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19 April, 2012

MESSAGE FROM THE GENERAL MANAGER AND INSPECTOR GENERAL

Audit Reports and Diagnostic Review issued by the Global Fund's Office of the Inspector General on 20 April 2012

Dear Reader:

Today the Global Fund has released three audit reports and one diagnostic review. These audits and reviews are part of the Global Fund's well established and consistent quality assurance process which seeks to ensure that grant money is used as effectively and efficiently as possible.

The reports are:

- Audit Reports: Ethiopia, Kenya and Uzbekistan;
- Diagnostic Review: Cuba.

While diagnostic reviews and audits serve similar purposes—they provide the Global Fund with an opportunity both to learn and to improve the way it does its business—there are certain important differences between them.

Audits take an historical perspective and comprehensively review grant implementation over time to substantiate whether grant funds have been used for the purpose intended and to provide assurance that grant funds are used wisely to save lives.

Diagnostic reviews look at the grants at a given point in time to identify the key risks to which grant programs are exposed. They provide recommendations to mitigate the risks identified.

The audit reports in the current release are 'legacy' reports, which relate to grants signed as far back as 2004 and to audits performed in 2009 and 2010. Many of the findings relate to weaknesses in grant management and oversight during the early years of the Global Fund that have been identified before, including in the High Level Panel Report and in other audit reports by the Office of the Inspector General. Many findings are already being addressed.

The diagnostic review in this release was performed in late 2011. It points to areas for improvement in managing Global Fund support. It also demonstrates solid achievements and good grant management practices.

Each report published today includes a concrete time-bound management plan of action that indicates how the findings will be addressed and the recommendations implemented. We both applaud the considerable progress that has already been made to improve grant management in response to the recommendations offered by the Global Fund's Office of the Inspector General.

Gabriel Jaramillo



John Parsons





THE OFFICE OF THE INSPECTOR GENERAL

The Global Fund to Fight AIDS, Tuberculosis and Malaria

Audit of Global Fund Grants to the Republic of Uzbekistan

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Executive Summary

Introduction

1. As part of its 2009 workplan, the Office of the Inspector General (OIG) carried out an audit of Global Fund grants to Uzbekistan from 17 August to 17 September 2009. The audit covered all three grants totaling USD 36.7 million, of which USD 29.5 million had been disbursed, from 1 December 2004 (the inception date of the first grant) to 15 July 2009. The Principal Recipients (PRs) in Uzbekistan were public sector entities, viz. the Republican AIDS Center, the Republican DOTS Center, and the Republican Center of State Sanitary-Epidemiological Surveillance (for malaria).
2. Given the need for increased coverage, the OIG undertook a further financial management audit from 22 February 2010 to 12 March 2010. A draft version of the report excluding the financial management section was shared with the Secretariat, the CCM and the PRs in March 2010, with an update in 2011. As a result, many of the recommendations made have been implemented. This final report makes note where these actions have been taken.
3. Uzbekistan can demonstrate noteworthy achievements in the fight against HIV/AIDS, Tuberculosis and Malaria. Nonetheless, there are still key areas where the PRs need to strengthen their capacity to properly implement Global Fund-supported grant programs. The OIG noted the need to strengthen controls and practices in the areas of: (i) financial management; (ii) procurement; (iii) implementation and service delivery; and (iv) governance and oversight.

The Public Health Response

4. Uzbekistan has a concentrated HIV epidemic that has shown a recent increase in new infections through sexual transmission. The country's clinical infrastructure is solid, and includes AIDS centers, laboratories, and clinics, increasingly trained ART managers, growing VCT provision, and a functional HIV/AIDS surveillance system. However, there is a need to ensure that program activities are implemented as planned. For example, the substitution treatment component of the program was not continued after the pilot phase, the reproductive health curriculum for schools was not developed, and teachers were not trained in reproductive health issues. A clinical registry of AIDS patients and those on ARV treatment is needed.
5. The continued centralization of ART services requires a solution given that PLWHA find it difficult to travel to the capital for both initiation of ART and clinical follow-up. Similarly, pre- and post-test counseling should become routine at all service delivery points, and improved procedures for ensuring anonymity and confidentiality are needed.

6. The TB incidence in Uzbekistan remained high at 128/100,000 with a case detection rate of 50% and 14% MDR-TB among new TB patients at the time of the audit. The National Tuberculosis Program has introduced universal DOTS coverage in the civilian sector, expanded DOTS coverage in the penitentiary sector, and ensured a steady supply of drugs. However, there is a need to ensure that program activities are implemented as planned. For example, infection control protocols on MDR-TB were not developed and medical staff were not trained on infection control procedures.

7. There is a particular need to improve the capacity for providing universal access to diagnosis and treatment of MDR-TB cases. This is addressed within the framework of the Global Fund Round 8 proposal, which considers expanding MDR-TB pilot projects nationwide. In addition, there is a need for improved coordination between the HIV and TB programs to ensure that TB/HIV patients receive concomitant ARV and anti-TB treatment.

8. Uzbekistan has a consistently low incidence of malaria, with comprehensive prevention, treatment and care services, including effective vector control. This creates a favorable environment towards malaria elimination. The country has an effective epidemiological surveillance system, an established network of laboratories, and demonstrated experience in vector control. However, there is a need to ensure that program activities are implemented as planned. For example, a computerized cadaster of malaria foci was not created, and the planned program evaluation was not carried out. There is scope for improvement in case detection activities by increasing outreach work at PHC level, expanding IEC activities and scaling up the involvement of communities in malaria control. PHC providers should be trained in diagnosis and case management.

9. All three national programs have benefited from strong national leadership by the MOH and the Government of Uzbekistan (GOU) to fight the diseases and reduce their burden on the population. However, there is a need to ensure that parallel systems of data tracking and service delivery are not set up with Global Fund support, since this would potentially undermine national systems. In addition, the programs would benefit from a comprehensive external program evaluation to ensure that they implement programs in line with international standards and practices.

Procurement and Supplies Management

10. There was a need to strengthen procurement policies and procedures and put in place controls to ensure that procurement in future is open, competitive and transparent. This would prevent the risks inherent in the observed non-competitive purchasing of anti-malaria drugs, bed nets, microscopes, insecticides, and food parcels for TB patients. The PRs should

avoid making 100 percent advance payments to suppliers before taking delivery of goods.

Financial Management

11. There is a need to ensure that a number of internal control weaknesses in financial management are remedied. These include delays in access to program funding of up to six months due to national financial control regulations, the use of outdated accounting systems and gaps in financial data entry, incomplete or absent supporting documentation for some payments for training/workshop events, inadequate monitoring of program budgets with over-expenditure on training and staff costs, poor justification of salary increases and the practice of paying salaries in cash, shortcomings in financial monitoring of SRs, and a lack of monthly bank reconciliations.

Oversight and Governance

12. All three PRs have well-staffed regional networks through which program activities and interventions are implemented and monitored. However, there is a need to increase both MOH and external audit oversight over program activities in the regions and districts.

13. To facilitate program implementation, the CCM needs to ensure that grant funds are accessed by the PRs and SRs in a timely manner. Further, the CCM needs to promote transparency in its decision-making by improving its agenda-setting and consulting members before decisions are taken.

14. To improve the effectiveness of its oversight function, the Global Fund Secretariat needs to ensure that the LFA includes public health and M&E specialists for on-site data verification work and for the assessment of the PR's programmatic systems and processes, as well as verification of receipt of services by end users.

Conclusion

15. At the time of the audit fieldwork, the OIG concluded that the grant programs were exposed to risk in relation to procurement and financial management. As noted below, the PRs have shown a strong commitment to take action to mitigate those risks.

Events Subsequent to the Audit

16. In the months following the release of the preliminary audit findings, the Global Fund Secretariat, the CCM and the PRs have taken steps to correct a number of shortcomings. These include:

- Strengthening PSM capacities of the malaria and TB programs through recruitment of PSM specialists with procurement experience;
- Developing a national M&E plan for Malaria;

- Strengthening supervision in financial management;
- Exercising stronger controls over cash payments; and
- More systematic oversight by the CCM and the Global Fund Secretariat.

17. In addition, the following has taken place since the audit: (a) An RCC proposal for Round 3 HIV/AIDS was approved, with a new grant agreement signed with UNDP as PR; (b) The Round 10 HIV application was approved by the Global Fund Board; (c) The Round 4 TB and Malaria grants have come to an end; and (d) The Uzbekistan CCM was awarded a grant for oversight purposes.

Message from the General Manager



10 YEARS
OF IMPACT

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MESSAGE FROM THE GENERAL MANAGER

I would like to thank the Office of the Inspector General for its thorough and insightful work on the Audit of the Global Fund grants in the Republic of Uzbekistan.

The audit, conducted in 2009 and 2010 with an update in 2011 and covering grants worth a total of USD 36.7 million, detected a need to strengthen controls and practices in financial management, procurement and implementation.

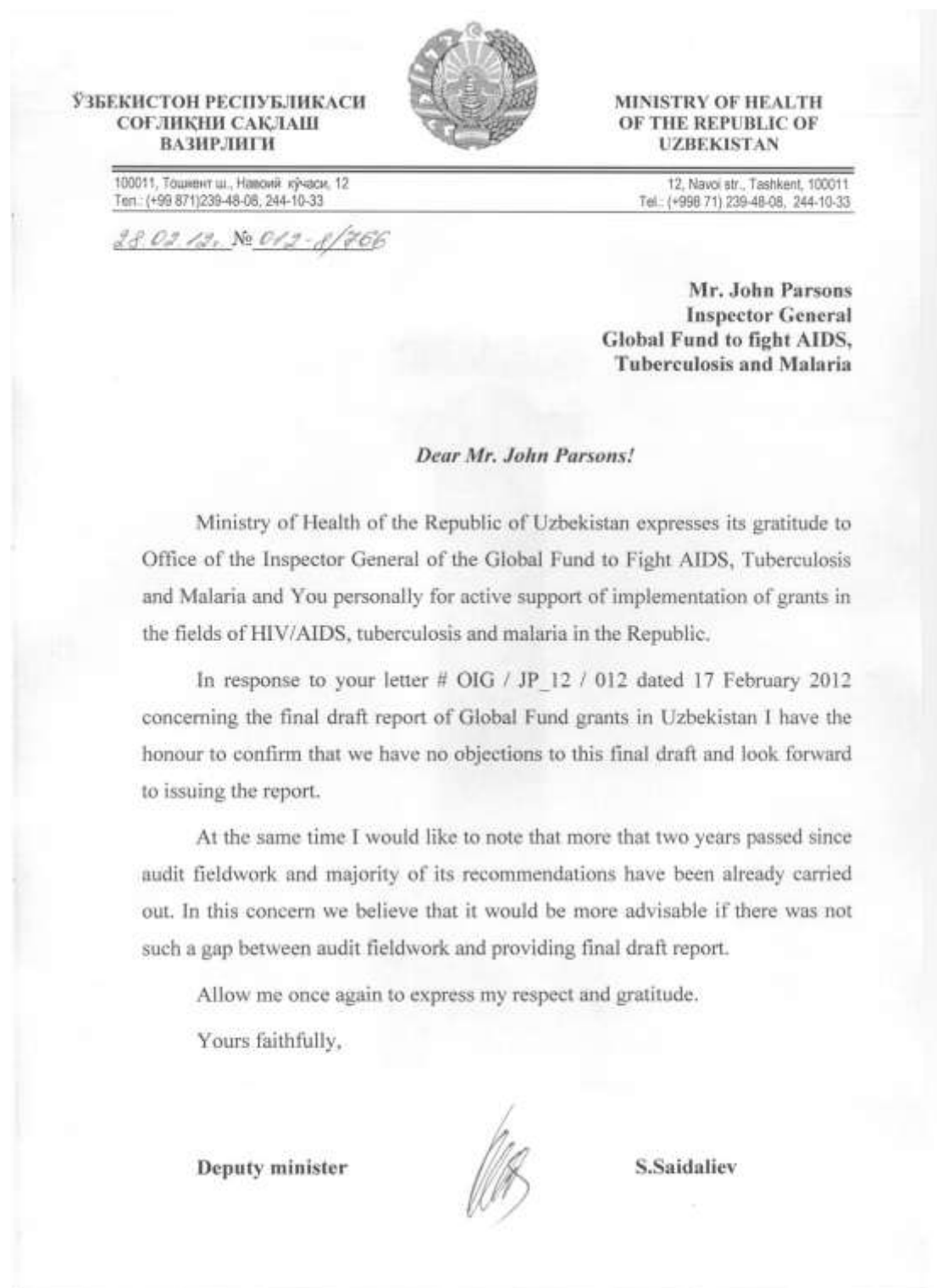
The Global Fund Secretariat, working together with the Country Coordinating Mechanism and the Principal Recipient organizations, developed action plans to address the concerns raised in this audit, and has already begun implementing recommended changes. As of March, 2012, roughly half of the planned actions have already been completed, while the remaining ones have already made significant progress.

I am confident that with our new emphasis on risk management and grant management, we will have appropriate procedures in place to address and resolve in a timely way the issues raised in this report by the Office of the Inspector General.

Audit reports by the Office of the Inspector General are an integral part of quality control for the Global Fund. The Office of the Inspector General plays an indispensable role in helping us all achieve our mission of effectively investing the world's money to save lives.

Yours sincerely,

Message from the Ministry of Health of Uzbekistan



Background

18. Between December 2004 and July 2009 total funds committed by the Global Fund to HIV/AIDS, Tuberculosis (TB) and Malaria programs in Uzbekistan amounted to USD 36.7 million, of which USD 29.5 million had been disbursed as of 15 July 2009. The Global Fund had a portfolio of three grant agreements in Uzbekistan. The Global Fund grants audited are carried out by public sector entities under the Ministry of Health, namely the Republican AIDS Center for HIV/AIDS, the Republican DOTS Center for TB, and the Republican Center of State Sanitary-Epidemiological Surveillance for malaria. The three government entities implement grant programs through regional and district level organizations in the 12 regions and districts of Uzbekistan.

Institutional Arrangements

19. The three PR Directors operate under the overall direction of two Deputy Ministers of Health. One Deputy Minister has supervisory responsibility over HIV/AIDS and Malaria and the second Deputy Minister of Health supervises the Tuberculosis program. In addition, the Ministry of Health plays a coordinating role with other line ministries to achieve a multi-sectorial country response to HIV/AIDS, TB and Malaria in the country.

20. The MOH of the Republic of Uzbekistan and the national program units have overall responsibility for technical, financial management and achievement of programmatic results for the three grant programs.

21. To facilitate grant implementation, in 2005 each PR established a Project Implementation Unit (PIU) headed by a Project Manager who is responsible for program management and supervision. Each Project Manager is supported by a multi-disciplinary team comprising technical, procurement and financial management staff based in the capital city, Tashkent. Project Managers report to their respective PR directors.

22. The PR assessment report of June 2004 stated that the Republican AIDS Center lacked the requisite capacity and experience to manage procurement and financial management activities required to implement a program of that scale. Hence the LFA recommended that the “PR should establish satisfactory systems within the PIU or finalize arrangement with UNDP to use them as a financial intermediary for settlements with sub-recipients and suppliers or contactors as a condition precedent to the first disbursement of the grant funds.” A tripartite agreement was signed between the Ministry of Health, the PR, and the United Nations Development Program in September 2004.

23. While all financial and procurement transactions of the HIV/AIDS program are processed through a UNDP Uzbekistan corporate bank account, TB and malaria PIUs maintain and operate program bank accounts which are under joint signatory authority of PIU and PR officials. The Project Manager

for the HIV/AIDS program concurrently reports to the UNDP Uzbekistan Resident Coordinator.

24. All three PRs have a regional network of centers in the country through which program activities and interventions are implemented and monitored. The Republican AIDS Center has a total of 15 regional AIDS Centers in the regions and the capital city. Likewise, TB and malaria programs each have 14 regional DOTS Centers and regional Centers of State Sanitary and Epidemiological Surveillance respectively. The regional centers are headed by Chief Doctors who report to their respective PR Directors.

25. The LFA in Uzbekistan has been PwC since the inception of the grants. Key oversight services provided by the LFA include initial and repeat PR capacity assessments before grant signature; verification of implementation, which in the case of Uzbekistan is quarterly; assessment of PR after the initial two years of grant implementation; and on site data verification.

26. A presidential decree in December 2008 replaced the Sub-Commission of the Republican Emergency Anti-Epidemic Commission for HIV/AIDS, TB and Malaria which had served as the CCM since May 2003 with the Multisectoral Expert Council. The current body, which has 21 members, functions as the CCM in Uzbekistan and has ultimate responsibility for grant oversight and for all grant program activities. The CCM is the fifth working group of the Republican Commission for the coordination of the response to HIV/AIDS created by above decree.

Objectives, Scope and Methodology

27. The objectives of the audit were to (a) assess the efficiency and effectiveness of the management and operations of the grants; (b) evaluate the soundness of existing systems, policies and procedures in safeguarding Global Fund resources; (c) confirm compliance of grant recipients with the Global Fund grant agreements and related policies and procedures, and the related laws of the country; (d) identify any other risks that the grants are exposed to and the adequacy of measures taken to mitigate such risks and (e) make recommendations to strengthen the management of the grant-supported programs based on the above stated objectives.

28. The following five areas were covered: (i) programmatic management; (ii) procurement and supply chain management; (iii) fiduciary management; (iv) program oversight within Uzbekistan; (v) program oversight by the Global Fund Secretariat. The OIG deployed a team comprising a public health specialist, a procurement and supply management specialist, and audit specialists.

29. The scope of the audit covered the following Global Fund grants.

Disease & Round	Principal Recipient	Grant Number	Grant Amount (USD)	Amount Disbursed (USD)
HIV/AIDS Round 3	The National AIDS Center of the Ministry of Health of the Government of the Republic of Uzbekistan	UZB-304-G01-H	21,075,841	15,022,459
Malaria Round 4	The Republican Center of State Sanitary-Epidemiological Surveillance of the Ministry of Health of the Government of the Republic of Uzbekistan	UZB-405-G02-M	2,423,089	2,423,089
Tuberculosis Round 4	The Republican DOTS Center of the Ministry of Health of the Government of the Republic of Uzbekistan	UZB-405-G03-T	13,267,033	12,105,033
Totals			36,765,963	29,550,581

Table 1: Global Fund grants to Uzbekistan audited by the OIG (Source: Global Fund website, July 2009)

30. The audit covered the implementation of these programs by three entities of the Ministry of Health, namely the Republican AIDS Center for HIV/AIDS, the Republican DOTS Center for TB, and the Republican Center of State Sanitary-Epidemiological Surveillance for malaria. In addition, the audit covered selected implementing partners of the aforementioned entities¹. The audit sampled transactions from the initiation of the grant programs (i.e., December 2004 through June 2009.)

31. The OIG used the following approaches to conduct its work: discussions with program and financial personnel of relevant grant recipients; review of grant program documents, monitoring/supervision reports, implementation and procurement plans, examination of supporting documents for grant expenditures as well as program and financial progress reports.

32. Apart from audit tests carried out at the national/central level, the OIG team visited program sites at regional, district and health facility levels

¹ Uzbekistan Country Office of the World Health Organization and Project Hope

in the regions of Fergana and Andijan, as well as Tashkent City. During the field visits the OIG team made observations and carried out tests at regional AIDS, TB and Malaria centers, drug stores, HIV care and treatment centers, hospitals, health centers, dispensaries and other service delivery units and community-based implementing organizations.

33. There was a scope limitation to the audit. The audit did not cover procurement and financial management transactions carried out by the United Nations Development Program (UNDP) in Uzbekistan on behalf of the RAC. These activities took place under a procurement and financial agency agreement signed between UNDP and the Ministry of Health. Because of UN Regulations and agreements between the Global Fund and UNDP, the OIG team did not review grant expenditure incurred by UNDP on behalf of the RAC.

Prioritization of Audit Recommendations

34. Audit recommendations have been prioritized so as to assist management in deciding on the order in which recommendations should be implemented. The implementation of all audit recommendations is essential in mitigating risk and strengthening the internal control environment in which the programs operate. The categorization of recommendations is as follows:

- High Priority: Material concern, fundamental control weakness or non-compliance, which if not effectively managed, presents material risk and will be highly detrimental to the organization's interests, significantly erodes internal control, or jeopardizes achievement of aims and objectives. It requires immediate attention by senior management;
- Significant Priority: There is a control weakness or noncompliance within the system, which presents a significant risk and management attention is required to remedy the situation within a reasonable period. If this is not managed, it could adversely affect the organization's interests, weaken internal control, or undermine achievement of aims and objectives; and
- Requires Attention: There is a minor control weakness or noncompliance within the system and remedial action is required within an appropriate timescale. Here the adoption of best practice would improve or enhance systems, procedures and risk management for the benefit of the management of the grant programs.

Service Delivery

Methodology

35. In Uzbekistan, the Global Fund supported the scale-up of the response of three national programs to fight the three diseases of HIV/AIDS, TB and Malaria. The portion of the audit dedicated to service delivery focused on two major areas, namely, the quality of service delivery and monitoring and evaluation (M&E).

