

**PROGRAM GRANT AGREEMENT  
BETWEEN  
THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA  
("Global Fund")  
AND THE UNITED NATIONS DEVELOPMENT PROGRAMME  
("Principal Recipient")**

1. Country: Islamic Republic of Iran		
2. Program Title: Tuberculosis Prevention in High Burden Areas, Islamic Republic of Iran		
3. Grant Number: IRN-708-G03-T		3A. Modification Number and Date: 3 (Phase 2 Grant Agreement)
4. Program Starting Date: 01 October 2008	5. Program Ending Date: 30 September 2013	6. Proposal Completion Date: 30 September 2013
6A. Condition Precedent Terminal Date:	6B. Condition Precedent Terminal Date:	6C. Condition Precedent Terminal Date:
6D. Condition Precedent Terminal Date:	6E. Condition Precedent Terminal Date:	6F. Condition Precedent Terminal Date:
7. Grant Funds: Up to the amount of US\$ 18,957,412 (eighteen million, nine hundred fifty-seven thousand, four hundred twelve United States Dollars)		
Grant Funds as indicated above will be committed by the Global Fund to the Principal Recipient in staggered terms as described in Section H of Annex A of this Agreement, involving a First Commitment of US\$ 16,044,881 (sixteen million forty four thousand eight hundred and eighty one United States Dollars) and a Second Commitment of US\$ 2,912,531 (two million nine hundred and twelve thousand five hundred and thirty one United States Dollars).		
8. Program Coverage: <input type="checkbox"/> HIV/AIDS <input checked="" type="checkbox"/> Tuberculosis <input type="checkbox"/> Malaria <input type="checkbox"/> HIV/AIDS/Tuberculosis		
9. Information for Principal Recipient Bank Account into Which Grant Funds Will Be Disbursed:		
Beneficiary:            UNDP Bank:                    JP Morgan Chase Address:                270 Park Avenue, 43rd Floor New York, NY, 10017 United States of America Account:                UNDP Contributions Account Account Number:    015002284 SWIFT Code:           CHASUS33 ABA Number:           021000021		
10. The fiscal year of the Principal Recipient runs from 1 January to 31 December		
11. LFA: Iran Moshar Limited Address: No.45, 2nd Floor, Neshat St., Eajazi St. (Asef), Zafaranih, Tehran, 19877, Iran Tel.: +98-21-2243 4249 Fax: +98-21-2243 4251 Attention: Mr. Rasoul Dorri E-mail: Moshar@kanoon.net		

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12. Principal Recipient Additional Representative Name: Consuelo Vidal Title: Resident Representative Address: No. 8, Shahrzad Blvd., Darrous, 1948773911, Iran Tel: +98 21 2286 0691-4 Fax: +98 21 2286 9547 E-mail: <a href="mailto:Consuelo.vidal@undp.org">Consuelo.vidal@undp.org</a>	13. Global Fund Additional Representative: Name: Jonathan Brown Title: Acting Director of Country Programs Address : Chemin de Blandonnet 8 1214 Vernier, Switzerland Tel.: +41 58 791 1700 Fax: +41 58 791 1701
14. This Agreement consists of the two pages of this face sheet and the following: Standard Terms and Conditions                                  Annex A – Program Implementation Abstract	

**AMENDMENT TO  
PROGRAM GRANT AGREEMENT  
(the "Grant Agreement")**

**BETWEEN**

**THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA  
(the "Global Fund")**

**AND**

**UNITED NATIONS DEVELOPMENT PROGRAMME  
(the "Principal Recipient")**

WHEREAS,

1. the Global Fund entered into the Grant Agreement for Grant Number IRN-708-G03-T with the Principal Recipient on 16 September 2008 for the purpose of providing funds to implement a Tuberculosis program in the Islamic Republic Of Iran described more fully in the Grant Agreement as "Tuberculosis Prevention in High Burden Areas, Islamic Republic of Iran" (the "Program");
2. In accordance with Article 12 and 20 of the Standard Terms and Conditions of the Grant Agreement, the Grant Agreement was amended by Implementation Letters dated 16 November 2009 and 24 August 2010;
3. Article 3.d of the Standard Terms and Conditions of the Grant Agreement states that "[u]nless the Global Fund agrees otherwise in writing, the Global Fund will not authorize disbursement of the Grant after the 'Program Ending Date' (specified in block 5 of the face sheet of this Agreement)";
4. The "Program Ending Date" specified in block 5 of the face sheet of the Grant Agreement is 30 September 2013; and
5. Subject to certain conditions, the Global Fund wishes to increase the amount of the Grant, to continue disbursement of funds under the Grant and to extend the Program Ending Date,

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

1. The existing face sheet of the Grant Agreement is replaced by the face sheet attached hereto.
2. The Standard Terms and Conditions of the Grant Agreement are replaced with those attached hereto.

