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Country: INDONESIA

Project Initiation Plan

Project Title:	Health Governance Initiative
UNPDF/CPD 2016-2020 Outcomes:	UNPDF Outcome 2: By 2020, The poor and most vulnerable have better and more equitable access to quality basic social services, including health and education, and to comprehensive social protection and better access to water supply and sanitation. CPD Outcome: Strategic plan outcome #3: countries have strengthened institutions to progressively deliver universal access to basic services.
UNPDF/CPD 2016-2020 Outputs:	2.2-Policy/legal frameworks strengthened, and systems established nationally and in targeted regions, to improve access to social services and medicines by excluded group
Initiation Plan Start Date:	15 December 2017
Initiation Plan End Date:	15 December 2018
Implementing Partner:	UNDP

Brief Description

In 2017, through the Project Initiation Plan (PIP) on Technical Assistance to SDGs Implementation in Indonesia (TA-SII), UNDP has worked closely with the Ministry of Health (MoH) to take necessary measures in cross cutting issue regarding to the SDG 3.3 implementation, UNDP continuing to support government government to increase capacity and stimulate other actors to find innovative and sustainable solutions to health system challenges and provide management support and technical assistance for the implementation of AIDS, Tuberculosis, Malaria, and Immunization program in Indonesia.

From the last decades, Indonesia has achieved significant population health outcomes improvement, supported by a great economics development to the point of entering the LMIC status. Indonesia's latest and future positive economic outlook affects the availability of the international development assistance resources as these become more restricted to be allocated to other countries with lower economics status. The International development organizations who have been indispensable in the development of a number of health innovations in strengthening the health care system were gradually phasing out.

The Indonesian government has received funding support from donor agencies to address disease issues such as AIDS, Tuberculosis, Malaria and disease prevention for children through immunization programs for more than 15 years and now the government should prepare for transition phase for domestic funding to meet the Sustainable Development Goals health targets by 2030, progress must be accelerated, in particular in regions with the highest burden of disease. Indonesia plan to eliminate high burden infectious (TB, HIV, Malaria and Neglected Diseases) and Non-Communicable Diseases (NCDs) such as diabetes, heart diseases and cancers. Therefore to reach it, Indonesia now enters universal health coverage through National Health Insurance Scheme (JKN). Substantial to this was driven by better health care provision and delivery by Puskesmas (community public clinics) and hospitals towards a comprehensive health care system. However, health inequality are widening among different economics status, geographic areas, education levels and within minority groups which pertinent by access to a quality and affordable health care resulted to a significant difference

in health status.

Responding to those challenges, UNDP Indonesia will implement a project called 'Health Governance Initiative as new separated PIP of PIP TA/SII to address health inequality through an integrated innovative solutions'. Health governance initiative includes a wide range of steering and rule-making related functions carried out by governments/decisions makers as they seek to achieve national health policy objectives and action plan that are conducive to universal health coverage[1].

The Health Governance Initiative Strategy aims to increase government capacity to address inequality in the health sector and stimulate other actors (e.g. private sector, other orders of government, civil society) to find innovative solutions to health system challenges, including preventive health interventions and multi-sectoral approaches
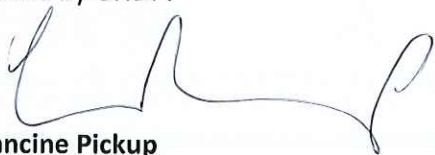
Through the new PIP, UNDP will provide further Health Governance Initiative that will focus on three areas:
- Equitable access to health care *of vulnerable groups* by alleviating the bottlenecks in delivering health care products by addressing procurement and supply chain problems.
- Expensive pharmaceutical prices present challenges to the long-run solvency of JKN and leave *low-income Indonesians* vulnerable to catastrophic health care costs for pharmaceuticals not covered under JKN.
- The development of an enabling policy and institutional strengthening government and non-government on management and technical matter to ensuring sustainable access to and delivery of affordable medicines and treatments.

In addition, UNDP will work together with GOI to develop a project document 2019-2021 on the Health Governance Initiative implementation in Indonesia, which will include a set of activities for the longer period. Through this PIP, UNDP will support consultations among state and non-state actors to gather information and input for the new project document.

Programme Period	2017-2018	**Total resources required:**		**USD 1,125,028**
Atlas Award ID	00106768	**Total allocated resources:**		**USD 970,028**
IPAC Meeting Date	14 Dec 2017	Regular (TRAC)	USD 10,000	
		Others:		
		Australian Government	USD 311,170	
		MoH HSS (GFATM)	USD 149,573	
		Aisyiyah (GFATM)	USD 149,771	
		Unfunded budget		
		MoH TB (GFATM	USD 349,514	
		Parallel Budget :		
		Japanese Government	USD 150,000	

Agreed by UNDP:

Francine Pickup
Deputy Country Director
Date:

HEALTH GOVERNANCE INITIATIVE
Project Initiation Phase
UNDP Indonesia Country Office
14 December 2017

Empowered lives.
Resilient nations.

