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Geneva, 1 July 2020

Ms Katarzyna Wawiernia
Resident Representative
UNDP
Avenia das Nações Unidas
BP 109
Sao Tome and Principe

Subject: STP-Z-UNDP PERFORMANCE LETTER

Dear Ms Wawiernia

This letter presents the conclusions of the Global Fund's review of the Progress Report prepared by the United Nations Development Programme (UNDP) for the STP-Z-UNDP grant, covering the period of 1 January 2019 to 31 December 2019. This letter is based on the Global Fund (GF)'s analytical review of the Progress Report (PUDR) and summarizes the relevant findings and actions to be undertaken by the United Nations Development Programme during the next period of implementation.

A. Period covered by the Disbursement

This disbursement will cover six (6) months from 1 July to 31 December 2020.

B. Programmatic Performance

During the period under review (January-December 2019), the grant achieved an average performance for all indicators of 81%, corresponding to a B1 rating.

Tuberculosis:

The results reported showed weak performance for TB Care and Prevention with the two indicators *TCP-1(M): Number of notified cases of all forms of TB-(i.e. bacteriologically confirmed + clinically diagnosed), includes new and relapse cases* and *TCP-2(M): Treatment success rate- all forms: Percentage of TB cases, all forms, bacteriologically confirmed plus clinically diagnosed, successfully treated (cured plus treatment completed) among all TB cases registered for treatment during a specified period, new and relapse cases* achieving performance levels of 71% and 83% respectively. From the TB Global report and country profile, the number of TB incident cases is estimated at 260. This implies that with 142 notified TB cases, the treatment coverage stands at only 55%. Treatment success rate of 71% is quite low compared to global targets of 90%, suggesting gaps in quality of services offered to TB patients. The Global Fund requests the Principal Recipient and the National Tuberculosis Control Program (NTCP) to: (i) ensure optimal use of GeneXpert for all suspected TB cases; (ii) strengthen systems to ensure patients' follow up in the community; and (iii) strengthen health care workers capacities through formative supervisions.

Furthermore, the Global Fund notes with great concern the significant underachievement in results reported for MDR-TB, especially in the context of low treatment coverage and low treatment success rates of all forms of TB as noted above. Only two MDR-TB cases were detected and put on treatment in 2019. We request the Principal Recipient and the NTCP to review the causes for this underachievement, which includes low implementation of the systematic use of GeneXpert for all

suspected cases and put in place measures to ensure effective detection and treatment of MDR-TB cases, in line with WHO recommendations. These updated measures should also be reflected in the implementation arrangements for the next funding cycle for which preparation is currently in progress.

HIV:

The Global Fund would like to congratulate the Principal Recipient, the National AIDS Program (PNLS), community agents and all stakeholders for the excellent performance for the indicator related to Key Populations namely *KP-1c(M): Percentage of sex workers reached with HIV prevention programs - defined package of services* where 90 sex workers were reached with defined package of services. The Global Fund would however like to note that the next reporting by the Principal Recipient should use the denominator established based on the population size estimation conducted in 2018-2019.

For Treatment, Care and Support, the indicator *TCS-1(M): Percentage of people living with HIV currently receiving antiretroviral therapy* reported an achievement of 90% with 842 people out of 1,100 (76%) receiving antiretroviral therapy. However, a Spot Check conducted by the LFA in December 2019 noted that as of 30 June 2019, the number of active patients receiving antiretroviral therapy varied between 503 and 763, compared to the number of People living with HIV (PLHIV) in Sao Tome and Principe estimated by UNAIDS at 1,100, hence suggesting a coverage of between 46% and 69%. The Global Fund requests the Principal Recipient and the PNLS to ensure that: (i) the actual number of patients on ART is accurate in all health facilities in the country. This is a major priority for the development of the funding request and the implementation of the next grant; (ii) all patient data is captured in a single database including clinical data, drugs/ART protocols and patients' treatment monitoring; (iii) access to viral load is optimized with at least one viral load assessment per year for each patient on ART; (iv) an assessment of patients with virological failure is carried out and appropriate management measures are adopted; and (v) patient care and treatment package includes a rigorous therapeutic education associated with active search for patients lost to follow up.

