On-going Progress Update and Disbursement Request and LFA On-going Progress Review and Disbursement Recommendation

In completing this report, please refer to the detailed "Guidelines for completing the PR "ongoing progress update and disbursement request", and LFA "ongoing progress review and disbursement recommendation"

During the lifetime of a grant, the Global Fund periodically disburses funds to the Principal Recipient (PR) based on demonstrated program performance and financial needs for the following period of implementation.

The PR's ongoing progress update and disbursement request (PU/DR) is both a progress report on the latest completed period of program implementation and a request for funds for the following period of implementation. Its purpose is to provide an update of the programmatic and financial progress of a Global Fund-financed grant, as well as an update on fulfillment of conditions precedent, management actions and other requirements. The PU/DR, alongside the Local Fund Agent (LFA) ongoing progress review and disbursement recommendation (short-form: LFA-verified PU/DR), forms the basis for the Global Fund's disbursement decision by linking historical and expected program performance with the level of financing to be provided to the PR.

One Excel file contains both the PR's PU/DR and the LFA-verified PU/DR. The PR should only complete the worksheets of the file pertaining to the PU/DR (the worksheet tabs color-coded in green), whereas the LFA should complete the worksheets of the file pertaining to the LFA-verified PU/DR (the worksheet tabs color-coded in blue). The Excel file also includes a reference checklist of supporting documents for the PU/DR review (the worksheet tab color-coded in yellow). This checklist is included for information and not for completion. The PU/DR should be completed by the PR of a Global Fund grant for every period in which a progress update is required, usually either on a quarterly, semiannual or annual basis, regardless of whether or not a disbursement is being requested. Once a year, the PR is expected to submit the Enhanced Financial Report (EFR) as part of the PU/DR (there is a dedicated tab for EFR in the Excel file).

The PR is required to submit the PU/DR to the LFA within 45 calendar days from the closing date of the relevant progress update period when the report does not contain the EFR (as indicated in the performance framework of Annex A of the grant agreement) and within 60 calendar days when the report contains the EFR (once a year).

The LFA should complete and submit a signed copy of the LFA-verified PU/DR to the Global Fund within ten working days after receiving the final signed version of the PU/DR from the PR and within 13 working days when the PU/DR report contains the EFR (once a year), unless agreed otherwise with the FPM (The LFA does not need to submit original/hard copies of each PU/DR reports. However, these documents should be available at the LFA's offices for any audit/reviews. Also, the LFA should be ready at all times to submit these originals to the Secretariat upon request). In this report the LFA should provide an analysis and comments based on verification of the PR-reported information, document grant risks and recommendations for improving program implementation, and finally, provide a performance rating to the grant and disbursement recommendation for the Global Fund's consideration. In defining the performance rating and recommending a disbursement amount, the LFA should use the Grant Rating Methodology of the Global Fund (as described in Annex 2 and communicated at various regional meetings and LFA training events) along with the Excel version of the Grant Rating Tool (to be provided to LFAs) to support the calculation of Indicator Rating.

Upon completion, this form should be submitted (with supporting documentation) to the Local Fund Agent and copied to the Global Fund.

On-going Progress Update and Disbursement Request

GENERAL GRANT INFORMATION

Country:	Kyrgyz Republic
Disease:	Tuberculosis
Grant Number:	**KGZ-S10-G08-T**
Principal Recipient:	UNDP Kyrgyzstan
Program Start Date:	1-Jan-2011
Currency:	USD

PROGRESS UPDATE

Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			

DISBURSEMENT REQUEST

Disbursement Request - Disbursement Period:	Cycle:	Annual	Number:	8
Disbursement Request - Period Covered:	Beginning Date:	1-Jan-2015	End Date:	31-Dec-2015
Disbursement Request - Number:	7			

Section 1: Programmatic Progress

Note: The table below should contain those Impact/Outcome indicators that are (1) due for reporting during the current year of a grant and (2) those reporting on which is overdue from the previous periods.

A. Impact / Outcome Indicators

Impact / Outcome	Indicator Description	Baseline (if applicable)		Year of Target	Intended Target	Report Due Date	Actual Result	Data Source of Results	Comments on results on Impact/Outcome indicators and data sources, and any other comments
		Value	Year						
Impact	TB mortality rate (Number of registered deaths due to TB (all cases per year per 100 000)	9	2009	2013	8	14 Aug- 2014	N/A	R&R system	
Outcome	Notification rate for new smear positive TB cases : new smear positive TB cases notified to the National Health authorities during a specified period per 100 000 population	32	2007	2013	32	14 Aug- 2014	N/A	R&R system	
Outcome	Notification rate for all forms of TB cases (including new smear positive, smear negative, extrapulmonary and relapses) notified to the National Health authorities during a specified period per 100 000 population	109	2009	2013	104	14 Aug- 2014	N/A	R&R system	
Outcome	Treatment success rate among new smear positive TB cases: new smear positive TB cases successfully treated (cured plus completed) out of those new smear positive TB cases notified to the Health authorities during specified period (number and percentage)	82%	Apr/08-march 09	2012	83%	14 Aug- 2014	N/A	R&R system	
Outcome	Treatment success rate, laboratory confirmed MDR TB cases successfully treated(cured plus completed) among those enrolled in second-line treatment during the year of assessment (number and percentage)	50%	2007	2010	56%	14 Aug-2014	N/A	R&R system	
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On-going Progress Update and Disbursement Request

PROGRESS UPDATE PERIOD

Grant number:	KGZ-S10-G08-T			
Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			

Note: All programmatic indicators contained in the current Performance Framework should be listed, regardless of whether there are targets/results for the period covered by the Progress Update or whether the targets have been met in previous periods.

B. Programmatic Indicators

Objective No.	* Indicator No.	Indicator Description	Tied To	Targets cumulative?	Top 10 indicator?	Baseline (if applicable)		Intended Target to date	Actual Result to date	% achievement (Please calculate as appropriate)	Reasons for programmatic deviation from intended target and deviations from the related workplan activities
						Value	Year				
1	1	Number of new bacteriologically confirmed TB cases notified to national health authority	National Program	Y-cumulative annually	Yes - Top 10	1 720	2007	1782	1849	104%	The National TB data reports 1849 new bacteriologically confirmed TB cases, notified to the health authorities in 2014. Of them female represent 805 and male-1044 cases. The civilian health sector contributes 1809 of them and the rest 40 cases relate to prisons. The good performance of indicator was contributed by such the GF funded resources , provided to the National TB program as TA, lab. reagents and consumables, training of the medical staff, and motivation payments on the basis of the performance based approach. The important support to laboratories arrives from FIND, SNL and KfW as well.
1	2	Number of TB cases (all forms, new and relapses) notified to national health authority	National Program	Y-cumulative annually	Yes - Top 10	6 329	2005	5662	6390	113%	A total number of all TB cases, reported by NTP in 2014 was at 6390 against 5662 targeted. The absolute number consists of 1849 new bacteriologically confirmed, 2407 new smear negative,1624 extrapulmonary and 510 relapse cases. Of them the male gender is represented by 3 619 cases and female by 2771 . The civilian health sector contributed 6233 cases, and the rest 157 relate to prisons. The indicator of all TB cases notified was performed at 113 %. This good performance was contributed by such the GF funded resources, provided to the National TB program as TA, lab. reagents and consumables, training of the medical staff and the motivation payments on the basis of the performance based approach. The important support to the laboratories arrives from FIND , SNL and KfW as well.
1	3	Number and per cent of new smear positive sensitive TB cases that are successfully treated	National Program	Y-cumulative annually	Yes - Top 10	82% (1 531 / 1 871)	Apr, 08-Mar, 09 cohort	84%(1452/1728)	81,2%(1096/1349)	97%	Of 1670 new smear positive TB cases, reported by NTP for Y2013, 1349 were assessed by NTP for outcomes. The rest 321 cases were either reconsidered for their TB diagnosis, or on the basis of their drug resistance profile were transferred to the DR-TB register (according to the new WHO definitions).Thus, the treatment success rate among the new smear positive cases, registered in 2013 was reported at 81,2% (1096 out of 1349). Prison health sector achieved 84,6 % (22 out of 26), civil sector - 81.2% (1074 out 1323). We highlight that for the first time of the grant, the results of the prison and civilian sectors were equal. Previously the prison sector used to demonstrate the significantly lower outcomes. The overall indicator was achieved at 97%.
2	4	Number of laboratory confirmed MDR/ XDR/RR-TB patients enrolled on second line anti-TB treatment (in both civil and penitentiary sectors)	Current grant	Y-cumulative annually	Yes - Top 10	380	2008	720	869	121%	During the reporting period the National TB program commenced treatment with drugs procured by UNDP, using the GF funds 842 MDR and 27 XDR patients. This number consists of 831 patients of civilian and 38 of prison health sectors. The gender distribution of MDR/XDR patients, enrolled on treatment, consist of 299 female and 570 male cases. Using the stock of drugs from patients who died as well as those who defaulted, NTP was able to cover with treatment additional 30 PDR patients, not reflected in this PF.
2	5	Interim result: culture conversion of MDR-TB/XDR/RR cases at six months: MDR/XDR/RR-TB cases initiated on a second-line treatment who have a negative culture at the end of six months of treatment during the specified period of assessment	Current grant	N-not cumulative	No	73,5% (86/117)	Q3-4,2011	76%	74,30%	98%	The culture conversion rate at six months of MDR/XDR treatment was at 74,3% among the patients, registered in 4-Q 2013 and 1-Q 2014 (631/849). The culture conversion rate among the MDR patients was at 75 % (615/820) and at 55,2 % (16/29) among the XDRs. The indicator have achieved the target at 98%.
2	6	Number of MDR/XDR/RR-TB patients on treatment receiving patient support (food, hygiene packages, money allowances) for better adherence to treatment- includes inpatient and outpatient treatment	Current grant	N-not cumulative	No	380	2008	1295	1227	95%	The motivation support has been provided to 1227 MDR/XDR/RR-TB patients.1192 of them received money allowances, 15 dairy products and 20 food parcels. The distribution of the motivation support to patients is based on the performance based approach and only those, not missed any dose or missed not more than 2 per month, eligible for motivation support. The gender distribution includes 461 female and 766 male cases. In addition motivation support was provided to 132 sensitive patients in the psychiatric TB hospital Chym- Korgon, and pediatric TB hospitals Archaly and Cholpon- Ata (it not reflected in the indicator). Also, the motivation support was provided to 52 PDR patients on the SLD (not reflected in the indicator).
2	7	Number TB service staff trained in DR-TB management locally and number of nurses trained for provision of DR-TB treatment adherence counselling.	Current grant	Y-cumulative annually	No	75	2004-2008	61	92	151%	7 local trainings were conducted and 92 medical staff trained in Y2014. The number of the staff trained, includes 75 female and 17 male. Trainings involved 18 lab. specialists, 43 PHC nurses and 31 TB doctors. Indicator was performed at 151 % as the budget allocation allowed to involve the additional participants.
2	8	Number of MDR/XDR/RR-TB patients counselled and trained on DR-TB treatment during the inpatient treatment phase.	Current grant	Y-cumulative annually	No	-	2008	648	816	126%	816 patients were trained on adherence to treatment during the in patient phase of treatment in 3-4 Q of 2014. Out of the total number of patients trained, 269 were female and 547- male. The high indicator performance stems directly from the overachieved indicator of enrollment into the treatment. These patients are then available for counseling and training, and then seen in the indicator of the coverage with the educational sessions.

