sole discretion, may take appropriate action against the Beneficiary, Executing Agency or Contracting Agency, as the case may be.

Article 14. Other Commitments. The Beneficiary, through the Executing Agency shall also:

(a) provide the Consultants and local experts with secretarial services, offices, office supplies, communication services, transport and any other logistical support required for the execution of their work;

(b) present to the Bank a copy of the Consultants reports and their comments thereof;

(c) provide the Bank with any other additional information or legal reports as it may reasonably request concerning execution of the Program and the use of the Contribution and the Counterpart Resources; and

(d) keep the Bank's Representative in the respective country or countries informed of all aspects of the Program.

Article 15. Publication of Documents. Any document issued under the Bank's name or logotype, as part of a special Program, joint program, research Program or any other event financed with the resources of the Program intended for publication, shall be previously approved by the Bank.

Article 16. Supervision in the Field. Without prejudice to the supervision of the Program activities performed by the Executing Agency, the Bank may supervise the Program in the field through its Country Office in the country or countries as it may designate for such purpose.

Article 17. Limitation of the Bank's Obligation. It is understood that the granting of the Contribution by the Bank does not constitute any obligation whatsoever to totally or partially finance any program or Program that may be undertaken directly or indirectly as a result of the execution of the Program.

Article 18. Arbitration. For the solution of any controversy which may arise hereunder and which is not resolved by agreement of the parties, said parties shall unconditionally and irrevocably submit to the following arbitration procedure and award:

(a) **Composition of the Tribunal.** The Arbitration Tribunal shall be composed of three (3) members, to be appointed in the following manner: one by the Bank, another by the Beneficiary, and a third, hereinafter called the "Referee", by direct agreement between the parties or through their respective arbitrators. If the parties fail to agree on who shall be the Referee, or if one of the parties fails to appoint the Referee, the Referee shall be appointed, at the request of either party, by the Secretary General of the Organization of American States. If either of the parties fails to appoint an arbitrator, he shall be appointed by the Referee. If either of the appointed arbitrators or the Referee is unwilling or unable to act or to continue to act, his successor shall be appointed in the same manner as for the original appointment. The successor shall perform the same functions and shall have the same powers as his predecessor.

(b) **Initiation of the Procedure.** In order to submit the controversy to arbitration the claimant shall address to the other party a written communication setting forth the nature of the claim, the satisfaction or compensation sought, and the name of the arbitrator it has appointed. The party receiving such communication shall, within forty-five (45) days, notify the adverse party of the name of the person it has appointed as arbitrator. If, within thirty (30) days after delivery of such notification to the claimant, the parties have not agreed upon the person who is to act as Referee, either party may request the Secretary General of the Organization of American States to make the appointment.

In cases of Agreements with Argentina, the parties agree that prior paragraphs (a) and (b), where it reads: "Secretary General of the Organization of American States", it shall read instead: "President of the International Court of Justice."

(c) **Convening of the Tribunal.** The Arbitration Tribunal shall be convened in Washington, District of Columbia, on the date designated by the Referee and, once convened, the Tribunal itself shall decide when it shall meet.

In cases of Agreements with Argentina, the parties agree that this paragraph (c) shall read instead: "The Arbitration Tribunal shall be convened at the place and date it designates and, once convened, it shall meet on the date decided by the Tribunal."

(d) **Procedure.**

- (i) The Tribunal shall be competent only to hear the matter in controversy. It shall adopt its own procedures and may on its own initiative designate whatever experts it considers necessary. In any case, it shall give the parties the opportunity of making oral presentations.
- (ii) The Tribunal shall proceed ex aequo et bono, basing itself on the terms of this Agreement, and shall issue an award even if either party should fail to appear or to present its case.
- (iii) The award shall be in writing and shall be adopted with the concurrent vote of at least two of the members of the Tribunal. It shall be handed down within sixty (60) days from the date on which the Referee has been

appointed, unless the Tribunal determines that, due to special and unforeseen circumstances, such period should be extended. The parties shall be notified of the award by means of a communication signed by at least two members of the Tribunal. The parties agree that any award of the Tribunal shall be complied with within thirty (30) days from the date of notification and it shall be final and not be subject to any appeal.

(e) **Costs.** The fees of each arbitrator shall be paid by the party which appointed him and the fees of the Referee shall be paid by both parties in equal proportion. Prior to the convening of the Tribunal, the parties shall agree on the remuneration of any other person who by mutual agreement, they deem should participate in the arbitration proceedings. If such agreement is not reached in a timely manner, the Tribunal itself may determine the compensation reasonable for such person under the circumstances. Each party shall defray its own expenses in the arbitration proceedings but the expenses of the Tribunal shall be divided and borne equally by both parties. Any doubt regarding the division of expenses or the manner in which they are to be paid shall be determined, without appeal, by the Tribunal.

