Execution Version

# Grant Confirmation

1. This **Grant Confirmation** is made and entered into by **the Global Fund to Fight AIDS, Tuberculosis and Malaria** (the "Global Fund") and **Ministry of Health of the Republic of Zambia** (the "Principal Recipient") on behalf of The Republic of Zambia (the "Grantee"), as of the date of the last signature below and effective as of the start date of the Implementation Period (as defined below), pursuant to the Framework Agreement, dated as of 9 January 2015, as amended and supplemented from time to time (the "Framework Agreement"), between the Global Fund and the Grantee, to implement the Program set forth herein.

2. **Single Agreement**. This Grant Confirmation, together with the Integrated Grant Description attached hereto as Schedule I, sets forth the provisions (including, without limitation, policies, representations, covenants, Program Activities, Program budget, performance framework, and related implementation arrangements) applicable to the Program, and forms part of the Grant Agreement. Each capitalized term used but not defined in this Grant Confirmation shall have the meaning ascribed to such term in the Framework Agreement (including the Global Fund Grant Regulations (2014), available at http://www.theglobalfund.org/GrantRegulations). In the event of any inconsistency between this Grant Confirmation and the Framework Agreement (including the Global Fund Grant Regulations (2014)), the provisions of this Grant Confirmation shall govern unless expressly provided for otherwise in the Framework Agreement.

3. **Grant Information**. The Global Fund and the Grantee hereby confirm the following:

| | | |
|---|---|---|
| 3.1 | Host Country or Region: | Republic of Zambia |
| 3.2 | Disease Component: | HIV/AIDS, Tuberculosis |
| 3.3 | Program Title: | Accelerating Towards Epidemic Control II |
| 3.4 | Grant Name: | ZMB-C-MOH |
| 3.5 | GA Number: | 1978 |
| 3.6 | Grant Funds: | Up to the amount of USD 182,886,122 or its equivalent in other currencies |
| 3.7 | Implementation Period: | From 1 January 2021 to 31 December 2023 (inclusive) |
| 3.8 | Principal Recipient: | Ministry of Health of the Republic of Zambia<br>Ndeke House<br>P.O. Box 30205<br>Lusaka<br>Republic of Zambia |

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|---|---|---|
| | | Attention: Ms. Kakulubelwa Mulalelo<br>Permanent Secretary<br>administration<br>Telephone: +260211252989<br>Facsimile: +260211253344<br>Email: kakulubelwa.mulalelo@moh.gov.zm |
| 3.9 | Fiscal Year: | 1 January to 31 December |
| 3.10 | Local Fund Agent: | PricewaterhouseCoopers Limited<br>PWC Place, Stand No. 2374, Thabo Mbeki Road<br>Lusaka<br>Republic of Zambia<br>Attention: Charity Mulenga<br>Team Leader<br>Telephone: +260977740834<br>Email: charity.mulenga@pwc.com |
| 3.11 | Global Fund contact: | The Global Fund to Fight AIDS, Tuberculosis and Malaria<br>Global Health Campus, Chemin du Pommier 40<br>1218 Grand-Saconnex, Geneva, Switzerland<br>Attention: Linden Morrison<br>Department Head<br>Grant Management<br>Division<br>Telephone: +41587911700<br>Facsimile: +41445806820<br>Email: linden.morrison@theglobalfund.org |

4. **Policies**. The Grantee shall, and shall cause the Principal Recipient to, take all appropriate and necessary actions to comply with (1) the Global Fund Guidelines for Grant Budgeting (2019, as amended from time to time), (2) the Health Products Guide (2018, as amended from time to time), and (3) any other policies, procedures, regulations and guidelines, which the Global Fund may communicate in writing to the Grantee and the Principal Recipient, from time to time.

5. **Representations**. In addition to the representations set forth in the Framework Agreement (including the Global Fund Grant Regulations (2014)), the Principal Recipient hereby represents that the Principal Recipient has all the necessary power, has been duly authorised by or obtained all necessary consents, approvals and authorisations to execute and deliver this Grant Confirmation and to perform all the obligations on behalf of the Grantee under this Grant Confirmation. The execution, delivery and performance by the Principal Recipient on behalf of the Grantee of this Grant Confirmation do not violate or conflict with any applicable law, any provision of the Grantee's and Principal Recipient's constitutional documents, any order or judgment of any court or any competent authority, or any contractual restriction binding on or affecting the Grantee or the Principal Recipient.

