

## ANNEX A to the PROGRAM GRANT AGREEMENT

### Program Implementation Description

<b>Country:</b>	<b>Ukraine</b>
<b>Program Title:</b>	<b>Reducing the TB burden in Ukraine through expanding and enhancing access to high quality TB services</b>
<b>Grant Number:</b>	<b>UKR-911-G07-T</b>
<b>Disease:</b>	<b>Tuberculosis</b>
<b>Principal Recipient:</b>	<b>Foundation for Development of Ukraine</b>

**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:**

Ukraine has the biggest tuberculosis (“TB”) control problem of any country in Europe with the exception of the Russian Federation. In 2008, according to the World Health Organization (“WHO”), Ukraine had an incidence rate (all forms) of 100 (82 - 120) per 100,000 population. TB prevalence was 76 (19 - 150) per 100,000 population and TB mortality was 15 (7.1 - 26) per 100,000 population. Multi-drug resistant TB (“MDR-TB”) compiles 16% of all new cases and 44% of all repeat cases in the country. WHO, Global Tuberculosis Control: A Short Update to the 2009 Report, 2010.

The current National TB Program (“NTP”) was approved in 2007. By 2011, the NTP aims to achieve 95R DOTS coverage and 60% detection rate with a treatment success rate of 85% among annual incident sputum-smear positive pulmonary TB cases.

Vulnerable and poor populations are most affected by the insufficiencies of the current TB control system in Ukraine. Since the first DOTS pilots were started in Ukraine in 2001, the government has made significant efforts to re-orient the TB diagnostic and treatment system based on the STOP TB strategy, including the initiation of critical structural changes in the TB control system. DOTS is now fully endorsed and represents the foundation of the “State Program on TB counteraction for 2007-2011”, and more than 241,708,253 USD (of central level state budget) were allocated for its implementation. Yet, the government recognizes the challenge of implementing the new policy in practice: significant additional financial and technical resources are needed to support the transition process, exceeding the government budget. Through this Program, the National Council seeks funding that will be catalytic for completing the reorientation of the Ukrainian health system towards modern TB control. The overall strategy of the Program is directed towards a synchronized reform of all key areas of the TB control system.

This Program aims to improve the epidemiological situation through decreasing TB mortality and morbidity rates among the population, preventing MDR-TB, improving treatment effectiveness, institutionalizing the system of training and retraining of health care workers, and improving laboratory diagnostics of TB.

The current NTP is in its second year now. However, similarly to the National AIDS Program for 2004-2008, many of the funding aspects of the framework are left unspecified. The main financial gaps of the current NTP relate to educational activities, laboratory development and quality assurance (“QA”), monitoring and evaluation (“M&E”), needs of vulnerable groups and social mobilization efforts.

Implementation of the Program is expected to enable the following issues to be addressed:

- coordination of the work of ministries, other bodies of the executive power and local governance, and civil organizations working in the field of TB control;
- adherence to approved standards of treatment under direct observation;
- monitoring of NTP implementation at the regional level;
- functioning of the laboratory network;
- provision of TB patients with second line anti-TB drugs;
- improvement of the system for registering and reporting on treatment outcome and functioning of the National TB electronic register;
- implementation of activities for the prevention of MDR-TB and TB/HIV transmission;
- provision of timely TB diagnosis by sputum-smear microscopy in all medical facilities
- provision of social services for TB patients;
- training medical personnel of the TB dispensaries and primary health care on TB prevention and treatment; and
- provision of systematic information for the population on TB prevention and treatment and promotion of a healthy lifestyle.

Realization of the Program is expected to enable the following issues to be addressed:

- prevent the spread of MDR-TB;
- reduce the rate of treatment interruption;
- ensure the identification with smear-sputum microscopy of new pulmonary TB patients;
- improve the system of TB care delivery to the population;
- training medical workers according to international standards;
- early diagnosis and timely start of treatment of TB patients; and
- establish a system of Good Manufacture Practice (“GMP”) for assuring TB drugs quality.

As a result, the epidemiologic situation should stabilize and improve, while providing additional resources to address funding gaps in the state budget for TB control.

2. **Goal:**

To contribute to reducing the TB burden in Ukraine through expanding and enhancing access to high quality TB services.

3. **Target Groups/Beneficiaries:**

- Laboratory specialists;
- Health care workers;
- TB and MDR-TB patients;
- General population;
- Policy level decision makers; and
- Civil society organizations.

