

**AMENDED AND RESTATED**
**PROGRAM GRANT AGREEMENT FOR SINGLE STREAM OF FUNDING**

1. Country: Republic of Moldova		
2. Principal Recipient Name and Address: Public Institution "Coordination, Implementation and Monitoring Unit of the Health System Restructuring Project", 18 A Toma Ciorba Street, MD 2004, Chisinau, Republic of Moldova		
3. Program Title: Strengthening Tuberculosis Control in the Republic of Moldova		
4. Grant Number: MOL-T-PCIMU	4A. Modification Number: 5 (Second Implementation Period Amendment)	
5. Implementation Period: 1 January 2013 to 30 June 2015	6. Next Periodic Review Date: 30 June 2015	
7A. Condition Precedent Terminal Date: n/a	7B. Condition Precedent Terminal Date: n/a	7C. Condition Precedent Terminal Date: n/a
8. Grant Funds: Up to the amount of € 12,371,649.98 (Twelve Million Three Hundred Seventy One Thousand Six Hundred and Forty Nine Euros and Ninety Eight Cents).		
Grant Funds as indicated above will be committed by the Global Fund to the Principal Recipient in staggered terms as described in Section F of Annex A of this Agreement, involving a First Commitment of € 9,874,796.79 (Nine Million Eight Hundred Seventy Four Thousand Seven Hundred and Ninety Six Euros and Seventy Nine Cents), a Second Commitment of € 2,395,671.97 (Two Million Three Hundred Ninety Five Thousand Six Hundred and Seventy One Euros and Ninety Seven Cents), and a Third Commitment of € 101,181.22 (One Hundred One Thousand One Hundred and Eighty One Euros and Twenty Two Cents).		
9. Program Coverage: Tuberculosis		
10. Information for Principal Recipient Bank Account into Which Grant Funds Will Be Disbursed: Owner of Bank Account: Public Institution "Coordination, Implementation and Monitoring Unit of the Health System Restructuring Project" Account Title: IP UCIMP RSS Account number: 227150010 Bank name: BANCA Comerciala "EXIMBANK-Gruppo Veneto Banca" S.A. Bank address: Chisinau, Moldova, 171/1 Stefan cel Mare si Sfant bd. Bank SWIFT Code: EXMM MD 22 XXX Bank Code: EXMM MD 22 XXX, Branch no.17 Routing instructions for disbursements: Commerzbank AG., Frankfurt am Main, Germany, SWIFT code: COBADEFF		
11. The fiscal year of the Principal Recipient is from 1 January to 31 December		
12. Local Fund Agent: PricewaterhouseCoopers Tel: + 40 021 225 38 80 Fax: + 40 021 225 36 00 Attention: Mr Mircea Bozga E-mail: <a href="mailto:mircea.bozga@ro.pwc.com">mircea.bozga@ro.pwc.com</a>		
13. Name/Address for Notices to Principal Recipient: Dr Victor Burinschi TB Project Director Public Institution "Coordination, Implementation and Monitoring Unit of the Health System Restructuring Project" 18 A Toma Ciorba street, MD 2004, Chisinau, Republic of Moldova Tel.: + 373 22 23 35 68 Fax: +373 22 23 38 87 E-mail: <a href="mailto:vburinschi@ucimp.md">vburinschi@ucimp.md</a>	14. Name/Address for Notices to Global Fund: Nicolas Cantau Regional Manager Eastern Europe and Central Asia 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	
<b>This Agreement consists of the 3 pages of this face sheet and the following:          Standard Terms and Conditions          Annex A – Program Implementation Description and the attachments thereto (including the Performance Framework and Summary Budget)</b>		

15. Signed for the **Principal Recipient** by its Authorized Representative

Date: 03.XII.12

Signature: \_\_\_\_\_

Dr Victor Volovei  
Executive Director



16. Signed for the **Global Fund** by its Authorized Representative

Date: 05 DEC. 2012

Signature: \_\_\_\_\_

Mark Eldon-Edington  
Division Head, Grant Management

AMENDED AND RESTATED PROGRAM GRANT AGREEMENT  
FOR SINGLE STREAM OF FUNDING  
NUMBER MOL-T-PCIMU

THIS AGREEMENT is made between the Principal Recipient identified in Block 2 of the Face Sheet of this Agreement (the “Principal Recipient”) and The Global Fund to Fight AIDS, Tuberculosis and Malaria, a foundation established under the laws of Switzerland (the “Global Fund”). The Principal Recipient and the Global Fund are referred to herein individually as a “Party” and collectively as the “Parties”.