6. **Covenants**. The Global Fund and the Grantee further agree that:

6.1 Personal Data
(1) Principles. The Principal Recipient, on behalf of the Grantee, acknowledges that Program Activities are expected to respect the following principles and rights ("Data Protection Principles"):
(a) Information that could be used to identify a natural person ("Personal Data") will be: (i) processed lawfully, fairly and transparently; (ii) collected for specified, explicit and legitimate purposes and not further processed in a manner not compatible with those purposes; (iii) adequate, relevant and limited to what is necessary for the purposes for which they are processed; (iv) accurate and, where necessary, kept up to date; (v) kept in a form which permits identification of the individuals for no longer than is necessary for the purposes for which the Personal Data is processed; and (vi) processed in a manner that ensures appropriate security of the Personal Data; and
(b) Natural persons are afforded, where relevant, the right to information about Personal Data that is processed; the right to access and rectify or erase Personal Data; the right to data portability; the right to confidentiality of electronic communications; and the right to object to processing.

(2) Limitations. Where collection and processing of Personal Data is required in order to implement Program Activities, whether by the Principal Recipient, a Sub-recipient, or Supplier, the Principal Recipient should respect the Data Protection Principles:
(a) to the extent that doing so does not violate or conflict with applicable law and/or policy; and
(b) subject to the Principal Recipient balancing the Data Protection Principles with other fundamental rights in accordance with the principle of proportionality, taking into account the risks to the rights and freedoms of natural persons.

6.2 With respect to Section 7.6 (Right of Access) of the Global Fund Grant Regulations (2014), (1) the Global Fund may collect or seek to collect data, and it is possible that such data may contain Personal Data, and (2), prior to collection and at all times thereafter, the Principal Recipient shall take all necessary actions to ensure that the transfer of such information to the Global Fund does not violate any applicable law or regulation.

6.3 In accordance with the Global Fund Sustainability, Transition and Co-financing Policy (GF/B35/04) (the "STC Policy"), the Grantee shall:

(1) progressively increase government expenditure on health to meet national universal health coverage goals; and increase domestic funding of Global Fund-supported programs, with a focus on progressively absorbing the costs of key Program components as identified in consultation with the Global Fund. The Principal Recipient acknowledges that the Global Fund may reduce Grant Funds during the current or any subsequent Implementation Period in the event the Grantee fails to meet these requirements; and

(2) comply with the requirements to access the 'co-financing incentive' as set forth in the STC Policy (the "Co-Financing Incentive Requirements"). The commitment and disbursement of USD 37,517,031 (the "Co-Financing Incentive"), is subject to the Global Fund's satisfaction with the Grantee's compliance with the Co-Financing

Incentive Requirements. The Global Fund may reduce all or part of the Co-Financing Incentive during the current or any subsequent Implementation Period, in the event the Grantee fails to comply with the Co-Financing Incentive Requirements.

6.4 The Program budget may be funded in part by Grant Funds disbursed under a previous Grant Agreement, which the Global Fund has approved to be used for the Program under the current Grant Agreement ("Previously Disbursed Grant Funds"), as well as additional Grant Funds up to the amount set forth in Section 3.6. hereof. Accordingly, the Global Fund may reduce the amount of Grant Funds set forth in Section 3.6. hereof by the amount of any Previously Disbursed Grant Funds. Previously Disbursed Grant Funds shall be governed by the terms of this Grant Agreement.

6.5 The regional Green Light Committee (the "GLC") shall provide technical and advisory support, including capacity building, to the Principal Recipient with respect to monitoring and scaling-up of DR-TB-related in-country services, and the Principal Recipient shall cooperate fully with the GLC to allow the GLC to perform its services. Up to a maximum of USD 50,000 in Grant Funds annually may be used by the Global Fund to pay for GLC services and the Global Fund may disburse such Grant Funds directly to the GLC.

