On-going Progress Update and Disbursement Request

PROGRESS UPDATE PERIOD

Grant number:	**MWP-708-G06-H**			
Progress Update - Reporting Period:	**Cycle:**	Semester	**Number:**	4
Progress Update - Period Covered:	**Beginning Date:**	1-Jan-2010	**End Date:**	30-Jun-2010
Progress Update - Number:	4			

iv. Overall evaluation of performance

Overall, the regional performance in Period 4 has shown continued progress and presents a much stronger position than in Period 3, with more than 21 months of solid implementation time since grant signature. SPC is in a better position to identify which SRs are performing well, can manage their own challenges with minimal PR support and which will need continued PR assistance and "supervision" towards end of Phase 1 and during the No Cost Extension term, and potentially during Phase 2.

There are 14 measurable indicators in this grant, 13 of which are reportable in Period 4. As at end of Period 4, the grant has:

(a) Met or exceeded (100% or more) the forecast targets for 5 indicators (legal literacy training, counselling training, condom procurement and supply, STI management training and laboratory strengthening for STI testing);
(b) Performed well (70% to 90%) in regard to the forecast targets for 4 indicators (CD4 testing services, counselling and testing sites providing services according to Pacific essential standards, VNRBDR training and STI testing);
(c) Made some progress (55% - 69%) in 2 indicators (people counselled and tested based on Pacific essential standards and STI treatment amongst the ANC population); and
(d) Underachieved (54% and below) in 2 indicators (ARV treatment and STI treatment sites reporting no stockouts) - it should be noted that for the ARV treatment indicator, except for the 3 dropouts, 3 deaths and 1 transfer out, all the HIV+ people requiring treatment are receiving uninterrupted ARV supply; the under-reporting for this indicator is also a consequence of treatment need projections made during proposal development on best available data at the time. The 34 of the 41 known cases in need of treatment as per the indicator's definition are receiving ART (or 83%) as at 30 June 2010. As regards the STI treatment sites reporting no stockouts, the under-reporting is also a consequence of weak information gathered from a rapid assessment in May 2009, which included community level facilities that do not serve as key treatment sites. This particular information has been used correctly to project targets for a similar indicator for Phase 2.

By way of comparison with the Period 3 performance, the grant program was able to maintain strong performance in the same 5 indicators. It has shown marked improvement in the counselling and testing program where more sites have been accredited based on quality standards (from 63% to 73%). However, STI treatment amongst the ANC population has underperformed due to weak recall and reporting of pregnant mothers found positive for Chlamydia. This is a particular issue in Samoa. In terms of the number of people counselled and tested, the annual performance may be unsatifactory but looking at the period specific result, the number has more than doubled compared to the prior period (P3=4,341 vs P4=9,803; 125% increase in six months). This is due to the accreditation of 3 more sites and better reporting by the country implementers after PR training on programmatic and financial reporting. It can be noted that the submission of the country reports this period was more delayed than expected and this was impacted by 3 factors:

(1) Significant amount of implementation time was devoted to the Phase 2 submission, which required more than 2 months of time from SRs and the PR;
(2) Scale up of in-country activities including those supported under other grants - Response Fund, UN agencies, other donors, etc.; and
(3) Absence of the PR-organized regional training on programmatic and financial reporting.

For an overall summary of performance the PR refers to the immediately following worksheet titled PR Section 1A (4), with a graph and word explanation.

v. Planned changes in the program, if any.

Program Implementation Changes

Although the end Period 4 cumulative results demonstrate that program implementation is continuing to strengthen, SPC and its partners have been reviewing areas for potential adjustment/strengthening to ensure ongoing strong performance even beyond Phase 1. Some areas of particular focus going into the No Cost Extension term and potentially Phase 2:

(a) Ongoing attention on conducting community awareness activities for the STI testing program, to further increase the demand for STI testing services - with a particular focus on non-ANC clients (youth, other high risk groups) to increase the general population uptake of STI testing; there is a planned outreach to Kiritimati Island that is planned in the No Cost Extension term.

(b) Laboratory strengthening will be pursued in selected PICTs - i.e. Kiribati and Vanuatu during the No Cost Extension term, then a spillover to the North Pacific PICTs - to improve the availability and access to HIV confirmatory testing, early infant diagnosis and CD4 testing.