4. **Strategies:**

- Building NTP management capacities at central and regional levels;
- Consolidation of the laboratory structure and introduction of external QA;
- Strengthening DOTS provision supported by case management and outreach;
- Successive roll-out of MDR-TB treatment based on Green Light Committee standards; and
- Systematic human resource management and introduction of TB relevant content in regular postgraduate education of TB specialists and primary health care physicians.

5. **Planned Activities:**

**Objective 1:** To improve TB diagnosis by optimizing the TB laboratory network in the civil and penitentiary facilities

- Improving diagnosis
  - Strengthen the National Reference Laboratory;
  - Strengthen the TB Laboratory Network; and
  - Introduce QA System.

**Objective 2:** To improve access to high quality services for people with limited access to TB services.

- Quality DOTS
  - Support increased detection and diagnosis;
  - Provide case management support during intensive treatment phase;
  - Ensure case management during the continuation phase;
  - Intensify support through outreach activities; and
  - Ensure normative work in TB case management.
- MDR-TB
  - Ensure normative guidance and coordination on MDR-TB;
  - Conduct training on MDR-TB treatment;
  - Improve infection control;
  - Enhance second-line drugs supplies; and
  - Ensure MDR-TB case management and adherence support.
- TB/HIV co-infection
  - Strengthen the mechanism of collaboration at national, regional and local levels;
  - Decrease the burden of TB in people living with HIV; and
  - Decrease the burden of HIV in TB patients.

**Objective 3:** To strengthen the capacity of the Ukrainian health system to respond to TB.

- Leadership and governance in TB control
  - Build capacity of the health authorities at national and regional levels;
  - Revise and harmonize legislation relevant to the adopted STOP TB strategy; and

- Evaluate the current NTP and development of a new TB control program for 2012-2017.
- Health Systems Strengthening (“HSS”) – M&E system
  - Build capacity of the National M&E units on TB control;
  - Implement the National TB register at national and oblast levels; and
  - Conduct operational research and epidemiological surveys.
- HSS Workforce
  - Conduct human resource assessment and planning relating to TB;
  - Modernize routine pre- and post-graduate training relating to TB;
  - Introduce Practical Approach to Lung Health for primary health care physicians; and
  - Build institutional capacity for TB coordination.

**Objective 4:** To increase overall access to TB diagnosis, treatment and care through awareness raising, mobilization of political support and reduction of stigma.

- Advocacy, communication and social mobilization (“ACSM”);
  - Develop and coordinate ACSM strategy;
  - Ensure civil society and social mobilization;
  - Mobilize political commitment to strengthen political commitment and budgets to support the international TB best standards of practice; and
  - Increase public awareness of general population in TB diagnosis, treatment and care.

## **B. CONDITIONS PRECEDENT TO DISBURSEMENT**

### **1. Condition(s) Precedent to First Disbursement (Terminal Date as stated in block 7A of the Face Sheet)**

The first disbursement of Grant funds by the Global Fund to the Principal Recipient is subject to the satisfaction of each of the following conditions:

- a. the delivery by the Principal Recipient to the Global Fund of a statement confirming the bank account into which the Grant funds will be disbursed as indicated in block 10 of the face sheet of this Agreement; and
- b. the delivery by the Principal Recipient to the Global Fund of a letter signed by the Authorized Representative of the Principal Recipient setting forth the name, title and authenticated specimen signature of each person authorized to sign disbursement requests under Article 10 of the Standard Terms and Conditions of this Agreement and, in the event a disbursement request may be signed by more than one person, the conditions under which each may sign.

### **2. Conditions Precedent to Disbursement for the Procurement of Second-Line Anti Tuberculosis Drugs (Terminal Date as stated in block 7B of the Face Sheet)**

The disbursement by the Global Fund to the Principal Recipient or use by the Principal Recipient of Grant funds to finance the procurement of second-line anti-tuberculosis drugs is subject to the following conditions:

a. the delivery by the Principal Recipient to the Global Fund of the Green Light Committee (“GLC”) of the World Health Organization’s written approval of the Principal Recipient’s application for the procurement of second-line anti-tuberculosis drugs for the treatment of MDR-TB patients; and

b. the delivery by the Principal Recipient to the Global Fund of written confirmation of the price and quantities of the second-line anti-tuberculosis drugs that will be procured by the Principal Recipient in accordance with the application approved by the GLC (as referred to in subsection B.2.a. of this Annex A).

