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The Global Fund

To Fight AIDS, Tuberculosis and Malaria

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10 October 2007

Our ref.: OPS/ASIA1/225/CA/jm

Mr Karma Tshiteem
Secretary
Planning Commission
Royal Government of Bhutan
P.O. Box 127
Thimphu
Bhutan

**Subject: Program Grant Agreement Number BTN-405-G02-T
Implementation Letter Number 04**

Dear Mr Tshiteem,

We refer to the Program Grant Agreement between The Global Fund to Fight AIDS, Tuberculosis and Malaria (the "Global Fund") and the Department of Aid and Debt Management of the Ministry of Finance of the Royal Government of Bhutan (the "Principal Recipient") for a tuberculosis program entitled "A Renewed Strategy to Reduce Tuberculosis Burden in Bhutan", effective 7 January 2005 and amended by letters 9 May 2005, 17 May 2005, 3 October 2006 and a Phase 2 Amendment Agreement effective 10 July 2007 (as amended from time to time, the "Grant Agreement"). Capitalized terms used but not defined in this letter have the meaning given to them in the Grant Agreement.

You have requested that the name of the Principal Recipient be changed from the Department of Aid and Debt Management of the Ministry of Finance of the Royal Government of Bhutan to the Planning Commission, Royal Government of Bhutan, following an administrative decision having no consequences on the capacity and composition of the entity managing the Program. Accordingly, we have agreed to amend the Grant Agreement, its Annex A and the attachments to Annex A to reflect that change and this letter serves to put that change into effect.

The Royal Government of Bhutan acknowledges that its signature on the Program Grant Agreement remain valid and binding upon it.

By signing this letter, the Global Fund and the Principal Recipient agree to amend the Grant Agreement by:

1) amending block 2 of the face sheet of the Grant Agreement by updating the Principal Recipient name and address as follows: Planning Commission, Royal Government of Bhutan, P.O. Box 127, Thimphu, Bhutan;

2) amending block 4A of the face sheet of the Grant Agreement by updating the modification number and date as follows: "Modification Number: 5 (Implementation Letter dated 10 October 2007)";

3) amending block 10 of the face sheet of the Grant Agreement by updating the Information for Principal Recipient Bank Account into Which Grant Funds Will Be Disbursed:

Owner of Bank Account: Royal Government of Bhutan
Routing instructions for disbursements: Please transfer the fund into Royal Monetary Authority's Account maintained with Federal Reserve Bank of New York, 33 Liberty Street, NY 10045, USA
For credit to: Royal Monetary Authority of Bhutan
USD Account # 021083307
Swift Code: FRNYUS33
For further credit to: Government Budget Fund Account 9243 (A Renewed Strategy to Reduce Tuberculosis Burden in Bhutan - Grant Number BTN-405-G02-T)

4) amending block 13 of the face sheet of the Grant Agreement by updating the name and address for notices to the Principal Recipient Representative as follows:

Name: Mr Karma Tshiteem
Title: Secretary
Planning Commission
Address: P.O. Box 127
Thimphu, Bhutan
Tel.: +975-2-323176;
Fax: +975-2-322928
Email: ktshiteem@pc.gov.bt;

5) amending Annex A of the Grant Agreement by updating the name of the Principal Recipient as follows: Planning Commission, Royal Government of Bhutan;

6) amending Attachment 1 and 2 of Annex A of the Grant Agreement by updating the name of the Principal Recipient as follows: Planning Commission, Royal Government of Bhutan.

The face sheet of the Grant Agreement, Annex A and the attachments to Annex A, as amended, are attached.

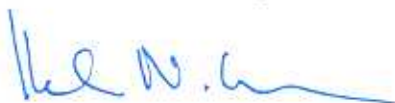
The disbursements of Grant funds following the signature of this Implementation letter is subject to the delivery to the Global Fund by the Principal Recipient of a letter signed by the Authorized Representative of the Principal Recipient setting forth the name, title and authenticated specimen signature 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.

Except as modified herein, the Grant Agreement remains in full force and effect.

This amendment shall come into force on the date of signature of this letter by both parties. Please confirm your agreement with the foregoing by signing both enclosed copies of this letter and returning one to us, retaining one copy for your records.

We thank you and your partners for undertaking this important effort in the global fight against tuberculosis. We look forward to the successful implementation of the Program.

