

Grant Performance Report

ROM-202-G02-T-00

17 October, 2006

Grant General Information

Grant Number	ROM-202-G02-T-00
Grant Title	Rising to the Challenges of Tuberculosis: A Comprehensive, Coordinated Multi-Sectoral Response in Romania
Component	Tuberculosis
Round	2
Principal Recipient	The Ministry of Health and Family of the Government of Romania
Lifetime Budget	USD 16,743,641
Phase 1 Grant Amount	USD 16,870,000
Program Start Date	01-Feb-04

1. Program Descriptions, Objectives, Targets and Results

Program Description

The Program aims to enable the Government of Romania to reduce TB mortality, morbidity and disease transmission, while preventing the development of drug resistance.

The goal is to achieve the WHO Recommended TB Control targets to cure 85% of newly detected cases of sputum smear positive TB and to detect 70% of the estimated incidence of sputum smear positive by expanding DOTS coverage to 100% of the country by the end of the project.

In addition, DOTS Plus protocols for Multi-Drug Resistant (MDR) TB are to be incorporated into the DOTS strategy and 80% of the MDR TB patients are to receive treatment.

After two years, more than 10,000 professionals will be trained and involved in DOTS programming and the foundations will be laid to meet the World Health Organization targets for reducing TB mortality rates and stopping the increased rate of incidence.

Key strategies focus on:

- Ensuring DOTS expansion and prevention programs in order to halt the increasing rate of TB incidence;
- Strengthening the implementation of the National Strategy and Control of TB among the most vulnerable groups by working in close collaboration with specialist networks in pulmonology and epidemiology, all levels of health professionals and community members;
- Strengthening the national health care system for TB patients by improving the bacteriological laboratory network and functionality of the quality control system and using a patient-centered approach to improve both access to and use of health services; and
- Improving TB supervision/monitoring and strengthening the TB surveillance system within the National Communicable Disease Surveillance network.

Program Goals and Impact Indicators

Goal 1	Expand DOTS to reduce TB incidence	Baseline		Target				
		Value	Date	Year 1	Year 2	Year 3	Year 4	Year 5
Impact Indicator	Reduced TB incidence in children (per 100,000)	47.1	2000				40%	
Impact Indicator	Number of new smear positive TB cases detected under DOTS	70%	2003			75%	80%	

Goal 2	Improve care for TB patients	Baseline		Target				
		Value	Date	Year 1	Year 2	Year 3	Year 4	Year 5
Impact Indicator	Reduced number of deaths from TB (all forms) per 100,000 population per year	TBD					TBD	
Impact Indicator	TB mortality rate	9.5%	2001				7%	
Impact Indicator	Cure rate for new smear-positive pulmonary TB cases	55%	2001				85%	
Impact Indicator	Success rate for new smear-positive pulmonary TB cases registered under DOTS	76%	2003			82%	85%	
Impact Indicator	Percent of MDR-TB patients successfully treated	0%	2003				60%	

2		Number of medical and prison staff trained for IEC sessions in prisons								Level 1-People trained		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	-	-	-	-	75	75	75	75		
		Result	-	-	-	-	144	144	144	146		
Value	0		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target										
		Result										

3		Number and percentage of prisoners receiving IEC sessions in TB								Level 3-People reached			
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	
Date	2003	Target	-	-	-	-	1100	2200	3300/3900 0 (8.46%)	4400/3900 0 (11.28%)	5860/3900 0 (15%)	8280/3900 0 (21.23%)	
		Result	-	-	-	-	932	2552	4444/3900 0 (11.39%)	6046/3900 0 (15.50%)		8273/3900 0 (21.21%)	
Value	0%		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20	
		Target	10700/3900 00 (27.44%)	13120/3900 00 (33.64%)									
		Result											

4		Number of Roma medical mediators trained for IEC sessions in TB								Level 1-People trained		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	-	-	-	-	0	52	52	52		
		Result	-	-	-	-	63	63	63	63		
Value	0		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target										
		Result										

