

ANNEX A to the PROGRAM GRANT AGREEMENT

Program Implementation Description

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| Country: | The Kingdom of Bhutan |
| Program Title: | Strengthening Malaria Prevention and Control in Bhutan |
| Grant Number: | BTN-708-G05-M |
| Disease: | Malaria |
| Principal Recipient: | Ministry of Health, Royal Government of Bhutan |

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:

Although malaria morbidity and mortality have declined significantly in Bhutan over the past 10 years, there are still challenges which mandate further strengthening of the control and prevention strategies. Bhutan experiences challenges specific to the remote conditions in which a large portion of the population lives: 69.1% of the population lives in rural regions, a significant number of which live in very remote villages and 20.9% of houses are more than 4 hours walk from the nearest road.

Bhutan is divided into 20 administrative districts (Dzongkhags) (2005 census population 634,982). There are five districts where malaria is endemic (population 234,633) and another 10 districts which are epidemic prone (population 234,630). The five endemic districts share the border with the Indian states of West Bengal and Assam. About 36,000 people live in villages that are difficult to reach especially during the malaria season due to floods and increased river belts. The burden of the disease is therefore not precisely quantified and prevention as well as control strategies need to be strengthened especially for these hard to reach populations. Also, during the recent years, an increased number of outbreaks in the malaria epidemic prone districts have been reported.

Although the present malaria situation in Bhutan is at its lowest ebb, with the constant influx of carrier population to the interior parts of the country, climatic conditions conducive for mosquito genesis, and very tough geographical terrain, there is a risk that the malaria situation will rebound causing high morbidity and mortality. That is why the control and prevention measures need to be strengthened.

2. **Goal:**

- Contribute to a reduction in malaria morbidity and mortality by 50% by 2013 compared to 2005.

3. **Target Group/Beneficiaries:**

- Five border districts (population 234,633);
- Ten epidemic prone districts (population 234,630); and
- Hard to reach population (population 36,000 living in the fifteen districts mentioned above).

4. **Strategies:**

Malaria control strategy under Vector-borne Disease Control Programme (VDCP) till 2005 focused on prevention activities such as: Indoor Residual Spraying (IRS) in high malaria transmission areas and outbreak areas, microscopic diagnosis and treatment with chloroquines and quinine. Since 1965, the Government of India (GOI) has been providing support for IRS -With the program funded under the Original Grant Agreement (2005 to 2007), this strategy was further strengthened by the distribution of Long Lasting Insecticide treated Nets (LLINs), Early Diagnosis and Prompt Treatment (EDPT) and ACT with artemether-lumifantrine for Plasmodium falciparum cases. Malaria cases continue to decline e.g. there were 6,511 +cases in 2002, 3,806 in 2003, 2,670 in 2004, 1,825 in 2005 and 1,868 (6 deaths) in 2006 with 50-52% Pf cases. With the Program's support, the LLINs supply will be further strengthened, anti-malaria drug supply will be continued and capacity of the health staff will be furthered.

5. **Planned Activities:**

The planned activities are summed up in following objectives:

Objective 1: Strengthen malaria prevention

The main activity for strengthening malaria prevention will be the distribution of LLINs among population at risk of malaria and among hard to reach populations. IRS will be undertaken to control the epidemics (insecticide/chemical will not be procured with Grant funds). The redistribution of the LLINs will be done after the need assessment which will be conducted in year 1 of the program. One consultant will be hired to develop (in collaborations with the local counterparts and stakeholders) strategies for sustainable distribution of LLINs. Vector populations in areas covered by LLINs distribution and IRS will be monitored through sentinel sites for insecticide susceptibility on rotational basis at the district level, at annual intervals. Operational research will be conducted to update information on vector dynamics such as types, breeding, resting and biting behaviour. This information will guide the VDCP on the effectiveness of interventions to initiate timely remedial measures, as and when LLINs/IRS becomes ineffective. In order to strengthen interventions BCC activities will be scaled-up through village health workers, malaria technicians, community leaders and also through mass media.

