

Ref.: EECA/TS-EECA/TS/346-02/12/2014

02 December 2014

Dr Amiran Gamkrelidze
Executive Director
National Center for Disease Control and Public Health
9, Asatiani str.
0186, Tbilisi
Georgia

Subject: Program Grant Agreement: GEO-T-NCDC
Principal Recipient: National Center for Disease Control and Public Health
Implementation Letter: 1
Updating Performance Framework, Summary Budget, Annex A and Standard Terms and Conditions to the Grant Agreement

UNOFFICIAL SUMMARY:

This letter updates the current Performance Framework, Summary Budget, Annex A and Standard Terms and Conditions to the Grant Agreement with the revised versions enclosed.

Dear Dr Gamkrelidze

We are writing this letter to (i) replace the Performance Framework and Summary Budget for the Single Stream of Funding Program Grant Agreement GEO-T-NCDC with the revised versions enclosed with this letter and (ii) update the Conditions Precedent and Special Conditions set forth in the Annex A by removing fulfilled Conditions Precedent and postponing certain Special Conditions.

The revised Performance Framework is required to update the timelines for the submission of the audit of the financial statements by the Principal Recipient from six to three months after the financial year end, as per updated Guidelines for Annual Audits of Global Fund Grant Program Financial Statements. Furthermore, the Performance Framework is revised to align the targets for the indicator "Percentage of previously treated TB patients receiving DST" based on the timelines of the availability of the final DST results according to the national guidelines. Consequently, the Summary Budget has been revised to reflect the revised health products quantifications.

In addition, in connection with non-substantive changes to the Face Sheet of the Grant Agreement arising from the rolling out of a new finance system at the Global Fund, we would like to update the Face Sheet of the Grant Agreement by deleting as well as renumbering certain blocks in the Face Sheet of the Grant Agreement. In particular, block 6 of the Face Sheet of the Grant Agreement now reflects Grant funds made available by the Global Fund to the Principal Recipient for the current implementation period only. The amount on block 6 plus the in-country cash, if any, held by the Principal Recipient as of the start of the current implementation period that was remaining from the previous implementation period is available to implement Program activities during the current implementation period, subject to the terms of the Grant Agreement.

We would also like to move certain dates from the Face Sheet of the Grant Agreement to this Implementation Letter, move information on the Terminal Dates from the Face Sheet of the Grant Agreement to Annex A of the Grant Agreement, as well as and update certain cross references in the Standard Terms and Conditions of the Grant Agreement. We also take this opportunity to clarify in Article 31 of the Standard Terms and Conditions of the Grant Agreement that to the extent a party exercises its unilateral rights or discretionary powers explicitly granted under the Agreement, no modification or amendment to the Grant Agreement is required. None of these changes affects any of the Principal Recipient's rights or obligations under the Grant Agreement

In accordance with Article 31 of the Standard Terms and Conditions of the Grant Agreement, we are amending the Grant Agreement to reflect the changes described above by:

1. The Face Sheet of the Grant Agreement is hereby deleted in its entirety and replaced with the attached Face Sheet.
2. The Annex A of the Grant Agreement is hereby deleted in its entirety and replaced with the attached Annex A.
3. The attachment to the Annex A called "Performance Framework Indicators, Targets, and Periods Covered" is hereby deleted in its entirety and replaced with the revised document called "Performance Framework a: Indicators, Targets, and Periods Covered", enclosed with this letter.
4. The Summary Budget of the Grant Agreement is hereby deleted in its entirety and replaced with the "Summary Budget Year 4 and 5a" enclosed with this letter.
5. Article 3 of the Standard Terms and Conditions of the Grant Agreement is hereby modified by deleting "(indicated in block 5 of the face sheet of this Agreement)" and "(indicated in block 7 of the face sheet of this Agreement)" in the fourth and fifth lines thereof.
6. Article 4 of the Standard Terms and Conditions of the Grant Agreement is hereby deleted in its entirety and replaced with the following:

For the current Implementation Period, as set forth in block 5 of the face sheet of this Agreement, the Global Fund hereby grants to the Principal Recipient an amount not to exceed that stated in block 6 of the face sheet of this Agreement, which may be made available to the Principal Recipient under the terms of this Agreement. For the purpose of this Agreement, the "Grant" shall consist of funds as stated in block 6 of the face sheet of this Agreement together with any funds previously granted by the Global Fund to the Principal Recipient for the Program. The Principal Recipient may only use Grant funds for Program activities which occur during the Grant Term or as otherwise agreed in writing by the Global Fund.

7. Article 5(f) of the Standard Terms and Conditions of the Grant Agreement is hereby modified by deleting "block 9" in the second and fourth lines thereof and replacing it with "block 7".
8. Articles 8 of the Standard Terms and Conditions of the Grant Agreement is hereby modified as follows:
 - a. The reference to "block 12" in the second line of Article 8(a) is hereby deleted and replaced with "block 9"; and
 - b. The reference to "block 12" in the second line of Article 8(c) is hereby deleted and replaced with "block 9".
9. Article 10(a)(iii) of the Standard Terms and Conditions of the Grant Agreement is hereby deleted in its entirety and replaced with the following:

iii. the Principal Recipient has fulfilled, in form and substance satisfactory to the Global Fund, the conditions precedent or special conditions indicated in Annex A, if any, and within the applicable terminal date indicated in this Agreement or other deadlines noted in the special conditions;

10. Article 13(b) of the Standard Terms and Conditions of the Grant Agreement is hereby modified by deleting the language in parenthesis in the third and fourth lines thereof and replacing it with the following:

(as indicated in Block 8 of the face sheet of this Agreement, as may be modified from time to time through written notice)

11. Article 25 of the Standard Terms and Conditions of the Grant Agreement is hereby deleted in its entirety and replaced to read as follows:

Any notice, request, document, report, or other communication submitted by either the Principal Recipient or the Global Fund, unless this Agreement expressly provides otherwise, shall be sent to the other party's: (i) Authorized Representative noted in block 12 or 13 of the face sheet of this Agreement, as appropriate; or (ii) The Name/Address for Notices noted in block 10 or 11 of the face sheet of this Agreement, as appropriate; each as may be modified from time to time through notice to the other party. All such documents shall be copied to the CCM. In the case of communications to the Global Fund through the LFA, the Principal Recipient shall submit such communications to the person identified in block 9 of the face sheet of this Agreement. All communications under this Agreement shall be in English.

12. Article 31 of the Standard Terms and Conditions of the Grant Agreement is hereby deleted in its entirety and replaced to read as follows:

Article 31. MODIFICATION OR AMENDMENT

Except in the case of exercise by a party of its unilateral rights or discretionary powers explicitly granted under the Agreement, no modification of this Agreement shall be valid unless in writing and signed by an authorized representative of the Global Fund and an authorized representative of the Principal Recipient.

13. Article 38 of the Standard Terms and Conditions of the Grant Agreement is hereby modified by deleting "blocks 15 and 16" in the third line thereof and replacing it with "blocks 12 and 13".

14. The Standard Terms and Conditions of the Grant Agreement are hereby replaced with the revised version enclosed, reflecting the changes described above in paragraphs 5-13.

15. For purposes of the Grant Agreement, the following terms shall be defined as follows:

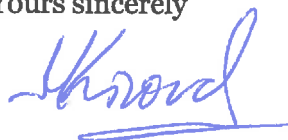
- a. Grant Starting Date: 01 February 2014
- b. Grant Ending Date: 30 June 2016

Other than as set forth in this letter, all other terms and conditions of the Grant Agreement remain the same.

Please confirm your agreement to these amendments by signing two copies of this letter and returning both copies to us. The above changes will take effect upon the signing by the Global Fund Chief Financial Officer (or his/her designated official) indicated below. One copy of this letter will be returned to you for records once the Global Fund Chief Financial Officer (or his/her designated official) has signed.

Thank you for your important efforts in the global fight against tuberculosis. We look forward to the successful implementation of the Program.

Yours sincerely

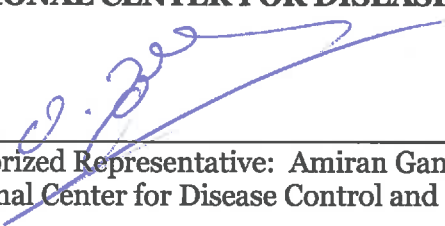


Maria Kirova
Department Head
Asia, Europe, Latin America and the Caribbean

Agreed and signed:

For: **NATIONAL CENTER FOR DISEASE CONTROL AND PUBLIC HEALTH**

By:



Authorized Representative: Amiran Gamkrelidze, Executive Director
National Center for Disease Control and Public Health

Date:

09.12.2014

encl.: Restated Face Sheet of the Grant Agreement
Restated of Annex A to the Amended and Restated Program Grant Agreement
Performance Framework a: Indicators, Targets, and Periods Covered
Summary Budget Year 4 and 5a
Amended and Restated Standard Terms and Conditions

cc: Dr David Sergeenko, CCM Chair
Mr Arsen Aslanyan, UNOPS, Local Fund Agent

Signed by the Global Fund Chief Financial Officer or his/her designated official for the recognition of this agreement by the Global Fund.



Lena Semenyuk
Regional Finance Manager

Date:

16.12.2014



PROGRAM GRANT AGREEMENT

1. Country: Georgia	
2. Principal Recipient Name and Address: National Center For Disease Control and Public Health 9 Asatiani Street, Tbilisi, 0186 Georgia	
3. Program Title: Sustaining Universal Access to Quality Diagnosis and Treatment of All Forms of TB including M/XDR-TB	
4. Grant Name: GEO-T-NCDC	4A. GA Number: 535
5. Implementation Period Dates: 01 February 2014 to 30 June 2016	
6. Grant Funds (Current Implementation Period only): Up to the amount of €11,182,992.00 (Eleven Million One Hundred Eighty-Two Thousand Nine Hundred and Ninety-Two Euros). Grant Funds as indicated above will be committed by the Global Fund to the Principal Recipient in staggered terms as described in Annex A of this Agreement.	
7. Component/Disease: Tuberculosis	
8. The fiscal year of the Principal Recipient is: 01 January to 31 December	
9. Local Fund Agent: UNOPS 11-13 chemin des Anémones, 1219 Châtelaine, Geneva, Switzerland Tel: +374 1051 2241 Fax: +374 1051 2240 Attention: Mr. Arsen Aslanyan E-mail: arsena@unops.org	
10. Name/Address for Notices to Principal Recipient: Mrs. Irma Khonelidze Deputy Director General EMPA 9 Asatiani Street, Tbilisi, 0186 Georgia Tel.: +995 32 239 75 52 Fax: +995 32 231 17 55 E-mail: ikhonelidze@gmail.com	11. Name/Address for Notices to Global Fund: Mr. Nicolas Cantau Regional Manager, Eastern Europe and Central Asia Team The Global Fund To Fight AIDS, Tuberculosis and Malaria Chemin de Blandonnet 8 1214 Vernier Geneva, Switzerland Tel.: +41 58 791 1700 Fax: +41 58 791 1701
This Agreement consists of this face sheet and the following: Recitals (if applicable) Standard Terms and Conditions Annex A – Program Implementation Description and the attachments thereto (including the Performance Framework and Summary Budget)	

**ANNEX A to the AMENDED AND RESTATED
PROGRAM GRANT AGREEMENT**

Program Implementation Description

Country:	Georgia
Program Title:	Sustaining Universal Access to Quality Diagnosis and Treatment of All Forms of TB Including M/XDR-TB
Grant Number:	GEO-T-NCDC
Disease:	Tuberculosis
Principal Recipient:	National Center for Disease Control and Public Health

Capitalized terms and acronyms used but not defined in this Annex A or the attachments to this Annex A have the meaning given to them in the Standard Terms and Conditions of this Agreement.