RECITALS:

- (a) The Global Fund entered into a Program Grant Agreement for Single Stream of Funding with the Principal Recipient effective 6 October 2010 (the “Original Agreement”) for the Grant Number indicated in block 4 of the face sheet of this Amended and Restated Program Grant Agreement for Single Stream of Funding (this “Amended and Restated Agreement”);
- (b) In accordance with Articles 30 and 31 of the Standard Terms and Conditions of the Original Agreement, the Original Agreement was amended by implementation letter(s) dated 15 November 2010, 16 September 2011, 22 March 2012 and 24 September 2012;
- (c) Article 10c of the Standard Terms and Conditions of the Original Agreement states that “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)”;
- (d) The Global Fund has approved funding for an Additional Implementation Period. Accordingly, subject to certain conditions, the Global Fund wishes to: (i) increase the amount of the Grant provided in the Original Agreement; and (ii) continue disbursement of Grant funds until the end of the Implementation Period indicated in Block 5 of face sheet of this Amended and Restated Agreement; and
- (e) The Global Fund and the Principal Recipient wish to: (i) replace the Standard Terms and Conditions of the Original Agreement with the Standard Terms and Conditions attached to this Amended and Restated Agreement; (ii) replace Annex A of the Original Agreement with the revised Annex A attached to this Amended and Restated Agreement; and (iii) attach the documents entitled “Performance Framework: Indicators, Targets and Periods Covered Years 3, 4 and 5” and “Summary Budget Years 3, 4 and 5” attached to Annex A of this Amended and Restated Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and intending to be legally bound, the parties hereby agree to amend and restate the terms and conditions of the Original Agreement as follows:

**ANNEX A to the PROGRAM GRANT AGREEMENT  
FOR SINGLE STREAM OF FUNDING**

**Program Implementation Description**

<b>Country:</b>	Republic of Moldova
<b>Program Title:</b>	Strengthening Tuberculosis Control in the Republic of Moldova
<b>Grant Number:</b>	MOL-T-PCIMU
<b>Disease:</b>	Tuberculosis
<b>Principal Recipient:</b>	Public Institution "Coordination, Implementation and Monitoring Unit of the Health System Restructuring Project"

**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:**

Tuberculosis (TB) re-emerged as an important public health problem after the breakup of the Soviet Union: between 1990 and 2005, the number of notified TB cases (new and relapses) increased 2.6 times. TB incidence is estimated to have increased by 1.5 times between 1995 and 2011 from 109 to 161 per 100,000 population (WHO Global TB Report 2012, pg. 215). TB prevalence is high at 234 per 100,000 population (WHO Global TB Report 2012, pg. 215) and is estimated to be rising, primarily due to high multi-drug resistant TB (MDR-TB) rates. Mortality rates have been fluctuating in recent years but the overall trend is relatively flat and accounted for 657 deaths in 2011 (16.1 per 100,000 population).

Since 2006, there has been a decreasing trend in the number of notified TB cases. Still, the case notification rate (new and relapses) was 103 per 100,000 population in 2011 (NTP data source) - one of the highest among the 53 countries of the WHO European region. In 2011, 4,208 new and relapse TB cases and 5,343 all TB cases were notified (NTP data source).

Treatment success rate among new smear positive declined to 54% in 2009 and 52.35% in 2010 after having remained fairly constant at around 62%. Default rates were 14% for 2009 and 12% for 2010 cohorts and death rates (10% for 2009 cohort) continue to be high.

Resistance to anti-TB drugs represents an extremely acute and growing problem with MDR-TB levels being among the highest in the world. The preliminary results from the 2011 Drug Resistance Surveillance study show 26% MDR-TB among new and 64% among previously treated patients, which are higher than the 2006 results of 19.4% and 50.8%, respectively. The MDR-TB treatment success rate for the 2008 cohort was 48%, with 26% having defaulted, 15% failed and 10% of patients deceased while on treatment. In 2011, 38% of new

cases (76% of new smear positive) and 72% of previously treated cases were tested (routine surveillance) for MDR-TB. 739 MDR-TB cases were initiated on treatment (72% of diagnosed MDR-TB cases).

The overall goal of the program is to reduce the burden of TB in the Republic of Moldova by scaling up the management of drug-resistant tuberculosis (DR-TB). In view of the epidemiological profile and TB management challenges, the program aims to support key priorities of the National TB Control Program (NTP) 2011-2015, namely MDR-TB management and treatment adherence through multilateral and multidisciplinary patient-centered approaches.

The interventions are aligned with the priorities of the NTP for 2011-2015 and continue to have a focus on strengthening the programmatic management of DR-TB, supporting patients and communities and consolidating health services' capacities for successful TB case management. These activities are high-impact interventions and are in line with the recent WHO recommendations for the national TB program in Moldova (2009 NTP review, 2011 GDF mission, 2011).

**2. Goal:**

The goal of the Program is to reduce the burden of TB in the Republic of Moldova.

**3. Target Group/Beneficiaries:**

- TB patients;
- MDR-TB patients;
- Prisoners;
- People living with HIV/AIDS;
- Families of the target groups;
- Healthcare providers involved in diagnosis, case management, and treatment of TB including primary healthcare (PHC) providers;
- NTP staff; and
- General population.

