

On-going Progress Update and Disbursement Request

GENERAL GRANT INFORMATION

Country:	Georgia
Disease:	HIV/AIDS
Grant Number:	GEO-H-NCDC
Principal Recipient:	National Center for Disease Control and Public Health
Program Start Date:	1-Apr-2014
Currency:	EUR

PROGRESS UPDATE

Progress Update - Reporting Period:	Cycle:	Quarter	Number:	P1
Progress Update - Period Covered:	Beginning Date:	1-Apr-2014	End Date:	30/06/2014
Progress Update - Number:				

DISBURSEMENT REQUEST

Disbursement Request - Disbursement Period:	Cycle:	Annual	Number:	1
Disbursement Request - Period Covered:	Beginning Date:	1-Jul-2014	End Date:	31-Dec-2014
Disbursement Request - Number:		N/A		

Section 1: Programmatic Progress

Note: The table below should contain those Impact/Outcome indicators that are (1) due for reporting during the current year of a grant and (2) those reporting on which is overdue from the previous periods.

A. Impact / Outcome Indicators									
Impact / Outcome	Indicator Description	Baseline (if applicable)		Year of Target	Intended Target	Report Due Date	Actual Result	Data Source of Results	Comments on results on Impact/Outcome indicators and data sources, and any other comments
		Value	Year						
Impact	Percentage of men who have sex with men who are living with HIV	13,00	2012	2015	15,00	02.15.16	n/a	BSS (Behavioral and Surveillance Survey)	Based on the PF, this indicator will be reported on Feb 15, 2016.
Impact	Percentage of people who inject drugs who are living with HIV	3,00	2012	2014	3,00	02.15.15	n/a	BSS (Behavioral and Surveillance Survey)	Based on the PF, this indicator will be reported on Feb 15, 2015.
Impact	Percentage of sex workers who are living with HIV	1,10	2012	2014	2,30	02.15.15	n/a	BSS (Behavioral and Surveillance Survey)	Based on the PF, this indicator will be reported on Feb 15, 2015.
Impact	AIDS related mortality per 100,000 population	2,40	2012	2014	2,30	02.15.15	n/a	HMIS	Based on the PF, this indicator will be reported on Feb 15, 2015.
Outcome	Percentage of adults and children with HIV known to be on treatment 12 months after initiation of antiretroviral therapy.	0,85	2013	HMS	0,87	02.15.16	n/a	HMIS	Based on the PF, this indicator will be reported on Feb 15, 2016.
Outcome	Percentage of men reporting the use of a condom the last time they had anal sex with a male partner	0,67	2012	BSS (Behavioral Surveillance Survey)	0,75	02.15.16	n/a	BSS (Behavioral and Surveillance Survey)	Based on the PF, this indicator will be reported on Feb 15, 2016.
Outcome	Percentage of sex workers reporting the use of a condom with their most recent client	0,91	2012	BSS (Behavioral Surveillance Survey)	0,92	02.15.15	n/a	BSS (Behavioral and Surveillance Survey)	Based on the PF, this indicator will be reported on Feb 15, 2015.
Outcome	Percentage of people who inject drugs reporting the use of sterile injecting equipment the last time they injected	0,84	2012	BSS (Behavioral Surveillance Survey)	0,84	02.15.15	n/a	BSS (Behavioral and Surveillance Survey)	Based on the PF, this indicator will be reported on Feb 15, 2015.
Select		-	-	-	-	-	-	Select	
Select		-	-	-	-	-	-	Select	

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Note: All programmatic indicators contained in the current Performance Framework should be listed, regardless of whether there are targets/results for the period covered by the Progress Update or whether the targets have been met in previous periods.