Quality of service delivery

36. For quality of service delivery, the main methodological approach was the assessment of quality of service within the core service delivery areas as compared with international and national standards separately for HIV/AIDS,^{2,3} TB,^{4,5,6} , and Malaria.^{7,8} The facilities were selected to cover all

² Standards for quality HIV care: a tool for quality assessment, improvement, and accreditation, Report of a WHO Consultation Meeting on the Accreditation of Health Service Facilities for HIV Care, 10–11 May 2004, Geneva, Switzerland

³ MOH Order # 480, preventive and health care response measures in the Republic of Uzbekistan, 30 October, 2007

⁴ International Standards for Tuberculosis Care – Diagnosis, Treatment, Public Health. Developed by the Tuberculosis Coalition for Technical Assistance (TBCTA), 2006

⁵ MOH Order # 160, TB response measures in the Republic of Uzbekistan, 3 April, 2003

the levels of care starting from grass roots (i.e. village PHC centers) to leading national institutions located in the capital.

M&E

37. For the M&E component, the disease specific M&E plans were reviewed to assess their relationship to the grant performance frameworks (indicators and targets). Specifically, this covered reviewing the data collection mechanisms, tools, and data flow from service delivery points to assess their ability to provide accurate performance updates for funding decisions. In addition, the data quality assurance procedures and protocols conducted by the LFA were reviewed.

HIV/AIDS

68. Uzbekistan can be categorized as having a concentrated HIV epidemic. According to the second generation surveillance data from 2007, HIV rates among IDUs constituted 13 percent, and HIV prevalence among pregnant women has remained below 0.5 percent. Although the epidemic has continued to be fuelled by injecting drug use, the proportion of IDUs in the newly identified infections has been decreasing, whereas sexual transmission of HIV has been on the rise.

38. By the beginning of 2009, the number of people living with HIV in the country reached 12,816. A total of 3,404 infections were detected in 2008 alone. The epidemic has continued to be fuelled by injecting drug use (IDU); however, the proportion of IDUs in the newly identified infections has been decreasing and equaled 49 percent of the newly reported infections in 2008. Sexual transmission of HIV has been on the rise; in 2008, the proportion of HIV infections transmitted sexually exceeded 24 percent. Among all cases infected in 2008, the proportion of women reached about 40 percent, and of young people, over 21 percent. About 4 percent of newly detected infections resulted from mother to child transmission. Sentinel surveillance implemented in Uzbekistan since 2003 confirms that injecting drug users, commercial sex workers (CSWs) and men having sex with men (MSM) remain at high risk of HIV infection. According to 2007 studies, HIV rates among IDUs constituted 13 percent, CSWs 2.2 percent, MSM 6.6 percent. In the sentinel surveillance, HIV prevalence among pregnant women and STI patients has remained below 0.5 percent and below 2 percent, respectively.⁹

39. The HIV/AIDS national response in Uzbekistan is characterized by achievements that include existing infrastructure (AIDS centers, laboratories, and clinics), adequate human resources involved in the

⁶ MOH Order # 180, TB response measures in the Republic of Uzbekistan, 2 May, 2008

⁷ Malaria Epidemics: Forecasting, Prevention, Early detection and Control. From Policy to Practice. Leysin, Switzerland, 8-10 December 2003

⁸ MOH Order #160, Malaria surveillance in the Republic of Uzbekistan, 12 April, 2005

⁹ Uzbekistan R3 RCC proposal, 2009

program, introduction of ARV treatment, and a functioning HIV/AIDS second generation surveillance system.

40. In general, the RAC has carried out the Global Fund Round 3 HIV/AIDS grant work plans. However, some planned program activities have not been implemented. For example, the substitution treatment component of the program was terminated. Further, reproductive health curriculum for schools was not developed, and teachers were not trained in reproductive health issues. Palliative care was not provided to PLWHA, and needed protocols for palliative care were not developed.

HIV Testing and Counseling

HIV testing and counseling, both voluntary and provider-initiated, takes place in different locations. However, there is very low coverage of MARP by HIV testing and counseling services, which may be related to fear of stigma among these groups. Procedures for HIV testing are complicated with many steps of blood collection through to confirmatory testing. Pre- and post-test counseling is not routinely done at all service delivery points. Adequate procedures for ensuring anonymity and confidentiality are not in place.

41. Provider Initiated Testing and Counseling (PITC) is offered to IDUs, STI patients, and pregnant women in PHC centers at relevant service delivery points (i.e. drug cabinets, STI cabinets, and antenatal care cabinets). PITC is also offered to MARP at trust cabinets, which are usually located at PHC facilities targeting MARP through outreach. In PHC facilities in Fergana and Andijan regions it was found that only few STI patients and IDUs are tested for HIV at STI cabinets and drug cabinets, while they seek medical care at the afore-mentioned service delivery points. The coverage for HIV testing among pregnant women is almost universal; a relatively recent development for the entire country (as of 2009).

42. There is very low coverage of MARP by trust cabinets, and of those registered in these service points, very few are tested for HIV (zero coverage of MSM). According to trust cabinet providers interviewed, the reason that MARP are not tested for HIV is fear of stigma related to HIV status.

43. Most of the providers working at trust cabinets are specialists working at the same facility (dermato-venerologists or narcologists), and they are often busy with specialist patient care. The OIG noted that the patients treated by specialists in relevant cabinets (IDU or STI) are often registered by the same specialists in trust cabinets as beneficiaries of a harm reduction program.

44. The current scheme of HIV testing follows three steps: 1) blood is collected at PHC service delivery point/trust cabinet and sent to district/regional AIDS laboratory for ELISA; 2) if the first test is positive, the blood is taken a second time and sent to district/regional AIDS lab for

repeated ELISA; 3) if the second test is positive, the individual is requested to go to the regional AIDS center to give blood a third time, which is sent to Republican AIDS Center in Tashkent for confirmation (Western Blot). This time, the individual is required to disclose his/her identity by presenting their passport.

45. Service providers and PLWHA informed the OIG that some individuals refuse to be tested a third time when they are asked to go to the Regional AIDS Center with their passports. For second testing, service providers do not usually inform individuals about results of their first test, they just tell them that “something was wrong with your first analysis, so we need to take blood for a second time.”¹⁰

Recommendation 1 (High)

RAC should give consideration to simplifying HIV testing procedures, i.e., blood should preferably be collected only once in an adequate quantity so that the same specimen goes to all the necessary levels including confirmation. This should also require decentralization of laboratory services so that HIV confirmatory tests are done at the regional level.

Note: The RCC proposal stated that special work would be done to review the testing algorithm and simplify it. However, details were not provided.

Recommendation 2 (High)

RAC should consider promoting PITC for STI patients at relevant service delivery points at PHC facilities.

Note: This recommendation has been addressed in the RCC proposal.

Recommendation 3 (High)

RAC should consider increasing coverage of MARP by trust cabinets. The best strategy would be a) to move these cabinets out of government health facilities (revision of the MOH Administrative Order Number 480 will be needed); and b) it is unnecessary to have specialists as staff members in trust cabinets.

Note: This recommendation is partly addressed in the RCC proposal through the establishment of public health outreach centers. However, continuation of the functioning of the trust cabinets within the public health system is also proposed.

Recommendation 4 (High)

RAC should consider introducing rapid tests to be used by trust cabinets for MARP.

Note: In the RCC proposal, there was a general statement that rapid test kits would be procured and distributed to health care institutions, but it

¹⁰ A quote from an interview with a PLWHA in Fergana region

was not specified that rapid tests kits would be introduced in trust cabinets.

Pre- and Post-Test Counseling and Informed Consent

46. The OIG found that pre-test counseling is not routinely done at all service delivery points. This is true for IDUs, STI patients and pregnant women. The OIG found that not all providers have been trained in PITC/VCT.

47. In some PHC facilities, providers do not explain to clients the purpose of the tests. For example, in some facilities pregnant women are not informed that the blood is being collected for HIV testing.

48. After confirmation of HIV infection at the Republican AIDS Center, the case is registered in a regional AIDS center where the patient lives, which has to notify the local district CSSES and the local district polyclinic infectious disease doctor. Thereafter, post-test counseling is done jointly by a district CSSES epidemiologist and infectious disease doctor. The OIG found that not all of these providers are trained in PITC/VCT. PLWHA interviewed in Fergana and Andijan reported that they did not receive post-test counseling after they had been informed about their HIV status.

Recommendation 5 (High)

RAC should consider training all providers working at service delivery points at PHC level in VCT.

Note: The RCC proposal does not address this recommendation.

Recommendation 6 (High)

RAC should give consideration to providing pre- and post-test counseling at the same place, preferably by the same VCT specialist.

Note: The RCC proposal does not address this recommendation.

Anonymity and Confidentiality

49. Anonymous cabinets are available at Regional AIDS Centers. The objective is that motivated individuals are able to obtain HIV testing without disclosing their identity. For the first two steps of the current HIV testing protocol as described above, the anonymity is ensured. However, for confirmatory tests, all individuals are required to go the regional AIDS centers with a passport and disclose their identity. It is obvious that such a protocol does not allow a person to keep his/her anonymity all the way through to confirmation. This may partially explain the fact that not all suspected persons (with first and second tests positive) go to regional AIDS centers for confirmatory testing.

50. Records with information of individuals' HIV status are not kept properly in health care facilities. There are no adequately protected

designated/separate rooms allocated for this purpose. Also, it is not defined who has access to this information in a health care facility, and what relevant procedures are to be followed in storing/accessing/using the confidential data.

51. PLWHA reported violations in terms of health care workers not maintaining confidentiality after patients had been found to be HIV positive.

Recommendation 7 (High)

RAC should consider adopting a policy that any person willing to be tested for HIV, who wishes to remain anonymous after confirmation of HIV infection, should be given such an opportunity. This has been shown to help increase the number of people tested as well as reduce the stigma associated with HIV+ status. The main objective is that clients can still get post-test counseling, which is important from a public health/prevention perspective. At the same time they can get information on the availability of ARV treatment, and be referred to the AIDS clinic.

Note: The RCC proposal does not address this recommendation.

Recommendation 8 (High)

RAC should consider limiting the number of providers/specialists who know of a person's HIV positive status in order to improve confidentiality and help reduce stigma.

Note: The RCC proposal does not address this recommendation.

Recommendation 9 (High)

Consideration should be given by RAC to defining special procedures and rules for health care facilities for storing/accessing/using patients' confidential data.

Note: The RCC proposal did not address this recommendation. There is a general statement in the proposal that the training of medical staff and follow-up supervision will pay particular attention to upholding the standards of informed consent and confidentiality.

HIV Care and Treatment

Uzbekistan, with assistance from the Global Fund, has made significant progress in providing care and treatment for PLWHA. However, the centralization of treatment services remains a significant problem. PLWHA find it difficult traveling to the capital both for initiation of ARV treatment and clinical follow up. Treatment for side effects or any symptomatic treatment as well as clinical laboratory tests that may be required during the course of ARV treatment, are not easily available to PLWHA. Drugs for managing opportunistic infections are in short supply and are not available free to these patients. PLWHA get minimal social or financial assistance from state or other sources.

52. A significant proportion of HIV positives do not seek care to initiate ARV treatment. As confirmed by an infectious disease cabinet nurse and PLWHA interviewed by the OIG, determining factors include the fear of stigma as well as difficulty in travelling to the capital to begin treatment. In interviews with nurses and groups of people living with HIV, many respondents recounted that because of stigma, many patients seek ARV treatment in other regions or other countries.

53. The decision on initiation of ARV treatment is mostly made at the central level, i.e., at the Republican AIDS Center, Institute of Virology, or Institute of Pediatrics (for pediatric patients). This means that most patients from the regions have to travel to Tashkent since CD4 counts are not performed at the regional level, creating serious obstacles for initiation of ARV treatment. While the Republican AIDS Center covers patients' travel costs to Tashkent, the bulk of the out-of-pocket cost relates to living costs in Tashkent.

54. The inability to conduct a CD4 count at the regional level also complicates clinical follow up of patients on ARV treatment given that the CD4 count should be monitored in the course of treatment. As an alternative solution, in Fergana and Andijan regional AIDS centers, providers have recently started sending blood to the Republican AIDS Center for CD4 counting. However, this is not available for children or HIV positive prisoners.

55. The majority of PLWHA interviewed in Fergana and Andijan had not had an analysis of viral load, even in the leading national institutions, and despite this being an essential component of the clinical follow-up of patients under national guidelines.

56. In case of complications or side effects in the course of ARV treatment, patients have to go to Tashkent. The reason is that local doctors at regional AIDS centers do not have confidence in their ability to handle complications or side effects, so they refer patients to the national leading centers such as the Republican AIDS Center, the Institute of Virology or the Institute of Pediatrics. Although HIV/AIDS clinical care has been included in

the curriculum of post-graduate medical education, AIDS specialists working at regional level need additional training.

57. Most infectious disease doctors, who are supposed to provide clinical oversight to patients on ARV treatment, have not had adequate in-service training. For example, there are approximately 300 infectious disease cabinets/doctors in the country, but only 10 to 15 providers have been trained in ARV treatment with Global Fund resources.

58. Regional AIDS centers do not provide blood tests for PLWHA such as CBC, biochemistry, etc. This means that patients have to seek laboratory services in other health facilities where such services are not free of charge.

59. There are no free drugs available for symptomatic treatment of various health problems PLWHA may develop from time to time. Hence they are obliged to buy such medicines. This creates a financial burden, an issue which featured prominently in focus groups discussions.

60. About 50 percent of AIDS patients with a history of injecting drug use and those who are treated in hospitals have not been tested for Hepatitis C/B. These tests are not free of charge and no medicines are available to treat hepatitis C/B among PLWHA.

Recommendation 10 (High)

RAC and the MOH should give consideration to decentralizing initiation of ARV treatment and clinical follow up of patients to the regional level. This calls for improving the capacity of regional AIDS centers so that they can initiate treatment and provide adequate clinical follow up, including provision of CD4 counts and PCR (already initiated by the government through state funding), as well as additional clinical training of local providers to improve their knowledge and skills in AIDS case management.

Note: The RCC proposal does not address this recommendation.

Recommendation 11 (High)

RAC and the MOH should examine the possibility of making available enough medicines at no cost to PLWHA for management of side effects.

Note: The RCC proposal does not address this recommendation.

61. There is poor coordination between HIV and TB programs; for example, TB/HIV patients rarely get concurrent ARV and anti-TB treatment. When a regional AIDS center refers PLWHA to a TB center for TB screening, they often have to pay for X-ray films, a process that could have been arranged as a free service through the TB program.

62. Medicines for the treatment of opportunistic infections are not provided free of charge although they are meant to be funded through the Global Fund grant. People living with HIV have to buy these drugs out of pocket, an unaffordable cost for some of them.

Recommendation 12 (High)

RAC and the MOH should consider improving coordination between TB and HIV/AIDS programs.

Note: The RCC proposal states that AIDS centers and TB dispensaries would coordinate the treatment of HIV/TB co-infection.

Recommendation 13 (High)

RAC should ensure that there is an adequate selection and sufficient quantity of drugs for management of OIs so that PLWHA get free treatment as needed.

Note: The RCC proposal addresses this recommendation.

Prevention of mother to child Transmission (PMTCT)

63. Compared to the number of deliveries in the maternity department of the Institute of Pediatrics, HIV Rapid tests kits are limited. On the other hand, the country has recently started provider-initiated testing of pregnant women for HIV both in ante-natal clinics and in delivery wards.

Social support, rights for PLWHA and reducing stigma

64. PLWHA get psychological support from local PLWHA initiative groups. There are no NGOs, CBOs, or FBOs in the region who provide social and financial support to PLWHA. An initiative group made up of PLWHA had tried several times to establish an NGO without success.

65. The regional AIDS centers in Fergana and Andijan each have a lawyer to provide legal advice to PLWHA. However, local groups of PLWHA informed the OIG that they rarely get such advice when needed.

Recommendation 14 (High)

RAC should give consideration to supporting the establishment and functioning of local NGOs, CBOs, and FBOs to provide social and financial support to PLWHA to help ensure their adherence to treatment.

Note: The RCC proposal addresses this recommendation.

Recommendation 15 (High)

RAC and the MOH should give consideration to providing support to protect patient rights, advocacy, and reduction of stigma through reforming current legal/regulatory framework, as needed, and through IEC activities (mass media, printed materials).

Note: The RCC proposal plans to train NGOs and community leaders as well as journalists to advocate for patients' rights; but does not include reforming current legal/regulatory framework.

Organization of Services

Management of drugs and supplies

66. The OIG noted stockouts of cotrimoxazole, antibiotics, and STI medicines at the regional AIDS centers in Fergana and Andijan as well as at central level. There were also shortages of medical supplies such as gloves, syringes, intravenous sets, catheters, etc., in central institutions (Institutes of Virology and Pediatrics). This has serious implications for PLWHA. In addition, there is no drug management information system for medicines, including ARV drugs, at the above-mentioned institutions.

Laboratory management

67. There is no AIDS laboratory at the Institute of Pediatrics. Although a laboratory exists at the Institute of Virology, it does not conduct HIV testing, CD4 count and viral load for the patients of the institution. Both facilities send blood specimens to the Republican AIDS Center's reference laboratory.

68. The Republican AIDS Center's reference laboratory's capacity to do viral load analysis is very low. This is due to a shortage of technical staff capable of performing viral load analysis and stock outs of reagents needed for this analysis. From April to June 2009, 3,109 CD4 counts and 175 viral load analyses were done. However, according to the national guidelines, both tests are equally important and required for the initial diagnosis as well as clinical follow up of patients.

Recommendation 16 (High)

RAC should ensure that there is adequate supply of medicines and medical supplies in health facilities providing care for PLWHA.

Note: The RCC proposal addresses this recommendation.

Recommendation 17 (High)

RAC should give consideration to strengthening laboratories in the leading national institutions to provide clinical care for PLWHA by training laboratory personnel, provision of necessary equipment and laboratory supplies.

Note: The RCC proposal addresses this recommendation.

Recommendation 18 (High)

RAC should establish a comprehensive electronic management information system for ARVs, other medicines as well as health and laboratory supplies.

Note: The RCC proposal addresses this recommendation.

Surveillance

69. An HIV/AIDS routine case reporting and second generation surveillance system has been put in place and it is functional. Guidelines and SOPs for case reporting, sentinel surveillance, and BSS are available in the regional AIDS centers.

70. A clinical registry does not exist. A simple Excel format database is used at the Republican AIDS Center's PIU, which does not include data on patients' CD4 counts, viral load, side effects, clinical outcomes, etc. Moreover, this database only includes data on patients as they initiate ARV treatment at the central institutions in Taskent, but it is not updated with the data from regional AIDS centers received semi-annually. In other words, there is no reliable data on how many patients continue treatment, default from treatment, etc.

Recommendation 19 (High)

The RAC should establish a clinical register with all necessary data elements including follow up, CD4 count, viral load, side effects, clinical outcomes, etc., which should be updated regularly with data received from the regions.

Note: This recommendation is addressed in the RCC proposal which plans to develop a database to monitor treatment.

Prevention

Harm reduction, outreach, peer education among youth

71. Harm reduction services for MARP are available from trust cabinets and NGOs. However, there were neither condoms nor IEC materials available at trust cabinets of polyclinics in Fergana and Andijan. Clinic registers record few CSWs seeking care for STI services at friendly cabinets located at the regional AIDS center.

72. The drug substitution therapy component of the program was suspended, due to a policy decision of the MOH. This issue is still being widely discussed among national and international stakeholders with a view to resuming implementation.

73. The NGO working with youth through peer education in Andijan did not have sufficient copies of printed IEC materials. According to NGO officials, IEC materials have to be adapted to the needs of local rural youth. This NGO does not have an office, and insufficient resources compared to the NGO working with CSWs in the local municipality.

Recommendation 20 (High)

The RAC should ensure the availability of condoms and IEC materials in trust cabinets and NGOs.

Note: The RCC proposal addresses this recommendation.

Recommendation 21 (High)

The RAC should consider adapting IEC materials to the needs of the local rural youth.

Note: The RCC proposal does not address this recommendation.

Recommendation 22 (High)

The RAC and the MOH should consider supporting NGOs so that they have adequate offices and good working conditions.

Note: The RCC proposal does not address this recommendation.

Tuberculosis

TB remains a major public health problem in Uzbekistan which has one of the highest incidences of TB in the region. While there have been notable achievements in the National TB Program during recent years, important challenges remain. For example, resistance to anti-TB drugs is a serious obstacle to the effective control of the TB epidemic. Despite universal DOTS coverage, the case detection rate is very low.

74. TB remains a major public health problem in Uzbekistan, demonstrated by the table below.¹¹

	Indicators	
1	Estimated TB prevalence (all forms):	63,000 Rate: 227/100,000
2	Estimated TB incidence (all forms):	35,000 Rate: 128/100,000
3	Case detection rate 2009 (all forms):	50%
4	Estimated proportion of new TB patients with MDR TB:	14%
5	Estimated proportion of TB retreatment patients with MDR TB:	50%

Table 5: Key TB indicator statistics 2009 (Source: WHO TB Database)

75. There have been noteworthy achievements in TB control in Uzbekistan including the existence of a National Tuberculosis Program (NTP) with a separate state budget, universal DOTS coverage in the civilian sector, expanded DOTS coverage in the penitentiary sector, uninterrupted supply of first line anti-TB drugs and improved drug management. The TB program has

¹¹ World Health Organization TB Database

also established a National Reference Laboratory and strengthened the TB laboratory network in the country. The TB program has increased involvement of PHC providers in TB control, and improved program monitoring and evaluation, including regular supervision at the regional level.