5		Number of Roma population from selected communities (4 counties and school children) with implemented IEC program in TB								Level 3-People reached		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	-	-	-	-	-	3000	9000	15000	23291	26291
		Result	-	-	-	-	-	14991	21291	21291		21291
Value	0		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target	29291	82291								
		Result										

6		Percentage of Roma people able to identify basic characteristics of TB								Level 3-People reached		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	-	-	-	-	-	-	-	-	-	baseline study
		Result	-	-	-	-	-	-	-	-	-	-
Value	N/A		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20

		11	12	13	14	15	16	17	18	19	20
	Target	-	-								
	Result										

SDA 3 Supportive Environment: Advocacy and increased political commitment to DOTS

1	Number and percentage of locations (prisons and prison-hospitals) with National TB Control in Prisons Program implemented										Level 2-Service Points supported	
Baseline		Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	
Date	2003	Target	-	-	-	-	-	-	43/43 (100%)			
		Result	-	-	-	-	-	-	0/43 (0%)			
Value	0		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target										
		Result										

SDA 4 Prevention: Identification of Infectious Cases

1	Number and percentage of new TB patients counseled and tested for HIV										Level 3-People reached	
Baseline		Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	
Date	2003	Target	-	-	1000	3000	3500	5000	7000/2100 0 (33.33%)	10500/2100 00 (50%)	12500/4200 00 (29.76%)	15500/4200 00 (36.9%)
		Result	-	-	0	1710	4943	8335	10550/2100 00 (50.23%)	13079/2100 00 (62.28%)		15336/4200 00 (36.51%)
Value	0%		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target	18500/4200 00 (44%)	22500/4200 00 (53.57%)								
		Result										

2 Number and percentage of locations (prisons and prison-hospitals) with isolation and sputum collection rooms

											Level 2-Service Points supported	
Baseline		Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	
Date	2003	Target	needs assessment	-	-	-	-	23/43 (53.49%)	28/43 (65.12%)	42/43 (97.67%)		
		Result	-	-	assessment done	-	-	contracts signed	14/43 (32.56%)	30/43 (71.40%)		
Value	1		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target										
		Result										

SDA 5 Care and Support: Supporting patients through direct observation of treatment

1	Number of TB patients receiving incentives										Level 3-People reached	
Baseline		Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	
Date	2003	Target	-	-	-	500	3000	4500	6000	6500	6900	
		Result	-	-	-	860	1963	2871	4032		4193	
			Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20

2		Number and percentage of laboratories receiving quality control visits								Level 2-Service Points supported		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	-	-	-	-	133/177 (98.31%)	174/177 (98.31%)	174/177 (98.31%)	174/177 (98.31%)		
		Result	-	-	-	-	139/177 (78.53%)	177/177 (100%)	177/177 (100%)	177/177 (100%)		
Value	0%		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target										
		Result										

SDA 3		Treatment: Control of drug resistance										
1		Number of facilities for Multidrug-Resistant Tuberculosis (MDR-TB) treatment receiving support (infrastructure, equipment, supplies)								Level 2-Service Points supported		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	needs assessment	rehabilitation plan completed	-	-	1	1	2	2		
		Result	-	assessment done	-	-	1	1	1	2		
Value	0		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target										
		Result										

2		Number of health staff (from the 2 MDR centres) trained in MDR-TB case management								Level 1-People trained		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	-	-	-	-	40/40 (100%)	40/40 (100%)	40/40 (100%)	40/40 (100%)	288	303
		Result	-	-	-	-	53/40 (132.5%)	53/40 (132.5%)	53/40 (132.5%)	48/40 (120%)		270
Value	0		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target	318	333								
		Result										