**4. Strategies:**

First Implementation Period:

- To strengthen Directly Observed Treatment, Short Course (DOTS) realization to improve TB detection and case management;
- To ensure universal access to diagnosis and treatment of DR-TB;
- To strengthen the monitoring and evaluation (M&E) system and management and coordination of the National Healthcare System for TB patients; and
- To increase public awareness of TB and reduce stigmatization.

Second Implementation Period:

- To ensure universal access to diagnosis and treatment of drug-resistant tuberculosis;
- To strengthen community involvement and foster partnerships for effective TB control; and
- To ensure successful TB case management through patient support and strengthening health system capacities.

## 5. **Planned Activities:**

### First Implementation Period:

- Procurement of equipment, supplies, and first-line TB drugs to ensure timely detection and quality treatment of TB cases;
- Training and re-training in DOTS of TB doctors and other staff of the national TB service, PHC providers and laboratory staff;
- Supporting the improvement of TB diagnosis in affected communities and the prison sector, strengthening TB contacts tracing, and supporting treatment adherence of released prisoners.
- Procurement of consumables and supplies for diagnostics of MDR-TB, including for rapid methods, under safe working conditions for laboratory staff;
- Procurement of second-line TB drugs;
- Rehabilitation of the MDR-TB ward at the Vorniceni TB Hospital, renovation of the MDR-TB Department of Bender TB Hospital, and installation of ventilation in TB department of the Prison hospital in Tiraspol; Participation of TB doctors and laboratory staff in international trainings in DR-TB management;
- Assurance of technical assistance (by external consultants) in selected aspects of the DR-TB management;
- Training of NTP staff abroad, local trainings in drug management cycles, and second-line TB drug management;
- Strengthening the existing national system for monitoring and evaluation of TB and MDR-TB by extending and adjusting the existing TB reporting software, and training of involved personnel;
- Conducting operational surveys on TB, including: operational research on priority problems of DR-TB; operational research on priority problems of treatment adherence; operational surveys on TB treatment default and failure rates in the civilian and prison sectors; and implementation of a TB health services audit survey; and
- Developing and broadcasting radio and TV programs, public service announcements, and a short documentary on TB; training journalists; developing and distributing information and education materials for the general public, TB patients, and their families; conducting road shows; and training peer educators.

### Second Implementation Period:

- Improvement of TB diagnosis in prison sector, by supporting TB screening of the detainees;
- Procurement of consumables and reagents for culture investigations and DST (I & II line) for manual/classic technique;
- Procurement of consumables and reagents for rapid diagnosis of MDR-TB (Bactec and GenoType MDRTB plus supplies);
- Procurement of consumables to assure infection control in MDR-TB departments and TB laboratories;
- Supporting the maintenance of laboratory equipment for rapid diagnosis of TB;
- Supporting the establishment of routine drug resistance surveillance;
- Procurement of second-line TB drugs.

**B. CONDITIONS PRECEDENT TO DISBURSEMENT**

**1. Condition Precedent to Use of Grant Funds to Procure 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 make available to the Global Fund, in form and substance satisfactory to the Global Fund, the following:

- a. A current detailed multi-drug resistant tuberculosis (“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 the Grant Agreement) and 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; and
- b. For each disbursement request that includes funds for the procurement of MDR-TB medicines, a pro forma invoice issued by the designated Procurement Agent of the Global Drug Facility, as delegated by the Green Light Committee Initiative.

**C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT**

1. For the avoidance of doubt, the Principal Recipient acknowledges that the amount set forth in block 8 of the face sheet of this Agreement represents the total funding for this Grant from the start of the first Implementation Period to the end of the current Implementation Period, and, therefore, nothing in this Agreement shall be interpreted to mean that the entire amount in block 8 of the face sheet of this Agreement is available during the current Implementation Period.
2. Article 4 of the Standard Terms and Conditions is amended to change the term “Implementation Period” to “Grant Term” in the second sentence.
3. By no later than 15 August 2012, the Principal Recipient shall support, facilitate and provide to the Global Fund a review, in form and substance satisfactory to the Global Fund, of the existing practices and procedures of the National TB Program related to case holding, reducing treatment defaults and recommendations for improving treatment outcomes (the “Review”). The Review shall be undertaken in collaboration with relevant technical partners and stakeholders, and shall take into account the findings from the operational research study on factors and attitudes affecting default rates.
4. By no later than 15 August 2012, the Principal Recipient shall provide to the Global Fund a strategic plan, in form and substance satisfactory to the Global Fund, for outpatient care to improve treatment compliance and reduce treatment default (the “Strategic Plan”). The Strategic Plan shall:
  - a. be based on the findings and recommendations of the Review (referred to in Special Condition 1 above);
  - b. consider Program management issues for drug sensitive and drug-resistant TB within the public health care delivery system and the penitentiary system;

- c. clearly define the roles and responsibilities of the relevant institutions and health care providers with respect to treatment initiation, referrals and follow-up and reporting; and
  - d. be based on the new criteria for admission of TB patients to TB hospitals.
5. The Principal Recipient shall cooperate with the relevant office of the Green Light Committee (the "GLC") in the GLC's efforts to provide support to the Principal Recipient with respect to the implementation, management and monitoring of the MDR-TB-related services provided in-country and any needed scale-up of such services. Accordingly, the Principal Recipient shall budget and authorize the Global Fund to disburse up to a maximum of US\$ 50,000, or a lower amount as agreed with GLC and the Global Fund, each year to pay for GLC services.