6.6 The Program budget includes USD 12,300,000 ("Matching Funds"), USD 6,300,000 of which is programmed towards activities to support Adolescent Girls and Young Women in High Prevalence Settings and Condom Programming and the remaining USD 6,000,000 of which is programmed for Finding Missing People with TB (the "Catalytic Priority"). Notwithstanding anything to the contrary in the Grant Agreement, Matching Funds must remain invested in activities relating to the Catalytic Priority for the duration of the Implementation Period, and may only be reprogrammed for other activities supporting that Catalytic Priority, unless otherwise approved in writing by the Global Fund.

6.7 (1) Grant Funds may be used to pay for the services of an external auditor retained by the Global Fund for the annual independent audit of the Program (the "External Auditor") and the Global Fund may disburse such Grant Funds directly to the External Auditor;
(2) the Principal Recipient consents to the relevant audit arrangements and to the terms of reference of the External Auditor and agrees that such terms of reference may be amended from time to time; and
(3) without limiting Section 7.5 of the Global Fund Grant Regulations (2014), the Principal Recipient shall cooperate fully with the External Auditor to allow the External Auditor to perform its services, including by providing all information and documents requested by the External Auditor or the Global Fund.

6.8 The Principal Recipient acknowledges its outstanding obligation to repay to the Global Fund a total amount of USD 1,813,535.07 (the "Recoverable Amount") pursuant to the terms of a repayment protocol between the Principal Recipient and the Global Fund dated 20 June 2019.
No later than 15 January 2021, the Grantee shall deliver to the Global Fund, a revised protocol for repayment of the Recoverable Amount in form and substance satisfactory to the Global Fund, which (i) confirms that the Recoverable Amount shall be paid to

the Global Fund in full by no later than 31 December 2021, and (ii) sets out a schedule of payments to be made by 31 December 2021 in respect of the Recoverable Amount.

[*Signature Page Follows.*]

**IN WITNESS WHEREOF**, the Global Fund and the Principal Recipient, acting on behalf of the Grantee, have caused this Grant Confirmation to be executed and delivered by their respective duly authorized representatives on their respective date of signature below.

| **The Global Fund to Fight AIDS, Tuberculosis and Malaria** | **Ministry of Health of the Republic of Zambia**<br>on behalf of The Republic of Zambia |
|---|---|
| By: _____ | By: _____ |
| Name: Mark Eldon-Edington | Name: Kakulubelwa Mulalelo |
| Title: Head, Grant Management Division | Title: Permanent Secretary administration |
| Date: | Date: |

**Acknowledged by**

By: _____

Name: Paul Mususu

Title: Chair Country Coordinating Mechanism of Republic of Zambia

Date:

By: _____

Name: Nathan Nhlane

Title: Civil Society Signatory Country Coordinating Mechanism of Republic of Zambia

Date:

## Schedule I

## Integrated Grant Description

### A. PROGRAM DESCRIPTION

### 1. Background and Rationale for the Program

Zambia has made significant progress towards halting and reversing the HIV and TB epidemics over the last decade. The number of new HIV infections (all ages) has fallen by 23% (from a high of 100,000 per year in 1990 to 43,800 in 2018) and TB incidence has fallen by 54% (from 759/100,000 population in 2000, to 346/100,000 population in 2018). In order to sustain these gains, Zambia has also demonstrated its commitment towards building resilient and sustainable systems for health (RSSH). The procurement and supply of laboratory commodities is one of the key priority areas for the Zambian health sector. Scale-up of Warehouse Management Systems (WMS) to all hubs will facilitate order processing at this level and improve responsiveness to health facility needs. Furthermore, operational support to the hubs will ensure delivery of medicines and health products to all health facilities and address order variability, stock outs and stock wastage.