2	9	TB cases with result for drug susceptibility testing: TB cases with results for diagnostic DST for MDR-TB among those eligible for drug susceptible testing according to national policy	National Program	N-not cumulative	No	0	2011	55%	91,7% (1377/1502)	167%	a) The indicator is reported the first time and the data was collected manually and using the paper reporting forms. The electronic data base, which is necessary to routinely to monitor and report this indicator is still not in place. b) The data for this indicator was collected from the oblasts TB 03 registers c) The DST results were collected from solid media method. d) Numerator is the number of new and re-treatment bacteriologically positive TB cases with recorded DST results (in TB form 3) Denumerator is the number of eligible new and re-treatment bacteriologically confirmed cases registered during the reporting period. e) The represented data reflects the cases, registered in 1-2 Q 2014
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*** Indicator No. should correspond to the indicator number listed in the approved Performance Framework of the grant (1.1, 1.2, etc.)**

C. Analysis of data quality and reporting issues

(!) This section should contain (1) a summary of issues related to data quality and reporting on programmatic indicators, and any relevant issues which are not covered in 'Reasons for programmatic deviation', and (2) remedial actions that are underway or planned to address these issues.

Inaccuracy and incompleteness of the TB programmatic data is still an issue. Electronic database, which is being developed by Project HOPE under the GF TB grant is pending. The National recording and reporting system continue to be the paper based and manually collected. This factor together with the high turnover of the trained staff contributes to the issues with accuracy of the data. Improvement is expected, when the electronic data base finalized and implemented. The new WHO definitions are to be implemented yet. UNDP continues undertake regular M&E visits, participated with national and regional TB specialists, providing technical input and advices to NTP, on spot verifying and cross checking the accuracy of the reports.

On-going Progress Update and Disbursement Request

PROGRESS UPDATE PERIOD

Grant number:	KGZ-S10-G08-T				
Progress Update - Reporting Period:	Cycle:	Semester	Number:	8	
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014	
Progress Update - Number:	8				

Section 2: Grant Management

A. PR COMMENTS ON THE FULFILLMENT OF CONDITIONS PRECEDENT AND/OR SPECIAL CONDITIONS UNDER THE GRANT AGREEMENT

! Please include in this table the CP number as per Grant Agreement and full text of CPs and/or other special conditions due for fulfilment during this period or outstanding from previous periods.
! Some Special Conditions may apply to more than one period of grant implementation. Their fulfilment during one period does not automatically imply fulfilment in subsequent periods. The LFA should verify that the status of such conditions is reported by the PR during each period concerned.

Conditions Precedent and/or other special conditions	Status	PR Comments on Progress of Implementation
Conditions Precedent to Disbursement of Grant funds to finance the procurement of the second-line Anti TB drugs (Terminal Date as stated in block 6A of the Face Sheet)	Select	
Unless otherwise duly notified by the Global Fund in accordance with its applicable policies, prior to the disbursement by the Global Fund to the Principal Recipient of relevant Grant funds to finance the procurement of second-line anti-tuberculosis drugs, the Principal Recipient shall make available to the Global Fund, in form and substance satisfactory to the Global Fund, the following:	Select	
a. A current detailed multi- drug resistant tuberculosis ("MDR-TB") expansion plan (including the number of MDR TB patients to be treated and the list and quantifications to be procured for the MDR TB program, reflecting the principal Recipient's finalized forecast for the grant implementation period covered by the Grant agreement) and the National guidelines for programmatic management of MDR TB, both of which have been developed in collaboration with appropriate stakeholders and	Met	The National MDR TB plan for 2013-2016 was developed by the group of the national and international experts and endorsed by MoH February 2013. UNDP shared it with the Global Fund 21 May 2013. UNDP provided Global Fund with the WHO estimate of the number of MDR TB patients in the country.
b. For each Disbursement Request that includes funds for the procurement of MDR-TB medicines the Principal Recipient shall deliver to the Global Fund written confirmation of the price estimates and quantities of the second-line anti- tuberculosis drugs that will be procured from the Green Light Committee/ Global drug Facility procurement agent by the Principal recipient in accordance with the approval by the Green Light Committee referred to in Special Condition 6 of this annex A	Met	After the endorsement of the given condition of the GF, UNDP has established the strict operational rule to look the GF approval of prices and quantities for the to be procured SLD. For the time being non SLD order is possible without the GF confirmation. UNDP procures drugs through the GDF and this ensures them to arrive from the WHO prequalified sources.
C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT	Select	
2. By no later than 31 December 2013 the Principal Recipient shall establish to the satisfaction of the Global Fund that the grant program activities are aligned appropriately with the TB Strategy 2012-2016. If the Global Fund considers that the grant program activities are not appropriately aligned, then the Global Fund may require relevant changes to the program. The fulfillment of the Special Condition on the alignment of GF grant activities with the TB Strategy 2012-2016 was postponed to 15 October 2014. Yet, we still have not received the amended Strategy. I would like to draw your attention to the need to have a comprehensive Strategy in place by 30 January 2015 when the Concept note will be submitted to the Global Fund,	Unmet - In Progress	The process of NSP revision has been completed in December 2014 under the facilitation of the WHO. The document have been submitted to the MoH for comments and re-submitted mid January after the MoH comments have been addressed. WHO is leading the final discussion with MOH and the document is pending approval. The most recent version of the NSP was shared with GF as part of the documents for submission of the Concept Note. The final document will be shared upon approval.
3. The Principal Recipient shall cooperate with the relevant office of the Green Light Committee (the "GLC") in the GLC's efforts to provide support to the Principal Recipient with respect to the implementation, management and monitoring of the MDR-TB-related services provided in-country and any needed scale-up of such services. Accordingly, the Principal Recipient shall budget and authorize the Global Fund to disburse up to a maximum of US$ 50,000, or a lower amount as agreed with GLC and the Global Fund, each year to pay for GLC services.	Met	Transfer to Green Light Committee is paid by the Global Fund directly on behalf of the PR.
4. By no later than 31 August 2013, the Principal Recipient shall consult with and support the Ministry of Health and relevant in-country stakeholders with the goal to develop by 1 January 2014 an action plan to prevent sales of anti-TB medicines without prescription. The Special Condition related to the sale of anti-TB drugs without prescription is also pending fulfillment although the sale of anti-TB drugs without prescription is reflected in the Plan for Implementation of the National drug policy strategic document for 2014-2020 (approved by the Kyrgyz Government Decree # 376, dated 8 July 2014), the mechanisms of its enforcement are not clear. This is why the Global Fund Secretariat recommends to find resources in the current TB grant for conducting joint surprise inspection visits with the relevant services of the Ministry of Health to assess anti-TB drug sale without prescription in the pharmacies across the country.	Met	The regulation of the drug market stands beyond the scope of this grant, which is for the drug resistant TB detection and treatment and being implemented by UNDP. Besides, the regulation of the drug market is not reflected in the workplan and budget under the grant. However, UNDP have invested significant time and efforts, supporting the National Programme, including consultation and support of the Ministry of Health and relevant stakeholders toward an action plan to prevent sales of the anti TB medicines without prescription. As requested by the GF, UNDP initiated the process, consulted and supported partners, and have prepared the background for the partner organizations and technical agencies to take over and lead the process until the document is ready and approved. Although MoH demonstrates the readiness and willingness to follow the recommendations and to establish mechanisms, regulating the market of the TB drugs, it's mandate doesn't cover the supervision and regulation of the pharmacies. This falls under Regulations for business. Also, MoH can not establish limitations to drugs which are not registered in the country. At the moment almost all the TB drugs are procured using the GF funds and being imported through the mechanism of the humanitarian aid, not requiring the registration. As the Management letter for the period 1 July-31 December 2013 states, that the "Principal recipient shall consult with and support the Ministry of Health and relevant stakeholders with the goal to develop by 1 January 2014 an action plan to prevent sales of the anti TB medicines without prescription", UNDP has taken the following action to consult and support the MoH and the in- country stakeholders: (1) hold series of meetings with Department of the Drug policy of the MoH and lobbied them the plan to prevent the non- prescribed sale of the TB drugs. UNDP also conducted the awareness campaign, explaining this management action to the health authorities and requesting to take action toward making it happen through sending the official letters to the Minister of Health, Deputy Minister of Health and NTP director (2) UNDP have requested the MoH to establish the working group, aimed at developing the action plan to prevent sales of anti TB drugs. The interagency working group was established under the leadership of the Deputy Minister of Health and on the basis of the MoH order # 603. (3) UNDP has lobbied the writing group of the National MDR plan for 2013-2016 to reflect the prevention of the sales of the anti TB drugs as part of this plan under leadership of WHO. The document was endorsed, stating, that in Q 2-3, 2013 the prevention of sale of the TB drugs without prescription should have been introduced into the agenda of the Parliament hearings. WHO are in the process of preparing an update of the status of this plan. (4) UNDP signed the IC contract with the Drug manager of NTP as part of the NTP management group, supporting the DR TB grant. UNDP included into the ToR of this specialist the responsibility to contribute into the process of developing the plan of prevention of non- prescribed sale of TB drugs on behalf of NTP (5) UNDP continues to actively participate and to contribute to the meetings of the interagency working group. At the moment discussion of this interagency working group is at the stage of looking for mechanism which will be effective to control the sale of TB drugs in the level of pharmacies. (6) The funds for training of 20 epidemiologists on drug management have been secured and included into the Y2015 budget reprogramming as well as the funds for IC contracts to be signed with epidemiologists to conduct the surprise inspections of the pharmacies. The request for budget reprogramming is pending approval by the Global Fund. (7) A letter requesting the permission to train epidemiologists on drug management and to conduct the surprise inspections of the pharmacies by IC epidemiologists have been sent to the MoH. The official response of MoH, saying the drug management is beyond the scope of the responsibilities of the epidemiologists. It also states that the surprise inspections of the business are against the Governmental decree. This correspondence has been shared with GF FPM. (8) UNDP have mobilized the GDF as well, who agreed to arrange a teleconference with MoH and WHO on the matter of the plan on prevention of the sale of TB drugs without prescription. The final report on the review of the situation on the regulation of the TB drugs market, which was promised by the GF in the Management dated 26 June 2013, is not available.
	Select	
	Select	

Section 2: Grant Management

C. REVIEW OF PROGRESS FOR IMPLEMENTATION OF GOI STANDING MANAGEMENT ACTIONS FROM PREVIOUS DISBURSEMENTS

! Please list all issues raised in the last Management Letter from the Global Fund or outstanding from previous Management Letters, and comment on the progress. Please include the date of the management letter and the item number.