In the event of any conflict between the terms of this Annex A and any provision of the Standard Terms and Conditions of this Agreement, the terms of this Annex A shall prevail.

A. PROGRAM DESCRIPTION

1. Background and Summary:

Georgia is a former Soviet Republic, located in the South Caucasus, with a population of 4.4 million. Georgia is an Upper-Low-Middle Income Country with a severe tuberculosis (TB) burden.

According to the WHO estimate, TB incidence for 2012 was 116 cases per 100,000 population, which is the fifth highest rate among the 53 countries of the WHO European Region (Global tuberculosis report 2013, WHO). The rate of new TB cases and relapse notifications in 2011 was 105 cases per 100,000 population (TB surveillance and Monitoring in Europe 2013, European Centre for Disease Prevention and Control and WHO joint report). The TB case detection rate has increased from 58% in 2005 to 84% in 2011. WHO estimated prevalence was 158 cases per 100,000 population in 2012 (Global tuberculosis report 2013, WHO). Historically, the estimated prevalence has shown a positive trend of decline.

From 1990 to 2012, the estimated TB mortality rate has decreased from 8.3 to 4.5 cases per 100,000 population. During the last three years, the estimated mortality rate has shown a positive trend of decline from 15 in 2010 to 4.5 in 2012, in each case per 100,000 population (Global tuberculosis report 2013, WHO).

The treatment success rate for new smear-positive cases increased from 63% in 2000 to 76% in 2011. The treatment failure rate remains high at 12% in 2010, with an increase up to 15% in 2011.

Currently, the National TB Control Program (NTP) routinely conducts drug resistance surveillance and according to the NTP data, in 2011, MDR-TB was found in 10.9% of newly diagnosed pulmonary TB cases and in 31.7% previously treated pulmonary TB cases. The treatment success rate for MDR-TB patients is 53.7% (2009 cohort, TB surveillance and Monitoring report in Europe, 2013). In 2011, there were 475 cases (65% of estimated cases of TB) with confirmed MDR-TB and 737 started Second Line Drugs (SLD) (there is no waiting list for second-line treatment). It is important to emphasize a high rate of default rate of 28% among MDR-TB cases treatment outcomes.

According to the latest Green Light Commission (GLC) mission report (June 2012), every year in Georgia there are approximately 200 - 240 new MDR-TB cases and 185 - 214 retreatment cases from 2009 -2011.

Additionally, Georgia has a concentrated HIV epidemic (13% prevalence among MSM according to 2012 IBBS). The HIV testing for TB patients in 2012 was 38% compared to 46% in 2011; 1.8% of tested TB patients (33 cases) were HIV positive, 79% of HIV positive TB patients were on cotrimoxazole preventive treatment (CPT) in 2012 compared to 56% in 2011.

The overall goal of the program is to reduce the burden of tuberculosis in Georgia by sustaining universal access to quality diagnosis and treatment of all forms of tuberculosis. The interventions included in this Grant Agreement are aligned with the priorities of the National TB Strategy and continue to have focus on strengthening the programmatic management of TB, including drug-resistant TB, supporting patients and consolidating health services' capacities for successful TB case management, with a special focus on groups at high risk such as prisoners.

The National Center for Disease Control and Public Health (NCDC) will serve as the Principal Recipient of the Grant, having accepted this role from the Global Projects Implementation Center, following the Periodic Review of this Grant. The NTP Central Unit (National Centre for Tuberculosis and Lung Disease (NCTBLD)) through the network of public health care institutions and providers will be responsible for implementation of the majority of planned activities as a Sub-recipient.

2. Goal:

To reduce the burden of tuberculosis in Georgia by sustaining universal access to quality diagnosis and treatment of all forms of tuberculosis including M/XDR-TB.

3. Target Group/Beneficiaries:

- All TB patients in the country including M/XDR-TB patients and prisoners; and
- All Medical personnel of NTP and Regional units.

4. Strategies:

- To strengthen the NTP management, coordination, monitoring and evaluation;
- To improve diagnosis of TB including M/XDR-TB;
- To ensure quality treatment of all forms of TB; and
- To ensure adherence to TB treatment by intensive patient support and follow up.

5. Planned Activities:

To strengthen the NTP management, coordination, monitoring and evaluation

- To be performed in both civilian and penitentiary sectors; and
- By provision of technical assistance with priority issues in TB control and M&E system management, central and regional NTP supervision of TB and PHC facilities, penitentiary institutions, and program management of NTP Central and Regional Units.

To improve diagnosis of TB including M/XDR-TB

- Strengthening the laboratory capacities for TB and M/XDR-TB diagnosis, including sputum smear microscopy, culture, LED microscopy and DST (drug susceptibility testing) to first-line drugs;
- Sustaining reliable routine drug resistance surveillance, a regular specimen transportation system country-wide, upgrading reference and regional laboratories for rapid DR-TB diagnosis and ensuring external laboratory quality control and quality assurance; and
- Targeted support of case-finding activities among at-risk population groups, such as screening of IDUs for TB, entry screening for TB in penitentiary institutions, and HIV counselling and testing among TB patients.

To ensure quality treatment of all forms of TB

- Sustaining universal access to quality treatment of all forms of TB, including M/XDR-TB;
- Procurement of anti-TB drugs (first-line, second-line and third-line for TB and M/XDR-TB patients and side effect drugs; and
- Laboratory and clinical monitoring of effectiveness of TB treatment including DST to second-line drugs, and ensuring individual infection control and protection measures for staff.

To ensure adherence to TB treatment by intensive patient support and follow up

- Incentives for TB and M/XDR-TB patients including transportation of visiting Directly Observed Therapy (DOT) supporters and patients to DOT center; and
- DOT incentives for PHC nurses and monitoring visits

B. CONDITIONS PRECEDENT TO DISBURSEMENT

1. Condition Precedent to Use of Funds for procurement of Second-Line Anti-Tuberculosis Drugs

Prior to the use of Grant funds by the Principal Recipient to finance the procurement of second-line anti-tuberculosis drugs, the Principal Recipient shall deliver to the Global Fund the following items, each in form and substance satisfactory to the Global Fund:

- a. A current detailed MDR-TB expansion plan (including the number of MDR-TB patients to be treated and the list and quantifications of the medicines to be procured for the MDR-TB program reflecting the Principal Recipient's finalized forecast for the Grant implementation period covered by this Agreement); and

- b. The national guidelines for programmatic management of MDR-TB, both of which have been developed in collaboration with a technical partner acceptable to the Global Fund.

C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT

1. No later than 31 March 2015, the CCM shall, or the Principal Recipient shall cause the CCM to, submit a Budgeted Sustainability Plan for governmental take-over of financing for the first line TB medicines during the second year of the implementation, and gradual take-over of financing for the NTP by the end of the second implementation period, which at a minimum shall include the financing of second-line anti-tuberculosis medicines and patient support.
2. No later than 30 days prior to a scheduled cash transfer that includes funds for the procurement of MDR-TB medicines, the Principal Recipient shall deliver to the Global Fund a pro forma invoice issued by the designated Procurement Agent of the Global Drug Facility, as delegated by the Green Light Committee Initiative.
3. The Principal Recipient shall cooperate with the Green Light Committee (the "GLC") in GLC's efforts to provide technical support and assistance to the Principal Recipient with respect to monitoring and the scaling-up of MDR-TB-related services provided in Georgia. Accordingly, the Principal Recipient shall budget and authorize the Global Fund to disburse up to a maximum of US\$ 50,000, or such lower amount as may be agreed between the GLC and the Global Fund, each year to pay for the GLC services.
4. No later than 31 March 2015, the Government of Georgia shall, or the Principal Recipient shall cause the Government of Georgia to, prepare and provide a formal document describing the tuberculosis program coordination mechanisms, with clear segregation of the roles and responsibilities among the implementing entities in Georgia.
5. No later than 31 March 2015, the CCM shall, or the Principal Recipient shall cause the CCM to, deliver the National Tuberculosis Strategy, approved by the relevant government bodies, which shall clearly specify and describe the full organizational structure, including a central body responsible for TB services in Georgia.
6. Notwithstanding the delivery of the OM pursuant to Section B(3) of this Agreement, no later than 31 August 2014, the Principal Recipient shall deliver to the Global Fund, in form and substance satisfactory to the Global Fund, the revised OM which shall include procedures in respect of Financial management, Sub-recipient management, and shall address any weaknesses identified by the Principal Recipient assessment and regular progress updates, including but not limited to the following:
 - a. Selection and contracting of Sub-recipients, reporting requirements, procedures for verification of Sub-recipients' financial and programmatic data, frequency and scope of monitoring visits, Sub-recipients' audit arrangements;
 - b. SOPs for budgeting, budget management, variance reporting, bookkeeping, administrative procurement and treasury management of the Principal Recipient; and

- c. Details of the accounting and finance organizational structure of NCDC, all adequate policies and procedures to guide activities in financial management and accounting and ensure staff accountability for the Global Fund grants. The OM shall contain SOPs for financial management and accounting procedures. The OM shall further contain the requirements for financial management of the grants, including but not limited to the new Global Fund requirements mandated by the revised structure and funding process, and composition of financial management function of NCDC. The OM may incorporate by reference the Public Financial Management legislation, rules and regulations of Georgia which are presently followed by the Principal Recipient.

In addition, the Principal Recipient shall confirm (as verified by the LFA) that each Sub-recipient contract complies with Articles 14, 18 (d) and 20 (a) of the Standard Terms and Conditions of this Agreement.

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 purposes of Article 10(a) of the Standard Terms and Conditions of this Agreement, the Global Fund shall make disbursement decisions on an annual basis starting from the Grant Starting Date. The Global Fund may elect to transfer the disbursement decision amount to the Principal Recipient through multiple tranches over time, the decision of whether to transfer any funds in a given tranche, and the timing and amount of such tranche, shall be determined by the Global Fund in its sole discretion.

F. THE GLOBAL FUND STAGGERED FUNDING COMMITMENT POLICY

At the time of each annual disbursement and commitment decision by the Global Fund, the Global Fund shall set aside ("commit") funds up to the amount of the annual commitment decision amount, subject to the terms and conditions of this Agreement. Grant funds shall be committed 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 availability of the Global Fund funding and the reasonable cash flow needs of the Principal Recipient. If a commitment of Grant funds is made, it will be communicated to the Principal Recipient at the time of the annual disbursement and commitment decision through written notice from the Global Fund. The Principal Recipient further acknowledges and agrees that the Global Fund may de-commit Grant funds, in its sole discretion, after the end of the Program Term.