**D. FORMS APPLICABLE TO THIS AGREEMENT**

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

**E. ANTICIPATED DISBURSEMENT SCHEDULE**

For the purposes of Article 10a. of the Standard Terms and Conditions of this Agreement, the anticipated disbursement schedule for the Program shall be annual commencing from the start date of the Implementation Period.

**F. GLOBAL FUND STAGGERED FUNDING COMMITMENT POLICY**

At the time of signing this Agreement, the Global Fund shall set aside ("commit") funds up to the amount of the First Commitment indicated in block 8 of the face sheet, subject to the terms and conditions of this Agreement. Second and Third Commitments of Grant funds, up to the amounts indicated in block 8 of the face sheet, may be committed by the Global Fund under this Agreement for one-year increments (or, if the period of the Program covered by the Commitment is less than one year, the duration of that period). Any Second or Third Commitment shall be undertaken in a manner consistent with the Global Fund's discretion and authority as described in Article 10 of this Agreement, taking into account, among other things, the availability of Global Fund funding and the reasonable cash flow needs of the Principal Recipient. If a Second or Third Commitment is made, it will be communicated to the Principal Recipient through written notice from the Global Fund. The Principal Recipient acknowledges and understands that a Second or Third Commitment may not be released in full or part by the Global Fund in the event of non-compliance by the Principal Recipient with the terms of this Agreement, based on the sole judgment of the Global Fund.

Please carefully review the instructions work sheet before completing this template

**A. Program details**

<b>Country / Applicant:</b>	CCM Moldova	<b>Principal Recipients</b> <i>(Please select from list or add a new one)</i>	<b>PR1</b>	Public Institution "Coordination, Implementation and Monitoring Unit of the Health System Restructuring Project"
<b>Component:</b>	Tuberculosis		<b>PR2</b>	
<b>Start Year:</b>	2013		<b>PR3</b>	
<b>Start Month:</b>	January		<b>PR4</b>	
<b>SSF/grant number:</b>	MOL-T-PCIMU		<b>PR5</b>	

Reporting periods	Period 1	Period 2	Period 3	Period 4	Period 5
<b>Period Covered: from</b>	1-Jan-13	1-Jul-13	1-Jan-14	1-Jul-14	1-Jan-15
<b>Period Covered: to</b>	30-Jun-13	31-Dec-13	30-Jun-14	31-Dec-14	30-Jun-15
<b>Due date Progress Update</b>	14-Aug-13	14-Feb-14	14-Aug-14	14-Feb-15	14-Aug-15
<b>Disbursement Request (Y,N)</b>	N	Y	N	Y	N

	Year 1	Year 2	Year 3
<b>Audit report due dates</b>	30-Jun-14	30-Jun-15	30-Jun-16
<b>Due date periodic review</b>	30-Jun-15		

**B. Program goals and impact indicators**

Goals:											
1	Reduce the burden of Tuberculosis in the Republic of Moldova										
Linked to goal(s) #	Impact Indicator	Baseline			Targets				Comments		
		value	Year	Source	Year 3	Report due date	Year 4	Report due date		Year 5	Report due date
1	TB mortality rate	16,1 (abs. - 657)	2011	R&R TB system, yearly management report	12,7	15.08.2013	11,6	15.08.2014	9,5	15.08.2015	Numerator: Number of deaths attributable to TB (all forms) registered in a specified period, per 100,000 population. Denominator: Total population in country from National Centre of Health Management. Source of measurement for the indicator: SYME TB  Note: Data for the 2011 year are final. Source of targets: National TB M&E Plan, 2011 - 2015 years