Acronyms

ART	Anti-retroviral therapy
BPJS	Badan Penyelenggara Jaminan Sosial (National Health Insurance Scheme)
BPPS	Bureau of Policy and Programme support
CCM	Country Coordinating Mechanism
CST	Care, support and treatment
GF	Global Fund for AIDS TB and Malaria
GoI	Government of Indonesia
HIV	Human Immunodeficiency Virus
KAP	Key Affected Populations
LMICs	Low and Middle Income Countries
MoH	Ministry of Health Indonesia
NAC	National AIDS Commission
NGO	Non-Governmental Organisation
NTDs	Neglected Tropical Diseases
PDP	Product Development Partnership
PLHIV	People living with HIV
PR	Principle Recipient
SR/SSR	Sub Recipient/Sub Sub Recipient
TB	Tuberculosis
TDR	The Special Programme for Research and Training in Tropical Diseases
TWG	Technical Working Group
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNICEF	United Nations Children's Fund
UNDP	United Nations Development Programme
WHO	World Health Organization

Contents

1. Background

Over the past fifteen years, Indonesia has shown significant progress with notable economic improvements, having reached the middle income country (MIC) status in the early 1990s and became a member of the G20 group. Lately, Indonesia commenced the year 2017 with strong strides, with a growth of the year's first quarter from 4.9% to 5.0%. At the same time, in 2014 the Indonesian Statistic Bureau (BPS) reported 8.3% in urban centres and 14.3% in rural areas of poverty rates though there would be no significant difference in poverty rates when using the USD 2 per day poverty line between these two areas.

Indonesia's inequality, measured by the Gini index, increased from 0.30 in 2000 to 0.41 in 2015. In March 2017, UNDP launched the HDI Index for Indonesia, showing that progress has not benefited everyone and disparities disproportionally impact certain groups, namely women, ethnic minorities and people living in remote areas. The drop in poverty over the last two decades still left 140 million citizens living on less than IDR 20,000 (USD 2) per day. The widening inequality in Indonesia is detrimental as it creates or worsens public health problems.[1]

In January 2014, the Government of Indonesia launched the universal health care scheme, *Jaminan Kesehatan Nasional (JKN), implemented by the Social Security Agency (BPJS), through* a compulsory national health insurance system with the aim of making basic care available to all by 2019. Under JKN, all citizens are now able to access a wide range of health services provided by public facilities, as well as services from few private institutions that have agreed to to join the scheme as providers. Private insurance continues to play a role by providing for excess or additional coverage of services not included in JKN[2]. Although government contributions to JKN have more than doubled since the programme's launch in 2014, households' out of pocket spending remains high, at over 60% of total health spending.

To maintain fiscal sustainability, prices for health services paid for by JKN have been regulated and efforts have been made to control pharmaceutical spending. JKN efforts to include cost containment measures from its inception are laudable, but these measures should be designed to achieve greater efficiencies without exacerbating inequities. The current proposal to contain costs by maintaining a low level of hospital reimbursement may not be the right one. It could lead to low participation of healthcare providers in JKN, while also encouraging informal payments, thus ultimately hindering access to care, especially for the low income groups[3]. As of 1 November 2017, about 183 million people are covered by JKN. The Majority if the receive public Subsidies from either the central 50% or provinces/districts 10%[4].

AIDS, Tuberculosis and Malaria (ATM) and Other Non-tropical diseases

Indonesia remains a significant contributor to the global burden of disease for HIV/AIDS and Tuberculosis. In fact, according to the World Health Organization (WHO), Indonesia along with four other countries (i.e., India, Myanmar, Nepal and Thailand) account for 99% of the HIV burden in the South-East Asia region and 10% the highest number of TB cases worldwide, alongside China (10%), and India (23%). Due to Indonesia's ATM disease burden in the region as well as its potential threats to the wider global community, international donors have provided assistance to try to combat the continued spread of such diseases, in particular through the Global Fund for AIDS, Tuberculosis and Malaria (GFATM) pledging USD 240 million to Indonesia (2018-2020). Prior grant implementations have been challenging, for development partners and Principle Recipients (PRs) to ensure timely procurement and supply chain management (PSCM) for ATM drugs and health

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[1] The Gini, developed by Italian Corrado Gini in 1912, measures income distribution with a scale of zero to one. Zero means perfect equality and one means all the country's income is earned by a single person. http://theconversation.com/inequality-harms-health-and-well-being-of-all-indonesians-not-just-the-poor-76645
[2] https://www.theguardian.com/global-development-professionals-network/2015/may/15/indonesias-universal-healthcare-insurance-verdict
[3] https://www.oecd.org/indonesia/indonesia-toward-universal-health-coverage.pdf
[4] https://bpjs-kesehatan.go.id/bpjs/index.php/jumlahPeserta

equipment in addition to other implementing activities. The role of the Country Coordinating Mechanism (CCM) and its Technical Working Group (TWG) to address implementing issues clearly showed that the country continues to need technical assistance, of which UNDP has been providing to this day.

While NTDs account for 11.4% of the global disease burden, the investment in developing diagnostics, medicines and vaccines to treat these remains disproportionately low. Of the 1,556 new medicines approved between 1975 and 2004, only 1.3% were specifically developed for tropical diseases and TB. Standard anti-TB drugs used for decades gave rise to resistance. Multidrug-resistant tuberculosis (MDR-TB) is a form of TB caused by bacteria that do not respond to isoniazid and rifampicin, two standard anti-TB drugs. Disease caused by resistant bacteria fails to respond to conventional, first-line treatment. Extensively drug-resistant TB, XDR-TB, is a form of multi-drug resistant tuberculosis that responds to even fewer available medicines, including the most effective second-line anti-TB drugs.

