



UNDP Operations Manual for Projects Financed by the Global Fund to Fight AIDS, Tuberculosis and Malaria

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LIST OF ACRONYMS AND ABBREVIATIONS

ACP	Advisory Committee on Procurement
ACT	Artemisinin Combination Therapy
ART	Antiretroviral Therapy
ARV	Antiretroviral
BDP	Bureau of Development Policy
BOM	Bureau of Management
CAP	Contract, Asset and Procurement Committee
CCM	Country Coordinating Mechanism
CD4	T-lymphocyte
CHAI	Clinton Foundation HIV/AIDS Initiative
CPAP	Country Programme Action Plan
DEX	Direct Execution
DOTS	Directly Observed Treatment Shortcourse
F&A	Facilities and Administration
FEFO	First-expiry, First-out
FIFP	First-in, First-out
FPM	Fund Portfolio Manager
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GMS	General Management Services
HQ	Headquarters
IAPSO	Inter-Agency Procurement Services Office
ICH	International Conference on Harmonization
IDA	International Dispensary Association
ISS	Implementation Support Services
LFA	Local Fund Agent

LLIN	Long-lasting Insecticide Treated Net
LSO	Legal Support Office
LTAs	Long-Term Agreements
M&E	Monitoring and Evaluation
MDR	Multi-Drug Resistant
MOU	Memorandum of Understanding
NDRA	National Drug Regulatory Authority
NEX	National Execution
OAI	Office of Audit and Investigations
OAPI	African Organization of Intellectual Property
PIC/S	Pharmaceutical Inspection Cooperation Scheme
PR	Principal Recipient
PSM	Procurement and Supply Management
PSO	Procurement Support Office
SBAA	Standard Basic Assistance Agreement
SGS	Société Générale de Surveillance
SR	Sub-Recipient
TB	Tuberculosis
TOR	Terms of Reference
TRIP	Trade-Related Aspects of Intellectual Property Rights
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
WHO	World Health Organization
WTO	World Trade Organization

How to use this Operations Manual

The UNDP Operations Manual for Projects Financed by the Global Fund to Fight AIDS, Tuberculosis and Malaria is intended to supplement UNDP Programme and Operations Policies and Procedures and should not in any way be seen as replacing or altering these or any other UNDP procedures.

The Operations Manual is intended to serve primarily as a guide for UNDP Country Offices that are acting as Principle Recipient (PR) to Global Fund Grants or that have a significant role in programme implementation as part of their capacity building services. To further guide Country Offices in executing key functions in their PR role, the [GFATM Atlas Guide](#) offers detailed instructions on how the policies and guidelines contained in this manual should be applied and translated into UNDP's Atlas system. The [GFATM Financial Guidelines](#) are also useful resources relevant to programme implementation.

1. Introduction

The Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM) is a public-private foundation created in 2002 to increase the resources allocated towards the fight against the three epidemics. The GFATM, based in Geneva, Switzerland, is a financing and not an implementing entity. Projects financed by the GFATM are implemented through a public-private partnership in which the key structures are the Country Coordinating Mechanism (CCM), the Principal Recipient (PR) and the Local Fund Agent (LFA).

UNDP and GFATM have been engaged in partnership since late 2002. The partnership was formalized in December 2003 through an Exchange of Letters between the UNDP Administrator and the GFATM Executive Director ([letter 1](#) and [letter 2](#)); hereby referred to as “the Exchange of Letters.”

UNDP’s primary role in the partnership is to provide capacity development through the following modalities:

- In exceptional circumstances or special emergencies, the GFATM and the CCM may request UNDP to assume the Principal Recipient role. Such an arrangement is for a limited time, during which UNDP helps build the capacity of one or more national candidates to become the PR. As of January 2008, UNDP had been named as PR for over sixty active grants in twenty-six countries.
- When not the designated PR, UNDP strives to build country capacity by strengthening the programmatic implementation capacities of government, PRs, local implementing partners, known as Sub-Recipients (SRs), and CCMs in their national responses. UNDP also strives to build the capacity of the designated PR to manage and implement GFATM-financed projects.

1.1 UNDP-GFATM Workspaces and Network

UNDP maintains two workspaces devoted exclusively to Global Fund projects:

The Bureau of Development Policy (BDP) maintains a [GFATM-UNDP partnership workspace](#) which contains toolkits, manuals, sample Terms of Reference (TOR), SR agreements and other documents.

The Bureau of Management (BOM) maintains a [Global Fund Procurement space](#) which contains, among other things, information on procurement, sample Long-Term Agreements with procurement agencies and suppliers for products commonly used in GFATM projects.

UNDP Staff can also join the UNDP-GFATM Partnership Network that facilitates an exchange of ideas and experiences among the Country Offices. The Network provides, via e-mail, up-to-date information and links to archived discussions on GFATM projects and the partnership in general. E-mail globalfund-net@groups.undp.org to join.

2. Operative Parties

2.1 Principal Recipients

The Principal Recipient (PR) is the entity legally responsible for grant proceeds and implementation in a recipient country. For this reason, when UNDP acts as the PR the arrangement whereby UNDP serves as implementing partner should be used.¹

The PR is responsible for programme results and legally accountable to the GFATM for all funds. The GFATM grant process gives the PR substantial decision making authority. The [UNDP-GFATM Grant Agreement](#) (standard) outlines this process. This agreement was later amended for countries which are designated as needing [Additional Safeguards](#).

The PR is selected by the CCM and confirmed by the GFATM. There may be multiple public and/or private PRs in a country, even for a grant dealing with a single disease component. GFATM guidelines specify that the PR should be a local entity when possible. UNDP is approved for use as PR in countries where complex emergencies or special circumstances exist, and when the GFATM and the CCM have not found a suitable local entity.

UNDP's PR role in all countries, with the exception of Additional Safeguards countries, is time-bound. During programme implementation, UNDP is expected to develop the capacity of one or more local entities to assume the role of PR as soon as possible. It is important that Country Offices take this responsibility seriously and create early in programme implementation a plan for developing the capacity of local entities. The cost of this plan should be built into the grant.

2.1.1 LFA Assessments of the PR

Before deciding to enter into a grant agreement with an entity that has been nominated by the CCM to be PR, the GFATM engages a Local Fund Agent (LFA) to assess whether the existing systems and capacities of the nominated PR correspond with the required minimum capabilities. While the GFATM has general guidelines for the PR assessments, the role of the LFA has been adjusted because of UNDP's status as a United Nations organization. As set forth in the Exchange of Letters, when UNDP is nominated as the PR, the LFA's initial assessments should be limited to an examination of the additional resources; in particular human resources that may be needed to manage the GFATM grant. This may also include a limited programmatic assessment, as well as an assessment of procurement capability, but should not include an institutional or financial management or fiduciary assessment.

¹ Under the harmonized operational modalities, now in place in countries which are implementing the Country Programme Action Plan ("CPAP"), at project level the term "implementing partner" has replaced the term "executing agency." All future references to implementing partner should be read to mean executing agency in non-CPAP countries.

The GFATM's [Guidelines on Principle Recipient Assessments](#) also recognize the special nature of the PR assessment when UNDP acts as PR. These guidelines note that the GFATM has already obtained confirmation of UNDP's *general* capacities, systems and experiences as a member of the United Nations organization. Therefore, initial assessments by the LFA are limited to examination of the additional resources, in particular human resources, that may be necessary to manage the GFATM grant. This may include a limited programmatic assessment as well as an assessment of procurement capacity but will not include an institutional or financial management or fiduciary assessment.

Practice Pointer: Many LFAs might not be aware of the agreement between UNDP and GFATM on this issue and might attempt to conduct the normal PR assessment. Country Offices should ensure the LFA conducts its assessment within the terms specified in the Exchange of Letters.

Once confirmed, the GFATM Secretariat negotiates a two-year agreement with the PR in which disbursement of funds is based on the achievement of measurable results (See section 3, *infra*). The initial agreement is always for two years of funding though the proposal approved by the board may include up to five years of funding. The GFATM evaluates the grant at the 21-month period and additional funding is extended only if there is proof of substantial progress. Since UNDP's role is time-bound, if the grant is extended a national entity may serve as PR in the subsequent years.

2.2 Country Coordinating Mechanisms

The CCM is a country level partnership that has the following functions:

- Coordinate the submission of proposals to the GFATM;
- Select the PR;
- Monitor the implementation of activities under approved programmes, including approving major changes in implementation plans as necessary;
- Evaluate the performance of a programme, including of the PR in implementing the programme, and submit a request for continued funding prior to the end of the two years of the initially approved financing from the GFATM; and
- Ensure links and consistency between GFATM assistance and other development and health assistance programmes in support of national priorities.

CCMs should have a broad representation of all national stakeholders in the fight against the three diseases. These include representatives from government, nongovernmental organizations, community- and faith-based groups, private sector institutions, multi-lateral agencies and people living with HIV, TB or malaria. With such diverse members, it is important for the CCM to establish its working terms in writing. The UNDP-GFATM workspace has sample [Terms of Reference for CCMs](#). At a minimum the following procedures should be established:

- Frequency of meetings (at least once every three months);

- Delineation of the types of programmatic changes that need to be approved by the CCM (i.e., budgetary changes that exceed a certain percentage, or that involve new activities or new SRs);
- Voting procedures; and
- Rules to guard against a conflict of interest.

