

ANNEX A to the PROGRAM GRANT AGREEMENT

Program Implementation Abstract

Country:	Union of Myanmar
Program Title:	Scaling up of TB Control in Myanmar
Grant Number:	MYN-S10-G08-T
Disease:	Tuberculosis
Principal Recipient:	Save the Children Federation, Inc

A. PROGRAM DESCRIPTION

1. Background and Summary:

Tuberculosis (TB) in Myanmar is a major public health problem. Myanmar is listed among the 22 high TB burden countries, among the 41 high TB/HIV burden countries and among the 27 high multidrug resistant (MDR)/extensively drug-resistant (XDR) TB burden countries. Myanmar reached the 70/85 case detection and treatment success rates among new sputum smear positive TB patients in 2006. In 2009, WHO estimated an incidence of 171 TB patients per 100,000 (all forms), the estimated number of TB patients is therefore approximately 98,496 all forms, of which about 43,200 are new infectious patients. However, as the Global TB Report states, the current WHO estimates of the TB burden seem underestimated and need to be reviewed after the ongoing disease prevalence survey. In 2007, indeed, 124,416 TB cases were notified (all forms) corresponding to a case notification rate of 265 cases per 100,000 population.

The proposal, which is based on the National TB Strategic Plan 2011-2015 and coordinated with both the National HIV/AIDS and malaria proposals, is built around the 4 following components of the new Stop TB Strategy.

2. **Goal:** To reduce the burden of TB by 2015 in line with the MDGs and STOP TB Partnership targets.

3. Target Group/Beneficiaries:

- TB patients.
- Patients co-infected.
- High risks groups.

4. Strategies:

- a) Pursuing high quality DOTS: Enhancing the quality and expanding services to all TB patients, to sustain and further improve case detection and treatment success rates.
- b) Addressing TB/HIV, MDR-TB and other challenges such as TB care for high risk groups in border area's and infection control.
- c) Engaging all care providers through Public-Private Mix DOTS, Public-Public Mix DOTS and introducing the International Standards of TB Care (ISTC) in other sectors.
- d) Empowering people and communities: Advocacy, Communication, Social Mobilization (ACSM) and community based DOTS in hard-to-reach area's by partner agencies.

5. Planned Activities:

- Expanding access to microscopy services.
- Increasing X ray use.
- Provision of patient support.
- Strengthen M&E activities.
- Human resource development.
- Establishing TB/HIV collaborative interventions.
- Engaging all care providers through Public Private Mix DOTS.
- Supporting ACSM and community based TB care.

B. CONDITIONS PRECEDENT TO DISBURSEMENT

1. Conditions Precedent to Disbursement to Sub-recipients.

In addition to what is provided for in Article 13(d) and Article 14 of the Standard Terms and Conditions of this Agreement, the disbursement of Grant funds from the Global Fund to the Principal Recipient for activities implemented by Sub-recipients or the disbursement of Grant funds by the Principal Recipient to any Sub-recipients is subject to the delivery by the Principal Recipient to the Global Fund of a plan, in form and substance satisfactory to the Global Fund, for the audit of the expenditures of Sub Recipients under the Program.

2. Condition Precedent to Disbursement for the Upgrading of the Storage and Distribution System (Terminal Date as stated in block 7A of the Face Sheet)

The disbursement by the Global Fund or use by the Principal Recipient of Grant funds to finance the upgrading of the storage and distribution system of Health Products is subject to the satisfaction of each of the following conditions:

- a. the delivery by the Principal Recipient to the Global Fund, in form and substance satisfactory to the Global Fund, of an assessment report of the storage and distribution system of Health Products; and
- b. the delivery by the Principal Recipient to the Global Fund, in form and substance satisfactory to the Global Fund, of a costed work plan for such upgrading, which shall include timeframes and deliverables for priority improvements.

C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT

1. The parties to this Agreement acknowledge that as of the date of this Agreement, the Global Fund has received the commitment of the Host Government to the following: (a) to issue renewable annual multi-entry visas for the Principal Recipient and the Local Fund Agent personnel in advance of their start dates of employment as notified by either the Principal Recipient or the Local Fund Agent and (b) to allow the Principal Recipient, the Local Fund Agent, and the Global Fund representatives ad-hoc access to project implementation sites.

2. The Parties to this Agreement acknowledge and agree that expenditure of Grant funds or implementation of the Program activities shall not take place in locations where staff members or individuals contracted and acting on behalf of the Principal Recipient, Sub-recipients, the Local Fund Agent or the Global Fund are denied access. The Principal Recipient acknowledges and agrees that in the event that the Principal Recipient, Sub-recipients, Local Fund Agent or the Global Fund are denied access to project sites, the Global Fund may discontinue the funding for activities occurring in such project site or resort to remedies of suspension and termination under this Agreement.