3. Annex A of the Grant Agreement (exclusive of any attachments that have formerly been attached to such Annex A) is replaced with the revised Annex A attached hereto entitled "Annex A: Program Implementation Abstract".
4. The document entitled "Performance Framework Year 3, 4 & 5: Indicators, Targets and Periods Covered" attached hereto is attached to Annex A of the Grant Agreement, as revised by this Amendment.
5. The document entitled "Summary Budget Year 3, 4 & 5" attached hereto is attached to Annex A of the Grant Agreement, as revised by this Amendment.

All other provisions of the Grant Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date as stated below.

**UNITED NATIONS DEVELOPMENT PROGRAMME**

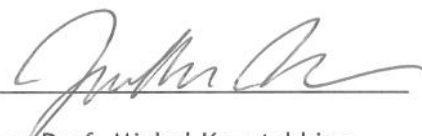
By: 

Name: Consuelo Vidal

Title: Resident Representative

Date: \_\_\_\_\_

**THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA**

By: 

Name: Prof. Michel Kazatchkine

Title: Executive Director

Date: 14/11/2011

## ANNEX A to the PROGRAM GRANT AGREEMENT

### Program Implementation Abstract

Country:	Islamic Republic of Iran
Program Title:	Tuberculosis Prevention in High Burden Areas, Islamic Republic of Iran
Grant Number:	IRN-708-G03-T
Disease:	Tuberculosis
Principal Recipient:	United Nations Development Program (UNDP)

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.

#### A. PROGRAM DESCRIPTION

##### 1. Background and Summary:

Tuberculosis (TB) has been a major health problem and a threatening disease in Iran from the far past. Many interventions (like usage of short course chemotherapy since 1983, integration of TB control program in Primary Health Care (PHC) system since 1990, implementation of Directly Observed Treatment, Short-course (DOTS) in 1995, increase of the allocated budget from the government, active national, provincial and district technical committees and execution of educational and monitoring programs) made a decreasing trend in TB notification rates from 143 per 100,000 in 1964 to 13 per 100,000 in 2006. While the overall burden of TB is not extraordinary high (estimated incidence is 23 per 100,000), still around 16,000 people develop TB every year and 2,000 people die every year in Iran. More importantly, as observed in many countries with low to intermediate level of incidence, TB is increasingly concentrated in vulnerable populations.

In Iran, vulnerable populations include those who live in the 7 provinces in the southern and eastern part of Iran. These provinces account for 50% of TB cases in Iran but comprise only 23% of the total population (16.6 million). The incidence of TB is at least double the national average in these provinces.

Patients suffering from Multi Drug Resistant TB (MDR-TB), prisoners and people living with HIV/AIDS are other vulnerable populations.

Prisoners are at high risk of TB. TB incidence rate among prisoners is at least 5 times higher than the national average. HIV-TB co-infection is an important problem, particularly among Injecting Drug Users (IDUs).

Iran is committed to scaling up TB care with special emphasis on these vulnerable populations. Ministry of Health and Medical Education (MOHME) and partners will continue

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to finance the majority of the activities needed. However, there are certain activities that the national resources are not able to cover.

The Program is mainly focusing on the people of poor and high TB prevalence provinces which are neighboring the two high burden countries (Afghanistan and Pakistan). The Program, which is in line with the global TB Control Strategy, focuses to address the gaps and needs that cannot be covered by the governmental budget. A range of stakeholders have been involved in the process of proposal formulation and are beneficiaries of the Program. The main interventions include enhancement of high quality DOTs; addressing MDR-TB patients and prisoners, refugees and other high risk groups; and strengthening health management system.

## 2. Goal:

To dramatically reduce the burden of TB in the poor and vulnerable populations by 2015 in line with the MDGs and the Stop TB Partnership targets. To achieve this goal, the Program has the following four objectives.