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

1. By no later than 31 March 2011, the Principal Recipient shall provide to the Global Fund, in form and substance satisfactory to the Global Fund, a revised work plan (the “Work Plan”) and a revised budget (the “Budget”), which will include details of the complementarity and coordination of the Program with TB Control Project in Ukraine funded by the United States Agency for International Development (“USAID”). The Work Plan and Budget shall ensure that the Program does not bear unnecessary costs that could be reduced by more efficient planning and use of resources, and shall be supported by a joint work plan for the Program and the USAID-funded TB Control Project. In particular, the Work Plan and Budget shall establish the following:

a. Certain complementary activities will be fully transferred to either USAID or the Program, to achieve additional administrative and programmatic efficiencies; and

b. The costs of any Information Education and Communication (“IEC”) materials, training or educational modules already developed by PATH during the period of the Program will not be charged to the Program and only the incremental costs of any required revisions or updates of such IEC materials and modules may be charged to the Program.

2. By no later than 31 March 2011, the Principal Recipient shall provide to the Global Fund, in form and substance satisfactory to the Global Fund, a salary survey conducted by an independent salary surveyor (the “Salary Survey”) assessing the reasonableness of the Principal Recipient’s staff salaries, reflecting consideration of individual job requirements, current market conditions and the Principal Recipient’s organizational profile as it relates to comparable organizations selected by the independent salary surveyor. Should the Salary Survey indicate that the level of salaries budgeted by the Principal Recipient (the “Base Salary Level”) is higher than salaries paid in similar organizations, the Principal Recipient acknowledges and agrees that the available Grant funds as indicated in block 8 of the Face Sheet of the Program Grant Agreement may be adjusted by an amount determined by the Global Fund to approximate the difference between the Base Salary Level and salary levels of similar organizations.

3. By no later than 31 March 2011, the Principal Recipient shall provide to the Global Fund, in form and substance satisfactory to the Global Fund, evidence that future national budgets provide funding for TB case management approaches (e.g., case management fees, consultation expenses and outreach by nurses) to ensure their long-term sustainability. The Principal Recipient shall evaluate the effectiveness of the TB case management approaches by undertaking two operational research studies

in Years 1 and 5 of the Program. The Principal Recipient shall also develop and beta- test a model for the uninterrupted provision of TB services to detainees held at the pre-detention phase of criminal investigations and in alternative correction camps.

4. The Principal Recipient shall report any savings realized in Phase I of the Program in the cost categories Human Resources, Overheads or Planning and Administration, whether due to implementation delays or efficiencies gained, in every Periodic Report submitted by the Principal Recipient to the Global Fund . In the event that the total cost of the above-mentioned cost categories as of the progress update date is below the estimated total cost of such cost categories for the relevant period indicated in the detailed budget approved by the Global Fund as of the effective date of this Agreement, the difference in such costs may be reduced from the amount of available Grant funds specified in block 8 of the Face Sheet of this Agreement, or re-allocated to the Program, subject to written approval by the Global Fund.

5. By no later than 31 March 2011, the Principal Recipient shall provide to the Global Fund, in form and substance satisfactory to the Global Fund, an initial competency-based training plan (the “CBT Plan”) aimed at qualifying relevant classes of health managers, procurement officers, laboratory specialists, clinical service providers and outreach workers to perform duties necessary for the implementation of an effective national TB control program and for attainment of the targets set out in the Performance Framework. The CBT Plan shall address the following elements, including the budget for each:

a. Instructional design:

- Set goals and objectives of discrete training programs;
  - Define relevant knowledge and skills components to be imparted to participants;
  - Qualify necessary trainers through standardized training skills courses;
  - Determine participant selection criteria;
  - Develop standardized course outlines and schedules;
  - Develop learning materials and competency-based assessment tools;
  - Standardize preliminary and final qualification criteria per category of training activity;
- and
- Gather participant and institutional feedback.

b. Training logistics framework:

- Schedule of courses for each category of training;
- Venues;
- Materials;
- Participant travel, accommodation and per-diems; and
- Course budgets.

c. Transfer of training:

- On-the-job follow up of participants with preliminary qualification;
- Finalization of professional qualification;
- Client feedback; and
- Health outcome assessment.

d. Health system integration:

- Link to pre-service, continuing medical and nursing education and professional certification;
- Laboratory and medical facility accreditation; and
- Professional development and performance-based compensation planning.

In view of the time it may take to complete the element described in C.5.d above, in its initial form, the CBT plan shall provide for the provision of technical assistance necessary to finalize the element described in C.5.d above by 31 December 2012.

The CBT plan shall also demonstrate that no duplication of training activities will occur, that trainings are linked to Program objectives, that the quality of trainings is assessed and that cash transactions related to cost of organization and per diems are limited whenever possible.

