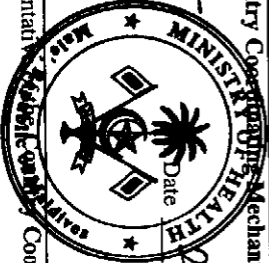


**PROGRAM GRANT AGREEMENT
BETWEEN
THE GLOBAL FUND TO FIGHT AIDS, TUBERCULOSIS AND MALARIA
("Global Fund")
AND THE UNITED NATIONS DEVELOPMENT PROGRAMME
("Principal Recipient")**

1. Country: MALDIVES		
2. Program Title: Enhancing the response to HIV/AIDS in the Maldives.		
3. Grant Number: MDV-607-G01-H	3A. Modification Number and Date: (Not applicable)	
4. Program Starting Date:	5. Program Ending Date:	6. Proposal Completion Date:
6A. Condition Precedent Terminal Date: 1 July 2007	6B. Condition Precedent Terminal Date: 15 February 2008	6C. Condition Precedent Terminal Date: 15 December 2007
7. Global Fund Grant: US\$ 2,655,685 (Two Million Six hundred and Fifty-five Thousand, Six hundred and Eight Five US Dollars)		
8. Program Coverage: <input checked="" type="checkbox"/> HIV/AIDS <input 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 Representative in Maldives Account name: UNDP Representative in Maldives USD Account Account number: 3752218231 Bank name: Bank of America Bank address: 1401 Elm St., Dallas TX 75202 USA Bank SWIFT Code: BOFAUS3N Bank Code: na Routing instructions for disbursements: Wire Routing Number: 026009593		
10. The fiscal year of the Principal Recipient runs from 1 January to 31 December.		
11. LFA: Swiss Tropical Institute (STI) Swiss Centre for International Health, Swiss Tropical Institute Socinstrasse 57, 4002 Basel, Switzerland Tel: +41-61-284 81 26 Fax +41-61-284 86 54 Attention: Dr. Karin Wiedenmayer, Maldives Program Manager E-mail: karin.wiedenmayer@unibas.ch		
12. Name/Address for Notices to Principal Recipient Name: Meleia Vatucawaga Title: Deputy Resident Representative UNDP, UN Building Buruza Magu, Male', Maldives Tel.: +980 3324501 / 7909953 Fax: +980 3324504 E-mail: meleia.vatucawaga@undp.org	13. Name/Address for Notices to Global Fund: Name: Taufique Rahman Title: 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	
14. This Agreement consists of the two pages of this face sheet and the following: Standard Terms and Conditions Annex A – Program Implementation Abstract		

<p>15. Signed for the Principal Recipient by its Authorized Representative</p> <p>Patrice Coeur-Bizot UNDP Resident Representative, Humanitarian Coordinator, UN Resident Coordinator</p> <p><i>[Signature]</i></p> <p>Date <u>28 - 06 - 07</u></p>
<p>16. Signed for the Global Fund by its Authorized Representative</p> <p>Prof. Michel Kazatchkine Executive Director</p> <p><i>[Signature]</i></p> <p>Date <u>10.07.07</u></p>
<p>17. Acknowledged by the Chair of the Country Cooperation Mechanism</p> <p>Dr. Abdul Azeez Yoosuf Deputy Minister of Health Ministry of Health</p> <p><i>[Signature]</i></p>  <p>Date <u>27-06-07</u></p>
<p>18. Acknowledged by Civil Society Representative</p> <p>Mr. Mohamed Zuhair Chief Executive Officer, Society for Health Education</p> <p><i>[Signature]</i></p> <p>Date <u>27.06.07</u></p>
<p>19. Entry into Force: This Agreement, prepared in two originals, shall enter into force on the date of its signature by both the Principal Recipient and the Global Fund, acting through their duly Authorized Representatives identified in blocks 15 and 16 above.</p>

Standard Terms and Conditions

PURPOSE OF AGREEMENT

This Agreement is between The Global Fund to Fight AIDS, Tuberculosis and Malaria, a foundation established under the laws of Switzerland (the “Global Fund”) and the Principal Recipient identified in block 2 of the face sheet of this Agreement. This Agreement defines the terms and conditions under which the Global Fund may provide funding to the Principal Recipient to implement the program whose title is set forth in block 3 of the face sheet of this Agreement (the “Program”) for the country specified in block 1 of the face sheet of this Agreement (the “Host Country”).

IMPLEMENTATION OF THE PROGRAM

(a) Program Description and Objectives. The Principal Recipient shall implement the Program as described in the “Program Implementation Description” included as Annex A of this Agreement. The attachment(s) to Annex A set forth the main objectives of the Program, key indicators, intended results and targets and the planned Program budget applicable to the stated periods of the Program. Unless otherwise indicated, the targets set forth in the Program Implementation Description and the attachments thereto are cumulative and do not include the baseline values.

(b) Program Budget. The budget(s) contained in or attached to Annex A of this Agreement set(s) out projected expenditures for the Program Term. Changes to the budget shall only be made pursuant to written guidelines provided by the Global Fund or as otherwise authorized in writing by the Global Fund.

PROGRAM TERM

(a) Phase 1. The Principal Recipient acknowledges that, as of the effective date of this Agreement (referred to in 0 below), the Global Fund has committed funds to the Program under this Agreement for a 24 month period which starts on the Phase 1 Starting Date (indicated in block 5 of the face sheet of this Agreement) and ends on the Phase 1 Ending Date (indicated in block 6 of the face sheet of this Agreement) (hereinafter, the “Program Term”).

(b) Phase 2. The Global Fund may decide, in its sole discretion, to extend the Program Term beyond the Phase 1 Ending Date (a “Phase 2 Approval”). If the Global Fund issues a Phase 2 Approval, the parties shall execute an amendment to this Agreement and the “Program Term” shall automatically be extended to the Phase 2 Ending Date (indicated in block 7 the face sheet of this Agreement) or any other date specified by the Global Fund in its Phase 2 Approval.

(c) Deemed Disbursement. The Phase 1 Starting Date, the Phase 1 Ending Date and the Phase 2 Ending Date will be determined by the date on which the Principal Recipient receives the first disbursement of Grant funds under this Agreement. For that purpose, the Principal Recipient shall be deemed to have received the first disbursement seven calendar days after the Global Fund Trustee issues a wire transfer for such disbursement into the Principal Recipient’s bank account (the “Deemed Receipt Date”). If the Deemed Receipt Date is between the first and the fourteenth

day of the month, the Phase 1 Starting Date shall be the first day of that month. If the Deemed Receipt Date is after the fourteenth day of the month, the Phase 1 Starting Date shall be the first day of the following month.

- (d) Notice. After the Deemed Receipt Date, the Global Fund shall provide notice to the Principal Recipient of the Phase 1 Starting Date, the Phase 1 Ending Date and the Phase 2 Ending Date and the face sheet of this Agreement shall be updated accordingly.

GRANT FUNDS

The Global Fund hereby grants to the Principal Recipient an amount not to exceed that stated in block 8 of the face sheet of this Agreement (the "Grant"), which may be made available to the Principal Recipient under the terms of this Agreement. The Principal Recipient may only use Grant funds for Program activities which occur during the Program Term or as otherwise agreed in writing by the Global Fund.

REPRESENTATIONS AND WARRANTIES OF THE PRINCIPAL RECIPIENT

The Principal Recipient represents and warrants to the Global Fund the following as of the effective date of this Agreement:

- (a) Legal Capacity. The Principal Recipient is a legal entity validly existing under the laws of the jurisdiction in which it was formed.
- (b) Enforceability. This Agreement has been duly executed and delivered by the Principal Recipient and is enforceable against the Principal Recipient in accordance with its terms.
- (c) Necessary Power. The Principal Recipient has all the necessary power, authority and legal capacity to: (i) own its assets; (ii) conduct Program activities; and (iii) enter into this Agreement.
- (d) Compliance with Laws. The Principal Recipient's activities are operated in compliance with Host Country law and other applicable law, including but not limited to intellectual property law. In addition, the Principal Recipient is generally aware that laws exist that prohibit the provision of resources and support to individuals and organizations associated with terrorism and that the European Union, the U.S. Government and the United Nations Security Council have published lists identifying individuals and organizations considered to be associated with terrorism.
- (e) No Claims. There are no claims, investigations or proceedings in progress or pending or threatened against the Principal Recipient which, if determined adversely, would have a material adverse effect on the capacity of Principal Recipient to implement the Program.
- (f) Additionality. The Grant is in addition to the resources that the Host Country receives from external and domestic sources to fight the disease indicated in block 9 of the face sheet of this Agreement, or, if applicable, health expenditure (if Health Systems Strengthening is indicated in block 9).

- (g) No Double-funding. The targets set for the Program are made possible by the additional funding provided by the Global Fund under this Agreement. The Principal Recipient is not receiving funding from any other source that duplicates the funding provided under this Agreement.

COVENANTS OF THE PRINCIPAL RECIPIENT

The Principal Recipient covenants and agrees with the Global Fund the following during the Program Term:

- (a) Authority. The person signing documents related to this Agreement (including any amendments to this Agreement) will have, at the time of such signing, the authority to sign such documents.
- (b) Notice of Material Events. The Principal Recipient shall immediately provide written notice to the Global Fund of any claims, investigations or proceedings which, if determined adversely, could reasonably be expected to result in a material adverse effect on the ability of the Principal Recipient or any Sub-recipient (as described in Article 14 of this Agreement) to implement the Program or perform any of the other obligations under this Agreement.
- (c) Conduct of Business. The Principal Recipient shall, and shall ensure that each Sub-recipient shall, do all the things necessary to preserve, renew, and keep in full force and effect its legal existence and the rights, licenses and permits which may be required to implement Program activities for which they are responsible.
- (d) Compliance with Laws. The Principal Recipient shall, and shall ensure that each of its Sub-recipients shall, comply with Host Country law and other applicable law, including but not limited to intellectual property law, when carrying out Program activities.
- (e) Additionality. The Principal Recipient shall take all actions available to it to ensure that the representation made in Article 5(f) above continues to be valid during the Program Term.
- (f) Notification of Additional Funding. The Principal Recipient shall provide written notice to the Global Fund of any additional funding received by the Principal Recipient which may require an adjustment to the Program in order to meet its obligations under Article 5(g).

COUNTRY COORDINATING MECHANISM

- (a) CCM. The parties acknowledge that the Country Coordinating Mechanism (“CCM”) coordinates the submission of proposals to the Global Fund from the Host Country, including any request for continued funding beyond the Phase 1 Ending Date (“Request for Continued Funding”) and monitors the implementation of both Program activities under this Agreement and other programs financed by the Global Fund in the Host Country, if any.
- (b) Cooperation. The Principal Recipient shall cooperate with the CCM and the Global Fund to accomplish the purpose of this Agreement. The Principal Recipient shall be available to meet regularly with the CCM to discuss plans, share information and communicate on matters that relate to the Program. The Principal Recipient shall provide to the CCM, upon request of the CCM, a copy of reports and material information relating to the Program for information purposes. This may include, but is not limited to, Requests for Disbursements, items delivered to fulfill a condition precedent, implementation letters and any amendment to this Agreement. In addition, the Principal Recipient shall assist the CCM in the preparation of any Request for Continued Funding. The Principal Recipient understands that the Global Fund may, in its sole discretion, share information about the Program with the CCM.