For PMTCT, the indicator *PMTCT-2.1: Percentage of HIV-positive pregnant women who received ART during pregnancy* showed an achievement rate of 97%, with 34 out of 35 pregnant women receiving ART. In addition to continuing to ensure this good performance is sustained, the Global Fund would like to request the Principal Recipient and the PNLS to: (i) set up a mechanism to ensure active follow up of Mother-Child Pair until the exposed children are 18 months as well as (ii) maximize optimal access to Early infant diagnosis at 6 weeks for all infants born to HIV positive mothers.

TB/HIV:

The Global Fund would like to commend the Principal Recipient, NTCP, the PNLS and all stakeholders for the good results reported for the indicator *TB/HIV-6(M): Percentage of HIV-positive new and relapse TB patients on ART during TB treatment*. This is evidence of the good collaboration between the HIV and TB programs at the operational level.

Malaria:

The results reported for malaria case management were very good with all 163,188 suspected malaria cases having received a parasitological test and all 2457 confirmed malaria cases having received first-line antimalarial treatment at public sector health facilities. The Global Fund would however like to note that the 2,457 malaria cases reported in 2019 represents more than 200% of the 1030 cases initially expected. Since 2017, the country has been in epidemic situation. We request the PR and National Malaria Program to implement recommendations from WHO following the midterm review of the National Strategic Plan and outbreak investigations conducted in 2019.

The results reported for malaria vector control were below average unsatisfactory at 88% and 82% respectively for *VC-3(M): Number of long-lasting insecticidal nets distributed to targeted risk groups through continuous distribution* (16,258 compared to a target of 18,500) and *VC-5: Proportion of households in targeted areas that received Indoor Residual Spraying during the reporting period* (12,242/17,631 compared to a target of 16,576/19,501). The results suggest low

acceptance of IRS in targeted households when compared to results reported in 2018 (67%). However, the involvement of local authorities and leaders has made a difference in two districts. The Principal Recipient and the national malaria program are requested to develop and implement a plan to strengthen communication and collaboration with local authorities and leaders in urban settings and most affected districts.

Please find the table summarizing the reporting period's programmatic performance below.

#	Active Indicator Name	Country	Target Value	Result Value	Percentage
1	KP-1c(M): Percentage of sex workers reached with HIV prevention programs - defined package of services	Sao Tome and Principe	N: 0 D: 0 P: 0%	N: 90 D: 89 P: 101.1%	100%
2	TCS-1(M): Percentage of people living with HIV currently receiving antiretroviral therapy	Sao Tome and Principe	N: 735 D: 865 P: 85.0%	N: 842 D: 1,100 P: 76.6%	90%
3	PMTCT-2.1: Percentage of HIV-positive pregnant women who received ART during pregnancy	Sao Tome and Principe	N: 35 D: 35 P: 100.0%	N: 34 D: 35 P: 97.1%	97%
4	TB/HIV-6(M): Percentage of HIV-positive new and relapse TB patients on ART during TB treatment	Sao Tome and Principe	N: 26 D: 26 P: 100.0%	N: 23 D: 23 P: 100.0%	100%
5	TCP-1(M): Number of notified cases of all forms of TB-(i.e. bacteriologically confirmed + clinically diagnosed), includes new and relapse cases	Sao Tome and Principe	N: 200 D: 0 P: 0%	N: 142 D: 0 P: 0%	71%
6	TCP-2(M): Treatment success rate- all forms: Percentage of TB cases, all forms, bacteriologically confirmed plus clinically diagnosed, successfully treated (cured plus treatment completed) among all TB cases registered for treatment during a specified period, new and relapse cases	Sao Tome and Principe	N: 166 D: 195 P: 85.1%	N: 108 D: 152 P: 71.1%	83%
7	VC-3(M): Number of long-lasting insecticidal nets distributed to targeted risk groups through continuous distribution	Sao Tome and Principe	N: 18,500 D: 0 P: 0%	N: 16,258 D: 0 P: 0%	88%
8	VC-5: Proportion of households in targeted areas that received Indoor Residual Spraying during the reporting period	Sao Tome and Principe	N: 16,576 D: 19,501 P: 85.0%	N: 12,242 D: 17,631 P: 69.4%	82%
9	CM-1a(M): Proportion of suspected malaria cases that receive a parasitological test at public sector health facilities	Sao Tome and Principe	N: 184,534 D: 184,534 P: 100.0%	N: 163,188 D: 163,188 P: 100.0%	100%
10	CM-2a(M): Proportion of confirmed malaria cases that received first-line antimalarial treatment at public sector health facilities	Sao Tome and Principe	N: 1,030 D: 1,030 P: 100.0%	N: 2,457 D: 2,457 P: 100.0%	100%
11	MDR TB-2(M): Number of TB cases with RR-TB and/or MDR-TB notified	Sao Tome and Principe	N: 7 D: 0 P: 0%	N: 2 D: 0 P: 0%	29% **
12	MDR TB-3(M): Number of cases with RR-TB and/or MDR-TB that began second-line treatment	Sao Tome and Principe	N: 7 D: 0 P: 0%	N: 2 D: 0 P: 0%	29% **