3. In the event that an additional Sub-recipient is selected during the Commitment Period, the Parties to this Agreement acknowledge and agree that prior to the disbursement of Grant funds by the Principal Recipient to such Sub-recipient, the Principal Recipient shall furnish to the Global Fund, in form and substance satisfactory to the Global Fund, the following:

- i. evidence demonstrating that the Principal Recipient has conducted a comprehensive assessment of the Sub-recipient;
- ii. evidence demonstrating that the Principal Recipient has signed an agreement with the Sub-recipient, which, without limitation, shall include a budget, work plan, implementation and financial and programmatic reporting responsibilities of the Sub-recipient;
- iii. details identifying the financial institution or institutions into which Grant funds will be disbursed for the benefit of the Sub-recipient; and
- iv. documentation demonstrating that the Sub-recipient has received training on monitoring and evaluation responsibilities sufficient to meet its requirements under the Program.

4. Notwithstanding Section C.3 above, the Global Fund reserves the right to request the assessment by the Local Fund Agent of any additional Sub-recipient selected in accordance with this Agreement.

5. The conversion of Grant funds to local currency and controls over local currency transactions shall be made in accordance with procedures established by the Principal Recipient and approved by the Global Fund.

6. The Principal Recipient shall not advance Grant funds to any Sub-recipient or implementing entity unless the Global Fund has previously approved that advance in writing. With exception of the funding provided by the Principal Recipient to Sub-recipients for which the advance of funds has been approved by the Global Fund in writing, the Principal

Recipient shall provide funding to implementing entities only on a reimbursable basis by adhering to a zero cash balance policy, which limits funding to either a) reimbursing actual expenditures made in accordance with budgets and work plans which have been approved in advance by the Principal Recipient or b) by the Principal Recipient making direct payments to vendors for goods and services procured to support the activities of such implementing entities.

7. The Principal Recipient and the Global Fund acknowledge and agree that the financing of activities implemented by the Sub-recipients within, or for the support of, the public sector shall be subject to the foregoing conditions:

- a. Grant funds shall only be used to provide support for the following:
 - i) health care and service provision,
 - ii) patient support costs,
 - iii) the supply management function,
 - iv) provision of essential equipment,
 - v) monitoring, supervision and coordination of Program activities,
 - vi) training,
 - vii) technical and management support to enable decentralised levels of civilian administrations to manage and monitor service delivery, and
 - viii) domestic travel and accommodation costs incurred in the course of implementation of the Program.
- b. Domestic travel and accommodation costs incurred in the course of the implementation of the Program shall be harmonized with the policies of the Three Diseases Fund.
- c. International travel and accommodation expenses incurred in the course of the implementation of the Program shall be subject to Global Fund approval.
- d. Program activities in support of the government agencies at national, divisional/state, district, township health authority or local civilian administrative level or below must be included in the work plans and budgets of pre-approved Sub Recipients and such actions, including fund disbursement and commodity provision, shall be monitored by the Principal Recipient at least on a quarterly basis.
- e. Support to government-implemented components of the national programs shall not include staff salaries and allowances, recruitment fees, international fellowships, recurrent costs or expenses for rehabilitation of Ministry of Health facilities without prior written approval of the Global Fund; and
- f. Support to patients using public health facilities at township level or below can be made for supporting the care for patients suffering from HIV, tuberculosis and malaria in the form of provision of cash for referral costs, in kind drugs, medical supplies and consumables directly related to HIV, tuberculosis and malaria care only.

8. The Principal Recipient acknowledges and agrees that percentage-based overheads or cost recovery fees of Sub-recipients shall not exceed the amounts established in the budget approved by the Global Fund, unless the Global Fund has expressly authorized in writing the

payment of higher amounts. The entities receiving such payments may be requested to provide their organization's Audited Annual Financial Statements.

9. The parties to this Agreement acknowledge and agree that cost recovery charges levied by the Principal Recipient under this Agreement shall be made in accordance with rates mutually agreed by the Principal Recipient and the Global Fund.

10. The Parties to this Agreement agree that the Principal Recipient shall ensure that vehicles or other fixed assets procured or leased by the Principal Recipient or any implementing entity, including the Sub-recipients, using Grant funds may be made available to the Host Government or national entities only on a loan basis. The Principal Recipient shall use its best efforts to ensure that vehicles and other fixed assets which have been made available to the Host Government or national entities, by the Principal Recipient or any other implementing entity, including Sub-recipients, on a loan basis are used for Program activities only. The Principal Recipient and implementing entities, including Sub-recipients shall maintain a log books for all vehicles and fixed assets. The Principal Recipient and implementing entities, including Sub-recipients shall ensure that the location of such vehicles and/or fixed assets are known at all times and are available for inspection by staff of the Principal Recipient, Sub-recipient, Local Fund Agent and/or the Global Fund.