LOCAL FUND AGENT

- (a) LFA. The Global Fund has retained the services of a Local Fund Agent (the “LFA”), as indicated in block 12 of the face sheet of this Agreement, to perform certain functions on behalf of the Global Fund, including:
 - i. assessment of the capacity of the Principal Recipient to implement the Program and manage Grant funds; and
 - ii. verification of the Principal Recipient’s progress towards the objectives of the Program, use of Grant funds and compliance with the terms and conditions of this Agreement.
- (b) Cooperation. The Principal Recipient shall, and shall ensure that Sub-recipients shall, cooperate fully with the LFA to permit the LFA to carry out its functions. To this end, the Principal Recipient shall, among other things:
 - i. submit all reports, Requests for Disbursement and other communications required under this Agreement to the Global Fund through the LFA;
 - ii. submit copies of all audit reports to the LFA;
 - iii. permit the LFA to perform ad hoc site visits at the times decided by the LFA;
 - iv. permit the LFA to review Program Books and Records, (as described in 0 of this Agreement) at the times and places decided by the LFA;
 - v. permit the LFA to interview its personnel and personnel of Sub-recipients;

- vi. cooperate with the LFA to identify additional training and capacity building that the Principal Recipient and Sub-recipients may need to implement the Program; and
- vii. cooperate with the LFA in other ways that the Global Fund may specify.

(c) LFA Representative. For purposes of this Agreement, the principal representative of the LFA shall be the person named or acting in the position identified in block 12 of the face sheet of this Agreement. The Global Fund may, in its sole discretion, decide to replace the LFA or designate an alternative principal representative of the LFA and shall inform the Principal Recipient accordingly.

MANAGEMENT OF GRANT FUNDS

The Principal Recipient shall ensure that all Grant funds are prudently managed and shall take all necessary action to ensure that Grant funds are used solely for Program purposes and consistent with the terms of this Agreement. Accordingly, the Principal Recipient shall use its reasonable efforts to ensure that Grant funds are not used by it or by any Sub-recipient to support or promote violence, to aid terrorists or terrorist-related activity, to conduct money-laundering activities or to fund organizations known to support terrorism or that are involved in money-laundering activities.

DISBURSEMENT OF GRANT FUNDS

(a) Disbursements. Notwithstanding the disbursement schedule set out in Annex A to this Agreement, the timing and amount of any disbursements of Grant funds shall be determined by the Global Fund in its sole discretion. In particular, the Global Fund will not make any disbursement of Grant funds unless:

- i. the Principal Recipient has submitted to the Global Fund a Request for Disbursement, signed by the person or persons authorized by the Principal Recipient to do so, in form and substance satisfactory to the Global Fund, at a time acceptable to the Global Fund;
- ii. the Global Fund has determined in its sole discretion that funds sufficient to make the disbursement are available to the Global Fund for such purpose at the time of the disbursement;
- iii. the Principal Recipient has fulfilled, in form and substance satisfactory to the Global Fund, the conditions precedent to such disbursement or special conditions indicated in Annex A, if any, and within the applicable terminal date indicated on the face sheet of this Agreement or other deadlines noted in the special conditions;
- iv. the Principal Recipient demonstrates that the amount requested in its Request for Disbursement is based on its reasonable cash flow needs during the period for which the disbursement is requested;

- v. the Principal Recipient has provided to the Global Fund all Programmatic Progress reports referred to in 0(b) of this Agreement that were due prior to the date of the Request for Disbursement;
- vi. the Principal Recipient demonstrates that it has achieved programmatic results consistent with the targets for indicators set forth in the Program Implementation Description and the attachments thereto during the periods set forth therein and explains any reasons for deviation from targets;
- vii. following receipt in the country of Health Products procured using Grant funds, the Principal Recipient has reported the prices and other related supply information required to be reported to the Global Fund in accordance with Article 19(f) of this Agreement using the Price Reporting Mechanism available on the website of the Global Fund or other suitable tool that the Global Fund may make available for this purpose; and
- viii. the LFA (referenced in 0 of this Agreement) verifies the information provided in the Request for Disbursement.

(b) Deadlines. If the conditions precedent or special conditions indicated in the Program Implementation Description have not been met by the applicable terminal date or deadline, or if the Principal Recipient fails to achieve the programmatic targets set forth in this Agreement, during the periods set forth therein, the Global Fund may, at any time, and in its sole discretion, terminate or suspend this Agreement by written notice to the Principal Recipient under 0 of this Agreement.

(c) Phase 1 Ending Date. The Global Fund will not authorize disbursement of any Grant funds after the Phase 1 Ending Date unless the parties amend this Agreement to reflect a Phase 2 Approval (as described in Article 3(b) of this Agreement).

BANK ACCOUNTS, INTEREST AND OTHER PROGRAM REVENUES

(a) Bank Account. The Principal Recipient shall ensure that:

- i. Grant funds in the possession of the Principal Recipient or Sub-recipients remain, to the extent practicable, in a bank account which bears interest at a reasonable commercial rate available in the Host Country until they are expended for Program purposes; and
- ii. any bank in which Grant funds are deposited is fully compliant with all applicable local and international banking standards and regulations, including capital adequacy requirements; and
- iii. at all times, Grant funds are held in cash.

(b) Interest. Any interest on Grant funds disbursed by the Global Fund to the Principal Recipient under this Agreement or by the Principal Recipient to Sub-recipients shall be accounted for and used solely for Program purposes.

- (c) Revenues. Any revenues earned by the Principal Recipient or Sub-recipients from Program activities, including but not limited to revenues from “social marketing” activities, shall be accounted for and used solely for Program purposes.

TAXES AND DUTIES

- (a) Free From Taxes. The Principal Recipient is strongly encouraged to ensure that this Agreement and the purchase of any goods or service using Grant funds by the Principal Recipient and any Sub-recipients shall be free from taxes and duties imposed under laws in effect in the Host Country. The Principal Recipient shall, not later than 90 days after the Phase 1 Starting Date, inform the Global Fund of the status of the exemption from taxes and duties that may be accorded to assistance under this Agreement.
- (b) Refund of Taxes. If a tax or duty has been levied and paid by the Principal Recipient or Sub-recipient despite the exemption from such tax or duty, the Global Fund may, in its sole discretion, (i) require the Principal Recipient to refund to the Global Fund or to others as the Global Fund may direct the amount of such tax with funds other than those provided under this Agreement; or (ii) offset the amount of such tax from amounts to be disbursed under this or any other agreement between the Global Fund and the Principal Recipient.
- (c) Resolution of Tax Issues. In the event of a disagreement about the application of an exemption that has been granted by the government of the Host Country, the Global Fund and the Principal Recipient shall endeavor promptly to resolve such matters, guided by the principle that the Grant funds are intended to be free from taxation, so that all of the Grant funds provided by the Global Fund shall contribute directly to the treatment and prevention of disease in the Host Country.

AUDITS AND RECORDS

- (a) Books and Records of the Principal Recipient. The Principal Recipient shall, and shall ensure that Sub-recipients shall, maintain accounting books, records, documents and other evidence relating to this Agreement, adequate to show, without limitation, all costs incurred and revenues earned by the Principal Recipient for the Program and the overall progress toward completion of the Program (“Program Books and Records”). The Principal Recipient and Sub-recipients shall maintain Program Books and Records in accordance with the generally accepted accounting standards in the Host Country. Program Books and Records must be kept in the possession of the Principal Recipient for at least three years after the date of last disbursement under this Agreement, or for such longer period, if any, required to resolve any claims or audit enquiries, or if required to do so by the Global Fund.
- (b) Principal Recipient Audits. The Principal Recipient shall have annual financial audits of Program revenues and expenditures conducted by an independent auditor. The first period under audit shall be the first completed fiscal year of the Principal Recipient (as indicated in Block 11 of the face sheet of this Agreement). However, if the end of the first such fiscal year is less than six months after the Phase 1 Starting Date, the first period under audit shall be from the Phase 1 Starting Date until the end of the second such fiscal year.

- (c) Independent Auditor. Not later than three months after the Phase 1 Starting Date, the Principal Recipient shall notify the Global Fund of the independent auditor that it has selected to perform the annual audits referred to in paragraph (b) of this Article. The final selection of the independent auditor and its terms of reference shall be subject to the approval of the Global Fund and shall occur not later than six months after the Phase 1 Starting Date.
- (d) Sub-recipient Audits. The Principal Recipient shall ensure that annual audits of the revenues and expenditures of each Sub-recipient of Grant funds are carried out. In connection with this requirement, the Principal Recipient shall submit to the Global Fund a plan for such Sub-recipient audits no later than six months after the Phase 1 Starting Date and a copy of all completed Sub-recipient audits. The first period under audit of Sub-recipients shall be not later than the first period of audit applicable under subsection (b) above.
- (e) Audit Reports. The Principal Recipient shall provide to the Global Fund an audit report for each audit arranged for by the Principal Recipient or a Sub-recipient in accordance with this Article not later than six months after the period under audit.
- (f) Audit by the Global Fund. The Global Fund reserves the right, on its own or through an agent (utilizing Grant funds or other resources available for this purpose) to perform the audits required under this Agreement and/or, to conduct a financial review, forensic audit or evaluation, or to take any other actions that it deems necessary to ensure the accountability of the Principal Recipient and Sub-recipients for Grant funds and to monitor compliance by the Principal Recipient with the terms of this Agreement. The Principal Recipient shall, and shall ensure that its Sub-recipients, cooperate with the Global Fund and its agents in the conduct of such review, audit, evaluation or other action.
- (g) Right of Access. The Principal Recipient shall permit or ensure authorized representatives of the Global Fund, its agents or any other third party authorized by the Global Fund, access at all times to: (i) Program Books and Records or any other documentation related to the Program held by the Principal Recipient; (ii) the premises of the Principal Recipient or any Sub-recipient where the Program Books and Records are kept or Program activities are carried out; (iii) other sites where Program-related documentation is kept or Program activities are carried out; and (iv) all personnel of the Principal Recipient and/or Sub-recipients of Grant Funds. The Principal Recipient shall ensure that its agreements with Sub-recipients include the rights of access of the Global Fund under this sub-section.
- (h) Notification. The Principal Recipient shall notify the Global Fund promptly in writing of any audit or forensic investigation pertaining to operations of the Principal Recipient or of a Sub-recipient.