The number of new global health technologies coming to market for TB, Malaria, and NTDs, and other diseases is increasing. As with their support of the Japanese non-profit GHIT, the Bill and Melinda Gates Foundation (BMGF) also funds 15 different Product Development Partnerships (PDPs) which together, manage a large portfolio of projects worldwide for the development of new global health technologies for TB, Malaria, NTDs, and other diseases endemic in LMICs. Project partners undertook an extensive assessment of countries against agreed criteria, comprising four categories of indicators: political will and commitment, existing in-country or domestic capacity, availability of information and the potential for high impact and South-South cooperation. Indonesia, Thailand, Ghana and Tanzania were selected for the initial set of focus countries. The integrated package of capacity building activities proposed by the ADP project was warmly welcomed in Indonesia. At the formal launch of the Access and Delivery Project in Indonesia, the Special Advisor to the Minister of Health speaking on behalf of the Government of Indonesia expressed his great hope that the partnership would assist different branches of government to increase coherence required across the public health system to increase access to health technologies in Indonesia. UNDP is working closely with several government ministries to improve the legal, policy and regulatory environment in Indonesia. [5]

Immunization
A remaining challenge Indonesia remains is the inequality in basic vaccine packages' reach across the country. According to the Basic Health Survey (*Riskesdas*), the reached covered only 53.8% (2010) which increased just to 59.2% (2013), still below target. Yet, this number is far lower than health services routine accounts, reporting 89.9% in 2013. Data discrepancy of this scale if not responded immediately will inhibit further planning processes. In 2015, the Ministry of Health and Family Welfare of India rolled out an innovative electronic vaccine intelligence network called eVIN across twelve states in India.

eVIN aims to support the Government of India's Universal Immunization Programme by providing real-time information on vaccine stocks and flows, as well as storage temperature across all cold chain points in these states. The technological innovation is implemented by UNDP with financial support from GAVI - The Vaccine Alliance. This project builds capacity of nearly 56,000 government personnel for vaccines and cold chain logistic management, and further develops a national monitoring and evaluation framework for the immunization program, by not only building their skills but also change the recording and reporting ethos. Indonesia took note of the Indian practice and looks at implementing the approach within its public health system. Having the fourth largest population after China, India and USA, similar barriers on cold supply management are found, thus implementing eVIN in Indonesia will provide an integrated solution to address widespread inequities in vaccine coverage by supporting governments in overcoming constraints of infrastructure, monitoring and management information system and human resources, often resulting from overstocking and stock-outs of vaccines in storage centers. The integrated solution will result from a combination of technology, governance, and human resources.

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[5] 2 ADP ProDoc 2014-18

The main challenge Indonesia faces, as the country is entering the LMIC status, it will limit the availability of international resources (e.g. GFATM grants), it becomes important to intensify resource mobilization whether it's alternative resources such as crowdfunding or increasing domestic funds. In order to enable resource mobilization domestic management capacity must be strengthened at national to sub-national levels. With the support international support, bi-lateral (e.g. DFAT, USAID, etc.) and multi-lateral programmes (GFATM) have brought innovative approaches and replicated successes throughout the country in limited localities. Despite positive results, most remained unsustainable and could only cover at a smaller scale. This situation has also crowded the landscape of development organizations in the field of health, thus causing some localities not receiving any technical assistance, bringing about the issue of inequality.

In order to prepare the nation to scale up in response to the universal healthcare system, institutional strengthening and innovative approaches that would not only increase services in scale thus decreasing current disproportionate access to health, but also in quality and efficiency - through inventive health infrastructure and health seeking behavior strategies. And with democratization strengthening in Indonesia, the role of communities and civil society is also intensifying to voice problems face from the first point of entry to service to the point of drug production. Thus, quality assurance and stimulating the pharmaceutical industry is an integral part of the health governance programme strategy. Health governance is a wide range of steering and rule-making related functions carried out by governments/decisions makers as they seek to achieve national health policy objectives that are conducive to universal health coverage[6].

To strengthen governance, UNDP works jointly based on a framework to guide UNDP Indonesia's engagement with key stakeholders (e.g., government, civil society, international donors, etc.) in the area of health governance guiding institutional strengthening and policy strategy and action plans. UNDP Indonesia's engagement in Health Governance takes the form of:
- Expertise in building the governance and policy capacity in key governance institutions
- Institutional strengthening to increase management and technical capacity of government and non-government organization.
- Relevant in-house knowledge regarding key health system challenges for Indonesia
- Valuable network within health-related Government of Indonesia institutions
- Opportunity to continue to fulfill UNDP Country Programme's aim of better and more equitable access to quality basic social services and to comprehensive social protection

2. Expected Output

The activities carried out in the PIP will contribute to the achievement of the following outputs:

Output 1 : Increased government capacity on health policy development of procurement and supply chain management to escalate accessibility and affordability on prevention and health care treatment for low-income and vulnerable groups.

Output 2 : Institutional strengthening government and non-government on management and technical matter to ensuring quality of programme implementation.

The PIP will lay the groundwork for the Health Governance Program. The activities that will be carried out in the PIP under these outputs are strongly linked to the SDGs 3. The following paragraphs will detail each output.

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[6] World Health Organization, 2016

2.1 Output 1: Increased government capacity on health policy development of procurement and supply chain management to escalate accessibility and affordability on prevention and health care treatment for low-income and vulnerable groups.

Activities Result 1.1 Improved the Efficiency of Procurement and supply chain Management on Medicine, Vaccines, and Health Equipment Products

UNDP will support Government to raise awareness for the improvement of the procurement and supply chain management (PSCM) system for AIDS, Tuberculosis, Malaria, and Immunization program and address the issues of procurement and supply chain management. In doing so, for AIDS, Tuberculosis and Malaria, the project will support the Global Fund Country Coordinating Mechanism (CCM) and work with MoH to identify remaining bottlenecks, develop strategic solutions, and coordinate the provision of technical assistance.