Global Fund Management Actions	PR Comments on Progress of Implementation
Global Fund Secretariat recommends UNDP Program Implementation Unit to secure funds for thorough inspections of drug management at peripheral levels, in cooperation with the Sanitary Epidemiological Service. Also, funding should be provided for conducting joint surprise inspection visits with the relevant sendees of the Ministry of Health to assess anti-TB drug sale without prescription in the pharmacies across the country.	The funds for training of 20 epidemiologists on drug management have been secured and included into the 2015 budget reprogramming as well as the for IC contracts to be signed with epidemiologists to conduct the surprise inspections of the pharmacies. The request for budgot reprogramming is pending approval by the Global Fund. The letter, requesting permission to train epidemiologists on drug management and to conduct the surprise inspections of the pharmacies by IC epidemiologists have been sent to the MoH. The official response of MoH, saying the drug management is beyond the scope of the responsibilities of the epidemiologists and that the surprise inspections of the business are against the Governmental decree have been received.
Financial management : From a financial perspective, the grant has spent 78.7 per cent of its budget for the progress update period and 89 per cent of its cumulative budget. The cumulative variance of USD 4.5 million is due to following main reasons: 1) Delays in executing the procurement of medicines and pharmaceutical products resulted in underspending of funds in the amount of USD 3,1 mln; 2) Related to the above, the PSM cost category has been underspent by USD 368k; 3). Delays with accrual and payment of UNDP general management fee of 7% in the amount of USD 486k, 4) Delays in procuring health products and equipment resulted in underspending of funds in the amount of USD 124k	1) The Management Letter for the period of January- June 2014 states that 'delays in executing the procurement of medicines and pharmaceutical products resulted in under-spending of funds in the amount of USD 3.1million." However, as stated in our letter dated 3 February 2015, all medicines and pharmaceutical products have been procured in good time. In line with UNDP policies, funds need to be budgeted and received before drug orders are placed. However, Global Fund accounting policies require that actual payments are only recorded as expenditure once payment is made. This is after the drugs have been received, which may be months, or even a year after the purchase order is issued and after the period that funds were budgeted for. This cash outflow is then shown as expenditure in the PUDR. We present a summary of the information presented in the PUDR which detailed the situation. Commitments for drugs on order, but goods not yet received, so payment not made- 2.975,819 Orders originally planned to June 2014, but now rescheduled - 27,787 Efficiencies achieved in procurement process, savings made and a request sent to GF to reprogramme funds - 117,721 Total: 3,121,327 As the information above shows, orders are placed as planned and the significant underspend of USD 2,975,819 relates to liabilities not shown through the Global Funds Policy of cash accounting. Only the amount of USD27,787 relates to changes in the timing of procurement. 2) The letter also states that the "PSM cost category has been underspent by USD368K. As clearly stated in the PUDR $363,469 of the $367,979 has been committed as it relates to the associated costs of procurement of drugs in (a) above. Since the PSM costs are often only invoiced and paid for on receipt of the goods, there are shown as committed by UNDP, but will only be shown as expenditure in the PUDR once the payment has been made. 3) The letter also states that there were "delays with accrual and payment of UNDP general management (GMS) fee of 7% in the amount USD 486k". As Global Fund is aware, GMS is only charged once goods are delivered, cleared and paid. 4) Further the letter states that "delays in procuring health products and equipment resulted in underspending of funds in the amount of USD 124K". As requested by Global Fund, UNDP was tasked to prioritize funds for drugs. This repeated request was made in view of the critical need for funding for MDR TB drugs in 2015. In line with this request UNDP suspended the procurement and installation of UV-fixtures and lamps for infection control to maximise funding available for drugs. This responsiveness to Global Fund requests should be commended and cannot be viewed as a rationale for downgrading grant performance. We have not received any issues raised by the LFA during PU verification on the variance analysis, and will be pleased to provide further details of specific variances upon request. To facilitate the comprehensive response to LFA queries, we have kindly asked the LFA to channel all queries through our Programme Manager. In addition, detailed debrief sessions with the LFA will help to avoid misunderstandings.
1) "Pharmaceutical & health product management (management letter dated 25 June 2014, # 2) Both PR and GF already make significant efforts in addressing the ""Good Storage Practices"" issues. E.g. the GF is currently hiring PSM consultant who will help develop a comprehensive approach to PSM strengthening. We acknowledge that there are limited funds for the PR to conduct this work and that PR has already been developing certain relevant measures. All the issues and recommendations below are to be raised during the upcoming NTP mission with MOH, WHO, NTP, CCM and partners.	
i. The PRs together with the NTP should determine whether there is a recent assessment of all areas where TB medicines are stored and managed, which is based on the WHO recommended standards for ""Good Storage Practices"" and should develop a plan, with clear timelines, to address all weaknesses identified. If no such assessment exists, the PRs together with the NTP should develop a plan, with clear timelines, to assess all storage/dispensing areas and to address all weaknesses identified.	The international PSM expert has been contracted by UNDP for supply chain assessment (including storage) at the central and oblast levels. Based on the expert's recommendations UNDP developed a list of needs for storage improvement at the central and oblast levels. In 2014 UNDP logistics unit conducted a new round of monitoring visits to oblast TB centers in order to get updated on the needs for further improvement. Based on findings of these visits, UNDP prepared a list of needs to further improve the drug storage conditions of 2 oblast pharmacies in Bishkek and Naryn cities, which are being renovated and will be finalized by mid of March 2015. In addition 20 pharmacy refrigerators, supplied in 2013 to the oblast MDR wards. Necessary equipment (air conditioner, thermometer/hydrometers for room temperature/humidity monitoring and for refrigerator temperature/humidity monitoring, fire extinguishers, shelves) has been procured in 2014 and two air-conditioners will be procured upon finalization of renovation works of the above pharm storages. Despite significant efforts already done in the oblast level, the areas for improvement, demanding considerable funding, still exist (pharmacies in Jety-Oguz, Talas). Renovation works are planned to be undertaken in Talas . Unfortunately, there are no funds available for Jety-Oguz site, as due to high volume of works.
ii. The PRs together with the NTP should determine how they will improve recording and reporting of TB medicines at all levels and report back to the Global Fund.	As discussed during the recent GF mission, UNDP works to support NTP to implement the national programme, but the responsibility for implementation of the national programme remains with NTP. In September 2011 UNDP organized workshops in Bishkek and Osh cities to train the staff of SR organizations on stock management. In cooperation with the PSM Consultant UNDP has elaborated "Guidelines for the storage of goods provided by the Global Fund", including annexes on temperature monitoring and stock cards etc. LMIS strengthening action plan, in line with the existing in-country supply chain, needs to be developed based on LMIS assessment, which needs to be conducted by outsourcing agency/consultant that would establish unique system (or pull system) that is collecting data from various sources and consolidates information. Reporting tools, pharmacovigilance system need to be developed together with national partners covering actual needs. In order to improve recording and reporting of TB medicines at all levels funds should be available. The UNDP drug store is equipped with the special electronic program on the storage. The stock of medicines and health products, existing in the UNDP central stock is shared with UNDP and NTP program staff on the monthly basis.
iii. Within 12 months, the PRs together with the NTP/MOH shall develop a system for monitoring adverse events together with the associated recording and reporting tools. Within the NFM, the country should consider the inclusion of an activity related to the development of a comprehensive pharmacovigilance system with support from technical partners. The PRs together with the NTP shall revise the tools being used for supervision visits. At a minimum, for PSM, the tools shall include a standardized checklist, a template for reporting back to facilities, and a system for following-up, in a timely manner, on recommendations made,	The National system of monitoring of the safety of healthcare products already exists, and since 2003 it operates as part of the WHO International Program. The Drug Department of the MoH monitors the safety of the health products through the Yellow Card Scheme and the standard reporting and recording framework for the suspected adverse effects, which is in place as well. In particular, the suspected adverse drug reactions (ADRs) to the medicines are collected using the form, called the Yellow Card and to be filled in by health professionals. These forms are collected, analyzed and summarized by the Drug department of the MoH and then the report on the notified cases of the suspected drug reactions, including the TB drugs, is displayed in the website www. pharm.kg . Besides, the Drug department of the MoH is in power to take decision about the regulatory measures to be applied to the offending drugs, which can be one of the following : (1) establishing limitations to use and marketing of the offending products, (2) changing instructions, or (3) full cancellation of distribution, producing and using them. The National TB program is the integral part of the whole National system of monitoring of the safety of healthcare products. Equally to all the healthcare institutions, existing in the country, the NTP falls under the Yellow Card Scheme and reports to the Drug department of the MoH about the cases of the suspected adverse drug reactions to the TB drugs. Despite some of the methods of the management and monitoring of the side effect of TB drugs have existed over long period of time, UNDP established the additional mechanisms in the framework of the TB grant implementation. In particular, such operational rules of UNDP, as to procure the drugs only from the WHO prequalified sources as well as to ensure the universal access to the drugs for side effects prevention and treatment were introduced. In addition, UNDP have signed the IC contract with the Drug manager of the NTP, having in her ToR the responsibility to facilitate the Yellow Card System in the NTP. In the framework of this contract, UNDP quarterly receives the reports on the side effects of the first and second line TB drugs, registered in all the sites for treatment of TB and then follows, how this data was reflected in the National statistics, presented in the website www. pharm.kg. According to the report of the NTP Drug manager to UNDP, there were 17 Yellow Card notifications, reflecting the suspected adverse effects of the TB drugs in Q 3 2014 and 15 in the Q 4 2014 . Forty percent of them were caused to the first line drugs, while 60%- to the SLD.
iv. The PRs together with the NTP shall develop an annual procurement plan for key health products procured under each grant (e.g. TB medicines, laboratory equipment, laboratory reagents and consumables, etc.). There should be a clear understanding of the lead times associated with the procurement of each type of health product and the time by which the product is required either in-country or at end-user level. On a quarterly basis, the procurement plan shall be updated to reflect on-the-ground reality, and adjustments made, as appropriate. The PRs shall take proactive measures to ensure the continuous and timely availability of health products required. Timeline: 30.09.2014".	Procurement plan is developed together with representatives of NTP. Forecasting, quantification and current needs were submitted by NTP, actual re-calculation of needs was conducted by procurement specialist. Procurement action plan (PAP) is developed considering lead times and actual needs of NTP. PAP is being updated on quarterly basis.
"Monitoring and evaluation (management letter dated 25 June 2014, # 4): The PR should ensure that the TB Coordinators and specialists of M&E Units at Oblast and National levels should conduct cross checks of submitted paper-based and electronic reports for ensuring accuracy of information in reporting TB forms, where relevant, and conduct regular M&E visits/ technical assistance for improvement of data quality issues. At the same time, it is acknowledged that the issue is of systemic nature and should be addressed at the level of the NTP and MOH. It is also acknowledged that with the proper implementation of the electronic TB recording and reporting database, the situation should improve. The GF Secretariat is facilitating the discussion of this issue at the upcoming NTP review end of June-beginning of July 2014. Timeline: 30.09.2014". We note that the PR is undertaking efforts to improve M&E and reporting/recording data quality in NTP and project levels. However, this process requires long-range activities and needs to be substantially described in the new NTP Strategy and properly implemented afterwards. According to the Management Letter EECA/SI/214-25/06/2014 the timeline for this recommendation is 30 September 2014. Thus, the management action is not fulfilled.	UNDP expresses the strong disagreement with the statement that the PR has not addressed this management action. Cross checks of submitted paper-based and electronic reports for ensuring the accuracy of information are in place as well as the regular M&E visits/ technical assistance for improvement of data quality issues. In reality the UNDP has been investing the significant efforts toward to achieve the maximally possible level of accuracy of the TB data and to provide the technical assistance to the National partners to improve the M&E. (1) UNDP conducts regular monitoring visits to the different levels of the TB program and involves into this process the specialists of the TB Centers. We highlight that during the reporting period, UNDP conducted monitoring visits to 59 health facilities of the different levels of the TB program in 6 regions of the country . The schedule of these visits complements the NTP and Project HOPE plans and aims to verify the data, conduct on job training, observe utilization of the UNDP procured resources, identify problems and elaborate recommendations for improvement. Review and cross check of the recording and reporting , direct observation of activities, fulfilled by the national health staff, interviewing patients and health workers are the routine methods of the UNDP approach. (2) UNDP have initiated and keeps control over the routine monitoring, conducted to rayons by the Oblast TB centers. These activities are part of the SR agreements between oblast TB centers, GSIN and UNDP. (3) UNDP have established the Oblasts Performance Frameworks to all the SRs and copied into them all the indicators, present in the TB grant Performance Framework. UNDP quarterly collects and interprets the data on results achieved, compares it with the Oblast Performance Frameworks, undertakes the trend analysis by time and geographical location, elaborates recommendations and helps the health authorities in decision-taking. (4) UNDP have established the mechanisms of wide dissemination of the M&E reports: the UNDP reports are shared through the official letters to Oblast TB centers, National Center of TB and MoH. UNDP has also established the operational rule, that all these organizations provide official feedbacks to these reports and inform UNDP about the measures taken to address the issues, identified during the monitoring visits and reflected in the UNDP reports. UNDP also receives and analyzes the reports on the monitoring visits, conducted by oblast TB centers in the Framework of the Agreements with UNDP on the quarterly basis. Unfortunately, some of the system weaknesses like the absence of the National electronic data base led to increased work, related to M&E is to be done manually and the UNDP staff has to apply immense efforts toward to maintain the effective process of M&E.
3) "Financial management and systems (management letter dated 25 June 2014 i. The PR is requested to review the cash reporting system and ensure that such mistakes do not occur in the future. ii. We request the PR to revise the procedures of the reporting in order to ensure proper analysis of the reasons for variances and their description, as well as to ensure presentation of fair information in relation to transactions incurred during the reporting period. iii. We request the PR to revise its forecasting and budgeting procedures to ensure that forecasting is done more accurately and significant deviations between budget and expenditures are avoided, and the goods procurement follows the initial PSM plan more closely. Moreover, in the context of limited funds allocation for the TB component in Kyrgyzstan and revealed shortage of second line TB drugs in 2015, the PR is requested to apply stringent mechanism for the use of funds to accumulate savings which can be used for treatment. Timeline: 29.08.2014".	The PR takes note on this recommendation. The PR has instituted an enhanced review process to ensure that relevant financial information to be submitted to the GF Secretariat is adequate

