

ANNEX A to the PROGRAM GRANT AGREEMENT

Program Implementation Description

Country:	Bhutan
Program Title:	Scaling up HIV Prevention services among youth and other vulnerable population groups through multi sectoral approach
Grant Number:	BTN-607-G03-H
Disease:	HIV/AIDS
Principal Recipient:	Gross National Happiness 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:

Bhutan is a landlocked country, with a total population of 635,000 situated in the Himalayas bordering China, the northeast states of India, close to Nepal and Bangladesh. The borders are increasingly porous with greater commerce and trade. Some places, such as Nepal and the northeastern Indian states of Manipur, Nagaland, and Mizoram, are already experiencing “concentrated” HIV epidemics, while others, such as the Indian states of Sikkim and Meghalaya, maintain a relatively low prevalence. A high level of inter mobility across these borders indicates an urgent need for sharing information and collaborative programs on HIV/AIDS prevention efforts in the region.

Based on the available data, UNAIDS estimates that the number of people living with HIV in Bhutan in 2007 is <500 and the prevalence of HIV infection among adults 15-49 is <0.1%. This classifies Bhutan as a low prevalence country. Since the first case was detected in 1993, the cumulative number of HIV cases as of the end of June 2006 has increased to 90 cases, half of them infected within the last 2.5 years. The cases have been detected through a combination of sentinel surveillance, clinical testing and contact tracing. While cases have been detected in 15 of the 20 districts, almost half have been detected in the capital city of Thimphu and in Phuentsoling, a bustling town near the border with India. HIV cases are not restricted to any particular geographic or population group and have been identified in a wide range of occupational groups. The ratio of infected males to females is approximately 1:1. More than one third of reported cases are among youth 15-24 years of age. Of the 90 people known to be infected, 22 have died with 75% of HIV-related deaths occurring within two years of detection suggesting that detection takes place late. While the heterosexual route appears to be the primary mode of transmission, two of the HIV cases detected in the first half of 2006 were among IDUs. In addition, nine cases of mother to child transmission have been reported.

Bhutan's epidemic, though more recent than other South-Asian countries, has a younger and more feminine face. Of the 90 HIV infected cases reported in 2006, more than a third were in the age group 15-24, and almost half were female. The increasing trends in injecting drug use and commercial sex work can fuel the epidemic in Bhutan, but of greater concern is the reported widespread casual sex among both men and women which can potentially cause a large-scale heterosexual epidemic in the general population. Youth aged 10-24 years constitute 35% of the population and represent a particularly vulnerable group. A recent survey showed that both sexes become sexually active at an early age, have multiple partners and only 60% used a condom during their last sexual encounter.

With this epidemiologic context in mind, this Program aims to scale up HIV prevention services among youth and other vulnerable populations in Bhutan using a multisectoral approach. It was developed in the framework of Bhutan's draft National HIV/AIDS Strategy and the country's MDG target of containing HIV below 0.1% among adults aged 15-49 years. It builds on the activities and achievements of a World Bank funded project (2004-2009) which have focused on: creating awareness and reducing stigma in the general population as well as some vulnerable groups; free distribution of condoms; improving access to HIV counseling and testing in urban settings; care, support and treatment for PLHA; STI diagnosis and treatment; blood safety; waste management and infection control in hospitals; and, strengthening research and surveillance systems. This Program addresses key gaps in the current response. It underscores the emphasis on mainstreaming HIV into other sectors and addresses the following programmatic gaps: life-skills based HIV education for in-school and out-of school youth; comprehensive prevention services for substance users/IDUs, sex workers and mobile populations (specifically transport workers); HIV education for special populations such as uniformed personnel and their families, and Buddhist monks and religious leaders; access of the rural populations to HIV testing and counseling. The Program also addresses the following gaps in implementation capacity: shortages in health care workers who are trained in HIV/AIDS prevention, treatment care and support and areas related to patient safety; coordination and management within the NACP; monitoring and evaluation capacity within the MoH; capacity of the NGO sector as partners in the response. Finally, the Program addresses the need to ensure a sustainable supply of ARV and OI drugs by including procurement through the normal channel of drug supply and equipment division within the Ministry of Health.

2. Goal:

The goal is to reduce the risk of HIV transmission among youth and other vulnerable population groups.

The three main objectives identified are:

- 1) to increase access to prevention services for youth and other vulnerable populations;
- 2) to increase the national capacity to plan, implement, coordinate, monitor and evaluate HIV/AIDS programs;
- 3) to ensure a continued supply of ARV and OI drugs for the treatment and care of PLHA.