3		Number and percentage of MDR-TB eligible patients under treatment in regional centers								Level 3-People reached		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10
Date	2003	Target	-	GLC approval	-	-	90/400 (22.5%)	90/400 (22.5%)	200/400 (50%)	320/400 (80%)	320/400 (80%)	320/400 (80%)
		Result	-	-	-	GLC approval received	29/400 (7.25%)	90/400 (22.5%)	129/400 (32.25%)	195/400 (49.5%)		181/400 (45%)
Value	0%		Period 11	Period 12	Period 13	Period 14	Period 15	Period 16	Period 17	Period 18	Period 19	Period 20
		Target	340/400 (85%)	340/400 (85%)								
		Result										

SDA 4		Treatment: Timely detection and quality treatment of cases										
1		Number and percentage of sputum collection rooms and isolation rooms located in prison and prison hospitals fully equipped and furnished								Level 2-Service Points supported		
Baseline			Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10

Comments on Key Discrepancies between approved Proposal and Grant Agreement

Comments

The Grant Agreement is in line with the approved proposal. Significant efforts were put to incorporate the measurable targets in Attachment 2 (Indicators and Targets for Year 2) in line with the original proposal and the internationally agreed Monitoring and Evaluation Toolkit. Targets in Attachment 1 (Indicators and Targets for Year 1) focus on process level indicators to reflect necessary preparations and setting up required systems to implement program activities. Several coverage indicators included in Attachment 2 are reported for the first time in Quarter 5.

2. Initial Global Fund Assessments

Global Fund Assessment

Assessment	Rating	Assessment Value
<u>Background Analysis</u>	x	Background Analysis was not part of the assessment process at the time of grant signature.
<u>Financial Management and Systems</u>	B1	Areas identified for further strengthening included development of a clear and comprehensive Project Operation Manual, evidence of a system for Sub-Recipient assessment, selection, management and monitoring, additional human resources, systems to ensure integrity and proper management of financial data. The Principal Recipient (PR) should also provide evidence regarding tax exemptions, Project Management Unit (PMU) staffing and status, bank accounts designated for the grant funds. PR has taken appropriate actions per the above recommendations.
<u>Institutional and Programmatic</u>	B2	Areas identified for further strengthening included recruitment of additional staff, finalization of the Project Operation Manual, involvement of the PR leader in the strategic management of the project, training and communication plans. PR has taken appropriate actions per the above recommendations.
<u>Procurement and Supply Management</u>	B2	The PR should (i) finalize the Procurement Plan, incorporating review of Sub-Recipient (SR) Plans, (ii) increase the number of procurement staff, (iii) clearly delineate PSM resources between the GF program and World Bank programs, (iv) clarify ownership of program assets with SRs. PR has taken appropriate actions per the above recommendations.
<u>Monitoring and Evaluation</u>	B1	Areas identified for further strengthening included additional human resources and capacity building in the M&E area, development of appropriate M&E indicators, appropriate data information system, data integrity & confidentiality policy. PR has taken appropriate actions per the above recommendations.
<u>Overall</u>	x	No overall rating was required at the time these assessments were completed. Capacity gaps posing minor and some manageable risks were identified as part of the assessments. The PR implemented capacity-building per the above recommendations during the implementation.