Objective No.	* Indicator No.	Indicator Description	Tied To	Targets cumulative?	Top 10 indicator?	Baseline (if applicable)		Intended Target to date	Actual Result to date	% achievement (Please calculate as appropriate)	Reasons for programmatic deviation from intended target and deviations from the related workplan activities
						Value	Year				
2	1	Number of MARPs (IDUs, MSM and FSWs) covered with HIV testing and counselling (including provision of results)	Current grant	N-not cumulative	Yes - Top 10	9 296	2013	7 720	9 770,00	127%	The reported results represent the number of people reached by VCT during the period of Jan - Jun 2014. By the MARP groups the targets and the actual results looks the following: targets: PWID - 6500, FSWs- 557; MSM - 663. Actual results - PWID 8642 (133%) FSWs 556 (99%) and MSM 572 (86%)
2	1.1.	Number of prisoners covered with VCT (HIV testing and counselling, including provision of results)	Current grant	N-not cumulative	Yes - Top 10	1 938	2013	2 250	2 464,00	110%	The reported results represent the number of VCT sessions carried out in penitentiary settings during the period of Jan - Jun 2014. Starting the next reporting period efforts will be made to enable reporting the numbers of people tested as opposed to VCT sessions; however during the current period this was not possible, due to no database being used for data collection. Starting of the HCV treatment Program in penitentiary system early 2014 has increased interest in VCT among prisoners
2	1.2	Proportion of new individuals who test positive for HIV, enrolled in care (pre-ART or ART) services	Current grant	N-not cumulative	Yes - Top 10	87.7% (430/490)	2013	n/a	n/a	n/a	Based on the PF, this indicator will be reported on Feb 15, 2015.
2	2.1	Number and percentage of MSM reached with HIV prevention programmes - defined package of services	Current grant	N-not cumulative	Yes - Top 10	4.5% (765/17000)	2013	5.6% (945/17000)	2.0%(346/17000)	36%	The reported results represent the number of people reached with the minimal package of prevention services during the period of Jan - Jun 2014 (please refer to the PF for the description of the minimal package for each risk group). Late procurement carried out by the former PR is the main reasons for not meeting the set target. Condoms were delivered by the former PR to the SRs (GHRN and Tanadgoma) only in March, and during January-March they had no condoms to distribute among clients. Further, GHRN had experienced a shortage of informational materials for distribution. Due to lengthy approval of the state procurement plan at the Ministry of Labour, Health and Social Affairs and late receipt of the GF money on account (on June 16, 2014), the new PR could start the tender process only starting mid-June.
2	2.2	Number and percentage of IDUs reached with HIV prevention programmes - defined package of services	Current grant	N-not cumulative	Yes - Top 10	36% (16208/45000)	2013	38.9% (17524/45000)	4.2%(1910/45000)	11%	
2	2.3	Number and percentage of FSWs reached with HIV prevention programmes - defined package of services	Current grant	N-not cumulative	Yes - Top 10	9.7% (776/8000)	2013	12.7% (1015/8000)	10.3%(825/8000)	81%	
2	2.4	Percentage of individuals receiving OST who received treatment for at least 6 months	Current grant	N-not cumulative	Yes - Top 10	16% (400/2450)	2013	420	420	100%	420 people were receiving OST through GF funding continuously over the period of 6 months
3	3	Number and percentage of eligible adults and children currently receiving antiretroviral therapy	Current grant	N-not cumulative	Yes - Top 10	51.5%(2092/4060)	2013	51.0%(2330/4570)	51%(2311/4570)	100%	2311 patients were receiving ART as of June 30, 2014.
3	3.1	Percentage of adults and children that initiated ART, with an undetectable viral load at 12 months (<1000 copies/ml)	Current grant	Y-cumulative annually	No	83% (101/121)	2013	n/a	n/a	n/a	Based on the PF, this indicator will be reported on Feb 15, 2015.
3	3.2	Number of patients with HIV Hep C co-infection receiving Hep C treatment	Current grant	Y-cumulative annually	No	152	2013	n/a	60	n/a	Based on the PF, only annual targets are set for this indicator; nevertheless actual results are reported semi-annually. As of June 30, 2014 60 people initiated Hep C treatment. Additionally, 14 more people were offered Hep C treatment, but refused. No one of the 60 people received more than one Hep C treatment course during the reporting period.
			Select	Select	Select			-	-		
			Select	Select	Select			-	-		
			Select	Select	Select			-	-		
			Select	Select	Select			-	-		
			Select	Select	Select			-	-		

* Indicator No. should correspond to the indicator number listed in the approved Performance Framework of the grant (1.1, 1.2, etc.)