The Global Fund required Malaria program to develop work plan for transition of LLINs procurement from donor financing to domestic financing by the end of 2018. In the future, The MoH should procure LLINs for routine distribution; in addition, LLINs will be entered into the e-catalog for logistics to allow provinces and districts to procure LLINs as well.

For Immunization program, UNDP will implement the Electronic Vaccines Intelligence Network (eVIN) pilot project. The project has comprehensive approach that involoved Governance, Human Resources improvement, supervision, and information communication technology (ICT) to strengthening stock management system on Cold Chain Management, by monitoring the vaccine inventory report intensively, so the vaccine stock can be maintained and prevent risk of expiration. The pilot project will implement at CHCs in two district, Kota Bogor and Kota Tangerang Selatan. Kota Bogor consists of 25 CHCs and South Tangerang consists of 29 CHCs.

Key activities:
1. Work plan for transition of LLINs procurement from donor financing to domestic financing.
2. Improvement of ARV supply chain management information system
3. Improvement of TB drugs and laboratory equipment's supply chain management
4. Strengthening of vaccines stock management information system through improved human resources capacity, institutional strengthening and supporting supervision.

Activity result 1.2: Increased government capacity on medicines strategic procurement and research

High level capacity building within key government ministries is a vital aspect of ensuring the long run solubility of access to affordable of quality medicines. In addition to successfully facilitating existing program, increased technical and program management capacity within the government institution will ensures the ability of those institution to anticipate, identify and respond to challenges within the health system in timely manner. It will also build resilience within the organisation.

Key activities:
1. Capacity building and training on various method and applicable policy option to ensure a more affordable medicines. Key thematic area includes; Paten-TRIPS Flexibility, SCM (Demand forecasting and pricing) and using competition to ensure access to affordable medicines
2. Increased implementation research capacity for evidence base of program and policy development
3. Provide support to strengthen capacity in economic evaluations and systematic assessment, including dissemination of the finalized Health Technology Assessment (HTA) process guideline and the results of HTAs.

Activity Result 1.3. Price and policy analysis to ensure more affordable medicines price

Ministry of Health is responsible for the selection, procurement and use of medicines. For medicines procurement in Indonesia, mechanism used are open tender and negotiation, whereby the "ceiling" prices for medicines are determined by the Ministry of Health. In order to determine a "ceiling" rate that is fair and reasonable, data collection and analyses of national and international medicines prices for an evidenced-based decision making process will be necessary. Simply collecting data and presenting it can stimulate action[7] In 2017, UNDP in partnership with USAID followed up TNP2K proposal conducting ARV price and policy analysis to ensure for more affordable ARV price. The study is in its finalization stage with notable support from P2P (MoH) and the leadership of the Head of TNP2K and pharmaceutical industries including Kimia Farma. From the analysis of ARV price in this study, there are two main recommendations to reduce ARV price in Indonesia, namely regulatory review and procurement process optimization.

In addition, the Indonesian government policy requires pharmaceutical companies to register their drugs and health equipment products in the Indonesian procurement system to prevent monopolies of drugs and health products. This prompted UNDP to bring together the Ministry of Health (MoH), relevant development partners, and other government agencies to develop actions for sustainable solutions to improve access to affordable of quality medicines.

Key activities:
1. Regulatory review of MoH Decree No.KMK/109/2013 and related law and regulation regarding patent manufacturing to locally produce ARV drugs in Indonesia and distribute ARV drugs to the point of delivery based on government program.
2. Support to the MoH to develop updated global/regional price lists for ATM drugs and health equipment products as a main reference.
3. Medicines Price Comparison study for 50 medicines that put high financial burden under JKN Scheme with the comparable regional countries as a policy tool that can provide evidence for decision- and policy-making.

Activity Result 1.4. Project Management

To aim the output 1, project management team will form and have tasks on planning, budgeting implementing, monitoring, and evaluation to ensure all activities related to increasing government capacity on health policy development of procurement and supply chain management to escalate accessibility and affordability on prevention and health care treatment for low-income and vulnerable groups.

Key activities:
1. The project management team have a close work with government, NGOs, and other development partners.
2. Good planning and budgeting for all activities to ensure implementation the activities
3. Proper monitoring, evaluation and reports

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[7] WHO-HAI 2008, Measuring medicine prices, availability, affordability and price components 2ND EDITION

2.2 Output 2: Institutional strengthening government and non-government on management and technical matter to ensuring sustainable access to and delivery of affordable medicines and treatments.

Activity Result 2.1. Strengthened the rules of GFATM CCM and TWGs to enhance PRs performance by improving technical and management support that address PR's grant implementation issues

Entering the first year of implementation of GFATM New Implementing Period (IP) 2018-2020 and the final year of the GF HSS program, this initiative will assist PRs in strengthening financial management for TB and HSS programs, strengthening data management system among three diseases, and will provide technical assistance for community system strengthening.

For this period, CCM Indonesia has appointed six PRs (MoH AIDS, MoH TB, MoH Malaria, Spiritia Foundation, Aisyiyah, and Perdhaki) and two Special SRs namely IAC for HIV and NU programs for TB. IAC will be managed under MoH AIDS and NU will be managed under MoH TB, both PRs will prepare those special SRs to become PRs in next two years. Technical assistance from development partners is needed to support MoH AIDS and MoH TB both technically and managerially so that what is planned can be implemented properly to achieve the program objectives.

Next year, NAC as HIV PR will enter the closing out phase of the program in the first quarter of 2018, and the GF support for the HSS program will also end in June 2018. The program will close in October 2018. UNDP will assist Pusdatin on HSS until the close of the program.