SUB-RECIPIENTS

From time to time, the Principal Recipient may, under this Agreement, provide Grant funds to other entities to carry out Program activities, provided that the Principal Recipient:

- (a) assesses the capacity of each Sub-recipient to implement Program activities and report thereon, makes such assessments available to the Global Fund upon request, and selects each Sub-recipient based on a positive assessment of that Sub-recipient's capacity to carry out the Program activities that are being assigned to it and in a transparent documented manner;
- (b) enters into a grant agreement with each Sub-recipient creating obligations of the Sub-recipient to the Principal Recipient that are generally equivalent to those of the Principal Recipient under this Agreement, and which are designed to facilitate the compliance of the Principal Recipient with the terms of this Agreement. Such obligations shall include, but not be limited to, a requirement that the Sub-recipient employ all Grant funds solely for Program purposes, and use reasonable efforts to ensure that Grant funds are not employed to support or promote violence, to aid terrorists or terrorist related activity, to conduct money-laundering activities or to fund organizations known to support terrorism or that are involved in money-laundering activities;
- (c) makes a copy of each Sub-recipient grant agreement available to the Global Fund upon request; and
- (d) maintains and complies with a system to monitor the performance of sub-Recipients and assure regular reporting from them in accordance with this Agreement.

PROGRAMMATIC PROGRESS REPORTS

- (a) Provision of Reports. The Principal Recipient shall provide to the Global Fund the reports specified in paragraph (b) of this Article. In addition, the Principal Recipient shall provide to the Global Fund such other information and reports at such times as the Global Fund may request. From time to time, the Global Fund may provide to the Principal Recipient guidance, through postings on the Global Fund's Internet web site or through implementation letters, on the acceptable frequency, form and content of the reports required under this Article. The Principal Recipient shall provide to the CCM a copy of all reports that the Principal Recipient submits to the Global Fund under this Article.

(b) Required Reports

- i. Periodic Reports. The Principal Recipient shall, not later than 45 days after the end of each reporting period indicated in Annex A to this Agreement, report on the progress towards Program objectives and targets for that period indicated in Annex A. The Principal Recipient shall submit periodic reports on the form specified in Annex A. For the period in question, the Principal Recipient shall explain in the report any variance between planned and actual achievements and between planned and actual expenditures.
- ii. Annual Progress Reports. Not later than 18 months after the Phase 1 Starting Date, and on an annual basis thereafter, the Principal Recipient shall submit to the Global Fund, in form and substance satisfactory to the Global Fund, an Annual Progress Report covering programmatic progress during the Principal

Recipient's preceding programmatic or fiscal year. Guidance on the form of this report is available upon request from the Global Fund.

MONITORING AND EVALUATION

The Principal Recipient shall monitor and evaluate the progress of the Program toward its objective, including the activities implemented by Sub-Recipients, in accordance with the monitoring and evaluation plan approved by the Global Fund. The Principal Recipient shall ensure that it receives quality data regarding such progress and report accurately on the Program results.

EVALUATIONS BY THE GLOBAL FUND

The Global Fund may, in its sole discretion, conduct or commission evaluations of the Program, or of specified Program activities, implementing structures or other Program issues. The Global Fund shall specify the terms of reference for any evaluation and an appropriate schedule for conducting it. The Principal Recipient shall, and shall require Sub-recipients to, facilitate the evaluation. Exercise by the Global Fund of this right does not mitigate the obligation of the Principal Recipient to monitor and evaluate the Program.

CONTRACTS FOR GOODS AND SERVICES

- (a) Procurement Practices. The Principal Recipient shall keep the Global Fund continuously informed about the policies and practices that it shall use to contract for goods and services under this Agreement. At a minimum, the policies and practices governing all procurement under the Program shall conform to the requirements (i) through (viii) listed below and, where Health Products are being procured, those in Article 19 of this Agreement. The Principal Recipient shall ensure that such policies and practices are followed at all times.
- i. Contracts shall be awarded on a transparent and, subject only to established exemptions included in written procurement policies and practices provided to the Global Fund, competitive basis.
 - ii. All solicitations for contract bids must be clearly notified to all prospective bidders, which shall be given a sufficient amount of time to respond to such solicitation.
 - iii. Solicitations for goods and services shall provide all information necessary for a prospective bidder to prepare a bid and, as such, shall be based upon a clear and accurate description of the proposed terms and conditions of the contract and the goods or services to be acquired.
 - iv. Conditions to the participation in a contract bid shall be limited to those that are essential to ensure the participant's capability to fulfill the contract in question and compliance with domestic procurement laws.
 - v. Contracts shall be awarded only to responsible contractors that possess the ability to successfully perform the contracts.

- vi. No more than a reasonable price (as determined, for example, by a comparison of price quotations and market prices) shall be paid to obtain goods and services.
- vii. The Principal Recipient and its representatives and agents shall not engage in any of the practices described in 0(b) in relation to such procurement.
- viii. The Principal Recipient shall maintain records documenting in detail the receipt and use of goods and services acquired under the Agreement by the Principal Recipient, the nature and extent of solicitations of prospective suppliers of goods and services acquired by the Principal Recipient, and the basis of award of Principal Recipient contracts and orders.
- (b) Supply chain. The Principal Recipient shall use its best efforts to ensure optimal reliability, efficiency and security with regard to the supply chain for all products purchased with Grant funds.
- (c) Compliance of Sub-recipients. The Principal Recipient shall ensure that Sub-recipients comply with the requirements of this Article when Sub-recipients undertake procurement of goods and services for the Program.
- (d) Recording. The Principal Recipient shall, and shall ensure that Sub-recipients shall, maintain appropriate records of all fixed assets purchased with Grant funds.
- (e) Title. Subject to 0(c) of this Agreement, title to goods or other property financed by the Global Fund under this Agreement shall be held by the Principal Recipient or a Sub-recipient or other entity approved by the Principal Recipient.
- (f) Program Purposes. In accordance with Article 9 of this Agreement, the Principal Recipient shall ensure that all goods and services and activities financed with Grant funds, including those procured and implemented by Sub-recipients, are used solely for Program purposes.

PHARMACEUTICAL AND OTHER HEALTH PRODUCTS

- (a) Definitions. As used in this Article, the following terms shall have the meanings given to them below:

“WHO” means the World Health Organization.

The terms “medicines,” “multisource pharmaceutical product,” and “pharmaceutical products” have the meanings used by the WHO in the “Glossary” of its “Marketing Authorization of Pharmaceutical Products with Special Reference to Multisource (Generic) Products: A Manual for Drug Regulatory Authorities.”

The term “Health Products” includes (i) pharmaceutical products and (ii) diagnostic and non-pharmaceutical products

The term “diagnostic and non-pharmaceutical products” includes, (i) durable products and (ii) consumable/single-use products

The term “durable products” includes, but is not limited to, HIV non-rapid tests machines, HIV monitoring machines (CD4s, Viral Load), bed nets, laboratory equipment, radiology equipment and supportive products (e.g., microscopes and reagents).

The term “consumable/single-use products” includes, but is not limited to, condoms, HIV antibody (rapid and non-rapid) tests, malaria rapid tests, insecticides, aerial sprays against mosquitoes, breast milk substitute and injection syringes.

The term “stringent regulatory authority” means the regulatory authority of (a) a member of the Pharmaceutical Inspection Convention or an entity participating in the Pharmaceutical Inspection Co-operation Scheme; or (b) a member of the International Conference on Harmonisation of Technical Requirements for the Registration of Pharmaceuticals for Human Use.

The term “WHO Prequalification Program” means the United Nations Pilot Procurement, Quality and Sourcing Project initiated by WHO.

The term “GMP” means Good Manufacturing Practice as such term is used by the WHO in its “Marketing Authorization of Pharmaceutical Products with Special Reference to Multisource (Generic) Products: A Manual for Drug Regulatory Authorities.”

With respect to a Host Country, the term “National Drug Regulatory Authority” means the cognizant national drug regulatory authority in such Host Country.

With respect to sub-section (j) of this Article, a product is “unavailable” when its manufacturer is unable to supply a sufficient quantity of the finished product within 90 days of the date of order.

(b) Compliance. When a Sub-recipient carries out procurement of a Health Product, the Principal Recipient shall ensure that such procurement is carried out in compliance with this Article. In all cases, pharmaceutical products and consumable/single-use products financed by Grant funds under the Agreement shall satisfy quality standards prescribed from time to time by the Global Fund.

(c) Procurement Assessment and PSM plan. Due to the complexity and significant risks of the procurement of Health Products, no Grant funds may be used to finance such procurement until:

- i. the Principal Recipient has submitted to the Global Fund, in form and substance satisfactory to the Global Fund, a plan for the procurement, use and supply management of the Health Products that shall be procured that is consistent with this Article (the “PSM Plan”). The PSM Plan shall include a plan to procure and use diagnostic technologies and supplies and other major categories of supplies related to the provision of the medicines; and
- ii. the Global Fund has approved the PSM Plan and has received a positive assessment of the Principal Recipient’s capability to manage such procurement.

The Global Fund will advise the Principal Recipient in writing when it has approved the PSM Plan. The Principal Recipient shall ensure that procurement under the Program is carried out in accordance with the PSM plan.

- (d) List of medicines to be procured. The Principal Recipient shall ensure that Grant funds are not used to procure medicines that do not appear in current standard treatment guidelines or essential medicines lists of the World Health Organization, the Host Country government, or the Principal Recipient or Sub-recipient. The PSM Plan shall include a listing of the standard treatment guidelines and essential medicines lists that shall apply to the Program.

- (e) Procurement responsibilities. In circumstances where the Global Fund has determined that the Principal Recipient possesses the requisite procurement capacity, the Principal Recipient shall be responsible for all procurement under this Agreement and at its discretion, may use, or permit its Sub-recipients to use, contracted local, regional or international procurement agents to conduct procurements. If the Global Fund has not determined that the Principal Recipient possesses the requisite procurement capacity, the Principal Recipient shall use established regional or international procurement agents or other mechanisms acceptable to the Global Fund, but shall remain responsible for compliance of all procurement with the terms of the Article.

In all cases, the Principal Recipient is encouraged to use, or cause Sub-recipients to use, capable regional and global procurement services wherever pooling of demand lowers prices for products of assured quality.

- (f) Procurement practices. The Principal Recipient shall ensure that the procurement of pharmaceutical products under this Agreement adheres to the Interagency Operational Principles for Good Pharmaceutical Procurement, unless, in cases where actual practices differ from the Interagency Operational Principles for Good Pharmaceutical Procurement, the Principal Recipient demonstrates, in form and substance satisfactory to the Global Fund, a comparable system of competitive procurement by a group of pre-qualified suppliers, transparency and accountability to their practices, and the application of necessary quality assurance mechanisms.

- (g) Lowest possible price. The Principal Recipient shall use good procurement practices when procuring Health Products, including competitive purchasing from qualified manufacturers and suppliers (and, in particular, with respect to pharmaceutical products, in compliance with item (f) above), to attain the lowest price of products, consistent with quality assurance. With respect to durable products, the lowest possible price shall take into account the total cost of ownership, including the cost of reagents and other consumables as well as costs for annual maintenance.

- (h) Compliance with quality standards. Health Products may be financed by Grant funds under this Agreement only if the quality standards of such pharmaceutical products can be assured. Consumable/single-use products may be financed by Grant funds under this Agreement only if such products are selected from lists of pre-qualified products, where they exist, or if such products are accepted by stringent regulatory authorities or accepted by national standards.