C. Analysis of data quality and reporting issues

(f) This section should contain (1) a summary of issues related to data quality and reporting on programmatic indicators, and any relevant issues which are not covered in 'Reasons for programmatic deviation', and (2) remedial actions that are underway or planned to address these issues.

The processing of the first reports of SRs indicated the issue with the data collection, analysis and reporting. The current database that the SRs are using except of the AIDS Treatment HIS is excel based provided by the USAID SHIP program for their data reporting purposes. The PR has funded some changes in the database of GHRN and provided technical guidance to Tanadgoma regarding the data counting procedures. Although these alterations and methodological support considerably improved the data reporting process and the quality, but the need for development of unified national HIS for HIV treatment programs is unconditional. The PR is planning to procure such HIS development service that will result in development and institutionalization of the web based HIV Prevention HIS.

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Section 2: Grant Management

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

! Please include in this table the CP number as per Grant Agreement and full text of CPs and/or other special conditions due for fulfilment during this period or outstanding from previous periods.

! Some Special Conditions may apply to more than one period of grant implementation. Their fulfilment during one period does not automatically imply fulfilment in subsequent periods. The LFA should verify that the status of such conditions is reported by the PR during each period concerned.

Conditions Precedent and/or other special conditions	Status	PR Comments on Progress of Implementation
<p>1. Conditions Precedent to the First Disbursement (Terminal Date as stated in block 7A of the Face Sheet):</p> <p>The first disbursement of Grant funds by the Global Fund to the Principal Recipient is subject to:</p> <p>a) the Principal Recipient entering into temporary arrangements with the existing Sub- recipients carrying out Program activities, under grant number GEO-H-GPIC, until the Principal Recipient submits a request for tender in accordance with the laws of Georgia, and new Sub-recipients are selected through such tender (for the avoidance of doubt, during such temporary arrangements period, the Standard Terms and Conditions of this Agreement shall apply);</p>	Met	<p>a. On 30 April 2014 the Prime Minister approved through governmental decree #741 that NCDC is allowed to sign direct contracts with all SRs that were previously contracted by GPIC. The Principal Recipient has entered into agreements with all SRs except for GHRN on 21 May 2014. The contract with GHRN was signed on May 28, 2014. All contracts are valid till October 1, 2014 except of Curatio International Foundation will end on August 31. The tendering processes for re-contracting SRs will be started from the middle of August 2014.</p>
<p>The first disbursement of Grant funds by the Global Fund to the Principal Recipient is subject to:</p> <p>b) delivery by the Principal Recipient to the Global Fund, in form and substance satisfactory to the Global Fund, of a letter signed by the Authorized Representative of the Principal Recipient setting forth the name, title and authenticated specimen signature of each person authorized to sign disbursement requests under Article 10 of the Standard Terms and Conditions of this Agreement and, in the event a disbursement request may be signed by more than one person, the conditions under which each may sign.</p>	Met	<p>b. The PR submitted the letter signed by the authorized representative on 6 May 2014.</p>
<p>2. Condition Precedent to the Use of Grant Funds by the Principal Recipient for procurement of health and non-health products (Terminal Date as stated in block 7B of the Face Sheet):</p> <p>The use of Grant funds by the Principal Recipient for procurement of health and non-health products is subject to delivery by the Principal Recipient to the Global Fund, each in form and substance satisfactory to the Global Fund, of an Operations Manual (OM) which shall include procedures in respect of Procurement and Supply Management and regular progress updates, and shall address weaknesses identified by the Principal Recipient assessment, including but not limited to the following:</p> <p>a) Standard Operating Procedures (SOPs) for procurement of health and non-health products; and</p> <p>b) SOPs for supply chain management (including management information systems, forecasting and quantification, storage and distribution) of health products and pharmaceuticals on a national level (from central level to patient level).</p> <p>Notwithstanding the foregoing set forth in this Section B(2)(b), prior to the satisfaction of this condition precedent, the Principal Recipient may use Grant funds, with the prior written approval of the Global Fund, for procurement of non-health products.</p>	Met	<ul style="list-style-type: none"> - The PSM Manual was approved on 13 June 2014 - SOPs for procurement of health and non-health products and supply management were approved by GFATM on 02 July 2014 - QA SOPs were approved by GFATM on 11 July 2014 - Draft Finance Manual was submitted to the GFATM on 14 Aug 2014