Were there any major conditions in the Grant Agreement? Yes

Has Been Met	Comment
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> In Progress	<p>Before the first disbursement the PR will furnish to the GF: Evidence that the Government of Romania will accord the exemptions from taxes and duties specified in Article 4 of the Standard Terms and Conditions to the PR and sub-recipients; Evidence that Non-Governmental Organizations contracted as Sub-Recipients, will be regarded as non-for-profit organizations and be exempted from all profit taxes applicable to commercial companies; Evidence that the PR Project Management Unit may recruit staff and manage funds independent of the Ministry for Health and Family but in accordance with existing legislation.</p>
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> In Progress	<p>Before second disbursement, the PR will furnish to the GF: Evidence by means of an assessment of the PR's Monitoring & Evaluation systems that it can satisfactorily monitor and evaluate activities under the program; Evidence by means of an assessment of the PR's Institutional & Programmatic capacity, that it has the institutional and programmatic capacity to implement the program; A comprehensive Project Operation Manual, stipulating the internal organization of the Project Management Unit and the management of Sub-Recipients, including the sub-recipients' assessment and selection, disbursements, control and monitoring of their activities, including safeguard of assets in custody; Evidence that additional key staff have been appointed (the Chief Financial Officer and two Global Fund Program Coordinators); Evidence that formal procedures for the identification and resolution of any conflict of interests have been established.</p>
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> In Progress	<p>Before disbursement of grant funds for health products the PR shall furnish to the GF: Evidence by means of an assessment of the PR's procurement and supply management systems that it can satisfactorily undertake the procurement required under the grant; Evidence that the approval of the Green Light Committee for the procurement of second-line TB drugs and implementation of treatment regimes for Multi-Drug Resistant TB (MDR-TB) has been obtained.</p>
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> In Progress	<p>The PR shall disburse at minimum 25% of the grant funds received from the Global Fund during the Program term to Sub-recipients which are non-governmental organizations; The PR will provide the GF with the number of Sub-Recipients under this grant by 1 October 2003 and half of these Sub-Recipients will be identified and contracted by 1 October 2003. By 1 December 2003 all Sub-Recipients will be identified and contracted; and Contracted Sub-Recipients may immediately receive funding from the PR regardless whether the other Sub-Recipients have been identified. Note: This was subsequently reduced to 5% (Implementation Letter No 5) due to the limited number of NGOs involved in TB activities. Disbursements to NGO SRs at the end of Quarter 8 represented 6% of grant funds received from the GF.</p>

3. Key Grant Performance Information

Progress Review

Progress Update	Date Review	Rating	Summary
1	04-Jul-03	4=expected	Conditions Precedent for first and second disbursement met.
2	01-Aug-04	3=minor adjustments needed	The PR should: (i) enhance programmatic management capacities; (ii) ensure the mechanism for internal audit function, and improve its financial management and information system to enable improved budgetary reporting; (iii) ensure adequate staffing and appropriate office facilities for PIU members; (iv) ensure the regular update of the workplan; (v) address external audit needs for 2003 program expenses; (vi) improve the management and monitoring of Sub-Recipients.
3	15-Nov-04	2=major adjustments needed	The PR should address the following issues: (i) in preparing its forecasted cash request, the PR has to take into consideration preceding disbursements from the Global Fund received after the end of the reporting period; (ii) low spending rate at the Sub-Recipient (SR) level; (iii) planned site visits not performed to SRs; (iv) delays in funds disbursed to SRs and need for strengthening of SR management; (v) strengthening of PR's and SRs' budgeting, monitoring, and variances analysis activities; (vi) strengthening M&E capacities; (vii) clear definition and strengthening of roles and responsibilities within the PMU; (viii) appointment of a separate TB coordinator; (ix) strengthening the management information system.
4	24-Mar-05	3=Minor Adjustments Needed	The PR should address the issue of low expenditure level with NGO Sub-Recipients; the PR should include revenues from sale of ToR for centralized procurement organized in the name of the SRs in the amounts to be spent for Global Fund purposes and in the Cash Reconciliation Form; the PR should use corrected figures for the number of TB patients tested for HIV in the Annual Report.
5	23-May-05	4=expected	The PR should use the reported results for several key indicators corrected by the LFA in the Annual Report; (ii) information on numerical indicators provided by the SRs should be properly validated by the authorized signatures of the SRs; (iii) Program revenues are to be properly allocated between the HIV and TB grants; (iv) the PR to provide sufficient information for assessment of the exchange rate calculation.
6	16-Aug-05	4= expected	The PR should more accurately report the progress of individual indicators; (ii) all information on numerical key indicators provided by SRs should be properly validated by SR's authorized signatures; (iii) the PR's additional revenues from the centralized procurement for the TB and HIV programs should be properly segregated into HIV and TB accounts; and (iv) the PR should instruct the SRs to report results and indicators on a timely basis, in order to avoid modification of past reported results.
7	06-Apr-06	B1	The PR should submit an updated plan for SR site visits.
8	18-Sep-06	B2	The grant continued to make progress towards the cumulative targets though on a substantially more limited scale than planned. Out of 14 active indicators, the cumulative results for 10 targets had over 80% achievement rate, with 60% achievement rate for two indicators. The cumulative results partially reflect the pick-up of activities and overachievements in certain SDA's as of the end of 2005 and uneven progress across the program in Q9 and Q10. The overall performance is rated as B2 taking into consideration (i) the poor progress made during Q9 and Q10, (ii) the status of the cumulative targets; and (iii) the eventual resolution of the