Tuberculosis

Tuberculosis

Program Details	
Country	Georgia
Grant No.	GEO-TNDDC
PI	National Center for Disease Control and Public Health
Currency	EURO
Grant Period (start/end)	Phase 2

(Please indicate Periods covered by this budget in the cells below, as presented in the Performance Framework)

17-Feb-14	1-Apr-14	1-Jul-14	1-Oct-14	1-Jan-15	1-Apr-15	1-Jul-15	1-Oct-15	1-Jan-16	1-Apr-16	1-Jul-16	1-Oct-16	1-Jan-17	1-Apr-17	1-Jul-17	1-Oct-17
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A. CHUMBO BILLET BREAKDOWN BY EXPERIMENTAL TIME PERIOD

[illegible]

B. SUMMARY BUDGET BREAKDOWN BY PROGRAM ACTIVITY

S/N	Macro-category	Objectives	Service Delivery Area*	Year 3				Year 4				Year 5				TOTAL Phase 2	%		
				Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12				
1	TB: Supportive Environment	To strengthen the National TB Control Program management, coordination, monitoring and evaluation	Program Management, M&E, Capacity Building	0	64,017	66,568	70,197	190,803	51,612	67,890	51,612	233,522	233,522	51,612	67,890	-	118,011	542,336	5%
2	TB Detection	To improve diagnosis of TB including MXQR-TB	Improving diagnosis	0	442,020	24,408	479,322	201,148	539,534	5,286	19,989	762,957	120,062	275,485	-	404,547	1,848,828	16%	
3	TB Treatment	To ensure quality treatment of all forms of TB	Quality Treatment of all forms of TB, Including MXQR-TB	0	0	36,200	2,419,397	39,167	2,064,755	0	0	2,703,952	39,168	1,324,873	-	1,364,060	6,487,409	58%	
4	TB Treatment	To ensure adherence to TB treatment by intensive patient support and follow-up	Patient Support	0	280,568	280,568	844,703	183,876	183,876	183,876	183,876	734,793	182,958	182,958	-	365,917	1,942,323	17%	
5	TB: Supportive Environment	Protect management - PR	Supportive environment: Program management and administration	0	135,009	36,897	183,944	44,027	29,478	34,078	46,840	153,428	28,679	48,131	-	71,850	584,098	5%	
			TOTAL*	0	821,623	426,020	2,822,403	4,270,045	619,857	3,484,340	274,855	309,910	431,499	1,882,888	0	2,324,362	11,182,962	100%	

To add additional rows, right click the row number to the left of the row above the row for TOTAL and select copy, then over the same number, right click again and select Insert Copied Cells. WARNING: Inserting Rows without copying a row as described above will cause the formula in the columns to become invalid and will mean the overall information will be inaccurate.

²⁰ For the purposes of this report, the SDA Program management and administration should be included in the Supportive Environment Macro Category.

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#	PROR	Name	Type of Implementing Entity	Year 3												Year 4			Year 5			TOTAL
				Q1	Q2	Q3	Q4	Total Yr	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Year 5	Phase 2	%			
1	PR	National Center for Disease Control and Public Health	Other Government	0	813,288	311,029	2,794,403	3,118,320	400,330	3,354,729	168,928	185,286	1,423,179	327,254	1,733,853	2,101,108	10,143,607	91%				
2	SR	National Center for Tuberculosis and Lung Diseases	Other Government	0	108,335	114,381	128,000	350,725	113,327	129,614	105,927	116,614	485,383	104,265	119,032	223,277	1,439,385	97%				
			TOTAL*	0	921,623	2,922,409	2,822,403	4,270,045	619,857	3,484,340	274,855	306,910	4,886,562	431,499	1,852,886	2,324,385	11,582,992	100%				

To add additional rows, right click the row number to the left of the row above the row for TOTAL and select copy, then over the same number, right click again and select Insert Copied Cells. WARNING: Inserting Rows without copying a row as described above will cause the formula in the columns to become invalid and will mean the overall CellCollection will be inaccurate.

* The sum of all three break/doors should be equal (A- Budget Line-Item, B- Program Activity, C- Implementing Entity).

Performance Framework a: Indicators, Targets and Periods Covered

Language: English

Please carefully review the instructions work sheet before completing this template

A. Program details

Country / Applicant:	CCM Georgia	Principal Recipients	PR1	National Center for Disease Control and Public Health
Component:	Tuberculosis		PR2	
Start Year:	2014	(Please select from list or add a new one)	PR3	
Start Month:	February		PR4	
SSF/grant number:	GEO-T-NCDC		PR5	

Reporting periods	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6
Period Covered: from	1-Feb-14	1-Apr-14	1-Jul-14	1-Jan-15	1-Jul-15	1-Jan-16
Period Covered: to	31-Mar-14	30-Jun-14	31-Dec-14	30-Jun-15	31-Dec-15	30-Jun-16
Due date Progress Update	-	14-Aug-14	14-Feb-15	14-Aug-15	14-Feb-16	14-Aug-16
Disbursement Request (Y,N)	-	N	Y	N	Y	N

	Year 4	Year 5
Audit report due dates	31-Mar-15	31-Mar-16

Due date periodic review	N/A
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B. Program goals and impact indicators

Goals:
1 To reduce the burden of tuberculosis in Georgia by sustaining universal access to quality diagnosis and treatment of all forms of tuberculosis including M/XDR-TB

Linked to goal(s) #	Impact Indicator	Baseline			Targets				Comments
		value	Year	Source	Year 4	Report due date	Year 5	Report due date	
					2014		2015		
1	TB mortality rate Number of deaths attributable to TB (all forms) registered in a specified period per 100,000 populations	4.5	2012	Specify- WHO Global TB Reports (Country Profiles)	4.2	15-Feb-15	3.9	15-Feb-16	The source of baseline value is WHO Global TB Report.

C. Program outcomes and performance indicators

Objectives:
1 To strengthen the National TB Control Program management, coordination, monitoring and evaluation
2 To improve diagnosis of TB including M/XDR-TB
3 To ensure quality treatment of all forms of TB
4 To ensure adherence to TB treatment by intensive patient support and follow up

Linked to objective(s) #	Outcome indicator	Baseline			Targets				Comments
		value	Year	Source	Year 4	Report due date	Year 5	Report due date	
					2014		2015		
1	Case notification rate per 100,000 population- all forms of TB i.e. bacteriologically confirmed + clinically diagnosed* *Case notification rate indicators include new and relapse cases	88	2012	R&R TB system, yearly management report	87 (2014 notification)	15-Feb-15	86 (2015 notification)	15-Feb-16	Targets set in the PF are in line with the trend analysis of last 4 years (including the 2012 verified data and preliminary data of 2013) and takes into account the documented changes in epidemiology of disease It refers to all forms of TB cases that are bacteriologically confirmed or clinically diagnosed with active TB by a clinician. Indicator includes- new and relapse cases that are- (1) smear and/or culture positive; or smear positive/culture negative (2) smear and/or culture negative; (3) smear unknown/not done; (4) Positive by WHO-recommended rapid molecular diagnostics (e.g. Xpert MTB/RIF); (5) extra-pulmonary cases confirmed by WRD; (6) cases confirmed on the basis of X-Ray abnormalities or suggestive histology; It does not include- retreatment cases such as- (1) treatment after failure patients; (2) treatment after loss to follow-up (previously known as 'treatment after default') (3) other retreatment cases
2	Treatment success rate - bacteriologically confirmed: Percentage of bacteriologically confirmed TB cases successfully treated (cured plus treatment completed)	76%	2011 cohort	R&R TB system, yearly management report	80% (2013 Cohort)	15-Feb-15	85% (2014 Cohort)	15-Feb-16	Targets for treatment success rates remain unchanged (except year one), the indicator is included in the Monitoring and evaluation framework of the National Tuberculosis Strategy and Operational Plan for Georgia 2013-2015. The targets for indicator are in line with this document. To ensure validity of data, reporting will be done in the mid of a year (data validation are done during the supervision visits)
3	Treatment success rate- laboratory confirmed RR TB and/or MDR-TB: Percentage of bacteriologically-confirmed RR and/or MDR-TB cases successfully treated (cured plus completed treatment) among those enrolled on second-line anti-TB treatment during the year of assessment	52%	2010 cohort	R&R TB system, yearly management report	58% (2012 Cohort)	15-Feb-15	75% (2013 Cohort)	15-Feb-16	Targets for treatment success rates remain unchanged (except year one), the indicator is included in the Monitoring and evaluation framework of the National Tuberculosis Strategy and Operational Plan for Georgia 2013-2015. The targets for indicator are in line with this document.
4	Case notification rate per 100,000 population- bacteriologically confirmed (new and relapse cases)	55	2012	R&R TB system, quarterly reports	54	15-Feb-15	53	15-Feb-16	Targets set in the PF are in line with the trend analysis of last 4 years (including the 2012 verified data and preliminary data of 2013) and takes into account the documented changes in epidemiology of disease The indicator includes: all new and relapse cases confirmed by - (1) smear and/or culture; (2) WHO-recommended rapid molecular diagnostics (e.g. Xpert MTB/RIF); (3) extra-pulmonary cases with lab confirmation by identification of M. tuberculosis (not by histology alone)