C. Financial Performance

The absorption rate for the grant at 31 December 2019 is 92.3%, with cumulative expenditure of EUR 3,423,575 against a cumulative budget of EUR 3,707,805.

For the reporting period, the total expenditure was EUR 1,648,851 compared to an approved budget of EUR 1,933,081, which shows the absorption rate of 85.3%.

Please find bellow validated expenses per cost grouping.

Costing Dimension (Cost Grouping)	Reporting Period Budget	GF Validated Reporting Period Expenditure	Cumulative period Budget	GF Validated Cumulative Expenditure
Human Resources (HR)	432,681	430,800	1,055,199	1,050,771
Travel related costs (TRC)	176,619	162,248	486,810	475,431
External Professional services (EPS)	125,561	44,787	324,047	241,045
Health Products - Pharmaceuticals (HPPP)	110,527	79,988	184,959	154,099

Health Products - Non-Pharmaceuticals (HPNP)	481,188	500,306	571,811	580,608
Health Products - Equipment (HPE)	76,136	14,749	144,519	83,253
Procurement and Supply-Chain Management costs (PSM)	236,448	161,992	291,989	227,134
Infrastructure (INF)	2,640	4,916	4,809	7,306
Non-health equipment (NHP)	81,423	61,185	139,509	87,115
Communication Material and Publications (CMP)	18,317	16,925	45,378	43,987
Indirect and Overhead Costs	177,628	157,467	423,060	437,537
Living support to client/ target population (LSCTP)	13,908	13,483	35,709	35,283
Payment for results	0.00	0.00	0.00	0.00
Grand Total	1,933,081	1,648,851	3,707,805	3,423,575

Cash Balance

At the end of the reporting period, the total cash balance was EUR 360,359.52, with EUR 359,985.16 and EUR 374.36 at the level of the Principal Recipient and Sub-Recipients respectively. The validated cash balance amount includes a downward adjustment of EUR 32,592.93 to the opening cash balance reported by the Principal Recipient, in line with the adjustment made to the ending cash balance for 2018.

D. Procurement and Supply Management

At the time of the review, as per the information provided by the Principal Recipient, there were no risks of stockouts and expiry of anti-malarial medicines, LLINs, diagnostic products, condoms and anti-retrovirals.

On the other hand, for second-line anti-tuberculosis drugs, while there were no risks of stockouts, there are risks of expired products for Cycloserine (May 2020) and Levofloxacin (April 2020).

Regarding laboratory materials, the stock of TB GeneXpert cartridges was less than 3 months (2.88 months of stock). The stocks available for viral load dosage and EID tests at central level were seven months and five months respectively.

Regarding the OI medicines, there was a risk stock-out for Aciclovir (by the end of 2019) as well as a risk of expiry for Sulfadiazine (by July 2020).

The Global Fund requests the Principal Recipient to strengthen the monitoring of stock levels and place orders in time, in order to minimize the risks of stock outs, particularly in the context of the coronavirus pandemic where supplies and transportation of products have become increasingly complex.