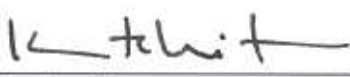
Yours sincerely,



Helen Evans
Deputy Executive Director

Agreed and signed:

For: PLANNING COMMISSION OF THE ROYAL GOVERNMENT OF BHUTAN

By: 
Authorized Representative: Mr Karma Tshiteem, Secretary

Date: 16 | 10 | 2007

Attachment: Face Sheet of the Grant Agreement, as amended
Annex A of the Grant Agreement, as amended
Attachments to Annex A, as amended.

cc: Dr Gado Tshering, CCM/PCM Chair and Secretary, Ministry of Health
Mr Madan Sharma, LFA, PricewaterhouseCoopers (PWC)



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The Global Fund

To Fight AIDS, Tuberculosis and Malaria

AMENDED AND RESTATED PROGRAM GRANT AGREEMENT

1. Country: Bhutan		
2. Principal Recipient Name and address: Planning Commission, Royal Government of Bhutan, P.O. Box 127; Thimphu, Bhutan		
3. Program Title: A Renewed Strategy to Reduce Tuberculosis Burden in Bhutan		
4. Grant Number: BTN-405-G02-T		4A. Modification Number: 5 (Implementation Letter dated 10 October 2007)
5. Phase 1 Starting Date: 1 April 2005	6. Phase 1 Ending Date: 31 March 2007	7. Phase 2 Ending Date: 31 March 2010
7A. Condition Precedent Terminal Date: 30 September 2007	7B. Condition Precedent Terminal Date:	7C. Condition Precedent Terminal Date:
7D. Condition Precedent Terminal Date:	7E. Condition Precedent Terminal Date:	7F. Condition Precedent Terminal Date:
8. Grant Funds: US\$ 994,298 (Nine Hundred Ninety Four Thousand Two Hundred Ninety Eight US Dollars)		
9. Program Coverage: ___ HIV/AIDS <input checked="" type="checkbox"/> Tuberculosis ___ Malaria ___ Health Systems Strengthening		
10. Information for Principal Recipient Bank Account into Which Grant Funds Will Be Disbursed: Owner of Bank Account: Royal Government of Bhutan Routing instructions for disbursements: Please transfer the fund into Royal Monetary Authority's Account maintained with Federal Reserve Bank of New York, 33 Liberty Street, NY 10045, USA For credit to: Royal Monetary Authority of Bhutan USD Account # 021083307 Swift Code: FRNYUS33 For further credit to: Government Budget Fund Account 9243 (A Renewed Strategy to Reduce Tuberculosis Burden in Bhutan - Grant Number BTN-405-G02-T)		
11. The fiscal year of the Principal Recipient is from 1 July to 30 June.		
12. Local Fund Agent ("LFA"): PricewaterhouseCoopers (PwC) . Contact details for their senior in-country team member are: Madan Sharma CSC&Co. (associated firm of PricewaterhouseCoopers) 1955, Tanka Prasad Ghumti Sadak, Babar Mahal, Kathmandu, Nepal Tel: +977 1 6202114 Mobile: +977 9851022212 E-Mail: csc@ntc.net.np		
13. Name/Address for Notices to Principal Recipient		14. Name/Address for Notices to Global Fund:
Name: Mr Karma Tshiteem Title: Secretary Planning Commission Address: P.O. Box 127 Thimphu, Bhutan Tel.: +975-2-323176 Fax: +975-2-322928 E-mail: ktshiteem@pc.gov.bt		Taufiqur Rahman Team Leader South and West Asia Cluster Chemin de Blandonnet 6-8 1214 Vernier-Geneva Switzerland Tel.: +41 22 791 1700 Fax: +41 22 791 1701 E-mail: Taufiqur.Rahman@TheGlobalFund.org
This Agreement consists of the two pages of this face sheet and the following: Standard Terms and Conditions Annex A – Program Implementation Description		

ANNEX A to the PROGRAM GRANT AGREEMENT

Program Implementation Description

Country:	Bhutan
Program Title:	A renewed strategy to reduce tuberculosis disease burden in Bhutan
Grant Number:	BTN-405-G02-T
Disease:	Tuberculosis
Principal Recipient:	Planning Commission, 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:

The national tuberculosis control program (NTCP) was started in 1976 and, since its inception has been fully integrated with the general health care services in the districts. The NTCP adopted DOTS strategy throughout the country in 1997. NTCP estimates the expected number of positive cases is 75/100,000 population. This amount to about 550 new smear positive cases and about 1200 new smear negative and extra pulmonary case per year. There are an estimated 2600 prevalent cases of tuberculosis today.