D. Service delivery areas and output/coverage indicators

Objective & Indicator Number	Service Delivery Area	Output/coverage indicator	Final target previous implementation period			Latest available baseline/result				Targets												Periodic review target (filled in during grant negotiation)	Target cumulation	Tied to	Responsible Principal Recipient(s) (comma separated)	Top 10	Comments							
			N # D #	%	Year	N # D #	%	Year	Source	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6																			
										1-Feb-14	1-Apr-14	1-Jul-14	1-Jan-15	1-Jul-15	1-Jan-16																			
										31-Mar-14	30-Jun-14	31-Dec-14	30-Jun-15	31-Dec-15	30-Jun-16																			
2.1	Improving diagnosis	Percentage of TB patients who had an HIV test result recorded in the TB register	5090	90.0%	2012	2535	60.6%	2013	R&R TB system, quarterly reports			780		1611		1856		1850		1847			Not cumulative	Current grant	PR1	Top 10	The indicator is included in the Monitoring and evaluation framework of the National Tuberculosis Strategy and Operational Plan for Georgia 2013-2015. The targets for Indicator are in line with this document. Numerator: Number of TB patients registered during the reporting period who had an HIV test result recorded in the TB register at the time of TB diagnosis. Denominator: Total number of TB patients registered during the reporting period. NOTE: denominator includes "other retreatment" as well.							
			5655			4184				1240	63%	2479	65%	2475	75%	2467	75%	2463	75%															
2.2	Improving diagnosis	Number of notified cases of bacteriologically confirmed TB, (new and relapse)	N/A			2464			2012	R&R TB system, quarterly reports			661		2646		1320		2844		1420			Annually	Current grant	PR1	Top 10	New Indicator. Targets set in the PF are in line with the trend analysis of last 4 years (including the 2012 verified data and preliminary data of 2013) and takes into account the documented changes in epidemiology of disease						
2.3	Improving diagnosis	Percentage of laboratories showing adequate performance in external quality assurance for smear microscopy among the total number of laboratories that undertake smear microscopy during the reporting period	N/A			9				2013	National Reference Laboratory			10		10		11		11		11		100%		100%		100%		Not cumulative	Current grant	PR1	Top 10	Numerator: Number of laboratories showing adequate performance for smear microscopy. Denominator: Total number of laboratories undertaking smear microscopy.
						11	81.8%							11		11		11		11		11									External quality assurance for smear microscopy is performed by rechecking slides. No error of any type is considered a target for optimal performance. Any major error (high false-positive or high false-negative) may indicate unacceptable performance.			
3.1	High Quality DOTS	Number of notified cases of all forms of TB - (i.e. bacteriologically confirmed +clinically diagnosed) (new and relapse)	N/A			3939				2012	R&R TB system, yearly management report			1018		4070		2032		4063		2028				Annually	National program	PR1	Top 10	Targets set in the PF are in line with the trend analysis of last 4 years (including the 2012 verified data and preliminary data of 2013) and takes into account the documented changes in epidemiology of disease The reported results will include "Other retreatment" cases . Indicator Includes: (1) smear and/or culture positive; or smear positive/culture negative (2) smear and/or culture negative; (3) smear unknown/not done; (4) Positive by WHO-recommended rapid molecular diagnostics (e.g. Xpert MTB/RIF); (5) extra-pulmonary cases confirmed by WRD; (6) cases confirmed on the basis of X-Ray abnormalities or suggestive histology; It does not include- retreatment cases such as- (1) treatment after failure patients; (2) treatment after loss to follow-up (previously known as 'treatment after default') (3) other retreatment cases				
3.2	High Quality DOTS	Number of bacteriologically confirmed TB cases in a specified period who subsequently were successfully treated (sum of WHO outcome categories "cured" plus "treatment completed")	N/A			1917				2011	R&R TB system, quarterly reports			529		2116		1122		2417		1207				Annually	National program	PR1	Top 10	The Indicator is included in the Monitoring and evaluation framework of the National Tuberculosis Strategy and Operational Plan for Georgia 2013-2015. The targets for Indicator are in line with this document. Targets are set as cumulative annually aligned with the calendar year to reflect the annual cohorts. Data will include disaggregation for prisoners in a comments section				
3.3	High Quality DOTS	Number of TB patients enrolled on standardized 1st line treatment in the specified calendar year	5200			4933				2012	R&R TB system, quarterly reports			1109		4437		2212		4423		2205				Annually	National program	PR1	Top 10	Number includes all sensitive patients and PDR cases who are enrolled in 1st line TB treatment. (new smear positive, new smear negative, extra pulmonary, relapse, other retreatment and PDR cases)				
3.4	Multidrug-resistant TB (MDR-TB)	Laboratory-confirmed X/MDR-TB patients enrolled on second line anti-TB treatment in the specified calendar year	480			659				2012	R&R TB system, quarterly reports			130		521		260		519		258				Annually	National program	PR1	Top 10	Targets are set as cumulative annually aligned with the calendar year to reflect the annual cohorts of the newly enrolled patients.				
3.5	Multidrug-resistant TB (MDR-TB)	Percentage of previously treated TB patients receiving DST	N/A			569								149		578		297		600		322				Annually	National program	PR1	Top 10	Numerator: number of previously treated TB cases with DST results for both isoniazid and rifampicin during the previous reporting period. Denominator: total number of previously treated culture positive TB cases identified during the previous reporting period Please Note: Oct-Dec 2013 cohort will be reported in the period 2 reporting deadline (Aug-2014) Jul-Dec 2013 - Jan-June 2014 cohort will be reported in the period 3 Reporting deadline (Feb-2015) Jul-Dec 2014 cohort will be reported in the period 4 reporting deadline (Aug-2015) Jul-Dec 2014 - Jan-June 2015 cohort will be reported in the period 5 reporting deadline (Feb- 2016) Jul-Dec 2015 cohort will be reported in the period 6 Reporting deadline (Aug-2016)				
						632	90%								157		611		314		630		322		100%									

D. Service delivery areas and output/coverage indicators

Objective & Indicator Number	Service Delivery Area	Output/coverage Indicator	Final target previous Implementation period			Latest available baseline/result				Targets						Periodic review target (filled in during grant negotiation)	Target cumulation	Tied to	Responsible Principal Recipient(s) (comma separated)	Top 10	Comments
			N # D #	%	Year	N # D #	%	Year	Source	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6						
										1-Feb-14	1-Apr-14	1-Jul-14	1-Jan-15	1-Jul-15	1-Jan-16						
										31-Mar-14	30-Jun-14	31-Dec-14	30-Jun-15	31-Dec-15	30-Jun-16						
3.6	Multidrug-resistant TB (MDR-TB)	Percentage of cases with drug resistant TB (RR-TB and/or MDR-TB) started on treatment for MDR-TB who were lost to follow up during the first six months of treatment	N/A			31	12%	2013	R&R TB system, quarterly reports		29	29	29	27	25		Not cumulative	National program	PR1	Top 10	Numerator: Number of cases with drug resistant TB (RR-TB and/or MDR-TB) registered and started on a prescribed MDR-TB treatment who were lost to follow-up by the end of month 6 of their treatment. Denominator: Number of cases with drug resistant TB (RR-TB and/or MDR-TB) registered and started on treatment for MDR-TB during the period of assessment. Baseline value is derived from 6 month follow-up of patients who initiated their MDR-TB treatment from 1/1/2013 to 30/6/2013 Denominator 273 for period 2 comes from R&R TB system (Jul-Dec 2013) <u>Please Note:</u> Jul-Dec 2013 cohort will be reported in the period 2 reporting deadline (Aug-2014) Jan-June 2014 cohort will be reported in the period 3 Reporting deadline (Feb-2015) Jul-Dec 2014 cohort will be reported in the period 4 reporting deadline (Aug-2015) Jan-June 2015 cohort will be reported in the period 5 reporting deadline (Feb-2016) Jul-Dec 2015 cohort will be reported in the period 6 Reporting deadline (Aug-2016)
						253					273	261	261	260	260	10%					
4.1	Patient support	Number of and percentage of TB patients on 1st line treatment receiving cash incentives for better adherence to treatment	3640			3217			R&R TB system, quarterly reports		776	3106	1548	3096	1544		Annually	Current grant	PR1	Top 10	Numerator: Number of newly registered TB patients on the 1st line TB treatment who have received cash incentives at least once in the reporting period Denominator: Number of TB cases, enrolled in 1st line TB treatment in the same reporting period. The indicator does not include prisoners. Eligibility: Regular TB patients which comply well with Intermittent (3 times per week) DOT sessions at outpatient TB clinics or at home
			5200	70.0%	2012	4675	68.8%	2012		1109	4437	2212	4423	2205	70%						
4.2	Patient support	Number and percentage of M/XDR-TB patients on treatment receiving cash incentives for better adherence to treatment during out-patient phase	360			405			R&R TB system, quarterly reports		91	391	195	389	194		Annually	Current grant	PR1	Top 10	Targets are set as cumulative annually aligned with the calendar year Numerator: Number of newly registered M/XDR TB patients on the 2nd line TB treatment who have received cash incentives at least once in the reporting period Denominator: Number of M/XDR TB cases, enrolled in out patient 2nd line TB treatment in the same reporting period The indicator does not include prisoners. Eligibility: M/XDR TB patients for uninterrupted 6- day DOT sessions at outpatient TB clinics or at home
			480	75.0%	2012	548	73.9%	2012		130	521	260	519	258	75%						

STANDARD TERMS AND CONDITIONS (Single Stream of Funding)

Article 1. PURPOSE OF AGREEMENT

This Agreement is between The Global Fund to Fight AIDS, Tuberculosis and Malaria, a foundation established under the laws of Switzerland (the "Global Fund") and the Principal Recipient identified in block 2 of the face sheet of this Agreement. This Agreement defines the terms and conditions under which the Global Fund may provide funding to the Principal Recipient to implement the program whose title is set forth in block 3 of the face sheet of this Agreement (the "Program") for the country specified in block 1 of the face sheet of this Agreement (the "Host Country").

Article 2. IMPLEMENTATION OF THE PROGRAM

(a) PROGRAM DESCRIPTION AND OBJECTIVES

The Principal Recipient shall implement the Program as described in the "Program Implementation Description" included as Annex A of this Agreement. The "Performance Framework(s)" attached to Annex A of this Agreement set forth the main objectives of the Program, key indicators, intended results, targets and reporting periods of the Program. Unless otherwise indicated, the targets set forth in the Performance Framework(s) attached to Annex A of this Agreement are cumulative and do not include the baseline values.

(b) PROGRAM BUDGET

The "Summary Budget(s)" attached to Annex A of this Agreement set(s) out approved expenditures for the Implementation Period indicated in block 5 of the face sheet of this Agreement. The Principal Recipient shall implement the Program in accordance with the Summary Budget(s). Changes to the Summary Budget(s) shall only be made pursuant to written guidelines provided by the Global Fund or as otherwise authorized in writing by the Global Fund.

Article 3. IMPLEMENTATION PERIOD

(a) IMPLEMENTATION PERIOD

The Principal Recipient acknowledges that, as of the effective date of this Agreement (referred to in Article 38 of this Agreement), the Global Fund shall commit funds to the Program under this Agreement, subject to availability of funding, for the period indicated as the Implementation Period in block 5 of the face sheet of this Agreement. Such commitment may be made in tranches, pursuant to the "Global Fund Staggered Funding Commitment Policy" as described in the "Program Implementation Description" in Annex A of this Agreement.

(b) PREVIOUS IMPLEMENTATION PERIODS

The current and any past Implementation Periods shall be referred to as the "Grant Term".

Article 4. GRANT FUNDS

For the current Implementation Period, as set forth in block 5 of the face sheet of this Agreement, the Global Fund hereby grants to the Principal Recipient an amount not to exceed that stated in block 6 of the face sheet of this Agreement, which may be made available to the Principal Recipient under the terms of this Agreement. For the purpose of this Agreement, the "Grant" shall consist of funds as stated in block 6 of the face sheet of this Agreement together with any funds previously granted by the Global Fund

to the Principal Recipient for the Program. The Principal Recipient may only use Grant funds for Program activities which occur during the Grant Term or as otherwise agreed in writing by the Global Fund.

Article 5. REPRESENTATIONS AND WARRANTIES OF THE PRINCIPAL RECIPIENT

The Principal Recipient represents and warrants to the Global Fund the following as of the effective date of this Agreement:

(a) LEGAL CAPACITY

The Principal Recipient is a legal entity validly existing under the laws of the jurisdiction in which it was formed.