D. PR COMMENTS ON ANNUAL GRANT REPORTING REQUIREMENTS

! Please indicate a date for the report due for submission. If a report is overdue, indicate the original due date and explain the reason for delay.

Required Documentation	Due date (dd-mmm-yy)	Status	Comments
Certified Financial Statement	**30-Jun-15**	Preparation on track	The Certified Financial Statement will be submitted by UNDP HQs directly to the Global Fund by 30 June 2015.
Enhanced Financial Reporting (EFR)	**1-Mar-15**	Submitted to GF	The EFR is submitted along with this PU/DR for Semester 8 (July - December 2014).

On-going Progress Update and Disbursement Request

PROGRESS UPDATE PERIOD					
Grant Number	KGZ-810-G06-T				
Progress Update / Reporting Period:	Semester	1	Starting:	1	
Progress Update / Period Covered:	Reporting Year:	1-Jul-2014	End Date:	31-Dec-2014	
Progress Update / Number:	8				
Currency:	USD				

Section 3A: Total PR Cash Outflow

! For RCC grants the cumulative section of the table below should contain cumulative amount from the start of the RCC and not from the start of Phase 1 of the program.

	Budget for Reporting Period	Actual Cash Outflow for Reporting Period	Variance	Reason for Variance	Cumulative Budget through period of Progress Update	Cumulative Actual Cash Outflow through period of Progress Update	Variance	Reason for Variance
1. Total PR cash outflow vs. budget	867 792	2 876 866	-2 008 074		15 275 587	12 794 661	2 480 955	
1a. PR's total expenditures	608 927	2 649 427	-2 040 500	**Negative Variance in the total amount of $ 2 040 500 relates to:** **Negative variance on categories HP and MED in the amount of $ 1 680 932 (please refer to below section):** **Negative variance on Category HR in the amount of $18,617 consist of:** A) Overspent amount $22 172 for the activity 3.1.1 for Programme managment cost relates to: Introduction of new position of assistant/translator to the new Manager and increase of salaries to the national project staff. B) Unspent funds in the amount of $3,555 which is relates to the activity 2.4.4. "IC contrasts to support to 4 NTP staff on M&E". Unspent funds will be shifted to 2015 to pay third installment for 2014 in 1st quarter 2015. **Positive variance on Category LS in the amount of $1,198 consists of:** A) Overspent amount of $2,084 relating to the activity 2.4.6 (support to treatment adherence: incentives (food/hygiene parcels for DR-TB patients) B) Unspent funds in amount of $3,262 related to: 1) Act. 2.4.10 Support to treatment adherence: incentives (dairy product) for MDR-TB children.Commitments in the amount of $1,044 to be paid in the next reporting period for products delivered in December 2014. 2) Act.2.4.9. Support to treatment adherence: kefir for MDT-TB patients on in-patient treatment, including penitentiary sector. Commitments in the amount of $2,218 to be paid in the next reporting period for products delivered in December 2014.	14 282 891,69	11 911 104	2 381 788	Positive Cumulative Variance in the total amount of $ 2 381 788 relates to: **Unspent amount of $1,564,845 on category HP&MED (see explanations below)** **Negative variance on Category HR in the amount of $53,851 consists of:** Salary overlapping of two Project Managers to hand over the project, payment of compensation to resigned Manager, introduction of new position of assistant/translator to the new Manager, increase of salaries to the national project staff, increase of promte rate from 17% up to 25% (due to decrease of 2013 budget) B) Unspent funds in the amount of $9,356 which is relates to the activity 2.4.4. "IC contrasts to support to 4 NTP staff on M&E". Unspent funds will be shifted to 2015 to pay third installment for 2014 in 1st quarter 2015. **The positive variance on Category Over is $ 377 386 relates to:** A) Unspent amount of $348,664 for Act. 3.1.5 UNDP administrative charges GMS 7% to be charged by UNDP CO for the current semester 8 and previous Semester 7 upon CDR finalization in Semester 9. B) Unspent amount of $28,516 for Act 3.1.4 (Program management costs). There are Commitments in the amount of $1,584 for the office rent and for utilities to be paid in Semester 9. Savings in total amount of $26,933 will be reprogrammed for procurement of additional TB drugs.
1b. Disbursements to sub-recipients	258 866	227 439	31 427	**Positive Variance in the total amount of $31 427 relates to:** **Unspent on category HR $11 789:** relate to implementation of performance based scheme to top up salaries as per agreements with sub-recepients. The medical staff which did not achieve the established targets as per agreements with UNDP either are not paid or paid at reduced rate. **Unspent amount on category LS $19 394:** The reason of variance is due to non adhered patients, who do not come to collect drugs, consequently not using transportation fee and loosing the motivation payment. In addition there is savings in the budgetted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore. **Unspent amount on category Over $7 503 and M&E $1 771** During the reporting period some of the activities were fulfield using the resources of other donors.	982 694,91	975 478	107 217	**Cumulative Variance in the total amount of $107 217 relates to:** **Unspent on category HR $ 47 629.** Cumulative variance relate to implementation of performance based scheme to top up salaries as per agreements with sub-recepients. The medical staff which did not achieve the established targets as per agreements with UNDP either are not paid or paid at reduced rate. **Unspent amount on category LS $ 42 776** The reason of variance is due to non adhered patients, who do not come to collect drugs, consequently not using transportation fee and loosing the motivation payment. In addition there is savings in the budgetted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore. **Unspent amount on category M&E $ 2 273 and Over $14 540** The cummulative variance is due to some of the activities were fulfield by SRs using the resources of other donors.

	Budget for Reporting Period*	Actual Cash Outflow for Reporting Period	Variance	Reason for Variance	Cumulative Budget through period of Progress Update	Cumulative Actual Cash Outflow through period of Progress Update	Variance	Reason for Variance
2. Total pharmaceutical & health product expenditures vs. budget	186 296	1 967 228	-1 680 932		9 305 129	7 803 284	1 564 845	
2a. Medicines and pharmaceutical products	50 296	1 777 452	-1 727 156	**The variance on category MED related to:** 1) Act. 2.3.1. negative variance in the amount of $ 1 447 061,00 (payments of commitments from previous Semesters 5,6&7) 2) Act. 2.3.1a negative variance in the amount of $278,653.15: - $ 275,393.55 relates to payment of drugs committed in Semester 7; - $ 3,259.60 payment for syringes 3) Negative variance for ACT 2.3.2 in the amount of $8,001.00 relates to payment for the 3rd line TB drugs for 14 patients (cohort 510) committed from Semester 5. 4) Negative variance for Act 2.3.3 in the amount of $ 63,00 relates to payment for side effect drugs committed in semester 7. 5) Positive variance for Act. 2.3.4 in the total amount of $ 33,367.00 relates to will be reprogrammed for 2015 with increase of patients number for lab testing. 6) Negative variance in the total amount of $ 26,744.00 relates to payment for drugs committed from Phase I.	8 170 608	6 778 440	1 394 169	The positive variance on category MED related to: 1) Unspent amount for Act. 2.3.1 in the total amount of $ 859,427.00 will be reprogrammed for drugs covering 2015 needs (please note that UNDP placed order from budget 2015 for 2nd line TB drugs in the amount of $1,700,640.00 and has remaining commitments from Semester 6 in the total amount of $633,556.44) 2) Unspent amount for Act. 2.3.1.a in the total amount of $ 388,960.00 has been commited for supply of 2nd Line TB drugs for 165 patients (actual PO#GF1403-27,28,30 amount $349,185.25 to be shipped in July 2015, October 2015 and July 2016). Savings in the total amount of $39,774.75 will be reprogrammed for drugs covering 2015 needs. 3) Unspent amount for ACT 2.3.2 in the amount of $46,190.00: - $ 33,232.59 commited amount in Semester 6 and 7. Savings in the amount of $12,957.41 will be reprogrammed for drugs covering 2015 needs. 4) Unspent amount for Act 2.3.3 in the amount of $ 6,305.00 has been commited in the total amount of $ 5,514.50 which expected to ship in March 2015. Savings in the amount of $ 870.50 will be reprogrammed for drugs covering 2015 needs. 5) Unspent amount for Act. 2.3.4 in the total amount of $ 50177: Committed $8247 and savings $41930 on a number for laboratory tests in 2015. 6) Positive variance in total amount of 43029.69 committed and to be paid upon delivery of goods.
2b. Health products and health equipment	136 000	89 776	46 224	Variance on HP Category in the total amount of $ 46,224.00 related to: 1) Negative variance for Act. 1.2.2 in the amount of $ 7,355.00 relates to payment from commitments from Semester 6. 2) Negative variance for Act 1.2.3. in the amount of $ 5,160.00 relates to payment from commitments from Semester 6. 3) Positive variance for Act. 2.2.5. in the amount of $10,986.00 relates to: - $7,405.13 payment against commitment of Semester 6; - $3,055.83 payment in Semester 8. 4) Positive variance in the amount of $47,753.00 relates to Act 2.3.6 (including remaining payment in the amount of $ 33,502.89 for 375 boxes of respirators commited in Semester 7 which is covering needs for 2013-2014).	1 197 521	1 026 844	170 677	Variance on HP Category in the total amount of $ 170 677 related to: 1) Unspent amount for Act. 1.2.2 in the amount of $ 14,662.00 pending for receipt of quotation from GPU. 2) Unspent amount for Act. 1.2.3 in the amount of $ 7,033.00 pending for receipt of quotation from GPU. 3) Savings for Act. 2.2.3. in the amount of $40,665.00 will be reprogrammed for 2015. 4) Unspent amount for Act. 2.2.6. in the amount of $ 100,374.00 has been withheld and will be reprogrammed to 2nd line TB drugs for 530. 5) Unspent amount for Act. 2.3.5 in the amount of $ 3,402 plan to be committed based on received quotation. 6) Negative variance for Act. 2.3.6 in the amount of $1,308.00 overspent due to increase of q-ty of respirators. Savings of Phase 1 $ 6,429 on procurent of medicine.