During the next five years it is expected that there will be around 9250 new cases of TB, about 2900 of which will be infectious (or sputum smear positive cases) that will continue the chain of transmission unless treated. This is equivalent to about 14 new infectious cases in an average Goeg (3200) to the whole population of the one of the 201 Goegs. The majority of these people will be in the economically – active group of 16-44 years and the rates will be slightly higher in men than in women, as the adult men are more frequently exposed to infection.

The program is based on the Bhutan Tuberculosis Five Year Plan, which has the following objectives:

- a. to increase case detection from 69% to 80% by 2009;
- b. to increase cure rate from 70% to 85% by 2009;
- c. to improve the quality of TB diagnosis and contain MDR-TB; and
- d. to improve the monitoring and evaluation of the program.

The program aims to build the capacity at the national and village levels to strengthen the sustained impact of DOTS countrywide. Over the two-year grant period the program will intensify advocacy and awareness activities through reaching out to the communities and decision makers through radio,

television and mass media campaigns. It will strengthen DOTS case detection and cure rate through the establishment of DOTS committees and provision of training to the village health workers and ensure community commitment through reaching out to key community influencers. Guideline and training modules will be prepared and training provides to staff of basic Health units and village health workers. It will further improve case detection by training government medical and technical staff and strengthen program monitoring.

Program Objectives:

- a. to increase the case finding;
- b. to increase the cure rate among the detected cases;
- c. to improve the quality of diagnosis of TB and monitor and contain MDR-TB; and
- d. to improve the monitoring and evaluation of the program.

2. **Goal:** To reduce mortality, morbidity and transmission of TB until it is no longer a public health problem.

3. **Target Group/Beneficiaries:**

Poor and vulnerable populations

4. **Strategies:**

- a. to enhance DOTS utilization by making its accessibility and availability user friendly;
- b. to strengthen diagnostic decentralization and follow up capabilities through establishment and operationalization of laboratory facilities at basic health units (BHUs);
- c. to strengthen the DOTS component of DOTS strategy by widening the spectrum of DOTS providers through various means, including community involvement;
- d. to formulate defined IEC strategies and intensify IEC activities covering patients, communities, governmental extension agents, religious leaders, etc.; and
- e. to organize trainings, and visits for health personal to enhance their professional and operational skills under the overall ambit of capacity building and sustainable human resource development.

5. **Planned Activities:**

- a. behavioral change and communication;
- b. strengthening of civil society and institutional capacity building;
- c. human resource development;
- d. laboratory strengthening;
- e. MDR and ARTI surveys; and
- f. improvement of monitoring and evaluation of the program.

B. CONDITIONS PRECEDENT TO DISBURSEMENT

1. Before second disbursement under the Grant, the Principal Recipient will, except as the Global Fund and the Principal Recipient may otherwise agree in writing, furnish to the Global Fund, in form and substance satisfactory to the Global Fund, evidence that the position of National Tuberculosis Program Manager has been filled

2. Condition(s) Precedent to Second Disbursement in Phase 2 (Terminal Date as stated in block 7A of the Face Sheet)

The third disbursement of Grant funds in Phase 2 is subject to the satisfaction of each of the following conditions:

a. the delivery by the Principal Recipient to the Global Fund of a completed version of the Monitoring and Evaluation Systems Strengthening Tool (Dated January 2006 and available from the Global Fund website) that has been prepared by the Principal Recipient in consultation with the Program stakeholders specified in the instructions section of that document;

b. the delivery by the Principal Recipient to the Global Fund of an updated plan for monitoring and evaluating Program activities (the "Updated M&E Plan") that incorporates the recommendations made by Program stakeholders upon completion of the Monitoring and Evaluation Systems Strengthening Tool (referred to in Sub-section B.2.a);

c. the delivery by the Principal Recipient to the Global Fund of a revised budget for the Program Term (the "Revised Program Budget") if the amendments incorporated into the Updated M&E Plan necessitate amendments to the budget for the Program Term that was approved by the Global Fund as of the effective date of this Agreement; and

d. the written approval of the Global Fund of the Updated M&E Plan and Revised Program Budget (the latter only being applicable if condition c. of this sub-section B.2 is applicable).