Diagnosis

76. Despite universal DOTS coverage, the case detection rate is very low. This can be partially attributed to insufficient outreach activities at PHC level, which are hampered by the low number of nurses who have responsibilities beyond TB, such as immunization, antenatal care, and malaria. In addition, there is a low involvement of the local community in TB control due to inadequate IEC activities targeted at community members. Other important contributing factors include the fact that not all PHC providers were trained in TB diagnosis and DOTS strategy. Private practitioners were not involved in this training despite the recent increase in the number of private clinics. This should be corrected in the Round 8 TB program.

77. There is no standard protocol for diagnosis of extra-pulmonary TB, which may account for the fact that not all patients are properly diagnosed on a timely basis.

Treatment

In Uzbekistan, TB treatment is delivered through a network of specialized TB service institutions and PHC services. Standard first-line DOTS treatment regimens are administered in line with WHO recommendations. Despite universal DOTS coverage, not all providers at PHC level have been trained in DOTS strategy. Standard approaches and schemes are employed neither for case management of smear negative patients nor for case management of extra-pulmonary TB. There is inadequate patient support to ensure proper adherence to TB treatment.

78. Not all providers at PHC level have been trained in DOTS strategy in Fergana and Andijan. Chronic pulmonary smear-negative patients on DOTS treatment are provided medicines through the state budget. These medicines, in contrast to Global Fund supported first-line medicines (provided through Global Drug Facility), come with no fixed dose combination, and have questionable quality. This may be contributing to TB drug resistance.

Support for adherence to treatment

79. Minimal social and financial support is provided to TB patients receiving directly observed treatment. Pilot projects addressing this issue through provision of food incentives to TB outpatients are implemented in

only three pilot regions (Kashkadarya, Khorezm and Samarkand) and the capital. TB patients receive minimal support from local communities. There are few NGOs, CBOs, or FBOs at regional level providing support to TB patients and their families. No nutritional support is provided to chronic TB patients in Tashkent city TB hospital Number 2. However, in the recently approved Global Fund Round 8 grant all patients on TB treatment will receive incentives (food parcels) to ensure compliance with prescribed regimen and adherence to treatment.

TB/HIV care

80. Not all TB patients were tested for HIV in the Fergana regional TB hospital. Few cases of smear negative pulmonary patients, managed as outpatients at district TB dispensaries, were tested for HIV. For HIV-positive TB patients receiving care in Tashkent city TB hospital Number 2, there was no clear strategy on concomitant treatment of TB/HIV-AIDS. In the same hospital, there is no Cotrimoxazole treatment provided to TB/HIV patients.

MDR-TB

The treatment of MDR-TB cases according to international standards started in in two pilot regions of Uzbekistan in 2004. However, the National TB Control Program in Uzbekistan struggles to provide universal access to diagnosis and treatment of MDR-TB cases as required for countries and settings with high MDR-TB burden. Very high MDR-TB rates call for scaling up the treatment of MDR-TB cases to decrease their pool and transmission of drug resistant strains.

81. There is a high demand for MDR-TB treatment in the country; but the capacity to offer such care is limited (this component is implemented in two pilot areas only, Karakalpakstan Republic and Tashkent City.) This problem is addressed within the framework of the new Global Fund Round 8 proposal, which will expand MDR-TB pilot projects nationwide.

82. First line anti-tuberculosis medicines are on sale in pharmacies, which poses a significant risk of contributing to development of drug-resistant TB since these medicines may be used inappropriately (e.g., treating non-TB cases and/or using inappropriate regimens).

83. There is poor coordination with the HIV/AIDS program; for example, for HIV positive MDR-TB patients receiving care in the MDR-TB hospital in Tashkent, concomitant treatment of TB/HIV-AIDS has not been considered (no CD4 testing is offered to these patients and no consultation is available with AIDS specialists.)

Recommendation 23 (High)

RDC should give consideration to improving case detection through enhancing PHC workers outreach by deploying an adequate number of nurses.

Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 2, activity 2.1).

Recommendation 24 (High)

RDC should give consideration to increasing community participation in TB case detection through enhancing IEC activities implemented by local community members/volunteers who will need to be trained for this purpose.

Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 1, activity 1.4).

Recommendation 25 (High)

RDC should give consideration to improving the quality of TB diagnosis and care through training of PHC providers and private practitioners in TB diagnosis and DOTS strategy. This should include the training of TB laboratory staff in smear microscopy; improving sputum collection and smear microscopy through continuous supervision and quality control; introducing SOPs for case management of extra pulmonary TB as well as chronic pulmonary smear negative TB.

Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 1, activity 1.2, 1.3; and Objective 2, activity 2.1). However, the specific focus is not on the training of private practitioners.

Recommendation 26 (High)

RDC should give consideration to complying with GLC recommendations, namely expansion of MDR-TB program nationwide; scale up nationwide management system for second-line TB drugs in terms of quantification, procurement, importation, storage, distribution and delivery to patients; and improve technical capacity of NRL in MDR-TB laboratory diagnosis.

Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 3, activity 3.1-3.3).

Recommendation 27 (High)

The MOH and RDC should give consideration to prohibiting the sale of first-line anti TB medicines over the counter in order to prevent development of drug resistant TB.

Note: This recommendation has not been explicitly addressed in the Round 8 TB grant program.

Recommendation 28 (High)

The MOH and RDC should give consideration to supporting adherence of anti-TB treatment through advocacy and NGO sector strengthening.

Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 1, activity 1.4). However, specific focus is not on strengthening NGO component of the program.

Recommendation 29 (High)

RDC should give consideration to improving coordination of TB and HIV/AIDS programs so that all TB patients are tested for HIV, and all TB/HIV patients are considered for concomitant anti TB and ARV treatment.

Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 4, activity 4.2).

Public health measures

84. The district TB dispensary is responsible for implementing public health measures, namely identification/investigation of contacts of smear-positive patients. Prophylactic treatment of children aged 0 to 14 years, who come in contact with smear-positive patients, are provided with isoniazid after exclusion of active TB. The NTP practices BCG vaccination after birth with revaccinations at 7 and 14 years, after skin test investigations.

Management of drugs and supplies

85. The current drug management information system is paper based.

Recommendation 30 (High)

RDC should give consideration to establishing a comprehensive electronic management information system for drugs and medical supplies including laboratory supplies.

Note: This recommendation has been partly addressed in the Round 8 TB grant program (Objective 1, activity 1.3). However, the main focus is on the training in drug management only, and not on building a comprehensive electronic management information system for drugs and medical supplies.

Surveillance

86. TB Electronic Surveillance Case Management System is in place and used to assure accurate registration of each TB case under DOTS. Data for each patient are available only for the civilian sector. According to the country's regulations, the prison sector provides only aggregate data on registered TB cases based on quarterly reports.

87. The impact indicator - TB mortality rate - is derived from official state statistics, but the quality of data on cause-specific mortality may be questionable considering the quality of primary (reported) data. An operations research study could shed light on the quality of these data. Absent good quality data, it is not possible to make any conclusive judgment on the program impact. Similarly, not all impact/outcome indicators are in line with the national plan, e.g., “New smear-positive TB cases detected under DOTS.”

Recommendation 31 (High)

RDC should ensure that all impact and outcome level indicators are in line with the national M&E plan.

Malaria

Uzbekistan reports consistently low levels of malaria incidence. National malaria strategies include comprehensive measures to ensure availability of and access to prevention, treatment and care services, including effective vector control measures. All these create a favorable environment for transition from a program to fight malaria to a program to eliminate malaria.

88. At present, the country reports a consistently low level of malaria incidence. This is due to the successful prevention of local transmission of falciparum malaria, the restriction of the territorial spread of local vivax malaria (primarily in Surkhandarya region), the considerable reduction in the number of active pockets of malaria, sensitivity of *Pl. vivax* to Chloroquine, and high sensitivity of carriers to the insecticides being used. All the above successful measures, combined with established epidemiological surveillance and availability of effective means to fight malaria, create a favorable environment for transition from a program to fight malaria to one to eliminate it. Pursuant to the Tashkent declaration on the elimination of malaria in the WHO European region, the country has begun development of a new national strategy, which envisages the interruption of vivax malaria transmission by 2013 and its subsequent elimination.¹²

89. Major achievements of the national response to malaria in Uzbekistan are: i) an epidemiological surveillance system; ii) an established network of laboratories in the country; iii) demonstrated experience of the PR (RCSSES) in vector control; and iv) strong political commitment by the MOH and the government to fight and eliminate the disease.

90. In general, the RCSSES has carried out the Global Fund Round 4 Malaria work plans. However, some planned program activities have not been implemented. For example, a computerized cadaster of malaria foci was not

¹² GF Round 8 Proposal Malaria, Uzbekistan

created. Also, a planned internal and independent evaluation of the program was not carried out.

Diagnosis and case management of malaria

91. Case detection activities in Fergana and Andijan regions are not adequate. Outreach work done at PHC level is limited because of the insufficient number of nurses available for outreach activities. The involvement of local communities in malaria control is not sufficient. The OIG noted that IEC activities targeted at the resident population in Fergana and Andijan are few.

92. No guidelines or SOPs on malaria diagnosis and case management were available at PHC facilities in Andijan. Not all PHC providers were trained in malaria diagnosis and case management. While village PHC centers and district polyclinics had been supplied with microscopes by the program for malaria diagnosis, few laboratory specialists working at this level () had been trained by the program. Surprisingly, in a village PHC center located in the area bordering Kyrgyzstan, only people traveling from Russia were tested for malaria. Those traveling from Kyrgyzstan, which is considered a high risk area by the program, were not tested.

Recommendation 32 (Significant)

RCSSES should consider increasing community participation in malaria case detection through enhanced IEC activities implemented by local community members/volunteers, who will need to be trained for this purpose.

Note: This recommendation has been addressed in the Round 8 Malaria grant program. (HSS:Administration and management).

Recommendation 33 (High)

RCSSES should consider improving case management of malaria through training of PHC providers in malaria diagnosis and case management. PHC laboratory staff should be trained in malaria laboratory diagnosis.

Note: This recommendation has been addressed in the Round 8 Malaria grant program. (HSS:SHS:Human Resources. Training).

Vector control

IRS and ITNs/LLINs

93. The program in Fergana and Andijan regions has never distributed ITNs/LLINs. National malaria experts explained that this was not needed given the local epidemiological situation in these regions. Within the framework of the program, ITNs/LLINs were distributed in Surkhandarya and Kashkadarya regions only. In contrast, in Fergana and Andijan, the program has implemented indoor residual spraying. Interestingly, a European Union (EU) funded project implemented by the Agency for Technical Cooperation

and Development (ACTED) distributed ITNs in Fergana and Andijan in 2005. Hence, there is inconsistency between various donor funded programs in using different vector control measures in the same region.

Larval control and space spraying

94. The other major activity the program has implemented in Fergana and Andijan regions is treatment of water bodies with larvicides. Program staff said that larviciding is done in all places where malaria mosquitoes breed, and where it is effective with an appropriate cost-benefit ratio. However, there is no evidence that a cost-benefit ratio is calculated and used for decision making.

Recommendation 34 (High)

RCSSSES should consider harmonizing strategies, interventions and activities for effective vector control between the national policy document, the Global Fund-supported program and other donor-funded projects.

Note: This recommendation has not been addressed in the Round 8 Malaria grant program.

Supportive supervision

95. According to program staff, supportive supervision is routinely carried out by regional/district CSSES parasitologists to PHC facilities. However, there is no formal plan for supervisory visits of district CSSES staff, and no guidelines/SOPs are available on supportive supervision.

Recording and reporting

96. The data recording and reporting system for malaria is paper-based. At regional CSSES level in Fergana, problems were observed with consolidation of data received from district level.

Recommendation 35 (High)

RCSSSES should consider establishing a comprehensive electronic management information system for drugs, medical supplies, laboratory supplies, as well as other materials needed for malaria control (LLINs, insecticides, larvicides).

Note: This recommendation has not been addressed in the Round 8 Malaria grant program

Recommendation 36 (High)

RCSSSES should improve supportive supervision and continuous technical assistance provided by local CSSES to PHC facilities.

Note: This recommendation has not been addressed in the Round 8 Malaria grant program.

Monitoring and Evaluation - Malaria

M&E plans and indicators

97. There is no national M&E plan for malaria, but it is critically important for the country to have one national M&E plan to ensure that progress in all malaria control policies and programs is adequately measured.

98. The indicator “Number of state agencies and companies involved in malaria control in Uzbekistan” does not adequately describe what it is supposed to measure (i.e. the level of political support and commitment to malaria control in the country.) The number reported is 12 and has not changed for the last 5 years.

Recommendation 37 (High)

The MOH and the RCSSES should develop a national M&E plan for Malaria to enable it to adequately measure progress of all malaria control policies and programs.

Procurement and Supply Chain Management

The OIG found significant weaknesses in the PSM systems of both the TB and malaria programs.

99. There was no centralized procurement agency for the three Global Fund grants the OIG audited. To facilitate grant implementation, in 2005 each PR established a Project Implementation Unit (PIU) with its own procurement function.

Procurement and Supply Chain Management: TB Program

PSM capacity of the TB Program

100. In 2004 a PSM capacity assessment of the Republican DOTS Center concluded that the nominated PR had sufficient procurement and supply management systems to procure and distribute health products in compliance with Global Fund procurement policies and guidelines. However, the OIG found significant weaknesses in the PSM systems of the Republican DOTS Center which need to be addressed before the onset of the Round 8 TB grant.

101. In the 2009 repeat PSM capacity assessment for the Round 8 TB grant, the LFA noted the increased procurement budget under the new grant and the potential adverse effect on the PR's procurement systems. The LFA recommended increasing the PR's PSM capacity through recruitment of additional procurement personnel.

Recommendation 38 (High)

The Republican DOTS Center should recruit a competent, professional PSM specialist with extensive procurement experience before the onset of the Round 8 TB grant.

Forecasting demand for Medicines and Health Products: TB Program

102. The OIG established that forecasting of anti-TB drugs takes into account monitoring of consumption and its analysis, which is done on a quarterly basis. The forecasting system also considers the number of patients under treatment, new reported cases of TB and mortality rates. Also taken into account in the forecasting methodology are existing stock levels, expiry dates of TB drugs and delivery deadlines of the GDF partners.

Procurement Regulations, Tendering and Contracting: TB Program

103. The expectation is that the procurement carried out by the TB PIU will be guided by national procurement legislation and regulations which, in general, conform to the Global Fund's procurement policies of open and competitive tender. The national legislation allows for procurement policies and regulations of donors to be followed for international grants and

credits. In mid-2009, the PR adopted local procurement guidelines which stated that procurement of less than USD 100,000 requires advertised requests for quotation (RFQ), and that “each potential supplier shall provide a single price quotation only”¹³ (i.e., potential suppliers were not allowed to submit quotes for more than one brand/model that would meet the specifications). In the OIG’s view, this provision would restrict suppliers from providing a wide range of different brands/models of products that would provide best value for money.

104. The OIG noted that although RFQs were advertised in a local newspaper, health and non-health commodities were not grouped into lots to facilitate bidding by potential suppliers. An example was the RFQ of February 2007 for 77 different items which included medical equipment, supplies, air conditioners, furniture, etc. This tender resulted in several small contracts because the TB PIU chose suppliers based solely on the price of each item. There were no instructions to suppliers to explain whether they should quote for all goods and supplies listed in the tender or if they could quote for a single item. As a result, few vendors bid. The PIU therefore had to retender some of the goods and supplies. For other items it made non-competitive direct contract awards to suppliers who did not participate in the tender.

105. The OIG noted that most tenders advertised by the Republican DOTS Center did not provide potential suppliers with adequate or complete information such as a deadline for submission of quotations, required delivery dates, places for delivery of commodities, conditions of payment and general terms of the contract. Such omissions from tenders could lead to disputes with suppliers who specify different contract conditions in their bids/quotations. Suppliers may also refuse to sign the proposed contract at the time of contract award thereby delaying procurement of goods and services.

106. The OIG found that the Republican DOTS center accepted a late quotation from a company for an advertised tender for medical equipment and supplies in September 2008. Although the PR had documented the acceptance of the late bid in the evaluation report, this practice violates the integrity of the procurement process and hinders open and transparent competition. When deadlines for submission of quotations/bids are changed, all potential suppliers should be notified to ensure that no supplier has an unfair advantage or is provided special treatment.

Recommendation 39 (Significant)

To ensure a wide range of quotations, the Republican DOTS Center should consider revising its local procurement guidelines in order to allow suppliers to make more than one offer for tendered items.

¹³ Local procurement guidelines of the TB program

Recommendation 40 (High)

For its tenders, the Republican DOTS Center should structure and combine similar items into lots or issue different RFQs to facilitate tender review and evaluation.

Recommendation 41 (High)

The Republican DOTS Center should provide potential suppliers with adequate information on bidding procedures/submission of quotations. The bidding documents/tender should include type of contract to be awarded, and provide information on the general terms of the contract.

Recommendation 42 (High)

The Republican DOTS Center should not award procurement contracts to suppliers who do not participate in a tender/RFQ. Contracting with a vendor/supplier who does not offer products or services in a tender contravenes the policy of competitive procurement and leads to unfair prices being paid.

Recommendation 43 (High)

The Republican DOTS Center should adopt a standard contract template for contracting with vendors. Also the contract should stipulate delivery deadlines, final destinations, and conditions of payment.

Procurement: TB Program

107. The OIG found that there was a conflict of interest in the award of contract number 26/9 VP dated November 20, 2008 in the amount of USD 99,480 for the renovation of the TB dispensary in Karakalpakstan. The OIG found that the director of the firm which made the architectural designs was a spouse of the authorized representative of the company which renovated the dispensary. In the OIG's view this conflict of interest violated the integrity of the bidding process because the successful contractor would have benefited from privileged information/data. In addition, the tender evaluation committee had rejected the firm with the lowest bid because of lack of experience, but the OIG noted that there was no specific reference to prior experience in the tender documents.

108. Most anti-TB drugs were purchased through the Global Drug Facility (GDF) of the Green Light Committee (GLC) as specified in the approved PSM plan of the TB program. However, the OIG noted one case (contract number 004 of March 2008 for approximately USD 50,000), in which anti-TB drugs were not purchased through GDF. The supplier was selected without an open and competitive selection process; in fact, the supplier had submitted a quotation in January 2008 before the advertisement of the tender in February 2008. Comparison of prices paid for this purchase with pricing information from Global Fund's Price and Quality Reporting (PQR) system showed that the prices paid by the PR were much higher than those reported by other grant recipients. The contract awarded required a 100 percent advance payment without a bank guarantee.

109. A review of procurement contracts by the OIG showed that the PR provided advance payments ranging from 15 to 100 percent to both local and foreign suppliers, which is not in line with good practice. For example, the PR provided 100 percent advances on contracts for procurement of food parcels for TB patients. Program funds are put at risk when suppliers are given 100 percent advance payments because vendors may become bankrupt before goods ordered are delivered. Also, manufacturers/producers may terminate their supply contracts with vendors who would then find it difficult to deliver the goods/supplies ordered by the PR on a timely basis.

110. The OIG noted cases of procurement contracts awarded to suppliers which did not participate in advertised tenders. For example, following a tender for laboratory equipment in February 2007, a contract in the amount of EUR 36,951 was awarded to a supplier different from the one selected by the tender evaluation committee. In another case, an order for 17,000 plastic cups was included in a contract with a supplier that did not quote for these supplies in a tender advertised in December 2008. Such practices did not conform to the Global Fund's principles of open and competitive purchasing.

111. The OIG found that most of the contracts for food parcels (each contract was above USD 20,000) for TB patients were awarded to different suppliers as sole source contracts without open, competitive bidding. The OIG could not confirm that the TB program had obtained best value for money for these purchases. The OIG noted that procurement of food parcels for TB patients represents a large percentage of the TB program's procurement budget. It is important that the Republican DOTS Center conduct open and competitive tenders to select suppliers of food parcels for TB patients in order to ensure that the best value for money is obtained for these purchases.

112. The OIG noted that, in most cases, suppliers had submitted their own contract templates to the PR to be used for contracting, which could make the terms and conditions favorable to the suppliers.

113. The OIG found evidence of poor procurement planning in the procurement activities of the TB PIU. For example, following a tender in February 2009 for 17 items of medical equipment and supplies for which seven vendors submitted quotations, the tender evaluation committee decided to buy only one item because there were adequate stocks of the goods and supplies tendered in the store.

Recommendation 44 (High)

The Republican DOTS Center should strengthen its procurement processes and procedures by:

- (a) Adopting appropriate vetting procedures of new vendors to ensure that they are reliable suppliers;*

- (b) Ensuring that the advertised evaluation criteria of its tenders are not changed at the time of tender evaluation;*
- (c) Following its PSM plan on procurement of anti-TB drugs and ordering all drugs through the GLC;*
- (d) Making sure that bids or quotations are not accepted from suppliers before advertisement of tenders and after deadlines specified in tenders;*
- (e) Using the Global Fund PQR database and WHO pricing information to verify prices of health commodities;*
- (f) Complying with national procurement regulations and (wherever possible) not paying suppliers more than a 20 percent advance on award of contracts. Large advances to suppliers should be conditional to submission of bank guarantees;*
- (g) Awarding procurement contracts only to suppliers who participated in advertised tenders. In addition, the PR should not include additional items of goods/supplies in contracts with vendors who did not bid for such items;*
- (h) Purchasing goods/supplies at unit prices not exceeding those stated in the quotations of its suppliers;*
- (i) Conducting open and competitive tenders to select suppliers of food parcels for TB patients in order to ensure that the best value for money is obtained; and*
- (j) Planning its procurement actions based on program needs before advertising tenders.*

Storage, Distribution and Inventory Management: TB Program

114. The OIG observed that the windows of the central warehouse were not fully protected with metallic grids to ensure security. However, the premises of the institute are protected by security guards. On the other hand, the OIG found the warehouse at the Andijan regional TB center to be adequately equipped with good alarm and temperature control systems.

