

ANNEX A to the CONSOLIDATED PROGRAM GRANT AGREEMENT

Program Implementation Description

Country:	Kingdom of Lesotho
Program Title:	Stepping Up Universal Access: A Multi-Sectoral Partnership Response to HIV at the Community Level
Grant Number:	LSO-809-G06-H
Disease:	HIV/AIDS
Principal Recipient:	Ministry of Finance and Development Planning of the Government of the Kingdom of Lesotho

Capitalized terms and acronyms used but not defined in this Annex A or the attachments to this Annex A have the meaning given to them in the Standard Terms and Conditions of this Agreement.

In the event of any conflict between the terms of this Annex A and any provision of the Standard Terms and Conditions of this Agreement, the terms of this Annex A shall prevail.

A. PROGRAM DESCRIPTION

1. **Background and Summary:**

At 23.2% of the general population 15-49 years of age, Lesotho is one of the countries with the highest adult HIV prevalence in the world.* Each day there are an estimated 62 new infections and about 80 deaths due to AIDS.* In 2007 there were approximately 270,273 people living with HIV/AIDS (PLWHA) in Lesotho.* Infection rates tend to be higher among women. It is now estimated that more than 80,000 people in Lesotho are in need of anti-retroviral therapy (ART).* The prevalence of HIV among patients with sexually transmitted infections (STI) is high at 56.2%,* indicating a need for accelerating STI treatment along with other prevention measures. 76% of patients with tuberculosis (TB)* are found to be HIV-positive, supporting the need for better integration of HIV and TB services.

As a result of Lesotho's accelerated programme to achieve universal access to HIV prevention, treatment, care and support by 2010, there has been significant progress in rolling out ART and food support to PLWHA. However, the lack of an empirical database and the absence of a national operational HIV strategy has meant that prevention efforts have been weak, fragmented and poorly coordinated; public and private sector workplaces are slow to implement workplace policies and services; and the private and civil society interventions required to foster an enabling environment and bolster public sector health delivery have struggled to maintain a foothold. The Program primarily targets men and women in concurrent and multiple relationships, the biggest driver of the epidemic in Lesotho; it also focuses on smaller but significant populations such as youth, socially disadvantaged groups, prison inmates and the disabled, as well as women and girls, and those living in rural and hard-to-reach areas, civil society organizations, employees and employers, and government and private sector implementing partners.

* Statistics from Epidemiological Fact Sheet on HIV and AIDS, 2008 Update (World Health Organisation, UNAIDS and UNICEF)

The Program's approach is two-fold: it seeks to balance a strengthened policy environment and regulatory framework with quality and accessible HIV prevention, treatment and care. Prevention strategies will be developed and implemented within the context of a new national HIV prevention policy; targeted interventions will be designed based on a robust body of evidence concerning modes of transmission. Prevention efforts will be aligned with an expanded service delivery network that brings public service providers together with accredited private and NGO partners within a decentralized health delivery system. In particular, civil society and the private sector will be mobilized to support the national HIV response not only through scaling up service provision and better management of an integrated HIV, TB and sexual reproductive health (SRH) response but through innovative activities to create a supportive environment for prevention, increased testing and uptake of services through enhancing gender, social equality and dispelling of stigma and discrimination. Activities are designed to build on and expand those of Global Fund programs in earlier rounds of funding.

A significant proportion of this Program is devoted to health systems strengthening (HSS) in support of both HIV and TB. Lesotho has embarked on a health sector reform and is currently transitioning to decentralizing health services to 10 districts. Support to the decentralization process is critical if the Government of Lesotho (GOL) is to achieve optimum public health outcomes and, in particular, those relating to the interventions for HIV and TB. The objective of the HSS component is to support the Human Resources Development and Strategic Plan by assisting in the provision of the manpower and skills needed for effective service delivery. This component will therefore focus on the health workforce through strengthening of the following areas: (i) recruitment of health personnel; (ii) distribution of health personnel; (iii) retention of health staff; (iv) development of health personnel capacity; and (v) health personnel productivity. The range of activities will include strengthening workforce management, improving incentives to address the distribution and retention of staff, and task-shifting to less specialized workers.

2. Goal:

To reduce the spread of HIV/AIDS, reduce morbidity and mortality and mitigate the social and economic impact of the epidemic.

3. Target Group/Beneficiaries:

- People with disabilities;
- Prison Inmates;
- General target groups (men, boys, women, couples, migrant workers, factory workers, uniformed services);
- Young people (male and female, aged 12-24);
- Sexually active population (aged 12-49); and
- PLWHA.

4. Strategies:

- Behavior change communication (BCC) Mass Media;
- BCC Community Outreach and Schools;
- Condom programming;
- Male circumcision;
- STI Diagnosis and Treatment;

- HIV Testing and Counselling (HTC);
- Anti Retroviral Therapy (ART) provision and monitoring;
- Prophylaxis and treatment of Opportunistic Infections (OI);
- Integration of SRH and HIV;
- Care and support for the chronically ill;
- TB/HIV Co-infection;
- Stigma reduction;
- National Policy Framework;
- Community System Strengthening (CSS);
- Workplace Programmes: Business and Labour; and
- Workplace Programmes: Public Sector.