C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT

None

D. FORMS APPLICABLE TO THIS AGREEMENT

For purposes of Article 15b(i) 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 1 April 2005 with quarterly progress updates

F. PROGRAM BUDGET

The budget contained in Attachments 3 and 4 to this Annex A sets out the anticipated expenditures for the third, fourth and fifth year of the Program.]

Attachment 3 & 4 to Annex A: Indicators, Targets, and Periods Covered

Country:	Ethiopia
Disease:	Tuberculosis
Grant number:	0174-016-000-1
Principal Recipient:	Partnering Commission, Royal Government of Ethiopia

A. Periods covered and dates for disbursement requests and progress updates

Period Covered: from	Period 5		Period 6		Period 7		Period 8	
	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
Period Covered: to	1-3/07-07	1-3/08-08	1-3/09-09	1-3/10-10	1-3/11-11	1-3/12-12	1-3/13-13	1-3/14-14
Period Covered: by	30-Nov-07	30-Sep-08	31-Dec-09	31-Mar-10	30-Jun-11	30-Sep-11	31-Dec-11	31-Mar-12
Date Progress Update due (typically 45 days after end of period)	14-Aug-07	14-May-08	14-Feb-09	14-Aug-09	14-May-10	14-Feb-11	14-Sep-11	15-May-12
Disbursement Request 7 (Y/N)	Y	Y	Y	Y	Y	Y	Y	Y

Annual Report Due Date:	1-Oct-08
Audit Report Due Date:	31-Dec-08

B. Program Goal, Impact and outcome indicators

Goal: To reduce morbidity, mortality and transmission of TB and HIV through a public health program

Impact / outcome Indicator	Indicator description	Baseline		Targets					Comments
		Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	
1 Impact	TB prevalence rate (all forms)- Estimated number of all active TB cases per 100,000 population per year	184=90,000	2004	180=100,000	175=100,000	172=100,000	169=100,000	166=100,000	This will be further updated by the the AFR survey
2 Impact	TB mortality rate- Estimated number of deaths due to TB	310=100,000	2004	NTCP	27%	26%	25%	24%	The indicators have been updated with data from STCP as opposed to WHO reports in phase 1 in consultation with WHO. Targets for year 1 and 2 refer to 2 pilot districts near Addis Ababa. These are national programme targets for the whole country.
3 Outcome	Case detection rate (new smear positive)- Percentage of new smear positive TB cases detected among the new smear positive TB cases compared to other countries (not just Addis)	74.66%	2004	NTCP	60%	61%	62%	63%	
4 Outcome	Treatment success rate (new smear positive)- Percentage of new smear positive TB cases that successfully complete their treatment (treatment completion plus sputum among the new smear positive TB cases registered during a specified period)	50%	2003 (global)	NTCP	60%	61%	62%	63%	

C. Program Objectives, Service Delivery Areas and Indicators

Obj No.	Service Delivery Area	Indicator No.	Indicator formulation	Directly fed (Y/N)	Baseline (if applicable)		Phase 1				Periodical targets for year 2 and 4 (cumulative over the quarters and excluding baseline)				Cumulative Targets for Year 5 (incl. Year 4)	Comments				
					Value	Year	Period 4 Target	Period 3 Result	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10			Period 11	Period 12	Period 13	Period 14
1	Prevention BCC - community outreach	1	Number of radio/TV programs about TB disease, its transmission, diagnosis and treatment (with associated topics related article) developed and broadcasted	N	0	2004	MTCP	21	56	80	121	149	177	205	237	265	297	325	353	Every quarter 14 broadcasts will be done on TV and radio and 4 on October 12, 4 news supplements will also be prepared. Includes RB contribution for broadcasting
1	Prevention BCC - community outreach	2	Number of BCC3 committee members community influencers and local formal instructors trained on DOT's promotion	Y	0	2004	NTCP	7,650	200	7,650	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	Key community influencers will be trained over a period of 3 years
2	TB timely detection and quality treatment of cases	3	Number of new smear positive TB cases detected among the new smear positive TB cases estimated to occur countrywide	N	74.66%	2004	NTCP=6000	60	60	60	60	60	60	60	60	60	60	60	60	The estimated new smear positive TB cases in year 1 in Addis is 475.5. In year 2, the estimated new smear positive TB cases in Addis will be 475.5. In year 3, the estimated new smear positive TB cases in Addis will be 475.5. In year 4, the estimated new smear positive TB cases in Addis will be 475.5. In year 5, the estimated new smear positive TB cases in Addis will be 475.5. Targets for the rest of the country will be based on the national programme targets for the whole country.