115. TB drugs and health supplies are consigned by the TB PIU to the TB institute which issues them to regional TB centers based on authorized requisitions from the MOH. The regional TB centers collect their approved consignments from the TB institute.

116. The OIG did not find inventory management software to manage receipts and issues of health commodities at either the TB PIU or the TB institute's warehouse. Inventory management software would facilitate the monitoring of health commodities.

117. The OIG did not find evidence of expired drugs or stock-outs of anti-TB drugs at Fergana and Andijan regional TB warehouses.

Recommendation 45 (Significant)

The Republican DOTS Center should store drugs and other health and non-health products in a well secured warehouse. In addition, the DOTS Center should consider using basic inventory management software to facilitate the monitoring of health commodities.

Procurement and Supply Chain Management: Malaria Program

The malaria program did not conduct competitive purchasing of health commodities such as anti-malaria drugs, bed nets, microscopes, and insecticides in an open, transparent and competitive manner as required by Global Fund procurement policies and guidelines.

118. The malaria program is the smallest of the three Global Fund grants audited by the OIG, with a total approved grant amount of USD 2.4 million. The percentage of grant funds spent on procurement and supply management activities is approximately 59 percent. However, the OIG noted that grant funds spent on anti-malarial drugs represented a small percentage of the procurement activities because the incidence of reported cases of malaria had continued to decrease. At the inception of the grant in 2005, there were 102 malaria cases reported annually in the country, but in September 2009, only two cases of malaria had been recorded in Uzbekistan for that year.

PSM Capacity of the Malaria Program

119. The OIG noted that the malaria PIU did not have a procurement specialist to provide the necessary professional leadership for procurement activities carried out by the malaria program. The OIG learned that the position had been vacant since October 2008 and that the financial manager of the PIU had assumed PSM responsibilities in addition to his work. The OIG learned that the PIU planned to recruit a PSM specialist at the inception of the Round 8 malaria grant in January 2010.

120. In its 2009 repeat PSM capacity assessment for the Round 8 malaria grant, the LFA noted the increased budget for procurement under the new grant and recommended the recruitment of additional procurement personnel.

Recommendation 46 (High)

The Republican Center for State Sanitary and Epidemiological Surveillance should engage a competent and experienced procurement specialist before the inception of the Round 8 malaria grant.

Forecasting Demand for Medicines and Health Products: Malaria program

121. The OIG reviewed the system for forecasting demand for drugs and health products under the malaria program and found it to be satisfactory. Forecasting is a joint responsibility of the PR and the MOH. The OIG

established that the system is based on approved treatment guidelines, current reported cases of malaria, and imported malaria cases from neighboring countries, such as Tajikistan and Kyrgyzstan, where malaria incidence is higher than in Uzbekistan. Forecasting also takes into account information obtained by program officials during monitoring visits.

Procurement: Malaria Program

122. Like the TB program, the Malaria PIU procurement activities are guided by national procurement legislation and regulations which, in general, conform to Global Fund's procurement policy of open and competitive tendering. The national legislation also allows for procurement policies and regulations of donors to be followed for international grants and credits.

123. The OIG noted that the malaria PIU did not conduct competitive purchasing of anti-malaria drugs in an open and transparent manner as required by Global Fund procurement policies and guidelines. For example, one company had been the sole-source supplier of Chloroquine and Primaquine. The first procurement contract with this supplier was in June 2005 for UZS 9,859,229 (USD 8,612). The second purchase from the same company occurred in June 2006 for UZS 52,975,287 (approximately USD 41,686) without competitive tender.

124. The malaria PIU procured bed nets without open competitive tender from four suppliers with different unit prices that ranged from USD 5.00 to USD 5.90. As shown in the table below, four purchases of bed nets were made by the malaria program within a two-week period from 6 to 19 July 2005, using different contract templates provided by the suppliers. There was no evidence that these bed nets met WHO technical and quality standards.

Supplier	Health Product	Quantity	Unit price in UZS	Unit price in USD
Usmanova M.M. (Private Entrepreneur)	Bed net	3000	6000	5.35
Tichlik Savdo Servis Ltd	Bed net	1000	5585	5.00
Miirakhmedova N.A (Private Entrepreneur)	Bed net	3000	6000	5.37
Khamidulla Barakli Savdosi Ltd	Bed net	3000	6600	5.90

Table 2: Prices of bed nets purchased by the malaria program from different suppliers during a two-week period in July 2005 (Source: Malaria PIU records)

125. From 2007 onwards, the malaria program procured bed nets from a vendor who supplied WHO-recommended bed nets.

126. Purchase of microscopes was one of the key procurement activities carried out by the malaria program. The OIG found procurement of microscopes from one supplier from August 2006 to October 2007 without competitive tender. Without an open and transparent competitive tender process, the OIG cannot give assurance that the malaria program is buying goods of assured quality at the lowest price. The table below shows contracts for microscopes and the respective contract amounts.

Contract date	Contract number	Contract price (USD)
August 17, 2006	181/02124	73,190
March 20, 2007	181/02187	95,200
April 2, 2007	181/02188	74,920
October 17, 2007	181/02243	42,303

Table 3: Contracts for microscopes awarded to one supplier by the malaria program (Source: Malaria PIU records)

127. The malaria program awarded three contracts to a supplier for insecticides without competitive bidding. The total amount of the three contracts was USD 239,167. Without an open and transparent competitive bidding process, the OIG cannot give assurance that the malaria PIU is getting the best value for money for its procurements of insecticides.

128. The OIG noted that the malaria program usually made a 100 percent advance payment to suppliers before goods were delivered, e.g., Contract 2-515 and 11 dated November 2005 for computer equipment, a contract for procurement of insecticides dated 13 March 2009 for USD 59,029.

129. The OIG did not find evidence that that the malaria program's procurement procedures include pre-shipment inspection of imported goods. The OIG however noted one instance where pre-shipment inspection of insecticides was done in Turkey by a program staff member.

Recommendation 47 (High)

The Republican Center of State Sanitary and Epidemiological Surveillance should follow national and international best practices by conducting competitive, open and transparent tenders (for major contracts) and conduct documented price analyses from a number of suppliers (for minor contracts) to ensure the lowest price for health and non-health commodities.

Recommendation 48 (High)

The Republican Center of State Sanitary and Epidemiological Surveillance should draft standard contract templates. The general terms of the

contract should be communicated to potential bidders in the bidding documents.

Recommendation 49 (High)

The Republican Center of State Sanitary and Epidemiological Surveillance should, where feasible, not pay more than a 20 percent advance to suppliers unless Global Fund has agreements with the vendor. For major contracts, advances should be paid upon receipt of a bank guarantee from a reputable bank.

Storage, Distribution and Inventory Management: Malaria Program

130. The OIG found that the roof of the warehouse of the RCSSES where health and non-health products were stored was leaking. However, at the time of the OIG's inspection of the storage facility, there was no stock of health commodities in storage since all goods received had been distributed to the regional health facilities. PIU management informed the OIG that there were plans to renovate the warehouse.

131. The OIG inspected the regional warehouse of the malaria program in Fergana region and found IEC materials on malaria and a microscope which had been in storage for more than a year. It is important that program inputs are made available to program implementers on a timely basis in order to help achieve program objectives. In Andijan region, the OIG noted that there was inadequate security for commodities delivered to the regional center for state sanitary inspection as this center shared the same storage facility with a construction company.

132. Contracts signed by the PR for procurement of goods did not require suppliers to deliver goods to final recipients; neither did the Principal Recipient deliver them to the regions. Regional centers were required to find transportation to collect health commodities from the capital. The OIG was pleased to note that SRs collected their allocated goods and supplies on a timely basis.

133. The malaria program did not have simple, inexpensive inventory management software to facilitate management of receipt and issuance of health and non-health commodities, tracking of expiry dates of drugs and maintenance of adequate stock levels of health products in order to avoid stock outs. The OIG found very limited quantities of expired anti-malaria drugs due to the PR's provision of a buffer stock to cater for potential outbreaks of malaria.

Recommendation 50 (Significant)

The Republican Center of State Sanitary-Epidemiological Surveillance should ensure that its regional centers distribute health and non-health products (such as microscopes and IEC materials, etc.) in a timely manner through monitoring visits that cover the supply chain up to village PHC levels.

Recommendation 51 (Significant)

The Republican Center of State Sanitary-Epidemiological Surveillance should ensure that its regional centers maintain minimum buffer stocks of anti-malaria drugs and insecticides for unforeseen outbreaks of malaria in the regions.

Recommendation 52 (Significant)

The Republican Center of State Sanitary-Epidemiological Surveillance should ensure that its Andijan regional center takes appropriate steps to secure its warehouse by limiting access to authorized personnel only.

Procurement and Supply Chain Management: HIV/AIDS Program

134. Due to the special audit arrangements with UNDP, the OIG did not have access procurement and supply management documents such as advertised invitation to bids, bids received and procurement contracts and paid suppliers' invoices. The engagement on PSM was limited to a review of the supply chain management for the HIV/AIDS program and inspection of the central warehouse and drug storage facilities used by the HIV/AIDS program in Fergana and Andijan regions.

135. The OIG found ARV drugs that had expired at the HIV/AIDS PIU's central warehouse in Tashkent. Table 4 below shows the detailed list of expired drugs found at the warehouse. The OIG was not able to estimate the value of the expired drugs due to lack of access to supplier invoices.

136. During site visits to regional health facilities, the OIG observed that in both Fergana and Andijan regions ARV drugs were properly stored. The OIG also found stock management of ARV drugs at these two regional AIDS centers to be adequate. However, the OIG noted stock-outs of STI drugs at both regional AIDS centers in Fergana and Andijan as well as the Republican AIDS Center's warehouse in Tashkent. In addition, there was a stock-out of Lamivir syrup, an ARV drug for children, at the regional AIDS center in Andijan.

137. The OIG noted that regional AIDS centers were required to organize their own transportation to collect goods and supplies allocated to them by the PR. Because of this arrangement, the OIG found cases where goods and supplies are picked up by these SRs from two to nine months after health products and supplies were received at the central warehouse in Tashkent. Such long delays in receipt of program inputs may affect timely implementation of program activities.

138. The OIG observed that the temperature monitoring and ventilation system at the Republican AIDS Center's central warehouse in Tashkent was out of order. Ventilation meant opening the windows. In contrast, the warehouses of the regional AIDS centers in Fergana and Andijan had appropriate temperature monitoring systems and were equipped with refrigerators to store drugs.

Drugs	Quantity of Standard Packs	Expiration Date
Efavirenz 600mg	157	2/1/2008
Nevirapine Oral Suspension *240ml	550	4/1/2008
Abacavir sulfate *60	500	7/1/2008
Lamivudine tab 150mg *60	136	4/1/2008
Stavudine for Oral Suspension UPS 1mg/1ml *200ml (Zerit)	40	5/1/2007
Saquinavir (Invirase) capsules 200mg *270	11	9/1/2007
Lamivudine+Stavudine+Nevirapine (Triomune) tab *60	270	11/1/2007
Lamivudine+Stavudine+Nevirapine (Triomune) tab *60	47	11/1/2007
Nevirapine tab 200mg *60	90	1/1/2008
Lamivudine+Stavudine+Nevirapine (Nevilast 40) tab *60	857	6/1/2008
Nevirapine tab 200mg *60 (Nevimune)	2209	7/1/2008
Nevirapine tab 200mg *60 (Nevimune)	1080	7/1/2008
Lamivudine 150mg+Zidovudine 300mg (Duovir) *60	323	7/1/2008
Lamivudine 150mg+Zidovudine 300mg (Duovir) *60	1160	7/1/2008
Lamivudine 150mg+Zidovudine 300mg (Duovir) *60	550	7/1/2008
Nevirapine tab 200mg *60	176	11/1/2007
Abacavir Oral Solution *240ML Ziagen	8	2/1/2008
Abacavir 300mg tab (Ziagen) *60	82	4/1/2008
Virocomb	234	8/1/2008
Lamivudin 150mg+Zidovudine 300mg (Duovir) *60	50	12/1/2007
Zidovudine oral solution *100ml	5	7/1/2008

Table 4: Expired drugs at the HIV/AIDS central warehouse in Tashkent (Source HIV/AIDS program inventory records).

139. There was no automatic alarm system at the PR's central warehouse in Tashkent and at the warehouse of Fergana's regional AIDS center. In contrast, the alarm system at the warehouse of Andijan regional AIDS center was functioning. The OIG also found that HIV/AIDS program central warehouse in Tashkent is located very far from the PR premises, which adversely affected logistics management.

Recommendation 53 (High)

The Republican AIDS Center should monitor the supply pipeline of STI drugs to ensure that there are no stock outs and expired drugs.

Recommendation 54 (Significant)

The Republican AIDS Center should explore the feasibility of distributing drugs/supplies in a timely manner to its regional centers through suppliers and sub-contractors etc.

Recommendation 55 (Requires attention)

The Republican AIDS Center should assess the feasibility of finding a suitable warehouse within close proximity of the PR's premises.

Financial Management and Control

Delays in Transferring Funds

140. In Uzbekistan the receipt of funds from overseas is controlled by a special national commission, which has affected timely receipt of grant funds by the TB and malaria programs. Funds from overseas have to be transferred to a special bank (two banks are licensed for these services) and to a “block account”. The PIU has to apply for transfer of the funds to its program bank account. The OIG calculated that on average it took approximately 43 days for the RCSSES to receive grant funds after transfer by the Global Fund.

Recommendation 56 (Significant)

There is scope for the MOH and the CCM to make efforts to resolve the delays in receipt of grant funds by the PRs and program implementers.

Financial Management: RCSSES

141. The OIG found the following internal control and financial management weaknesses at the malaria program:

- (a) Financial transactions (grant receipts and expenditures) had not been entered in the accounting software since October 2007;
- (b) Lack of financial and operational manuals detailing policies and procedures for key processes such as contracting, budgeting, recruitment, etc.;
- (c) Inadequate monitoring of program budgets which had led to over-expenditures on some budget lines such as training and human resources;
- (d) Inadequate supporting documentation (e.g. lack original invoices and participant lists) for some payments regarding training/workshop events;
- (e) Staff and consultant contracts did not specify the amounts to be paid, making it impossible to verify the eligibility of amounts that had been disbursed on payment vouchers;
- (f) Lack of an inventory management system to control grant-financed purchases of health and non-health goods and supplies;
- (g) Payments of staff travel allowances exceeded the established rates of the PR’s travel and expense policies;
- (h) VAT was paid for some goods purchased with grant funds (USD 13,411 based on the OIG sample); and
- (i) Lack of monthly bank reconciliations because the bank did not provide monthly statements.

Recommendation 57 (Significant)

RCSSES should address the above audit findings by ensuring that:

- (a) The accounting software is updated. This may require additional training for the program accountant in the use of the software.*
- (b) The malaria PIU has relevant financial and operational manuals to guide its program activities.*
- (c) It monitors training events conducted by the PIU through approval of training plans, costs and improved supporting documentation;*
- (d) An inventory control management system is set up at the malaria program to manage health commodities.*
- (e) Contracts for staff and consultants specify the amounts to be paid.*
- (f) The PIU reviews its travel allowance policies to harmonize it with those of its local counterparts.*
- (g) Goods and services purchased with grant funds are exempted from VAT (and appropriate recoveries should be secured).*
- (h) The PIU prepares monthly bank reconciliation, which would require obtaining bank statements from its bank every month.*

Payment of salaries in cash

142. The OIG established that 50 percent of salaries were being paid in cash which is risky. The balance is transferred to a staff plastic card. Risk can be mitigated by transferring the whole salary amount to a plastic card for each staff member or by requesting staff to open bank accounts with commercial banks into which their salaries can be transferred.

Unjustified increases in staff salary

143. The OIG observed that the PIU staff salaries almost doubled between 2006/2007 and 2007/2008 (see table below) without any concrete justification. The OIG noted that the Global Fund Secretariat had authorized an increase of the salaries of the RCSSES only 26 days after the signature of the grant agreement for the Phase II. The only justification provided for increases in salary for all three grant programs was correspondence between the Global Fund Secretariat and the three programs characterizing the Secretariat approval as a reward for achievements during Phase I.

	Original Salaries Budget 2006- 2007 (USD)	Original Salaries Budget 2007-2008 (USD)	Increase approved by the Global Fund Secretariat (USD)	Salary increase
1. Project manager	8,400	15,556	18,667	122%
2. National expert	6,000	11,111	13,334	122%
3. Finance and procurement manager	6,000	11,111	13,334	122%
4. M&E expert	4,800	8,889	10,667	122%
5. Assistant of finance/ procurement manager	-	8,889	10,667	20%
6. Driver-logistic	3,600	6,667	8,000	122%
TOTAL	28,800	62,223	74,669	

Table 6: PIU staff salary increase between 2006 and 2007. (Source: PR detailed budget)

Recommendation 58 (High)

No salary payments should in future be made in cash (this should become a Condition Precedent).

Recommendation 59 (Significant)

All salary increases should be properly justified through a salary survey.

Financial Management: Republican DOTS Center

144. The OIG found the following internal control and financial management weaknesses at the TB program:

- (a) Inadequate financial monitoring of SRs meant to verify that grant funds were prudently managed and accounted for;
- (b) Bank reconciliations were not prepared monthly;
- (c) Payment of travel allowances to staff that exceeded per diem rates established/approved for the PR;
- (d) Lack of transparency in the selection of SRs because of conflict of interest of some of the members on the selection committee. Some members of the SR selection committee included officials of organizations that had applied to become SRs;
- (e) Program-related expenditure of USD 753,935 that was not provided for in the approved budgets and for which the Global Fund Secretariat approval was not sought was charged to the grant programs;

- (f) Written payment orders to the bank were not supported by approved payment requests signed by program managers;
- (g) A balance of USD 14,835 needs to be recovered from WHO (an SR) representing an unspent balance; and
- (h) One SR (Hope) incurred expenditure (approx. USD 15,000) that was not budgeted.

Recommendation 60 (Significant)

The DOTS Center should address the above audit findings by ensuring that:

- (a) The PIU strengthens financial oversight of program activities carried out by its SRs through periodic on-site financial reviews/audits.*
- (b) Bank reconciliations are prepared and approved every month by the PIU.*
- (c) The PIU reviews its travel allowance policies to harmonize it with those of its local counterparts.*
- (d) SR officials nominated to the SR selection committee do not have conflict of interest.*
- (e) Unbudgeted expenditures are not charged to the grants without prior approval from the Country Programs Cluster.*

Governance and Program Oversight

CCM Oversight of Grant Programs

145. The Government of Uzbekistan (GOU) showed political commitment at the highest level in the fight against the three diseases. The Deputy Prime Minister of the Republic of Uzbekistan was designated the Chairman of the CCM through a presidential decree. The OIG learned that at the next meeting of the CCM the representative of National Association of the Republican Makhalla Foundation was named the Vice-Chair of the CCM to conform to Global Fund CCM guidelines that if the Chair of the CCM is from the government constituency then the Vice-Chair of this body should be from a different constituency.

146. Key constituencies represented on the CCM included government health officials, representatives of UN agencies, and civil society. Because of complex legal and administrative procedures in registering non-governmental organizations, the NGO sector was in transition and not well developed; it was characterized by a limited number of NGOs affiliated with the government-supported NGO-umbrella organization called Non-governmental Non-commercial Organizations of Uzbekistan (NANNOUz). For civil society organizations or NGOs to carry out their activities they are required to maintain an affiliation with NANNOUz. The OIG learned that a person living with HIV had recently been selected as a member of the CCM through a process carried out by PLWHA initiative groups affiliated with NANNOUz. However, the OIG did not find evidence that other non-government sector members had been selected by their own sectors as the membership of the CCM was stipulated by decree.

147. The OIG noted that there had been difficulties in remittance of funds to SRs for carrying out programmatic activities. For example, HIV/AIDS program officials confirmed that funds remitted to some NGO groups, namely the Uzbek Association of Reproductive Health, Women's Committee of Uzbekistan, Istiqbolli Avlod NGO and Central Council of Kamolot Youth Association were blocked and retained by its bank and returned to the PIU after a year. Program officials for TB and malaria also indicated that in one instance it took six months to access grant funds remitted by the Global Fund. The malaria program reported delays in the receipt of funds by up to 3 months. A special government commission screens funds remitted into bank accounts of local organizations. The OIG did not find evidence that the CCM had tried to resolve the issue of NGOs experiencing difficulties in securing access to grant funds to carry out program activities.

148. The OIG noted that the CCM organized visits to monitor programs in the field. A website was under development to increase communication and information to all stakeholders.

149. The OIG noted that the CCM was supported by a Secretariat led by a CCM manager. However, there was a need to resource the CCM Secretariat

to enable it to adequately support the CCM in providing adequate oversight of the programs.