**C. Program objectives and outcome indicators**

Objectives:											
1	Ensure universal access to diagnosis and treatment of drug-resistant tuberculosis										
2	To strengthen community involvement and foster partnerships for effective TB control										
3	To ensure successful TB case management through patient support and strengthening health system capacities										
Linked to objective(s) #	Outcome indicator	Baseline			Targets				Comments		
		value	Year	Source	Year 3	Report due date	Year 4	Report due date		Year 5	Report due date
1,2,3	Treatment success rate of MDR-TB patients: number and percentage of laboratory confirmed MDR-TB patients successfully treated (cured plus completed treatment) among those enrolled in a second line anti-TB treatment during specified period	48.70%	2011 for 2008 MDR-BT cohort)	R&R TB system, quarterly reports	55.4%	15.08.2013	60%	15.08.2014	70%	15.08.2015	Numerator: Number of new TB cases with results of DST to H&R drugs and diagnosed with MDR over the given year. Denominator: Total number of new TB cases with DST results to H&R drugs over the given year. Source of measurement for the indicator: SYME TB, routine surveillance. The data for the baseline were taken from the drug resistance surveillance study provided in 2011. The final data shows a 26,01% MDR TB prevalence among new cases. As a result, the targets have been up-dated according to the final DRS 2011 data and correspond to the figures indicated in the National TB M&E Plan, 2011-2015 years.
1,2,3	MDR-TB prevalence among new cases	26.01%	2011	National DRS, 2011	24%	15.08.2013	22%	15.08.2014	21%	15.08.2015	Numerator: Number of re-treatment TB cases with results of DST to H&R drugs and diagnosed with MDR over the given year. Denominator: All re-treatment TB cases with results of DST to H&R drugs over the given year. Source of measurement for the indicator: SYME TB, routine surveillance. The data for the baseline were taken from the drug resistance surveillance study provided in 2011. The final data shows a 63,91% MDR TB prevalence among previously treated cases. As a result, the targets have been revised, as agreed and approved by the WHO, and are lower than the figures indicated in the National TB M&E Plan, 2011-2015 years.

1,2,3	MDR-TB prevalence among re-treatment cases	63.91%	2011	National DRS, 2011	61%	15.08.2013	57%	15.08.2014	52%	15.08.2015	Numerator: Number of laboratory-confirmed MDR-TB patients enrolled on second line anti-TB treatment during the year of assessment who are successfully treated (cured plus completed treatment). Denominator: Number of laboratory-confirmed MDR-TB patients enrolled in second -line anti-TB treatment during the same period. Final outcomes of MDR-TB treatment to be evaluated in 36-months' cohorts (i.e. 3 years from the treatment start). The baseline has been up-dated based on the last available data (final data for the 2008 MDR TB cohort). The targets have been revised, as agreed and approved by the WHO, and are higher than the figures indicated in the National TB M&E Plan, 2011-2015 years.
1,3	The default rate among New TB Cases SSM+	12.20%	2010	R&R TB system, quarterly reports SIME TB	11%	15.08.2013	7%	15.08.2014	5%	15.08.2015	Numerator: Number of all TB cases (new smear-positive, new smear-negative, extrapulmonary and relapse cases (pulmonary positive)) notified to the national health authorities per year per 100,000 population. Denominator: Total population in the country from the National Centre of Health Management. Source of measurement for the indicator: SYME TB. Baseline: A total of 4,207 TB cases (new and relapses +) were diagnosed in 2011.
1,2,3	Notification rate of all forms of TB cases: All TB cases (new smear-positive, new smear-negative, extrapulmonary and relapse cases) notified to the national health authorities during a specified period	103/100000	2010	R&R TB system, quarterly reports SIME TB	105/100000	15.08.2013	105.9/100000	15.08.2014	104.9/100000	15.08.2015	Numerator: Number of new smear-positive pulmonary TB patients in a given year who subsequently were successfully treated [sum of WHO outcome categories "cured" plus "treatment completed"] during specified period. Denominator: Total number of new-smear pulmonary TB patients registered for treatment in the same specified period. Source of measurement for the indicator: SYME TB. Baseline is taken from the NTP final data for the 2010 cohort. The targets have been revised, as agreed and approved by the WHO.
1,2,3	Treatment success rate - number and percentage of new smear-positive TB cases successfully treated (cured plus treatment completed) among the new smear-positive TB cases registered in a given year	57.81%	2010 cohort	R&R TB system, quarterly reports SIME TB	65.50%	15.08.2013	69.70%	15.08.2014	73.80%	15.08.2015	Numerator: Number of default cases among new smear-positive pulmonary TB patients registered for treatment in a given year. Denominator: Number of new smear-positive pulmonary TB patients registered for treatment in the same specified period. The targets have been revised, as agreed and approved by the WHO.