Obj. No.	Service Delivery Area	Indicator No.	Indicator formulation	Directly tied (Y/N)	Baselines (if applicable)			Periodical targets for year 3 and 4 (cumulative over the quarters and excluding baselines) ²										Comments	
					Value	Year	Source	Phase 1		Period 5		Period 6		Period 7		Period 8			Cumulative Target for Year 4 (Yr 3 & Yr 4)
								Period 4 Target	Period 3 Result	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16		
1	1	1	Number of new single positive TB cases that successfully complete their treatment (successful completion rate)	N	80%	2063 subject	Not applicable	Not applicable	Not applicable	7581	28% of cases detected (in Q5)	215240	85% of cases detected (in Q11)	142188	83% of cases detected (in Q15)	25024	86% of cases detected (in Q16)	New indicator in Phase 2. Year 3 targets are based on sub-2000 target under DOTS in year 2. However to align reporting with national reporting cycle (July to June) and with R6 grant the time lag is reporting important outcomes in 5 quarters in year 3 but 4 quarters in year 4 and 5. Year 2 targets are based on target for cases detected in Q10, Q11 and Q12. Targets are calculated from Q10 to Q13 and then from Q14 to Q16	
2	1	2	Number of people trained on DOTS	Y	0	2001	Dotted training module	1000	1000	2188	2188	2248	2300	2410	2512	2674	2874	Medical officers, TB coordinators, PHN staff and the VCHOs are being trained	
3	1	3	Number of health facilities equipped with new & upgraded microscopes	Y	3	2006	PHN report	7	7	7	7	8	8	9	10	10	10	3 regional hospitals are equipped with increased need of microscopes. 3 each will be distributed in these facilities and one will be placed by	
3	1	4	Number of laboratories for which data is being collected and available for a specified time period among all facilities with TB microscopy	Y	12	2006	HRD report/PHN	30	30	47	47	47	47	47	47	47	47	47	Reporting with opening of lab facilities in Q6. Two additional lab items will be trained across on Q6 for NDR through R6 funding
3	1	5	Number of laboratories for which data is being collected and available for a specified time period among all facilities with TB microscopy	Y	Not available	2008		30	30	6	10	15	20	22	24	26	28	All positive slides and 20 % of negatives are checked by the regional laboratory	
4	1	6	Number of TB related surveys conducted	N	ART and MDR-TB survey	1001	ARTCD	Not applicable	Not applicable	17	17	20	20	23	26	26	26	Data analysis & report publication (PCR TB survey)	
4	1	7	Number of health facilities TB reports according to national guidelines	N	Not available	2006	NTCD	Not applicable	Not applicable	17	17	20	20	23	26	26	26	New indicator in phase II final reporting centers in 2010. This activity is also supported by R6 and is included in attachment 14-2 for R6	

The "Y" cells of results are linked to Global Fund financing and "N" (not) targets identified for a particular QCA where results of a broader national approach or sub-program are being collected for evaluation. Complete data is not available for these indicators where these structures are under development. If a number value target is not applicable, it is marked as "Not applicable". Please clarify the period when results are reported.

The Q1 of R6 grant coincides with Q10 of the R4 grant. To align reporting on case detection and treatment outcomes between the two grants there would be no reporting during the first quarter of year 3 of R4 grant on these two indicators. The targets for remaining quarters of R6 grant have been aligned with the R4 grant.

B. Program Budget

Activity	Year 3 & 4 Budget Break-down																			
	Q9		Q10		Q11		Q12		Q13		Q14		Q15		Q16		Year 3 Budget	Year 4 Budget	Indicative Budgets Year 5	
	Y3	Y4	Y3	Y4	Y3	Y4	Y3	Y4	Y3	Y4	Y3	Y4	Y3	Y4	Y3	Y4				
Diagnostic support	8,840	2,244	11,727	2,845	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840	8,840
Training	71,154	2,250	13,200	8,000	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723	14,723
Surveillance and M&E	4,000	40,000	13,000	2,500	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Advocacy	3,000	14,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalization cost	3,254	1,000	800	15,700	2,452	5,100	6,000	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720	11,720
Technical assistance	4,300	0	8,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	102,548	84,274	83,324	34,325	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643	30,643

The budgeted amount for Phase 2 includes Phase 1 support plus values of 2227 & 28 078 under Phase 2. Balance of USD 2,507,140 and Approved Phase 2 amount of USD 1,132,843,750.