In some countries, the CCM is relatively weak and does not show much interest in the implementation of GFATM programmes. In other countries, the CCM wants to control every decision. It is important to strike a balance between these two extremes. Increasing CCM involvement in programme implementation will help to strengthen national capacities and prepare for UNDP's exit as PR. It will also provide a sense of ownership in the programme and provide support for programmatic decisions made by the PR (which might otherwise be questioned after the fact). On the other hand, excessive control by the CCM can slow programme implementation and lead to decisions that are motivated by a variety of interests. These problems can be lessened if the operating framework for the CCM is clarified in a written document.

The GFATM issued [Revised Guidelines on the Purpose, Structure and Composition of Country Coordinating Mechanisms for Grand Eligibility](#). These guidelines should serve as a self-assessment tool and to facilitate an understanding among partners of the vision of the GFATM. While most of the guidelines are advisory, the following guidelines are mandatory and compliance with them is required to be eligible for Round 5 or later grants and for Phase 2 Requests for Continued Funding submitted after June 1, 2005:

- CCM members representing non-governmental sectors must be selected/elected by their own sector(s) based on a documented, transparent process, developed within each sector;
- CCMs must show evidence of membership of people living with and/or affected by the diseases;
- CCMs are required to put in place and maintain a transparent, documented process to: (a) solicit and review submissions for possible integration into proposals to the GFATM and (b) ensure the input of a broad range of stakeholders, including CCM members and non-members, in the proposal development and grant oversight process;
- As part of the eligibility screening process for proposals, the GFATM Secretariat reviews supporting documentation, setting out the proposal development and the submission review process. It also reviews minutes of the meeting where the CCM decided on the elements to be included in the proposal.
- CCMs are required to put in place and maintain a transparent, documented process to nominate PR(s) and to oversee programme implementation. The CCM must establish criteria for the nomination of PRs and SRs; and

- To avoid conflicts of interest, it is recommended that PRs and Chairs or Vice Chairs of CCMs not be the same entity. If these various positions are held by the same entity, the CCM must have a written plan in place to mitigate against this inherent conflict of interest.

2.3 Sub-Recipients

2.3.1 Definition of SRs

The Grant Agreement defines a Sub-Recipient (SR) as an entity to which UNDP provides funding in order to carry out activities contemplated under the programme. In UNDP terms, a Sub-Recipient is the “implementing entity” or “contractor.”²

It is important to distinguish between SRs and other entities that provide services in a project. The GFATM has stated that the following should be considered in determining whether an entity is an SR:

A Sub-Recipient is a recipient of grant funds which performs any Programme activities that would otherwise be expected to be directly undertaken by the Principal Recipient within the scope of its responsibilities as implementer of the Programme. This includes entities that the Principal Recipient may engage to fulfill its minimum capacity requirements, which are assessed by the Global Fund and set out in Global Fund Document, “[Guidelines on Principle Recipient Assessments](#)” (December 2, 2003).

Principal Recipients are not expected to be directly engaged in the manufacture and sale of goods, the establishment and use of mechanisms at an international level to facilitate the procurement of goods (such as mechanisms that would not ordinarily be developed by the Principal Recipient solely to undertake activities under the grant or grants), or the innovation and delivery of services that are not directly tied to Programme interventions (for example, a Principal Recipient would not be expected to undertake the development and implementation of accounting or other financial software packages, but may be expected to undertake the development and implementation of a training course for medical personnel or supply management chains for programme material).

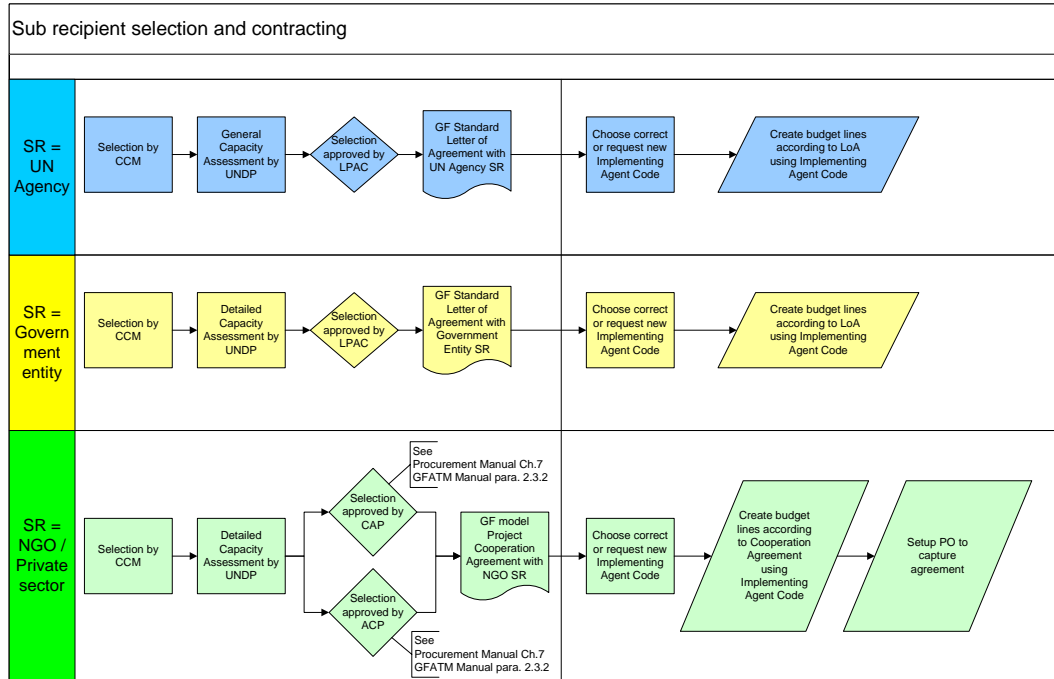
Accordingly, entities contracted by the Principal Recipient to perform these activities (such as manufacturers, procurement agents for certain tasks, and certain service providers) should not be treated as Sub-Recipients.

This definition is intended as a guideline only. We note that the decision on whether to treat a contractor as a Sub-recipient or Sub-contractor under this definition will often be unclear. In cases which do not clearly fit within the definition, UNDP and the Global Fund will consult to reach a common understanding with respect to the particular case in hand.

² In non –CPAP countries, the appropriate terminology is “responsible party.”

2.3.2 Selection of SRs

The procedures for selecting SRs depend on the type of SR (governmental entity, UN agency, non-governmental or private sector organization) and thus must be looked at individually. The following flowchart summarizes the Sub-Recipient selection and contracting process:



The selection of governmental and UN agency SRs is considered a programming decision and is therefore governed by the Programme and Project Management provisions in UNDP’s Programme and Operations Policies and Procedures. The Country Office must conduct technical and financial capacity assessments of the proposed SR (including an assessment of procurement capacity, if applicable) and adopt appropriate measures to address any weakness in capacity (See Section 2.3.3 below). The selection and the capacity assessments are reviewed by the Local Programme Advisory Committee. Once approved, the Country Office enters into a model Letter of Agreement tailored for GFATM projects (see section 2.3.4 below).

The procedures in the Contract, Asset and Procurement Management section of UNDP’s Programme and Operations Policies and Procedure govern the selection of NGOs and private sector entities. Detailed capacity assessments of these entities must also be conducted as discussed above. The Contract, Asset and Procurement Committee (CAP) and the Advisory Committee on Procurement (ACP) review the selection process and the capacity assessments if monetary thresholds are met.³ Once

³ See Procurement Manual Chapter 7

approved, the Country Office enters into a model NGO Cooperation Agreement tailored for GFATM projects (see section 2.3.4 below).

Framework for the selection of SRs that are NGOs or private sector entities:

These SRs are best selected following a competitive process (Request for Quotation if the threshold is below USD 100,000 and Request for Proposal if the threshold is above USD 100,000). The evaluation is done by means of the two-envelope method (in the case of RFP): offers are submitted in two separate envelopes, one containing the technical proposal and one containing the financial proposal.

It is recommended that the technical evaluation criteria contain these three elements:

1. Reputation and expertise of Offeror;
2. Quality of the proposed work plan and approach; and
3. Quality of the personnel.

It is up to the procurement officer to divide the available scores among these three elements. Only the financial proposal of those Offers obtaining a minimum 70 percent score during technical evaluation should be opened. The remaining financial proposals of Offers whose technical proposals are deemed unacceptable should remain unopened. The financial evaluation is to assure value for money of the Offer.

It is recommended that the financial evaluation include these three elements:

1. Administrative fee of Offeror: This concerns the overhead costs, and should also include costs of headquarter staff (if applicable);
2. Salary structure of the Offeror: The aim is to compare the Offeror's salary structure to normal market prices for national and international staff; and
3. Input-output analysis: The purpose of the input-output analysis is to relate the budget of the offeror to the intended outcome of the activities. The budget should be divided by the number of direct beneficiaries of the specific activities and costs pro forma for the activities to be developed (for example, compare offers by calculating the costs per counseled person or costs per beneficiary covered).

If the CCM has selected the SRs prior to UNDP being designated as PR, the CO may request a waiver of competitive process from the ACP. **However, a waiver will only be granted if it can be shown that the CCM followed internationally accepted principles of a competitive process.** The CO should provide the following when making the request:

- A copy of the minutes from the CCM meeting where the SR was selected, which includes at minimum the following items: (i) a list of the CCM members that participated in the selection process and (ii) a statement of the procedures used during the selection process.

- A copy of the PR's capacity assessment of the SR.
- The proposed agreement to be used with the SR, including a description of the activities to be performed by the SR and the budget.
- Proof that value for money has been obtained.
- If the SR will be conducting procurement for the project, the Country Office must also include a copy of the SR's Procurement Guidelines with the submission.