(b) ENFORCEABILITY

This Agreement has been duly executed and delivered by the Principal Recipient and is enforceable against the Principal Recipient in accordance with its terms.

(c) NECESSARY POWER

The Principal Recipient has all the necessary power, authority and legal capacity to: (i) own its assets; (ii) conduct Program activities; and (iii) enter into this Agreement.

(d) COMPLIANCE WITH LAWS

The Principal Recipient's activities are operated in compliance with Host Country law and other applicable law, including but not limited to intellectual property law. In addition, the Principal Recipient is generally aware that laws exist that prohibit the provision of resources and support to individuals and organizations associated with terrorism and that the European Union, the U.S. Government and the United Nations Security Council have published lists identifying individuals and organizations considered to be associated with terrorism.

(e) NO CLAIMS

There are no claims, investigations or proceedings in progress or pending or threatened against the Principal Recipient which, if determined adversely, would have a material adverse effect on the capacity of Principal Recipient to implement the Program.

(f) ADDITIONALITY

The Grant is in addition to the resources that the Host Country receives from external and domestic sources to fight the disease indicated in block 7 of the face sheet of this Agreement, or, if applicable, health expenditure (if Health Systems Strengthening is indicated in block 7).

(g) NO DOUBLE-FUNDING

The targets set for the Program are made possible by the additional funding provided by the Global Fund under this Agreement. The Principal Recipient is not receiving funding from any other source that duplicates the funding provided under this Agreement.

Article 6. COVENANTS OF THE PRINCIPAL RECIPIENT

The Principal Recipient covenants and agrees with the Global Fund the following during the Grant Term:

(a) AUTHORITY

The person signing documents related to this Agreement (including any amendments to this Agreement) will have, at the time of such signing, the authority to sign such documents.

(b) NOTICE OF MATERIAL EVENTS

The Principal Recipient shall immediately provide written notice to the Global Fund of any claims, investigations or proceedings which, if determined adversely, could reasonably be expected to result in a material adverse effect on the ability of the Principal Recipient or any Sub-recipient (as described in Article 14 of this Agreement) to implement the Program or perform any of the other obligations under this Agreement.

(c) CONDUCT OF BUSINESS

The Principal Recipient shall, and shall ensure that each Sub-recipient shall do all the things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses and permits which may be required to implement Program activities for which they are responsible.

(d) COMPLIANCE WITH LAWS

The Principal Recipient shall, and shall ensure that each of its Sub-recipients shall, comply with Host Country law and other applicable law, including but not limited to intellectual property law, when carrying out Program activities.

(e) ADDITIONALITY

The Principal Recipient shall take all actions available to it to ensure that the representation made in Article 5(f) of this Agreement continues to be valid during the Grant Term.

(f) NOTIFICATION OF ADDITIONAL FUNDING

The Principal Recipient shall provide written notice to the Global Fund of any additional funding received by the Principal Recipient which may require an adjustment to the Program in order to meet its obligations under Article 5(g) of this Agreement.

Article 7. COUNTRY COORDINATING MECHANISM**(a) CCM**

The parties acknowledge that the Country Coordinating Mechanism ("CCM") coordinates the submission of proposals to the Global Fund from the Host Country, including any request for continued implementation after the end of an Implementation Period ("Request for Continued Funding") and monitors the implementation of both Program activities under this Agreement and other programs financed by the Global Fund in the Host Country, if any.

(b) COOPERATION

The Principal Recipient shall cooperate with the CCM and the Global Fund to accomplish the purpose of this Agreement. The Principal Recipient shall be available to meet regularly with the CCM to discuss plans, share information and communicate on matters that relate to the Program. The Principal Recipient shall provide to the CCM, upon request of the CCM, a copy of reports and material information relating to the Program for information purposes. This may include, but is not limited to, Requests for Disbursements, items delivered to fulfill a condition precedent, implementation letters and any amendment to this Agreement. In addition, the Principal Recipient shall assist the CCM in the preparation of any Request for Continued Funding. The Principal Recipient

understands that the Global Fund may, in its sole discretion, share information about the Program with the CCM.

Article 8. LOCAL FUND AGENT

(a) LFA

The Global Fund has retained the services of a Local Fund Agent (the "LFA"), as indicated in block 9 of the face sheet of this Agreement, to perform certain functions on behalf of the Global Fund, including:

- i. assessment of the capacity of the Principal Recipient to implement the Program and manage Grant funds; and
- ii. verification of the Principal Recipient's progress towards the objectives of the Program, use of Grant funds and compliance with the terms and conditions of this Agreement.

(b) COOPERATION

The Principal Recipient shall, and shall ensure that Sub-recipients shall, cooperate fully with the LFA to permit the LFA to carry out its functions. To this end, the Principal Recipient shall, among other things:

- i. submit all reports, Requests for Disbursement and other communications required under this Agreement to the Global Fund through the LFA;
- ii. submit copies of all audit reports to the LFA;
- iii. permit the LFA to perform ad hoc site visits at the times decided by the LFA;
- iv. permit the LFA to review Program Books and Records (as described in Article 13 of this Agreement), at the times and places decided by the LFA;
- v. permit the LFA to interview its personnel and personnel of Sub-recipients;
- vi. cooperate with the LFA to identify additional training and capacity building that the Principal Recipient and Sub-recipients may need to implement the Program; and
- vii. cooperate with the LFA in other ways that the Global Fund may specify.

(c) LFA REPRESENTATIVE

For purposes of this Agreement, the principal representative of the LFA shall be the person named or acting in the position identified in block 9 of the face sheet of this Agreement. The Global Fund may, in its sole discretion, decide to replace the LFA or designate an alternative principal representative of the LFA and shall inform the Principal Recipient accordingly.

Article 9. MANAGEMENT OF GRANT FUNDS

(a) USE OF FUNDS

The Principal Recipient shall ensure that all Grant funds are prudently managed and shall take all necessary action to ensure that Grant funds are used solely for Program purposes and consistent with the terms of this Agreement. Accordingly, the Principal Recipient shall use its reasonable efforts to ensure that Grant funds are not used by it or by any Sub-recipient to support or promote violence, to aid terrorists or terrorist-related activity, to conduct money-laundering activities or to fund organizations known to support terrorism or that are involved in money-laundering activities.

(b) ANTI-MONEY LAUNDERING REQUIREMENTS

The Principal Recipient acknowledges and agrees that, pursuant to the Global Fund's commitment to prevent money-laundering activities:

- i. Any transaction involving the transfer, disbursement, transportation, transmission, or exchange of Grant funds (including wire transfers and currency exchanges) shall be carried out by the Principal Recipient's beneficiary bank into which Grant funds are disbursed, unless another means of transmittal is specifically authorized in writing by the Global Fund prior to carrying out the transaction;
- ii. All transactions involving Grant funds that are effected through electronic wire transfer or currency exchange shall be properly recorded;
- iii. All currency exchanges involving Grant funds shall be carried out through established and regulated financial institutions;
- iv. Currency exchange operations which are not carried out through established and regulated financial institutions shall not be regarded as "program activities" (defined as "activities directly supporting the program"); and
- v. The transfer, disbursement, transportation, transmission, or exchange of Grant funds, by any means: (i) to third parties not directly related to the implementation of the Program and this Agreement; or (ii) for activities not directly supporting the Program, is strictly prohibited.

(c) INCLUSION OF ANTI-MONEY LAUNDERING REQUIREMENTS IN SUB-RECIPIENT AGREEMENTS

The Principal Recipient shall include the provisions of Article 9(b) of this Agreement (amended to reflect Sub-recipient status) in all Sub-recipient Agreements, and is responsible for ensuring strict compliance with those provisions by all Sub-recipients.

(d) REMEDIES AND RESPONSIBILITIES FOR VIOLATIONS OF ANTI-MONEY LAUNDERING REQUIREMENTS

The Principal Recipient acknowledges and agrees that:

- i. The Global Fund may exercise its right to terminate or apply restrictions to this Agreement upon the occurrence of any transaction involving Grant funds that contravenes the terms of Article 9(b) or 9(c) of this Agreement (any such transaction, an "Unauthorized Transaction"); and
- ii. The Principal Recipient shall bear sole responsibility, financial and otherwise, for any losses resulting from Unauthorized Transactions and shall reimburse the Global Fund for the amount of any losses or gains resulting from Unauthorized Transactions.

Article 10. DISBURSEMENT OF GRANT FUNDS

(a) DISBURSEMENTS

Notwithstanding the disbursement schedule set out in Annex A to this Agreement, the timing and amount of any disbursements of Grant funds shall be determined by the Global Fund in its sole discretion. In particular, unless otherwise agreed the Global Fund will not issue instructions for the first disbursement to be made pursuant to this Agreement any earlier than 21 calendar days before the start date of the Implementation Period set forth in Block 5 of the face sheet of this Agreement, provided however, that the Principal Recipient has complied with the other provisions of this Article as set out below. The Global Fund will not make any disbursement of Grant funds unless:

- i. the Principal Recipient has submitted to the Global Fund a Request for Disbursement, signed by the person or persons authorized by the Principal Recipient to do so, in form and substance satisfactory to the Global Fund, at a time acceptable to the Global Fund;

- ii. the Global Fund has determined in its sole discretion that funds sufficient to make the disbursement are available to the Global Fund for such purpose at the time of the disbursement;
- iii. the Principal Recipient has fulfilled, in form and substance satisfactory to the Global Fund, the conditions precedent to such disbursement or special conditions indicated in Annex A, if any, and within the applicable terminal date indicated on the face sheet of this Agreement or other deadlines noted in the special conditions;
- iv. the Principal Recipient demonstrates that the amount requested in its Request for Disbursement is based on its reasonable cash flow needs during the period for which the disbursement is requested;
- v. the Principal Recipient has provided to the Global Fund all Programmatic Progress reports referred to in Article 15(b) of this Agreement that were due prior to the date of the Request for Disbursement;
- vi. the Principal Recipient demonstrates that it has achieved programmatic results consistent with the targets for indicators set forth in the Performance Framework(s) attached to Annex A of this Agreement during the periods set forth therein and explains any reasons for deviation from targets;
- vii. following receipt in the country of Health Products procured using Grant funds, the Principal Recipient has reported the prices and other related supply information required to be reported to the Global Fund in accordance with Article 19 of this Agreement, including the Guide (as defined in Article 19 of this Agreement), using the Price Reporting Mechanism available on the website of the Global Fund or other suitable tool that the Global Fund may make available for this purpose; and
- viii. the LFA (referenced in Article 8 of this Agreement) verifies the information provided in the Request for Disbursement.

(b) DEADLINES

If the conditions precedent or special conditions indicated in the Program Implementation Description have not been met by the applicable terminal date or deadline, or if the Principal Recipient fails to achieve the programmatic targets set forth in this Agreement, during the periods set forth therein, the Global Fund may, at any time, and in its sole discretion, terminate or suspend this Agreement by written notice to the Principal Recipient under Article 26 of this Agreement.