3. Target Group/Beneficiaries:

The Proposal of the Bhutan CCM as approved by the Global Fund envisions that, at the end of year 5 of the Program, should there be a continuation of funding of the Program in Phase 2, increased access to HIV prevention services will have reached:

- 90,000 in-school youth,
- 17,000 out-of-school youth,
- 25,000 uniformed personnel and their families,
- 6,000 religious leaders and monks,
- 22,000 transport workers, and
- more than 500 most-at-risk individuals (primarily substance users and sex workers).

4. Strategies:

The Program will build on progress achieved under the World Bank project and other partners to fill programmatic gaps identified in the National Strategic Plan (2006-2012) and ensure a comprehensive and sustainable response that can keep HIV prevalence at the current low levels. While there has been a lot of awareness raising activities implemented by multi-sectoral partners under the World Bank project, there is a lack of sustained, institutionalize prevention services for vulnerable groups.

Furthermore, the need to expand access to high quality counseling and testing (CT) services beyond the two free-standing VCT centers in Thimpu and Phuentsoling and the CT services will be addressed and CT services will be rolled out at district hospitals over the next three years of the World Bank project. Although Bhutan does not have a generalized epidemic, the HIV epidemic already affects a broad cross-section of society including farmers, housewives, and civil servants as well as sexually active youth, in both urban and rural areas. Such a trend requires that prevention services, including access to CT services, focus on both the vulnerable groups as well as the general population.

In addition, the national capacity to plan, implement, coordinate, monitor and evaluation the national response beyond what has been achieved or planned with DANIDA and World Bank funding will be strengthened.

5. Planned Activities:

The major planned activities are:

Objective 1

- Provide life-skills-based HIV/AIDS education to youth grade 7 and above;
- Provide life-skills-based HIV/AIDS education to out-of school youth through non-formal education centers, vocational schools and through the youth unemployment counter at the Department of Employment;
- Reach youth via hotels, night clubs and entertainment zones;
- Establish youth-friendly health services at district level hospitals, a hotline in Thimphu and two free standing VCT (HISC) at Gelephu and Samdrup Jongkhar;
- Intensify HIV prevention among uniformed personnel and their families;
- Increase the participation in HIV prevention by religious leaders and monks through Buddhist institutions;
- Provide a package of prevention services for sex workers, transport workers and substance users through the non-government sector;
- Expand HIV testing and counseling services in additional free standing VCT centers, BHUs and military health units.

Objective 2

- Strengthen STI/HIV/AIDS pre-service training and continuous education at the Royal Institute of Health Sciences (RIHS);
- Strengthen the national monitoring and evaluation plan and system for HIV/AIDS;
- Strengthen the management and technical capacity of the NACP;
- Build the capacity of the non-governmental sector as a partner in the national HIV/AIDS response;

Objective 3

- Procure ARV and OI drugs for the treatment and care of PLHA.

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 is subject to the satisfaction of each of the following conditions:

a. the delivery by the Principal Recipient 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;

b. the delivery 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; and

c. the delivery by the Principal Recipient to the Global Fund of evidence, in form and substance satisfactory to the Global Fund, that a Project Manager has been hired, with appropriate qualifications and experience.

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

The second 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 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 condition a) of this sub-section B.2);

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;

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);

f. the delivery by the Principal Recipient of evidence, in form and substance acceptable to the Global Fund, that the Sub-recipient management and assessment requirements mandated in article 14. of the Standard Terms and Conditions of this Agreement have been complied with; and

g. the delivery by the Principal Recipient of evidence, in form and substance acceptable to the Global Fund, that the Project Management Unit of the Principal Recipient has been strengthened, in particular through the hiring of staff, with appropriate qualifications, for the following positions: program officer, M&E officer, and finance officer/accountant.

3. Condition(s) Precedent to Disbursement for Procurement of Health Products (as defined in Article 19 of the Standard Terms and Conditions) (Terminal Date as stated in block 7C 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), is subject to the following conditions:

a. the delivery by the Principal Recipient to the Global Fund of a plan for the procurement, use and supply management of the Health Products for the Program as described in subsection (c) of Article 19 of the Standard Terms and Conditions of this Agreement (the “PSM Plan”); and

b. the written approval of the Global Fund of the PSM Plan.

C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT

1. The Principal Recipient shall maintain the capacity and the level of staffing reached through the fulfillment of the conditions B.1 (c) and B.2 (g) of this Annex A through the Program’s implementation period, unless otherwise agreed with the Global Fund.

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 Phase 1 Starting Date.

F. PROGRAM BUDGET

The budget in Attachment to the Annex sets out anticipated expenditures for the Program Term (as defined in subsection (a) of Article 3 of the Standard Terms and Conditions of this Agreement).