2.3.3 SR Capacity Assessments

Before any transfer of resources, the terms of the Grant Agreement require the PR to assess the capacity of SRs. If the PR finds that an SR does not possess the required capacity to carry out the activities envisioned under the programme, the PR should consult with the CCM and the LFA about how the situation should most appropriately be addressed. Sometimes appropriate measures can mitigate weaknesses in capacity. If capacity can not be developed, even with appropriate measures, then the Country Office cannot accept the SR as an implementing agency.

The exact nature of the assessment will differ depending on the SR involved and the nature of the activities it will be undertaking. The UNDP [CSO/NGO Capacity Assessment Tool](#) provides a guide for such a process. The UNDP-GFATM Workspace has sample SR assessment forms used by various Country Offices. The GFATM guidelines for assessing the Principal Recipient's capacity can also be adapted to assess the SR.

For NGO and governmental entity SRs, a detailed assessment should be conducted. When assessing a sister UN agency as a potential SR, the assessment should not be as detailed as it normally would. In this case, the principles from which the GFATM agreed to narrow the assessment of UNDP can be utilized as a guide for assessing UN agencies. (Please refer to section 2.1.1g)

While the SR assessments are normally conducted by the PR, in exceptional cases the LFA may conduct the assessment. This is usually only done in "additional safeguards" countries. However, under the grant agreement, the PR is responsible for the results expected from the SR and is also accountable for disbursed funds. In these situations, there must be an agreement on how to coordinate the assessments and share the results so that the PR has the information necessary to evaluate the SR's capacity.

2.3.4 SR Agreements and Payment Procedures

The PR is required to enter into an agreement with SRs that is consistent with the grant agreement and acceptable to the GFATM. BDP has worked with the Legal Support Office (LSO) to prepare model agreements for use with SRs in GFATM programmes. The GFATM approved these agreements, based on the model NGO Cooperation Agreement and the Standard Letter of Agreements between UNDP and a Government Ministry/Institution or UN Agency. Any substantive departures from these model

agreements must be approved by BDP on operational issues and by LSO on legal issues. The [model agreements](#) are on the UNDP-GFATM Workspace.

The schedule of payments to SRs should be aligned with the availability of funds anticipated from the GFATM for such purposes. The PR should only make advances to SRs after the relevant funds have been fully received from the GFATM. The procedure for dealing with advance payments to SRs depends on the type of organization (UN Agency, Governmental entity or NGO/private sector organization). The GFATM Atlas Guide contains a flowchart and detailed instructions on treating advances.

Advance payments can be made to governmental SRs consistent with the [Programme Guidelines for NEX Projects](#). The Country Office is responsible for assessing the financial capacity of the SR prior to issuing any advance. If the SR – be it government, NGO or private sector -- does not have the requisite capacity, the PR should not issue an advance. In some cases, smaller advances, more frequent reporting periods, activity based disbursements, and/or direct payments can address weak financial capacity.

If an advance is given, the Country Office should make subsequent installments only after the SR submits a financial report and other documents agreed-upon. These documents should demonstrate that the SR appropriately managed and used UNDP resources to complete the activities assigned.

The Country Office requires that the SR submit reports as frequently as agreed upon with the GFATM (quarterly or semestrial). In order to closely monitor activities, the Country Office may request the SR to submit reports more frequently. The SR reports should reflect at a minimum (i) the financial activity during the quarter in question and cumulatively from the beginning of the Programme until the end of the reporting period, and (ii) a description of progress achieved toward the targets set forth in Annex A to the Grant Agreement. If there is any variation between the planned and actual achievements for the period in question, the SR should explain this in the report.

2.3.5 Renewal of SR Agreements in Phase Two

If the grant agreement is extended into Phase Two, in order to prevent delays in programme implementation COs can amend the SR agreements to allow good performing SRs to continue the same activities without a new selection process. The following conditions must be met before such an extension:

- The Country Office should evaluate the SR's previous performance and determine if it met the deliverables that were agreed on.
- For NGO and private sector SRs, the proposed amendment should be submitted to CAP and/or ACP if monetary thresholds are met. For government or UN agency SRs, the amendments should be approved by the Local Project Appraisal Committee (LPAC).
- The submission should include a statement from the Resident Representative or Country Director confirming that the SR achieved all prior deliverables to the satisfaction of the beneficiaries. The statement should also list the expected new deliverables along with cost justification.

The expedited amendment process is only available to SRs performing grassroots functions. For procurement of goods and services, a new selection process must be conducted. In addition, Country Offices are not required to continue Phase Two activities with the same SRs and may chose to conduct a new selection process.

2.4 Local Fund Agents

The Local Fund Agent (LFA) is the entity entrusted by the GFATM to assist in its oversight functions. The grant agreement specifies that the PR is required to cooperate with the LFA to permit it to carry out its function. It also specifies the following obligations of the PR with respect to the LFA:

- Channel all reports (including periodic and audit reports, disbursement requests and required communications) to the GFATM through the LFA.
- Permit the LFA to make ad hoc site visits (See section 5.4, below).
- Cooperate with the LFA in any way the GFATM might specify in writing.

3. Legal Framework

3.1 The Grant Agreement.

The UNDP-GFATM grant agreement is a non-standard cost-sharing agreement. LSO negotiated a [standard agreement](#) to ensure consistent provisions for all Country Offices and avoid competition for more favorable terms.

The GFATM has an Additional Safeguards policy which applies when it is decided that the proposed PR is operating in a constrained environment. A constrained environment is one in which the GFATM has significant concerns about:

- Governance;
- The lack of a transparent process for identifying a broad range of implementing partners;
- Corruption; and/or
- Widespread lack of accountability.

There is a different grant agreement template for countries where the Additional Safeguards policy applies. The only difference is in Article 7 (Audits and Records). In the [Standard Grant Agreement](#), PR audits are conducted in accordance with UNDP's internal and external auditing practices. In the [grant agreement for Additional Safeguards](#) Countries, UNDP agrees to the following:

The Principal Recipient shall have annual financial audits conducted of Programme expenditures. Subject to the approval of the Global Fund, which approval shall not be unreasonably withheld, the Principal Recipient shall select an independent auditor to conduct the audits and set the terms of reference pursuant to which they shall be conducted. The cost of such special audit shall be borne by the Programme.

Should the Global Fund have reason to request a special purpose audit on the use of Global Fund resources, UNDP agrees to be responsible for: (i) securing the appointment of a mutually agreed independent auditor; and (ii) preparing mutually agreed audit Terms of Reference which reflect, as necessary, circumstances giving rise to the Global Fund's request for said audit. The cost of such special audit shall be borne by the Programme.

Country Offices must have clearance from the GFATM support unit in BDP and LSO before signing a grant agreement for Additional Safeguard Countries.

Country Offices that use the Standard Agreement do not need clearance from Headquarters to sign the agreement as long as they do not depart from the standard text. As discussed below, they do however need to clear annexes to the agreement with BDP and LSO as the annexes contain specific provisions unique to each grant. Once the agreement is cleared and signed the Country Office should send a copy of the Grant Agreement and related Project Document to the Comptroller's Division, BOM, with a copy to BDP. The UNDP Project Number from Atlas should be identified on the first page of the Grant Agreement.

The Grant Agreement must be read in conjunction with the Exchange of Letters ([letter 1](#) and [letter 2](#)). The Letters address several issues relevant to the relationship between the GFATM and UNDP, including capacity building responsibilities, disbursement time frames, LFA assessments, audits, and cost recovery. Each of these issues is discussed in the section to which it is most closely related.

As with all projects, Countries Offices must also have a Project Document that conforms to the framework set forth in the UNDP Programming for Results Management Guide. (See Section 4, *infra*).

3.1.1 Face Sheets

There is a template for the face sheet to the Grant Agreement, which requires Country Offices to fill in information specific to their programme. It requests, among other matters, the following information:

- *Programme Start/End Dates*: These are the dates on which the programme will officially start and end.

Practice Pointer: Countries are often eager to receive their first disbursement and begin the programme. The tendency is to push for the earliest start date possible. However, grants are reviewed at the 18-month period and will not be renewed unless the programme has made substantial progress toward its goals. It is better to delay the programme start date and complete the necessary preparatory work (work plan and budget, PSM plan, M&E plan, SR contracts) before the programme starts to ensure that targets that were agreed upon will be met and the grant renewed. Under exceptional circumstances, the Global Fund will allow Principal Recipients to request retroactive financing for eligible expenditures that occurred prior to signing the Grant Agreement. This should be discussed with the Fund Portfolio Manager during the grant negotiation process.

- *Condition Precedent Terminal Dates*: These are the dates by which the PR must satisfy legal conditions imposed by the GFATM for that particular grant. If the conditions precedent are not satisfied by these dates, the GFATM can terminate the Grant Agreement by written notice to the PR (see also section 3.1.2 below).
- *Bank Information*: Country Offices that have a bank account where they can receive money in United States dollars should use that bank account if grant funds will be received in dollars. Country Offices that have a bank account where they can receive money in European euros should use that bank account if grant funds will be received in euros.

All other Country Offices should use the following HQ account:

UNDP Contributions Account
No. 015-002284
JP MorganChase
International Agencies Banking Branch
1166 Avenue of the Americas, 20thth Floor
New York, NY 10023

Bank Swift Code: For offices using the HQ account identified above, the bank swift code is **CHASUS33**.

Routing instructions for disbursements: on this line the Country Office should ask that the applicable UNDP project number is referenced in all deposits in order to facilitate rapid application of the received funds to the appropriate account.

- *Fiscal Year Information:* All Country Offices have the same fiscal year and this runs from 1 January to 31 December.