(i) Multi-Source Products. For multisource, off-patent pharmaceutical products with available dosage from published pharmacopoeial quality standards, the Principal Recipient may verify compliance with applicable standards in accordance with existing national procedures of the Host Country.

(j) Single or Limited Source Products. Grant funds may be used to procure a single- or limited-source pharmaceutical products (that is, a pharmaceutical product for which there are no publicly available quality assurance standards, analytic methods, and reference standards) provided that such product meets one of the following standards:

- (1) such product is acceptable under the WHO Prequalification Program; or
- (2) such product has been authorized for use by a stringent regulatory authority.

If the Principal Recipient determines that there is only one or no equivalent pharmaceutical product that meets the standards of either (1) or (2) of this sub-section (j), or if the Principal Recipient determines that the products that meet these standards are unavailable and represents the same to the Global Fund, and the Global Fund does not object, then Grant funds may be used to procure another equivalent pharmaceutical product, provided that such product is selected in accordance with the following, in order of priority:

- i. the manufacturer has submitted an application for approval of such product to the WHO Prequalification Program or a stringent regulatory authority and such product is manufactured at a site that is compliant with the standards of GMP, as certified (after inspection) by the WHO or a stringent regulatory authority; or
- ii. if the manufacturer of such product has not submitted an application for approval of such product to the WHO Prequalification Program or a stringent regulatory authority, such product is manufactured at a GMP-compliant manufacturing site, as certified (after inspection) by the WHO or a stringent regulatory authority.

The Principal Recipient shall promptly notify the Global Fund in writing if it procures any products pursuant to the criteria in clause i or ii above.

(k) Quality Control Testing. The Global Fund shall contract an independent third-party to conduct random quality control testing of products being procured pursuant to the criteria in clause (j)i or ii above to ensure the quality of such products. The Principal Recipient shall permit (and shall ensure that Sub-recipients permit) such third party (and/or its agents) to access its storage sites and to remove samples of products procured pursuant to the criteria in clause (j)i or ii above for such analysis. In addition, the Principal Recipient shall ensure that its contracts with suppliers for Health Products include:

- i. the right of the Global Fund to:
 - A. obtain the manufacturer specifications,

- B. remove samples of products and conduct random quality control testing while the products are within the possession of the supplier; and
 - C. make the results of such testing public; and
 - ii. the right of the Principal Recipient to return to the supplier products that have been found, after such testing, to be out of specification.
- (l) Termination of Contracts. With respect to a product procured pursuant to the criteria in clause (j) i or ii above, in the event that: (i) the application submitted by a manufacturer to the WHO Prequalification Program or a stringent regulatory authority for approval of such product is no longer under consideration; or (ii) an independent third party contracted by the Global Fund determines that the quality of such product is unacceptable, then the Principal Recipient shall promptly terminate the contract with the supplying manufacturer for such product.
- (m) Time Limitation. Procurement of products according to criteria in clause (j) i or ii above should be time-limited and the Principal Recipient should procure products meeting the criteria in clauses (1) or (2) of sub-section (j) as soon as possible.
- (n) National drug registration. If pharmaceutical products intended for use under the Program require approval by the National Drug Regulatory Authority in the Host Country, such pharmaceutical products may be financed under this Agreement only if they have been granted such approval.
- (o) Monitoring supplier performance. The Principal Recipient shall monitor the performance of suppliers with respect to the quality of the goods and services they supply and shall submit the information gathered to the Global Fund electronically for publication over the Internet through a mechanism to be established or specified by the Global Fund.
- (p) Monitoring product quality. The Principal Recipient and the Global Fund may, at its discretion, systematically ensure that random samples of pharmaceutical products financed under the Agreement are tested for compliance with applicable quality standards. The Principal Recipient shall have appropriate monitoring systems in place that are acceptable to the Global Fund or provide for the use of international procurement agencies acceptable to the Global Fund.
- (q) Supply chain. The Principal Recipient shall use its best efforts to ensure optimal reliability, efficiency and security with regard to the supply chain for pharmaceutical and other Health Products financed under the Program.
- (r) Avoidance of diversion. The Principal Recipient shall implement, and ensure that Sub-recipients implement, procedures that shall avoid the diversion of Program-financed Health Products from their intended and agreed-upon purpose. The procedures should include the establishment and maintenance of reliable inventory management, first-in first-out stock control systems, internal audit systems, and good governance structures to ensure the sound operation of these systems.
- (s) Adherence to treatment protocols, drug resistance and adverse effects. The Principal Recipient shall implement mechanisms to:

- i. encourage patients to adhere to their prescribed treatments (which mechanisms shall include but not be limited to fixed-dose combinations, once-a-day formulations, blister packs, and peer education and support);
- ii. monitor and contain drug resistance; and
- iii. monitor adverse drug reactions according to existing international guidelines.

All procurement of medicines to treat multi-drug resistant tuberculosis financed under the Agreement must be conducted through the Green Light Committee of the Global Stop TB Partnership.

- (t) **Price Reporting.** Upon receipt in the country of Health Products purchased with Grant funds, the Principal Recipient shall promptly report to the Global Fund the prices it has paid for such Health Products and other related supply information as specified in, and using the form of, the Price Reporting Mechanism available on the website of the Global Fund or such other suitable tool that the Global Fund may make available for this purpose.

INSURANCE AND LIABILITY FOR LOSS, THEFT OR DAMAGE

- (a) **Insurance.** The Principal Recipient shall maintain, where available at a reasonable cost, all risk property insurance on Program assets and comprehensive general liability insurance with financially sound and reputable insurance companies. The insurance coverage shall be consistent with that held by similar entities engaged in comparable activities.
- (b) **Responsibility for Loss or Theft.** The Principal Recipient shall be solely liable for the loss or theft of, or damage to any and all items purchased with Grant funds (including those in the possession of Sub-recipients), and, immediately upon any such loss, theft or damage, shall replace such items at its own expense in compliance with the procurement requirements set forth in 0 and 0 of this Agreement. In addition, the Principal Recipient shall be solely liable for the loss or theft of any cash in the possession of the Principal Recipient or any of its agents or Sub-recipients and shall have no recourse to the Global Fund for any such loss or theft.

CONFLICTS OF INTEREST; ANTI-CORRUPTION

- (a) **Standards of Conduct.** The Principal Recipient shall maintain and enforce standards of conduct to govern the performance of persons affiliated with the Principal Recipient or any Sub-recipient (for example, directors, officers, employees or agents) engaged in the award and administration of contracts, grants, or other benefits using Grant funds to ensure that such persons do not engage in any practice set forth in paragraph (b) below.
- (b) **No corruption.** The Principal Recipient shall not, and shall ensure that no Sub-recipient or person affiliated with the Principal Recipient or any Sub-recipient:

- i. participates in the selection, award or administration of a contract, grant or other benefit or transaction funded by the Grant, in which the person, members of the person's immediate family or his or her business partners, or organizations controlled by or substantially involving such person, has or have a financial interest;
 - ii. participates in transactions involving organizations or entities with which or whom that person is negotiating or has any arrangement concerning prospective employment;
 - iii. offers, gives, solicits or receives, directly or indirectly, gratuities, favors, gifts or anything else of value to influence the action of any person involved in the procurement process or contract execution;
 - iv. misrepresents or omits facts in order to influence the procurement process or the execution of a contract;
 - v. engages in a scheme or arrangement between two or more bidders, with or without the knowledge of the Principal Recipient or Sub-recipient, designed to establish bid prices at artificial, non-competitive levels; or
 - vi. participates in any other practice that is or could be construed as an illegal or corrupt practice in the Host Country.
- (c) **Disclosure.** If the Principal Recipient has knowledge or becomes aware of any:
- i. actual, apparent or potential conflict between the financial interests of any person affiliated with the Principal Recipient, any Sub-recipient, the CCM, the LFA, or the Global Fund and that person's duties with respect to the implementation of the Program; or
 - ii. any of the practices listed in paragraph (b) above,
- the Principal Recipient shall immediately disclose the actual, apparent or potential conflict of interest directly to the Global Fund.

USE OF LOGOS OR TRADEMARKS

The Principal Recipient shall not use the logo or any trademarks of the Global Fund unless it has executed a valid license agreement with the Global Fund for such use.

NOVATION; TRANSFER OF PRINCIPAL RECIPIENT

If at any time, either the Principal Recipient or the Global Fund concludes that the Principal Recipient is not able to perform the role of Principal Recipient and to carry out its responsibilities under this Agreement or if, for whatever reason, the Global Fund and the Principal Recipient wish to transfer some or all of the responsibilities of the Principal Recipient to another entity that is able and willing to accept those responsibilities, then the other entity ("New Principal Recipient"), may be substituted for the Principal Recipient in this Agreement. The substitution shall occur on such terms and conditions as the Global

Fund and the New Principal Recipient agree, in consultation with the CCM. The Principal Recipient shall cooperate fully with the Global Fund and the CCM to facilitate the transfer.

ADDITIONAL PRINCIPAL RECIPIENTS

In addition to the Principal Recipient, the Global Fund may from time to time award grants to other entities, to implement programs in the Host Country. The Principal Recipient shall cooperate as appropriate with such other entities to realize the benefits of all programs financed by the Global Fund.

NOTICES

Any notice, request, document, report, or other communication submitted by either the Principal Recipient or the Global Fund, unless this Agreement expressly provides otherwise, shall be sent to the other party's: (i) Authorized Representative noted in block 15 or 16 of the face sheet of this Agreement, as appropriate; or (ii) The Name/Address for Notices noted in block 13 or 14 of the face sheet of this Agreement, as appropriate. All such documents shall be copied to the CCM. In the case of communications to the Global Fund through the LFA, the Principal Recipient shall submit such communications to the person identified in block 12 of the face sheet of this Agreement. All communications under this Agreement shall be in English.

TERMINATION;SUSPENSION

(a) Sole Discretion of Global Fund. The Global Fund may terminate or suspend this Agreement in whole or in part, for any reason to be determined in its sole discretion, upon giving the Principal Recipient written notice. Any portion of this Agreement that is not terminated or suspended shall remain in full force and effect.

(b) Procedures Upon Termination. Upon full or partial termination or suspension of this Agreement for any reason, including a decision by the Global Fund to discontinue funding after the Phase 1 Ending Date or following the Phase 2 Ending Date, the Principal Recipient shall, among other procedures which may be requested by the Global Fund:

- i. immediately return to the Global Fund any Grant funds that have not been expended by the Principal Recipient and Sub-recipients if so requested by the Global Fund;
- ii. provide to the Global Fund a final audited financial report of the Program;
- iii. provide to the Global Fund an inventory of all assets and receivables purchased with Grant funds; and
- iv. if so requested by the Global Fund, provide a plan (prepared in consultation with the CCM) for the use of all assets and services referred to in sub-paragraph iii. above (the "Close-out Plan"). The Close-out Plan shall be subject to the final approval of the Global Fund.