6. The Principal Recipient acknowledges and agrees that the use by the Principal Recipient of Grant funds to finance the equipment of the TB Laboratory Network is subject to the fulfillment of each of the following conditions for each renovation site identified in the Laboratory Optimization Plan, defined below:

a. The delivery by the Principal Recipient to the Global Fund, in form and substance satisfactory to the Global Fund, of an independent needs assessment of the current laboratory network which takes into account the existing infrastructure and any planned funding from the National Budget and/or other donors, including the World Bank (the “Laboratory Network Assessment”);

b. The delivery by the Principal Recipient to the Global Fund of a plan and budget for the optimization of laboratories in Ukraine to support the provision of TB diagnostic and treatment services (“Laboratory Optimization Plan and Budget”), which addresses the results and recommendations of the Laboratory Network Assessment; and

c. The written approval of the Global Fund of the Laboratory Optimization Plan and Budget.

7. The Principal Recipient acknowledges and agrees that the Global Fund may disburse US \$50,000 of Grant funds for each year of the Phase 1 Program Term directly to the GLC of the STOP TB Partnership for assistance with the procurement of pharmaceuticals for MDR-TB.

8. The Principal Recipient acknowledges and agrees that prior to the use by the Principal Recipient of Grant funds to finance activities to be implemented by Sub-recipients, the Principal Recipient will provide to the Global Fund, in form and substance satisfactory to the Global Fund, a Sub-recipient Management Plan, including a detailed justification of the level of effort planned by all Sub-recipients based on the deliverables to be achieved. Based on the review of the Sub-recipient Management Plan by the Global Fund, the Principal Recipient shall submit a revised detailed budget reflecting any changes to the Sub-recipient human resources budget.

9. The Principal Recipient acknowledges and agrees that the use by the Principal Recipient of Grant Funds to finance technical assistance from WHO shall be subject to the delivery by the Principal Recipient to the Global Fund, in form and substance satisfactory to the Global Fund, of detailed terms of reference (“TOR”) for the technical assistance. The TOR shall include clear deliverables, job requirements and a confirmation by the WHO of the funding gap for the level of effort and position requested.

10. The Principal Recipient acknowledges and agrees that the use by the Principal Recipient of Grant funds to finance to any Sub-recipient's payment of incentives, salary top-ups or other performance bonuses ("Incentives") payable to any government employees of the NTP who are also receiving additional incentives for undertaking responsibilities in connection with the Program (the "Incentives Scheme") shall be subject to satisfaction of each of the following conditions, in form and substance satisfactory to the Global Fund:

a. delivery by the Principal Recipient to the Global Fund of the terms of the Incentives Scheme for each Sub-recipient, demonstrating the link between the Incentives and Program performance, identifying the persons eligible for such Incentives, and demonstrating that there is no duplication of the scope of work or responsibilities between the terms of employment and the scope of work of existing employment positions and any new scope of work or responsibilities funded by Grant funds;

b. delivery by the Principal Recipient to the Global Fund of written endorsement by the Country Coordinating Mechanism of the said incentives scheme and policies for staff selection and involvement in Program activities; and

c. confirmation by the Principal Recipient that all incentives provided for in the said scheme are in line with the National Labor Laws, and represent a maximum of twenty percent of current salary and benefits as confirmed by the Local Fund Agent.

11. In accordance with Article 3(c) of the Standard Terms and Conditions of this Agreement, the Global Fund and the Principal Recipient acknowledge and agree that the Phase 1 Starting Date of the Program shall be 1 January 2011.

**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 semi-annual starting from the Phase 1 Starting Date.

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

At the time of signing this Agreement, the Global Fund shall set aside ("commit") 90 % of Grant funds indicated in block 8 of the face sheet, subject to the terms and conditions of this Agreement (the "Initial First Commitment"). The remaining 10% of the Grant funds (the "Supplementary First Commitment") may be committed under this Agreement not earlier than 12 months after the Phase 1 Starting Date. Any Supplementary First Commitment shall be undertaken in a manner consistent with the Global Fund's discretion and authority as described in Article 10 of this Agreement, taking into account, among other things, the reasonable cash flow needs of the Principal Recipient. The

Supplementary First Commitment under this Program may be committed under this Agreement upon written notice sent by the Global Fund to the Principal Recipient. The Principal Recipient acknowledges and understands that the Supplementary First Commitment may not be released in full or part by the Global Fund in the event of non-compliance by the Principal Recipient to the terms of this Agreement, based on the sole judgment of the Global Fund.