(f) **Notification.** All notifications regarding the arbitration proceeding or to the award shall be made in the manner provided in the present Agreement. The parties expressly waive any other form of notification.

ANNEX

THE PROGRAM

Support for Prevention and Control of the AH1N1 Influenza Epidemic and other Infectious) Diseases in Latin America and the Caribbean

I. Objective

- 1.01** The objective of this Program is to support the public health response to the AH1N1 influenza epidemic and other infectious diseases through the transfer of know-how and technology for the design and implementation of an epidemiological surveillance system to monitor infectious diseases and respond effectively to future outbreaks.

II. Description

- 2.01** In order to achieve the objectives described in Section I, the Program contemplates the following two Components:

Component 1: Regional public health surveillance system

- 2.02** This component's objective is to strengthen knowledge, research, and epidemiological surveillance of infectious diseases through the development of a regional public health surveillance system, a regional epidemiological study of the H1N1 influenza virus, and technical assistance activities for the proper care and prevention of this type of influenza. This component will have two subcomponents: one regional and one based on each country's specific activities:

- 2.03 Subcomponent 1. Development of the regional public health surveillance system and evaluation of the outbreak.** At the regional level, the development of a regional public health surveillance system and a comprehensive evaluation of the outbreak will be supported, including the compilation and analysis of data on the epidemiological, clinical, and virological characteristics, as well as an analysis of the lessons learned in the handling of the response to date, in terms of social, health, and economic impact. The regional public health surveillance system will include the following elements:

- a. Regional information platform. This is aimed at knowledge management and timely reporting on the occurrence of an illness and the actions to be taken to effectively prevent and control disease. Activities will be focused on the technical aspects of establishing this platform and review of available surveillance platforms. Initially, work will be done with the Council of Ministers of Health of

Central America (COMISCA) and the Pan American Health Organization (PAHO) to ensure that country needs are identified and addressed.

- b. Regional network of public health laboratories. This regional network of laboratories will confirm cases of contagious diseases and other infectious diseases that have the potential to cross borders and become an issue of interest to neighboring countries. Specifically, support will be provided to: (i) implement CDC and WHO/PAHO protocols for influenza surveillance; (ii) strengthen the specific mapping of the disease in regional laboratory networks and their reference laboratories; (iii) characterize the outbreak through the compilation and analysis of data on epidemiological, clinical, and virological characteristics; (iv) develop other networks for priority diseases and conditions; (v) frequently evaluate the operation of the laboratory's current information systems, identifying gaps and making recommendations to ensure that the laboratory's information provides all data required to support the regional information platform, based on the work done by the IDB in the Mesoamerican epidemiological surveillance project; and (vi) support the creation and institutional strengthening of National Influenza Centers and facilitate the flow of information and samples, both nationally and among international agencies.
- c. Regional public health emergency systems. The objective is to provide technical assistance to analyze and interpret the surveillance data and turn it into information that can be used to guide the prevention and control of disease. One key in the surveillance function is to provide timely alerts to public health authorities regarding potential problems or emergency situations and the actions that should be taken to control or contain the disease. This process requires alert mechanisms, communication systems, and a response capacity that includes research and implementation of prevention and control policies. Specifically, support will be focused on: (i) generating technical options for the development of a regional early warning system; (ii) evaluating the current state of the regional public health emergency communication capacity, identifying gaps, and making the applicable recommendations to improve it; (iii) evaluating the public health aid currently provided at borders and identifying the areas where it could be expanded; (iv) developing a regional, national, subnational, and local public health plan that can respond to the emergency system, based on the work done with the Coordinating Center for the Prevention of Natural Disasters in Central America (CEPREDENAC); (v) updating the national risk communication strategy; (vi) designing the measures required for the safe transport and mobility of passengers; and (vii) coordinating the response to a pandemic situation by regional and subregional organizations, international institutions, the community, and other stakeholders. Another key element of the system relates to proper communication services with patients and the ill, as well as healthcare providers and the general public on disease prevention, early identification, and measures to limit the spread of the infection. The design, development, publication, and dissemination of graphic materials, as well as the translation of technical materials are among the primary activities to be undertaken.