Regarding programmatic cross cutting issues, UNDP will support Health System Strengthening, particularly to strengthen information system as SIHA, SITT, Sismal, e-logistic with Pusdatin since GF will continue support to Pusdatin for DHIS2 program for 50 districts for the next three years. Other than that, UNDP together with other Development Partners will provide technical assistance for community system strengthening (CSS). UNDP recognizes that achieving progress on gender equality and women's empowerment requires working collaboratively with other actors. In particular, UNDP will continue partnering with related UN agencies to support CCM and PRs on gender equality in their formulation of policies, global standards and norms.

UNDP also will support PRs in program management technical assistance, particularly in financial management support to MoH TB, HSS program, and Aisyiyah. In supporting the implementation of the GF New IP, UNDP proposes to keep the support to the current structure of CCM Secretariat by providing CCM TWG Support to HSS and TB, and two Project Clerks and one Admin and Finance Support for the CCM Secretariat.
In their capacity, the Technical Support will, among other things, provide analysis and monitoring of the dashboard and provide an update on PR grant management problems for the TWG Chairs and Executive Secretary. Technical Support staff will also prepare discussion material for TWG meetings and ensure the timely processing of PR PU/DR. In order to facilitate the concept note development process, a lead writer and several other technical consultants will be recruited.

Based on past experiences, UNDP has also identified additional technical assistance needs that come up from PRs and TWGs. Needs are generally focused on financial and management support but sometimes technical support is also required. The project will fill these gaps whenever possible and deemed appropriate, especially if the needs have not been addressed in the PR's work plan. In this regard, all requests for technical assistance and expertise must go through the following mechanism:

11

1. The PRs have to submit a written request to their respective TWG.
2. Once reviewed by the TWG and approved by the TWG Chair, the request can be submitted to UNDP and copied to the CCM Secretariat.
3. Prior to identifying the appropriate candidate, UNDP will prepare the TOR in consultation with the PR who requested the technical assistance.
4. If the TWG is the requester (recorded in the minutes of meeting of the TWG), UNDP can immediately prepare the TOR (in consultation with the TWG Chairs) and identify the appropriate candidate for recruitment.

Key activities:
1. Improved ability of PRs in data management and information technology resulting in a good synchronization between ATM data system
2. Increased CSS through CSO strengthening resulting in good cooperation between government and CSOs
3. Quarterly analysis and monitoring table for the HSS dashboard reports are submitted by the Technical Supports to the TWG Chairs and Executive Secretary in good time and good quality.
4. Strengthened CCM Secretariat in finance and administration function in facilitating and accommodating the CCM, Oversight Committee, and TWGs activities.

Activity Result 2.2. Increased PRs capacity in terms of financial management in managing GFTAM funds in an accountable, transparent, effective and efficient manner.

UNDP will become Financial Management Support Services provider (FMS) that shall provide a broad range of financial management services to the respective PRs. The FMS shall diligently perform all services necessary to ensure that PR financial capacity and staff improvement in accordance with the Key Performance Indicators (KPIs) agreed in advance with the Global Fund and all financial management and procurement activities are conducted in accordance with the Grant Agreement, the Service Agreement between the Global Fund and the FMS, the work orders issued under the Service Agreement and standards of professional conduct.

The role of the FMS is to build the capacity of the PR finance staff, strengthen finance structure, and provide supervisory support to the PR in meeting all Global Fund financial requirements and to ensure the appropriate use of grant funds. The FMS team members do not substitute for, or perform the work of, the staff of the PR, including its finance staff. The PR remains ultimately responsible for complying with all terms of the grant agreement with the Global Fund, including all financial management requirements.

The FMS does not bear responsibility for technical/public health decisions and associated activities, which are the ultimate responsibility of the PRs. The FMS shall provide technical support for finance and human resource management and supervise the finance staff of the PR to perform their duties. The finance staff of the PR shall have the primary responsibility to perform finance function and prepare reports as required by the Global Fund on the direction of the FMS;

The FMS's role is different from that of the Local Fund Agent (the "LFA"), which remains fully independent from the PRs and FMS. However, the FMS and the LFA shall meet during preparation of the Verification of Information and other review processes to discuss and share information with respect

Key activities:
1. Assess the capacity of the finance and human resource management function (people, process and systems) including its current organization structure, identify weaknesses, develop action plan for capacity building plan (including reorganization and staffing) with clear KPI and timelines.
2. Capacity building to improve human resources and support systems are in place for the rapid and effective mobilization and project management
3. Technical assistance on PR's financial management to ensure effective controls are in place on the use of Global Fund grant funds

Activity result 2.3: Project Document development for Health Governance Initiative

The Health Governance Initiative planned to be a long term cluster under DGPRU that will contribute to UNDP's outcome to the poor and most vulnerable have better and more equitable access to quality basic social services, including health and education, and to comprehensive social protection and better access to water supply and sanitation.

This initiative will also with local service providers to ensure that the rights of marginalized populations are protected and critical services are provided without stigma or discrimination and at a reasonable cost. This includes advocacy to ensure that excluded and marginalized groups such as people living with HIV and AIDS have access to universal health insurance and other basic services.

UNDP will build on this to support the Ministry of Health for greater access to health and social services, including the scaling up of the AIDS, Tuberculosis, Malaria, and Immunization program to all provinces and districts. Implemented in partnership with other agencies, particularly the Joint United Nations Programme on HIV/AIDS, UNFPA, the United Nations Children's Fund and the World Health Organization.