E. Status of Grant Requirements and Management Actions

E1. Grant Requirements

As noted in the previous Performance Letter dated from 18 July 2019 for this grant, the following Requirements have been met:

- i. The use of Grant Funds by the PR to assist the Ministry of Health in the development and setting up of DHIS2 following the submission of a detailed budget and implementation plan to assist the Ministry of Health to develop and set up DHIS2: the plan was approved by the Global Fund on 21 November 2018. The Global Fund requests the Principal Recipient to ensure the continued implementation of the plan and the effective use of DHIS2 in order to ensure timely and quality data reporting.
- ii. The Principal Recipient's submission of an Indoor Residual Spraying ("IRS") operational plan which covers such issues as proposed actions, time-scales, costs and management structure to effectively implement the IRS strategy: the Principal Recipient submitted a new version of the IRS operational plan in October 2018. The Global Fund requests the

Principal Recipient to finalize the strategy used by spraying teams to prioritize localities in time for the finalization of the Funding Request for the next implementation period.

The Grant Requirement below has been met during the reporting period:

- iii. The Principal Recipient's submission of a plan detailing the measures to be undertaken to build the capacities of the National Center for Endemic Diseases to take over as Principal Recipient under the Program, together with a timeline for transferring relevant grant implementation responsibilities to the National Center for Endemic Diseases: a capacity building plan and related budget was finalized and implemented during the period. The Principal Recipient is requested to draw lessons learned from its implementation to improve capacity building processes and outcomes to be designed for the next funding cycle.

E2. Previous recommendations not addressed

Recommendation	Status	New timeline
<p>Program management</p> <p>The Principal Recipient to report on the evolution of the NHA exercise by 30 September 2018 and provide an estimated date for completion and presentation of final results.</p> <p>As part of the capacity development/ transfer to the CNE/MoH, the Principal Recipient should guarantee that the NHA for the following period 2016/2017 are planned and ready for execution in 2019 (if necessary, support the MoH/ CNE in finding donors and partners to support in the implementation).</p>	<p>On-going</p> <p>According to the information provided by the Principal Recipient as of 31.03.2020 the NHA for 2016/2017 is in the closing phase. The Principal Recipient will liaise with WHO to confirm the expected completion date.</p>	<p>31/07/2020</p>
<p>Health Product Management & Supply Chain</p> <p>By September 30, 2018, the PR is asked to:</p> <ul style="list-style-type: none"> - Communicate to the Global Fund the measures that have been taken following the notification of the results of the quality control tests carried out by the laboratory Infarmed - Portugal; - Continue to perform quality control activities along the supply chain while ensuring adherence to Global Fund guidance on quality monitoring of the pharmaceutical products; - Systematically inform the Global Fund on the results of all quality control tests which will be carried out later. 	<p>On-going</p> <p>A quality assurance plan for 2019 has been developed. The Principal Recipient should confirm that Quality Control tests were implemented (including reception of Quality Control results) in 2019 and should keep doing so for 2020.</p>	<p>31/07/2020</p>

<p>Health Product Management & Supply Chain</p> <p>UNDP, with the national TB, HIV and Malaria programs, should reinforce the monitoring of the stock levels with a national tool to compare epidemiological data, monthly distribution at FNM, and the number of beneficiaries targeted for the quantification in order to reach the most reliable information.</p> <p>Monitoring of epidemiological data and/or an updated study is needed to ensure that the patients estimated are aligned with the needs.</p> <p>Strengthening of the FNM capacities by the Principal Recipient (both from country and HQ level) to avoid expiration and shortage of drugs is to be implemented.</p> <p>UNDP should propose alternative solutions for health products identified in risk of expiry.</p>	<p>On-going</p> <p>The TB/HIV laboratory stock tool remains an electronic worksheet, manually updated, without any data validation and prone to omissions and mistakes.</p>	<p>31/07/2020</p>
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E3. Main issues identified during the review of the reporting period and mitigation actions