2.04 Subcomponent 2. Training of health service providers: detection, confirmation, risk evaluation, and local coordination. Specific technical assistance will be provided to each country for the detection, confirmation, risk evaluation, and coordination of the epidemiological response, in accordance with the International Health Regulations (2005). Training will also be provided to health service providers so that they can recognize the symptoms, provide appropriate treatment, and timely reporting as part of the activities of the epidemiological surveillance system, since one of the main causes of mortality is the late diagnosis of probable cases and inadequate treatment of health complications. Based on the foregoing, this subcomponent will provide financing for the following activities:

- a. Design of regional and national training for health service providers.
- b. Support for health services and health workers to respond to H1N1 influenza and other infectious diseases through: (i) the formation and training of rapid response groups in the event of detection, confirmation, evaluation of the risk posed by the outbreak, and coordination of the epidemiological response; (ii) development of a coordinated mechanism and manuals for the procurement, establishment of national inventories and needs for medications to address the crisis; (iii) the production and distribution of the guides and specific technical information on H1N1 influenza; and (iv) development of a pharmacosurveillance system to monitor the use and adverse events associated with the use of antivirals, particularly in mothers and infants under one year of age.
- c. Development of a strategy for the distribution and application of vaccines for high-risk populations, as well as support in the implementation of the surveillance system to monitor adverse events and analyze coverage of the vaccine and measurement of its impact.
- d. A conference to discuss project outcomes, lessons learned, recommendations, and next steps.

Component II: Regional response plan for the influenza outbreak and infectious diseases

2.05 This component's objective is to support actions for the execution of a regional plan to immediately address H1N1 influenza, including the subcomponents described below:

2.06 Subcomponent 1. Institutional strengthening of laboratories in the region. Actions will be undertaken for the institutional and technological strengthening of laboratories by: (i) providing equipment and materials for research on the outbreak, as well as institutional materials to support training, considered essential for achievement of the operation's objectives; (ii) expanding the capacity and response of national laboratories through the procurement of laboratory equipment; (iii) training on the use of new equipment, purchase of materials and consumables necessary for this training; and (iv) technical assistance for certain laboratories in the region to function as National Influenza Centers.

2.07 Subcomponent 2. Training in research on the outbreak. This subcomponent aims to provide regional and national strengthening of laboratories for a proper response to the influenza outbreak, including data collection, handling, and analysis activities.

2.08 Subcomponent 3. National influenza pandemic preparedness plans (NIPPPs). Technical assistance will be provided to the region's countries for the updating or finalization of national, multisector, or sector-based influenza pandemic preparedness plans (NIPPPs), including national, subnational, and local dissemination, implementation, and testing.

III. Total Cost of the Program

3.01 The estimated cost of the Program is the equivalent of five million dollars (US\$5,000,000), in accordance with the following table:

Table of Costs and Financing (in US\$)

Components/Subcomponents	Source of financing			
	JSF*	OC**	Total	%
Component 1. Regional public health surveillance system	1,464,000	1,950,000	3,414,000	68%
Subcomponent 1 Development of the regional public health surveillance system and evaluation of the outbreak	1,040,000	700,000	1,740,000	35%
Subcomponent 2 Training of health service providers: detection, confirmation, risk evaluation, and local coordination	424,000	1,250,000	1,674,000	33%
Component 2. Regional response plan for the influenza outbreak and other infectious diseases	200,000	1,050,000	1,250,000	25%
Subcomponent 1. Institutional strengthening of laboratories in the region	0	900,000	900,000	18%
Subcomponent 2. Training in outbreak investigation	0	150,000	150,000	3%
Subcomponent 3. National influenza pandemic preparedness plans (NIPPPs)	200,000	0	200,000	4%
Total components	1,664,000	3,000,000	4,664,000	93%
Contingencies	70,000	0	70,000	1%
Project coordination	196,000	0	196,000	4%
Project technical assistant	70,000	0	70,000	1%
TOTAL	2,000,000	3,000,000	5,000,000	100%

* Japan Special Fund, administered by IDB

* IDB Ordinary Capital Resources

3.02 The Program activities to be executed by CDC Foundation entail an estimated cost of up to US\$ 340,500. The CDC Foundation will be responsible for executing most of the activities of Component 1, Subcomponent 1 for the development of the regional public health surveillance system and the evaluation of the outbreak, as well as the conference to discuss the project's outcomes, lessons learned, recommendations, and next steps.