On-going Progress Update and Disbursement Request

Annex to PU/DR - Sub-recipient financial information - FOR DISCRETIONARY COMPLETION, UPON THE SECRETARIAT'S REQUEST

Has the Secretariat requested the PR to complete this Annex for this reporting period?

Grant number:	KGZ-S10-G08-T			
Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			
Currency:	USD			

Name of Entity	Vendor ID (if available to PR)	Date of Most Recent Disbursement to SR	Budget for Reporting Period*	Disbursed during Reporting Period*	Cumulative Budget through period of this Progress Update*	Cumulative Disbursed through period of this Progress Update*	Cumulative Actual Expenditure through period covered by this Progress Update	Cash balance at the end of the period covered by this Progress Update	Variance between Latest Cumulative Expenditure Reported and Cumulative Budget	PR's explanation of variance (1) between cumulative budget and cumulative expenditure and (2) between cumulative disbursement and cumulative expenditure (mandatory for amounts above $50,000 or equivalent and with more than 10% variance)
BATKEN OBLAST TB CENTER	005771		5 489,40	5 146,00	36 093,88	25 965,47	25 834,74	20,06	10 259,14	
BISHKEK CITY TB CENTER	005756	12-Nov-14	37 890,00	34 063,20	153 645,81	126 756,49	119 297,26	4 583,14	34 348,55	
CHUI OBLAST CENTER TI FIGHT TB	005753	20-Nov-14	26 989,62	25 187,33	96 889,42	89 681,81	87 332,92	235,62	9 556,50	**The main reasons for variance between SR cumulative budget and SR cumulative disbursement / expenditure are due to** Category HR - Dusbursements below the budgeted amounts led to savings. The reason is that the UNDP introduced new performance based modality of incentive payments for governmental medical staff. While the programme budget was estimated assuming 100% performance and full amount of incentives to be paid, the actual payments to some of the staff, was less due to the below targets programme results. Furthermore, the variance occurred due to estimated budget was based on assumption of 100 % staffing. In fact, the number of staff is insufficient and the high turnover is ongoing. This leads to savings. Category LS -Disbursements below the budgeted amounts led to savings. The reason is that some of the health care institutions have organized the specimens' collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.
ISSYK-KUL OBLAST TB CENTER	005774	27-Nov-14	21 193,68	17 728,22	93 075,21	78 017,60	74 951,59	1 945,10	18 123,62	
JALALABAD OBLAST TB CENTER	005772	26-Nov-14	36 228,00	33 849,00	119 335,33	114 762,19	110 840,47	1 494,80	8 494,86	
MAIN DEPARTMENT OF PUNISHMENT EXECUTION	005775	21-Nov-14	7 840,00	7 227,73	47 910,06	40 594,45	37 902,54	2 064,32	10 007,52	
NARYN OBLAST TB CENTER	005773	12-Dec-14	15 321,00	14 681,55	48 278,50	46 137,46	43 894,57	1 368,29	4 383,93	
NCP	005747	28-Nov-14	60 378,00	44 017,15	198 923,80	171 410,90	155 077,38	11 984,49	43 846,42	
OSH OBLAST TB CENTER TO FIGHT TB	005754	30-Nov-14	38 181,20	35 784,87	152 098,66	142 142,11	137 346,30	2 792,78	14 752,36	
TALAS OBLAST TB CENTER	005755	19-Nov-14	10 806,00	9 754,13	45 083,73	40 008,56	39 340,05	-105,13	5 743,68	
Other			-1 451,00	-	-8 639,40	-				
TOTAL			258 865,90	227 439,18	982 695,00	875 477,04	831 817,82	26 383,47	159 516,58	

*TOTAL amount for these columns should reconcile with relevant amounts under "1b Disbursed to Sub Recipients" in Section 3A"

** Where the number of SRs is significant (over 10), SRs with small budgets (less than $50,000 cumulative each) do not need to be reported separately and the figures can be aggregated in a group called "Other Minor SRs"

SECTION 3B: TB FINANCIAL REPORTING FORM

Country	Kyrgyz Republic
Grant No.	KGZ-S10-G08-T
PR	UNDP Kyrgyzstan
Currency	USD

PLEASE REFER TO THE "GUIDANCE FOR COMPLETION OF THE ENHANCED FINANCIAL REPORTING TEMPLATE" DOCUMENT TO ASSIST YOU IN COMPLETING THE TEMPLATE
TO BE COMPLETED ONLY ONCE A YEAR EXCEPT AT MONTH 18 FOR PURPOSES OF PHASE 2 REVIEW

		dd-mm-yyyy
Current Reporting Period	Start Date:	1-Jan-2014
	End Date:	31-Dec-2014

		dd-mm-yyyy
Cumulative Reporting Period	Start Date:	1-Jan-2011
	End Date:	31-Dec-2014

The end date for the current reporting period and cumulative reporting period must be the same

The "TOTAL" rows in Table A, B and C will have a RED background if the amounts in each table do not agree. If the Totals for each Table agrees, these rows will have a YELLOW background.

A- BREAKDOWN BY EXPENDITURE CATEGORY		Current Reporting Period				Cumulative Reporting Period			
#	Category	Budget	Expenditures	Variance	Reason for Variance	Cumulative Budget	Cumulative Expenditure	Variance	Reason for Variance
1	Human Resources	356 359,20	348 307,78	8 051,42	The Unspent amount on HR category in the amount of $8 051 consist of: A) Savings in the amount of $44 024 relate to implementation of performance based scheme to top up salaries as per agreements with sub-recipients. The medical staff which did not achieve the established targets as per agreements with UNDP either are not paid or paid at reduced rate. B) Overspent amount of $35,972 relate to PR activities: 1) Committted amount of $6,698 on Act 2.4.4 for Support to 4 NTP staff on M&E, Drug Management and MDR TB and 1 Director of NRL. 2) Overspent on Act 3.1.1 in the amount of $42,670 for Project Management costs of the PR.	1 168 129,04	1 158 401,71	9 727,33	Cummulative savings on PR and SR activities.
2	Technical Assistance	42 277,50	42 043,25	234,25	Savings in the amount of $234 is due to the actual cost of contract with SNL.	121 868,52	119 152,12	2 716,40	Cummulative savings on PR and SR activities.
3	Training	44 737,18	45 077,38	-340,20	Total negative variance of $340 relates to: A) Unspent amount of $ 10,501 on activity "Training and study tours in priority issues of DR-TB management" will be reprogrammed for procurement of additional drugs for 2015. B) Overspent amount of $9,670 due to unplanned buisiness trips of TB coordinator, requested by the Global Fund. The overspent amount coverred from the interest gain. D) D) overspent in the amount of $490 for quarterly meeting of MDR-TB coordinators and TB Center directors	366 893,09	355 240,44	11 652,65	Cumulative savings subject to reprogramming approval
4	Health Products and Health Equipment	261 308,00	201 350,86	59 957,14	$ 7,355.00 relates to payment from commitments	1 197 521,05	1 026 844,09	170 676,96	A
5	Medicines and Pharmaceutical Products	759 190,00	2 358 154,46	-1 598 964,46	category MED relates to:	8 170 608,03	6 776 439,04	1 394 168,99	A
6	Procurement and Supply Management Costs	178 264,34	388 094,59	-209 830,25	consists of:	1 479 273,08	1 126 664,25	352 608,83	A
7	Infrastructure and Other Equipment	79 903,00	42 348,73	37 554,27	relates to the following activities:	216 176,48	181 755,47	34 421,01	amount $38,812.00 will
8	Communication Materials	24 650,00	5 941,39	18 708,61	The Unspent amount on COM category in the amount of $18,708 consist of: A) Unspent amount of $15 000 for Printing of WHO methodical guidelines/manuals on MDR, TB/HIV and other relevant will be reprogrammed for procurement of additional drugs for 2015. B) Unspent amount $2,450 for TB website on Public Awareness C) Unspent amount of $3 531 for Support of "hotline" on TB free incoming calls (green number). D) Overspent amount of $1,869 for Printing MDR TB related brochures E) Overspent amount of $404 for Cost of broadcasting of hot line on TV for population.	41 049,05	21 021,64	20 027,41	The Unspent amount on COM category in the amount of $20 027 consist of: A) Unspent amount of $15 000 for Printing of WHO methodical guidelines/manuals on MDR, TB/HIV and other relevant will be reprogrammed for procurement of additional drugs for 2015. B) Unspent amount $2,450 for TB website on Public Awareness C) Unspent amount of $3 531 for Support of "hotline" on TB free incoming calls (green number). D) Overspent amount of $954 for for Printing MDR TB related brochures.