3.1.2 Annex A

The Grant Agreement is designed so that several annexes will be attached to it. Annex A, the “Programme Implementation Abstract,” uses a standard template in which details specific to that grant are set forth. Annex As is supposed to only set forth programmatic material. However, as the GFATM often includes conditions precedent and other legal provisions, the CO must submit all Annex As to BDP and LSO for clearance prior to signing the grant agreement or any amendment, including Phase Two extensions.

Annex As usually contains the following information:

- Summary of the programme;
- Goals;
- Target group/beneficiaries;
- Strategies;
- Planned activities;
- Initial CCM members;
- Technical partners;
- Condition Precedents; and
- Specific Terms and Conditions.

Conditions Precedent are conditions that must be achieved before one or more disbursements of funds will be made under the Grant Agreement. There can also be Conditions Precedent to disbursements for a particular purpose (such as for procurement or to SRs). If any Conditions Precedents are listed, the PR must satisfy the conditions in form and substance satisfactorily to the GFATM before the GFATM will authorize the disbursement of the relevant funds.

The Conditions Precedents have terminal dates, which are set forth on the face sheet to the agreement. If a Condition Precedent is not met by the dates on the face sheet, the GFATM can terminate the Grant Agreement by written notice to the PR.

It is important that Conditions Precedent be realistic, reasonable, achievable and under UNDP control. Country Offices should review the Conditions Precedents carefully before agreeing to them. All provisions in Annex A should be consistent with the Grant Agreement.

Under the Grant Agreement, the GFATM is required to notify the PR when a Condition Precedent has been met. It is important to ensure that this notification is actually received in order to prevent any future misunderstandings about this issue.

Annex A also often includes Special Terms and Conditions, which are additional requirements for that particular grant. These are used to cover unique implementation arrangements, such UNDP's transfer of PR responsibility to a local entity.

3.1.3 Attachment 1 to Annex A

Attachment 1 to Annex A of the Grant Agreement sets forth the main objectives of the programme (organized into service delivery areas). It also outlines indicators with baselines and periodic targets, and the periods for reporting. The indicators are selected primarily from the original proposal to the GFATM and from the M&E plan (if completed prior to signing the Grant Agreement). The GFATM uses these indicators to monitor the programme progress and determine whether disbursements should be made. It also uses the indicators to evaluate if the grant should be extended beyond the initial two-year period.

Although the M&E plan may contain numerous indicators that the programme plans to track over the course of the grant, most of them should not be listed in Attachment 1. The PR should only submit to the GFATM a limited number of indicators that enable decisions to be made about the performance of a grant. The GFATM must approve the final indicators. The following are the indicators most frequently chosen by the GFATM to monitor grant progress:

- Number of persons on ART;
- Number of persons on DOTs;
- Number of bed nets distributed;
- Number of persons reached with Counseling and Testing;

- Number of persons reached with a programme for Prevention of Mother to Child Transmission;
- Number of persons reached with anti-malarial treatment (specify ACT or not);
- Number of condoms distributed;
- Number of persons exposed to behavioral change programmes;
- Number of community or peer educators active; and
- Number of persons trained.

Attachment 1 should include indicators from this list that are applicable to the disease component in question. The remaining indicators in this attachment should be as simple as possible. PRs should try their best to limit the number of indicators that measure progress in terms of a percentage (i.e., percentage of pregnant women receiving anti-malarial treatment), as this may require an epidemiological study of the entire population for verification. These types of indicators can be part of the general M&E plan, but might not be the best choice for Attachment 1 indicators, as Attachment 1 indicators must be reported to the GFATM on a regular basis. For information about how to formulate indicators for general M&E plans, see Chapter 8, *infra*.

Percentage indicators may be needed in some situation. For example, the standard global targets for TB programmes include detection rates, cure rates, default rates and others, which may have to be reported in percentages. In such cases, the GFATM requires the PR to report both numerical achievements and percentages.

The indicators chosen for Attachment 1 should be consistent with the work plan for the grant and with the procurement and supply management plan. The work plan should include sufficient activities to achieve the results set forth in the indicators during the applicable time period. The quantity of health products in the procurement plan should also be consistent with the targets to be achieved.

The PR must propose targets for the indicators agreed upon in this attachment. The targets should cover the first year of the programme, unless the PR wants to set targets for shorter or longer periods in order to harmonize with existing systems. The PR must also provide aggregate targets for the second year of the Grant Agreement.

In addition, the targets should correspond to those contained in the original proposal, although they may need to be adjusted for changes in circumstances after proposal submission. Targets should be feasible but should also demonstrate increasing coverage commensurate with the volume of resources being allocated. It is not necessary to have a target for each period. Targets for the first and last period should reflect the fact that the period covered may not necessarily be the same length as other periods (if the periods were adjusted to correspond to UNDP's fiscal calendar).

Selection of the indicators and targets for Attachment 1 is a crucial part of the programme. The indicators selected should be realistic about the pace of

implementation and the capacity of a monitoring system to report data in a timely manner. These indicators will be used to evaluate the success of the programme and to determine whether the grant should be renewed.

Often Attachment One to Annex A will set forth the due dates on which the quarterly or semi-annual disbursement and progress reports are due. These dates must be consistent with the provisions in the Grant Agreement, which requires that they correspond to UNDP's fiscal calendar.

Practice Pointer: Project personnel tend to be optimistic at the beginning of a programme and are inclined to choose targets based on what they would like to achieve under ideal circumstances. However, the GFATM bases its evaluation of programmes on whether they achieve their original targets. Thus, a programme that completely achieves modest targets will be evaluated more favorably than a programme that fails to achieve ambitious targets. It is important that the programme set reasonable targets that take into account the processes that need to be implemented before substantive results can be achieved.

3.2 Legal Framework for Other Capacity Development Roles

When UNDP is not named as PR, but is providing capacity support services in GFATM-financed programmes, the normal legal framework for operating projects applies. Country Offices must have with the host country a Project Document that conforms to UNDP Programme and Operations Policies and Procedures. When not the designated PR, the Country Office should not sign an agreement directly with the GFATM.

4. Operating Framework

Except for matters specifically agreed to in the Grant Agreement or the Exchange of Letters, UNDP uses its normal operating framework for implementation of GFATM-financed projects. Article 2 (a) of the Grant Agreement recognizes that UNDP will administer the programme in accordance with its regulations, rules and procedures.

UNDP operates GFATM-financed programmes under the framework set forth in the Country Office's Standard Basic Assistance Agreement (SBAA) with the host country. As with all projects, Country Offices must have a Project Document that conforms to the framework set forth in UNDP Programme and Operations Policies and Procedures.

Because of the degree of responsibility undertaken by UNDP when acting as PR under the Grant Agreement, the project ordinarily should be carried out in the framework whereby UNDP serves as the implementing partner (DEX modality). Country Offices must follow UNDP Programme and Operations Policies and Procedures.

5. Audits and Other Oversight Mechanisms

5.1 Maintenance of Accounts, Books, Records and Other Documents

All PRs are required to maintain adequate programme accounts, books, records, and other documents relating to the programme to show, without limitation, all costs incurred under the Grant Agreement and the overall progress toward completion of the programme. The PR must maintain the books and records in accordance with United Nations Accounting Standard for at least three years after the date of the last disbursement or longer, if required to resolve any claim or audit findings.

5.2 PR Audits

There are now two different audit procedures for GFATM programmes. Most of the Country Offices use the audit procedure set forth in Article 7 (b) of the [Standard Grant Agreement](#), which provides as follows:

The Principal Recipient shall have financial audits conducted of Programme expenditures in accordance with its internal and external auditing practices. The Principal Recipient agrees to provide to the Global Fund a copy of biennial financial statements, as audited by its external auditors, the UN Board of Auditors.

Under this clause, there is no deviation from standard UNDP procedure. OAPR audits the PR in accordance with its standard procedures. The report is issued to the Administrator, not the GFATM. No special audit arrangements are necessary.

The second clause for audits can only be used when the Additional Safeguards policy applies in the country where the programme is being implemented (See section 3, supra). Country Offices must have clearance from BDP and LSO before agreeing to this option.

The audit clause for Additional Safeguard Countries provides as follows:

(i) The Principal Recipient shall have annual financial audits conducted of Programme expenditures. Subject to the approval of the GFATM, which approval shall not be unreasonably withheld, the Principal Recipient shall select an independent auditor to conduct the audits and set the terms of reference pursuant to which they shall be conducted. The cost of such special audit shall be borne by the Programme.

(ii) Should the GFATM have reason to request a special purpose audit on the use of GFATM resources, UNDP agrees to be responsible for: (i) securing the appointment of a mutually agreed independent auditor; and (ii) preparing mutually agreed audit Terms of Reference which reflect, as necessary, circumstances giving rise to the GFATM's request for said audit. The cost of such special audit shall be borne by the Programme.

Under this audit clause, annual audits must be conducted. The PR selects an independent auditor and prepares in consultation with OAI the TORs for the audit. OAI, the firms that it selects and the Board of Auditors are considered independent auditor and can be designated as the auditor. GFATM must approve the PR's auditor, but cannot withhold its approval unreasonably. The programme bears the cost of the audit.

The GFATM can also request a special purpose audit under this clause if it has reasons for its request. Please note that under either audit clause UNDP does not produce the audit report to the GFATM. If the GFATM requests any audit report, the Country Office must obtain clearance from OAPR prior to producing it.

5.3 SR Audits

The PR is required to submit to the GFATM and carry out a plan for the audit of SRs. The audit plan should be the same as that prepared for the regular NEX/NGO audit plan submitted each year to OAI, except that the plan submitted to the GFATM includes only the expenditures of the SRs while the plan submitted to OAI includes all expenditures. The PR is only required to send the audit results to the GFATM if requested.