Section 2: Grant Management

<p>3. Conditions Precedent to disbursement by the Global Fund to the Principal Recipient or use by the Principal Recipient of Grant funds to finance activities related to Objective 1:</p> <p>The Global Fund and the Principal Recipient shall agree on the list of activities related to Objective 1</p>	Met	The list of the activities and the budget for the Objective 1 for 2014-2015 totaling to EUR 256,962 was approved on July 30, 2014.
<p>4. Condition Precedent to disbursement by the Global Fund to the Principal Recipient or use by the Principal Recipient of Grant funds for the 2015 budget:</p> <p>a) No later than 14 August 2014, the Ministry of Labour, Health and Social Affairs shall inform the Global Fund of the HIV treatment protocol that will be used in Georgia during the current implementation period; upon which the Global Fund will determine its ART funding contribution which would be incorporated into the 2015 budget (the Global Fund reserves a right to limit the ART funding to the treatment regimens recommended in the WHO 2013 treatment guidelines).</p>	Met	The WHO TA for ART optimization in Georgia was successfully completed in June, 2014. Based on the WHO consultants' recommendations the National AIDS Center has provided the optimized list of the ART regimens and revised list of procurement. The updated PSM plan was already shared with GF. According to the National AIDS Center the WHO optimization process does not contradict with the current Treatment Guidelines and protocols that were last updated in December, 2013 and there is no need for revision of this document.
<p>4. Condition Precedent to disbursement by the Global Fund to the Principal Recipient or use by the Principal Recipient of Grant funds for the 2015 budget:</p> <p>b) By no later than 30 September 2014, revision by the Principal Recipient of the 2015 budget and Performance Framework targets for key populations, which shall further optimize and incorporate the results of: i) the population size estimates conducted between 1 January to 31 July 2014. and; ii) the Budgeted Sustainability Plan pursuant to Section C(2) of this Annex A (June 30, 2014)</p>	Unmet - In Progress	<p>i)The MARP size estimation studies were completed for MSM and FSWs and new denominator data were obtained for the PF indicators for 2015. Namely, size of MSM population is 20,000 and the size of the street based FSWs is 6525,The relevant changes will be considered in the program budget during preparation of the SRs tender documentation for the period of October 2014 - December 2015. The size estimation final reports will be shared with UNAIDS for validation and afterword's will be applied to PF.</p> <p>ii) Draft Budget Sustainability Plan is developed. 1,000,000 USD is considered for procurement of first line ARVs in 2015 and during 2016-2017 the major emphasis are placed on allocation of the state funds for full coverage of the first line ARVs cost, year by year increasing percent-allocations for the second line ARVs and the proportionally increasing ART related Laboratory test-systems' costs for the period of 2015-2017. Based on the PR's Agreement Conditions status update letter (#06/1831) shared with the GF on June 27, it was agreed with the GF that the approved plan will be sent to the GF by the end of August, 2014.</p>
<p>SPECIAL TERMS AND CONDITIONS FOR THIS AGREEMENT</p> <p>No later than 30 June 2014, the CCM shall, or the Principal Recipient shall cause the CCM to, submit a Budgeted Sustainability Plan for the gradual governmental take-over of financing, starting in 2015, for activities supported by this Grant.</p>	Unmet - In Progress	As mentioned above, based on the PR's Agreement Conditions status update letter (#06/1831) shared with the GF on June 27, it was agreed with the GF that the approved plan will be sent to the GF by the end of August, 2014.
	Select	
	Select	
	Select	

Section 2: Grant Management

B. PR REVIEW OF PROGRESS ON IMPLEMENTATION OF OUTSTANDING MANAGEMENT ACTIONS FROM PREVIOUS DISBURSEMENTS

! Please list all issues raised in the last Management Letter from the Global Fund or outstanding from previous Management Letters, and comment on the progress. Please include the date of the management letter and the item number.