150. Some CCM members interviewed by the OIG mentioned that there was scope for the CCM to be more effective and transparent in setting its agendas for CCM meetings. CCM members said that it was important that the CCM be more inclusive in consulting members and seeking their views before CCM decisions were taken.

Recommendation 61 (Significant)

The CCM should ensure that a transparent process is followed for the selection of the representatives of the international development partners.

Recommendation 62 (Significant)

The CCM should ensure that grant funds are accessed in a timely manner by the PR and SRs to carry out program activities.

Recommendation 63 (Significant)

The CCM should consider applying for a grant from the Global Fund to support the CCM Secretariat.

Recommendation 64 (Significant)

The CCM should promote transparency in its decision-making by improving its agenda-setting and consulting members before decisions are taken.

MOH and Principal Recipients' Oversight of Grant Programs

151. The Principal Recipients are responsible for oversight of grant resources and progress of grant implementation. The OIG reviewed the effectiveness of the PR and the MOH program oversight arrangements.

152. The grant agreements state that the PR shall have annual financial audits conducted by an independent auditor acceptable to the Global Fund, and that the audits shall be performed in accordance with terms of reference (TORs) acceptable to the Global Fund. The OIG confirmed that annual audits of the programs are conducted by independent audit firms which were selected annually through an open and advertised tender process. The OIG confirmed also that the independent auditors carried out desk reviews of the financial transactions and reports of the PRs and SRs. However, the audit procedures did not include field visits involving contact with grant beneficiaries or program activities documented in the PRs' accounting books and records. The OIG noted that the Terms of Reference for the annual audits did not require the independent auditors to visit program sites in the regions and districts. Third party confirmations of receipt of program inputs were not carried out as part of the annual audit process.

153. The OIG reviewed some of the audit reports and management letters issued by the independent auditors and noted that no significant issues/findings were raised in these annual audit reports. None of the issues raised in the procurement section of this report had been noted in the annual audit reports. Further, the annual audit reports of the HIV/AIDS program did not state that the auditor did not have access to original documents (held by UNDP). This would have necessitated a qualified or adverse audit opinion.

154. The OIG confirmed that supportive supervision of the programs was carried out by regional level program officials, but the OIG did not find evidence of formal supportive supervision plans for the malaria and HIV/AIDS programs. Also, the OIG did not find evidence at the peripheral facilities of any written feedback given by national and regional level officials during such supportive supervision visits.

155. The OIG reviewed internal audit and SR audit arrangements of the HIV/AIDS, TB and malaria programs. While the HIV/AIDS PIU had an Internal Auditor who reviewed financial reports submitted by its SRs, the TB and malaria programs did not have internal audit arrangements covering program activities. The OIG noted that all programs performed desk reviews of financial reports submitted by SRs.

156. The OIG noted that the MOH did not conduct audits of the grant programs. The OIG was informed that a limited inspection of the Republican DOTS Center, which included the TB PIU, was carried out by the MOH in 2006.

157. The tripartite agreement between the Ministry of Health, the PR and the United Nations Development Program stated that UNDP would provide the following scope of “services and will build the capacity of the Principal Recipient National AIDS Center, for the implementation of the Global Fund grant in the following areas when and to the extent deemed necessary: (a) Project Management; (b) Financial Management; (c) Human resources management; (d) Procurement of goods and services based on the international procurement principles.” This agreement made UNDP the fiduciary and procurement agent of the HIV/AIDS program.

158. The OIG noted that the agreement with UNDP had the following weaknesses, which needed to be corrected:

- (a) Lack of a capacity-building plan of the PR by UNDP; and
- (b) Lack of service standards/performance framework by which UNDP’s performance could be assessed.

Recommendation 65 (Significant)

The MOH should strengthen audit oversight of the TB and malaria programs.

Recommendation 66 (High)

The RAC, the RDC and the RCSSES should revise the TORs of the annual audits to cover a sample of SRs and selected site visits to programs in the regions and districts.

Oversight of the Grant Programs by the Global Fund Secretariat and the LFA

LFA Oversight of Grant Programs

159. PwC Uzbekistan has two core staff on its LFA team whose work is reviewed by two managers. The core staff members are financial specialists who undertake most of the LFA services. Until 2008 there was no provision in the LFA budget for public health experts for on-site data verification (OSDV) studies. The LFA has recognized the need to use health specialists but the last on-site data verification studies in 2009 were conducted without such experts. Apart from the PSM component which is done by a contracted PSM specialist, all other components such as M&E and Institutional and Programmatic aspects were done by the financial specialists. Also, on-site data verification of 2008 was done by the team of financial specialists.

160. The OIG confirmed that during review of PUDRs, the LFA team did not visit program sites in the regions and districts. The OIG reviewed some indicators reported by the PR from April to June 2009 and noted that the PR did not use reports sent by the regional AIDS centers to report this indicator. For example, the PR for HIV/AIDS program reports people who have initiated treatment for HIV/AIDS as people who are on ART; this does not take into account people who have stopped treatment or have died during ART. The OIG recognizes that the LFA had raised this issue in its quarterly PUDRs.

161. The LFA regularly conducted data quality verifications. However, the OIG noted that the LFA team did not monitor program end users, i.e. actual delivery of services e.g. whether TB patients actually received food incentives. As per guidelines for LFA on-site data verification, this would require spot-checks of actual delivery of services and commodities by sampling individuals. The LFA verified end users by reviewing the distribution reports only.

Recommendation 67 (High)

The Global Fund Secretariat should ensure that the LFA includes public health and M&E specialists for on-site data verification work and for assessment of the PR's programmatic systems and processes, as well as verification of receipt of services by end users.

Recommendation 68 (High)

The Global Fund Secretariat should revise the TOR for review of PUDRs to include site visits to regions and the districts. This recommendation would require giving the LFA additional financial resources to carry out such visits.

Global Fund Secretariat Oversight of Grant Programs

162. OIG found that in 2007 the Secretariat approved a substantial across-the-board salary increase for PIU program staff without a salary survey to ascertain that the new salaries were reasonable and in alignment with those paid by similar organizations.

Recommendation 69 (Significant)

The Global Fund Secretariat should ensure that in future a salary survey is conducted by the CCM before it approves across-the-board salary increases for PR staff.

Annexes

Annex 1: Abbreviations

ACTED	Agency for Technical Cooperation and Development
ART	Antiretroviral Therapy
ARV	Antiretroviral
BCG	Bacille Calmette-Guérin Tuberculosis Vaccine
CBO	Community-based Organization
CDC	United States Centers for Disease Control and Prevention
CCM	Country Coordinating Mechanism
CSW	Commercial Sex Worker
DOTS	Directly Observed Treatment, Short Course
ELISA	Enzyme Linked Immune Sorbent Assay
EU	European Union
FBO	Faith-based Organization
GDF	Global Drug Facility
GLC	Green Light Committee
GOU	Government of Uzbekistan
HIV	Human Immunodeficiency Virus
ICB	International Competitive Bidding
IEC	Information, Education and Communication
IDU	Injecting Drug User
IPTp	Intermittent Preventive Treatment in pregnancy
IRS	Indoor Residual Spraying
ITN	Insecticide-treated Net
LFA	Local Fund Agent
LLINs	Long-Lasting Insecticide-treated Nets
MARP	Most at Risk Population
MCP	Malaria Control Program
MDGs	Millennium Development Goals
MDR-TB	Multi Drug-resistant Tuberculosis
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MOH	Ministry of Health
MOU	Memorandum of Understanding
MSF	Médecins sans Frontiers
MSM	Men who have sex with men
NANNOUz	Non-governmental Non-commercial Organizations of Uzbekistan
NCB	National Competitive Bidding
NRL	National Reference Laboratory
NTP	National Tuberculosis Program
NEAEC	National Emergency Anti-Epidemic Commission
NGOs	Non-Governmental Organizations
OI	Opportunistic Infection
OIG	Office of the Inspector General
PCR	Polymerase Chain Reaction
PHC	Primary Health Care
PITC	Provider-Initiated Testing and Counseling
PIU	Project Implementation Unit
PLWHA	People Living with HIV/AIDS
PMTCT	Prevention of Mother-to-Child Transmission
PR	Principal Recipient
PSM	Procurement and Supply Management

PWC	PricewaterhouseCoopers
RAC	Republican AIDS Center
RCSSES	Republican Center of State Sanitary-Epidemiological Surveillance
RDC	Republican DOTS Center
SR	Sub-recipient
SOPs	Standard Operating Procedures
SS+/-	Smear Positive/Negative
STG	Standard Treatment Guideline
STI	Sexually Transmitted Infection
TA	Technical Assistance
TB	Tuberculosis
TP	Trust Point
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
US	United States
USAID	United States Agency for International Development
USD	United States Dollars
UZS	Uzbek Soum
VCT	Voluntary Counseling and Testing for HIV
VCTC	Voluntary Counseling and Testing Center
WB	World Bank
WHO	World Health Organization

Definition of terms used in the report

AIDS center - state institution responsible for HIV diagnosis/testing, AIDS clinical care, as well as implementing second generation HIV/AIDS surveillance at national (“republican”), regional and district level.

Antenatal care cabinet - special service delivery unit at PHC facility (polyclinic/ family medicine center), staffed with Obstetrician/Gynecologists, rendering antenatal care to pregnant women.

CSSSES (Center of State Sanitary-Epidemiological Surveillance) - state institution responsible for monitoring sanitary conditions, conducting disease surveillance, and implementing disease control programs and measures including malaria control at national (“republican”), regional and district level.

District TB dispensary - clinic specialized in TB diagnosis (made at TB laboratory for sputum smear microscopy) and care at district level. This facility is also responsible for implementing public health measures including contact tracing and prophylactic treatment.

Drug cabinet - special service delivery unit at PHC facility (district polyclinic/ family medicine center), staffed with a narcologist providing care to drug addicts.

Friendly cabinet - special service delivery unit at regional AIDS center, staffed with a doctor trained in STI case management, rendering anonymous STI screening and treatment to patients.

Infectious disease cabinet - special service delivery unit at PHC facility (district polyclinic/family medicine center), staffed with a doctor trained in infectious disease case management.

Mahala - local community in Uzbekistan, rendering social and financial support to vulnerable households and individuals identified in local community settings.

MARP - all high risk groups such as IDUs, CSWs and MSM.

STI cabinet - special service delivery unit at PHC facility (district polyclinic/family medicine center), staffed with a doctor trained in STI case management.

Trust cabinet - special unit at PHC facility (district polyclinic/family medicine center), staffed with VCT specialist, rendering VCT and outreach to MARP.

Annex 2: Receipts Approval Process, Malaria Program

Amount in USD	Sent	Received	Duration
450,290	15 March 05	6 April 05	22 days
359,034	1 Feb. 06	15 May 06	104 days
528,616	12 Feb 07	14 March 07	30 days
315,034	9 May 07	31 May 07	22 days
260,411	7 Dec 07	14 Jan 08	28 days
59,634	5 June 09	10 June 09	5 days
450,070	12 Dec 08	13 March 08	91 days
Total 2,423,089			Average 43.1 days

Annex 3: Uzbekistan Management Action Plan

Prioritization of recommendations

Audit recommendations have been prioritized so as to assist management in deciding on the order in which recommendations should be implemented. The implementation of all audit recommendations is essential in mitigating risk and strengthening the internal control environment in which the programs operate. The categorization of recommendations is as follows:

- i. High Priority: Material concern, fundamental control weakness or non-compliance, which if not effectively managed, present material risk and will be highly detrimental to the organization's interests, significantly erode internal controls, or jeopardize achievement of aims and objectives. They require immediate attention by senior management.
- ii. Significant Priority: There is a control weakness or noncompliance within the system, which presents a significant risk. Management attention is required to remedy the situation within a reasonable period. If this is not managed, it could adversely affect the organization's interests, weaken internal controls, or undermine achievement of aims and objectives.
- iii. Requires Attention: There is a minor control weakness or noncompliance within the system, which requires remedial action within an appropriate timescale. The adoption of best practices would improve or enhance systems, procedures and risk management for the benefit of the grant program

Audit Area	Recommendation	Response and Actions as of 1 March 2012	Responsible Entity	Timelines	Implementation Status as of 1 March 2012
Service Delivery: HIV/AIDS	<u>Recommendation 1 (High)</u> RAC should give consideration to simplifying HIV testing procedures i.e. blood should preferably be collected only once in an adequate quantity so that the same specimen goes to all the necessary levels including confirmation. This should also require decentralization of laboratory services so that HIV confirmatory tests are done at the regional level. Note: The RCC proposal stated that special work would be done to review the testing algorithm and simplify it. However, details were not provided.	<u>Country response:</u> In accordance with the recommendations of WHO and UNAIDS (HIV assays: Operational characteristics. Phase 1. Reports 15 - Antigen/Antibody ELISAs) and the Order of the Ministry of Health of Uzbekistan №480 dated from 30.10.2007 "About improvement of the prophylactic measures and organization of medico-social help in regards to the HIV-infection in Uzbekistan"; Strategy 3 is implemented (based on one testing with two positive confirmations of the result) for HIV-infection diagnosis. In accordance with this strategy primary screening research for detection of the antibodies for HIV, through the IFA method is implemented by the rayon, oblast (regional) and republican AIDS laboratories. At the regional level, if positive result is received, blood collection for the second time is done. The received serum is checked for IFA for the second time. In case of HIV positive result, the serum is referred to the laboratories, which perform laboratory tests by the immunoblotting method. HIV service plans to delegate authorities for HIV diagnosis from the National to the Province level, to ensure gradual decentralization of the services. In this regard, the MoH issued on 26 March 2010, Order No 94, in accordance with which	MOH, RAC	2011-2014	In progress (2 regions of Uzbekistan have started provision of HIV confirmatory tests)

		decentralization through immunoblotting was launched in two pilot regions (Tashkent and Samarkand). This will allow to speed up receipt of immunoblotting results. With this purpose the following steps have been undertaken or are planned: (i) lab equipment and test systems have been procured for the province level AIDS centers; (ii) Trainings for laboratory specialists are planned under the HIV SSF for the second half of 2012.			
	<u>Recommendation 2 (High)</u> RAC should consider promoting PITC for STI patients at relevant service delivery points at PHC facilities. Note: This recommendation has been addressed in the RCC proposal.	Country response: At the level of the primary health care services consultation on the HIV is provided for all groups of population currently; including IDU, CSWs, pregnant women, newly married, patients with the symptoms of the STI and others. However, the quality of the consultation services needs to be improved. In this regard, within the framework of the SSF HIV program, the following activities are envisaged: (i) development of National Guidelines on HIV consultation and testing, initiated by the service providers; (ii) implementation of workshops for the health specialists at the primary level; (iii) procurement of test systems (IFA, express tests) for the primary health care are envisaged.	MOH, RAC	2011-2013	In progress (This activity will continue to be implemented in 2012. In 2011, test kits have been procured and two master trainings conducted)

	Recommendation 3 (High) RAC should consider increasing coverage of MARP by trust cabinets. The best strategy would be a) to move these cabinets out of government health facilities (revision of the MOH Administrative Order Number 480 will be needed); and b) it is unnecessary to have specialists as staff members in trust cabinets. Note: This recommendation is partly addressed in the RCC proposal through the establishment of public health outreach centers. However, continuation of the functioning of the trust cabinets within the public health system is also proposed.	Country response: In accordance with the resolution of the President of Uzbekistan №1023, dated 26.12.2008, "About additional measures for improvement of the effectiveness of HIV infection in Uzbekistan" Trust points have been included in the single system of HIV response countrywide. At present, 237 trust points are functioning on the basis of medical institutions countrywide. In 2011, the MOH endorsed Order №232 "About strengthening of the services of the Trust Points", in accordance with which relevant regulations, services, standards, and staffing of the Trust points have been defined. Currently, opening of Trust Points outside of medical institutions and funds allocation for separate Trust Points staff is impossible due to lack of funds. The SSF HIV program envisages provision of wider range of services for IDUs. To ensure continuity of the services provision, recruitment of assistants and outreach workers for the trust points is planned. The RAC plans to use express tests for the MARPS at the Trust Points. Express tests for the Trust Points will be provided on a pilot basis starting from 2012. Funds for the procurement are not envisaged at this point in the state budget, therefore, it is planned to explore possibilities to utilize funds under the SSF HIV Program.	RAC, PMU	2011-2013	In progress (In 2011 RAC recruited assistant and outreach workers for the Trust P0ints. In 2012 RAC will pilot using express tests for the MARPS in the Trust Points)
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	Recommendation 4 (High) RAC should consider introducing rapid tests to be used by trust cabinets for MARP. Note: In the RCC proposal, there was a general statement that rapid test kits would be procured and distributed to health care institutions, but it was not specified that rapid tests kits would be introduced in trust cabinets.	Country response: RAC plans to use express tests for the MARPS at the Trust Points. Express tests for the Trust Points will be provided on a pilot basis, starting from 2012. . As funds for the procurement are not envisaged at this point in the state budget, it is planned to explore possibilities to utilize funds under the SSF HIV Program.	RAC	2012-2013	In progress (This activity will continue to be implemented in 2012)
	Recommendation 5 (high) RAC should consider training all providers working at service delivery points at PHC level in VCT Note: The RCC proposal does not address this recommendation.	Country response: Within the framework of the RCC grant a series of training seminars for medical staff of primary VCT healthcare are envisaged, however not all specialists will be covered. It is expected that trained specialists will further train their colleagues.	PMU, RAC	2012-2013	In progress (This activity will continue to be implemented in 2012-2013)
	Recommendation 6 (high) RAC should give consideration to providing pre and post-test counseling at the same place, preferably by the same VCT specialist. Note: The RCC proposal does not adress this recommendation.	Country response: In the cases when pre-test counselling is performed in the AIDS centers, specialists of anonymous cabinets conduct post-test counselling. RAC provides training activities of primary healthcare medical staff of VCT to improve the quality of VCT services. This issue was included in the draft order of the MOH on adoption of the National protocol on counselling and testing, initiated by service	RAC, MOH	2012-2013	In progress (This activity will continue to be implemented in 2012-2013)

		providers.			
	Recommendation 7 (High) RAC should consider adopting a policy that any person willing to be tested for HIV, who wishes to remain anonymous after confirmation of HIV infection should be given such an opportunity. This has been shown to help increase the number of people tested as well as reduce the stigma associated with HIV+ status. The main objective is that clients can still get post test counselling, which is important from a public health/prevention perspective. At the same time they can get information on the availability of ARV treatment, and be referred to the AIDS clinic. Note: The RCC proposal does not address this recommendation.	Country response: According to the law "Protection of the health of the Uzbek citizens" issued on 29 August 1996 and "on HIV transmission" issued on 19 August 1999, the HIV status of a patient is confidential and disclosure of the status of HIV-infected persons is legally prosecuted. Every citizen regardless of his/her HIV status has the right to receive medical care. RAC proposes that HIV-positive persons become registered in order to receive medical services (diagnosis and treatment). In addition, availability of information on HIV positive persons enables RAC to plan forecasting and procurement of test systems and drugs. According to the registration and reporting regulations, RAC is not entitled to provide medications without specifying the individual's identity.	RAC, MOH		In progress