All SRs, except UN agencies, should be audited pursuant to UNDP procedures for NEX audits. Country Offices should advise, in their annual NEX audit plans, OAI of the SRs that will be audited. The SR should complete an audit of its expenditure statements within four (4) months of the end of the fiscal year and submit the audited statement to UNDP. The SR consults with UNDP to ensure that the audit firm has the necessary qualifications to conduct the audit. If requested by the SR, UNDP will select and contract the audit firm. The cost of the audit should be charged to the grant.

The final audit reports should be submitted to OAI for review and evaluation. If requested, the Country Office can give the final audit report to the GFATM after obtaining clearance from OAI.

According to the Exchange of Letters, audits of UN agency SRs are carried out in the same manner as the PR's audit (i.e., using the UN agency's own audit procedures).

5.4 Ad Hoc Site Visits

UNDP has agreed in the Grant Agreement to allow authorized representatives of the GFATM and its agents access to sites related to operations financed by the grant on an

ad hoc basis. Usually site visits are conducted by the LFA. The same procedures apply regardless of whether the GFATM, the LFA or another agent visits the site.

The [ad hoc site visits](#) are not audits. UN agencies must abide by special audit provisions approved by the General Assembly. Country Offices are not allowed to provide GFATM representatives or its agents, including the LFA, with any financial or programmatic documents or records during the visit. UNDP and UN agencies that act as SR can and should make available relevant financial and programmatic information drawn from their accounts and records, but should not show the parties the documents or records. However, non-UN agency SRs can provide programmatic records to the LFA.

Practice Pointer: The LFA must provide reasonable notice of when the visits will occur. If the LFA wants to look at numerous programmatic records, the SR must be given time to respond to the request. If sufficient time has not been given, this should be noted in writing to the GFATM. Don't allow the GFATM to report that there was not sufficient documentation to support the programme's progress if the SR was not given sufficient time to compile the information requested.

5.5 Evaluations

The GFATM has the discretion to conduct an independent evaluation of the programme that will focus on results, transparency and substantive accountability. It must collaborate with UNDP's Evaluations Office to specify, in consultation with the CCM, the terms of reference for the evaluation and to plan, schedule and implement the evaluation. The standard SR Agreements require the SRs to cooperate in the evaluation. The PR is entitled to a copy of the report of the evaluation.

6. Financial Management

6.1 Atlas Programme Modality and Banking Arrangements

The Grant Agreement serves as UNDP's Co-Financing agreement and no separate agreement is required. GFATM funding received through the PR mechanism will be managed in Atlas as Project Level Co-Financing (Fund code = 30000 and Donor code = 00327).

Contributions will be credited to the bank account identified on the face sheet of the Grant Agreement. The Country Office must ensure that the World Bank, as Trustee for the GFATM, clearly references the applicable UNDP project number in all deposits in order to facilitate rapid application of the received funds to the appropriate account. This information should be provided on the face sheet of the Grant Agreement in the section entitled "Routing Instructions for Disbursements." (See section 3.1.1, supra).

The Country Office is responsible for monitoring contributions and should use the [CONDAT database](#) for this purpose. If receipts are not clearly identified, either the funds have not yet been received, or have been received but remain unapplied due to lack of information. In the later case, the Contributions Unit of the Comptroller's Division (BOM) should be contacted. As with UNDP's other resources, all contributions must be received by UNDP in advance of the implementation of programme/project activities.

Useful Resources

The [GFATM Atlas](#) and the [GFATM Financial Guidelines](#) are useful resources for understanding Atlas modalities. There are also instructions for [Project Management and Generating Progress Update from Atlas](#) and [Entering programmatic updates in Atlas for GFATM projects \(Live "How To" session\)](#).

6.2 Project and Budget Formulation

Country Offices should follow UNDP's standard project budgeting procedures:

- When UNDP is the PR, it can use its own standard 29 budget categories and corresponding account codes instead of the categories typically used by the GFATM to capture budgetary information. This enables Country Offices to more easily generate financial reports from Atlas. UNDP has agreed to provide LFAs with clarification of the mapping between UNDP's system of account codes and GFATM budget categories, should the need arise during a review.
- The project budget should reflect SRs as contractors. The implementing modality for the budget should be DEX and hence UNDP would bear the relevant responsibilities.
- All costs related to capacity development should be reflected as a separate activity in the project budget.

- When payments are made at a project site, the UNOPS Imprest Account model should be followed (refer to UNOPS Guidelines for Imprest Accounts).

Atlas allows other donor funding, including UNDP Trac, to be combined with GFATM funding as Donor/Fund is identified in each Chart Field combination of the budget. Thus, expenditures can be apportioned between donors as incurred and separate funding is possible.

6.3 Cost Recovery

UNDP's Executive Board requires Country Offices to use two types of cost recovery policies: General Management Services (GMS) - a percentage fee, and Implementation Support Services (ISS) - direct costs. GMS is a standard percentage rate that applies to all funds received under the Grant Agreement.

In 2003, the GFATM agreed in the Exchange of Letters to the use of these cost recovery policies at a five (5) percent rate. However in June 2007, UNDP's Executive Board mandated that the recovery rate for GMS for third-party contributions be increased to seven (7) percent, in order to ensure all programmes managed by UNDP are properly funded. The new rate is applicable to all new grants – from Round Seven onwards -- as well as all Phase Two renewals signed after 1 January 2008.

GMS is recorded in ATLAS as the "F&A" rate and is distributed between the Country Offices, Regional Bureaus, BDP, Central Services and Global Operations.

ISS cost recovery is not uniform and Country Offices should try to recover the actual costs for clearly identifiable transactions. The actual cost can be determined based on the salaries of personnel needed to perform the activity in question (such as programme officers, procurement officers, financial officers, etc) and associated administrative costs. The fees for ISS are not distributed and remain fully within the Country Office.

Practice Pointer: Many Country Offices underestimate the amount of ISS required for GFATM programmes. It is important to accurately assess ISS costs and to incorporate them into the grant budget as soon as possible, preferably in the original grant proposal or before accepting the PR role. However, it may be possible to reprogram the grant to accommodate ISS costs during any stage of implementation, subject to negotiation with the GFATM and the CCM. BDP can provide support in this area.

6.4 Recording Payments to SRs and Suppliers.

Payments to SRs should be made as discussed in section 2.3.4, supra. For accounting purposes, advances to government agencies should be recorded as advances in conformity with corporate policies for NEX projects. All other advance payments (to NGO/private sector organizations) should be recorded as expenditures at the time of disbursement. The GFATM Atlas Guide has more details on how to process and record advances to sub-recipients.

Payments to suppliers and procurement agents should be made under UNDP's financial regulations and rules. The only exception is for products purchased under the long-term

agreement between UNDP and UNICEF, for which PSO has authorized 100 percent advance payment to UNICEF.

Although the GFATM has procedures for direct payments to suppliers, these were primarily designed for the benefit of national entities that do not have the same international financial structures in place as UNDP. Country Offices should not use the GFATM's direct payment procedures for payments to SRs or suppliers.

7. Reporting

The PR is required to furnish to the GFATM periodic reports about all funds and activities financed by the grant. All reports should be channeled through the LFA and copies should be given to the CCM.

7.1 Disbursement Requests and Progress Updates

The Grant Agreement stipulates that the PR must submit reports no later than 45 days after the close of the agreed upon periods. These periods are either quarters or semesters, depending on the grant. Country Offices are encouraged to report by semesters as this will decrease the number of reports. However, Country Offices in Additional Safeguards countries are required to report quarterly (see section 3, supra).

Periodic reports are submitted on a template provided by the GFATM called Disbursement Request and Progress Update. They contain (i) a summary of financial activity during the quarter in question and cumulatively from the beginning of the Programme until the end of the reporting period; and (ii) a description of progress towards achieving the agreed-upon milestones set forth in Annex A to the Grant Agreement. The PR must explain in the report any variance between planned and actual achievements for the period in question.

The due dates for the reports correspond to the PR's fiscal calendar. Since all UNDP offices have the same fiscal calendar, the reports are due on the following dates:

QUARTERLY:

Period Covered by Report	Disbursement Request and Progress Update Due Date
01 Jan – 31 March	15 May
01 April – 20 June	14 Aug
01 July – 30 Sept	14 Nov
01 Oct – 31 Dec	14 Feb

SEMI-ANNUAL:

Period Covered By Report	Disbursement Request and Progress Update Due Date
01 Jan – 30 June	14 Aug
01 July – 31 Dec	14 Feb

Practice Pointer: Many Country Offices mistakenly believe the due dates for periodic reports are calculated from the programme start date. But, if the periodic reports do not correspond to UNDP's fiscal calendar, one of the reporting periods will cross the closure of UNDP's fiscal year, making it difficult for the Country Office to close their accounts. Country Offices should conform their reports to UNDP's fiscal calendar. If the programme does not start on the same day as one of UNDP's fiscal calendar, the

first and last periods should be adjusted and will be shorter or longer than the other time periods.

The periodic reports should be carefully prepared as errors can delay disbursements. The follows errors have been cited as a reason for delay in disbursements:

- The disbursement request was not signed;
- The disbursement request was not dated;
- The cash reconciliation was not completed properly;
- The report periods were not correct;
- The signature was not the same as the one on the specimen document, or no specimen document was provided;
- The indicators reported on in the Programme Progress section of the report were not the ones agreed upon for that period in Attachment 1 to Annex A.
- Prices of medical products were not reported on the GFATM's Price Reporting Mechanism.

In the Cash Reconciliation section of the periodic reports, the PR reports its own aggregated expenditures. Disbursements to SRs should be listed by name. If that is not possible then disbursements to SRs can be classified by recipient types, such as NGOs, faith-based organizations, academic organizations, etc.