- (c) Transfer. The Global Fund may, at any time and in its sole discretion, direct that title to goods financed under the Grant be transferred to the Global Fund or to a third party which the Global Fund appoints to receive such goods.

REFUNDS

Immediate Refund. Notwithstanding the availability or exercise of any other remedies under this Agreement, the Global Fund may require the Principal Recipient to immediately refund to the Global Fund any disbursement of the Grant funds in the currency in which it was disbursed in any of the following circumstances:

- i. this Agreement has been terminated or suspended;
- ii. there has been a breach by the Principal Recipient of any provision of this Agreement;
- iii. the Global Fund has disbursed an amount to the Principal Recipient in error;
or
- iv. the Principal Recipient has made a material misrepresentation with respect to any matter related to this Agreement.

LIMITS OF GLOBAL FUND LIABILITY

- (a) The Global Fund shall be responsible only for performing the obligations that are specifically set forth in this Agreement. Except for those obligations, the Global Fund shall have no liability to the CCM (or any member thereof), the Principal Recipient, Sub-recipients, any employees or any contractor thereof or any other person or entity as a result of this Agreement or the implementation of the Program. Any financial or other liability that may arise as a result of the implementation of the Program shall be the sole responsibility of the Principal Recipient.

- (b) The Principal Recipient implements the Program on behalf of the CCM and not on behalf of the Global Fund. This Agreement and the Grant shall in no way be construed as creating the relationship of principal and agent, of partnership in law or of joint venture as between the Global Fund and the Principal Recipient or any other person involved in the Program. The Global Fund assumes no liability for any loss or damage to any person or property arising from the Program. The Principal Recipient shall not, under any circumstances, represent that it is an agent of the Global Fund, and shall take all reasonable precautions to avoid any perception that such relationship exists.

INDEMNIFICATION

The Principal Recipient shall defend, indemnify and hold harmless the Global Fund, its directors, officers and employees and any of the Global Fund's agents and contractors from and against (i) any and all losses of the Global Fund, its officers and employees, and (ii) any and all claims, liabilities suits, actions (including charges, disbursements and reasonable fees of counsel), proceedings, damages, expenses and obligations of any kind that may be incurred by the Global Fund or asserted against the Global Fund, its officers and employees, by or on

behalf of any person on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omission of the Principal Recipient and its agents, employees, Sub-recipients, assignees, transferees, delegees or successors, for which the Principal Recipient retains responsibility.

IMPLEMENTATION LETTERS

To assist the Principal Recipient in the implementation of this Agreement, the Global Fund shall issue, from time to time, implementation letters that shall provide additional information and guidance about matters stated in this Agreement and may amend the terms and conditions of this Agreement. In addition, the Global Fund and the Principal Recipient may from time to time issue jointly signed implementation letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

MODIFICATION OR AMENDMENT

No modification of this Agreement shall be valid unless in writing and signed by an authorized representative of the Global Fund and an authorized representative Principal Recipient. Any change to the terms of this Agreement shall be made in an implementation letter signed by the parties to this Agreement.

DISSEMINATION OF INFORMATION

The Principal Recipient understands that the Global Fund reserves the right to freely publish or disseminate information derived from the implementation of this Program.

NONWAIVER OF REMEDIES

No delay in exercising any right or remedy under this Agreement shall be construed as a waiver of such right or remedy.

SUCCESSORS AND ASSIGNEES

This Agreement shall be binding on the successors and assignees of the Principal Recipient and the Agreement shall be deemed to include the Principal Recipient's successors and assignees. However, nothing in this Agreement shall permit any assignment without the prior written approval of the Global Fund.

ARBITRATION

Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules as at present in force. The Global Fund and the Principal Recipient agree to be bound by the arbitration award rendered in accordance with such arbitration, as the final adjudication of any such dispute, controversy, or claim. The appointment authority for such arbitrator shall be the International Chamber of Commerce International Court of Arbitration. The number of arbitrators shall be three. The place of arbitration shall be Geneva, Switzerland. The language to be used in the arbitral proceedings shall be English.

APPLICABLE LAW

This Agreement shall be governed by the UNIDROIT Principles (2004).

ENTIRE AGREEMENT

This Agreement and any annexes and attachments hereto constitute the entire agreement between the Parties and set out all the conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any attachments hereto.

EFFECTIVE DATE

This Agreement, prepared in two originals, shall become effective on the date of its signature by both the Principal Recipient and the Global Fund, acting through their duly Authorized Representatives identified in blocks 15 and 16 of the face sheet of the Agreement.

SURVIVAL

- (a) All covenants, agreements, representations and warranties made by the Principal Recipient in this Agreement shall be considered to have been relied upon by the Global Fund and shall survive the execution and delivery of this Agreement, regardless of any investigation made by the Global Fund or on its behalf and notwithstanding that the Global Fund may have had notice or knowledge of any fact or incorrect representation or warranty at any time in the Program Term, and shall continue in full force and effect until the Phase 1 Ending Date, or, if a Phase 2 Approval is issued by the Global Fund, the Phase 2 Ending Date.
- (b) The provisions of Articles 6 (Covenants), Article 8 (Local Fund Agent), Article 9 (Management of Grant Funds), paragraphs (a), (f) and (g) of Article 13 (Audits and Records), Article 17 (Evaluations by the Global Fund), Article 18 (Contracts for Goods and Services), Article 19 (Pharmaceutical and Other Health Products), Article 20 (Insurance and Liability for Loss, Theft or Damage), Article 21 (Conflicts of Interest; Anti-Corruption), Article 27 (Refunds), Article 28 (Limits of Global Fund Liability) and Article 29 (Indemnification) shall survive and remain in full force and effect regardless of the expiry of the Program Term or the termination of this Agreement.

PRIVILEGES AND IMMUNITIES

- (a) Nothing contained in this Agreement shall be construed as a waiver of any privileges and immunities to which the Global Fund is entitled under international or national law.

- (b) The Principal Recipient will use its best efforts, upon the request of the Global Fund, to secure recognition by the Host Country of the Global Fund as an institution to which the privileges and immunities normally granted to international organizations apply.

TRUSTEE

The Global Fund and the International Bank for Reconstruction and Development (the “World Bank”) have entered into an agreement by which the World Bank has agreed to establish the “Trust Fund for the Global Fund to Fight AIDS, Tuberculosis and Malaria” (the “Trust Fund”) and to serve as the trustee of the Trust Fund (the “Trustee”). Grant funds made available to the Principal Recipient will be disbursed from the Trust Fund. All of the obligations of the Global Fund under this Agreement are obligations of the Global Fund and the World Bank has no personal liability for the obligations of the Global Fund under this Agreement.

ACRONYMS

If used in this Agreement (including in the Program Implementation Description and any other annex or attachment to this Agreement), the following acronyms have the meanings ascribed to them below:

Acronym	Meaning
ACT	Artemisinin-based combination therapy
AIDS	Acquired immune deficiency syndrome
ANC	Antenatal Clinic
ART	Antiretroviral therapy
ARV	Antiretroviral
BCC	Behavioral change communication
BSS	Behavior Surveillance Survey
CBO	Community-based organization
CCM	Country Coordinating Mechanism
CRIS	Country response information system
CSW	Commercial sex worker
CT	Counseling and testing

DDT	Dichlorodiphenyltrichloroethane
DFID	United Kingdom Department for International Development
DHS	Demographic and Health Surveys
DOTS	Directly Observed Treatment, Short Course
DRS	Drug resistance surveillance
DST	Drug susceptibility testing
FBO	Faith-based organization
GLC	Green Light Committee
GTZ	German Technical Cooperation
HAART	Highly active antiretroviral therapy
HCW	Health care worker
HIS	Health Information System
HIV	Human immunodeficiency virus
IDU	Injecting drug user
IEC	Information education and communication
IPT	Intermittent preventive treatment
IRS	Indoor residual spraying
ITN	Insecticide-treated net
KAP	Knowledge, Attitudes and Practices survey
LFA	Local Fund Agent
LLITN	Long-lasting insecticide treated net
MDG	United Nations Millennium Development Goals
MDR	Multi-drug resistant
M&E	Monitoring and Evaluation

MERG	Monitoring and Evaluation Reference Group
MICS	Multi indicator cluster surveys
MoH	Ministry of Health
MSM	Men who have sex with men
NAC	National AIDS Committee
NAP	National AIDS Programme
NGO	Non-governmental organization
NMCP	National malaria control program
NTP	National tuberculosis control program
OI	Opportunistic infection
OVC	Orphans and children made vulnerable by AIDS
PAHO	Pan American Health Organization
PHC	Primary Health Care
PEP	Post-Exposure Prophylaxis
PMTCT	Prevention of Mother to Child Transmission
PLWHA	Persons living with HIV/AIDS
PPTCT	Prevention of Parent to Child Transmission
PR	Principal Recipient
RBM	Roll Back Malaria
RCM	Regional Coordinating Mechanism
RDT	Rapid diagnostic test
SR	Sub-recipient
STD	Sexually transmitted disease
STI	Sexually transmitted infection
TB	Tuberculosis

UNAIDS **Joint United Nations Programme on HIV/AIDS**

UNCITRAL **United Nations Commission on International Trade Law**

UNDP **United Nations Development Programme**

UNESCO **United Nations Educational Scientific and Cultural Organization**

UNFPA **United Nations Population Fund**

UNGASS **United Nations General Assembly Special Session**

UNICEF **United Nations Children's Fund**

UNIDROIT **International Institute for the Unification of Private Law**

USAID **United States Agency for International Development**

VCT **Voluntary counseling and testing**

WHO **World Health Organization**

WHOPES **WHO Pesticide Evaluation Scheme**

ANNEX A to the PROGRAM GRANT AGREEMENT

Program Implementation Abstract

Country:	Maldives
Proposal Name:	Enhancing Response to HIV/AIDS in the Maldives
Proposal Number:	1369
Program Title:	Enhancing Response to HIV/AIDS in the Maldives
Grant Number:	MDV-607-G01-H
Disease:	HIV/AIDS
Principal Recipient:	UNDP Maldives

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 Maldives is an archipelago of more than 1,200 small islands (200 inhabited to the south-east of India). A lower middle income country, it has a population of over 300,000, and an expatriate migrant labor force of 50,000. At the end of 31 December 2005, a total of 13 HIV cases among Maldivians, and 168 HIV cases among expatriate workers have been reported. Of the 13 HIV-positive cases reported among Maldivians, 10 were sailors, two were the spouses of these sailors, and one was a resort worker who traveled abroad with a foreign tourist. Eleven HIV cases were male. All infections were acquired through heterosexual route of transmission. Compared to many countries in the region it has a very low prevalence of HIV. The challenge for the Maldives is to ensure it remains a low HIV prevalence country in spite of increasing high risk behaviors among some population groups.

2. Goal: to continue to maintain Maldives as a HIV low prevalence country through appropriate preventive and curative interventions.