After one year of PIP implementation, Health Governance Cluster Team will develop project document. In 2018, the team will have regular meeting with Bappenas, Ministry of Health, and related partners to form a board member and work together to develop the project document based on national and UNDP strategies.

Key Activities:
1. Workshops and consultative meeting with Bappenas, Ministry of Health, and related partners
2. Health Governance Project design, formulation, and implementation plan development

Activity Result 2.4. Project Management

To aim the output 2, project management team will form and have tasks on planning, budgeting implementing, monitoring, and evaluation to ensure all activities related to institutional strengthening government and non-government on management and technical matter to ensuring sustainable access to and delivery of affordable medicines and treatments.

Key Activities:
1. The project management team have a close work with government, NGOs, and other development partners.
2. Good planning and budgeting for all activities to ensure implementation the activities
3. Proper monitoring, evaluation and reports

2.3. Summary of outputs and activity results

The following table summarizes the outputs and activity results of the PIP. Further details on activities, timeline, and budget are available in the annual work plan.

Output 1: Increased government capacity on health policy development of procurement and supply chain management to escalate accessibility and affordability on prevention and health care treatment for low-income and vulnerable groups.
Activity Result 1.1: Improved the Efficiency of Procurement and supply chain Management of Medicines, Vaccines, and Health Equipment Products
Activity result 1.2: Increased government capacity on medicines strategic procurement and research
Activity Result 1.3: Price and policy analysis to ensure more affordable drugs price
Activity Result 1.4 Project Management
Output 2: Key Activities: strengthening government and non-government on management and technical matter to ensuring sustainable access to and delivery of affordable medicines and treatments.
Activity Result 3.1: Strengthened the rules of CCM and TWGs to enhance PRs performance by improving technical and management support that address PR's grant implementation issues
Activity Result 3.2: Increased PRs capacity in terms of financial management in managing GFTAM funds in an accountable, transparent, effective and efficient manner
Activity result 3.3: project document signed for implementation
Activity result 3.4: Project Management

3. Gender considerations
The PIP will pave the way to develop a fully-fledged gender component in the project document. UNDP will ensure gender is mainstreamed into all outputs and gender considerations are visible in all deliverables. At this stage, it is possible to identify two main gender dimensions:
(1) Direct gender effects
The PIP Health Governance Initiative will always take into account gender considerations in its work and promote gender equality and women's empowerment. The PIP Health Governance Initiative will ensure that program/project indicators will be disaggregated by gender whenever possible (operational definitions and SOPs will be drafted accordingly). The program/project implementation will facilitate meaningful participation of civil societies, especially minority groups, young people and women organizations.

(2) Indirect gender effects
The long-term objective of The PIP Health Governance Initiative is to promote SDG achievement in Indonesia. SDG 5 aims to *"Achieve gender equality and empower all women and girls"* and SDG 10 aims to *"Reduce inequality within and among countries"*. If The PIP Health Governance Initiative is successful in promoting SDGs in the country, it will have furthered gender equality and addressed inequality.

4. Management Arrangements
During the project initiation phase, the project will be managed directly by UNDP. The management arrangement outlined below intends ensure that the project is set up appropriately to deliver results

14

effectively and efficiently, with proper substantive and financial oversight. The Project Board will be responsible for the strategic direction of the project and oversee the execution of the project and its activities.