- Pursue High-Quality DOTS expansion and enhancement;
- Address TB/HIV, MDR-TB and other challenges;
- Empower people with TB, and communities;
- Strengthen Program Management capacity.

The first three objectives are in line with the key components of the Stop TB Strategy, and the last objective is to strengthen program management capacity to ensure effective implementation of the Program.

## 3. Target Group/Beneficiaries:

- Population of 7 vulnerable provinces (Sistan & Baluchistan, Hormozgan, Khorasan razavi, Khorasan shomali, Khorasan jonoubi, Khuzestan and Golestan);
- Prisoners;
- MDR-TB patients;
- People living with HIV/AIDS (PLWHA).

## 4. Strategies:

The principle strategies include:

- TB case finding;
- Care and treatment;
- Strengthening of epidemiological surveillance system.

Supportive strategies include:

- Education and information dissemination;
- Improvement of information system;
- Strengthening of infrastructure;
- Capacity building of management structures.

5. **Planned Activities:**

- Establishment of sputum smear microscopy laboratories;
- Support for treatment observers;
- Technical assistance for drug management system development;
- Human resource development for M&E;
- Support for mobility (transportation) for M&E;
- Procurement of computers;
- Technical assistance for upgrading M&E system (including revision of recording and reporting system);
- In-depth review of M&E and other critical activities of the Program;
- Improvement of CDC TB Management Information System and communication network for TB;
- Establishment of 20 intermediate level culture laboratories;
- Procurement of bio-safety cabinet for the remaining intermediate level laboratories;
- Establishment of DST laboratories in 7 regions;
- Renovation and equipment of quarantine ward and standardized isolation room for 65 prisons with large number of prisoners;
- Support for TB care in prisons;
- Conduct of pre & post KAP surveys for ACSM activities;
- Conduct National TB Day campaigns;
- Capacity building for strengthening program management at the national level;
- Technical assistance for strengthening of program management capacity.

B. **CONDITIONS PRECEDENT TO DISBURSEMENT**

None.

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

1. The Principal Recipient acknowledges and understands that the Global Fund has entered into this Agreement with the Principal Recipient in reliance on the representation by the Country Coordinating Mechanism that the funds provided under this Agreement do not constitute more than 65% of the funds for the national tuberculosis program in the Islamic Republic of Iran. If the Principal Recipient becomes aware that the funds provided under this Agreement are in fact or are anticipated to be materially higher than this amount, the Principal Recipient shall promptly notify the Global Fund.
2. The parties acknowledge that as of the date of the signature of this Amendment, the Global Fund has not approved the new plan for the procurement, use and supply management of Health Products (the "PSM Plan") consistent with Article 18 of the Standard Terms and Conditions of this Agreement. Consistent with such Standard Terms and Conditions, the disbursement by the Global Fund or use by the Principal Recipient of Grant funds for the procurement of Health Products is conditional upon the approval by the Global Fund of the PSM Plan.

3. The Principal Recipient will directly conduct all activities associated with the procurement of all goods and services funded by the Grant, including but not limited to conducting the selection process for vendors or service providers, and will make all payments for such goods and services directly to the respective vendors or service providers.
4. The Principal Recipient shall select Sub-recipients in accordance with its regulations and rules. Before disbursing grant funds to any Sub-recipient, the Principal Recipient shall notify the Global Fund of the selection of the Sub-recipient. In the case of a Sub-recipient that is not a UN agency, the Global Fund may, at its election, conduct an assessment of the Sub-recipient. The Principal Recipient shall address the assessment recommendations by risk mitigation measures satisfactory to both the Principal Recipient and the Global Fund.
5. When the Global Fund requests copies of Sub-recipient agreements from the Principal Recipient, the Principal Recipient shall provide such copies promptly, including any substantial changes to Sub-recipient Agreements which have been previously provided to the Global Fund. For the avoidance of the doubt, changes to the work plans and budgets associated with a Sub-recipient Agreement having an impact of more than 10% on any budget line will be considered substantial for purposes of this condition.
6. The use by the Principal Recipient of Grant funds for disbursement to any Sub-recipient (other than the World Health Organization) is subject to the following conditions:
  - a. the Principal Recipient shall have signed an agreement with such Sub-recipient for the entire Program period, which shall include, at a minimum, a budget, a workplan and implementation and reporting responsibilities of such Sub-recipient.
  - b. such Sub-recipient shall have received training on UNDP's financial reporting systems, as well as training on monitoring and evaluation techniques sufficient to enable it to meet its requirements under the Program.