9	Monitoring & Evaluation	12 587,00	8 729,72	3 857,28	The Unspent amount on M&E category in the amount of $3 857 consist of: A) Savings in the amount of $2 807 relate to SR activities as per agreements with UNDP. During the reporting period some of the activities were fullfield using the resources of other donors. B) Unspent amount of $1 050 relate to PR activities are savings.Activities are completed.	58 752,57	56 139,04	2 613,53	The Unspent amount on M&E category in the amount of $2 613 consists of: A) Savings in the amount of $2 807 relate to SR activities as per agreements with UNDP. During the reporting period some of the activities were fullfield using the resources of other donors. B) Overspent amount of $193 relate to PR activities.
10	Living Support to Clients/Target Populations	336 646,54	295 892,77	40 753,77	The Unspent amount on LS category in the amount of $40 753 consist of: A) Unspent in the amount of $52 294 relate to SR activities as per agreements with UNDP. During the reporting period the following deviations were observed: Unspent amount of $11 184 for motivation support and $41 110 for transport expenses. Both deviations are due to non adhered patients, who do not come to collect drugs, consequently not using transportation fee and loosing the motivation payment. B) Overspent amount of $11,541 relate to PR activities and is due to more patients became to receive the food and hygine parcells in TB ward of psyhyatric hospital. With the purpouse of equality not only MDR but also the sensitive and PDR patients receive food and hygine parcells in this ward.	920 516,82	799 336,40	121 180,42	LS category in the amount of $121 180 consist of: A) Unspent in the amount of $62 371 relate to SR activities as per agreements with UNDP. The reason of variance is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore. B) Unspent amount of $52 652 relate to PR activities in 2013 for
11	Planning and Administration	59 069,00	57 995,32	1 073,68	Unspent amount of $767 will be paid for goods and services provided to PIU office in December 2014. Savings in the amount of $306 will be reprogrammed in 2015	242 817,82	241 550,79	1 267,03	Cummulative variance in the amount of $1 267 relates to: 1)Unspent amount of $767 will be paid for goods and services provided to PIU office in December 2014. 2)Savings in the amount of $500 ($306 from current semester) will be reprogrammed in 2015

										Positive variance in the amount of $338 489 consists of: 1) Positive variance in the amount of $348 864 relates to the 7% GMS for 2014 to be charged by UNDP in 2015 upon finalization of CDR out of budgetted ; 2) Negative varinace in the amount of $ 50 108 relates to the 7% GMS charged for commitments of 2014-2015; 3) Positive variance in the amount of $11 216 unspent by SR as some of the activities were fulfiled using the resoources of other donors; 4) Positive variance in the amount of $28517 relates to the office management cost
			221 788,29	246 022,29	-24 234,01	Negative variance in the amount of $24 234 consists of: 1) Negative variance in the amount of $38 210 relates to the 7% GMS for 2013 charged by UNDP in 2014; 2) Positive variance in the amount of $9 517 unspent by SR as some of the activities were fullfield using the resoources of other donors; 3) Positive variance in the amount of $4 459 relates to the office management cost	1 291 981,06	953 491,48	338 489,58	
12	Overheads									
13	Other									
		TOTAL	**2 376 780,04**	**4 039 958,54**	**-1 663 178,50**		**15 275 586,60**	**12 816 036,47**	**2 459 550,13**	

B- BREAKDOWN* BY PROGRAM ACTIVITY				**Current Reporting Period**				**Cumulative Reporting Period**			
#	**Macro-category**	**Objectives**	**Service Delivery Area**	**Budget**	**Expenditures**	**Variance**	**Reason for Variance**	**Cumulative Budget**	**Cumulative Expenditure**	**Variance**	**Reason for Variance**
1	Health System Strengthening	To consolidate DOTS framework through strengthening programme management, improving TB case detection and diagnosis and quality treatment of TB cases	HSS (beyond TB)	0,00	0,00		n/a	555 817,72	555 817,38	0,34	n/a
2	Health System Strengthening	To consolidate DOTS framework through strengthening programme management, improving TB case detection and diagnosis and quality treatment of TB cases	Programme-based operational research	0,00	0,00		n/a	101 063,50	101 063,40	0,10	n/a
3	Health System Strengthening	To consolidate DOTS framework through strengthening programme management, improving TB case detection and diagnosis and quality treatment of TB cases	Improving diagnosis	59 955,13	77 559,99	-17 604,86	1)The overspent amount of $16 959 relates to the procurement of reagents for 2014. The commitments for this procurement were created in 2013 and costed as: $44,048 for goods and $29,076 for PSM cost. The payment was made in 2014 using the budgets of 2013 ($57 488) and 2014 ($57 152). Thus there is no oveexpenditures from the prospective of budget two years was used to pay this contract. 2) The overspent amount of $646 due to increase of cost of the training product, established by the new Institutional contractor.	120 246,26	83 131,30	37 114,96	Positive variance in the amount of $37 114 relates to the cumulative savings in the amount of $217 for the training for medical personal, $21 115 for procurement of reagents and $15 784 for PSM . This savings are subject to approval of reprogramming for procurement of MDR drugs.

4	TB Treatment	To expand access to diagnosis and treatment of drug-resistant tuberculosis	MDR-TB	1 938 087,57	3 503 720,14	-1 565 632,57	The overspent in the amount of $1 565 632 relate to the following categories: 1) The negative variance in the amount of $1 989 089 related to the activities committed in 2013 and paid in 2014. In the current reporting period UNDP paid commitments in the total amount of $1 872 543 for procurement of 1) 2nd line, 3rd line and side effect TB drugs for 2014 2) reagents, maintenance and repair of lab equipment and respirators, 3) food and hygiene parcels for DR-TB patients, 4) PSM cost for commitments for the procurement under HP and MED categories made within Phase II. During the reporting period UNDP paid commitments of Phase I in the amount of $116 546 for procurement of 2nd and 3rd line drugs and PSM related to the procurement. 2) Unspent amount of $423 456 consists of commitments of $394 474 for additional procurement of 165 MDR-TB courses. The rest amount $28 982 is savings subject for reprogramming.	12 357 518,48	10 196 163,26	2 161 355,22	The unspent amount consists of commitments at 31.12.2014 for HP, IF, PSM and MED in amount of USD 1 571 768.49. The rest amount is savings for USD 589 586 subject for reprogramming. In addition UNDP made commitments for MDR drugs for 2015 in amount of USD 1 711 451 budgeted in 2015.
5	TB Treatment	To expand access to diagnosis and treatment of drug-resistant tuberculosis	Programme-based operational research	0,00			n/a	20 759,45	20 759,44	0,01	n/a
6	Supportive Environment	Program management	Supportive environment: Program management and administration	378 737,34	458 678,41	-79 941,07	Negative variance relates to the 1) overspent in the amount of $143 290 charged by UNDP as 7% GMS for 2013; 2) Overspent in the amount of $42 670 for HR costs; Positive variance in the amount of $102 886 is 7% GMSfor 2014 to be charged by UNDP in 2015 upon finalization of CDR. 3)Adjustments in the amount of $3133 related to the inventory process for 2013.	2 120 181,19	1 859 101,69	261 079,50	Unspent amount for GMS 7% to be charged by UNDP upon CDR finalization.
			TOTAL	**2 376 780,04**	**4 039 958,54**	**-1 663 178,50**		**15 275 586,60**	**12 816 036,47**	**2 459 550,13**	

To add additional rows, right click the row number (Row 39 in a blank template) to the left of the row above the row for TOTAL and select copy, then over the same number, right click again and select Insert Copied Cells. **WARNING**: Inserting Rows without copying a row as described above will cause the formula in the variance column to become invalid and will

C- BREAKDOWN* BY IMPLEMENTING ENTITY

				Current Reporting Period				Cumulative Reporting Period			
#	PR/SR	Name	Type of Implementing Entity	Budget	Expenditures	Variance	Reason for Variance	Cumulative Budget	Cumulative Expenditure	Variance	Reason for Variance
1	PR	UNDP	UNDP	1 859 048,84	3 630 867,34	-1 771 818,50		14 292 891,89	11 984 218,71	2 308 673,18	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid.
2	SR	NATIONAL CENTER OF PHTHISIOLOGY	Ministry Health (MoH)	117 666,00	78 824,33	38 841,67	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	198 923,80	155 088,86	43 834,94	2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the

3	SR	CHUI OBLAST CENTER TI FIGHT TB	Ministry Health (MoH)	53 757,24	48 981,46	4 775,78	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	96 118,80	87 333,33	8 785,47	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the
4	SR	OSH OBLAST TB CENTER TO FIGHT TB	Ministry Health (MoH)	74 834,80	69 587,56	5 247,24	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	149 042,37	137 360,23	11 682,14	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the

5	SR	TALAS OBLAST TB CENTER	Ministry Health (MoH)	20 532,00	17 806,84	2 725,16	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	43 072,08	39 339,65	3 732,43	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the
6	SR	BISHKEK CITY TB CENTER	Ministry Health (MoH)	75 780,00	57 403,30	18 376,70	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	143 411,95	119 269,84	24 142,11	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the

7	SR	BATKEN OBLAST TB CENTER	Ministry Health (MoH)	12 883,80	7 952,16	4 931,64	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	32 916,56	25 835,05	7 081,51	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the
8	SR	JALALABAD OBLAST TB CENTER		67 698,00	61 886,45	5 811,55	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	117 186,81	110 840,54	6 346,27	reorganization of the system of specimens transportation of Osh, Jalal-Abad and Batken oblast TB centers, which took place in 2013. Initial Programme budget was calculated based on longer distances to the Capital of KG while the actual SR agreements with Osh, Jalal-Abad and Batken oblast TB centers calculated based on the new system of specimens transportation centralized on the regional level. 2) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was

9	SR	NARYN OBLAST TB CENTER		23 751,00	22 049,87	1 701,13	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	47 060,53	43 894,56	3 165,97	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the
10	SR	ISSYK-KUL OBLAST TB CENTER		40 719,36	33 123,88	7 595,48	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	87 209,14	74 951,77	12 257,37	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all of them were able to perform the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adhered patients, who do not come to collect drugs, consequently not using transportation fee and loosing the motivation payment. In addition there is savings in the budgetted transport cost as some of the health care institutions have organized the specimens collection and transportation from

11	SR	MAIN DEPARTMENT OF PUNISHMENT EXECUTION		14 600,00	11 475,35	3 124,65	1) Savings in HR category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which resulted in a decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the oblast levels laboratories. In this connection, there is no need to some of the patients to travel anymore.	47 910,06	37 903,93	10 006,13	category (top-up salaries) was due UNDP introduced the new performance based model of incentive payments for medical staff. Not all staff were able to meet the established targets, which caused decrease of the actual amount paid. The programme budget was calculated assuming 100% performance and full amount to be paid. 2) Savings in LS category is due to non adherent patients, who do not come to collect drugs, consequently not using transportation fee and losing the motivation payment. In addition there is savings in the budgeted transport cost as some of the health care institutions have organized the specimens collection and transportation from remote areas to the
12	SR	SRs		15 509,00		15 509,00	No SR has been identified for these activities.	19 842,61	0,00	19 842,61	No SR has been identified for these
			TOTAL	**2 376 780,04**	**4 039 958,54**	**-1 663 178,50**		**15 275 586,60**	**12 816 036,47**	**2 459 550,13**	

To add additional rows, right click the row number (Row 51 in a blank template) to the left of the row above the row for TOTAL and select copy, then over the same number, right click again and select Insert Copied Cells. **WARNING**: Inserting Rows without copying a row as described above will cause the formula in the variance column to become invalid and will

* The sum of all three breakdowns should be equal (*A*- Budget Line-item, *B*- Program Activity, *C*- Implementing Entity).
** For the purposes of this report, the SDA Program management and administration should be included in the Supportive Environment Macro Category.