Global Fund Management Actions	PR Comments on Progress of Implementation

C. PR COMMENTS ON ANNUAL GRANT REPORTING REQUIREMENTS

! Please indicate a date for the report due for submission. If a report is overdue, indicate the original due date and explain the reason for delay.

Required Documentation	Due date (dd-mmm-yy)	Status	Comments
PR Audit Report		Select	n/a
Enhanced Financial Reporting (EFR)		Select	n/a

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Section 3A: Total PR Cash Outflow

! For RCC grants the cumulative section of the table below should contain cumulative amount from the start of the RCC and not from the start of Phase 1 of the program.

	Budget for Reporting Period	Actual Cash Outflow for Reporting Period	Variance	Reason for Variance	Cumulative Budget through period of Progress Update	Cumulative Actual Cash Outflow through period of Progress Update	Variance	Reason for Variance
1. Total PR cash outflow vs. budget	2 994 962	375 319	2 619 643		2 994 962	375 319	2 619 643	
1a. PR's total expenditures	2 041 073	16 091	2 024 982	Late signing of HIV grant and receiving money in June is the one of the reasons for delaying activities to Q3. However, the major variance is related to the procurement of HPHE, as well as medicines and pharmaceuticals. This variance consists of delayed activities (EUR 1,841,942) and savings (EUR 138,048). The variance of the expenditure related to the PR management costs (EUR 45,053) comprises mainly from HR and OVE unspent amounts (EUR 43,063).	2 041 073	16 091	2 024 982	Late signing of HIV grant and receiving money in June is the one of the reasons for delaying activities to Q3. However, the major variance is related to the procurement of HPHE, as well as medicines and pharmaceuticals. This variance consists of delayed activities (EUR 1,841,942) and savings (EUR 138,048). The variance of the expenditure related to the PR management costs (EUR 45,053) comprises mainly from HR and OVE unspent amounts (EUR 43,063).
1b. Disbursements to sub-recipients	953 889	359 229	594 660	The expenditures relate to the activities performed by the SRs during April-June. When signing contract with SRs PR reviewed GFATM approved budgets including procurement, and changes were applied based on the SRs actual needs. After the review total budget for SRs in 2Q decreased by EUR 92,181. The remaining variance is mainly caused by the reimbursement occurring after the reporting month. During the reporting period SRs received advance payment of EUR 68,911 (TG: EUR 36,425; GHRN: EUR 28,349; HAPS: EUR 4,137) and reimbursement for April-May services, total of EUR 290,317 (TG: EUR 71,627; HAPS: EUR 16,726; Narc: EUR 88,704; AIDS Center EUR 89,827; CIF: EUR 23,433); GHRN received payment for April-May services in July, total of EUR 165,496. Total committed but not paid to SRs is EUR 376,346. Variance related to SRs performance includes savings of EUR 64,120 (mainly unspent HR and OVE costs) and postponed activities of EUR 62,013. Due to late contract signing the SRs had to operate using their own funds. Their limited financial capacities did not allow for full scale operations.	953 889	359 229	594 660	The expenditures relate to the activities performed by the SRs during April-June. When signing contract with SRs PR reviewed GFATM approved budgets including procurement, and changes were applied based on the SRs actual needs. After the review total budget for SRs in 2Q decreased by EUR 92,181. The remaining variance is mainly caused by the reimbursement occurring after the reporting month. During the reporting period SRs received advance payment of EUR 68,911 (TG: EUR 36,425; GHRN: EUR 28,349; HAPS: EUR 4,137) and reimbursement for April-May services, total of EUR 290,317 (TG: EUR 71,627; HAPS: EUR 16,726; Narc: EUR 88,704; AIDS Center EUR 89,827; CIF: EUR 23,433); GHRN received payment for April-May services in July, total of EUR 165,496. Total committed but not paid to SRs is EUR 376,346. Variance related to SRs performance includes savings of EUR 64,120 (mainly unspent HR and OVE costs) and postponed activities of EUR 62,013. Due to late contract signing the SRs had to operate using their own funds. Their limited financial capacities did not allow for full scale operations.