11. The Principal Recipient shall notify the Global Fund in advance of any proposed change to the implementation arrangements described in this Agreement. Any such change in the implementation arrangements shall be subject to the prior written approval of the Global Fund.

12. The Principal Recipient will provide evidence that it is fully implementing the Global Fund-approved Sub Recipient oversight plan with every Periodic Report (as defined in Article 15(b) of the Standard Terms and Conditions of this Agreement).

13. The Principal Recipient undertakes to conduct an annual internal audit whose scope of work shall cover the implementation arrangements, including internal financial controls, for the Global Fund grants implemented by Save the Children. The Principal Recipient agrees furthermore that:

- a. the Principal Recipient shall provide the Global Fund with opportunity to provide input into the scope of work.
- b. the Principal Recipient shall share the findings of the audit with the Global Fund including the responses to any recommendations made or weaknesses identified in the report.

14. The Global Fund reserves the right to conduct reviews of the Procurement and Supply Management function of the Principal Recipient.

15. The Principal Recipient acknowledges and agrees that the procurement of Health Products with the use of Grant funds shall be done through a suitably qualified Procurement Agent (as assessed by the Local Fund Agent and approved by the Global Fund in writing) until the Global Fund has agreed in writing, upon relevant assessment by the Local Fund Agent, that such procurement can be properly managed by the Principal Recipient.

16. No later than 30 June 2011, the Principal Recipient shall deliver to the Global Fund evidence, in form and substance satisfactory to the Global Fund, that the Principal Recipient has established a functional system for recording and reporting on patient and inventory

related information (management information system), including a system for validating analyzing and utilizing the reported information in the management of the programs.

17. No later than 30 June 2011, the Principal Recipient shall deliver to the Global Fund, Standard Operating Procedures for storage, distribution of health products, and recording and reporting and utilization of information to manage the program. The procedures shall also take into account the requirements of the Global Fund, Quality Assurance Policy on Finished Pharmaceutical Products and the reporting requirements with respect to the Price and Quality Reporting (PQR).

18. The Principal Recipient shall use its best efforts to co-ordinate the development of a national monitoring and evaluation plan for TB (the “National M&E Plan”) and to submit a copy to the Global Fund. Prior to submission of the National M&E Plan to the Global Fund, the Principal Recipient shall, upon request, provide progress updates to the Global Fund.

19. No later than 1 February 2011, the Principal Recipient shall deliver to the Global Fund a Conflict of Interest Policy signed by all staff working for the Principal Recipient on the Program.

20. For the purposes of this Agreement, implementing entities shall include the Principal Recipient, Sub-recipients, Sub-sub-recipients and any other entity or individual that receives Grant funds for implementation of Program activities.

D. FORMS APPLICABLE TO THIS AGREEMENT

For purposes of Article 15(b) of the Standard Terms and Conditions of this Agreement entitled “Periodic Reports”, the Principal Recipient shall use the “On-going Progress Update and Disbursement Request”, available from the Global Fund upon request.

E. ANTICIPATED DISBURSEMENT SCHEDULE

For the purposes of Article 10(a) of the Standard Terms and Conditions of this Agreement, the anticipated disbursement schedule shall be as indicated in the Performance Framework attached to this Annex A.

F. GLOBAL FUND STAGGERED FUNDING COMMITMENT POLICY

At the time of signing this Agreement, the Global Fund shall set aside (“commit”) 90 % of Grant funds (the “Initial First Commitment”). The Global Fund will thereafter seek to commit the remaining 10% of the Grant funds (the “Supplementary First Commitment”) not earlier than 12 months after the starting date of the Commitment Period. Any Supplementary First Commitment shall be undertaken in a manner consistent with the Global Fund’s discretion and authority as described in Article 10 of this Agreement, taking into account, among other things, the reasonable cash flow needs of the Principal Recipient. The Supplementary First Commitment under this Program may be committed under this Agreement upon written notice sent by the Global Fund to the Principal Recipient. The Principal Recipient acknowledges and understands that the Supplementary First Commitment may not be released in full or part by the Global Fund in the event of non-compliance by the

Principal Recipient to the terms of this Agreement, based on the sole judgment of the Global Fund.

G. PROGRAM BUDGET

The Summary Budget(s) attached to this Annex A set forth anticipated expenditures for the Program term.

H. PERFORMANCE FRAMEWORK

The Performance Framework(s) attached to this Annex A set forth the main objectives of the Program, key indicators, intended results, targets and reporting periods of the Program.