5. Planned Activities:

- To reduce incidence of new infections in both the general and specific populations;
- To increase universal access to HIV testing and counseling services;
- To strengthen and scale up comprehensive HIV chronic care services and ART for PLWHA;
- To reduce the negative social and economic impact of HIV and AIDS on individuals, families and communities;
- To scale HIV and AIDS related policies and programmes in both public and private workplaces; and
- To strengthen health systems to improve access to primary care services.

The HSS component has four interventions:

- To strengthen service delivery through strengthening the district health services and peripheral services (mobiles, logistics, x-rays);
- To strengthen health workforce through retention and recruitment of staff; training capacity and human resources (HR) management at district level;
- To strengthen HMIS through an emphasis on district and service levels;
- To strengthen procurement and supply management system at all levels;

B. CONDITIONS PRECEDENT TO DISBURSEMENT

1. Conditions Precedent to First Disbursement (Terminal Date as stated in block 7A of the Face Sheet)

The first disbursement of Grant funds by the Global Fund to the Principal Recipient is subject to the satisfaction of each of the following conditions:

a. the delivery by the Principal Recipient to the Global Fund of evidence, in form and substance satisfactory to the Global Fund, that salary and remuneration benefits (including hardship allowances) of healthcare workers responsible for conducting the Program are consistent with the Summary Budget and the Retention Strategy for Healthcare Workers of the Ministry of Health of the Government of Lesotho;

b. the delivery by the Principal Recipient to the Global Fund of a revised budget for the Service Delivery Area for HSS: Human Resources in the Macro-Category as set out at line 15 of Table B (Summary Budget Breakdown by Program Activity) of the Summary Budget to an amount of US\$18,805,867 which shall reflect the financial adjustments made as a result of using the agreed budgeted exchange rate of 7.5 Lesotho maloti to 1 United States dollar. Any savings from this revised budget from the amount

which is set out in the Summary Budget shall be deducted from the Consolidated Grant Amount set out in block 8 of the Face Sheet;

c. the delivery by the Principal Recipient to the Global Fund of confirmation of the amount of uncommitted cash balance from the Round 5 HIV grant (LSO-506-G03-H) as of the end of October 2009, which balance shall be brought over into, and deducted from, the Consolidated Grant Amount as set out in block 8 of the Face Sheet; and

d. the delivery by the Principal Recipient of a revised workplan and budget and a revised Summary Budget, in form and substance satisfactory to the Global Fund, that shall include the adjustments relating to clauses a), b) and c) above.

2. Condition Precedent to the Disbursement to finance the food provision for patients in the Program (Terminal Date as stated in block 7B of the Face Sheet)

Prior to disbursement of Grant funds by the Global Fund to the Principal Recipient to finance food provision for patients in the Program, the Principal Recipient shall submit to the Global Fund the detailed plans, in form and substance satisfactory to the Global Fund, relating to such food provision. The detailed plans shall include, but not be limited to:

- i. the numbers of persons collecting food rations at the health facilities;
- ii. the eligibility and selection criteria of persons who will benefit from food support;
- iii. the costs of providing food support to patients;
- iv. the methods of monitoring the numbers and categories of persons receiving food support;
- v. the food stocks which will be made available and information on how those stocks will be maintained; and
- vi. a risk analysis together with details of how the Principal Recipient intends to effectively control the risks identified in relation to feeding activities of the Program.

3. Condition Precedent to the Disbursement to finance the renovation and/or refurbishment of health facilities (Terminal Date as stated in block 7C of the Face Sheet)

Prior to disbursement of Grant funds by the Global Fund to the Principal Recipient to finance any renovation and/or refurbishment of health facilities, the Principal Recipient shall submit detailed budget proposals and renovation and/or refurbishment plans to the Global Fund, in form and substance satisfactory to the Global Fund, for each element of capital expenditure that is to be financed by the Grant funds.

C. SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT

1. At the same time as it submits each Programmatic Progress Report and Update and/or each Request for Disbursement under this Agreement, the Principal Recipient shall also provide to the Global Fund written updates on the progress that is being made in the Kingdom of Lesotho to achieve the development and implementation goals set out in the national electronic M&E database for HIV/AIDS for Lesotho.

2. By no later than 31 December 2009, the Principal Recipient shall provide evidence to the Global Fund, in form and substance satisfactory to the Global Fund, that an improved

Accounting System and a Fixed Assets Register are in place and functioning to a standard which is satisfactory to the Global Fund.

3. By no later than 31 December 2009, the Principal Recipient shall submit to the Global Fund a capacity-building plan for each of the Sub-recipients, in form and substance satisfactory to the Global Fund, derived from the assessments of the Sub-recipients for the Program.

D. FORMS APPLICABLE TO THIS AGREEMENT

For the purposes of Article 15b(i) of the Standard Terms and Conditions of this Agreement entitled "Periodic Reports," the Principal Recipient shall use the "On-going Progress Update and Disbursement Request", available from the Global Fund upon request.

E. ANTICIPATED DISBURSEMENT SCHEDULE

For the purposes of Article 10a. of the Standard Terms and Conditions of this Agreement, the anticipated disbursement schedule for the Program shall be semi-annual starting from the Consolidated Phase 1 Starting Date.