D- ADDITIONAL INFORMATION

Please disclose any relevant information concerning the information in the above tables. ***Refer to the Guidelines for Completing the Template if required.***

E- DISBURSEMENTS BREAKDOWN BY IMPLEMENTING ENTITY

#	Name	Type of Implementing Entity	Cumulative Disbursements	Cumulative Reporting Period Comments
0,719387054	BATKEN OBLAST TB CENTER	Ministry Health (MoH)	25 965,47	Cumulative disbursment rate is 72%
0,824991518	BISHKEK CITY TB CENTER	Ministry Health (MoH)	126 756,49	Cumulative disbursment rate is 82%
0,925609938	CHUI OBLAST CENTER TI FIGHT TB	Ministry Health (MoH)	89 681,81	Cumulative disbursment rate is 93%
0,838221047	ISSYK-KUL OBLAST TB CENTER	Ministry Health (MoH)	78 017,60	Cumulative disbursment rate is 84%
0,961678239	JALALABAD OBLAST TB CENTER	Ministry Health (MoH)	114 762,19	Cumulative disbursment rate is 96%
0,847305347	MAIN DEPARTMENT OF PUNISHMENT EXECUTION	Other Multilateral Organization	40 594,45	Cumulative disbursment rate is 85%
0,955652309	NARYN OBLAST TB CENTER	Ministry Health (MoH)	46 137,46	Cumulative disbursment rate is 96%
0,861691261	NCP	Ministry Health (MoH)	171 410,90	Cumulative disbursment rate is 86%
0,934538871	OSH OBLAST TB CENTER TO FIGHT TB	Ministry Health (MoH)	142 142,11	Cumulative disbursment rate is 93%
0,887427904	TALAS OBLAST TB CENTER	Other Government	40 008,56	Cumulative disbursment rate is 89%
11		Please Select...		
		TOTAL	**875 477,04**	

On-going Progress Update and Disbursement Request

PROGRESS UPDATE PERIOD

Grant number:	KGZ-S10-G08-T			
Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			

Section 4: Procurement and Supply Management

		Comments
1a. Have you updated the Price Quality Reporting (PQR) with the required information on the pharmaceuticals and health products received during the period covered by this PU/DR' (if applicable)? If health products procurement information has not been entered into the PQR, please explain why. ! For further guidance on PQR data entry, please refer to the guidelines.	**Yes**	All shipments of 2nd line TB drugs arrived in the reporting period were recorded in the PQR.
2. Based on the most up-to-date stock situation, are there any risks of stockouts of key pharmaceuticals & health products at the central level in the next period of implementation? If yes, please comment.	**No**	All orders were placed in time and expect timely shipment, no stock out is expected within approved budget (Please see additional comments below for re-programming): 1) 2nd line TB drugs for 35 patients procured within 1 Phase savings arrived in July 2014 - 2nd shipment; (3rd shipment suppose to arrive in December 2014, but arrived in January 2015) 2) 2nd shipment of 2nd line TB drugs for 510 patients, arrived in August 2014. 3) 2nd shipment of 3rd line TB drugs for 14 patients (cohort 510 patients) arrived in August 2014. 4) 2nd shipment of 1st line TB drugs (Ethambutol) arrived in August 2014. 5) 2nd shipment of 2nd line TB drugs for 520 patients arrived in August 2014. 6) Remaining Laboratory reagents (2 items) arrived in July 2014 and November 2014. 7) 2nd shipment of respirators arrived in August 2014. 8) 1st shipment of 2nd line TB drugs for 165 patients arrived in December 2014. 9) Water for injections for 520 patients arrived in December 2014, 10) PASc for 300patients arrived in November 2014. 11) Falcon tubes arrived in July and August 2014. 12) NRL provided request for procurement of reagents and consumables for 2015 in August 2014. The procurement is ongoing. 13) Side effect drugs (520 patients) for 2014 are expected in February-March 2015. 14) 2nd line TB drugs for 530 patients shipped in January 2015, with further shipments in October 2015 and July 2016. 15) Purchase Order for 3rd line TB drugs for 14 patients (cohort 530 patients) has been placed with shipment in March 2015.

3. Comment on additional issues related to the procurement and supply management of pharmaceuticals and health products

In the approved work plan and budget there are no drugs for patients in the second half of 2015. This has been discussed with GF and wider stakeholders and GF advised to maximize savings under the existing approved funding. In addition, the CCM requested to 'borrow' funds from the NFM.
The drugs for the patients, which will be detected in the second part of 2015 still not ordered as the reprogramming request and the borrowing request are still being reviewed by GF, as a result UNDP has not received the necessary approvals to place orders for these drugs.
Currently no additional source of funds, other than borrowing from the NFM for 2016-2017 was found to bridge the gap.
To decrease the insufficiency and reduce the stoppage of new enrollments in the second part of the 2015, UNDP have planned to procure more SLD, using the savings of the budget of 2013-2014. The amount of savings was calculated, PSM plan developed and the number of additional courses to be procured with savings was defined. The quotation was requested and is pending approval.
As the savings were not enough to solve the issue, UNDP has calculated the amount of the funds borrowing from the NFM, developed the PSM plan and defined the number of courses needed to prevent the waiting list and deaths due to lack of drugs. UNDP has expedited all necessary processes so that once UNDP receives approval and funding, we can immediately place an order thereby reducing the impact of further delays.
To decrease the insufficiency and reduce the stoppage of new enrollments in the second part of the 2015, UNDP have planned to procure more SLD, using the savings of the budget of 2013-2014. The amount of savings was calculated, PSM plan developed and the number of additional courses to be procured with savings was defined. The quotation was requested and is pending approval.
As the savings were not enough to solve the issue, UNDP has calculated the amount of the funds borrowing from the NFM, developed the PSM plan and defined the number of courses needed to prevent the waiting list and deaths due to lack of drugs. UNDP has expedited all necessary processes so that once UNDP receives approval and funding, we can immediately place an order thereby reducing the impact of further delays.

On-going Progress Update and Disbursement Request

DISBURSEMENT REQUEST PERIOD

Grant number:	KGZ-S10-G08-T			
Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			
Currency:	USD			

! A Statement of Sources and Uses of Funds (SSUF) is to be provided by PR along with the PUDR form

Section 5: Cash Reconciliation and Disbursement Request

A: CASH RECONCILIATION FOR PERIOD COVERED BY PROGRESS UPDATE

1.	Cash Balance: Beginning of period covered by Progress Update (line 10 from Cash Reconciliation section of the period covered by the previous Progress Update):		7 657 164
Add:	2. Cash received by the PR from the Global Fund during the period covered by this progress update:	439 834	
	3. Cash disbursed to third parties by the Global Fund on behalf of the PR during the period covered by this progress update:		
	4. Interest received on bank account		
	5. Revenue from income-generating activities (if applicable)		
	6. Other income, if applicable (e.g. income from disposal of fixed assets, tax refunds)	0	439 834
Less:	7. Total cash outflow during period covered by Progress Update (value entered in Section 3A "Total cash outflow"):	2 876 866	
	8. Net exchange rate gains/losses *(gains should be shown with a minus sign; losses should be shown with a plus sign)*	-6 026	
	9. Reconciliation adjustments *(gains should be shown with a minus sign; losses should be shown with a plus sign)*	0	2 870 840
10.	Cash Balance: End of period covered by Progress Update:		5 226 158

Explanation of reconciliation adjustments (line 9)

! An explanation must be provided if there have been any adjustments.

On-going Progress Update and Disbursement Request

DISBURSEMENT REQUEST PERIOD

Grant number:	KGZ-S10-G08-T			
Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			
Currency:	USD			

Section 5: Cash Reconciliation and Disbursement Request

B: DISBURSEMENT REQUEST

Total forecasted net cash expenditures by the Principal Recipient for the period immediately following the period covered by the Progress Update:

1. Period beginning date:	1-Jan-2015	end date:	31-Dec-2015	approved budget amount:	8 792 088	forecasted amount:	12 425 804	
2a. Cash buffer period (by default) (cash "buffer") beginning date:	1-Jan-2016	end date:	31-Mar-2016	approved budget amount:	74 907	forecasted amount:	74 907	
								PR Total Forecast
2b. Additional "buffer" (discretionary, select only if there is a prior agreement with the FPM) **(1)**								**12 500 711**
cash "buffer" agreed with FPM **(2)** Select								
(cash "buffer") beginning date	1-Apr-2016	end date:		approved budget amount:		forecasted amount:		

(1) Additional Cash buffer can be requested if the next PU/DR report will contain a completed EFR report or a completed Annex on SR financials, requested by the Secretariat, or if there are any additional GF-specific requirements that cannot be delivered within 45 days. An agreement in principal from the FPM should be obtained prior to requesting an additional cash buffer.

(2) When the additional (cash "buffer") period is 1 or 2 months, the approved budget and forecasted amounts should be calculated as prorated values for the period following the regular buffer period.

Please explain any significant variance (based on your judgment) between the forecasted amounts and the amounts as per approved budgets. Please specify the main factors and related amounts that are the major drivers of the variance. NB. Consider the following items when providing the analysis. - Expected timing of payments for any significant budgetary items, - Impact of existing cash balance at SR levels - Current confirmed commitments to be paid during disbursement request period - Current/expected unit prices compared to those in the budget - Change in quantities compared to budget - Exchange rates and inflation - Linkage between budget absorption and programmatic performance to-date. ! The forecast should include any existing commitments (eligible under this grant) as of the end of the reporting period and which are likely to be paid during the disbursement period	The forecasting tool enclosed to the current PU/DR The forecasting file is prepared based on submitted request for reprogramming and borrowing for 2015. The disbursement in amount of $2,279,545 for procurement of 2nd line anti-TB drugs for MDR-TB patients out of approved budget US$ 4,082,307 was received in 2015. The new request for disbursement is based on submitted to GF reprogramming and borrowing budget on 2/17/2015. 8,792,088.00 revised budget for 2015 including borrowing and reprogramming 74,907.45 1 Q extension 2016

3. Cash Balance: End of period covered by Progress Update (number 10 from PR Cash Reconciliation sheet):	5 226 158	
Less:		
4. Cash "in transit" disbursed to the PR:		
5. Cash "in transit" disbursed to third parties by the Global Fund on behalf of the PR		5 226 158
6. PR's Disbursement Request to the Global Fund for the period immediately following the period covered by the Progress Update, plus additional period (cash buffer):		7 274 553

7. Does the PR's Disbursement Request include funds for health product procurement? **Yes**

8. Exchange Rate (used to translate local currency into grant currency)

		Name of local currency, date and source of the exchange rate, and other comments (if appropriate)
- used to convert Opening Cash Balance	51,9000	KGS
- used to convert Closing Cash Balance	57,1000	KGS
- used to convert Total Cash Outflow for the Progress Update Period	53,9417	KGS

On-going Progress Update and Disbursement Request

PROGRESS UPDATE PERIOD

Grant number:	KGZ-S10-G08-T			
Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			

Section 6: Overall Performance

A. PR's Overall Self-Evaluation of Grant Performance (including a summary of how financial performance is linked to programmatic achievements)

! The self-evaluation should be undertaken by taking into account programmatic achievements, financial performance and program issues in various functional areas (M&E, Finance, Procurement, and Program Management, including management of sub-recipients). See Guidelines for more detailed guidance.