**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					Target cumulation	Tied to	Responsible Principal Recipient(s) (comma separated)	Top 10	Comments					
			N #	%	Year	N #	%	Year	Source	Period 1	Period 2	Period 3	Period 4	Period 5										
										1-Jan-13	1-Jul-13	1-Jan-14	1-Jul-14	1-Jan-15										
										D #	D #	D #	D #	D #										
1,1	Multidrug-resistant TB (MDR-TB)	Number of laboratory-confirmed MDR-TB patients enrolled in second-line anti-TB treatment	530	100.0%	2012	739	138.1%	2011	R&R TB system, quarterly reports	335	100.0%	670	100.0%	330	100.0%	660	100.0%	180	100.0%	Annually	National program	PR1	Top 10	Data refers to civilian and penitentiary sectors and Transnistria region. Numerator: Number of laboratory-confirmed MDR-TB patients enrolled in second-line anti-TB treatment during reported period. Denominator: Expected number of laboratory-confirmed MDR-TB patients enrolled in second-line anti-TB treatment during reported period based on available resources. Source of measurement for the indicator: NTP reports and SYME TB.
1,2	Multidrug-resistant TB (MDR-TB)	Interim treatment success rate of MDR-TB patients: number and percentage of MDR-TB patients who have negative culture at the end of 6 months of treatment	102	72.9%	Q1 2012 MDR TB cohort	376	65.5%	2011 (for Q1-Q3 2011 MDR TB cohort)	R&R TB system, quarterly reports	179	67.5%	358	67.5%	228	68.1%	460	68.7%	231	70.0%	Annually	National program	PR1	Not top 10	Numerator: Number of MDR-TB cases initiated on a second-line anti-TB treatment regimen during the specified period of time, who have a negative culture at the end of 6 months of treatment. Denominator: Number of MDR-TB cases initiated on second-line anti-TB treatment during the specified period of time. The base-line has been up-dated according to the last available 2011 data (Q1-Q3, 2011 MDR TB cohort). The targets correspond to the figures indicated in the National TB M&E Plan, 2011-2015 years.
1,3	Multidrug-resistant TB (MDR-TB)	Interim default rate of MDR-TB patients: number and percentage of MDR-TB patients who interrupted the treatment at the end of 6 months of treatment	N/A	#VALUE!	N/A	72	12.5%	2011 (for Q1-Q3 2011 MDR TB cohort)	R&R TB system, quarterly reports	22	8.3%	43	8.1%	25	7.5%	50	7.5%	23	7.0%	Annually	National program	PR1	Not top 10	Numerator: Number of MDR-TB cases initiated on a second-line anti-TB treatment regimen during the specified period of time, who interrupted the treatment at the end of 6 months of treatment. Denominator: Number of MDR-TB cases initiated on second-line anti-TB treatment during the specified period of time. The base-line has been updated based on the last available data (for the Q1-Q3, 2011 cohort).
1,4	Multidrug-resistant TB (MDR-TB)	Number and percentage of new and retreatment TB patients receiving DST for the first-line TB drugs, using the automated MGIT technique, among the	2392	90.0%	2012	1746	61.9%	2011	TB Laboratory register, NRL activity reports	928	90.1%	1856	90.1%	915	90.1%	1831	90.1%	888	90.1%	Annually	National program	PR1	Not top 10	Numerator: Number of new and retreatment TB cases tested to DST to first line TB drugs using automated MGIT technique over the specified period. Denominator: Total number of new and retreatment TB cases eligible to be tested to DST to first line TB drugs using automated MGIT technique over the specified period.

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										Target cumulation	Tied to	Responsible Principal Recipient(s) (comma separated)	Top 10	Comments	
			N #	%	Year	N #	%	Year	Source	Period 1		Period 2		Period 3		Period 4		Period 5							
										1-Jan-13	1-Jul-13	1-Jan-14	1-Jul-14	1-Jan-15											
			D #			D #				30-Jun-13	31-Dec-13	30-Jun-14	31-Dec-14	30-Jun-15											
		people eligible for DST, as per the national policy during the specified period	2658			2819																	Source of measurement for this indicator: TB laboratory registers. This indicator covers both civilian and penitentiary sectors and Transnistria region. Activities under this indicator are mainly supported by the current SSF TB grant.		
1.5	Multidrug-resistant TB (MDR-TB)	Number of tests performed for rapid identification of R/H resistance using MTBDRPlus (Hain) methodology	2354	#REF!	2012	2434		2011	TB Laboratory register, NRL activity reports	695		1390		1030		2060		1245			Annually	National program	PR1	Not top 10	This indicator covers both civilian and penitentiary sectors, and Transnistria region. Activities under this indicator are mainly supported by the current SSF TB grant.
1.6	Multidrug-resistant TB (MDR-TB)	Number and percentage of new and retreatment TB patients receiving diagnostic DST for 2nd line MDR-TB drugs, among the people eligible for DST, as per the national policy during the specified period	1237	95.0%	2012	1708	119.6%	2011	R&R TB system, quarterly reports	508	95.0%	1017	95.0%	485	95.1%	972	95.0%	446	95%		Annually	National program	PR1	Not top 10	Numerator: Number of new and retreatment TB cases tested to DST to second line TB drugs over the specified period. Denominator: Total number of new and retreatment TB cases eligible to be tested to DST to second line TB drugs over the specified period (all diagnosed with PDR and MDR). This indicator covers both civilian and penitentiary sectors and Transnistria region. Activities under this indicator are mainly supported by the current SSF TB grant.
			1302			1428				535		1070		510		1023		470							
2.1	Improving diagnosis	Percentage of prisoners screened for TB using MRP mobile equipment	4400	100.0%	2012	1170	62.3%	2011	Ministry of Justice, Department of Penitentiary Institutions, reports	4180	95.0%	4180	95.0%	4180	95.0%	4180	95.0%	4180	95.0%		Not cumulative	National program	PR1	Not top 10	Numerator: Number of prisoners screened for TB using MRP mobile equipment. Denominator: Total number of eligible for screening prisoners using MRP mobile equipment in the penitentiary system during the reported period. The baseline and targets do not include data from the Transnistria region. Targets refer to 9 institutions. Mobile MRP equipment is used for screening of prisoners twice a year. The population of these institutions on January 01, 2012 was 3633 people (the capacity of these 9 prisons is for 4400 detainees). Because the denominator may vary, the targets are set in percentage, and absolute numbers will be reported with each Progress Update.
			4400			1877				4400		4400		4400		4400		4400							