Objective 2: Strengthen Early Diagnosis and Prompt Treatment (EDPT) with particular reference to “Hard to Reach” areas.

The main activities for strengthening EDPT will be: training, improving laboratory services in health facilities, use of RDTs during emergencies and outbreak situations, and monitoring of drug resistance. The outcome of this objective is to provide EDPT to >90% fever cases within 24 hours. EDPT will be provided to all citizens of Bhutan, and in particular to the high risk and hard to reach populations (total population 469,263) through enhanced surveillance activities.

Objective 3: Sustaining program and health system for malaria prevention and control.

The main activities for sustaining program and health system for malaria prevention and control will be recruitment and development of human resources (short and long term training) at various levels of the VDCP and national health system, especially in target districts and border districts. Further community involvement and mobilization strengthening will be undertaken by training of community leaders and members, through annual meetings and campaigns in -five border districts. Disease surveillance and health information strengthening for mapping malaria cases will be carried out as well as weekly surveillance for early outbreak detection through developing computerized malaria databases. The external review and survey will be used to assess program success and adjust strategy if necessary.

B. CONDITIONS PRECEDENT TO DISBURSEMENT

1. Condition(s) Precedent to Disbursement for Procurement of Health Products in Phase 2 (as defined in Article 19 of the Standard Terms and Conditions) (Terminal Date as stated in block 7A of the Face Sheet)

The disbursement by the Global Fund or use by the Principal Recipient of Grant funds to finance the procurement of Health Products (as defined in Article 19 of the Standard Terms and Conditions of this Agreement) in Phase 2, is subject to the following conditions:

- a. the Principal Recipient shall submit to the Global Fund a plan for the procurement, use and supply management of Health Products (the “Updated PSM plan”) which is consistent with the work-plan and budget and includes detailed descriptions of assumptions employed to determine quantities of Health Products, including, but not limited to, performance targets; and
- b. the written approval by the Global Fund of the Updated PSM Plan.

2. Condition(s) Precedent to Disbursement of Grant Funds to Finance Training Activities (Terminal Date as specified in block 7B of the Face Sheet)

The use by the Principal Recipient of Grant funds to finance training programs is subject to the satisfaction of each of the following conditions:

- a. the delivery by the Principal Recipient to the Global Fund of the detailed plan and the detailed budget related to the trainings that will be conducted (Detailed Training Plan and Budget). The Detailed Training Plan and Budget must demonstrate that:
 - i. there is no duplication of training activities including those funded by other donors and partners;
 - ii. there is a demonstrated need for the training activities including that the trainings activities are linked to the Program Objectives;

- iii. there is a method and strategy for selecting training participants, verifying the presence of participants, payment of per diems and ensuring value-for-money;
 - iv. the quality of trainings will be assessed; and
 - v. cash transactions related to the payment of organizational costs and per diems are limited whenever possible; and
- b. the written approval by the Global Fund of the Detailed Training Plan and Budget.

C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT

1. The Principal Recipient acknowledges and agrees that the Ministry of Health will be responsible for implementation of the Program.
2. The Principal Recipient shall maintain management capacity sufficient for effective Program implementation throughout the term of the Grant, based on the results of the periodic assessments of the Program by the Global Fund. Such management capacity shall include adequate staffing including, among other things, the positions of Program Officer and Finance Officer.
3. Following each procurement of Health Products, the Principal Recipient shall update the information for key health products in the Global Fund's on-line Price and Quality Reporting (PQR) database, in accordance with Global Fund guidelines on Price and Quality Reporting.

D. FORMS APPLICABLE TO THIS AGREEMENT

For purposes of Article 15 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-annually starting from the Consolidated Phase 1 Starting Date.

F. THE 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. A Second Commitment of Grant funds up to the amount indicated in block 8 of the face sheet (the "Second Commitment") may be committed under this Agreement not earlier than 18 months after the Phase 1 Ending Date. Any Second 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 Second Commitment under this Program may be committed under this Agreement upon written notice sent by the Global Fund to the Principal Recipient (the "Second Commitment Notice"). The Principal Recipient acknowledges and understands that the Second 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.