**D. FORMS APPLICABLE TO THIS AGREEMENT**

For purposes of Article 13b(1) of the Standard Terms and Conditions of this Agreement entitled "Quarterly 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 6a. of the Standard Terms and Conditions of this Agreement, the anticipated disbursement schedule is indicated in the Performance Framework attached to this Annex A.

**F. PROGRAM BUDGET**



The Summary Budget(s) attached to this Annex A set forth anticipated expenditures for the Program term.

**G. PERFORMANCE FRAMEWORK**

The Performance Frameworks attached to this Annex A set forth the main objectives of the Program, key indicators, intended results, targets and reporting periods of the Program.

**H. 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 7 of the face sheet, subject to terms and conditions of this Agreement. The Global Fund will thereafter seek to commit funds up to the maximum financial commitment required to fund the third year of the Program (the "Second Commitment") not earlier than 31 March 2012. Any Second Commitment shall be undertaken in a manner consistent with the Global Fund's discretion and authority as described in Article 6 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 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.

SUMMARY BUDGET YEARS 3, 4 & 5  
(formerly Attachment A)

Country	Islamic Republic of Iran				
Grant No.	IR/2798-5051				
Reporting Period	1-Jul-10 to 30-Jun-13				
Currency	USD				
Grant Cycle phase	Phase 2				

Tuberculosis

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

Period Covered from	Period 9	Period 10	Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
Period Covered to	1-Dec-10	1-Jan-11	1-Apr-11	1-Jul-11	1-Oct-11	1-Jan-12	1-Apr-12	1-Jul-12	1-Oct-12	1-Jan-13	1-Apr-13	1-Jul-13
	31-Dec-10	31-Mar-11	30-Jun-11	30-Sep-11	31-Dec-11	31-Mar-12	30-Jun-12	30-Sep-12	31-Dec-12	31-Mar-13	30-Jun-13	30-Sep-13

A. SUMMARY BUDGET BREAKDOWN BY EXPENDITURE CATEGORY

#	Category	Year 3			Year 4			Year 5			TOTAL Phase 2	%			
		Period 9	Period 10	Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17			Period 18	Period 19	Period 20
1	Human Resources	0	278,704	293,009	293,009	865,922	256,548	312,988	312,988	312,988	333,661	333,661	3,418,484	40%	
2	Technical Assistance	0	15,840	15,840	15,840	47,520	15,840	23,760	23,760	47,520	17,340	17,340	69,480	2%	
3	Training	0	7,000	32,000	7,000	46,000	6,500	32,000	7,000	6,500	7,000	7,000	52,500	2%	
4	Health Products and Health Equipment	0	0	0	444,393	444,393	0	0	0	0	0	0	191,332	12%	
5	Medicines and Pharmaceutical Products	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Procurement and Supply Management Costs	0	0	0	47,177	47,177	0	0	0	0	0	0	23,848	1%	
7	Infrastructure and Other Equipment	0	8,884	10,684	247,402	267,980	16,139	11,198	23,199	11,198	12,473	12,473	48,713	1%	
8	Communication Materials	171,210	8,440	10,684	247,402	267,980	16,139	11,198	23,199	11,198	12,473	12,473	48,713	2%	
9	Printing and Publications	12,200	346,430	134,530	139,530	839,880	137,170	137,170	161,185	682,695	212,710	139,510	255,105	7%	
10	Printing and Publications (Target Population)	0	0	0	0	0	0	0	0	0	0	0	776,835	23%	
11	Planning and Administration	0	11,000	11,000	11,000	33,000	11,000	11,000	11,000	11,000	11,000	11,000	44,000	1%	
12	Overheads	12,539	49,186	35,742	66,884	185,772	48,149	40,487	39,084	73,719	201,750	54,959	38,504	67,357	7%
13	Other	196,249	726,506	536,115	1,304,244	2,763,114	715,066	591,278	556,244	1,043,762	2,906,651	618,733	561,567	2,912,531	100%
TOTAL		196,249	726,506	536,115	1,304,244	2,763,114	715,066	591,278	556,244	1,043,762	2,906,651	618,733	561,567	2,912,531	100%