More broadly the proposal recognises the importance of creating a supportive environment, to ensure not only support for HIV/AIDS initiatives but also to reduce the stigma and discrimination often facing people with HIV/AIDS. The nine objectives identified are:

1. Prevent HIV transmission among young people who inject drugs or are at risk of injecting drugs;
2. Prevent HIV transmission among populations at risk such as migrant, seafarers and resort workers;
3. Increase awareness and knowledge about STIs and HIV among young people;

4. Expand access and coverage of quality HIV testing and counseling;
5. Strengthen the prevention and control of STIs;
6. Strengthen health service capacity to provide quality care, support and treatment for people living with HIV/AIDS;
7. Strengthen health systems capacity for prevention of HIV and other transfusion transmittable infections through blood and blood products;
8. Strengthen strategic information system for HIV; and
9. Strengthen multi-sectorial response to HIV/AIDS.

3. **Target Group/Beneficiaries:**

- People who inject drugs or at risk of inject drugs;
- Migrant and mobile workers;
- Resort workers;
- Seafarers;
- Commercial sex workers; and
- Young people.

4. **Strategies:**

The strategy emphasizes prevention to ensure the Maldives maintains a low prevalence of HIV. Prevention programs have been primarily targeted at those population groups most at risk. This includes people who inject drugs, as well as migrant (50,000 foreign nationals reside in the country at any one time) and mobile workers including resort workers and seafarers, and young people. Some of the most vulnerable groups in society will benefit from the implementation of this proposal. A strengthening of VCT, as well as improving the safety of blood and blood product safety in health care settings is also required.

While significant focus is given to prevention efforts, it is also recognised that more needs to occur to ensure good access to health care services for people with HIV, this includes extending access to antiretroviral treatments for all people who have HIV and are currently working in the country.

5. **Planned Activities:**

Objective 1

- National meetings of key stakeholders to define a basic package of essential intervention elements into interventions targeting drug users.
- Develop an advocacy strategy for promoting evidence-based comprehensive prevention and care programs for drug users.
- Identify opportunities for mainstreaming IDU/HIV concerns into existing training for law enforcement officers including judiciary, police and correctional facility staff and develop and implement training modules as required.
- Set up demonstration sites and define comprehensive package of essential services for IDUs, opioid users and their sex partners.
- Develop peer training program and Conduct peer education outreach sessions with drug users.

Objective 2

- Develop public and private sector partnerships to distribute BCC materials to population at risk.

- Develop HIV/AIDS workplace policy and strategies to protect the health and well-being of their employees, and to support workers who have HIV.

Objective 3

- Develop peer education training program to increase awareness and knowledge on STI and HIV among youth and implement education outreach
- Incorporate AIDS related information into the curriculum of health care workers and support HIV/AIDS education in schools and colleges of higher education.
- Undertake a mass media campaign on prevention of STI and HIV infection.

Objective 4

- Design national comprehensive package for HIV testing and counseling, HIV prevention, care and treatment.
- Establish VCT centers in the Regional Hospitals and train VCT workers and health care providers (doctors, nurses, and auxiliary midwives) in HIV testing and counseling.

Objective 5

- Conduct etiologic and syndromic survey on STIs in the capital Male and Addu Atoll targeting populations at high risk.
- Develop training program for health care workers to undertake syndromic STI case management and syndromic STI recording and reporting.
- Establish systems to enable the referral of all patients diagnosed with an STI to a VCT centre as routine offer of HIV testing and counseling for STI patients.

Objective 6

- Train physicians and nurses on integrated management for adult and adolescent infections (IMAI).
- Procure antiretroviral drugs.
- Develop referral systems for expatriates diagnosed with HIV to be referred to specialist HIV services.

Objective 7

- Improving efficiency and effectiveness of Blood Transfusion Services (BTS) by centralizing and consolidating into one National Blood Centre (NBC) and six Regional Blood Centers (RBC) providing blood safety services to the whole country.
- Increasing the recruitment and retention of voluntary non-remunerated blood donors.
- Improving the quality and efficiency of laboratory services.
- Improving the quality and efficiency of laboratory services.

Objective 8

- Aim to implement one KAP household survey, two biological and behavioral survey of drug surveys, and two biological and behavioral surveys of other priority population groups (seafarers, resort workers and other related risk population groups – this incorporates STI etiologic and syndromic survey outlined in objective five).
- Develop a monitoring and evaluation system for the program.

Objective 9

- Establish HIV/AIDS program management office.

B. CONDITIONS PRECEDENT TO DISBURSEMENT

1. Condition(s) Precedent to First Disbursement (Terminal Date as stated in block 6A 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; and
- 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.

2. Condition(s) Precedent to Second Disbursement (Terminal Date as stated in block 6B of the Face Sheet)

The second disbursement of Grant funds is subject to the satisfaction of each of the following conditions:

- a. the completion of the National Strategy Plan for HIV/AIDS to the degree that the plan clearly informs the current program of the baselines and all targets particularly for PLWHA and those needing ARV treatment;
- b. the delivery by the Principal Recipient to the Global Fund, in form and substance satisfactory to the Global Fund, of the baseline surveys required to adequately determine the outcome and impact indicators for the Program, as specified in the Attachments 1 & 2 to Annex A of this Agreement;
- c. 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;
- d. 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.c);
- e. 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
- f. the written approval of the Global Fund of the Updated M&E Plan and Revised Program Budget (the latter only being applicable if condition e. of this sub-section B.2 is applicable).

3. Condition(s) Precedent to Disbursement for Procurement of Health Products (as defined in Article 18 of the Standard Terms and Conditions) (Terminal Date as stated in block 6C 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 18 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 18 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 Principle Recipient will be allowed under the first disbursement to purchase Health Products related to all Program Objectives but not those of Objective 6: no Health Products related to Anti Retroviral Treatments may be purchased in the absence of the fulfillment of the Condition Precedent to Disbursement for Procurement of Health Products in sub-section B.3 above.

2. By no later than 15 September 2007, the Principal Recipient shall deliver to the Global Fund a plan, in form and substance satisfactory to the Global Fund, for the national coordination of Global Fund financed HIV/AIDS program activities, prepared jointly with all Sub-recipients (the "Coordination Plan"). This Coordination Plan shall outline the methods and mechanisms established to enhance information sharing, program implementation, mutual cooperation and accountability of Sub-recipients.

3. By no later than 15 September 2007, the Principal Recipient shall have organized and completed in conjunction with the UN Theme Group members of the Maldives a plan outlining the coordination methods and mechanisms established to enhance information sharing, national program implementation, mutual cooperation and accountability (the "UN Plan") and shall deliver this UN Plan to the Global Fund, in form and substance satisfactory to the Global Fund.

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 for the Program shall be *semi-annually* starting from the Phase 1 Starting Date.

F. PROGRAM BUDGET

The following budget sets out anticipated expenditures for the Program term.

Component Budget summary

Component Budget Summary				
	Year 1 (USD)	Year 2 (USD)	TOTAL (USD)	%
Human Resources	467,850	487,700	955,550	36
Infrastructure & Equipment	67,600	3,900	71,500	3
Training	241,986	168,856	410,842	15
Commodities and Products	349,161	70,033	419,194	16
Drugs	43,289	43,289	86,578	3
Planning and Administration	189,932	171,301	361,233	14
Information, Education and Communication	147,000	41,900	188,900	7
Monitoring & Evaluation	106,279	55,609	161,888	6
TOTAL	1,613,097	1,042,588	2,655,685	100

Program Details	
Country:	Maldives
Disease:	HIV/AIDS
Grant number:	MDV-407-001-H
Principal recipient:	UNDP

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

Period Covered	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8
Date Progress Update Due (typically 45 days after end of period)	15-Feb-07	15-Feb-08	15-Nov-07	15-Aug-08	15-Nov-08	15-Feb-09	15-May-09	15-Aug-09
Disbursement Request Date	1-Jul-07	15-Feb-08	N/A	15-Aug-08	N/A	15-Feb-09	N/A	15-Aug-09
Disbursement Number (DN)	01	02	N/A	03	N/A	04	N/A	N/A

Annual Report Final Submission Date:	30 June 2008	30 June 2009
Audit Report Final Submission Date:	30 June 2008	

B. Program Objectives, Impact and outcome indicators

Goals		Targets										Comments
Impact/Outcome Indicator	Indicator description	Value	Year	Source	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6		
Impact Indicator	1 % of young women and men aged 15-24 who are HIV infected	Not available	Jun-06	Baseline to be established							Baseline are to be established in Year 1. Targets for year 2, 3, 4 and 5 will be set based on the findings of the baseline survey.	
Impact Indicator	2 % of IDUs who are HIV infected	Not available	Jun-06	Baseline to be established								
Outcome Indicator	3 % of CSWs reporting condom use with every client in the last month	Not available	Jun-06	Baseline to be established								
Outcome Indicator	4 % of IDUs reporting not having shared non-sterile injecting equipment	Not available	Jun-06	Baseline to be established								
Outcome Indicator	5 % of young people aged 15-24 reporting the use of a condom the last time they had sex with a non-regular sexual partner	Not available	Jun-06	Baseline to be established								

C. Program Objectives, Service Delivery Areas and Indicators

Objectives description	Goal Number
1 Prevent HIV transmission among young people who inject drugs or use at risk to inject drugs	1
2 Prevent HIV transmission among populations at risk such as migrants, sea farers, and resort workers	1
3 Increase awareness and knowledge about sexually transmitted infections and HIV among young people	1
4 Expand access and coverage of quality HIV testing and counselling	1
5 Strengthen the prevention and control of sexually transmitted infections	1
6 Strengthen health service capacity to provide quality care, support and treatment for people living with HIV/AIDS	1
7 Strengthen health systems capacity for prevention transmission of HIV and other transduction transmissible infections through blood and blood products	1
8 Strengthen strategic information system for HIV	1
9 Strengthen multisectoral response to HIV/AIDS	1

Indicator ID	Service Delivery Area	Indicator	Indicator formulation	Directly tied (Y/N)	Baseline (if applicable)			Targets (cumulative and including baseline)		Quarterly targets for year 1, 62 (cumulative over the quarters and excluding baseline)								Comments	M&E comments
					Value	Year	Source	Year1	Year2	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8		
1	Supportive environment: Coordination and partnership development (national, community, public-private)	1	Number of NGOs and government ministries involved in planning local responses to HIV prevention needs and care needs of people who use drugs.	Y	4	2008	NNCB	20	30	20	20	20	20	20	30	30	30	Program progress reports	The baseline is not included in the targets
1	Supportive environment: Coordination and partnership development (national, community, public-private)	2	Number of law enforcement officers including judiciary, police and staff of correctional facility trained on both IDU and HIV concerns.	Y	0	Jun-07	NNCB/DPH	50	100	0	0	50	100	100	100	100	100	Program progress reports	Two workshops of 25 each during both 3rd quarter and 4th quarter.
1	Supportive environment: Coordination and partnership development (national, community, public-private)	3	Number of peer educators trained on HIV AIDS risks for drug users and outreach to IDUs, migrants, sea farers and resort workers	Y	0	Jun-07	NNCB	0	45	0	0	0	0	20	20	45	45	Program progress reports	training reports and records of attendance
1	Prevention: SCC - community outreach	4	No of IDUs reached by HIV prevention programme	Y	0	Jun-07	NNCB	0	1250	0	0	0	0	300	1250	1250	1250	Program progress reports	A baseline survey will be undertaken to indicate existing levels of awareness upon which prevention strategy will be modelled. HIV Prevention strategy will include components of training programs and peer education sessions as well as SCC materials for awareness featuring posters, leaflets and publications.