Project Organization
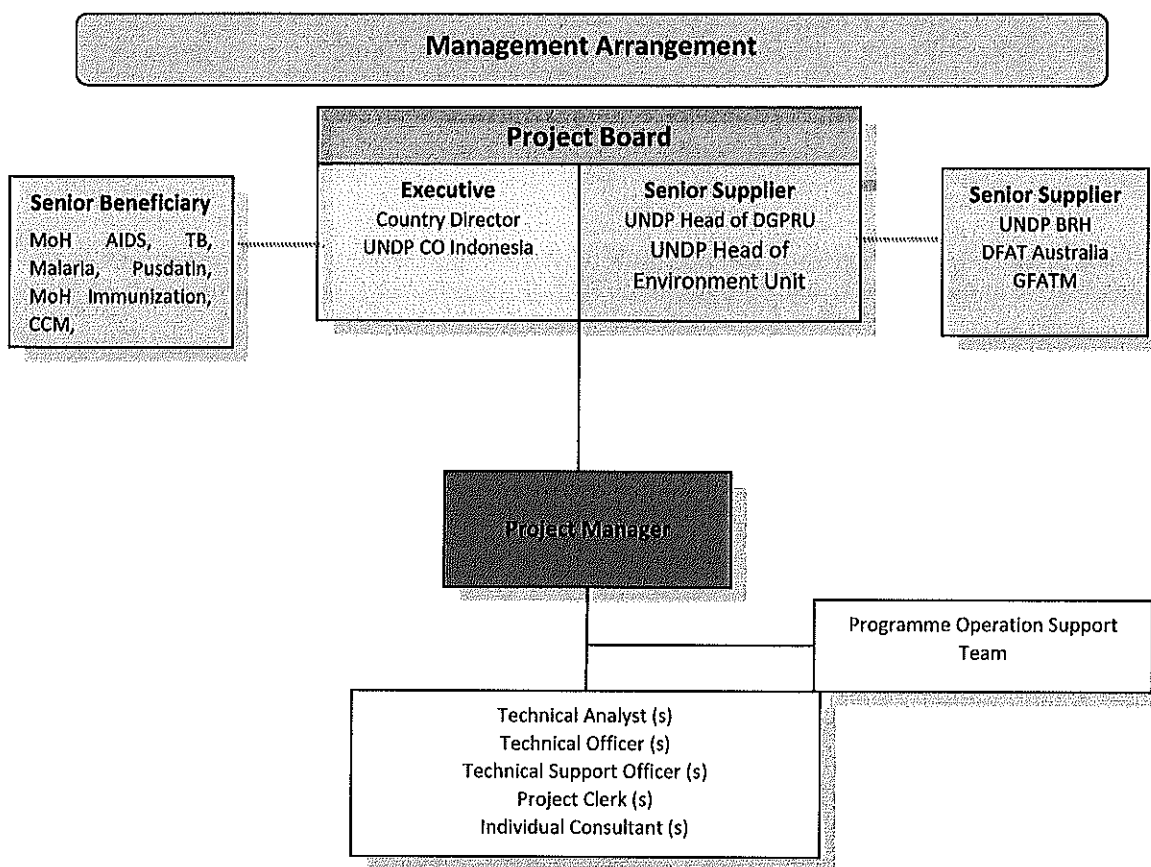
Project Board

The Project Board consists the Executive and Senior Suppliers. The Executive will be the Country Director of UNDP Indonesia. Two UNDP Head of Units (HoUs), namely Head of Environment Unit and Head of Democratic Governance and Poverty Reduction (DGPRU), will act as Senior Suppliers. Together with the CD, HoUs will regularly lead internal team meetings to set the direction for UNDP work on Health Governance Initiative.

The Board ensures that required resources are committed, arbitrates conflicts within the project and negotiates with external bodies when issues arise. Additionally, the Board will: 1) Review and approve any substantive revisions of the project; 2) Exercise responsibility and provide oversight and guidance to the work of the project management team; 3) review the progress of the PIP; and 4) review and endorse the annual work plan and monitoring plan of the project.

The decisions of the Project Board will be made in accordance to standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effectiveness.

Project Board will be coordinate with The Senior Beneficiaries and The Senior Beneficiary, and be relevant Ministries/ Agencies working on the issues identified. Coordination with The Senior Beneficiaries and The Senior Beneficiary will give inputs to the project board as requests.

Project Manager

The Project Manager is responsible for running the day-to-day coordination of the project in close coordination with the designated Head of Unit of DGPRU and EU. S/He ensures that the PIP produces the results specified in this document to the required standard of quality and within the specified constraints of time and cost. The person will assist in preparing progress reports in a timely and required manner, and provide information needed for disbursement of funds.

Project Manager also will ensure the project as the following activities:

- Ensure project plans are developed according to UNDP standards and that management procedures are properly followed;
- Ensure project outputs definitions and activity definition (as appropriate) have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting;
- Ensure Project Board's recommendations are followed and revisions are managed in line with the required procedures.

5. Monitoring

The Monitoring and Evaluation framework will be established at the initial stage of project implementation. On-site monitoring, regular reporting, and financial expenditure tracking will ensure that the PIP is properly implemented and that activities are on track. In particular, the PIP will be monitored through the following mechanisms:

- Monitoring plan, based on the Results and Resources Framework, developed by the project team and the project manager with clearance from project assurance actors;
- Work Plan (with detailed activities and budget), produced by the project team and the project manager, and approved by project assurance actors;
- Risk, issues, and quality logs, created and updated by the project team with clearance by the project manager;
- Quarterly reports, developed by the project manager and the project team, approved by project assurance actors;
- Final report, based on quarterly reports, produced by the project assurance team in consultation with the project manager and the project team.

6. Budget Summary

Resources required	
Output 1: Increased government capacity on health policy development of procurement and supply chain management to escalate accessibility and affordability on prevention and health care treatment for low-income and vulnerable groups.	USD 149,575
Output 2: Institutional strengthening government and non-government on management and technical matter to ensuring sustainable access to and delivery of affordable medicines and treatments.	USD 820,453
Grand Total	**USD 970,028**

Resources available	
UNDP CO	USD 10,000
DFAT Australia	USD 311,170
GFATM	USD 648,858
Total	**USD 970,028**

Annex 1. Annual Work Plan 2017- 2018

EXPECTED OUTPUTS: and baseline, associated indicators and annual targets.	PLANNED ACTIVITIES List of activity results and associated actions.	TIMEFRAME 2017-2018					RESPONSIBLE PARTY	PLANNED BUDGET			
		2017 Q4	2018 Q1	Q2	Q3	Q4		Fund	Code	Description	Amount (USD)
Output 1: Increased government capacity on health policy development of procurement and supply chain management to escalate accessibility and affordability on prevention and health care treatment for low-income and vulnerable groups.	**Activity Result 1.1:** Improved the Efficiency of Procurement and supply chain Management of drugs, vaccines, and Health Equipment Products										
	1. Work plan for transition of LLINs procurement from donor financing to domestic financing.	X	X	X			UNDP	The Australia DFAT		Contractual Services	15,000
	2. Improvement of ARV supply chain management information system	X	X	X	X	X				Meeting Expenses	5,500
	3. Improvement of TB drugs and laboratory equipment's supply chain management	X	X	X	X	X				Travel	-
Indicators:	4. Strengthening of vaccines stock management information system through improved human resources capacity, institutional strengthening and supporting supervision.	X	X	X						DPC	1,025
1. Approved work plan by MoH Malaria for LLIN' domestic financing.										GMS	1,722
2. Logistic system for ARV, TB, and vaccines are improved	**Activity result 1.2:** Increased government capacity on medicines strategic procurement and research										
3. Increased skills and knowledge on medicines pricing methodology for government's procurement	1. Capacity building and training on various method and applicable policy option to ensure more affordable medicines. Key thematic area includes; Paten-TRIPS Flexibility, SCM (Demand forecasting and pricing) and using competition to ensure access to affordable medicines		X	X	X	X	UNDP	Parallel Fund		Contractual Services	-
4. Regulatory review report on ARV in Indonesia											
5. Price list document for ATM Drugs	2. Increased implementation research capacity for evidence base of program and policy development		X	X	X	X				Meeting Expenses	-
6. Price comparison study report for 50 high burdens medicines under JKN	3. Provide support to strengthen capacity in economic evaluations and systematic assessment, including dissemination of the finalized Health Technology Assessment (HTA) process guideline and the results of HTAs.		X	X	X	X				Travel	-
Baseline: N/A										DPC	-
										GMS	-
Target:	**Activity Result 1.3:** Price and policy analysis to ensure more affordable drugs price										
1. New policy on setting up government owner price estimate.	1. Regulatory review of MoH Decree No.KMK/109/2013 and related law and regulation regarding patent manufacturing to locally produce ARV drugs in Indonesia and distribute ARV drugs to	X	X	X	X	X	UNDP	The Australia DFAT & Parallel Funding		*Contractual Service*	15,000
2. LLINs listed in e-catalogue										*Meeting Expenses*	5,500
3. Modeling of Logistic information system for ATM and vaccines implemented										*Travel*	-