		delaying factor - SR contracts were signed in July 2006.
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Disbursement Information



Disbursement Request	Period Covered	PR Request	Actual Disbursement	Reason For Variance
1	01-Jul-03 02-Jul-03	2020000	2020000	N/A
2	02-Jul-03 31-Mar-04	7074530	6942030	The disbursement request included funds for second-line TB drugs, however, the required Green Light Committee (WHO) approval for the drugs procurement was not yet in place.
3	01-Apr-04 30-Jun-04	7981423	1056475	The disbursement request was adjusted down to take into account the preceding disbursement received after the end of the reporting period, which was not reflected in the PR's request. Additional information submitted by the PR provided evidence of some programmatic progress, however, overall under-spending was demonstrated during the reporting period.
4	01-Jul-04 31-Dec-04	525985	0	There was a considerable cash balance on PR's account which was considered sufficient to cover activities over the next period.
5	01-Jan-05 31-Mar-05	999822	683900	USD 300,000 was withheld as the PR did not provide documentation proving the contract with the Ministry of Administration and Home Affairs (SR). USD 15,992 was withheld due to procurement miscalculation by the PR, and a discrepancy between the amount requested by the PR and the relevant SR.
6	01-Apr-05 30-Jun-05	2232179	1802195	The SRs requested reallocation of USD 429,984 between activities for Quarters 7 and 8. However, no clear justification for the use of funds was provided, nor evidence that activities would be completed in Quarters 7 and 8.
7	01-Jul-05 31-Jan-06	1727284	1722183	The difference is USD 5,101 since the payment to IDA has been made in January 2006 and already reflected in the cash balance at 31 January 2006.
8	01-Feb-06 30-Jun-06	781321	778608	The difference of 2713 USD is due to return of funds from SR's that had not been deducted from the requested amount.