	Recommendation 8 (High) RAC should consider limiting the number of providers/specialists who know of a person's HIV positive status in order to improve confidentiality and help reduce stigma. Note: The RCC proposal does not address this recommendation.	Country response: RAC plans to gradually stop the practice of the registration and storage of information about people living with HIV in a paper form. In order to ensure anonymity, with the support of the Regional CAAP Project an electronic database of registered HIV-positive people is designed. The electronic database is being piloted in Tashkent region. Based on the results of the pilot improvement of the database and use of this application across the country is envisaged. An AIDS Service order will determine safety levels and specialists, who will have access to the electronic database. Secretariat comments: The electronic database encompasses a comprehensive set of clinical and biological variables, to which access is granted only through the Director of the Republican AIDS Center.	RAC, PMU	2012-2014	In progress (This activity will continue to be implemented in 2012-2013)
	Recommendation 9 (High) Consideration should be given by RAC to defining special procedures and rules for health care facilities for storing/accessing/using patients' confidential data. Note: The RCC proposal did not address this recommendation. There was a general statement in	According to the laws "About protection of the health of the citizens" issued on 29 August 1996 and "About HIV prevention" issued on 19 August 1999 HIV status of the patients is confidential and disclosure of the HIV status of infected persons is criminally prosecuted. The order of organization of medical aid to patients with diseases, related to HIV infection and provision of confidentiality are regulated by the MOH Order # 480 issued on 30 October 2007 "About improving preventive measures and organization of medical and social aid in regard to HIV in the Republic of	RAC		Completed (The relevant normative framework is considered to be in place by national stakeholders)

	the proposal that the training of medical staff and follow-up supervision will pay particular attention to upholding the standards of informed consent and confidentiality.	Uzbekistan". <u>Secretariat comments:</u> As indicated with regards to Recommendation No. 8, the RAC plans to gradually stop the practice of the registration and storage of information about people living with HIV in a paper form. In order to ensure anonymity, with the support of the Regional CAAP Project an electronic database of registered HIV-positive people is designed. The electronic database is being piloted in Tashkent region. Based on the results of the pilot improvement of the database and use of this application across the country is envisaged. An AIDS Service order will determine safety levels and specialists, who will have access to the electronic database.			
	<u>Recommendation 10 (High)</u> RAC and the MOH should give consideration to decentralizing initiation of ARV treatment and clinical follow up of patients to the regional level. This calls for improving the capacity of regional AIDS centers so that they can initiate treatment and provide adequate clinical follow up, including provision of CD4 counts and PCR (already initiated by the government	<u>Country response:</u> The MoH issued on 26 March 2010, Order № 94, in accordance with which decentralization through immunoblotting was launched in two pilot regions (Tashkent and Samarkand). The government procured CD4 cytofluorometers and PCR equipment for all regional AIDS centers. In this regard ART is implemented at the region (oblast) level. Also, Resolution No. 1 of the Cabinet of Ministers as of 05.01.2009 "About measures on improving the organizational structure and activities of the Centers to Fight AIDS" approved a typical structure of AIDS centers. According to this resolution laboratories were expanded (new units -	MOH, RAC	2011-2013	Completed

	through the state funding) as well as additional clinical training of local providers to improve their knowledge and skills in AIDS case management. Note: The RCC proposal does not address this recommendation.	Immunology, PCR, Clinical-Biochemical were established) and the scope of research was established . Since 2010 ART prescription is implemented at the regional level. Further, the RCC grant envisages (i) three-step (basic, intermediate and advanced) trainings for medical specialists of oblasts; and (ii) procurement of diagnostics (CD4, PCR, analyzers). There is a training center on the issues of the treatment care and support of the PLHIV, where medical staff from the oblast and rayon levels are trained. Further, in the "Epidemiology" department of the Tashkent Institute of Advanced Medical Study (TIAMS) and RAC a training course on HIV and ART is organized. According to MOH requirements each 5 years all medical staff are obliged to undergo trainings on TIAMS bases. Heads of medical institutions send requests to and the regional training center head in accordance with the training schedule. To date, over 1,000 medical staff have undergone trainings in such areas as prophylaxis, diagnostics and treatment in all regions. Within the framework of the SSF HIV implementation support to the regional training center is planned on the issues of diagnostics, treatment, care and support.			
	<u>Recommendation 11 (High)</u> RAC and the MOH should examine the possibility of	<u>Country response:</u> HIV diagnostics and treatment is free of charge in the country, however there are periodic	RAC, PMU	2011-2012	In progress

	making available enough medicines at no cost to PLWHA for management of side effects. Note: The RCC proposal does not address this recommendation.	interruptions in supply of test-systems and medications. Procurement of CD4, PCR, IFA and IB reagents for PLWHA is made with state budget and RCC grant funding. Procurement of ARVs, OI and STD treatment drugs is also planned. Within the framework of realization of the RCC HIV grant an international expert for situation and capacity assessment is engaged to provide technical support to improve ART approaches in Uzbekistan. The SSF HIV program envisages introduction of drug needs forecasting program. This program will be helpful in planning and forecasting drugs needs for PLHIV. Secretariat comment: In November 2011, technical assistance mobilized by the PR (UNDP) and the GF permitted to review the ARV forecasting for first-line drugs and second-line drugs. The adequacy of the treatment regimen was reviewed. The consultant indicated that ARV treatment was in line with international recommendations. Minor adjustments were made concerning second-line drugs such as stavudine. A comprehensive drug forecasting was introduced that completed the forecasting system of the PR.			
	<u>Recommendation 12(High)</u> RAC and the MOH should consider improving coordination between TB and HIV/AIDS programs. Note: The RCC proposal states that AIDS centers and	Country response: In 2010 according to MOH Order No. 10 the National Protocol on HIV/TB treatment was adopted. Currently specialists of the AIDS and TB services have prepared the draft order of the Ministry of Health to coordinate the two services, which is expected to be endorsed in late 2011 -	MOH, RAC, PMU, TB service	2011-2013	In progress (In 2012 the MoH will approve special order on improving coordination between TB

	TB dispensaries would coordinate the treatment of HIV/TB co-infection.	early 2012. The order addresses issues such as coordinating personnel, and reporting forms for monitoring the coordination process. Meetings, seminars, trainings and national consultations on HIV/TB are envisaged in the SSF HIV program. As indicated in the country comments on Recommendation 29, the Republican DOTS Center hired a special TB/HIV coordinator responsible for conducting activities at the national level. Quarterly, coordination meetings of the representatives of TB, AIDS associated services and international organizations are conducted. All TB/HIV patients take standard course of anti-TB treatment. In 2010, 157 TB/HIV patients received antiretroviral therapy. 454 TB/HIV patients took Cotrimoxazole in 2010, and 600 patients - in 2011.			and HIV/AIDS services)
	<u>Recommendation 13 (High)</u> RAC should ensure that there is an adequate selection and sufficient quantity of drugs for management of OIs so that PLWHA get free treatment as needed. Note: The RCC proposal addresses this recommendation	<u>Country response:</u> In order to ensure effective management of drug procurement, with the support of the Regional CAAP Project an electronic database of registered HIV-positive people is designed. The electronic database is being piloted in Tashkent region. Based on the results of the pilot the e-database improvement and its application across the country is envisaged. Also grant funds are planned for conducting forecast of treatment needs. Recruitment of an international expert is planned for development or adaptation of forecasting instruments.	RAC, PMU	2012-2013	In progress (This activity will continue to be implemented in in 2012-2013)

	Recommendation 14 (High) RAC should give consideration to supporting the establishment and functioning of local NGOs, CBOs, and FBOs to provide social and financial support to PLWHA to help ensure their adherence to treatment. Note: The RCC proposal addresses this recommendation.	Country's response: At present two NGOs received funding from the RCC grant for working with PLWHA on the issues of psychological and social support and ensuring their adherence to treatment. In the future this activity will expand. Also a series of meetings among NGOs on mobilizing the civil society on HIV/AIDS is planned. The RCC action plan includes working visits on on-the-job NGO capacity building	RAC, PMU	2012-2013	Completed
	Recommendation 15 (High) RAC and the MOH should give consideration to providing support to protect patient rights, advocacy, and reduction of stigma through reforming current legal/regulatory framework, as needed, and through IEC activities (mass media, printed materials). Note: The RCC proposal plans to train NGOs and community leaders as well as a journalist to advocate for patients' rights; but it does not include reforming current legal/regulatory framework.	Country response: Upon government request a working group on improving the law on HIV/AIDS was formed in 2010. Activities of the working group resulted in the development of the draft of a new law on HIV. International organizations took an active part in the activities of the working group. The draft law includes issues of PLWHA rights and state guarantee on receiving social services and allowances. Also in December 2010 and early 2011 Resolutions of the President and the Government on enhancing the measures on counteracting spread of HIV infection were signed. In these documents special focus is given to working with media on the HIV/AIDS response. Print and broadcast national and local media will be used extensively within the framework of project communications activities in order to reduce stigma. With this view, journalists,	MOH, RAC	2011-2015	In progress

		representatives of NGOs, SBOs and community leaders will be trained to advocate for patients' rights, including reducing discrimination through development of articles with positive messages. IEC materials will be printed and distributed to increase awareness on HIV and reduce stigma and discrimination through improved knowledge. Overall activities on awareness raising and advocacy are expected to have an opinion making impact on the current legal/regulatory framework.			
	<u>Recommendation 16 (High)</u> RAC should ensure that there is adequate supply of medicines and medical supplies in health facilities providing care for PLWHA Note: The RCC proposal addresses this recommendation.	<u>Country response:</u> Procurement of medications and medical expendable goods is envisaged under the SSF HIV program. Also, trainings on forecasting drug needs are planned, which will enable avoiding interruptions in supplies. Next, MOH order No. 94 issued on 26 March 2010 is expected to further enable timely identification of ART needs and procurement. The RCC implementation framework envisages introduction of drugs forecasting program. This program will contribute to planning of medications for PLHIV. <u>Secretariat comments:</u> In November 2011, technical assistance mobilized by the PR (UNDP) and the GF permitted to review the ARV forecasting for first-line drugs and second-line drugs. The adequacy of the treatment regimen was reviewed. The consultant indicated that ARV treatment was in line with international recommendations. Minor adjustments were made	RAC, PMU	2011-2013	In progress

		concerning second-line drugs such as stavudine. A comprehensive drug forecasting was introduced that completed the forecasting system of the PR.			
	<u>Recommendation 17 (High)</u> RAC should give consideration to strengthening laboratories in the leading national institutions to provide clinical care for PLWHA by training laboratory personnel, provision of necessary equipment and laboratory supplies. Note: The RCC proposal addresses this recommendation.	<u>Country response:</u> The government procured cytofluorometers and PCR equipment for conducting clinical biochemical research for all regional AIDS centers. Also, modern IFA equipment was purchased for intra-district AIDS diagnostic laboratories. Further, in accordance with Resolution No. 1 of the Cabinet of Ministers, dated 05.01.2009, "About measures of improvement of the organization structure and work of the AIDS centers" a typical structure of the AIDS centers is defined. According to this resolution the laboratories and the scope of the research were expanded (new units - Immunology, PCR, Clinical-Biochemical were established). RAC annually studies learning needs in HIV/AIDS diagnostics. Based on the oblasts' needs training schedule and a list of regional specialists is prepared. 36-hour trainings on modern methods of HIV diagnostics are conducted on the basis of the RAC laboratory complex.	RAC	2011-2013	Completed
	<u>Recommendation 18 (High)</u> RAC should establish a comprehensive electronic management information system for ARVs, other medicines as well as health and laboratory supplies.	<u>Country response:</u> In order to ensure effective management of drug procurement, with the support of the Regional CAAP Project an electronic database of registered HIV-positive people is designed. The electronic database is being piloted in Tashkent region. Based on the results of the pilot the e-database	RAC, PMU	2012-2013	In progress (This activity will be implemented in 2012-2013)

	Note: The RCC proposal addresses this recommendation.	improvement and its application across the country is envisaged. Also, RCC funds are planned for conducting forecast of treatment needs. Recruitment of an international expert is planned for development or adaptation of forecasting instruments. Secretariat comments: In November 2011, technical assistance mobilized by the PR (UNDP) and the GF permitted to review the ARV forecasting for first-line drugs and second-line drugs. The adequacy of the treatment regimen was reviewed. The consultant indicated that ARV treatment was in line with international recommendations. Minor adjustments were made concerning second-line drugs such as stavudine. A comprehensive drug forecasting was introduced that completed the forecasting system of the PR.			
	Recommendation 19 (High) The RAC should establish a clinical register with all necessary data elements including follow up, CD4 count, viral load, side effects, clinical outcomes, etc., which should be updated regularly with data received from the regions. Note: This recommendation is addressed in the RCC proposal which plans to	Country response: In order to ensure effective management of drug procurement, with the support of the Regional CAAP Project an electronic database of registered HIV-positive people is designed, the electronic database is being piloted in Tashkent region. Based on the results of the pilot the e-database improvement and its application across the country is envisaged. Also RCC funds are planned for conducting forecast of treatment needs.	RAC, PMU	2012-2013	In progress (This activity will be implemented in 2012-2013)

	develop a database to monitor treatment.	Secretariat comments: The electronic database encompasses a comprehensive set of clinical and biological variables, to which access is granted only through the Director of the Republican AIDS Center.			
	Recommendation 20 (High) The RAC should ensure the availability of condoms and IEC materials in trust cabinets and NGOs. Note: The RCC proposal addresses this recommendation	Country response: Procurement of sufficient quantities of male and female condoms, as well as development and printing of IEC materials is on-going. These will be provided to the most at risk groups through Trust Points, Family Cabinets and NGOs. In addition, the MOH order "About strengthening the activities of Trust Points" issued in August 2011, includes provisions for Trust Points and standards of harm reduction services. The SSF HIV program envisages the use of MIS for monitoring the implementation of activities among most at risk populations. This programme will enable calculating volumes of condom and IEC materials dissemination. Secretariat comments: The electronic database permits to disaggregate patients per risk populations. This allows accurate calculations of materials for prevention.	RAC, PMU, NGOs	2011-2013	Completed
	Recommendation 21 (High) The RAC should consider adapting IEC materials to the needs of the local rural youth. Note: The RCC proposal does not address this	Country response: Under the RCC HIV program, the following activities were envisaged: purchase of sufficient quantities of male and female condoms, as well as development and reproduction of IEC materials, to meet the needs of different population groups, including young people in rural areas.	RAC, PMU	2011-2013	Completed

	recommendation.	IEC materials are printed in Russian and Uzbek languages; their printing in Karakalpak and Tajik languages is planned for the next year. The sub project, implemented by the civil youth movement "KAMOLOT", is planning to prepare peer educators for the promotion of healthy lifestyles and prevention of HIV and STIs among young people.			
	<u>Recommendation 22 (High)</u> The RAC and the MOH should consider supporting NGOs so that they have adequate offices and good working conditions. Note: The RCC proposal does not address this recommendation.	<u>Country response:</u> RCC funds are allocated for all NGOs to strengthen their material and technical base (office equipment), office maintenance costs (office rent, stationary, telecommunications and Internet connection) and employees' support (salaries). Annual trainings on project management, HIV/AIDS, preparation of proposals and on-the job training are planned.	PMU	2011-2013	In progress
Service Delivery: Tuberculosis	<u>Recommendation 23 (High)</u> RDC should give consideration to improving case detection through enhancing PHC workers outreach by deploying an adequate number of nurses.	<u>Country response:</u> The Republic of Uzbekistan has a sufficient number of nurses at the PHC facilities, 299,186 people. All of them are involved in the process of TB patients' detection. In 2011, a new type of activity - provision of DOTS nurses with transportation in pilot regions - was introduced (Karakalpakstan and Tashkent city).	Republican DOTS center		Completed
	<u>Recommendation 24 (High)</u> RDC should give consideration to increasing community participation in TB case detection through enhancing IEC activities implemented by local	<u>Country response:</u> Within the framework of the Global Fund grant implementation (Round 8), it is planned to spend funds in the amount of US \$210,000 to improve ACSM (Advocacy, Communication, and Social Mobilization) activities (development of video materials, printing materials). These materials	Republican DOTS Center	2011-2013	Completed

	community members/volunteers who will need to be trained for this purpose.	shall be distributed through community representatives. 37,500 community (Mahalla) representatives were trained in the Republic of Karakalpakstan, Tashkent city, as well as Tashkent, Navoi, Surkhandarya and Namangan regions with the support of GF grant funds (Round 4).			
	<u>Recommendation 25 (High)</u> RDC should give consideration to improving the quality of TB diagnosis and care through training of PHC providers and private practitioners in TB diagnosis and DOTS strategy. This should include the training of TB laboratory staff in smear microscopy; improving sputum collection and smear microscopy through continuous supervision and quality control; introducing SOPs for case management of extra pulmonary TB as well as (chronic) pulmonary smear negative TB.	<u>Country response:</u> The Republican DOTS Center conducted the training of 1,170 specialists in 2010, in 2011 it is planned to train 1,667 specialists. In 2010, 62 laboratory assistants were trained, in 2011 - 72 laboratory assistants. Private practitioners are not entitled to treat TB patients in the Republic of Uzbekistan. If a suspected case of TB is identified in patients, they are redirected to the corresponding state health care facilities for further free diagnosis and treatment. The Guidelines on management of extra-pulmonary tuberculosis and chronic TB cases without elimination of TB bacilli were prepared. The PR trained specialists on infection control measures and developed the Guidelines on infection control in 2010. DOTS strategy is included into the curriculum for students of medical institutes. Trainings on DOTS strategy are carried out for medical staff.	Republican DOTS Center (training), Republican Specialized Scientific and Practical Medical Center of Phthisiology and Pulmonology named after Sh. Alimov	2010-2011	Completed
	<u>Recommendation 26 (High)</u> RDC should give consideration to complying with GLC recommendations,	<u>Country response:</u> The CCM developed a proposal intended for submission under Round 11, which was cancelled. The goal of this proposal was to provide universal	Republican DOTS Center (training)	2010-2013	Completed

	namely expansion of MDR-TB program nationwide; scale up nationwide management system for second-line TB drugs in terms of quantification, procurement, importation, storage, distribution and delivery to patients; and improve technical capacity of NRL in MDR-TB laboratory diagnosis.	access of MDR-TB patients to diagnosis and treatment. In Phase 2 of the Round 8 TB grant, it is planned to expand the coverage of MDR-TB patients with regards to diagnosis and treatment services, up to 4,020 patients. The National MDR-TB Plan has been developed. In 2010, the National Reference Laboratory was additionally equipped with modern diagnostic devices (MGIT, Hain). It is planned to purchase GenXpert at the expense of partners. Six (6) additional regional laboratories were opened which carry out the bacterial analysis, two of them are equipped with devices for MDR-TB express diagnosis. In 2011, an electronic surveillance system, "TB manager", was introduced.	Republican Specialized Scientific and Practical Medical Center of Phthisiology and Pulmonology named after Sh. Alimov		
	<u>Recommendation 27 (High)</u> The MOH and RDC should give consideration to prohibiting the sale of first line anti TB medicines over the counter in order to prevent further development of drug resistant TB.	<u>Country response:</u> The Ministry of Health issued Order No. 191 dated 18 June 18 2010 on obligatory and ethical drug distribution in pharmacies that will limit chaotic access of broad layers of the population to first-line anti-TB medicines. The new National TB Control Program was adopted. <u>Secretariat comments:</u> TB drugs are distributed annually from national to the regional level, quarterly from regional to district level and monthly from district TB dispensary to PHC facilities. Average time period between order and delivery of goods from national level to the regional level is 10-20 days.	Ministry of Health Care	2010	Completed

		Stocks of TB drugs at the level of regional TB dispensaries must be for 6 months minimum, and in district - for 3 months minimum. The stocks of the Republican DOTS centre warehouse are to be sufficient for 1 year. Therefore, first-line anti TB drugs are not available in pharmacies over the counter without a prescription. Only rifampicin that concerns the prevention of meningitis for contact of an index case would be available in pharmacies with a prescription.			
	<u>Recommendation 28 (High)</u> The MOH and RDC should give consideration to supporting adherence of anti-TB treatment through advocacy and NGO sector strengthening. Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 1, activity 1.4). However, specific focus is not on strengthening NGO component of the program	<u>Country response:</u> Within the framework of implementation of the Round 8 TB grant, cooperation is established with non-governmental organizations involved in increasing patients' adherence to treatment: 1. Project HOPE, National Red Crescent Society - food distribution among TB patients at the supportive treatment phase; 2. "Médecins Sans Frontières" mission - rent of vehicles to ensure domiciliary DOTS treatment and food distribution.	Republican DOTS Center in cooperation with SRs (representative of NGOs)	2010-2013	Completed
	<u>Recommendation 29 (High)</u> RDC should give consideration to improving coordination of TB and HIV/AIDS programs so that all TB patients are tested for HIV, and all TB/HIV	<u>Country response:</u> The Republican DOTS Center hired a special TB/HIV coordinator responsible for conducting activities at the national level. Quarterly, coordination meetings of the representatives of TB, AIDS associated services and international organizations are conducted. All TB/HIV patients	Republican DOTS Center Republican AIDS Center	2010-2013	In progress

	patients are considered for concomitant anti TB and ARV treatment. Note: This recommendation has been addressed in the Round 8 TB grant program (Objective 4, activity 4.2).	take standard course of anti-TB treatment. In 2010, 157 TB/HIV patients received antiretroviral therapy. 454 TB/HIV patients took Cotrimoxazole in 2010, and 600 patients - in 2011. As indicated in the country comments under Recommendation 12, in 2010 according to MOH Order No. 10 the National Protocol on HIV/TB treatment was adopted. Currently specialists of the AIDS and TB services have prepared the draft order of the Ministry of Health to coordinate the two services, which is expected to be endorsed in late 2011 - early 2012. The order addresses issues such as coordinating personnel, and reporting forms for monitoring the coordination process. Meetings, seminars, trainings and national consultations on HIV/TB are envisaged in the SSF HIV program			
	<u>Recommendation 30 (High)</u> RDC should give consideration to establishing a comprehensive electronic management information system for drugs and medical supplies including laboratory supplies. Note: This recommendation has been partly addressed in the Round 8 TB grant program (Objective 1, activity	<u>Country response:</u> The electronic system of epidemiological TB control developed by the American organization, "Management Science for Health", was adopted in 2010 and introduced in Uzbekistan in April 2011. It includes four modules: 1. Cases: It allows to search, register track, close, transfer and confirm TB cases. 2. Reports: It allows to create, search and print out the reports and indicators, forecast needs in drugs and export the data. 3. Medicine: It allows to record, search, track and confirm orders, receipt, distribution, movement and delivery of medicine and receive information on inventory.	Republican DOTS Center	2011-2013	Completed