B. SUMMARY BUDGET BREAKDOWN BY PROGRAM ACTIVITY

#	Macro-category	Objectives	Service Delivery Area**	Year 3			Year 4			Year 5			TOTAL Phase 2	%					
				Period 9	Period 10	Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17			Period 18	Period 19	Period 20		
1	TB Treatment	To pursue high-quality OOTS enhancement	Standardized treatment with supervision and patient support; Case detection through quality-assured bacteriology; Establishment of an effective drug supply and distribution system; TB care and patient support.	0	468,203	332,006	761,386	1,562,097	334,856	379,502	368,582	789,279	1,872,111	351,692	397,534	367,534	408,354	58%	
2	TB Detection	Address TB/HIV, MDR-TB & other challenges	Improving diagnosis (Prevent and control multi-drug resistant TB); Address TB care issues and patient support.	12,200	64,650	3,650	303,650	384,270	3,670	3,670	3,670	13,895	26,495	77,250	4,050	4,050	219,029	8%	
3	TB Supportive Environment	To empower people with TB, and communities	ACSM (Advocacy, communication and social mobilization)	171,210	8,440	2,000	14,000	196,650	183,400	0	2,000	14,000	199,400	183,650	0	2,000	71,775	8%	
4	TB Health Systems (Strengthening (HSS))	To strengthen the capacity of health system to coordinate and implement TB control interventions	Capacity building for strengthening program management; Human Resources Development; Supportive environment; Infrastructure development; Management and administration.	0	54,086	79,286	54,286	187,657	54,286	81,789	56,789	63,349	256,714	56,789	84,488	59,108	59,468	256,834	8%
5	TB Supportive Environment	UNDP General Management Service (GMS) 7%; PR Operational and Operational Support Cost and WHO Infrastructure Support Cost	UNDP General Management Service (GMS) 7%; PR Operational and Operational Support Cost and WHO Infrastructure Support Cost	12,539	131,087	118,631	170,883	433,440	138,842	126,417	125,023	162,649	562,831	143,584	132,881	128,896	160,049	665,810	18%
TOTAL				196,249	726,506	536,115	1,304,244	2,763,114	715,066	591,278	556,244	1,043,762	2,906,651	812,935	618,733	561,567	919,276	2,912,531	100%

C. SUMMARY BUDGET BREAKDOWN BY IMPLEMENTING ENTITY (If broken by Grant Agreement (IGA))

#	PRISR	Name	Type of Implementing Entity	Year 3			Year 4			Year 5			TOTAL Phase 2	%					
				Period 9	Period 10	Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17			Period 18	Period 19	Period 20		
1	SE	Center for Diseases Control	Ministry of Health (MCH)	171,210	437,092	381,057	706,935	1,847,184	539,137	438,933	385,933	818,110	2,167,294	557,733	392,908	377,663	2,074,233	71%	
2	SR	Prison Organization	Other Government	12,200	84,987	23,987	323,586	443,160	23,767	24,489	24,489	24,489	97,245	97,245	25,443	25,443	25,443	276,443	8%
3	SR	WHO	Other Multilateral Organisation	0	14,509	14,509	14,509	43,528	14,509	15,235	23,093	47,250	100,786	15,525	16,912	16,204	62,238	3%	
4	PR	UNDP	UNDP	12,539	129,418	118,962	169,214	428,432	137,173	124,931	122,319	157,213	541,336	141,798	130,770	127,032	153,432	853,031	18%
TOTAL				196,249	726,506	536,115	1,304,244	2,763,114	715,066	591,278	556,244	1,043,762	2,906,651	812,935	618,733	561,567	919,276	2,912,531	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 IGA Program management and administration should be included in the Supportive Environment Means Category.

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

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Project Name	Project Location	Project Start	Project End	Project Status	Project Manager
1	2	3	4	5	6

Project Name	Project Location	Project Start	Project End	Project Status	Project Manager	Forecasted Performance											
						Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12

Project Name	Project Location	Project Start	Project End	Project Status	Project Manager	Forecasted Performance																																																																																													
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Forecasted Performance from 1,453 Members, 7 years, and Fourth Course

Project Name	Project Location	Project Start	Project End	Project Status	Project Manager	Forecasted Performance																																																																																													
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