The PR reports only its expenditures in the Cash Reconciliation. However, the GFATM has agreed that UNDP can attach the Atlas-generated report entitled "Global Fund Financial Report" as the Statement of Sources and Uses of Funds. This report shows the status of cash versus encumbered amount of projects. The GFATM also agreed that UNDP's disbursement requests should be based on the estimation of cash sufficient to cover the sum of upcoming expenditures and outstanding purchase orders. All such purchase orders represent legally binding commitments with third parties and are referred to within the UN system as encumbrances or commitments.

The Global Fund Financial Report can be generated in Atlas by navigating UN Reports > Project Management > Portfolio Analysis > GF Financial Report.

The Programme Progress section of the periodic reports requires the PR to report progress on the key indicators agreed upon with the GFATM. The results reported normally reflect activities carried out in the period just completed. In some cases, however, it may not be possible to receive information before the 45-day window for reporting to the GFATM elapses. If this is unavoidable, the PR should still submit the report for that period, but the results for that particular indicator will relate to the preceding period and not to the period just completed.

The Programme Progress section of the periodic reports contains a section to list Reasons for Programmatic Deviation. If the target for any indicators has not been met,

the Country Office should make sure to specify any intervening factors. For example, if a national teachers strike prohibited the programme from reaching the target number of teachers trained in prevention of HIV, this should be explained in this column.

7.2 Annual Reports

The PR must submit an annual financial and programmatic monitoring report no later than 45 days after the close of its fiscal calendar. Under UNDP's fiscal calendar, the annual reports are due on February 14 and would cover the preceding fiscal year (January 1- December 31).

Under the Grant Agreement, the PR is required to submit both a quarterly report and an annual report. The report should cover financial and programmatic progress during the year in question and must be in format acceptable to GFATM. However, to date, the GFATM has not developed a template for these reports. Unless the Portfolio Manager for the GFATM advises differently, the Country Office should submit a report which addresses the following issues:

- Full (aggregated) programmatic results for the year;
- Summary of programme income and expenditures for the fiscal year;
- Contextual information on the grant:
 - Key partnerships in reaching goals (relative financial and programmatic considerations)
 - Success stories, lessons learned, and challenges of the grant
 - Progress towards impact on the three diseases
 - Quality of services provided, perspectives of recipients, accreditation
 - Additional relevant data from the monitoring and evaluation system/plan (not included in attachments)
 - Independent assessments of quality reviews or the programme
- Future plans to build the programme to longer term five year goals.

7.3 Certified Financial Statements

The PR is required to submit, no later than June 30 of each year, a statement, certified by the Comptroller, of income and expenditures of the programme during the preceding year. This statement must also include all interest that accrued on grant funds. Any interest, or other earnings on funds disbursed by the GFATM, must be used for programme purposes unless otherwise agreed upon in writing. The certified financial statement is prepared by the Comptroller's Office at UNDP Headquarters and sent directly to the GFATM. No action is needed by the Country Office.

8. Monitoring and Evaluation

Monitoring is the routine tracking of the key elements of programme/project performance, usually inputs and outputs, through record keeping, regular reporting and surveillance systems as well as health facility observation and client surveys.

Evaluation is the episodic assessment of the change in targeted results that can be attributed to the programme or project intervention.

The PR must submit a Monitoring and Evaluation (M&E) plan no later than 90 days after the programme start date. The M&E plan should be designed to provide a considerable amount of information about programmatic progress on a regular basis. Not all of this information needs to be submitted to the GFATM: a clear distinction should be made between the information the project tracks for its own management, monitoring and evaluation purposes, on the one hand, and that which is submitted to the GFATM, on the other. The PR should only submit a limited number of indicators that enable decisions to be made about the performance of a grant, and therefore the level of co-financing that should be provided. You can find an example of an M&E workplan on [this link](#).

The indicators that will be reported to the GFATM are set forth in Attachment 1 to Annex A to the Grant Agreement. For information about how to select these indicators see section 3.1.3, supra. Because these indicators must be submitted prior to signature of the Grant Agreement, it will be necessary to complete at least part of the M&E plan well before the deadline set forth in the Grant Agreement.

The GFATM [Monitoring and Evaluation Toolkit](#) contains information on how to prepare the M&E plan. PRs should use this toolkit as a guide in preparing their M&E plans. The process of identifying indicators should begin with a clear structure of the “goals” of the grant into “objectives” and “service delivery areas.”

- **Goals:** these should be broad and overarching and will typically reflect national disease programme goals. The results achieved will usually be the result of collective action undertaken by a range of actors. Examples include “Reduced HIV-related mortality,” “Reduced burden of Tuberculosis,” or “Reduced transmission of Malaria.”
- **Objectives:** these should describe the intention of the proposal and provide a framework under which services are delivered. Examples linked to the goals listed above include, “To improve survival rates in persons with advanced HIV infection in four provinces,” “To reduce transmission of Tuberculosis among prisoners in the ten largest prisons,” or “To reduce Malaria-related morbidity among pregnant women in seven rural districts.”
- **Service Delivery Areas:** to accomplish each objective, the key services to be delivered should be identified. Examples linked to the objectives listed above include “Antiretroviral treatment and monitoring,” “Timely detection and quality treatment of cases,” or “Insecticide-treated nets.” The GFATM *Monitoring and Evaluation Toolkit* contains a comprehensive list of service delivery areas.

Indicators are linked to each service delivery area and reflect the coverage in expanding services. There are three levels of coverage indicators:

- Level 3: Number of persons reached;
- Level 2: Number of service points established or refurbished; and
- Level 1: Number of service providers trained.

In some cases, it is also necessary to have “zero” level indicators, which would capture progress on the processes necessary to reach the above three levels. These should be used only when the PR is unable to measure any of the substantive levels in a given period or if there is an area that the GFATM feels is a critical target for the demonstration of performance (such as around capacity development). The use of process indicators should be limited to the first several periods of a grant, at most.

The GFATM *Monitoring and Evaluation Toolkit* contains a number of specific, internationally agreed upon indicators, particularly for the second and third level indicators. Countries are not limited to these indicators and should not necessarily collect all of them. The choice of indicators should instead be driven by the goals of the national programme or project. It can be difficult and expensive to collect and analyze data for each indicator - do not try to collect data in areas that are not particularly relevant.

There should be a good balance between data collected on a routine basis and data collected through survey and sentinel sites. The project should not be designed to collect data only through surveys. This risks not having data in case the surveys cannot be implemented due to financial or operational risks.

Duplication in data collection should be avoided. The project should plan on using existing data collection systems and as much as possible. To ensure harmonization, consult other national and international partners in developing M&E systems.

Once indicators have been identified, it is necessary to develop targets. Targets will be developed on a quarterly or semi-annual basis, depending on which periods have been selected for the periodic reports (see section 7.1, supra). It is not necessary to have a target for each indicator for each period. As a general rule, when a higher-level indicator can be reported on, it is not necessary to report a lower level indicator in the same Service Delivery Area. For example, if the number of persons reached can be measured in a given semester, it is usually not necessary to report in the same semester on the number of service points established/refurbished. However, if there is any concern that the programme will not be able to make the transition from one level of indicators to another in a given period, it may be advisable to include targets for two indicator levels.

The GFATM is most interested in level three indicators. The PR should be able to report on level three indicators by the end of the first year, or even earlier in a grant that is simply scaling up existing activities. Targets should either be numbers or percentages. As a general rule, numbers are preferable to percentages, as they are easier to verify. Indicators which attempt to measure programme results as a percentage of the country situation as a whole may require a technical study to be completed to verify the results.

Targets should always be cumulative. These cumulative figures can either reflect the results that are directly tied to GFATM financing or the results of a broader programme. In either case, this should be clearly indicated. Targets should also be realistic about both the pace of implementation and the capacity of the monitoring system to report data in a timely manner.

When developing the system, it is necessary to identify how data for each indicator will be reported and who will be responsible for reporting it. The work plan for the grant should include all activities related to the M&E of the grant, including planned surveys, sentinel site activities, planned operational research and similar activities.

M&E systems should be as simple as possible. The more complex a system is, the greater the risk for failure. Because M&E is so important, Country Offices should obtain the assistance of M&E experts to coordinate their design as well as to oversee the collection, verification and analysis of M&E data. The GFATM recommends that about 5-10 percent of the national programme budget should be used for M&E.

9. Procurement and Supply Management

9.1 General Procurement Principles

Procurement in GFATM-financed projects is governed by the same regulations, rules and procedures applicable to other procurement activities by UNDP. Country Offices should follow the procedures in the [Procurement Manual](#).

9.2 Special Procurement Arrangements for GFATM Financed Programmes

9.2.1 Long-Term Agreements

UNDP/PSO has established several Long-Term Agreements (LTAs) with procurement agencies and suppliers for products and services frequently used in GFATM-financed programmes. Where it concerns an LTA with another UN agency, such as UNICEF or UNFPA, Country Offices may procure items under these LTAs without soliciting quotations from other LTA holders. Where it concerns an LTA with a commercial contract holder, such as IDA Foundation, IMRES, MEG, or GTZ, the Country Office does have to solicit informal quotations from at least three (3) organizations with which UNDP/PSO has an LTA.

For certain items where three LTA contract holders are not available, the UNDP Country Office has to solicit quotations from at least two (2) organizations and must inform UNDP PSO Copenhagen prior to effectuating the procurement. If the Country Office has requested three quotations in good faith and not received three responses, it should inform UNDP PSO Copenhagen, which will advise it on how to proceed.