	1.3). However, the main focus is on the training in drug management only, and not on building a comprehensive electronic management information system for drugs and medical supplies.	4. Administration: It allows to manage the system - register, delete and change user accounts, make amendments into the structure of health care facilities, medicine distribution, use of treatment protocols, etc.			
	<u>Recommendation 31 (High)</u> RDC should ensure that all impact and outcome level indicators are in line with the national M&E plan.	<u>Country response:</u> All impact and outcome level indicators are in line with the national M&E plan.	Republican DOTS Center	2010-2013	Completed
MALARIA	<u>Recommendation 32 (Significant)</u> RCSSES should consider increasing community participation in malaria case detection through enhanced IEC activities implemented by local community members/volunteers, who will need to be trained for this purpose. Note: This recommendation has been addressed in the Round 8 Malaria grant program. (HSS: Administration and	<u>Country response:</u> The recommendation is implemented. Community participation in detection of malaria cases was increased by expanding IEC activities. Within the framework of the Round 8 malaria grant, the trainings on malaria prevention were conducted for sanitary activists - advisors of Mahalla (neighbourhood community) committees and high school teachers. Representatives of Mahalla committees actively participate in preventive and anti-epidemic activities conducted during site visits of mobile teams. In order to raise the awareness of population on malaria prevention measures, such health education materials as posters, instruction booklets and brochures were duplicated and	RCSSES, PIU, Regional Centers of State Sanitary and Epidemiological Surveillance (CSSESs)	2014	Completed

	management).	distributed to regions.			
	<u>Recommendation 33 (High)</u> RCSSES should consider improving case management of malaria through training of PHC providers in malaria diagnosis and case management. PHC laboratory staff should be trained in malaria laboratory diagnosis. Note: This recommendation has been addressed in the Round 8 Malaria grant program. (HSS: SHS: Human Resources. Training).	<u>Country response:</u> The recommendation is implemented. Within the framework of implementation of the Round 8 malaria grant, trainings on malaria diagnosis and case management for health care facilities' employees were conducted, as well as trainings on laboratory diagnosis of malaria for laboratory staff were carried out.	RCSSES, PIU, Regional CSSESs, the Scientific Research Institute of Medical Parasitology named after L.M.Isaev (SRIMP)	2014	Completed
	<u>Recommendation 34 (High)</u> RCSSES should consider harmonizing strategies, interventions and activities for effective vector control between the national policy document, the Global Fund-supported program and other donor funded projects. Note: This recommendation has not been addressed in the Round 8 Malaria grant program.	<u>Country response:</u> The recommendation is implemented. Order No. 117 of the Ministry of Health of the Republic of Uzbekistan dated 15 April 2011 "On national strategy of malaria elimination in the Republic of Uzbekistan" approved: - the National strategy and strategic plan of malaria elimination activities in the Republic of Uzbekistan for 2011-2015. - The National Monitoring and Evaluation Plan for national strategy implementation. - The Guidelines on malaria control and prevention for employees of treatment and prevention facilities.	M3, RCSSES, PIU, Regional CSSESs, SRIMP	2011	In progress

		Strategies, interference and activities on efficient fight with malaria carriers are coordinated with the national directive documents, programs supported by the Global Fund and projects funded by other donors.			
	<u>Recommendation 35 (High)</u> RCSSES should consider establishing a comprehensive electronic management information system for drugs, medical supplies, laboratory supplies, as well as other materials needed for malaria control (LLINs, insecticides, larvicides). Note: This recommendation has not been addressed in the Round 8 Malaria grant program	<u>Country response:</u> The recommendation is implemented. In order to create an electronic information system for managing drugs, medical supplies, laboratory consumables and other materials required to fight malaria (mosquito nets, insecticides, larvicides, etc.), the RCSSES has purchased and installed ArcGIS program within the framework of implementation of the Round 8 Malaria program. At present the database input is in progress.	RCSSES, Regional CSSESs, Regional Public Health Authorities	2014	In progress
	<u>Recommendation 36 (High)</u> RCSSES should improve supportive supervision and continuous technical assistance provided by local CSSES to PHC facilities. Note: This recommendation has not been addressed in the Round 8 Malaria grant program.	<u>Country response:</u> The recommendation is implemented. Improvement of corresponding surveillance and continuous technical assistance rendered by local CSSESs to health care facilities is provided by the Order of the Ministry of Health of the Republic of Uzbekistan No. 117 dated April 15, 2011 "On national strategy of malaria elimination in the Republic of Uzbekistan". In accordance with this Order, the RCSSES employees make site visits to local CSSESs.	RCSSES, PIU	2011	Completed

	<u>Recommendation 37 (High)</u> The MOH and the RCSSES should develop a national M&E plan for Malaria to enable it to adequately measure progress of all malaria control policies and programs.	<u>Country response:</u> The recommendation is implemented. The National Monitoring and Evaluation Plan for implementation of the national strategy of malaria elimination in the country is developed and approved by the Order of the Ministry of Health of the Republic of Uzbekistan No. 117 dated April 15, 2011 "On national strategy of malaria elimination in the Republic of Uzbekistan".	RCSSES, PIU	2011	Completed
PSM: TB Program	<u>Recommendation 38 (High)</u> The Republican DOTS Center should recruit a competent, professional PSM specialist with extensive procurement experience before the onset of the Round 8 TB grant.	<u>Country response:</u> The Republican DOTS Center recruited a competent, professional PSM specialist with extensive procurement experience before the onset of the Round 8 TB grant.	Republican DOTS Center	2009	Completed
	<u>Recommendation 39 (Significant)</u> To ensure a wide range of quotations, the Republican DOTS Center should consider revising its local procurement guidelines in order to allow suppliers to make more than one offer for tendered items	<u>Country response:</u> The Republican DOTS Center revised its procurement guidelines in order to allow suppliers to submit more than one offer for tendered items.	Republican DOTS Center	2011	Completed
	<u>Recommendation 40(High)</u> For its tenders, the Republican DOTS Center	<u>Country response:</u> During the procurement process the Republican DOTS Center structures and combines similar	Republican DOTS Center	Starting from 2010	Completed

	should structure and combine similar items into lots or issue different RFQs to facilitate tender review and evaluation.	items into lots, taking into account the auditors' recommendations.			
	<u>Recommendation 41 (High)</u> The Republican DOTS Center should provide potential suppliers with adequate information on bidding procedures/submission of quotations. The bidding documents/tender should include type of contract to be awarded, and provide information on the general terms of the contract.	Country response: The Republican DOTS Center procures goods upon publication of bid announcement in mass media. All the tender information, such as, deadline for offer submission, terms and conditions of delivery as well as payment terms shall be published in mass media.	Republican DOTS Center	Starting from 2010	In progress
	<u>Recommendation 42 (High)</u> The Republican DOTS Center should not award procurement contracts to suppliers who do not participate in a tender/RFQ. Contracting with a vendor/supplier who does not offer products or services in a tender contravenes the policy of competitive procurement and leads to	Country response: The Republican DOTS Center has not awarded procurement contracts to suppliers who did not participate in a tender. As for the Contract No. 43/0053/uz dated 25.06.2007 with "Norvale Company Limited" for delivery of video bronchoscope manufactured by "Karl Storz"/ Germany: the offer was submitted by "Karl Storz" company. We confirm the participation of Karl Storz to tender (see attached offer). The contract was awarded to "Norvale Company Limited" based on manufacturer's price, as the above company is an exclusive distributor for the sale and promotion	Republican DOTS Center	Started from 2005.	In progress

	unfair prices being paid	of products of “Karl Storz” in the Republic of Uzbekistan. Please see attached the certificate issued by “Karl Storz” company and which was not requested by the OIG employees.			
	<u>Recommendation 43 (High)</u> The Republican DOTS Center should adopt a standard contract template for contracting with vendors. Also the contract should stipulate delivery deadlines, final destinations, and conditions of payment.	<u>Country response:</u> The Republican DOTS Center uses standard procurement contracts. All the contracts specify the terms of product delivery and payment terms.	Republican DOTS Center	Started from 2009	Completed
	<u>Recommendation 44 (High)</u> The Republican DOTS Center should strengthen its procurement processes and procedures by: (a) Adopting appropriate vetting procedures of new vendors to ensure that they are reliable suppliers (b) Ensuring that the advertised evaluation criteria of its tenders are not changed at the time of tender evaluation (c) Following its PSM plan on procurement of anti-TB drugs and ordering all drugs from GDF of the GLC.	<u>Country response:</u> (a) Taking into account the OIG’s comments, the Republican DOTS Center would request from the potential suppliers a certificate confirming the absence of debts and other documents confirming the suppliers’ capability to execute the contract with minimum risks. (b) The Republican DOTS Center does not change the evaluation criteria at the time of conducting the tender, taking into consideration the auditors’ recommendations. (c) The Republican DOTS Center makes the procurement of the first-line and second-line anti-TB drugs only in accordance with its PSM plan - through GDF and IDA in coordination with the Green Light Committee. The case of procurement of the first-line anti-TB drugs from “Elma Holding” company can be	The Republican DOTS Center	(a): starting from September 2011 b,c,d,e, g,h,i,j: started from September 2009 (f): started from 2010	Completed

	(d) Making sure that bids or quotations are not accepted from suppliers before advertisement of tenders and after deadlines specified in tenders. (e) Using the Global Fund PQR database and WHO pricing information to verify prices of health commodities. (f) Complying with national procurement regulations and if possible not pay suppliers more than a 20 percent advance on award of contracts. Also large advances to suppliers should be conditioned on submission of bank guarantees. (g) Awarding procurement contracts to only suppliers who participated in advertised tenders. In addition, the PR should not include additional items of goods/supplies in contracts with vendors when they had not bid for such items. (h) Purchasing goods/supplies at unit	explained by the fact that at that moment GDF did not have an opportunity to provide the required first-line anti-TB drugs. "Elma Holding" company was the only company in Uzbekistan, representing the interests of manufacturers of the first-line anti-TB drugs ("Sandoz Pty LTD"), whose products are included in the WHO List of Prequalified Medicinal Products. All the medicines of "Sandoz Pty LTD" company are registered in Uzbekistan. (d) The Republican DOTS Center does not accept bids from suppliers before advertisement of tenders and after deadlines specified in tender documents, taking into account the OIG's comments. (e) The Republican DOTS Center uses PQR as a basis while forming the prices for the budget, taking into consideration the OIG's recommendations. (f) The Republican DOTS Center does not pay more than a 20 percent advance on award of contracts, taking into account the OIG's comments. (g) The Republican DOTS Center never awarded procurement contracts to suppliers who did not participate in advertised tenders. Including of additional items of goods in the contract, namely, specific disposable cups for hematologic analyzer, can be explained by the purpose to achieve a full compatibility of consumables with the available equipment. The supplier ("Hospitex Diagnostics Tashkent"			
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	prices not exceeding those stated in the quotations of its suppliers. (i) Conducting open and competitive tenders to select suppliers of food parcels for TB patients in order to ensure that the best value for money is obtained. (j) Planning its procurement actions based on program needs before advertising tenders	LLC) is an exclusive distributor of the equipment manufacturer (“Hospitex Diagnostics”). (h) The prices in the offer for delivery of imported consumables were stated in local currency. Difference in price of some items is explained by changing the currency rate for the moment of signing the contract. The Republican DOTS Center accepts the bids from suppliers with fixed prices for the offer validity period. (i) The Republican DOTS Center should consider at least three commercial offers in order to ensure open and competitive tenders. (j) Taking into account the OIG’s comments, the Republican DOTS Center thoroughly analyses the program needs based on the remaining goods before advertising tenders.			
	<u>Recommendation 45 (Significant)</u> The Republican DOTS Center should store drugs and other health and non-health products in a well secured warehouse. In addition, the DOTS Center should consider using basic inventory management software to facilitate the monitoring of health commodities.	Country response: The warehouse was completely overhauled. Inventory system is at the stage of development (started in 2011).	Republican DOTS Center	Started from 2010	Completed at central level and in progress at regional level with government funding

PSM: Malaria Program	Recommendation 46 (High) The Republican Center for State Sanitary and Epidemiological Surveillance should engage a competent and experienced procurement specialist before the inception of the Round 8 malaria grant.	Country response: The recommendation is implemented. On 03.10.2011, an employee was hired for the Procurement Specialist position in the Project Implementation Unit.	RCSSES, PIU	2011	Completed
	Recommendation 47 (High) The Republican Center of State Sanitary and Epidemiological Surveillance should follow national and international best practices by conducting competitive, open and transparent tenders (for major contracts) and conduct documented price analyses from a number of suppliers (for minor contracts) to ensure the lowest price for health and non-health commodities.	Country response: The recommendation is implemented. Control over the compliance of goods and services procurement procedures with the National legislation and the GF requirements is performed on a continuous basis. In order to conduct the open and competitive supplier selection process, Selection Committee was established for consideration of competitive proposals for goods and services delivery, based on the Order of the RCSSES No. 8 dated 10.02.2011. All proposals for goods and services delivery shall be considered by the Selection Committee on equal grounds. The Selection Committee's decisions should be properly documented as the Minutes.	RCSSES, PIU	2011	Completed (the relevant regulatory framework was put in place according to national stakeholders)
	Recommendation 48 (High) The Republican Center of State Sanitary and Epidemiological Surveillance should draft	Country response: The recommendation is implemented. In cooperation with the Legal Department of the RCSSES, two contract versions are prepared: for import purchases and for domestic purchases.	RCSSES, PIU	2010	Completed

	standard contract templates. The general terms of the contract should be communicated to potential bidders in the bidding documents.				
	<u>Recommendation 49 (High)</u> The Republican Center of State Sanitary and Epidemiological Surveillance should, where feasible, not pay more than a 20 percent advance to suppliers unless Global Fund has agreements with the vendor. For major contracts, advances should be paid upon receipt of a bank guarantee from a reputable bank.	Country response: The recommendation is implemented. Continuous monitoring is implemented over the prepayment amount under the contracts. Contracts are signed under the condition of issuing a letter of credit or making a prepayment not exceeding 20% of the contract value.	RCSSES, PIU	2010	Completed
	<u>Recommendation 50 (Significant)</u> The Republican Center of State Sanitary-Epidemiological Surveillance should ensure that its regional centers distribute health and non-health products (such as microscopes and IEC materials etc.) in a timely	Country response: The recommendation is implemented. The RCSSES implements continuous monitoring over timely distribution of medical and nonmedical products by regional CSSESs, by conducting monitoring visits of the RCSSES and PIU staff which cover the supplies up to the level of primary care network. Besides, regional CSSESs, on a regular basis, submit to the RCSSES reports on receipt and distribution of medical and non-medical products, the reliability of the reports is also checked during	RCSSES, PIU	2014	Completed

	manner through monitoring visits that cover the supply chain up to village PHC levels.	the monitoring visits.			
	<u>Recommendation 51 (Significant)</u> The Republican Center of State Sanitary-Epidemiological Surveillance should ensure that its regional centers maintain minimum buffer stocks of anti-malaria drugs and insecticides for unforeseen outbreaks of malaria in the regions.	<u>Country response:</u> The recommendation is at the implementation stage. At present, regional CSSESs have a certain reserve of insecticidal products. While establishing the reserve of medical products, some obstacles take place which are determined by a small batch size to be procured within the framework of implementation of the Round 8 grant. <u>Secretariat comments:</u> With the support of the Swiss Tropical and Public Health Institute, the grant is currently re-programmed. It will focus on surveillance of cases and foci and vector control. The epidemiological situation is as follows: Some figures on the actual epidemiological situation: 2011: no Pv, 1 imported Pf, 0 local cases 2010: 5 Pv (0 Pf), 3 local cases 2009: 4 Pv (1 Pf), 0 local cases 2008: 27 Pv (0 Pf), 7 local cases 2007: 89 Pv (2 Pf), 30 local cases 2006: 76 Pv (3 Pf), 60 local cases 2005: 102 Pv (0 Pf), 64 local cases 230 malaria cases from 2005-2011: 76% of cases occurred in Surkhandarya region, 10% in Kashkadarya, 6% Tashkent, 8%	RCSSES, PIU	2014	In progress (the grant is currently considered for being reprogrammed to surveillance and vector control)

		IRS and larval control are provided in all areas at risk of transmission. Budget for foci and areas at risk of transmission - 495,000 US\$ (18.8%). According to the entomologist of the national epidemiology unit at SSES, the following 'methodology' / procedure is employed for these activities: A register of water bodies and main characteristics (size, type, etc) is available at each district and updated by the entomologist. "Passportization" (breeding sites assessments) of water bodies around each settlement/village is carried out twice a year by the district team. The first passportization is conducted usually in May, the second in September (drying out of some water bodies during summer). The workplan of larviciding and IRS (including calculations of material) for the following year is based on the 2nd passportization in September. The first treatment of water bodies and IRS starts at end of March, 2nd treatment is done between June and September. 2nd larvicidings/IRS are based on entomological surveys conducted by the district entomologists who conduct entomological surveys at control points usually once a month and in foci every 2 weeks. A 3rd larval treatment of a breeding site may be done in late October. The estimates for IRS and larviciding were done for foci and bordering districts of Afghanistan, Tajikistan and Kyrgyzstan. Emergency stock for			
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		potential outbreaks is also included into calculation. Border districts of Kyrgyzstan are also considered as priority areas, based on joint agreement on cross-border collaboration signed between Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.			
	<u>Recommendation 52 (Significant)</u> The Republican Center of State Sanitary-Epidemiological Surveillance should ensure that its Andijan regional center takes appropriate steps to secure its warehouse by limiting access to authorized personnel only.	Country response: The recommendation is implemented. In order to provide the protection of the warehouses, the access to them is limited based on the Order of the Chief Doctor of Andijan regional CSSES. Only authorized staff has access to warehouses.	RCSSES, Regional CSSES of Andijan region	2010	Completed
PSM: HIV/AIDS Program	<u>Recommendation 53 (High)</u> The Republican AIDS Center should monitor the supply pipeline of STI drugs to ensure that there are no stock outs and expired drugs.	Country response: Within the framework of the SSF HIV program the Dermato-venerological service will coordinate all activities related to STI treatment. In order to improve the work a group of Dermatovenerology specialists prepared a draft order on provision of STI syndromatic treatment. Annexes to the order include expenditure monitoring and treatment needs reporting forms. Also PMU staff has prepared reporting forms for monitoring STI treatment expenditure.	STI clinic, PMU	2011-2013	In progress

	<u>Recommendation 54 (Significant)</u> The Republican AIDS Center should explore the feasibility of distributing drugs/supplies in a timely manner to its regional centers through suppliers and sub-contractors etc.	<u>Country response:</u> With the view to provide timely provision of goods and drugs and monitor this process 3 procurement specialists and 1 medical drugs procurement specialist are recruited in the PMU. 1 procurement specialist, warehouse keeper and supervisor were recruited in the RAC project implementation group. Also a truck is being purchased for RAC for transportation of goods and medicines.			Completed
	<u>Recommendation 55 (Requires attention)</u> The Republican AIDS Center should assess the feasibility of finding a suitable warehouse within close proximity of the PR's premises.	<u>Country response:</u> The RAC has allocated premises in its building, the issue of adapting the basement into additional storage space is being considered.	RAC	2011-2012	In progress
Financial Management and Control	<u>Recommendation 56 (Significant)</u> There is scope for the MOH and the CCM to make efforts to resolve the delays in receipt of grant funds by the PRs and program implementers.	<u>Country response:</u> The Project management/implementation units and the Principal Recipients of HIV/AIDS, TB and malaria grants provide information on a weekly basis on the realization of the Global Fund grants personally to the Minister of Health I.A.Ikramov and Deputy Minister of Health S.S.Saidaliev. Both of them (Minister and Deputy Minister) are in charge of Uzbekistan CCM's activity in the field of grants implementation. Project implementers provide information			In progress

		regarding not only on grants activities, but also concerning existing problems in the realization of these grants. Giving opportunity to speed up the process of obtaining permission from Grant Commission for transfer of allocated funds to project bank account also belongs to these problems. The Ministry of Health and CCM members facilitate the process of obtaining the permission for funds transfer as soon as possible. The PIUs and the PRs have the right to address to CCM members and governance of the Ministry of Health with request to render assistance in solving problems, which are not discussed during CCM meetings.			
	<u>Recommendation 57</u> (Significant) RCSSES should address the financial management audit findings by ensuring that: (a) The accounting software is updated. This may require additional training for the program accountant in the use of the software. (b) The malaria PIU has relevant financial and operational manuals to guide its program activities. (c) It monitors training events conducted by the	<u>Country response:</u> The recommendation is implemented. The information on the transactions for the Project implementation period in Round 4 was entered into "1C Accounting" automated system, the information input for the Project implementation period in Round 8 is in progress. The PIU Financial Manager took the "Modern Accounting" monthly course (21.06-23.07.2010), based on the contract with the National Association of Accountants and Auditors of the Republic of Uzbekistan. The PIU on Malaria component has appropriate financial and operational manuals to implement the activities. All the trainings within the framework of the Project are conducted in strict compliance with	RCSSES, PIU	2010 -2014	In progress

	PIU through approval of training plans, costs and improved supporting documentation; (d) An inventory control management system is set up at the malaria program to manage health commodities. (e) Contracts for staff and consultants specify the amounts to be paid. (f) The PIU reviews its travel allowance policies to harmonize it with those of its local counterparts. (g) Goods and services purchased with grant funds are exempted from VAT. (h) The PIU prepares monthly bank reconciliation, which would require obtaining bank statements from its bank every month.	the training plan for 2011 approved by the GF Secretariat. Control and management of medical product inventories are performed on a regular basis. At present, the remuneration amount of the employees and consultants is specified in labour agreements in a mandatory manner. Per diem rates are specified in accordance with the approved instruction "On business trips within the Republic of Uzbekistan". In accordance with Clause 23, Article 208 of the Tax Code of the Republic of Uzbekistan, which came into effect on 01.01.2008, the Grant funds are exempt from VAT. In accordance with Clause 23, Article 208 of the Tax Code of the Republic of Uzbekistan, at present VAT payment is not made. Continuous monitoring is performed to fulfil this requirement. The bank statements are received on a regular basis.			
	<u>Recommendation 58 (High)</u> No salary payments should in future be made in cash (this should become a Condition Precedent.	Country response: Payment of salary in cash is made at the amount not exceeding 50 percent of salary amount that does not contradict the applicable legislation.	RCSSES, PIU	2014	In progress