Expected vs. Actual Disbursements

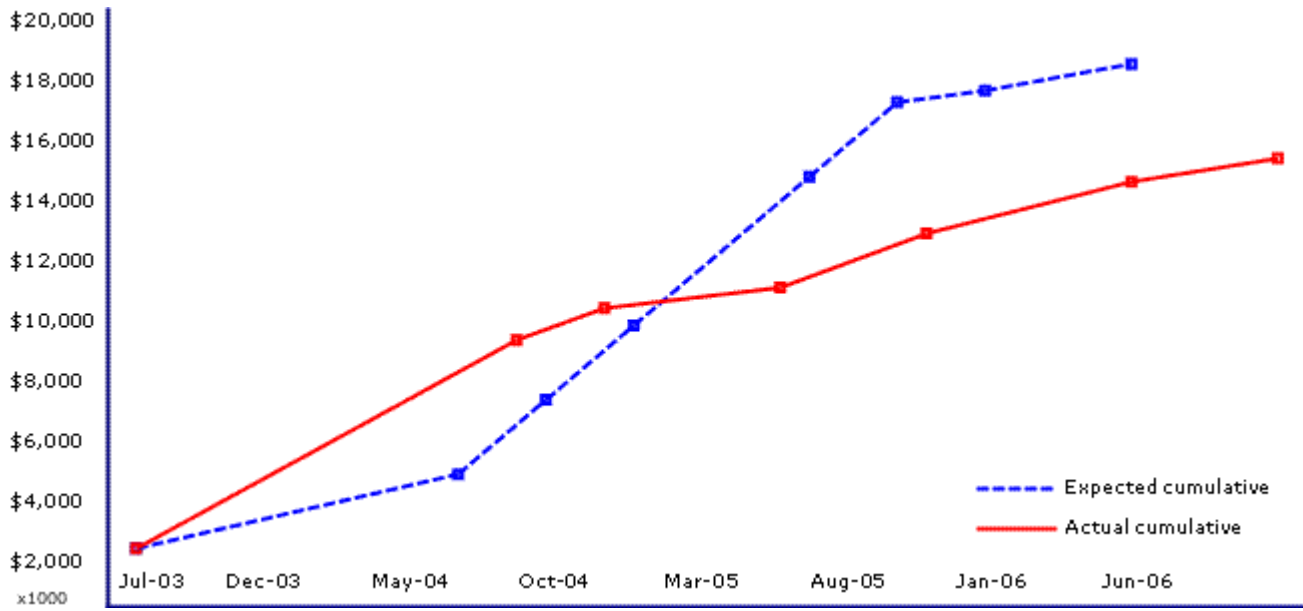
Disbursement Request	Expected Date	Actual Date	Expected Amount	Actual Amount	Expected Cumulative	Actual Cumulative
1	15-Jul-03	15-Jul-03	2020000	2020000	2020000	2020000
2	15-Jun-04	04-Aug-04	2475000	6942030	4495000	8962030
3	15-Sep-04	19-Nov-04	2475000	1056475	6970000	10018505
4	16-Dec-04		2475000	0	9445000	10018505
5	15-Jun-05	31-May-05	4950000	683900	14395000	10702405
6	15-Sep-05	06-Oct-05	2475000	1802195	16870000	12504600
7	15-Dec-05	02-May-06	389013	1722183	17259013	14226783
8	15-May-06	29-Oct-06	890236	778608	18149249	15005391

Cumulative progress to date

Objective 1	Expand Directly Observed Treatment, Short-course (DOTS) strategy nationwide to reduce increasing rate of Tuberculosis (TB) incidence							
SDA 1	Health systems strengthening							
Indicator 1		Period	Target	Actual	0 %	50 %	100 %	150 %
Level 1-People trained	Number and percentage of specialists in TB in children trained in new guidelines for TB diagnosis and treatment in children	8	70	118				168%
Level 2-Service Points supported	Number and percentage of TB dispensaries with DOTS implemented	8	192	192				100%
Level 1-People trained	Number of medical staff (pneumologists, epidemiologists, family doctors, nurses from the TB and the family doctors network, laboratory staff) trained in DOTS activities	10	12611	12788				101%
SDA 2	Prevention: Behavioral Change Communication - Community Outreach							
Indicator 1		Period	Target	Actual	0 %	50 %	100 %	150 %
Level 2-Service Points supported	Number and percentage of TB children units with information education and communication (IEC) program implemented	8	16	0				0%
Level 1-People trained	Number of medical and prison staff trained for IEC sessions in prisons	8	75	146				194%
Level 3-People reached	Number and percentage of prisoners receiving IEC sessions in TB	10	8280	8273				99%
Level 1-People trained	Number of Roma medical mediators trained for IEC sessions in TB	8	52	63				121%
Level 3-People reached	Number of Roma population from selected communities (4 counties and school children) with implemented IEC program in TB	10	26291	21291				80%
Level 3-People reached	Percentage of Roma people able to identify basic characteristics of TB	9	-	-				%
SDA 3	Supportive Environment: Advocacy and increased political commitment to DOTS							
Indicator 1		Period	Target	Actual	0 %	50 %	100 %	150 %
Level 2-Service Points supported	Number and percentage of locations (prisons and prison-hospitals) with National TB Control in Prisons Program implemented	8	43	0				0%
SDA 4	Prevention: Identification of Infectious Cases							
Indicator 1		Period	Target	Actual	0 %	50 %	100 %	150 %
Level 3-People reached	Number and percentage of new TB patients counseled and tested for HIV	10	15500	15336				98%
Level 2-Service Points supported	Number and percentage of locations (prisons and prison-hospitals) with isolation and sputum collection rooms	8	42	30				71%
SDA 5	Care and Support: Supporting patients through direct observation of treatment							
Indicator 1		Period	Target	Actual	0 %	50 %	100 %	150 %
Level 3-People reached	Number of TB patients receiving incentives	10	6900	4193				60%
SDA 6	Supportive Environment: Coordination and partnership development (national, community, public-private)							
Indicator 1		Period	Target	Actual	0 %	50 %	100 %	150 %
Level 2-Service Points supported	Number and percentage of medical schools with new curricula in TB implemented	8	13	12				92%