	Budget for Reporting Period*	Actual Cash Outflow for Reporting Period	Variance	Reason for Variance	Cumulative Budget through period of Progress Update	Cumulative Actual Cash Outflow through period of Progress Update	Variance	Reason for Variance
2. Total pharmaceutical & health product expenditures vs. budget	1 831 818	0	1 831 818		1 831 818	0	1 831 818	
2a. Medicines and pharmaceutical products	110 262	0	110 262	The expenditure relates to procurement of medicines and pharmaceuticals. The reason of variance is delayed activities caused by: to start the procurement process it requires the long state procedures approving the state procurement plan. Grant agreement with GFATM was signed on 08 May 2014. After this the SR contracts were signed on May 21 (5 SRs) and May 28 (1 SR). PR had to communicate with each SR and check the stocks.	110 262	0	110 262	The expenditure relates to procurement of medicines and pharmaceuticals. The reason of variance is delayed activities caused by: to start the procurement process it requires the long state procedures approving the state procurement plan. Grant agreement with GFATM was signed on 08 May 2014. After this the SR contracts were signed on May 21 (5 SRs) and May 28 (1 SR). PR had to communicate with each SR and check the stocks.
2b. Health products and health equipment	1 721 556	0	1 721 556	The expenditure relates to procurement of medicines and pharmaceuticals. The reason of variance is delayed activities caused by: to start the procurement process it requires the long state procedures approving the state procurement plan. Grant agreement with GFATM was signed on 08 May 2014. After this the SR contracts were signed on May 21 (5 SRs) and May 28 (1 SR). PR had to communicate with each SR and check the stocks.	1 721 556	0	1 721 556	The expenditure relates to procurement of medicines and pharmaceuticals. The reason of variance is delayed activities caused by: to start the procurement process it requires the long state procedures approving the state procurement plan. Grant agreement with GFATM was signed on 08 May 2014. After this the SR contracts were signed on May 21 (5 SRs) and May 28 (1 SR). PR had to communicate with each SR and check the stocks.

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Section 4: Procurement and Supply Management

		Comments
<p>1a. Have you updated the Price Quality Reporting (PQR) with the required information on the pharmaceuticals and health products received during the period covered by this PU/DR' (if applicable)? If health products procurement information has not been entered into the PQR, please explain why.</p> <p>! For further guidance on PQR data entry, please refer to the guidelines.</p>	Select	n/a
<p>2. Based on the most up-to-date stock situation, are there any risks of stockouts of key pharmaceuticals & health products <u>at the central level</u> in the next period of implementation? If yes, please comment.</p>	Yes	The stock out risk is high for the CD4 test-systems and viral load detection test-systems that are critical for monitoring of ART patients. The same is relevant for STI treatment medicines.

3. Comment on additional issues related to the procurement and supply management of pharmaceuticals and health products

Generally, the initialization of the procurement processes within the program was delayed due to long state procedures for approval of state procurement plan. Grant agreement with GF was signed on May 8, 2014, following that the SRs contracts were signed on May 21 (5) and May 28 (1). PR had to communicate with each SR and check the stocks they had and ways they did quantification as well as the accuracy of specifications of goods they were requesting, all these took some additional time. The fact that the GF's grant money was received on the project account only on June 16 has also postponed the tenders' initiation. The Procurement team of the PIU couldn't start the actual procurement without these two compulsory pre-conditions. According to the state regulations PR can't initiate any procurement without market search also that farther increases the length of the process. In number of cases the specifications of the products provided by SRs were of poor quality and PR's procurement team have to spend much time on redefining the specifications. Considering the fact that the pharmacists has joined the PIU only in August, these process took longer than was anticipated. Considering the abovementioned constrains and the workload the PR is working on procurement of TA for training of Procurement unit staff and the SRs on stock management.