**SUMMARY BUDGET Years 3, 4 and 5**  
(formerly Attachment A)

**Tuberculosis**

Country	REPUBLIC OF MOLDOVA
Grant No.	MOL-T-PCIMU
PR	Public Institution «Coordination, Implementation and Monitoring Unit of the Health System Restructuring Project»
Currency	EURO
Grant Cycle phase	Consolidated Phase 2

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

Period Covered: from	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	TOTAL Consolidated Phase 2 %
	1-Jan-13	30-Jun-13	1-Jul-13	1-Oct-13	1-Jan-14	1-Apr-14	1-Jul-14	1-Oct-14	1-Jan-15	1-Apr-15	
Period Covered: to	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14	30-Jun-14	30-Sep-14	31-Dec-14	31-Mar-15	30-Jun-15	

**A- SUMMARY BUDGET BREAKDOWN BY EXPENDITURE CATEGORY**

#	Category	Year 3			Year 4			Year 5			TOTAL Consolidated Phase 2 %						
		Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18		Q19					
1	Human Resources	35,043	35,043	35,043	35,043	35,043	35,043	35,043	35,043	35,043	35,043	37,974,52	18,987	18,987	318,321,89	5.0%	
2	Technical Assistance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0.00	0.00	0.00	0.00	0.0%	
3	Health Products and Health Equipment	1,015,789	1,015,789	153,338	153,660	77,562	388,560,48	1,000	4,000,00	1,000	1,000	0.00	0.00	0.00	0.00	8,000,00	0.1%
4	Medicines and Pharmaceutical Products	33,149	86,324	102,033	23,444	243,950,05	2,344	102,764	62,508	23,268	190,884,66	2,344	13,583	15,928,70	450,761,41	7.0%	
5	Procurement and Supply Management Costs	1,015,789	1,015,789	1,003,718	3,035,297,18	1,003,718	961,960	1,965,678,32	1,965,678,32	0.00	0.00	0.00	0.00	0.00	0.00	4,600,375,50	71.2%
6	Infrastructure and Other Equipment	33,149	86,324	102,033	23,444	243,950,05	2,344	102,764	62,508	23,268	190,884,66	2,344	13,583	15,928,70	450,761,41	7.0%	
7	Communication Materials	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	0.00	0.00	0.00	0.00	0.00	0.0%
8	Monitoring and Evaluation	3,954	23,004	3,954	42,267	73,178,75	3,954	13,204	3,954	42,267	63,378,76	750	15,750	16,500,00	153,057,51	2.4%	
9	Living Support to Clients/Target Population	15,390	132	14,730	528	30,780,00	15,390	132	14,730	528	30,780,00	15,390	132	14,730	528	30,780,00	1.4%
10	Overheads	1,053,661	1,105,052	1,110,474	27,382	3,295,588,90	7,066	1,110,354	629,190	27,141	1,773,751,18	7,066	19,306	25,372,02	5,095,692,10	79.4%	
11	Other	1,053,661	1,105,052	1,110,474	27,382	3,295,588,90	7,066	1,110,354	629,190	27,141	1,773,751,18	7,066	19,306	25,372,02	5,095,692,10	79.4%	
12	TOTAL	1,105,325,66	1,318,631,15	1,315,139,14	180,844,20	3,919,940,15	58,731,23	1,313,709,74	837,288,61	185,942,39	2,395,671,97	37,471,01	63,710,21	101,181,22	6,416,793,34	100%	