Out of a population of 17.4 million, an estimated 1,296,903 people are living with HIV (PLHIV) of which 60% are women. 92% of PLHIV know their status, 87% are on ART, and 76% are estimated to be virally suppressed. Despite this progress, there remain distinct gender- and age-related disparities in HIV burden such as the variation in incidence between females and males which is most pronounced in age group 15-24 with females having more than tenfold the incidence of males. Incidence among females is highest among those aged 25-29 years. HIV incidence is higher among females (1.02%) than males (0.32%) in all age groups. Geographical disparities in new HIV infections also exist. Of the total 18,486 new infections among adolescents and young people 15-24 years, 80% (14,800) occur in 40 districts. Other factors determining new HIV infections in Zambia include the practice of risky sexual behavior. Condom use with non-regular partner is estimated at 53.1% among males 15-49 years and 49.9% among females of the same age. The key populations are at higher risk of HIV exposure, are subjected to stigma and discrimination, violence and fear, harassment and have limited access to health services.

Zambia is among the 30 high TB and TB-HIV burden countries globally. TB is among the top 10 causes of morbidity and mortality accounting for over 40% of deaths among PLHIV. The estimated incidence in 2018 was 346 per 100,000 population. Between 2015 and 2018 TB incidence fell from 391/100,000 population to 346/100,000 population representing an annual average reduction of 4%. Results from the TB prevalence survey conducted in 2013/2014 found that TB prevalence was high (638/100.000 population and 455/100,000 population for bacteriologically confirmed and all forms and ages, respectively. Prevalence is high in the urban than in the rural, higher in HIV positives than in their HIV negative counterparts, higher in men than in women and the age group 25-44 years which are the productive group bear the brunt of the TB epidemic in Zambia.

The proportion of TB patients with multi-drug resistant/Rifampicin resistant tuberculosis (MDR/RR-TB) was 2.8% among new cases, and 18% among previously treated cases, with an estimated 3,100 drug resistant (DR-TB) incident cases in 2018.

The program will be implemented by two Principal Recipients: the Ministry of Health (MOH) who will work at national level with District Health Offices and Provincial Health Offices. In addition, MOH will support several statutory bodies (Medical Stores Limited, Zambia Medicines Regulatory Agency, Central Statistics Office, Tropical Disease Research Centre, National Aids Council among others), and line Ministries. The Churches Health Association of Zambia (CHAZ) which is a national NGO working with over 130 Sub-recipients, will support Hospitals run by Church Health Institutions (CHIs), MSL, Private and CSO Treatment Sites, Faith-Based and non-Faith-Based CSOs and Community Services Organizations, focusing on interventions at community level.

## 2. Goals, Strategies and Activities

**Goals:**

1. Reduce new HIV infections from 51,000 in 2019, by at least 50% by 2023
2. Reduce AIDS related mortality by 50% from 20,000 in 2019
3. Reduce HIV related stigma and discrimination by 50%
4. Mother to child transmission of HIV eliminated, from 3.7% in 2019 to less than 3%, by 2023
5. To reduce the number of TB deaths in the population by 40% in 2021 compared to 2015

**Strategies:**

HIV

a) To achieve 90% of PLHIV knowing their status
b) To achieve 81% of PLHIV on ART
c) To achieve 72.9% of PLHIV having viral load suppression
d) To reduce new HIV infections to 18,000 or fewer by 2020
e) Achieve zero stigma and discrimination by 2020; and
f) To increase domestic financing of the response by 50%.

TB

a) To increase the number of notified cases of new TB episodes from 36,700 in 2015 to at least 59,000 in 2021
b) To increase the treatment success rate for TB from 85% in 2014 to at least 90% from 2018
c) To increase the detection of MDR-TB patients from 99 in 2015 to 1,200 by 2021
d) To increase treatment success rate for MDR-TB patients from 33% in 2013 to 80% by the year 2021
e) Scale up comprehensive TB/HIV collaborative activities to all facilities by 2021
f) Strengthen management, leadership and governance of the NTLP by 2021

**Activities:**

| Module | Activities |
|---|---|
| Prevention – Adolescent Girls and Young Women and their Male Partners | Comprehensive Sexuality Education (CSE) |
| | Social Behavioural Change Interventions |
| | Social protection and economic empowerment |
| | Scale up of integrated adolescent and youth friendly services |
| | Reduction of Sexual and Gender Based Violence, Stigma and Discrimination |
| | Monitoring, Evaluation and Research to promote evidence based integrated AGYW programming |
| | **Multi-sectoral coordination and M&E** |
| Prevention – Condom Programming | Procurement of condoms and lubricants |
| | Strengthening of Supply Chain and last mile distribution of commodities |
| | Condom and Lubricant Demand Creation |
| | Management, stewardship and monitoring of the national condom programme |