<u>Level 1-People trained</u>	Number and percentage of people (including TB specialists from dispensaries, TB county managers and laboratory staff) trained in epidemiological surveillance and data collection	8	240	578	 240%
<u>Level 2-Service Points supported</u>	Number and percentage of TB dispensaries using centralized system for data collection	8	154	160	 103%

Expected vs. Actual Disbursements



Actual Cumulative Program Expenditures

Title	Budget	Actual	Reason For Variance
Total Program Expenditures	13,783,849	12,558,687	The spending rate for Phase 1 is 91%.
Disbursements to Sub-Recipients	13,138,868	11,917,714	Variance is due to disbursements of 1,100,000 USD budgeted but not yet disbursed to SRs.

Summary of Financial Accountability Issues from PR Annual Audit Report

Date Received	11-Jul-06	Expected date	30-Jun-06
Period Covered From	01-Jan-05	To	31-Dec-05

The annual financial audit of the Program revenues and expenditures for the period 1 January 2005 – 31 December 2005 was completed by 30 June 2006. The annual audit report was submitted to the GF in early July. The audit covered both the HIV/AIDS and the TB grants managed by the PR (Ministry of Health).

The auditor (BDO Conti Audit SRL) states that, in their opinion, the Program Financial Statements, present fairly, in all material aspects, the sources and applications of funds for the Programs for the year ending 31 December 2005 and the financial position for the year then ended in accordance with cash basis of accounting and Global Fund guidelines, as applicable and the disbursements for the Programs were utilized for the purposes defined by funding agreements. The auditor further notes that the Special Account Statement presents fairly, in all materials aspects, the sources and uses of funds for the year ending 31 December 2005 and the balance for the year then ended, in accordance with accounting policies described in Note 8 to the statements.

No issues were identified.

The PR has taken measures to address the issues pertaining to the PR's accounting function raised in the Management Letter of the annual financial audit, which was completed in September 2005 and covered the period 1 July 2003 and fiscal year 2004.

4. Country Contextual Information

Title	Estimate	For Year	Source
<u>New TB Cases (1000s per year)</u>	28.33	2003	Global TB Control, WHO Report 2005
<u>TB Mortality Rate (per 100,000)</u>	20	2003	Global TB Control, WHO Report 2005
<u>TB Detection Rate</u>	85	2003	Global TB Control, WHO Report 2005