**B. SUMMARY BUDGET BREAKDOWN BY PROGRAM ACTIVITY**

#	Macro-category	Objectives	Service Delivery Area*	Year 3			Year 4			Year 5			TOTAL Consolidated %					
				Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18		Q19				
1	TB Detection	OBJECTIVE 1: Strengthening DOTS, realising improved diagnosis	Improving diagnosis	9,093	9,093	18,185,14	9,093	18,185,14	0.00	0.00	0.00	0.00	0.00	36,370,28	0.6%			
2	TB Treatment	OBJECTIVE 1: Strengthening DOTS, realising MDR-TB	MDR-TB	101,310	101,310	153,660	69,254	324,223,99	74,594	332,573,54	0.00	0.00	0.00	0.00	656,797,53	10.2%		
3	TB Treatment	OBJECTIVE 1: Strengthening DOTS, realising Standardized treatment, patient support and patient charter	Standardized treatment, patient support and patient charter	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%		
4	TB Treatment	OBJECTIVE 1: Strengthening DOTS, realising Procurement and supply management	Procurement and supply management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%		
5	TB Treatment	OBJECTIVE 2: To ensure universal access to MDR-TB	MDR-TB	1,053,661	1,105,052	1,110,474	27,382	3,295,588,90	7,066	1,110,354	629,190	27,141	1,773,751,18	7,066	19,306	25,372,02	5,095,692,10	79.4%
6	TB Treatment	OBJECTIVE 1: Strengthening DOTS, realising High-risk groups	High-risk groups	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
7	TB: Supportive	OBJECTIVE 1: Strengthening DOTS, realising Procurement and supply management	Procurement and supply management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
8	TB: Supportive	OBJECTIVE 1: Strengthening DOTS, realising M&E	M&E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
9	TB: Supportive	OBJECTIVE 2: To ensure universal access to MDR-TB	MDR-TB	5,389	53,109	5,389	44,452	108,339,31	5,389	53,109	5,389	44,452	108,339,31	0.00	0.00	216,678,62	3.4%	
10	TB: Supportive	OBJECTIVE 4: Increase public awareness of Community TB care	High-risk groups	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
11	TB: Supportive	OBJECTIVE 3: Strengthening, M&E system at Programme-based operational research	Programme-based operational research	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
12	TB: Supportive	OBJECTIVE 3: Strengthening, M&E system at Programme-based operational research	Programme-based operational research	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
13	TB: Supportive	Strengthening of the Protect management, PI	Supportive environment: Program management	45,276	50,068	45,616	30,664	172,822,81	45,276	50,068	45,616	30,664	172,822,81	45,276	50,068	411,254,81	6.4%	
14	HSS: Health Sv	OBJECTIVE 3: Strengthening M&E system at M&E	M&E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
15	HSS: Health Sv	OBJECTIVE 3: Strengthening M&E system at HSS (beyond TB)	HSS (beyond TB)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0%	
TOTAL				1,105,325,66	1,318,631,15	1,315,139,14	180,844,20	3,919,940,15	58,731,23	1,313,709,74	837,288,61	185,942,39	2,395,671,97	37,471,01	63,710,21	101,181,22	6,416,793,34	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.

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

**C. SUMMARY BUDGET BREAKDOWN BY IMPLEMENTING ENTITY (If known by Grant signature time)**

#	PRISR	Name	Type of Implementing Entity	Year 3			Year 4			Year 5			TOTAL Consolidated %					
				Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18		Q19				
1	IPR	PCIMU	Other Government	1,105,326	1,318,631	1,315,139	180,844	3,919,940,15	58,731	1,313,710	837,289	185,942	2,395,671,97	37,471	63,710	101,181,22	6,416,793,34	100%
TOTAL				1,105,325,66	1,318,631,15	1,315,139,14	180,844,20	3,919,940,15	58,731,23	1,313,709,74	837,288,61	185,942,39	2,395,671,97	37,471,01	63,710,21	101,181,22	6,416,793,34	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.

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

## 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) ADDITIONAL IMPLEMENTATION PERIODS**

The Global Fund may decide, in its sole discretion, to extend the Implementation Period beyond the dates indicated in block 5 of the face sheet of this Agreement, following its review of the performance and financial aspects of the Program which is anticipated to occur on the Next Periodic Review Date indicated in block 6 of the Agreement. Should the Global Fund agree to continue the implementation of the Program after the end of an Implementation Period, it may commit additional funding for the Program (an “Additional Commitment”) and the parties shall execute an amendment to this Agreement reflecting an additional Implementation Period. The initial and additional Implementation Periods shall be referred to as the “Grant Term”.

#### **Article 4. GRANT FUNDS**

The Global Fund hereby grants to the Principal Recipient an amount not to exceed that stated in block 8 of the face sheet of this Agreement (the “Grant”), which may be made available to the Principal Recipient under the terms of this Agreement. The Principal Recipient may only use Grant funds for Program activities which occur during the Implementation Period 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 9 of the face sheet of this Agreement, or, if applicable, health expenditure (if Health Systems Strengthening is indicated in block 9).

**(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 12 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 12 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 11 of the face sheet of this Agreement). 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 15 or 16 of the face sheet of this Agreement, as appropriate; or (ii) The Name/Address for Notices noted in block 13 or 14 of the face sheet of this Agreement, as appropriate. 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 12 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**

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. Any change to the terms of this Agreement shall be made in an implementation letter signed by the parties to this Agreement.

### **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 15 and 16 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:

<b>Acronym</b>	<b>Meaning</b>
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