- The following LTAs have been established for the GFATM-financed programmes:
- UNICEF: pharmaceuticals and other medical products including laboratory equipment related to the treatment of HIV/AIDS, Tuberculosis and Malaria;
- UNFPA: male and female condoms;
- IDA Foundation: HIV/AIDS (ARV's and other medicines) and Malaria medicines;
- IMRES: HIV/AIDS (ARV's and other medicines) and Malaria medicines;
- Medical Export Group (MEG): Malaria medicines;
- GTZ (procurement agent for the Global Drug Facility (GFF)- 1st line pharmaceuticals for the treatment of TB; and
- Hugh Wood Inc: cargo and warehouse insurance.

Country Offices can procure items through the LTAs by issuing a purchase order and should not prepare a separate contract. The BOM [Global Fund Procurement workspace](#) contains information on how to utilize the LTAs.

9.2.2 Second Line Tuberculosis Medications

The Grant Agreement provides that in order to limit resistance to second-line TB drugs and be consistent with the policies of other international funding sources, all procurement of medicine to treat multi-drug resistant TB financed by the GFATM must be conducted through the Green Light Committee of the Global Stop TB Partnership.

In order to procure second-line TB drugs it is necessary to submit an application to the Green Light Committee. The [Green Light Committee](#) reviews applications from potential DOTS-plus pilot projects and determines whether they are in compliance with the Guidelines for Establishing DOTS-Plus Pilot projects for the Management of MDR TB. The application must be submitted in English.

9.2.3 Clinton Foundation Agreement

UNDP has entered into a [Memorandum of Understanding](#) with [the Clinton Foundation HIV/AIDS Initiative](#) (CHAI). CHAI was established in 2002 in order to assist governments in developing countries to develop and execute integrated care, treatment, and prevention programmes for people living with HIV/AIDS. CHAI does not procure pharmaceuticals or medical products, but rather, helps to negotiate special prices for buyers and suppliers who agree to certain terms.

The MOU allows UNDP Country Offices to access special prices for ARV medication and diagnostics when procuring for countries that have signed an agreement with CHAI. The prices listed are ceilings and Country Offices which are members of CHAI may be able to negotiate with the supplier to obtain even lower prices.

Interested countries should contact the focal point for their region to set up a meeting with a CHAI representative. Although the initial contact can be made by UNDP, in most cases the agreement with CHAI must be signed by a governmental representative such as the Minister of Health. Sample MOUs between CHAI and national authorities are located on the UNDP-GFATM workspace.

Once a MOU is signed with CHAI, Country Offices should continue to use the same procedures for procurement. If products are being procured directly by UNDP the tender documents should state that the country is a member of the CHAI consortium entitled to CHAI prices. If Country Offices are using IDA, UNICEF or WHO to procure products, they should notify these agencies that they are entitled to CHAI prices.

9.2.4 Non-LTA Procurement

Country Offices are strongly encouraged to procure medical products under the above mentioned LTAs. If they decide to procure medical products through a source other than the LTAs, the following conditions must be met before the procurement can occur:

- The Country Office must analyze the local market carefully and ensure that it is competitive and provides goods of international quality standards;
- The Country Office must inform PSO of its intended local purchase. In the case of pharmaceuticals, written approval from PSO must be obtained; and
- The regular procurement thresholds and procurement methods spelled out in the Procurement Manual must be followed.
- The necessary quality guarantees are to be built into the technical evaluation. For medical equipment, quality certificates such as Good Distribution Practice (or equivalent) are required in addition to a careful analysis of the proposed equipment's or other products' technical datasheets. The quality guarantees must match the standards provided under the LTAs.

9.3 Overseeing Procurement by SRs

Procurement should not be delegated to SRs. If Country Offices do not have sufficient procurement capacity in country, they can obtain assistance in procuring all items needed in GFATM-financed programmes by using the LTAs established by PSO. The LTAs are preferable to sub-contracting procurement to a procurement agency as they do not require the Country Office to commit in advance to purchasing a specified amount. The use of sub-contractual agreements with procurement agencies reduces competition as it is a commitment to purchase all or most of the programme's needs from that organization without determining whether value has been obtained for all products.

9.4 Procurement of Pharmaceuticals and Other Medical Products

9.4.1 Development of Procurement and Supply Management Plans for the GFATM

The GFATM requires all PRs to have an approved Procurement and Supply Management (PSM) plan before any funds are spent on pharmaceuticals or medical products. The PSM plan should be developed as soon as possible, preferably before the programme start date. In addition, some pharmaceutical and other medical products have long lead times and orders need to be placed at the beginning of the programme. Because the PR is not allowed to purchase pharmaceuticals and other medical product prior to approval of its PSM plan, delay in preparation of the PSM plan can seriously delay the programme.

PSM plans should be developed according to the [template](#) prescribed by the Global Fund. Examples of good procurement plans include: [Iran](#) for HIV/AIDS, [Belarus](#) for TB and [Tajikistan](#) for malaria.

Some common problems in PSM plans that have been reported by the GFATM include:

- Lack of specificity about which entities are responsible for each aspect of the PSM chain;

- Lack of information about the distribution and storage of products;
- Lack of details about quality assurance;
- Lack of attention to intellectual property rights laws;
- Lack of attention to rational use;
- Failure to include a forecast or explanation of how quantities were determined; and
- “Cutting and pasting” from the PSM plan of another office without an analysis of the specific problems in the country where procurement and supply management is being implemented.

The key elements of the PSM plan are discussed below.

9.4.2 Selection of Pharmaceutical Products

GFATM resources may only be used to procure medicines that are listed in national, institutional, or WHO standard treatment guidelines or essential medicines lists.

Preferably the pharmaceutical products should be selected from National Standard Treatment Guidelines. WHO and other international health agencies do have recommended treatment guidelines for HIV/AIDS, TB and Malaria. These treatment guidelines can be very helpful to countries in developing their own guidelines. However, it is important that national guidelines are adopted to address local requirements and to provide a sense of national ownership in the treatment standards.

If national treatment guidelines or essential medicines lists are not available, and cannot be developed within a timeframe consistent with the project’s needs, Country Offices can use guidelines or essential medicines lists developed by a national institution such as a National AIDS Council or National Malaria Control Programme.

If neither national nor institutional guidelines nor essential medicines list are available, then selection can be based on WHO recommended treatment guidelines and/or essential medicines lists. WHO treatment guidelines and essential medicines list can be found at the following sites:

- WHO Model [List of Essential Medicines](#)
- *Scaling Up Antiretroviral Therapy in Resource Limited Settings: [Treatment Guidelines for a Public Health Approach](#)*
- [Guidelines on Care, Treatment and Support for Women Living with HIV and their Children in Resource-Constrained Settings](#)
- *Treatment of TB: [Guidelines for National Programmes](#)*

- WHO [TB Page and Publications](#)
- [Antimalarial Drug Combination Therapy: Report of a WHO Technical Consultation](#)
- [Link to WHO Malaria publications](#)
- A [Strategic Framework](#) for Malaria Prevention and Control during Pregnancy in the Africa Region.

Once it has been decided which standard treatment guidelines or essential medicines list will be used the following steps should be taken to develop the list of products:

- Identify all products selected by generic names;
- If products are only available from a single or limited number of suppliers (ARVs, ACT, some TB medications) confirm that there is at least one supplier for each product that meets the quality assurance requirements of the GFATM (see section 9.4.6, infra);
- For multi-source, off-patent products with available dosage from public pharmacopoeial quality standards, verify that the products comply with the existing national standards of the recipient country;
- Confirm whether it is possible to purchase products in fixed-dose combinations, once a day formulations, or blister packs (see section 9.4.9 below on appropriate use);
- Confirm if products are registered in country by the national drug regulatory authority (if not, explore possibility of fast track registration or temporary waiver of registration if product has been prequalified by WHO); and
- Confirm that there are no intellectual property obstacles to purchasing any products on the list.

9.4.3 Patent Issues

Determining the intellectual property status of medical products is a complex task that may require a consultant. GFATM policies allow the use of grant funds to contract an intellectual property consultant if needed in this area.

The most common intellectual property obstacles in procurement of pharmaceuticals are patents. A patent is a grant made by a government to an inventor, conveying and securing to him the exclusive right to make, use and sell his invention for a term of years. Each country has its own patent laws, and a product which is patented in one country may not be patented in another.

The basic steps for resolving the patent status of medical products is as follows:

1. Determine if the host country is subject to patent laws that allow for the enforcement of patents for pharmaceutical products.

Under World Trade Organization (WTO) agreements, all member countries, except the least developed, were obligated to enforce patenting of pharmaceutical products by January 1, 2005.

Least developed countries are not required to enforce patents of pharmaceutical products, until January 1, 2016. However, almost all of the least developed countries already do allow patenting of pharmaceutical products so do not assume that there are no patent problems simply because they are being bought for a least developed country. If a least developed country has a patent system it must publicly elect not to enforce those laws in order to comply with WTO agreements. Least developed countries should complete a declaration similar to the attached Annex 2 that affirms that it is applying the provisions of the TRIPS Agreement which allows least developed countries to delay implementation of minimum patent protection legislation.

The host country may also be subject to regional patent laws. For example, sixteen countries in Western and Central Africa are members of the African Organization of Intellectual Property (OAPI).⁴ OAPI has issued patents on many anti-retroviral products that are enforceable in its member states.

2. If the answer to question one is yes, than the country must determine if any products on its procurement list are patented.

To determine which products are patented, Country Offices should request that the patent office conduct a patent search. If the patent office is not able to provide a conclusive answer than the Country Office should consider contracting a patent lawyer to conduct the search.