Identified issue	Comments	Mitigating action(s)	Deadline
<p>Health Product Management & Supply Chain</p> <p>Inadequate information (LMIS) management systems</p>	<p>Given that the grant ends on 31 December 2020 and considering the amount of work required to ensure that the new LMIS software is fully functional, it is essential that the Principal Recipient ensures that the software is fully functional as soon as possible.</p>	<p>UNDP should update the Global Fund on the accelerated launch and implementation of this new LMIS software at central level.</p>	<p>31/07/2020</p>
<p>Health Product Management & Supply Chain</p> <p>Inappropriate selection of health product and equipment</p>	<p>The current MDR-TB protocols (short and long regimens) are still containing injectable medicines (Amikacyne), with the use Bedaquiline planned for the next implementation period.</p>	<p>UNDP should collaborate with the NTCP and WHO to: (i) develop new MDR-TB protocols with Bedaquilin; and (ii) develop a transition plan in order to avoid any risk of stock out and thereby ensure a smooth transition to new protocols. This must include a new quantification.</p>	<p>31/07/2020</p>
<p>Programmatic and M&E</p> <p>Limited data availability and inadequate data quality</p>	<p>The data management system for the three programs are inadequate in spite of the roll out of DHIS2. This is evident in the incoherence in the number of active cohorts of PLHIV as well as difficulty in determining the rate of retention for HIV and TB patients on treatment.</p>	<p>UNDP should collaborate with the Ministry of Health as well as the national programs for HIV, TB and malaria to improve the data collection process and ensure all data are recorded in the DHIS2 and national HMIS platforms. All patient data should be captured in a single database including clinical data, drugs/ART protocols</p>	<p>Immediately</p>

	<p>In addition, the denominators used for reporting indicators for Key Population is not accurate.</p>	<p>and patients' treatment monitoring.</p> <p>UNDP should also work with the PNLs to review and confirm the active cohort of PLHIV to facilitate the development of the grant for the next implementation period.</p> <p>For data related to Key Population, the Global Fund requests UNDP to use the estimates from the recent IBBS report for future Progress Updates.</p>	
<p>Programmatic and M&E</p> <p>Inadequate program quality and efficiency</p>	<p>The proportion of TB cases tested with GeneXpert, in line with WHO recommendations, is low.</p> <p>In addition, TB treatment success rate is low compared to the global target of 90%.</p> <p>For HIV, there is need for the quality of treatment and care to be significantly improved.</p> <p>The quality of PMTCT needs to be improved to ensure active follow-up of Mother-Child pair and optimal access to Early infant diagnosis</p>	<p>UNDP should work with the NTCP and Detection & Treatment Centers to ensure all suspected TB cases are diagnosed using GeneXpert.</p> <p>In addition, UNDP and the NTCP should develop and implement a plan to strengthen community systems in order to improve TB case finding and patients' adherence to treatment.</p> <p>For HIV treatment and care, UNDP should work with the PNLs to ensure (i) access to viral load is optimized with at least one viral load dosage per year for each patient on ART; (ii) an assessment of patients with virological failure is carried out and appropriate management measures are adopted; and (iii) patient care and treatment package includes a rigorous therapeutic education associated with active search for patients lost to follow up.</p> <p>In relation to PMTCT, UNDP should work with PNLs to: (i) set up a mechanism to ensure active follow up of Mother-Child Pair until the exposed children are 18 months as well as (ii) maximize optimal access to Early infant</p>	31/07/2019

		diagnosis at 6 weeks for all infants born to HIV positive mothers.	
Programmatic and M&E Inadequate program quality and efficiency	IRS acceptability in targeted households is still low compared to results reported in 2018 (67%). However, the involvement of local authorities and leaders has made a difference in 2 districts.	UNDP should work with the national malaria program to strengthen the community response in urban and most affected districts through communication and collaboration with local authorities and leaders.	31/07/2020
Financial & Fiduciary Inadequate internal controls	There is an amount of EUR 31'067 on account 51005 which is not part of the disbursements received from the Global Fund and has no description or explanation provided by the Principal Recipient.	UNDP should provide an explanation concerning the origin of these EUR 31'607 and their inclusion in the grant cash balance.	31/07/2020

F. Annual Funding Decision

Considering the delay in the Principal Recipient's submission of the forecast for the period 1 July to 31 December 2020 and the need to communicate the results of the proceeding period within the timelines, we are not in a position to finalize the annual funding decision. We acknowledge the submission of the forecast on 19 June 2020. We will analyze the information submitted and inform you as soon as possible of our conclusions and decision for annual disbursement.

We would like to take this opportunity to thank you for your efforts in the global fight against HIV, TB and Malaria.

Sincerely



Monica Takyi-Appiah
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