IV. Execution

- 4.01 Executing agency.** The executing agency of this technical cooperation operation will be the IDB, given the regional, multisector approach and the Bank's advantage in working with health experts, as well as with all levels of government, which, among other considerations, has allowed it to provide technical assistance and financing at both the regional and national levels, as well as develop and execute specific projects promoting the region's development.
- 4.02 Coexecuting agencies.** The CDC Foundation (of the United States Centers for Disease Control) and the Pan American Health Organization (PAHO) will be co-executing agencies of this technical cooperation operation. The CDC Foundation will execute the activities specifically listed in Section 4.04 of this Annex and shall be responsible for technical and fiduciary aspects of the execution of such activities, including: (i) the technical work related to selection of consultants and quality control of their work, (ii) monitoring of the progress on implementation, (iii) coordinating program activities execution; (iv) revising and presenting the semiannual and final progress reports to the Bank, in addition to other reports requested by the Bank during the program execution period; (v) collecting evidence of compliance with the Program's products and the information needed for the indicators specified in the logical framework; (vi) conducting the procurement and processing the contracts required for Program implementation; (vii) preparing and presenting disbursements requests and justification of the use of funds to the Bank's satisfaction, and the quarterly reports on the use of the revolving fund; (viii) maintaining the financial and accounting records related to the use of Program resources, demonstrating at any time that the funds are used for the purpose intended; (ix) keeping adequate documentation to support the disbursements received; this information shall be made available for review by Bank personnel and/or external auditors; and (x) preparing and presenting the financial statements of the parts of the Program executed by the CDC Foundation to the Bank.
- 4.03 Subregional liaison entities.** The IDB, as the executing agency, and the CDC Foundation and PAHO as co-executing agencies, will maintain communication with: (i) the Council of Ministers of Health of Central America (COMISCA), a subregional entity coordinated by the Ministers of Health in Central America and Mexico, to ensure that the needs of Central American countries are identified and addressed; and (ii) CEPREDENAC, a regional intergovernmental organization pertaining to the Central American Integration System (SICA), to develop a regional plan for the public health emergency response system.
- 4.04 Specific activities to be executed by CDC Foundation, are as follows:**
- a. Component 1, Subcomponent 1 – Regional Information Platform. This is aimed at knowledge management and timely reporting on the occurrence of an illness and the actions to be taken to effectively prevent and control disease.

Task	Cost US \$
Diagnostic assessment and lessons from INFOCOM	5,000
Review of available regional surveillance platforms (EU, USA etc.)	15,000
Analysis and development of technical options for regional information platform	10,000
Epidemiologist assigned to COMISCA to assist with coordinated response to H1N1 epidemic and development of regional surveillance system	50,000
Information technology consultant for COMISCA to assist with the development and implementation of a regional information platform for AH1N1, followed by a regional surveillance system	30,000
Input from CDC HQ	10,000
SUB-TOTAL	120,000

- b. Component 1, Subcomponent 1 – Regional network of public health laboratories. This regional network of laboratories will confirm cases of contagious diseases and other infectious diseases that have the potential to cross borders and become an issue of interest to neighboring countries.

Task	Cost US \$
Mapping of current operation of the laboratory networks	10,000
Identify opportunities for improving efficiencies through the development of other networks for priority diseases and conditions	10,000
Evaluation of laboratory information systems	10,000
Input from CDC HQ	10,000
SUB-TOTAL	40,000

- c. Component 1, Subcomponent 2 – Regional public health emergency systems. The objective is to provide technical assistance to analyze and interpret the surveillance data and turn it into information that can be used to guide the prevention and control of disease.

Task	Cost
Development of technical options for regional early warning system	10,000
Strengthening of regional emergency communications systems	10,000
Development of options for a regional public health emergency response system	10,000
Asses current border activities; recommend expansions	10,000
Input from CDC HQ	10,000
SUB-TOTAL	50,000

- d. Component 1, Subcomponent 2 – Conference to discuss project outcomes, recommendations, and next steps. Subtotal US \$90.000
- e. Overhead (CDC Foundation overhead - 13.5%) Subtotal US \$40,500

V. Monitoring and Evaluation.

- 5.01** CDC Foundation will be responsible for supervision and control, monitoring compliance with contractual clauses, processing disbursement requests, and for the financial statements after Project completion. The CDC Foundation will have a Project monitoring system based on the timetable of activities and the logical framework indicators established in the Project Proposal. This system will be the primary tool for tracking progress in execution, the accomplishment of objectives, and impacts. Based on the Logical Framework of the project CDC foundation will present to the Bank quarterly progress reports, in accordance with the Bank's standard reporting requirements. In addition, the CDC Foundation, working through CDC's Central American office, will organize a Conference to discuss project outcomes, recommendations, and next steps.
- 5.02** The CDC Foundation will present to the Bank a final report. The emphasis will be on best practices, sustainability aspects and lessons learned, so that these can be shared with other projects for public health.