(c) With regard to counselling and testing, the Steering Committee will continue to support the overall grant in terms of providing technical guidance and inputs; the PR will undertake an independent external evaluation of the PC&SS implemented counselling training programs and utilize the review recommendations as inputs to further developing the counselling and testing program according to the "Pacific essential standards."

vi. Other program results, success stories, issues or lessons learned

Success Stories

1. All national laboratories in 11 PICTs continue to enable national programs to provide STI testing services. There is increased and improved coordination among ADB, NZAID, the new AusAID & NZAID 'Response Fund' and this grant ensuring that available resources are used on a rational basis to support the procurement of health equipment, laboratory consumables and reagents and provide funds for the referral of specimens to reference laboratories in the region.

2. Capacity building inputs on STI clinical and case management, counselling and testing and legal literacy continue to improve in Period 4.

Issue and resolution

There is a need for increased focus and resources to the following aspects of the national HIV and STI programs:

(a) Continue to lift the standards of counseling and testing services based on the Pacific essential standards - to continue providing technical support to sites for accreditation; a revisit of the revamped standards may be needed to ensure appropriateness and applicability in the Pacific setting;
(b) Urgent need to improve in-PICT case management of HIV+ individuals on ART;
(c) Continue to strengthen in-PICT monitoring of program implementation;
(d) Ensuring quality of capacity building support activities and other technical assistance to PICTs, which will be pursued in Phase 2;
(e) Reinforce the use of standard tools for reporting for STI and HIV surveillance in all PICTs; and
(f) Ensuring accurate, timely and "one-time" reporting of programmatic and financial reports of Sub-recipients to SPC, including the submission of quality supporting documents.

These are all in the PR's framework for action for Phase 2 as these have been built into the Phase 2 planning.

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

Conditions Precedent and/or other special conditions	Fulfilled? (Yes/No)	PR Comments
CP 1. The first disbursement of Grant funds is subject to the delivery by the Principal Recipient to the Global Fund of a plan, in form and substance acceptable to the Global Fund, detailing the arrangements for implementing the new structure of the Principal Recipient's program management unit (the "PMU"), including appropriate hand-over arrangements and evidence of offers of appointment and acceptance thereof by suitably experienced and qualified persons for the positions in the PMU of Global Fund portfolio manager and the HIV/AIDS operations coordinator (the "Transition Plan"), who shall be able to assume their responsibilities before 30 September 2008. The Transitional Plan shall also include the contingency arrangements the Principal Recipient has in place to address situations in which the position(s) of Global Portfolio Manager and HIV/AIDS operations coordinator are not filled by 30 September 2008.	Yes	**ALL PR COMMENTS BELOW ARE ADJUSTED FROM THE FOURTH PROGRAM UPDATE AND DISBURSEMENT REQUEST AND ARE CURRENT AT 30 JUNE 2010.** Already satisfied in Period 2. Included for sequential numbering and clarity purposes. ***Note: Shaded = completed at the end of Period 2 or Period 3.***
CP 2. The second disbursement of Grant funds is subject to the satisfaction of each of the following conditions: CP 2.a. the delivery of the Principal Recipient to the Global Fund, that the Transitional Plan has been fully implemented, including that suitably experienced and qualified persons have assumed their responsibilities as Global Fund Portfolio Manager and HIV/AIDS Operations Coordinator in the PMU;	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes.
CP 2.b. The Principal Recipient shall provide evidence, in form and substance acceptable to the Global Fund, that an external technical review has been conducted of existing procurement practices within the Fiji Pharmaceutical and Biomedical Services (as host for the regional pooled procurement mechanism funded under this program) and shall develop an action plan to correct any deficiencies identified in such external technical review, including in areas such as skill upgrading and updating the procurement, use and supply management of Health Products (the "PSM Action Plan");	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes. *An update on PR responses to the review recommendations is attached in this PUDR in a newly inserted worksheet titled "PR_Section 1C(b)."*
CP 2.c. The Principal Recipient shall deliver to the Global Fund a quality assurance protocol, in form and substance acceptable to the Global Fund, ensuring the quality of pharmaceutical products procured with Grant funds, including quality control testing of such products, in accordance with the Global Fund Quality Control requirements for pharmaceutical products; and	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes.