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! A Statement of Sources and Uses of Funds (SSUF) is to be provided by PR along with the PUDR form

Section 5: Cash Reconciliation and Disbursement Request

A: CASH RECONCILIATION FOR PERIOD COVERED BY PROGRESS UPDATE

1. Cash Balance: Beginning of period covered by Progress Update (line 10 from Cash Reconciliation section of the period covered by the previous Progress Update):

		-
Add:	2. Cash received by the PR from the Global Fund during the period covered by this progress update:	4 418 100
	3. Cash disbursed to third parties by the Global Fund on behalf of the PR during the period covered by this progress update:	
	4. Interest received on bank account	
	5. Revenue from income-generating activities (if applicable)	
	6. Other income, if applicable (e.g. income from disposal of fixed assets, tax refunds)	4 418 100
Less:	7. Total cash outflow during period covered by Progress Update (value entered in Section 3A "Total cash outflow"):	375 319
	8. Net exchange rate gains/losses (<i>gains should be shown with a minus sign; losses should be shown with a plus sign</i>)	11 933
	9. Reconciliation adjustments (<i>gains should be shown with a minus sign; losses should be shown with a plus sign</i>)	387 252
10. Cash Balance: End of period covered by Progress Update:		4 030 848

Explanation of reconciliation adjustments (line 9)

! An explanation must be provided if there have been any adjustments.

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Section 6: Overall Performance

A. PR's Overall Self-Evaluation of Grant Performance (including a summary of how financial performance is linked

! The self-evaluation should be undertaken by taking into account programmatic achievements, financial performance and program issues in various functional areas (M&E, Finance, Procurement, and Program Management, including management of sub-recipients). See Guidelines for more detailed guidance.

The overall grant performance was highly affected by the procurement issues related to both the previous PR and the NCDC PIU's procurement team. Late delivery of condoms and lubricants by the GPIC has resulted in severe underperformance during the January-March period of 2014 for coverage indicators of MARPs (PWIDs, MSM and FSWs). While these goods were delivered by GPIC in March, a stockout of informational materials to be distributed among PWIDs by GHRN followed. Understanding the importance of the issue the PIUs procurement team has prioritized the procurement of printing service; however, this process could be initiated only after the GF money was received on the account and the tendering procedures could be started. For the rest of the top 10 indicators the performance is either according to the plan (100% achievement) or the targets are overachieved (>100% for VCT indicators).

The overall grant financial performance for HIV program was affected by the delay in signing the grant and, respectively in starting the program. Once signed by both parties (GFATM and NCDC), financial performance was smooth.

1st DR was submitted to GFATM, approved by it and the respective transfer was made in due course. Amount transferred to NCDC as first tranche was EUR 4,418,100.0.

In order to start expensing the cash using the e-treasury software, we:

- registered HIV grant at the Ministry of Finance
- opened the separate grant account at the state treasury
- converted EUR 1,700,000.0 using the exchange rate of NBG to GEL 4,077,620.0
- split the resulting GEL amount according to the cost classifications of the treasury

Internal to NCDC mechanisms of information exchange with NCDCs Finance department were established and made operational. This allows for flawless information flow necessary for Georgian reporting purposes. We started using ORIS accounting software that is integrated into NCDC accounting. All transactions are processed and reflected timely into the system. In the software we have also accounted for all the GFATM program assets received by NCDC and either transferred to SRs or remain at NCDC. For now monthly reports from SRs are processed, accounted for in the accounting software and

B. Planned Changes in the Program, if any

WHO ART quantification mission of June, 2014 has provided the recommendations to the National AIDS Program regarding the simplification of the ART regimens. Based on the recommendations the National AIDS Center has updated the list of ARTs to be procured in 2014 and 2015 that resulted in the changes in the PSM plan of the program. The updated plan was already shared with the GF. The relevant changes will be made in the budget of the program as well.

In addition, the size estimation studies conducted among FSWs and MSM may require relevant changes into the program design and the strategies. According to the studies the size of MSM population is by 3000 bigger than it was assumed initially (17000). As for the FSWs, the estimated size is smaller (6525 vs. 8000 in PF). Accordingly, more aggressive prevention interventions needs to be implemented among MSM populations. During the current period PR in agreement with GF is testing the PDI strategy among MSM and if found effective, the relevant changes will be introduced in the Objective 2 of the program for the consecutive periods.

C. External factors beyond the control of the Principal Recipient that have impacted or may impact the Program

The late delivery of the procured products (condoms and lubricants) by the former PR to the SRs and not buffer stocks available for the key items linked to the program indicators was main reason of severe under-achievement for the MARP coverage indicators.