SHE	2	Prevention: BCC - community outreach	5	Number of migrants, sea farers and resort workers reached by HIV/AIDS prevention programme	Y	0	Jun-07		25000	50000						25000		50000	Program progress reports - Service statistics, annually, Behavioral survey, twice.	HIV Prevention programme will focus on using standard BCC modules. Le WHO (IPFF) modules; will also include components of training programs and peer education lessons, as well as a BCC campaign for awareness including posters, leaflets and publications. SHE and FNCR will use where possible, similar survey strategies to establish existing levels of awareness	
	2	Supportive environment: Policy development including workplace policy	6	Number of HIV education sessions held in large enterprises / companies	Y	0	Jun-07	Ministry of health	5	30	0	0	3	5	15	25	30	30	Program progress reports	Indicator reports on HIV Education sessions to be held at large workplaces; additionally SR will advocate to these companies to develop their workplace policies towards HIV/AIDS	
	3	Prevention: BCC - community outreach	7	Percentage of young people 15-24 years of age who both correctly identify ways of preventing the transmission of HIV and who reject the major misconceptions about HIV transmission	Y	10%	2006	Ministry of health & Society for Health & Education	50%	50%				50%				50%	Programme Reports and Key informant survey	BSS will be conducted in Year 1 and 2.	
	3	Prevention: BCC - community outreach	8	Number of teachers trained in participatory life skills based HIV/AIDS education.	Y	0	Jun-07	MOH & SHE	48	112	0	16	32	48	84	80	96	112	Ministry of Health	Strategy is to start with the capital Male where a 1/3 of the population is focused, then branch outwards to regional and at all level schools. Activities to include HIV/AIDS in school curriculum will also take place but will not be reported against this indicator.	
DPH	4	Prevention: Testing and Counseling	9	No of People who receive HIV testing and counseling (including provision of test result)	Y	1%	2006	DPH- MoH	100	400	0	0	50	100	150	200	200	400	Program progress reports	The activity applies to the local population only.	
	5	Prevention: STI diagnosis and treatment	10	Number of people trained in diagnosis and clinical management of STIs	Y	23	2006	DPH- MoH	90	248	0	45	90	90	248	248	248	248	Program progress reports		
	5	Prevention: STI diagnosis and treatment	11	Number of STI cases treated at health care facilities	Y	40	2006	DPH- MoH	80	200				80				200	Hospital Records	Baseline is not included in the targets	
	6	Treatment: Antiretroviral treatment (ARV) and monitoring	12	Number of people receiving ARV treatment	Y	1	2006	DPH- MoH	10	100	1	1	1	10	25	50	75	100	Programme reports & health records from hospitals	TGF is supporting capacity building during Phase 1, ARV will be provided with TGF money once PSM systems are in place. Targets will be revised based on evidence from Year 1.	
	7	Prevention: Blood safety and universal precaution	13	Number of blood units collected through blood donation promotion offers	Y	40	2006	DPH- MoH	30	110	0	10	20	30	50	70	90	110	NBC & RBC		
	7	Prevention: Blood safety and universal precaution	14	Number of clinicians trained on rational use of blood and blood products - RBC and nurses trained in blood transfusion practices	Y	0	Jun-07	DPH- MoH	150	300	0	0	75	150	225	300	300	300	300	Ministry of Health NBC and RBC	
	7	Prevention: Blood safety and universal precaution	15	Number and % of transfused blood units screened for HIV according to national guidelines	Y	100% of 8916	2006	DPH- MoH	8920 (100%)	17840 (100%)				8920 (100%)				17840 (100%)	Ministry of Health	The reporting is done annually.	

1. Put "Y" (yes) if results are directly tied to Global Fund financing, put "N" (no) if targets described for a particular SDA reflect results of a broader national, regional or institutional programme to which Global Fund resources contribute.
 2. There are two exceptional circumstances when these directives are applied differently: a) in certain cases targets are NOT cumulative; b) and the other exception being when baselines are included in targets (e.g. when targets include people on ARV treatment that the GF funding has taken over from already existing programs). Should one or both of these exceptions apply, please specify in the comments field.
 * For other SDA's then listed in the drop down boxes please use the last line where you can input a text. To place the specified SDA under the respective objective, please copy and insert the last line where appropriate.

Summary period budget	Year 1 - 1 Budget Break-down (USD)										Year 2 total Budget (USD)	Indicative budgets (USD)			
	Q1	Q2	Q3	Q4	Year 1 total	Q5	Q6	Q7	Q8	Q9		Year 3	Year 4	Year 5	
TOTALS	702,968	232,145	364,299	313,685	1,613,097	438,443	183,905	229,764	160,475		1,042,588	2,855,685	770,364	660,572	778,335
MR Budget TOTALS					106,278						55,608				
					6.59%						5.33%				

ANNEX A to the PROGRAM GRANT AGREEMENT

Program Implementation Abstract

Country:	Maldives
Proposal Name:	Enhancing Response to HIV/AIDS in the Maldives
Proposal Number:	1369
Program Title:	Enhancing Response to HIV/AIDS in the Maldives
Grant Number:	MIDV-607-G01-H
Disease:	HIV/AIDS
Principal Recipient:	UNDP Maldives



A. PROGRAM DESCRIPTION

1. Background and Summary:

The Maldives is an archipelago of more than 1,200 small islands (200 inhabited to the south-east of India). A lower middle income country, it has a population of over 300,000, and an expatriate migrant labor force of 50,000. At the end of 31 December 2005, a total of 13 HIV cases among Maldivians, and 168 HIV cases among expatriate workers have been reported. Of the 13 HIV-positive cases reported among Maldivians, 10 were sailors, two were the spouses of these sailors, and one was a resort worker who traveled abroad with a foreign tourist. Eleven HIV cases were male. All infections were acquired through heterosexual route of transmission. Compared to many countries in the region it has a very low prevalence of HIV. The challenge for the Maldives is to ensure it remains a low HIV prevalence country in spite of increasing high risk behaviors among some population groups.

2. Goal: to continue to maintain Maldives as a HIV low prevalence country through appropriate preventive and curative interventions.

More broadly the proposal recognises the importance of creating a supportive environment, to ensure not only support for HIV/AIDS initiatives but also to reduce the stigma and discrimination often facing people with HIV/AIDS. The nine objectives identified are:

1. Prevent HIV transmission among young people who inject drugs or are at risk of injecting drugs;
2. Prevent HIV transmission among populations at risk such as migrant, seafarers and resort workers;
3. Increase awareness and knowledge about STIs and HIV among young people;

4. Expand access and coverage of quality HIV testing and counselling;
5. Strengthen the prevention and control of STIs;
6. Strengthen health service capacity to provide quality care, support and treatment for people living with HIV/AIDS;
7. Strengthen health systems capacity for prevention of HIV and other transfusion transmittable infections through blood and blood products;
8. Strengthen strategic information system for HIV; and
9. Strengthen multi-sectorial response to HIV/AIDS.

3. **Target Group/Beneficiaries:**

- People who inject drugs or at risk of inject drugs;
- Migrant and mobile workers;
- Resort workers;
- Seafarers;
- Commercial sex workers; and
- Young people.

4. **Strategies:**

The strategy emphasizes prevention to ensure the Maldives maintains a low prevalence of HIV. Prevention programs have been primarily targeted at those population groups most at risk. This includes people who inject drugs, as well as migrant (50,000 foreign nationals reside in the country at any one time) and mobile workers including resort workers and seafarers, and young people. Some of the most vulnerable groups in society will benefit from the implementation of this proposal. A strengthening of VCT, as well as improving the safety of blood and blood product safety in health care settings is also required.

While significant focus is given to prevention efforts, it is also recognised that more needs to occur to ensure good access to health care services for people with HIV, this includes extending access to antiretroviral treatments for all people who have HIV and are currently working in the country.

5. **Planned Activities:**

Objective 1

- National meetings of key stakeholders to define a basic package of essential intervention elements into interventions targeting drug users.
- Develop an advocacy strategy for promoting evidence-based comprehensive prevention and care programs for drug users.
- Identify opportunities for mainstreaming IDU/HIV concerns into existing training for law enforcement officers including judiciary, police and correctional facility staff and develop and implement training modules as required.
- Set up demonstration sites and define comprehensive package of essential services for IDUs, opioid users and their sex partners.
- Develop peer training program and Conduct peer education outreach sessions with drug users.

Objective 2

- Develop public and private sector partnerships to distribute BCC materials to population at risk.

- Develop HIV /AIDS workplace policy and strategies to protect the health and well-being of their employees, and to support workers who have HIV.

Objective 3

- Develop peer education training program to increase awareness and knowledge on STI and HIV among youth and implement education outreach
- Incorporate AIDS related information into the curriculum of health care workers and support HIV/AIDS education in schools and colleges of higher education.
- Undertake a mass media campaign on prevention of STI and HIV infection.

Objective 4

- Design national comprehensive package for HIV testing and counseling, HIV prevention, care and treatment.
- Establish VCT centers in the Regional Hospitals and train VCT workers and health care providers (doctors, nurses, and auxiliary midwives) in HIV testing and counseling.

Objective 5

- Conduct etiologic and syndromic survey on STIs in the capital Male and Addu Atoll targeting populations at high risk.
- Develop training program for health care workers to undertake syndromic STI case management and syndromic STI recording and reporting.
- Establish systems to enable the referral of all patients diagnosed with an STI to a VCT centre as routine offer of HIV testing and counseling for STI patients.

Objective 6

- Train physicians and nurses on integrated management for adult and adolescent infections (IMAI).
- Procure antiretroviral drugs.
- Develop referral systems for expatriates diagnosed with HIV to be referred to specialist HIV services.

Objective 7

- Improving efficiency and effectiveness of Blood Transfusion Services (BTS) by centralizing and consolidating into one National Blood Centre (NBC) and six Regional Blood Centers (RBC) providing blood safety services to the whole country.
- Increasing the recruitment and retention of voluntary non-remunerated blood donors.
- Improving the quality and efficiency of laboratory services.
- Improving the quality and efficiency of laboratory services.

Objective 8

- Aim to implement one KAP household survey, two biological and behavioral survey of drug surveys, and two biological and behavioral surveys of other priority population groups (seafarers, resort workers and other related risk population groups – this incorporates STI etiologic and syndromic survey outlined in objective five).
- Develop a monitoring and evaluation system for the program.

Objective 9

- Establish HIV/AIDS program management office.

B. CONDITIONS PRECEDENT TO DISBURSEMENT

1. Condition(s) Precedent to First Disbursement (Terminal Date as stated in block 6A 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; and
- 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.