CP 2.d. The delivery by the Principal Recipient to the Global Fund of a report, in form and substance acceptable to the Global Fund, detailing the tax and duty exemption status of this Agreement in each and all of the countries that are part of the Program (as specified in block 1 of the face sheet of this Grant Agreement).	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes.
CP 3. The third disbursement of the Grant funds is subject to the delilvery by the Principal Recipient to the Global Fund of evidence, in form and substance acceptable to the Global Fund, that the PSM Action Plan has been implemented.	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes.
CP 4. The disbursement by the Global Fund or use by the Principal Recipient of Grant funds to finance the procurement of Health Products (as defined in Article 19 of the Standard Terms and Conditions of this Agreement), is subject to the following conditions: CP 4.a. the delivery by the Principal Recipient to the Global Fund of a revised plan for the procurement, use and supply management of the Health Products for the Program as described in subsection (c) of Article 19 of the Standard Terms and Conditions of this Agreement, (the "Revised PSM Plan"); and	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes.
CP 4.b. The written approval by the Global Fund of the Revised PSM Plan.	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes.
STC 1. Unless otherwise specified, all references to "Host Country" in this Agreement shall be construed as a reference to all of the countries specified in Block 1 of face sheet of this Agreement, and references to the 'Country Coordinating Mechanism' shall be construed as references to 'the Pacific Islands Regional Multi-Country Coordinating Mechanism'.	N/A	Noted by PR. Included for sequential numbering and clarity purposes.
STC 2. Counterpart Financing for Lower Middle Income Countries. The Principal Recipient acknowledges and understands that the Global Fund has entered into this Agreement with the Principal Recipient on the representation by the CCM in the proposal for the Program that the annual counterpart financing for HIV/AIDS in the Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, Samoa, Tonga, Tuvalu and Vanuatu is at least 10% of all resources dedicated to HIV/AIDS in each of these countries in the first year of the Program with a progressive increase to at least 20% over the duration of the Program. Accordingly, if the annual counterpart financing in any of such countries for any year of the Program is in fact or is anticipated to be materially lower than the amounts stated in the proposal, the Principal Recipient shall promptly notify the Global Fund. (Counterpart financing encompasses all domestic resources (including contributions from governments, loans from external sources or private creditors, debt relief proceeds, and private contributions such as from non-governmental organizations, faith-based organizations, other domestic partners, and user fees dedicated to the national tuberculosis program).	Yes	Based on the 2009 calendar year (*the standard means by which PICT countries prepare fiscal reports, and not 1 July - 30 June each year),* and direct enquiries made by SPC as part of preparation for this PUDR, SPC has not received any notification (or is not aware of factors that would lead us to believe) that country contributions are, or could be anticipated to be, materially lower than the amounts stated in the proposal. In the recent 10th PIRMCCM Annual Meeting held in Nadi, Fiji Islands last May/June 2010, a special session on Counterpart Financing was held where the PICTs receiving Global Fund support made country presentations on the topic. A master document on all PICT presentations is included in this PUDR.
STC 3. Counterpart Financing for Upper Middle Income Countries. The Principal Recipient acknowledges and understands that the Global Fund has entered into this Agreement with the Principal Recipient on the representation by the CCM in the proposal for the Program that the annual counterpart financing for HIV/AIDS in the Cook Islands, Niue and Palau is at least 20% of all resources dedicated to HIV/AIDS in each of these countries in the first year of the Program with a progressive increase to at least 40% over the duration of the Program. Accordingly, if the annual counterpart financing in any of such countries for any year of the Program is in fact or is anticipated to be materially lower than the amounts stated in the proposal, the Principal Recipient shall promptly notify the Global Fund. (Counterpart financing encompasses all domestic resources (including contributions from governments, loans from external sources or private creditors, debt relief proceeds, and private contributions such as from non-governmental organizations, faith-based organizations, other domestic partners, and user fees dedicated to the national tuberculosis program)).	Yes	Based on the 2009 calendar year (*the standard means by which PICT countries prepare fiscal reports, and not 1 July - 30 June each year),* and direct enquiries made by SPC as part of preparation for this PUDR, SPC has not received any notification (or is not aware of factors that would lead us to believe) that country contributions are, or could be anticipated to be, materially lower than the amounts stated in the proposal. In the recent 10th PIRMCCM Annual Meeting held in Nadi, Fiji Islands last May/June 2010, a special session on Counterpart Financing was held where the PICTs receiving Global Fund support made country presentations on the topic. A master document on all PICT presentations is included in this PUDR.