(c) IMPLEMENTATION PERIOD

The Global Fund will not authorize disbursement of any Grant funds after the end of the Implementation Period unless the parties amend this Agreement to reflect an approval of an Additional Implementation Period (as described in Article 3(b) of this Agreement).

Article 11. BANK ACCOUNTS, INTEREST AND OTHER PROGRAM REVENUES

(a) BANK ACCOUNT

The Principal Recipient shall ensure that:

- i. Grant funds in the possession of the Principal Recipient or Sub-recipients remain, to the extent practicable, in a bank account which bears interest at a reasonable commercial rate available in the Host Country until they are expended for Program purposes;

- ii. Grant funds are deposited in a bank that is fully compliant with all applicable local and international banking standards and regulations, including capital adequacy requirements; and
 - iii. at all times, Grant funds are held in cash and may be withdrawn at any time, in full, upon demand.
- (b) **INTEREST**
- Any interest on Grant funds disbursed by the Global Fund to the Principal Recipient under this Agreement or by the Principal Recipient to Sub-recipients shall be accounted for and used solely for Program purposes.
- (c) **REVENUES**
- Any revenues earned by the Principal Recipient or Sub-recipients from Program activities, including but not limited to revenues from "social marketing" activities, shall be accounted for and used solely for Program purposes.

Article 12. TAXES AND DUTIES

(a) FREE FROM TAXES

The Principal Recipient is strongly encouraged to ensure that this Agreement and the purchase of any goods or service using Grant funds by the Principal Recipient and any Sub-recipients shall be free from taxes and duties imposed under laws in effect in the Host Country. The Principal Recipient shall, not later than 90 days after the start of the Implementation Period, inform the Global Fund of the status of the exemption from taxes and duties that may be accorded to assistance under this Agreement.

(b) REFUND OF TAXES

If a tax or duty has been levied and paid by the Principal Recipient or Sub-recipient despite the exemption from such tax or duty, the Global Fund may, in its sole discretion, (i) require the Principal Recipient to refund to the Global Fund or to others as the Global Fund may direct the amount of such tax with funds other than those provided under this Agreement; or (ii) offset the amount of such tax from amounts to be disbursed under this or any other agreement between the Global Fund and the Principal Recipient.

(c) RESOLUTION OF TAX ISSUES

In the event of a disagreement about the application of an exemption that has been granted by the government of the Host Country, the Global Fund and the Principal Recipient shall endeavor promptly to resolve such matters, guided by the principle that the Grant funds are intended to be free from taxation, so that all of the Grant funds provided by the Global Fund shall contribute directly to the treatment and prevention of disease in the Host Country.

Article 13. AUDITS AND RECORDS

(a) BOOKS AND RECORDS OF THE PRINCIPAL RECIPIENT

The Principal Recipient shall, and shall ensure that Sub-recipients shall, maintain accounting books, records, documents and other evidence relating to this Agreement, adequate to show, without limitation, all costs incurred and revenues earned by the Principal Recipient for the Program and the overall progress toward completion of the Program ("Program Books and Records"). The Principal Recipient and Sub-recipients shall maintain Program Books and Records in accordance with the generally accepted accounting standards in the Host Country. Program Books and Records must be kept in the possession of the Principal Recipient for at least seven years after the date of last disbursement

under this Agreement, or for such longer period, if any, required to resolve any claims or audit enquiries, or if required to do so by the Global Fund.

(b) PRINCIPAL RECIPIENT AUDITS

The Principal Recipient shall have annual financial audits of Program revenues and expenditures conducted by an independent auditor. The first period under audit shall be the first completed fiscal year of the Principal Recipient (as indicated in Block 8 of the face sheet of this Agreement, as may be modified from time to time through written notice). However, if the end of the first such fiscal year is less than six months after the start of the initial Implementation Period, the first period under audit shall be from the start of the initial Implementation Period until the end of the second such fiscal year.

(c) INDEPENDENT AUDITOR

Not later than three months after the start of the Implementation Period, the Principal Recipient shall notify the Global Fund of the independent auditor that it has selected to perform the annual audits referred to in paragraph (b) of this Article. The final selection of the independent auditor and its terms of reference shall be subject to the approval of the Global Fund and shall occur not later than six months after the start of the Implementation Period.

(d) SUB-RECIPIENT AUDITS

The Principal Recipient shall ensure that annual audits of the revenues and expenditures of each Sub-recipient of Grant funds are carried out. In connection with this requirement, the Principal Recipient shall submit to the Global Fund a plan for such Sub-recipient audits no later than six months after the start of the Implementation Period and a copy of all completed Sub-recipient audits. The first period under audit of Sub-recipients shall be not later than the first period of audit applicable under subsection (b) above.

(e) AUDIT REPORTS

The Principal Recipient shall provide to the Global Fund an audit report for each audit arranged for by the Principal Recipient or a Sub-recipient in accordance with this Article not later than six months after the period under audit.

(f) AUDIT BY THE GLOBAL FUND

The Global Fund reserves the right, on its own or through an agent (utilizing Grant funds or other resources available for this purpose) to perform the audits required under this Agreement and/or, to conduct a financial review, forensic audit or evaluation, or to take any other actions that it deems necessary to ensure the accountability of the Principal Recipient and Sub-recipients for Grant funds and to monitor compliance by the Principal Recipient with the terms of this Agreement. The Principal Recipient shall, and shall ensure that its Sub-recipients, cooperate with the Global Fund and its agents in the conduct of such review, audit, evaluation or other action.

(g) RIGHT OF ACCESS

The Principal Recipient shall permit, and shall ensure that all third parties permit, authorized representatives of the Global Fund, including the Office of the Inspector General, agents of the Global Fund, and any other third party authorized by the Global Fund, unrestricted access at all times to: (i) Program Books and Records and any other documentation related to the Program held by the Principal Recipient; (ii) the premises of the Principal Recipient and any Sub-recipient where Program Books and Records are kept or Program activities are or have been carried out; (iii) other sites where Program-related documentation is kept or Program activities are or have been carried out; and (iv) all personnel of the Principal Recipient and all Sub-recipients. The Principal Recipient shall

ensure that each Sub-recipient agreement it enters into includes the right of unrestricted access contained in this paragraph (g). For the avoidance of doubt, the denial of the right of unrestricted access contained in this paragraph (g), including, but not limited to, the denial of the Office of the Inspector General's right of unrestricted access, shall constitute a breach of this Agreement.

(h) NOTIFICATION

The Principal Recipient shall notify the Global Fund promptly in writing of any audit or forensic investigation pertaining to operations of the Principal Recipient or of a Sub-recipient.

Article 14. SUB-RECIPIENTS

From time to time, the Principal Recipient may, under this Agreement, provide Grant funds to other entities or make direct payments to third parties on behalf of other entities to carry out Program activities ("Sub-recipients"), provided that the Principal Recipient:

- (a) assesses the capacity of each Sub-recipient to implement Program activities and report thereon, makes such assessments available to the Global Fund upon request, and selects each Sub-recipient based on a positive assessment of that Sub-recipient's capacity to carry out the Program activities that are being assigned to it and in a transparent documented manner;
- (b) enters into a grant agreement with each Sub-recipient creating obligations of the Sub-recipient to the Principal Recipient that are generally equivalent to those of the Principal Recipient under this Agreement, and which are designed to facilitate the compliance of the Principal Recipient with the terms of this Agreement. Such obligations shall include, but not be limited to, a requirement that the Sub-recipient employ all Grant funds solely for Program purposes, and use reasonable efforts to ensure that Grant funds are not employed to support or promote violence, to aid terrorists or terrorist related activity, to conduct money-laundering activities or to fund organizations known to support terrorism or that are involved in money-laundering activities;
- (c) makes a copy of each Sub-recipient grant agreement available to the Global Fund upon request; and
- (d) maintains and complies with a system to monitor the performance of sub-Recipients and assure regular reporting from them in accordance with this Agreement.

The Principal Recipient acknowledges and agrees that providing Grant funds to Sub-recipients or making payments on behalf of Sub-recipients to implement Program activities does not relieve the Principal Recipient of its obligations and liabilities under this Agreement. The Principal Recipient is responsible for the acts and omissions of its Sub-recipients in relation to the Program as if they were the acts and omissions of the Principal Recipient.

Article 15. PROGRAMMATIC PROGRESS REPORTS

(a) PROVISION OF REPORTS

The Principal Recipient shall provide to the Global Fund the reports specified in paragraph (b) of this Article. In addition, the Principal Recipient shall provide to the Global Fund such other information and reports at such times as the Global Fund may request. From time to time, the Global Fund may provide to the Principal Recipient guidance, through postings on the Global Fund's Internet web site or through implementation letters, on the acceptable frequency, form and content of the reports required under this Article. The Principal Recipient shall

provide to the CCM a copy of all reports that the Principal Recipient submits to the Global Fund under this Article.

(b) PERIODIC REPORTS

The Principal Recipient shall, not later than 45 days after the end of each reporting period indicated in Annex A to this Agreement, report on the progress towards Program objectives and targets for that period indicated in Annex A. The Principal Recipient shall submit periodic reports on the form specified in Annex A. For the period in question, the Principal Recipient shall explain in the report any variance between planned and actual achievements and between planned and actual expenditures.

(c) USE OF REPORTS

The Principal Recipient acknowledges and agrees that the Global Fund may release in the public domain reports, in whole or in part, that have been submitted by the Principal Recipient to the Global Fund under this Agreement. The Principal Recipient also acknowledges and agrees that the Global Fund may use, reproduce, modify and/or adapt information and other data contained in such reports for any reason whatsoever.

Article 16. MONITORING AND EVALUATION

The Principal Recipient shall monitor and evaluate the progress of the Program toward its objective, including the activities implemented by Sub-Recipients, in accordance with the monitoring and evaluation plan approved by the Global Fund. The Principal Recipient shall ensure that it receives quality data regarding such progress and report accurately on the Program results.

Article 17. EVALUATIONS BY THE GLOBAL FUND

The Global Fund may, in its sole discretion, conduct or commission evaluations of the Program, or of specified Program activities, implementing structures or other Program issues. The Global Fund shall specify the terms of reference for any evaluation and an appropriate schedule for conducting it. The Principal Recipient shall, and shall require Sub-recipients to, facilitate the evaluation. Exercise by the Global Fund of this right does not mitigate the obligation of the Principal Recipient to monitor and evaluate the Program.

Article 18. CONTRACTS FOR GOODS AND SERVICES

(a) PROCUREMENT PRACTICES

The Principal Recipient shall keep the Global Fund continuously informed about the policies and practices that it shall use to contract for goods and services under this Agreement. At a minimum, the policies and practices governing all procurement under the Program shall conform to the requirements (i) through (viii) listed below and, where Health Products are being procured, those in Article 19 of this Agreement. The Principal Recipient shall ensure that such policies and practices are followed at all times.