Extra Information

Title	Relevant to Grant	Explanatory Notes
Program management issues (e.g. changes in PR/sub-recipients, problems with data collection, quality assurance, etc.)	<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>At the start of Year 3 the PR faced challenges with the SR contracting process for Phase 2, which led to significant scale down of implementation in the first six months of 2006. As of the end of the July the outstanding contracts with the SRs have been completed. The ramifications of these significant delays are yet to be seen, though the PR and the SRs indicate that they will be in a position to catch up with implementation in the next six months.</p>
Issues with the CCM (e.g. changes in membership, composition, etc.)	<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>A new CCM Chair was nominated in April 2005 and new members admitted to the CCM. The CCM now has 55 members representing a variety of stakeholders including the Romanian Government, civil society organizations (NGOs), people living with HIV/AIDS, the academic sector, the private sector, and international donors. Upon Program launch, the CCM established an Executive Committee and various technical groups. The CCM has recently conducted an assessment with external technical assistance, and adopted an action plan to further improve its overall governance role, operations and oversight function for the grant implementation. However, representation of HIV/AIDS expertise is greater than TB, leading to greater strategic oversight of the HIV grant rather than the TB one.</p>
Major changes in the nature of the epidemic	<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>No major changes in the nature of the epidemic reported at present. According to the WHO Review of the National TB Program (NTP) in April 2005, the Romanian NTP has expanded DOTS to cover 100% population in 2005, including those in the penitentiary system. Major progress in the core areas of TB control has allowed the country to reach the global case detection target of 70% for new sputum smear (SS) positive patients. The treatment success rate of newly detected bacteriologically confirmed patients has reached 80% and is close to the 85% global target.</p>
Major changes in the program supporting environment (e.g. changes in th partner relationships, introduction of new partners, etc.)	<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>The National TB Program (NTP) has closely coordinated with international partners to address the main problems and constraints of TB control in Romania and the progress towards the WHO recommended TB control targets. Also, the implementation of the program has strengthened partnerships with NGOs and the government, though the NGO engagements is on a more limited scale than originally planned, due to relatively limited experience and capacities of such organizations in the TB control area. The first international review of the NTP as of April 2005 highlighted, however, the need for closer national TB coordination. In addition, recent changes in the NTP may have an impact on the overall grant implementation. Finally, future financial support for TB control activities in the country beyond the current grant contribution remains to be addressed as a priority.</p>
Significant adverse external influences (e.g. force majeure, change in government, natural disaster, etc.)	<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>The Ministers of Health have changed several times during the life of the grant program which has had an impact on program implementation. The Ministry of Health is paying a significant attention to Romania's accession to the European Union at the end of 2007.</p>
External financial issues (e.g. inflation, currency depreciation, etc.)	<input type="radio"/> Yes <input checked="" type="radio"/> No	<p>No comment.</p>

Additional Contextual Issues

The program start date was modified from 1 August 2003 to 1 February 2004 (Implementation Letter #2) to reflect additional assessment work to be completed following the original start date. The procurement assessment was finalized in May 2004 and this has partially affected the pace of procurement activities in the first months. The grant was on a quarterly disbursement schedule in Phase 1. As of Phase 2, it has moved to a semi-annual disbursement schedule.

Programmatic activities are primarily implemented by Sub-recipients representing both the government and non-governmental sector. A key role for the PR is to effectively manage and coordinate the financial and programmatic implementation and accountability under the grant. The PR is also responsible for handling the procurement of second-line MDR-TB drugs.

The management of the program to date by the Principal Recipient, the Ministry of Health, has not been wholly satisfactory, though there have been ongoing efforts to move it towards an adequate level. The Program experienced significant delays in Year 1 due to lengthy procedures for selecting and contracting sub-recipients, cumbersome procurement process for capital works and equipment, and the process for obtaining approval of the Green Light Committee prior to procurement of second-line MDR-TB drugs. Despite initial delays, SRs and the PR improved progressively programmatic performance reaching adequate results as of the end of Year 2.

The continuation of program activities in Phase 2 was affected by the significant delay in the SR contracting process for Phase 2. The outstanding contracts with the SRs have been completed as of the end of July 2006, and the PR and the SRs indicated that they could catch-up with the delays in the second half of 2006. It is not clear yet how the recent changes in the NTP will affect the overall Program progress in the coming months.

The Principal Recipient continues to face challenges with exercising strong leadership and proper managerial coordination under the Program. The PR needs to demonstrate more pro-active managerial approach, better coordination and more effective leadership in securing timely strategic decisions and ensuring timely and uninterrupted implementation of this grant.

One of the key issue to be addressed by the Ministry of Health and the CCM is related to ensuring closer national coordination of TB control activities and future financial support beyond the GF grant.

In addition, improvements in the CCM – PR communications and coordination will be key to ensure smooth implementation of Program activities following the delays at the beginning of Year 3.