2. Condition(s) Precedent to Second Disbursement (Terminal Date as stated in block 6B of the Face Sheet)

The second disbursement of Grant funds is subject to the satisfaction of each of the following conditions:

- a. the completion of the National Strategy Plan for HIV/AIDS to the degree that the plan clearly informs the current program of the baselines and all targets particularly for PLWHA and those needing ARV treatment;
- b. the delivery by the Principal Recipient to the Global Fund, in form and substance satisfactory to the Global Fund, of the baseline surveys required to adequately determine the outcome and impact indicators for the Program, as specified in the Attachments 1 & 2 to Annex A of this Agreement;
- c. 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;
- d. 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.c);
- e. 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
- f. the written approval of the Global Fund of the Updated M&E Plan and Revised Program Budget (the latter only being applicable if condition e. of this sub-section B.2 is applicable).

3. Condition(s) Precedent to Disbursement for Procurement of Health Products (as defined in Article 18 of the Standard Terms and Conditions) (Terminal Date as stated in block 6C 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 18 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 18 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 Principle Recipient will be allowed under the first disbursement to purchase Health Products related to all Program Objectives but not those of Objective 6: no Health Products related to Anti Retroviral Treatments may be purchased in the absence of the fulfillment of the Condition Precedent to Disbursement for Procurement of Health Products in sub-section B.3 above.

2. By no later than 15 September 2007, the Principal Recipient shall deliver to the Global Fund a plan, in form and substance satisfactory to the Global Fund, for the national coordination of Global Fund financed HIV/AIDS program activities, prepared jointly with all Sub-recipients (the "Coordination Plan"). This Coordination Plan shall outline the methods and mechanisms established to enhance information sharing, program implementation, mutual cooperation and accountability of Sub-recipients.

3. By no later than 15 September 2007, the Principal Recipient shall have organized and completed in conjunction with the UN Theme Group members of the Maldives a plan outlining the coordination methods and mechanisms established to enhance information sharing, national program implementation, mutual cooperation and accountability (the "UN Plan") and shall deliver this UN Plan to the Global Fund, in form and substance satisfactory to the Global Fund.

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 for the Program shall be *semi-annually* starting from the Phase 1 Starting Date.

F. PROGRAM BUDGET

The following budget sets out anticipated expenditures for the Program term.

Component Budget summary

	Year 1 (USD)	Year 2 (USD)	TOTAL (USD)	%
Human Resources	467,850	487,700	955,550	36
Infrastructure & Equipment	67,600	3,900	71,500	3
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Drugs	43,289	43,289	86,578	3
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Information, Education and Communication	147,000	41,900	188,900	7
Monitoring & Evaluation	106,279	55,609	161,888	6
TOTAL	1,613,097	1,042,588	2,655,685	100

Program Details

Maldives
HIV/AIDS
MDY-697-G01-11
UNDP

1 Jul 07- 30 Sep 07	1 Oct 07- 31 Dec 07	1 Jan 08- 31 Mar 08	1 Apr 08- 30 Jun 08	1 Jul 08- 30 Sep 08	1 Oct 08- 31 Dec 08	1 Jan 09- 31 Mar 09	1 Apr 09- 30 Jun 09
15-Nov-07	15-Feb-08	15-May-08	15-Aug-08	15-Nov-08	15-Feb-09	15-May-09	15-Aug-09
1-Jul-07	15-Feb-08	N/A	15-Aug-08	N/A	15-Feb-09	N/A	15-Aug-09
D1	D2	N/A	D3	N/A	D4	N/A	N/A

Annual Report Final Submission Date:	30 June 2008	30 June 2009
Audit Report Final Submission Date:	30 June 2008	30 June 2009

1 To prevent transmission of HIV and sexually transmitted infections

Impact indicator	1	% of young women and men aged 15-24 who are HIV infected	Not available	Jun-08	Baseline to be established														
Impact indicator	2	% of IDUs who are HIV infected	Not available	Jun-08	Baseline to be established														Baseline are to be established in Year 1.
Outcome indicator	3	% of CSWs reporting condom use with every client in the last month :	Not available	Jun-08	Baseline to be established														Targets for year 2, 3, 4 and 5 will be set based on the findings of the baseline survey.
Outcome indicator	4	% of IDUs reporting not having shared non-sterile injecting equipment	Not available	Jun-08	Baseline to be established														
Outcome indicator	5	% of young people aged 15-24 reporting the use of a condom the last time they had sex with a non-regular sexual partner	Not available	Jun-08	Baseline to be established														

1	Prevent HIV transmission among young people who inject drugs or are at risk to inject drugs																		
2	Prevent HIV transmission among populations at risk such as migrants, sex farmers, and resort workers																		
3	Increase awareness and knowledge about sexually transmitted infections and HIV among young people																		
4	Expand access and coverage of quality HIV testing and counselling																		
5	Strengthen the prevention and control of sexually transmitted infections																		
6	Strengthen health service capacity to provide quality care, support and treatment for people living with HIV/AIDS																		
7	Strengthen health systems capacity for prevention transmission of HIV and other transfusion transmissible infections through blood and blood products																		
8	Strengthen strategic information system for HIV																		
9	Strengthen multisectoral response to HIV/AIDS																		

NINCB with Journey	1	Supportive environment: Coordination and partnership development (national, community, public-private)	1	Number of NGOs and government ministries involved in planning local responses to HIV prevention needs and care needs of people who use drugs.	Y	4	2006	NINCB	20	30	20	20	20	20	30	30	30	Program progress reports	The baseline is not included in the targets	
	1	Supportive environment: Coordination and partnership development (national, community, public-private)	2	Number of law enforcement officers including judiciary, police and staff of correctional facility trained on both IDU and HIV concerns.	Y	0	Jun-07	NINCB/OPH	50	100	0	0	50	100	100	100	100	Program progress reports	Two workshops of 25 each during both 3rd quarter and 4th quarter.	
	1	Supportive environment: Coordination and partnership development (national, community, public-private)	3	Number of peer educators trained on HIV AIDS risks for drug users and outreach to IDUs, migrants, sex farmers and resort workers	Y	0	Jun-07	NINCB	0	45	0	0	0	0	20	20	45	45	Program progress reports /training reports and record of attendance	
	1	Prevention: BCC - community outreach	4	No of IDUs reached by HIV prevention programme	Y	0	Jun-07	NINCB	0	1250	0	0	0	0	300	1250	1250	1250	Program progress reports /Service statistics, Behavioral survey, twice.	A baseline survey will be undertaken to indicate existing levels of awareness; upon which prevention strategy will be modelled. HIV Prevention strategy will include components of training programs and peer education sessions as well as BCC materials, for awareness featuring posters, leaflets and publications.

SHE	2	Prevention: BCC - community outreach	5	Number of migrants, sex workers and resort workers reached by HIV/AIDS prevention programme	Y	0	Jun-07		25000	50000							25000		50000	Program progress reports Service statistics, annually. Behavioral survey, twice.	HIV Prevention programme will focus on using standard BCC modules. Le WHO IPFF modules will also include components of training programs and peer education sessions, as well as a BCC campaign for awareness featuring posters, leaflets and publications. SHE and NHCBS will use where possible, similar survey strategies to establish existing levels of awareness
	2	Supportive environment: Policy development including workplace policy	6	Number of HIV education sessions held in large enterprises / companies	Y	0	Jun-07	Ministry of health	5	30	0	0	3	5	15	25	30	30	30	Program progress reports	Indicator reports on HIV Education sessions to be held at large workplaces; additionally SR will advocate to these companies to develop their workplace policies towards HIV AIDS
	3	Prevention: BCC - community outreach	7	Percentage of young people 15-24 years of age who both correctly identify ways of preventing the transmission of HIV and who reject the major misconceptions about HIV transmission	Y	10%	2006	Ministry of health & Society for Health & Education	50%	50%				50%					50%	50%	Programme Reports and Key Informant survey
DPH	3	Prevention: BCC - community outreach	8	Number of teachers trained in participatory life skills based HIV/AIDS education.	Y	0	Jun-07	MOH & SHE	48	112	0	16	32	48	64	80	96	112	112	Ministry of Health	Strategy is to start with the capital Male where 1/3 of the population is focused, then branch outwards to regional and self level schools. Activities to evaluate HIV/AIDS in school curriculum will also take place but will not be reported against this indicator.
	4	Prevention: Testing and Counseling	9	No. of People who receive HIV testing and counselling (including provision of test result)	Y	1%	2006	DPH-MoH	100	400	0	0	50	100	150	200	200	400	400	Program progress reports	The activity applies to the local population only.
	5	Prevention: STI diagnosis and treatment	10	Number of people trained in diagnosis and clinical management of STIs	Y	23	2006	DPH-MoH	90	248	0	45	90	90	248	248	248	248	248	Program progress reports	
	5	Prevention: STI diagnosis and treatment	11	Number of STI cases treated at health care facilities	Y	40	2006	DPH-MoH	80	200				50				200	200	Hospital Records	Baseline is not included in the targets
	6	Treatment: Antiretroviral treatment (ARV) and monitoring	12	Number of people receiving ARV treatment	Y	1	2006	DPH-MoH	10	100	1	1	1	10	25	50	75	100	100	Programme reports & health records from hospitals	TGF is supporting capacity building during Phase 1. ARV will be provided with TGF money once PSM systems are in place. Targets will be revised based on evidence from Year 1.
	7	Prevention: Blood safety and universal precaution	13	Number of blood units collected through blood donation promotion officers	Y	40	2006	DPH-MoH	30	110	0	10	20	30	50	70	90	110	110	NBC & RBC	
	7	Prevention: Blood safety and universal precaution	14	Number of clinicians trained on rational use of blood and blood products - RBC and nurses trained in blood transfusion practices	Y	0	Jun-07	DPH-MoH	150	300	0	0	75	150	225	300	300	300	300	Ministry of Health NBC and RBC	
7	Prevention: Blood safety and universal precaution	15	Number and % of transfused blood units screened for HIV according to national guidelines	Y	100% of 8916	2006	DPH-MoH	8920 (100%)	17840 (100%)									8920 (100%)	17840 (100%)	Ministry of Health	The reporting is done annually.

1. Put "Y" (yes) if results are directly tied to Global Fund financing, put "N" (no) if targets described for a particular SDA reflect results of a broader national, regional or institutional programme to which Global Fund resources contribute.

2. There are two exceptional circumstances when these directives are applied differently: a) in certain cases targets are NOT cumulative; b) and the other exception being when baselines are included in targets (e.g. when targets include people on ARV treatment that the GF funding has taken over from already existing programs). Should one or both of these exceptions apply, please specify in the comments field.

* For other SDAs than listed in the drop down boxes please use the last line where you can input a text. To place the specified SDA under the respective objective, please copy and insert the last line where appropriate.

702,968	232,145	364,299	313,685	1,613,097	438,443	193,906	229,764	180,475	1,042,548	2,866,886	770,364	660,572	779,335
				106,276					55,808				
				6.5%					5.3%				