STC 4. Notwithstanding Article 13(d) of the Standard Terms and Conditions of this Agreement, the Principal Recipient and the Global Fund acknowledge and agree that the annual audit conducted under Article 13(b) of the Standard Terms and Conditions of this Agreement shall also include an annual audit of the revenues and expenditure of each sub-recipient of Grant Funds.	N/A	Noted by PR. Included for sequential numbering and clarity purposes.
STC 5. The disbursement by the Global Fund or use by the Principal Recipient of Grant funds to finance the refurbishment or renovation of clinics in Kiribati and Samoa is subject to the following conditions: STC 5.a. the delivery by the Principal Recipient to the Global Fund of a revised detailed budget, in form and substance acceptable to the Global Fund, detailing the expenditures for such refurbishment or renovation of clinics in Kiribati and Samoa; and	Yes	Already satisfied in Period 3. Included for sequential numbering and clarity purposes.
STC 5.b. The delivery by the Principal Recipient to the Global Fund of evidence, in form and substance acceptable to the Global Fund, that the procurement process for goods and services required for the refurbishment or renovation of clinics in Kiribati and Samoa has been conducted in accordance with Article 18 of the Standard Terms and Conditions of this Agreement.	Yes	Already satisfied in Period 3. Included for sequential numbering and clarity purposes.
STC 6. The disbursement by the Global Fund or use by the Principal Recipient of Grant funds to finance the strengthening and support of regional capacity scale up counselling and testing for HIV in Pacific Island countries by means of regional organizations, as set out in Activity 2.D.a of the work plan, is subject to the delivery by the Principal Recipient to the Global Fund of a revised budget, in form and substance acceptable to the Global Fund, including detailed expenditures for aforementioned activity 2.D.a.	Yes	Already satisfied in Period 2. Included for sequential numbering and clarity purposes.
STC 7. The disbursement by the Global Fund or use by the Principal Recipient of Grant funds to finance operational research undertaken in Micronesia and Vanuatu, as set out in activity 2.I.e of the work plan is usbject to the delilvery by the Principal Recipient to the Global Fund of a revised budget, in form and substance acceptable to the Global Fund, including detailed expenditures for aforementioned activity 2.I.e.	Yes	Already satisfied in Period 3. Included for sequential numbering and clarity purposes.
STC 8. Income realized by any Sub-recipient as a result of social marketing activities shall be accounted for by the Sub-recipient and the Principal Recipient and such income shall be used exclusively in support of Program activities.	Yes	A report from MSIP on the program income from the condom social marketing activities in the North Pacific (Palau, FSM and RMI) is included in this PUDR.

On-going Progress Update and Disbursement Request

Section 1: Programmatic and Financial Progress Update

iv.a Overall evaluation of performance

Figure 1: Trend of performance against coverage indicators (period specific marked with **)

Level	Indicator	Period 1	Period 2	Period 3	Period 4
0	Number of PICT with costed M and E action plan with measures to strengthen national M and E systems	2	12	12	12
1	Number of people receiving legal literacy training on HIV, human rights and law	14	55	197	214
1	Number of HIV and STI counsellors trained	0	65	124	134
1	Number of national society staff and volunteers trained in voluntary non-remunerated blood donor recruitment (VNRBDR)	15	31	31	43
1	Number of people trained or retrained in the management of STI	30	175	242	281
2	Number and % of STI treatment sites (national and provincial hospitals) reporting no stock-outs of STI drugs (as per national treatment guidelines) lasting more than 14 days in the prior 12 months	NA	12	NA	18
2	Number of health facilities providing ARV using CD4 Monitoring	4	7	7	7
2	Number of sites providing HIV and STI testing and counselling according to Pacific minimum standards		12	19	22
2	Number of laboratories strengthened to provide STI testing	4	10	11	11
3	Number of adults and children on ART **	25	37	36	34
3	Number of people who receive HIV counselling and testing according to Pacific Minimum Standards **		3,827	4,341	9,803
3	Number of people tested for STIs **	3,986	5,584	9,112	12,408
3	Number of STI cases treated amongst pregnant women **	232	315	611	826
3	Number of condoms made available **	0	165,428	417,630	396,740

Performance Summary

Figure 1 above demonstrates that there has been solid, improving performance of the grant program over the period 1 July 2008 to 30 June 2010. More importantly, with grant signature only occuring shortly before the grant start date (1 July 2008), most participating PICTs (11 direct Sub-recipients) and regional partners did not receive the first disbursement of funds until well into Period 1 and and some not until close to December 2008.

The solid improvement of results, particularly between Period 3 and Period 4 demonstrates the signficant additional work at the PR and SR levels to strengthen both overall performance and overall reporting. Mid-way through Period 2 (January to June 2009) and Period 3 (July to December 2009), the PR identified that the initial "grant inception training" (held in November 2008) would not be sufficient to address country needs over the grant term. The PR has since held 6 monthly trainings on reporting (and providing TA at the same time) in July 2009 and February 2010. The movement between indicator achievement between Periods 2 and 3 and Periods 3 and 4 is in part due to this training, but also due to improvements in in-country staffing levels within national programs, enabling PICTs to take on the increased reporting work arising from the Round 7 funding. Whilst HR levels in the PICTs remain at low levels, the improvements in HIV and STI program level staff (funded under the Round 7 HIV grant) is anticipated to bring increased results again in Phase 2.