	Recommendation 59 (Significant) All salary increases should be properly justified through a salary survey.	Country response: The recommendation is implemented. All subsequent salary increases, in case they take place and are approved by the GF Secretariat, shall be properly justified by conducting an appropriate research of remuneration levels.	RCSSES, PIU	2010	No applicable circumstances occurred during the review period
	Recommendation 60 (Significant) The DOTS Center should address the above audit findings by ensuring that: (a) Goods and services purchased with grant funds are exempted from VAT. (b) The PIU strengthens financial oversight of program activities carried out by its SRs through periodic on-site financial reviews/audits. (c) Bank reconciliations are prepared and approved every month by the PIU. (d) The PIU reviews its travel allowance policies to harmonize it with those of its local counterparts. (e) SR officials nominated to the SR selection committee do not have conflict of interest. (f) Unbudgeted	Country response: (a) In accordance with Clause 23, Article 208 of the Tax Code of the Republic of Uzbekistan, which came into effect on 01.01.2008, the Grant funds are exempt from VAT. (b) The PR provides the SRs with the detailed budget and working plan; the PR developed a unified form of financial reporting for all the SRs involved into the program of the Global Fund grant; the SR provides a quarterly financial report based on the approved form with the submission of documents confirming the incurred expenses; the PR analyzes the submitted financial reports of the SR and verifies the reporting data on-site; the PR quarterly monitors the SR according to the approved schedule of site visits (supervisory visits). (c) The PR prepares monthly bank reconciliation statements on cash turnover and balance on bank accounts, which are signed by a responsible bank specialist. The control is implemented by bank employees: all the payment documents are confirmed by the acquiring bank's stamp and signature of the responsible person. (d) The PR operates based on the following: 1) "Instruction on business trips within the Republic	PIU GFATM (TB Component) PIU GFATM (TB Component)		In progress

	expenditures are not charged to the grants without prior approval from the Country Programs Cluster.	of Uzbekistan” approved by the Resolution of the Ministry of Finance No.83 and the Ministry of Labor and Social Security No.7/12 dated 24.07.2003, and registered by the Ministry of Justice under No. 1268 on 29.08.2003. 2) Guidelines on Monitoring and Evaluation of the GFATM PIU (TB component) 3) Minutes No.1 dated April 12, 2005, of the staff meeting of the Republican DOTS Center and the Project Implementation Unit (PIU) of the GFATM (TB component); Order of the Republican DOTS Center No.19 dated April 12, 2005. (e) The SRs were selected in the process of proposal writing. While selecting the Sub recipients, the PR uses the local conflict-of interest policy (CCM). (f) While preparing a new proposal, all the expenditures not planned in the initial budget are agreed with the FPM and/or the CCM as applicable. (f) Based on the Audit report, the OIG sent an official request to WHO Regional Office for Europe on providing a final financial report. WHO submitted the relevant financial report.			
Governance and Program Oversight	<u>Recommendation 61 (Significant)</u> The CCM should ensure that a transparent process is followed for the selection of the representatives of international development	Country response: The recommendation is implemented. Two new members were selected in an open and transparent way to the Multisectoral Expert Council (Uzbekistan CCM) at the regular meeting which took place on August 18, 2011. One of them is the German Society for International	Multisectoral Expert Council (Uzbekistan CCM)	18.08.2011	Completed

	partners.	Cooperation (GIZ). \The issue on accepting this international development partner to CCM has been considered in details at the above-mentioned meeting. All the CCM members supported this proposal. The second is the Institute of Biochemistry of Academy of Sciences. The CCM in Uzbekistan will continue its activity on accepting new members from non-governmental sector and representatives of the international development partners.			
	<u>Recommendation 62</u> (Significant) The CCM should ensure that grant funds are timely accessed by PR and SRs to carry out program activities. (See recommendation 77 under Financial Management and Control)	<u>Country response:</u> The recommendation is at the implementation stage. According to the recommendation of the CCM members, the regular reports of the PRs related to the grant implementation were included to the CCM Work Plan for 2011- 2012. The reports of the Principal Recipients allow the CCM members to be well-informed on the process of the GF grants implementation and promptly resolve their problems also related to timely access to the grant funds.	Multisectoral Expert Council and PRs	On regular basis	In progress
	<u>Recommendation 63</u> (Significant) The CCM should consider applying for a grant from the Global Fund to support the CCM Secretariat.	<u>Country response:</u> In 2010, the CCM in Uzbekistan submitted a proposal to receive a grant for financing its activities during the period 1 July 2010 to 30 June 2011. The proposal has been approved by the Global Fund. After termination of the grant period, the CCM Secretariat in Uzbekistan has prepared a proposal for expanded funding of the CCM. The proposal	Multisectoral Expert Council and its Secretariat	2nd half of September 2011	Completed (GF grant for CCM funding was approved for the period July 2010 - June 2011) An expanded CCM Funding Application was

		includes the System of the activity results evaluation (Performance Framework) and a Detailed budget for two years. The CCM Secretariat Budget was considered by all the CCM members and they provided their comments on this issue. The revised version of the budget, taking into account the CCM members' comments, was approved as indicated in the Minutes of the CCM meeting dated August 18, 2011. The process of signing the document by all the CCM members shall be completed soon. After it, the proposal for funding, signed by all the CCM members, shall be submitted for consideration to the Global Fund in accordance with the established procedures.			submitted to the GF on 5 October 2011. This application was signed by all Uzbekistan CCM members.
	<u>Recommendation 64 (Significant)</u> The CCM should promote transparency in its decision-making by improving its agenda-setting and consulting members before decisions are taken.	<u>Country response:</u> The recommendation is at the implementation stage. The CCM in Uzbekistan takes all the opportunities for involving the CCM members into decision-making processes. After the last CCM meeting on August 18, 2011, all the meeting records were sent to all the CCM members via email to receive their comments. The submitted comments were included to the final version of the CCM Minutes, which was approved by the CCM Chairperson, Mr. A. Aripov on September 6, 2011.		On regular basis	In progress
	<u>Recommendation 65 (Significant)</u> The MOH should strengthen audit oversight of the TB and malaria programs.	<u>Country response:</u> Starting from 2010 results of grants audits on 3 diseases, main achievements, potential risks of program's non-fulfilments, recommendations and advice are presented in special de-briefing meetings with attendance of PIUs, PRd, CCM			In progress

		members and CCM Secretariat's representative. The minutes of this meeting is given to the Ministry of Health, in addition, information about audit results is presented during weekly meetings with Deputy Minister of Health in order to discuss the capabilities of the Ministry of Health to resolve arising problems.			
	Recommendation 66 (High) The RAC, the RDC and the RCSSES should revise the TORs of the annual audits to cover a sample of SRs and selected site visits to programs in the regions and districts.	Country response: PMU/UNDP re-considered and developed new reporting forms for the sub-recipients. Also M&E visit reporting form was developed. PMU plans conducting training for sub recipients during October 6-8, where new reporting forms and the mechanisms of collection and submission of reports will be discussed. PMU prepared M&E sub recipients and sub sub-recipients visiting plan at the regional level. Secretariat comments: The TORs for PR and SRs audits for the 2011 audits are under review and they will take into consideration this recommendation.	PMU, RAC, RESSES	2011-2013	In progress
Oversight	Recommendation 67 (High) The Global Fund Secretariat should ensure that the LFA includes public health and M&E specialists for on-site data verification work and for assessment of the PR's programmatic systems and processes, as well as	Secretariat Response: We concur with the recommendation, taking into consideration the following specific factors and the measures undertaken to date: - Following the LFA re-tendering process in 2008, which envisaged the inclusion of programmatic/health professional(s) among the proposed key personnel of LFA teams, as the LFA team in Uzbekistan,	Country Programs Cluster	Q2 2012	Completed

	verification of receipt of services by end users.	PricewaterhouseCoopers, included in its team structure an M&E specialist and a Public Health Expert. - The Secretariat has already considered sustaining and expanding this approach and has required the inclusion of programmatic/health expertise in the on-site data verification work for the grant portfolio in Uzbekistan, in addition to the other LFA team members. - In 2010 and 2011 LFA has involved Public Health Expert and M&E specialists into the LFA assignments (PR assessments, OSDVs, Vol and other small assignments). For instance, in 2010 and 2011 the LFA conducted five OSDVs using M&E and Public Health experts in the course of OSDVs. - In 2012 the LFA team includes three Finance specialists, two PSM experts, one M&E and one Public Health specialists. The M&E and Public health specialists and finance specialists are based in country. PSM experts are providing services on a fly-in basis. - As part of the 2012 LFA service planning, the Secretariat has worked with the LFA to ensure the availability of relevant public health and M&E expertise in the local team and their integration in the LFA service delivery, including Vol and OSDVs.			
	<u>Recommendation 68 (High)</u>	<u>Secretariat response:</u>	Country	31/12/2012	In progress

	The Global Fund Secretariat should revise the TOR for review of PUDRs to include site visits to regions and the districts. This recommendation would require giving the LFA additional financial resources to carry out such visits.	We concur with the recommendation that the LFA service provision should also include site visits to regions and districts and would like to provide the following comments and update on measures undertaken to date: - Verification of Implementation (Vol) is an umbrella term and the existing ToRs for Vol provide a flexible framework within which the depth of the approach can be tailored depending on the specifics of the grant, country, and/or contextual issues. Thus, integration of site visits to regions and districts has already been considered within the framework of the existing ToRs. - The Vol of implementation as an umbrella term can cover different verification activities conducted by the LFA with regards to Progress Update/ Disbursement Request (PU/DR) reviews, On-Site Data Verification (OSDV reviews), spot checks of specific activities, sub-recipient monitoring visits. The work on PU/DR reviews is complemented by information obtained by the LFA in monitoring visits to SRs during the reporting period. - In 2010 and 2011 LFA has involved Public Health Expert and M&E specialists into the LFA assignments (Assessments, OSDVs, Vol and other small assignments). - The following strengthening measures have been considered for 2012 as part of the 2012 LFA service planning process:	Programs Cluster		
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		requirement for LFA monitoring visits to be conducted to sub-recipient organizations and service delivery sites, spot checks of training activities, as well as revisions of the OSDV ToRs (with more in-depth review and analysis of reporting systems and addition of assessment of PHPM data). - The LFA agreed with the GF workplan and budget for 2012 that considers increase of LoE of the LFA to cover most risky areas. - Update as of March 2010: The LFA on-site data verification work for the grant portfolio in Uzbekistan in 2009 already included site visits to regions and districts. For instance, the LFA on-site data verification for the Round 4 TB grant conducted in 2009 included site visits to TB facilities in the Navoi region and district and Kizil-tepa district. Further, the LFA on-site data verification for the Round 3 HIV grant conducted in 2009 included sites in the Navoi region, in addition to Tashkent city. Finally, the LFA on-site data verification for the Round 4 Malaria grant conducted in 2009 included sites in the Namangan region, Uychi district and the Uchkurgan district.			
	<u>Recommendation 69</u> (Significant) The Global Fund Secretariat	Secretariat response: We concur with the principle of this recommendation, specifically implementing	Country Programs Cluster	When applicable	Not applicable - UNDP has become a PR for the HIV

	should ensure that in future a salary survey is conducted by the CCM before it approves across the- board salary increases for PR staff.	adequate measures to determine the reasonableness of salary increases of PR staff, including salary survey or other mechanisms for making such a determination			program. Accordingly, salary levels are determined in accordance with UNDP rules. No chang
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Annex 4: Overall Comments from Director, Grant Management

MEMO

Date	06 March 2012
To	John Parsons, Inspector General
From	Mark Eldon-Edington, Director, Grant Management
Subject	Office of the Inspector General (OIG) Report: "Country Audit of Global Fund Grants to Uzbekistan" Final Draft, GF-OIG-10-007, February 2012

The Secretariat would like to thank the Office of the Inspector General (OIG) for its work and collaboration with regards to the Audit of the Global Fund grants in Uzbekistan.

The OIG findings and recommendations have been duly considered by the Global Fund Secretariat and national stakeholders and have reinforced the grant management work and risk mitigation strategies pursued by the Global Fund Secretariat and implementers over the last two years with regards to the grant portfolio in Uzbekistan.

The Country Coordinating Mechanism (CCM) and the Principal Recipient (PR) organizations, in collaboration with partners and the Secretariat, have developed action plans to address the OIG initial findings as soon as the audit work was completed. They have already commenced implementing the recommendations as applicable with significant portion of them already completed.

(1) Background

The OIG conducted an audit of the Global Fund grants to Uzbekistan in August - September 2009. Upon completion of the audit work and the oral de-briefing in country, the Principal Recipient organizations and the national stakeholders developed action plans to address the OIG preliminary recommendations.

The OIG re-performed an audit of the financial management area in March 2010. A draft version of the OIG report excluding the financial management section was shared with the Secretariat in March 2010 and a draft version of the report including the service delivery sections was shared with the CCM and the PRs in March 2010.

An updated version of the report with the financial management section was shared with the Secretariat in May 2011 and subsequently submitted to the national stakeholders in August 2011. The CCM provided its final comments in November 2011. A final draft report with some editorial revisions was shared with the Secretariat, the CCM and the PRs in February 2012 for final comments.

During the extended timelines between the actual audit work and the publication of the audit report, the CCM, the Principal Recipient organizations, national stakeholders and the Secretariat have undertaken a series of actions to address the recommendations, with significant number of recommendations already implemented and the remaining ones being well on track. Given the nature of some of the recommendations pertaining to larger health system-related issues affecting the implementation of the three disease components supported with Global Fund funding, the implementations of such recommendation will be more of medium and long term nature.

(2) Overview of recommendations, responses and status of implementation

The final version of the OIG audit report submitted to the country stakeholders and the Secretariat contained a total of 69 recommendations. Details on their classification are provided in the table below.

A. Implementation Status as of 1 March 2012

Status of Implementation	Number	Percentage
Completed	34	49%
In Progress	33	48%
Not applicable (at the time of the review)	2	3%
Total:	69	100%

B. Prioritization of recommendations and implementation status as of 1 March 2012

Prioritization Status	Number	%of total number	Implementation Status					
			Completed		In Progress		Not applicable	
			Number	%	Number	%	Number	%
High Priority	51	74%	27	53%	24	47%		
Significant Priority	17	25%	7	41%	8	47%	2	12%
Requires Attention	1	1%			1	100%		
Total:	69	100%	34		33		2	

C. Recommendations addressed to PRs/, CCM and the GF Secretariat

Recommendations addressed to	Number	Percentage	Implementation Status					
			Completed		In Progress		Not Applicable	
			Number	%	Number	#	Number	#
Implementers	61	88%	30	49%	30	49%	1	2%
CCM	5	8%	2	40%	3	60%		
Secretariat	3	4%	2	66%			1	33%
Total:	69		34		33		2	

Comments and details on the status of each individual recommendation can be found in Attachment 1.

(3) Steps already undertaken by the Secretariat and the CCM

The Secretariat would like to highlight the following steps already undertaken with regards to the implementation arrangements, governance and oversight of the grant portfolio in Uzbekistan:

- (1) Changes in the implementation arrangements – UNDP became the Principal Recipient for the HIV program portfolio as of 1 January 2011. A Single Stream of Funding for the HIV program in Uzbekistan is in place as of 1 January 2012, encompassing the Rolling Continuation Channel (RCC) Round 3 HIV grant and the Round 10 HIV proposal.
- (2) A CCM funding request was approved in 2010 for the period 1 July 2010 – 30 June 2011. The Secretariat CCM team, in coordination with the Civil Society Officer, conducted initial CCM diagnostics in July 2011 in response to the country request for technical support. Next, CCM representatives participated in a CCM regional workshop organized by the GF Secretariat in Almaty in October 2010. Further, targeted technical support is envisaged to be provided to the CCM in Uzbekistan in 2012.
- (3) There were changes in the CCM's leadership and composition and the CCM has undertaken reform initiatives as of 2010.
- (4) The Country Team approach for the grant portfolio in Uzbekistan was introduced in March 2011.
- (5) The LFA team responsible for this country portfolio was strengthened in terms of team structure, composition and skills set. The LFA service provision in 2010 and 2011 has evolved as part of the risk mitigation strategies for this portfolio. Planning of the LFA services for 2012 has also been improved taking into consideration portfolio-specific risks and the OIG recommendations.

(4) Next Steps

The Secretariat will continue to follow-up with national stakeholders and technical partners on the OIG recommendation as per the schedule provided by the respective audited organizations in the country. The Country Team will pay special attention to the status and progress of the recommendations currently listed as being “in progress”.

The tracking tools reflecting the 69 recommendations for this audit will be updated accordingly.

Annex 5: Global Fund Secretariat Management Action Plan

Prioritization of recommendations

Audit recommendations have been prioritized so as to assist management in deciding on the order in which recommendations should be implemented. The implementation of all audit recommendations is essential in mitigating risk and strengthening the internal control environment in which the programs operate. The categorization of recommendations is as follows:

- i. **High Priority:** Material concern, fundamental control weakness or non-compliance, which if not effectively managed, present material risk and will be highly detrimental to the organization's interests, significantly erode internal controls, or jeopardize achievement of aims and objectives. They require immediate attention by senior management.
- ii. **Significant Priority:** There is a control weakness or noncompliance within the system, which presents a significant risk. Management attention is required to remedy the situation within a reasonable period. If this is not managed, it could adversely affect the organization's interests, weaken internal controls, or undermine achievement of aims and objectives.
- iii. **Requires Attention:** There is a minor control weakness or noncompliance within the system, which requires remedial action within an appropriate timescale. The adoption of best practices would improve or enhance systems, procedures and risk management for the benefit of the grant programs.

Audit Area	Recommendation	Response and action	Responsible official	Completion Date
Oversight	<u>Recommendation 67 (High)</u> The Global Fund Secretariat should ensure that the LFA includes public health and M&E specialists for on-site data verification work and for assessment of the PR's programmatic systems and processes, as well as verification	We concur with the recommendation, taking into consideration the following specific factors and the measures undertaken to date: ▪ Following the LFA re-tendering process in 2008, which envisaged the inclusion of programmatic/health professional(s) among the proposed key personnel of LFA teams, as the LFA team in	Country Programs Cluster	Q2 2012

Audit Area	Recommendation	Response and action	Responsible official	Completion Date
	of receipt of services by end users.	Uzbekistan, PricewaterhouseCoopers, included in its team structure an M&E specialist and a Public Health Expert. ▪ The EECA Regional Team has already considered sustaining and expanding this approach and has required the inclusion of programmatic/health expertise in the on-site data verification work for the grant portfolio in Uzbekistan, in addition to the other LFA team members. ▪ As part of the 2012 LFA service planning, the Regional Team is working with the LFA to ensure the availability of relevant public health and M&E skills set in the local team and their integration in the LFA service delivery.		
	<u>Recommendation 68 (High)</u> The Global Fund Secretariat should revise the TOR for review of PUDRs to include site visits to regions and the districts. This recommendation would require giving the LFA additional financial resources to carry out such visits.	We concur with the recommendation that the LFA service provision should also include site visits to regions and districts and would like to provide the following comments and update on measures undertaken to date: ▪ Verification of Implementation (Vol) is an umbrella term and the existing ToRs for Vol provide a flexible framework within which the depth of the approach can be tailored depending on the specifics of the grant, country, and/or contextual issues. Thus, integration of	Country Programs Cluster	31/12/2012

Audit Area	Recommendation	Response and action	Responsible official	Completion Date
		site visits to regions and districts has already been considered within the framework of the existing ToRs. ▪ The Vol of implementation as an umbrella term can cover different verification activities conducted by the LFA with regards to Progress Update/ Disbursement Request (PU/DR) reviews, On-Site Data Verification (OSDV reviews), spot checks of specific activities, sub-recipient monitoring visits. ▪ The following strengthening measures are being considered for 2012 as part of the 2012 LFA service planning process: requirement for LFA monitoring visits to be conducted to sub-recipient organizations and service delivery sites, spot checks of training activities, as well as revisions of the OSDV ToRs (with more in-depth review and analysis of reporting systems and addition of assessment of PHPM data). ▪ Update: The LFA on-site data verification work for the grant portfolio in Uzbekistan in 2009 already included site visits to regions and districts. For instance, the LFA on-site data verification for the Round 4 TB grant		

Audit Area	Recommendation	Response and action	Responsible official	Completion Date
		conducted in 2009 included site visits to TB facilities in the Navoi region and district and Kizil-tepa district. Further, the LFA on-site data verification for the Round 3 HIV grant conducted in 2009 included sites in the Navoi region, in addition to Tashkent city. Finally, the LFA on-site data verification for the Round 4 Malaria grant conducted in 2009 included sites in the Namangan region, Uychi district and the Uchkurgan district. This approach will be maintained in 2010 as well.		
	<u>Recommendation 69 (Significant)</u> The Global Fund Secretariat should ensure that in future a salary survey is conducted by the CCM before it approves across-the-board salary increases for PR staff.	We concur with the principle of this recommendation, specifically implementing adequate measures to determine the reasonableness of salary increases of PR staff, including salary survey or other mechanisms for making such a determination.	Country Programs Cluster	When applicable