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|---|---|
| HIV prevention – Key Populations Programme | Data generation – Surveys |
| | Health service provision |
| | Strengthening coordination |
| | Strengthening Monitoring and Evaluation |
| | Demand creation |
| | Capacity building |
| | Community empowerment |
| Prevention - Voluntary Medical Male Circumcision | Scale up of VMMC services |
| | Increasing demand for VMMC services |
| | Strengthening M&E |
| Prevention of Mother to Child Transmission | Primary Prevention of HIV in women |
| | Preventing vertical HIV transmission |
| | Treatment, care and support to mothers living with HIV and their children and families |
| | Key populations |
| | Strategic Information |
| Differentiated HIV Testing Services | Scale up of HTS services |
| | Maximizing the usage of the HIV testing screening tool for optimized testing |
| | Scale up of HTS targeted outreach services |
| | Scale up of HIV Self-Testing in vulnerable and key populations (HIVST) |
| | Adoption of revised testing algorithm to include third test |
| | Targeted HIV Services literacy for AGYW and men |
| Prevention: Pre Exposure Prophylaxis | Scale up of PrEP uptake among people at substantial risk of HIV infection |
| | Enhancing demand creation to increase PrEP uptake |
| | Strengthen M&E system for PrEP |
| HIV treatment, care and support | Differentiated ART service delivery |
| | Prevention and management of co-morbidities |
| | Scale up of management of cervical cancer among PLHIV |
| | Treatment Monitoring- Viral Load |
| | Treatment Monitoring – Drug Resistance |
| TB Care and Prevention | TB case detection |
| | TB Prevention |
| | TB Treatment |
| | Engage All Care Providers |
| | TB case detection and treatment among key Populations |

| | |
|---|---|
| | Strengthening TB services coordination and integration |
| MDR-TB | DR-TB case detection |
| | Treatment |
| TB/HIV | Enhance TB-HIV collaborative activities |
| | Prevention |
| Health Products Management Systems | Capacity building for Zambia Medical Supplies Agency (ZAMMSA) |
| | Improving last mile delivery of Health Products by optimization of storage infrastructure capacity at provincial hubs and health facility levels and supporting operations of MSL |
| | Roll out of electronic warehouse management system (WMS) to hubs |
| | Strengthening MOH pharmaceutical management and Coordination (Control Tower |
| Laboratory Systems | Procurement of laboratory ancillary equipment |
| | Quality Management Systems and Accreditation |
| | Laboratory safety |
| | Information system and integrated specimen transport networks |
| | Monitoring and Evaluation (M&E) |
| Human Resources for Health including Community Health Workers | Remuneration and deployment of healthcare workers |
| | Strengthening community health implementation |
| | Community Health Information system |
| Health Management Information Systems and M&E | Routine reporting |
| | Programme and data quality |
| | Surveys |
| RSSH: Integrated Service Delivery and Quality Improvement | Quality assurance and quality improvement |
| | Strengthening performance improvement |
| RSSH: Community Systems Strengthening | Social mobilization, building community linkages and coordination |
| Health Sector Governance and Planning | Strengthening decentralized HIV coordination |
| Financial Management Systems | Routine grant financial management |
| RSSH: Program Management | Grant management |

**3. Target Group/Beneficiaries**

- Adolescent Girls and Young Women;
- Key and vulnerable populations;
- Males aged 15-49 years (70%), 30-49 (10%), 10-14 (15%) and 0-2 months (5%);
- Pregnant and breastfeeding women and infants

- Mobile populations
- Populations at substantial risk of HIV infection;
- PLHIV;
- General Population
- TB patients

**B. PERFORMANCE FRAMEWORK**

Please see attached.

**C. SUMMARY BUDGET**

Please see attached.