Summary: Through the current reporting period the TB grant continued with strong programme performance, aimed at the different aspects of MDR TB care. The programme performance of the current reporting period was assessed against nine programme indicators. Three Top 10 indicators were achieved exceeding 100% and one the Top 10 indicator- at 97%. Two not Top 10 indicators were achieved at 95%-98%, and three of them exceeded 100% . The effective financial performance of the grant acquired the savings at $ 887 787, which allowed the procurement of the additional 150 MDR, 178 PDR and 10 XDR courses for treatment of the patients to be detected in the second part of 2015. The request for reprogramming of the savings have been submitted to the GF, the drugs quoted and its result is pending.
The cumulative financial performance in the period is at the level of 83.7 % of the budgeted amount of USD 15,275,587.
The cash balance at the end of period in amount $ 5,226,158 is largely committed:
1) for procurement of of 2nd and 3rd line anti-TB drugs, PSM costs, food and dairy products for TB patients, contract with NCP coordinators on DR TB, Drug and Lab Management, PMU running costs in amount of $3,351,176;
2) for 7% GMS for 2013-2014 in amount of $ 445,279 to be charged next reporting period by UNDP.
The uncommitted cash balance is $1,594,073.88 is awaiting the approval of the reprogramming request for the procurement of MDR drugs within savings ($896,648) and rest amount will cover 1Q 2015.
The balance of commitments of Phase 1 in the amount of $ 47,890.15 will be paid upon delivery of goods and reflected in the next reporting period.

Programmatic performance: During the reporting period, UNDP continued providing major support related to diagnostics and treatment of MDR TB. All the planned activities were implemented in a timely and comprehensive manner. The timely procurement and receipt of drugs allowed the scheduled enrollments into treatment to be fully respected. The new mechanisms of grant operation, which were implemented in Phase 2, were successful: (1) reimbursement of transportation fee to MDR patients became available countrywide; (2) new modality of adherence support proved to be more attractive to patients compared with the previous one; (3) performance based scheme of motivations to medical staff resulted in improved program indicators; and (4) contracts with the outsource biochemistry labs ensured all patients to access free of charge tests for SLD side effects (4) The modified modality of procurement of the side effect drugs in blisters, which replaced the hospital packaging of drugs, used to be procured previously, have been continued and allowed the free access to the side effect drugs not only in the hospitals, but in the PHC level as well. (5) the procurement of the third line TB drugs, initiated by UNDP in 2013, have resulted in implementation of the treatment of the XDR TB, which did not exist before . TB drugs for 2015 as originally planned, have been quantified, quoted, confirmed with the Global Fund and ordered for procurement.The gap of TB drugs for 2015 and 2016 have been quantified and costed and included into the budget reprogramming.

SRs management: during the reporting period UNDP continued to implement part of the activities through Agreements with 10 SR organizations.They represent the Governmental, civilian and prison health sectors. UNDP carried out costing of SR Agreements for 2015, prepared work plans, descriptions of activities, ToRs for the staff, affected with grant implementation, facilitated the signing process and ensured transfer of money to SR accounts. According to SR Agreements, in 2014 SRs continued to be engaged into educating and counseling patients, paying them transportation fee and monthly allowances, transportation of specimens and paying the salary top-ups to the medical staff. To properly manage the released GF funds, UNDP continued efforts toward further developing the capacity of SR organizations. On-site visits, on job coaching and consultations continued together with efforts to maintain the improved system of SR to -PR reporting . Within the reporting period the majority of SRs have been demonstrating significant progress in quality and timely performance of activities, outlined in the Agreements with UNDP. Thus, the SRs financial delivery during the reporting period was equal to 88 % (the disbursed amount was equal to $ 227 439 against $ 258 866 budgeted. Some of the SR's continue to show weak capacity to absorb GF funds effectively, however UNDP continues to support them to achieve the maximum possible level of performance. During the period some SRs struggled to receive the necessary Government approval to access funding through Treasury.

Procurement of health products and medicines: During the reporting period, the UNDP continued ensuring the uninterrupted channel of supplying the National program with drugs, lab.reagents, health products etc. The PR delivered medicines and health products amounting at $1 867 228 including second and third line drugs. At the request of the national partners maintenance costs of laboratory equipment were paid. The procurement process for drugs, masks and respirators for 2015 was initiated and is being followed up.
The PR has made every effort toward the timely and comprehensive provision of the TB drugs, which were initially planned to be procured by UNDP. These drugs were procured and received and the scheduled enrollments into treatment in the first part of 2015 is going to be fully respected.
In the approved workplan and budget there are no drugs for patients in the second half of 2015. This has been discussed with GF and wider stakeholders and GF advised to maximise savings under the existing approved funding. In addition, the CCM requested to 'borrow' funds from the NFM.
The drugs for the patients, which will be detected in the second part of 2015 still not ordered as the reprogramming request and the borrowing request are still being reviewed by GF, as a result UNDP has not received the necessary approvals to place orders for these drugs.
Currently no additional source of funds, other than borrowing from the NFM for 2016-2017 was found to bridge the gap.

To decrease the insufficiency and reduce the stoppage of new enrollments in the second part of the 2015, UNDP have planned to procure more SLD, using the savings of the budget of 2013-2014. The amount of savings was calculated, drugs costed, PSM plan developed and the number of additional courses to be procured with savings was defined. The quotation was requested and is pending approval.
As the savings were not enough to solve the issue, UNDP has calculated the amount of the funds borrowing from the NFM, developed the PSM plan and defined the number of courses needed to prevent the waiting list and deaths due to lack of drugs. UNDP has expedited all necessary processes so that once UNDP receives approval and funding, we can immediately place an order thereby reducing the impact of further delays.

Lessons learnt: 1) The introduction of the innovative mechanisms of the TB grant implementation helped to achieve the better program results and to meet the established targets. 2) The National Heath system weaknesses seriously affect the TB grant implementation 3)The disproportion between the technical and financial support, which is available from the international stakeholders to the National TB program create the difficult envioronment for the TB grant implementation . As international aid is mainly focused on providing technical assistance and the Government funds are not sufficient, all the needs of the TB program expected to be covered by the TB grant of the GF. In the situation when the resources of the GF also limited, such strategy becomes risky and at present it is difficult to see that the Government will finance the additional MDR TB drugs required for 2016. In addition, any delays in securing Government financing for sensitive TB drugs, may lead to delays in people accessing treatment and greater numbers of MDR TB cases. 3) The performance based approach to providing incentives to the medical staff and patients is more efficient compared to the universal approach, which is not underpinned by strong performance management principles.

B. Planned Changes in the Program, if any

To decrease the gap between the available and actual need for drugs for treatment of the DR TB, UNDP planned to use the savings of the budget 2013-2014 for procurement of additional medicines for 2015. Using the significant savings, a PSM plan was developed and the number of additional courses to be procured with savings was defined.
As savings will not be enough for all the patients have acccess treatment in 2015- 2016, an amount of the NFM borrowing was calculated as well, the number of MDR, PDR, XDR courses to be procured with borrowing was defined as well.
The request for approval of the reprogramming of the budget was submitted to the GF. Once UNDP receive approval and funding we will proceed with the procurement of drugs to adress absence of drugs for new enrollments in

C. External factors beyond the control of the Principal Recipient that have impacted or may impact the Program

1) The grant operates in the extremely difficult environment, being exposed by the weaknesses of the National Health System from one side and the increasing pressure from the GF, requesting UNDP to not only to implement the grant, but to mobilise support to address the system weaknesses as well. UNDP has neither mandate, the financial and human resources for being involved into the the Health System reforms or regulation of the drug market . We believe, that success in prohibit of non- prescribed sale of the TB drugs, establishing the system for monitoring adverse effects of drugs together with the recording and reporting forms, decrease the length of hospitalization and revision of the National TB strategy, stand beyond the scope of this grant for the drug resistant TB being implemented by UNDP. Recognizing that the improvement of the whole the National health system is essential, UNDP beleives, that it can be achieded rather by the joint efforts of all the national and international stakeholders, working in the TB control, than solely by the PR, adressing the only aspect of the TB conrtol.
2) The perspective for transition of the TB grant to the MoH in 2016 is uncertain. The income, demographic, economic, financial and the TB burden reality makes it difficult to the country in 2016 to become able to assume the responsibility for all the services, currently supported by UNDP and Project HOPE.

On-going Progress Update and Disbursement Request

GENERAL GRANT INFORMATION

Country:	Kyrgyz Republic
Disease:	Tuberculosis
Grant number:	KGZ-S10-G08-T
Principal Recipient:	UNDP Kyrgyzstan
Program Start Date:	1-Jan-2011
Currency:	USD

PROGRESS UPDATE PERIOD

Progress Update - Reporting Period:	Cycle:	Semester	Number:	8
Progress Update - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Progress Update - Number:	8			

DISBURSEMENT REQUEST PERIOD

Disbursement Request - Disbursement Period:	Cycle:	Annual	Number:	8
Disbursement Request - Period Covered:	Beginning Date:	1-Jan-2015	End Date:	31-Dec-2015
Disbursement Request - Number:	7			

Section 7: Cash Request and Authorization

A: CASH REQUEST

On behalf of the PR, the undersigned hereby requests the Global Fund to disburse funds under the above-referenced Grant Agreement as follows:

1. Cash amount requested from the Global Fund (from line 14 – "PR's Disbursement Request" in the tab "PR_Disbursement Request_4B"), in grant currency: **7 274 553**

2. Amount requested in words (in: USD): **Seven million two hundred seventy four thousand five hundred fifty three US Dollars**

B: AUTHORIZATION

The undersigned acknowledges that: (i) all the information (programmatic, financial, or otherwise) provided in this Progress Update and Disbursement Request is complete and accurate; (ii) funds disbursed in accordance with this request shall be deposited in the bank account specified in block 9 of the face sheet of the Grant Agreement unless otherwise specified herein; and (iii) funds disbursed under the Grant Agreement shall be used in accordance with the Grant Agreement.

Signed on behalf of the Principal Recipient:
(signature of Authorized Designated Representative) _____

Name: Pradeep Sharma

Title: UNDP Deputy Resident Representative

Date and Place: 2 March 2015, Bishkek, Kyrgyzstan

NB: Please ensure that section 7C Bank Details on the following page is completed, if (1) this is a split disbursement (i.e. disbursement going to more than one recipient) or (2) if there have been changes to the bank details since the previous disbursement.