- i. Contracts shall be awarded on a transparent and, subject only to established exemptions included in written procurement policies and practices provided to the Global Fund, on a competitive basis.
- ii. All solicitations for contract bids must be clearly notified to all prospective bidders, which shall be given a sufficient amount of time to respond to such solicitation.
- iii. Solicitations for goods and services shall provide all information necessary for a prospective bidder to prepare a bid and, as such, shall be based upon a

clear and accurate description of the proposed terms and conditions of the contract and the goods or services to be acquired.

- iv. The conditions of participating in a contract bid shall be limited to those that are essential to ensure the participant's capability to fulfill the contract in question and compliance with domestic procurement laws.
- v. Contracts shall be awarded only to responsible contractors that possess the ability to successfully perform the contracts.
- vi. No more than a reasonable price (as determined, for example, by a comparison of price quotations and market prices) shall be paid to obtain goods and services.
- vii. The Principal Recipient and its representatives and agents shall not engage in any of the practices described in Article 21(b) in relation to such procurement.
- viii. The Principal Recipient shall maintain records documenting in detail the receipt and use of goods and services acquired under the Agreement by the Principal Recipient, the nature and extent of solicitations of prospective suppliers of goods and services acquired by the Principal Recipient, and the basis of award of Principal Recipient contracts and orders.

(b) SUPPLY CHAIN

The Principal Recipient shall use its best efforts to ensure optimal reliability, efficiency and security with regard to the supply chain for all products purchased with Grant funds.

(c) COMPLIANCE OF SUB-RECIPIENTS

The Principal Recipient shall ensure that Sub-recipients comply with the requirements of this Article when Sub-recipients undertake procurement of goods and services for the Program.

(d) RECORDING

The Principal Recipient shall, and shall ensure that Sub-recipients maintain appropriate records of all fixed assets purchased with Grant funds.

(e) TITLE

Title to goods or other property financed by the Global Fund under this Agreement ("Program Assets") shall be held by the Principal Recipient or a Sub-recipient or other entity approved by the Principal Recipient, unless the Global Fund directs, at any time in its sole discretion, that title be transferred to the Global Fund or another entity nominated by the Global Fund.

(f) PROGRAM PURPOSES

In accordance with Article 9 of this Agreement, the Principal Recipient shall ensure that all goods and services and activities financed with Grant funds, including those procured and implemented by Sub-recipients, are used solely for Program purposes.

Article 19. PHARMACEUTICAL AND OTHER HEALTH PRODUCTS

- (a) The Principal Recipient shall ensure that all Health Products which are financed with Grant funds shall be procured through contracts awarded in compliance with the provisions of Article 18 and Article 19 of this Agreement and the provisions included in the Guide to the Global Fund's Policies on Procurement and Supply Management of Health Products, issued in June 2012, as amended and updated from time to time and published on the Global Fund's website (the

- “Guide”). For purposes of this Agreement the term “Health Products” includes: (i) pharmaceuticals; (ii) durable and non-durable in vitro diagnostic products, microscopes and imaging equipment; (iii) mosquito nets; and (iv) consumable/single use health products (including condoms, insecticides, therapeutic nutritional support, general laboratory items and injection syringes).
- (b) The Principal Recipient shall ensure that the Principal Recipient and each Sub-recipient complies in full and at all times with the provisions of Articles 18 and 19 of this Agreement and the provisions of the Guide, and that each agreement with a Sub-recipient shall include a contractual obligation whereby the Sub-recipient undertakes to comply with all provisions set out in Articles 18 and 19 of this Agreement and the provisions contained in the Guide relating to the award of contracts.
- (c) The Principal Recipient acknowledges and agrees that without prejudice to any other remedy available to the Global Fund under this Agreement or at law, if the Global Fund determines, in its sole discretion, that the Principal Recipient has not complied with the provisions of this Agreement relating to the award of contracts, the Guide, or any documentation incorporated by reference into said Guide, then the Global Fund may, in its sole discretion, require or undertake any one or more of the following actions:
- i. Require the Principal Recipient to refund immediately to the Global Fund all or part of the amounts disbursed or used in connection with a contract that has been awarded in a manner that is not consistent with any provision of this Agreement or the provisions of the Guide;
 - ii. Require the Principal Recipient to procure Health Products under this Agreement from a procurement agent or other supplier acceptable to the Global Fund, and for such period as considered appropriate by the Global Fund; and
 - iii. Arrange and effect direct disbursement of Grant funds to a procurement agent or other supplier acceptable to the Global Fund.

Article 20. INSURANCE AND LIABILITY FOR LOSS, THEFT OR DAMAGE

(a) INSURANCE

The Principal Recipient shall maintain, where available at a reasonable cost, all risk property insurance on Program assets and comprehensive general liability insurance with financially sound and reputable insurance companies. The insurance coverage shall be consistent with that held by similar entities engaged in comparable activities.

(b) RESPONSIBILITY FOR LOSS OR THEFT

The Principal Recipient shall be solely liable for the loss or theft of, or damage to any and all items purchased with Grant funds (including those in the possession of Sub-recipients), and, immediately upon any such loss, theft or damage, shall replace such items at its own expense in compliance with the procurement requirements set forth in Article 18 and Article 19 of this Agreement. In addition, the Principal Recipient shall be solely liable for the loss or theft of any cash in the possession of the Principal Recipient or any of its agents or Sub-recipients and shall have no recourse to the Global Fund for any such loss or theft.

Article 21. CONFLICTS OF INTEREST; ANTI-CORRUPTION; CODE OF CONDUCT FOR SUPPLIERS; CODE OF CONDUCT FOR RECIPIENTS

(a) STANDARDS OF CONDUCT

The Principal Recipient shall maintain and enforce standards of conduct to govern the performance of persons affiliated with the Principal Recipient or any Sub-recipient (for example, directors, officers, employees or agents) engaged in the award and administration of contracts, grants, or other benefits using Grant funds to ensure that such persons do not engage in any practice set forth in paragraph (b) below.

(b) NO CORRUPTION

The Principal Recipient shall not, and shall ensure that no Sub-recipient or person affiliated with the Principal Recipient or any Sub-recipient:

- i. participate(s) in the selection, award or administration of a contract, grant or other benefit or transaction funded by the Grant, in which the person, members of the person's immediate family or his or her business partners, or organizations controlled by or substantially involving such person, has or have a financial interest;
- ii. participate(s) in transactions involving organizations or entities with which or whom that person is negotiating or has any arrangement concerning prospective employment;
- iii. offer(s), give(s), solicit(s) or receive(s), directly or indirectly, gratuities, favors, gifts or anything else of value to influence the action of any person involved in the procurement process or contract execution;
- iv. misrepresents or omits facts in order to influence the procurement process or the execution of a contract;
- v. engage(s) in a scheme or arrangement between two or more bidders, with or without the knowledge of the Principal Recipient or Sub-recipient, designed to establish bid prices at artificial, non-competitive levels; or
- vi. participate(s) in any other practice that is or could be construed as an illegal or corrupt practice in the Host Country.

(c) DISCLOSURE

If the Principal Recipient has knowledge or becomes aware of any:

- i. actual, apparent or potential conflict between the financial interests of any person affiliated with the Principal Recipient, any Sub-recipient, the CCM, the LFA, or the Global Fund and that person's duties with respect to the implementation of the Program; or
- ii. any of the practices listed in paragraph (b) above,

the Principal Recipient shall immediately disclose the actual, apparent or potential conflict of interest directly to the Global Fund.

(d) CODE OF CONDUCT FOR SUPPLIERS

The Principal Recipient shall ensure that the Global Fund's Code of Conduct for Suppliers, as amended from time to time, (the "Code of Conduct") shall be communicated to all bidders, suppliers, agents, intermediaries, consultants and contractors (the "Suppliers"). The Principal Recipient acknowledges and agrees that in the event of non-compliance with the Code of Conduct, to be determined by the Global Fund in its sole discretion, the Global Fund reserves the right not to fund the contract between the Principal Recipient and the Supplier or seek the

refund of the Grant funds in the event if the payment has already been made to the Supplier.

(e) CODE OF CONDUCT FOR RECIPIENTS

The Principal Recipient shall comply with the Global Fund's Code of Conduct for Recipients of Global Fund Resources, as amended from time to time and available on the Global Fund website (the "Code of Conduct for Recipients"), and shall further ensure that the Code of Conduct for Recipients is communicated to all Sub-recipients, including through a written acknowledgement of the applicability of the Code of Conduct for Recipients in each Sub-recipient grant agreement.

Article 22. USE OF GLOBAL FUND'S LOGOS OR TRADEMARKS

The Principal Recipient shall not, and shall require that its Sub-recipients do not use the logo or any trademarks of the Global Fund unless the Principal Recipient and its Sub-recipients have respectively executed valid license agreements with the Global Fund for such use.

Article 23. NOVATION; TRANSFER OF PRINCIPAL RECIPIENT

If at any time, either the Principal Recipient or the Global Fund concludes that the Principal Recipient is not able to perform the role of Principal Recipient and to carry out its responsibilities under this Agreement or if, for whatever reason, the Global Fund and the Principal Recipient wish to transfer some or all of the responsibilities of the Principal Recipient to another entity that is able and willing to accept those responsibilities, then the other entity ("New Principal Recipient"), may be substituted for the Principal Recipient in this Agreement. The substitution shall occur on such terms and conditions as the Global Fund and the New Principal Recipient agree, in consultation with the CCM. The Principal Recipient shall cooperate fully with the Global Fund and the CCM to facilitate the transfer.

Article 24. ADDITIONAL PRINCIPAL RECIPIENTS

In addition to the Principal Recipient, the Global Fund may from time to time award grants to other entities, to implement programs in the Host Country. The Principal Recipient shall cooperate as appropriate with such other entities to realize the benefits of all programs financed by the Global Fund.

Article 25. NOTICES

Any notice, request, document, report, or other communication submitted by either the Principal Recipient or the Global Fund, unless this Agreement expressly provides otherwise, shall be sent to the other party's: (i) Authorized Representative noted in block 12 or 13 of the face sheet of this Agreement, as appropriate; or (ii) The Name/Address for Notices noted in block 10 or 11 of the face sheet of this Agreement, as appropriate; each as may be modified from time to time through written notice to the other party. All such documents shall be copied to the CCM. In the case of communications to the Global Fund through the LFA, the Principal Recipient shall submit such communications to the person identified in block 9 of the face sheet of this Agreement. All communications under this Agreement shall be in English.

Article 26. TERMINATION; SUSPENSION; EXPIRY OF THE IMPLEMENTATION PERIOD

(a) SOLE DISCRETION OF GLOBAL FUND

The Global Fund may terminate or suspend this Agreement in whole or in part, for any reason to be determined in its sole discretion, upon giving the Principal

Recipient written notice. Any portion of this Agreement that is not terminated or suspended shall remain in full force and effect.