Description	Q1	Q2	Q3	Q4	Funding Source	Budget	Amount
4. New Policy in ensuring to more competitive ATM, JKN Medicines procurements.						DPC	1,025
the point of delivery based on government program. 2. Support to the MoH to develop updated global/regional price lists for ATM drugs and health equipment products as a main reference. 3. Medicines Price Comparison study for 50 medicines that put high financial burden under JKN Scheme with the comparable regional countries as a policy tool that can provide evidence for decision- and policy-making.						GMS	1,722
Activity Result 1.4: Project Management							
1. The project management team have a close work with government, NGOs, and other development partners.	X	X	X	X		Contractual Service	90,900
	X	X	X	X		Meeting Expenses	-
2. Good planning and budgeting for all activities to ensure implementation the activities.					UNDP / The Australia DFAT	Travel	4,545
3. Proper monitoring, evaluation and reports	X	X	X	X		DPC	4,545
	X	X	X	X		GMS	7,635
Sub Total Output 1 (FF)							**149,575**
Output 2: Institutional strengthening government and non-government on management and technical matter to ensuring quality of programme implementation.							
Activity Result 2.1: Strengthened the rules of CCM and TWGs to enhance PRs performance by improving technical and management support that address PR's grant implementation issues							
1. Improved ability of PRs in data management and information technology resulting in a good synchronization between ATM data system	X	X	X	X		Contractual Service	132,000
Indicator:							
2. Increased CSS through CSO strengthening resulting in good cooperation between government and CSOs	X	X	X	X		Meeting Expenses	10,500
1. Synchronized between ATM data system							
3. Quarterly analysis and monitoring table for the HSS dashboard reports are submitted by the Technical Supports to the TWG Chairs and Executive Secretary in good time and good quality.	X	X	X	X	UNDP / The Australia DFAT	Travel	-
2. Improved of CSOs institutional and financial management capacity							
4. Strengthened CCM Secretariat in finance and administration function in facilitating and accommodating the CCM, Oversight Committee, and TWGs activities.	X	X	X	X		DPC	7,125
3. CCM Secretariat in finance and administration function strengthened.						GMS	11,970
4. Improved skills and knowledge on various method and applicable policy option to ensure more affordable medicines.							
Activity Result 2.2: Increased PRs capacity in terms of financial management in managing GFTAM funds in an accountable, transparent, effective and efficient manner.							
1. Assess the capacity of the finance and human resource management function (people, process and systems) including its current organization structure, identify weaknesses, develop action plan for capacity building plan (including reorganization and staffing) with	X	X	X	X		Contractual Service	332,865
5. Project document is developed	X	X	X	X	UNDP / GFATM	Meeting Expenses	69,554
	X	X	X	X		Travel	132,900
	X	X	X	X		DPC	-

Description	Q1	Q2	Q3	Q4	Party	Source	Budget	Amount
Baseline: N/A								
1. GFATM Management Letter								
2. Financial Management Capacity Assessments								
Target:								
1. ATM data system interlink								
2. Finance management performance rating increase								
3. Project board established								
4. Project document signed								
clear KPI and timelines.								
2. Capacity building to improve human resources and support systems are in place for the rapid and effective mobilization and project management								
3. Technical assistance on PR's financial management to ensure effective controls are in place on the use of Global Fund grant funds							GMS	37,472
Activity Result 2.3: Project document signed for implementation								
1. Workshops and consultative meeting with Bappenas, Ministry of Health, and related partners	X	X	X	X	UNDP	TRAC	*Contractual Services*	5,000
2. Health Governance Project design, formulation, and implementation plan development	X	X	X				Meeting Expenses	5,000
							Travel	-
							DPC	-
							GMS	-
Activity Result 2.4: Project Management								
1. The project management team have a close work with government, NGOs, and other development partners.	X	X	X	X	UNDP	GFATM	*Contractual Service*	71,090
2. Good planning and budgeting for all activities to ensure implementation the activities	X	X	X				Meeting Expenses	-
3. Proper monitoring, evaluation and reports							*Travel*	-
							DPC	-
							GMS	4,976
Sub Total Output 2 (FF)								820,453