(b) PROCEDURES UPON TERMINATION OR THE EXPIRY OF THE IMPLEMENTATION PERIOD

Upon full or partial termination of this Agreement for any reason or the expiry of the Implementation Period, the Principal Recipient shall, among other procedures which may be requested by the Global Fund:

- i. immediately return to the Global Fund any Grant funds that have not been expended by the Principal Recipient and Sub-recipients as of the date of the termination notice or the expiry date of the Implementation Period (as applicable), if requested to do so by the Global Fund;
- ii. provide to the Global Fund a final audited financial report of the Program;
- iii. provide to the Global Fund an inventory of all assets and receivables purchased with Grant funds; and
- iv. if so requested by the Global Fund, provide a plan (prepared in consultation with the CCM) for the use of all assets and receivables referred to in subparagraph iii. above (the "Close-out Plan"). The Close-out Plan shall be subject to the final approval of the Global Fund.

(c) TRANSFER

Upon the expiry of the Implementation Period or on the earlier termination of this Agreement, the Global Fund may direct, in accordance with Article 18(e) of this Agreement, that title to any Program Asset be transferred to the Global Fund or another entity nominated by the Global Fund.

Article 27. REFUNDS

Notwithstanding the availability or exercise of any other remedies under this Agreement, the Global Fund may require the Principal Recipient to immediately refund to the Global Fund any disbursement of the Grant funds in the currency in which it was disbursed in any of the following circumstances:

- (a) this Agreement has been terminated or suspended;
- (b) there has been a breach by the Principal Recipient of any provision of this Agreement;
- (c) the Global Fund has disbursed an amount to the Principal Recipient in error; or
- (d) the Principal Recipient has made a material misrepresentation with respect to any matter related to this Agreement.

Article 28. LIMITS OF GLOBAL FUND LIABILITY

- (a) The Global Fund shall be responsible only for performing the obligations that are specifically set forth in this Agreement. Except for those obligations, the Global Fund shall have no liability to the CCM (or any member thereof), the Principal Recipient, Sub-recipients, any employees or any contractor thereof or any other person or entity as a result of this Agreement or the implementation of the Program. Any financial or other liability that may arise as a result of the implementation of the Program shall be the sole responsibility of the Principal Recipient.
- (b) The Principal Recipient implements the Program on behalf of the CCM and not on behalf of the Global Fund. This Agreement and the Grant shall in no way be construed as creating the relationship of principal and agent, of partnership in law or of joint venture as between the Global Fund and the Principal Recipient or any other person involved in the Program. The Global Fund assumes no liability

for any loss or damage to any person or property arising from the Program. The Principal Recipient shall not, under any circumstances, represent that it is an agent of the Global Fund, and shall take all reasonable precautions to avoid any perception that such relationship exists.

Article 29. INDEMNIFICATION

The Principal Recipient shall defend, indemnify and hold harmless the Global Fund, its directors, officers and employees and any of the Global Fund's agents and contractors from and against (i) any and all losses of the Global Fund, its officers and employees, and (ii) any and all claims, liabilities suits, actions (including charges, disbursements and reasonable fees of counsel), proceedings, damages, expenses and obligations of any kind that may be incurred by the Global Fund or asserted against the Global Fund, its officers and employees, by or on behalf of any person on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Principal Recipient and its agents, employees, Sub-recipients, assignees, transferees, delegates or successors, for which the Principal Recipient retains responsibility.

Article 30. IMPLEMENTATION LETTERS

To assist the Principal Recipient in the implementation of this Agreement, the Global Fund shall issue, from time to time, implementation letters that shall provide additional information and guidance about matters stated in this Agreement.

Article 31. MODIFICATION OR AMENDMENT

Except in the case of exercise by a party of its unilateral rights or discretionary powers explicitly granted under the Agreement, no modification of this Agreement shall be valid unless in writing and signed by an authorized representative of the Global Fund and an authorized representative of the Principal Recipient.

Article 32. DISSEMINATION OF INFORMATION

The Principal Recipient understands that the Global Fund reserves the right to freely publish or disseminate information derived from the implementation of this Program.

Article 33. NONWAIVER OF REMEDIES

No delay in exercising any right or remedy under this Agreement shall be construed as a waiver of such right or remedy.

Article 34. SUCCESSORS AND ASSIGNEES

This Agreement shall be binding on the successors and assignees of the Principal Recipient and the Agreement shall be deemed to include the Principal Recipient's successors and assignees. However, nothing in this Agreement shall permit any assignment without the prior written approval of the Global Fund.

Article 35. ARBITRATION

Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules as at present in force. The Global Fund and the Principal Recipient agree to be bound by the arbitration award rendered in accordance with such arbitration, as the final adjudication of any such dispute, controversy, or claim. The appointment authority for such arbitrator shall be the International Chamber of Commerce International Court of Arbitration. The number of arbitrators shall be three. The place of arbitration shall be Geneva, Switzerland. The language to be used in the arbitral proceedings shall be English.

Article 36. APPLICABLE LAW

This Agreement shall be governed by the UNIDROIT Principles (2004).

Article 37. ENTIRE AGREEMENT

This Agreement and any annexes and attachments hereto constitute the entire agreement between the Parties and set out all the conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any attachments hereto.

Article 38. EFFECTIVE DATE

This Agreement, prepared in two originals, shall become effective on the date of its signature by both the Principal Recipient and the Global Fund, acting through their duly Authorized Representatives identified in blocks 12 and 13 of the face sheet of the Agreement.

Article 39. SURVIVAL

- (a) All covenants, agreements, representations and warranties made by the Principal Recipient in this Agreement shall be considered to have been relied upon by the Global Fund and shall survive the execution and delivery of this Agreement, regardless of any investigation made by the Global Fund or on its behalf and notwithstanding that the Global Fund may have had notice or knowledge of any fact or incorrect representation or warranty at any time in the Grant Term, and shall continue in full force and effect until the end of the Implementation Period.
- (b) The provisions of Article 6 (Covenants of the Principal Recipient), Article 8 (Local Fund Agent), Article 9 (Management of Grant Funds), paragraphs (a), (f) and (g) of Article 13 (Audits and Records), paragraph (c) of Article 15 (Programmatic Progress Reports), Article 17 (Evaluations by the Global Fund), Article 18 (Contracts for Goods and Services), Article 19 (Pharmaceutical and Other Health Products), Article 21 (Conflicts of Interest; Anti-Corruption), Article 27 (Refunds), Article 28 (Limits of Global Fund Liability) and Article 29 (Indemnification) shall survive and remain in full force and effect regardless of the expiry of the Implementation Period or the termination of this Agreement.

Article 40. COUNTERPARTS

This Agreement may be executed in one or more counterparts, all of which will constitute one and the same agreement.

Article 41. PRIVILEGES AND IMMUNITIES

- (a) Nothing in or related to this Agreement may be construed as a waiver, express or implied, of the privileges and immunities accorded to the Global Fund under (i) international law, including international customary law, any international conventions, treaties or agreements, (ii) any national laws including but not limited to the United States of America's International Organizations Immunities Act (22 United States Code 288), or (iii) under the Headquarters Agreement between the Global Fund and the Swiss Federal Council dated 13 December 2004.
- (b) The Principal Recipient will use its best efforts, upon the request of the Global Fund, to secure recognition by the Host Country of the Global Fund as an institution to which the privileges and immunities normally granted to international organizations apply.

Article 42. TRUSTEE

The Global Fund and the International Bank for Reconstruction and Development (the "World Bank") have entered into an agreement by which the World Bank has agreed to establish the "Trust Fund for the Global Fund to Fight AIDS, Tuberculosis and Malaria" (the "Trust Fund") and to serve as the trustee of the Trust Fund (the "Trustee"). Grant funds made available to the Principal Recipient will be disbursed from the Trust Fund. All of the obligations of the Global Fund under this Agreement are obligations of the Global Fund and the World Bank has no personal liability for the obligations of the Global Fund under this Agreement.

Article 43. ACRONYMS

If used in this Agreement (including in the Program Implementation Description and any other annex or attachment to this Agreement), the following acronyms have the meanings ascribed to them below:

Acronym	Meaning
ACT	Artemisinin-based Combination Therapy
AIDS	Acquired immune deficiency syndrome
ANC	Antenatal Clinic
ART	Antiretroviral therapy
ARV	Antiretroviral
BCC	Behavioral change communication
BSS	Behavior Surveillance Survey
CBO	Community-based organization
CHBC	Community Home Based Care
CCM	Country Coordinating Mechanism
CRIS	Country response information system
CT	Counseling and testing
DDT	Dichlorodiphenyltrichloroethane
DFID	United Kingdom Department for International Development
DHS	Demographic and Health Surveys
DOTS	Directly Observed Treatment, Short Course
DRS	Drug resistance surveillance
DST	Drug susceptibility testing
EML	Essential Medicines List
ERP	Expert Review Panel
FBO	Faith-based organization
GLC	Green Light Committee
GMP	Good Manufacturing Practices
GTZ	German Technical Cooperation
HAART	Highly active antiretroviral therapy
HCW	Health care worker
HDI	Human development index
HIS	Health Information System
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
ICH	International Conference on Harmonization of Technical Requirements for the Registration of Pharmaceuticals for Human Use
IDU	Injecting drug user
IEC	Information education and communication
IPT	Intermittent preventive treatment
IRS	Indoor residual spraying
ITN	Insecticide-treated net
KAP	Knowledge, Attitudes and Practices survey

LFA	Local Fund Agent
LLITN	Long-lasting insecticide treated net
MDG	United Nations Millennium Development Goals
MDR-TB	Multi-drug resistant tuberculosis
M&E	Monitoring and Evaluation
MERG	Monitoring and Evaluation Reference Group
MICS	Multi indicator cluster surveys
MoH	Ministry of Health
MSM	Men who have sex with men
NAC	National AIDS Committee
NAP	National AIDS Program
NDRA	National Drug Regulatory Authority
NGO	Non-governmental organization
NMCP	National malaria control program
NTP	National tuberculosis control program
OI	Opportunistic infection
OVC	Orphans and children made vulnerable by AIDS
PAHO	Pan American Health Organization
PHC	Primary Health Care
PEP	Post-Exposure Prophylaxis
PIC/S	Pharmaceutical Inspection Cooperation Scheme
PMTCT	Prevention of Mother to Child Transmission
PLWHA	Persons living with HIV/AIDS
PPTCT	Prevention of Parent to Child Transmission
PR	Principal Recipient
PSM	Procurement and Supply Management
RBM	Roll Back Malaria
RCM	Regional Coordinating Mechanism
RDTs	Rapid Diagnostic Tests
SR	Sub-recipient
STD	Sexually transmitted disease
STG	Standard Treatment Guidelines
STI	Sexually transmitted infection
TB	Tuberculosis
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCITRAL	United Nations Commission on International Trade Law
UNDP	United Nations Development Programme
UNESCO	United Nations Educational Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNGASS	United Nations General Assembly Special Session
UNICEF	United Nations Children's Fund
UNIDROIT	International Institute for the Unification of Private Law
USAID	United States Agency for International Development
VCT	Voluntary counseling and testing
WHO	World Health Organization
WHOPES	WHO Pesticide Evaluation Scheme