3. If after step two it is determined that some of the products on the list are in fact patented, it is necessary to determine if the patents are valid.

To be valid, patents must comply with national law and the patent holder must comply with national administrative requirements for maintaining the patent. The latter usually requires the patent holder to pay an annual fee. Failure to timely pay this fee could result in the patent lapsing.

4. If there are valid patents on any of the products on the procurement list, determine if the country can take utilize any of the flexibilities in the WTO agreements (commonly referred to as TRIPs flexibilities) to legally purchase generic versions of the product.

⁴ The member states are Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Guinea, Guinea Bissau, Ivory Coast, Mali, Mauritania, Niger, Senegal, and Togo.

The most common TRIPS flexibilities are voluntary licenses, compulsory licenses, government use licenses, and parallel imports. Use of these flexibilities is consistent with international laws and will allow the recipient country to legally purchase generic versions of patented pharmaceutical products.

9.4.4 Forecasting

After products have been selected, it is necessary to quantify how much of each product will be needed for the programme. Forecasting drug needs is one of the most important parts of the procurement and supply chain. If drug needs are underestimated it could lead to insufficient supply and interruption of patients' treatment. If drug needs are overestimated, resources may be wasted as pharmaceuticals have a limited shelf-life.

Many pharmaceutical products are purchased from international sources and three to four month delivery times are standard. Do not wait until products are almost out of stock to order the next supply. Accurate forecasting and monitoring of consumption levels will prevent stock outs and ensure continuity of treatment.

Forecasts of pharmaceutical needs are usually based on one of the following methods:

- Consumption- this method is used if the products are being procured for an established treatment programme that has records of past consumption and predictable needs. The consumption method forecasts future needs by relying on past use, adjusted for stock outs, expiration of overstocked items and projected changes in utilization.
- Morbidity- this method is used for new drugs or programmes with no historical use, such as new ART or ACT programmes. Initial projections must be based on morbidity if consumption data is absent. The method estimates the need for drugs based on the expected number of attendances, the prevalence or incidence of disease, and standard treatment guidelines for the health problem that is to be treated.
- Health services capacity- this method uses the morbidity method, but adjusts it in light of a realistic estimate of the anticipated capacity to deliver services. This method would be used for a new programme, such as ART, when the programme anticipates that the need for treatment exceeds the number of persons that the programme can realistically treat at the initial stages of the programme. Drug needs would therefore be based on a target number of patients that the programme intends to treat. All projections must take into account health service capacity in their initial projections.

Forecasting of pharmaceutical needs requires access to technical information about the recipient country's treatment programme and epidemiological data. In order to accurately forecast pharmaceutical needs, the following information is needed:

- The national guidelines for the disease for which the pharmaceuticals are being forecast- including the first line and secondary line treatment, alternative treatment

regimes for toxicity problems or patients with concomitant diseases (such as HIV and TB);

- The recommended dosage for each regime according to patient weight;
- Country population and target population, broken down by age/weight groups;
- Resistance and toxicity rates. This information may be available at the local UNAIDS or WHO offices;
- Percent of the population needing treatment that is likely to seek treatment or have access to a treatment center;
- The annual pregnancy rate and number of institutional deliveries (when special treatment regimes exist for pregnant women);
- The percent of the treatment population that has a concomitant disease that would require an alternative treatment regime (such as persons who are HIV positive and infected with Tuberculosis);
- Prior consumption data broken down by health facility, number of patients, gender, weight, distribution, and other factors (if using this method); and
- Country capacity to provide treatment.

In some countries, complete epidemiological data is not available, particularly if the country is in a low level of development or has been experiencing internal conflict. Countries experiencing internal conflict may have a high rate of emigration and returnees and may not be able to obtain accurate estimates of the country's population.

When some of the information above is not readily available, countries should make their forecasts based on the information that is available, then closely monitor consumption rates, adjusting them in light of changes that will come to light as the information becomes available.

9.4.5 Quantification

Once a forecast has been made pursuant to the above section, it is necessary to determine when and for which quantities orders should be placed. The most important factor in this determination is the lead time for a product. A lead time is the time period between placing an order for a product and actually receiving it ready for use. Lead times must take into account:

- The supplier's lead time- a lead time of three to four months is common for pharmaceuticals bought internationally. However, extreme shortages of some products (such as Coartem and LLINs) have increased lead times for these products to as long as a year. At the beginning of the project, procurement officers should obtain estimates of lead times for various products in order to ensure they will be

received when needed. Initial orders will be based on these estimates, but subsequent orders should be based on the actual experience in prior orders.

- Lead times for the procurement process- these will vary depending on whether the procurement officer intends to conduct an open competitive bidding, limited competitive bidding, direct contracting, or shopping. The procurement officer determines in advance the appropriate process for each product and estimates the time it will take, including any necessary reviews by the local contracts committee or the ACP.
- Distribution- it is also necessary to determine how long it will take for the product to be available to the end user. This estimate includes the time for custom clearance, inspections, and transfer from central warehouse to the local facility from which the product will be disbursed to the user.

Quantification also needs to consider the shelf life of the product and storage capacity. Some products, such as bed nets, need a large amount of storage space so more frequent deliveries may be needed. Other products need a cold chain, which may also require more frequent deliveries.

Quantification should always be done in basic units- tablets, vials or capsules. This makes it easier to track consumption needs and to compare prices of different suppliers.

The quantifications should be broken down into monthly needs. If the coverage is expected to be equal through out the year, the calculations can be made for one year then divided by twelve. If, however, it is planned that coverage will increase as the programme scales up, then a new calculation will have to be made for each period in which coverage is expected to increase. Similarly, if, as is sometimes the case for Malaria, there is a higher prevalence during certain months of the year, the calculations must reflect this.

When the above estimates are added together, the procurement officer has a good idea of when to begin the procurement process. Always start from the date when the end user needs the product and work backwards to determine when the procurement process should commence.

It also important that orders include a “buffer stock” in case there are any unexpected delays in the arrival of subsequent orders or losses due to expiration, theft, damage, or other factors. Buffer stocks should be expressed in time periods- two months minimum recommended for ARV, ACT and limited supplier TB. It is also possible to negotiate with suppliers that they keep a buffer stock in their facility for immediate delivery when needed; this approach saves warehouse space.

9.4.6 Quality Assurance

Quality assurance refers to the policies and procedures required to ensure that pharmaceuticals and other medical products that reach patients are safe, effective and acceptable to the patient. These activities may include, but are not limited to, (drug) registration, pre-qualification and quality control:

- **Registration:** pharmaceuticals procured with GFATM funds are subject to authorization by the National Drug Regulatory Authority (NDRA) in the country in which they are used and their standard practices for drug registration (or other forms of authorization, such as authorization for special use) for pharmaceutical products must be followed;
- **Multi-source Pharmaceutical products:** multi-source pharmaceutical products are off-patent products that have a prior history of safe and efficacious use. Product standards are available in the public domain (e.g., British Pharmacopoeia, United States Pharmacopoeia and others) for most medicines necessary in the control of Tuberculosis and malaria, and to manage opportunistic infections in HIV. Multi-source pharmaceutical products tend to be available from a wide range of manufacturers around the world.

For multi-source products, quality assurance is conducted by verification of compliance with the quality standards established by the NDRA of the recipient's country; and

- **Single and Limited Source Pharmaceutical products:** these are products that are only available from a single or a limited number of suppliers, usually because the product has been recently developed and/or is patented. Most anti-retroviral medication falls within this category, as well as anti-Malaria medication that contains artemisinin and some TB medication.

The GFATM requires single or limited source pharmaceuticals products to meet special quality control standards. For UNDP purposes, the products must have been prequalified by either the WHO or a stringent regulatory authority.⁵

The Global Fund has a [list of products and suppliers](#) compliant with its quality assurance policy for single and limited source pharmaceutical products.

Products acceptable under the WHO Prequalification Programme are listed as “A” products. Products which have been authorized for use by a Stringent Regulatory Authority are listed as “B” products.

If a manufacturer of a product has submitted an application for approval of such product to the WHO Prequalification Programme or a Stringent Regulatory Authority and such a product is manufactured at a site that is compliant with the standards of GMP, as certified after inspection by the WHO or a stringent regulatory authority, the product is listed as a (Ci) product. If the manufacturer of a product has not submitted an application for approval of such a product to the WHO Prequalification Programme or a stringent regulatory authority, such a product is manufactured at a

⁵ The GFATM defines a Stringent Regulatory Authority as a regulatory authority in one of the members of the Pharmaceutical Inspection Cooperation Scheme (PIC/S) and/ or the International Conference on Harmonization (ICH) of Technical Requirements for Registration of Pharmaceuticals for Human Use. The members of PIC/S are Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Malaysia, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States. The members of ICH are the European Union member states, Japan and the United States.

GMP-compliant manufacturing site, as certified (after inspection) by the WHO or a stringent regulatory authority then the product is listed as “Cii” product.

GFATM grant funds normally can only be used to purchase products listed as “A” or “B”.

If there is only one or no A or B products, or if the Principal Recipient determines that the A or B products are not available in sufficient quantity within 90 days of the date of order, then it may be possible to purchase Ci and Cii products. **However, the CO must obtain written permission from the GFATM prior to purchasing Ci or Cii products. Failure to do so may result in the withholding of disbursements and even termination of the grant agreement.**

The list of prequalified products changes often, so it is important to check before placing any order. Keep in mind also that some procurement agencies have their own prequalification standards. It is important to specify that only products prequalified by the WHO or a stringent regulatory authority, as defined by the GFATM, are acceptable when placing an order.

It is also possible that a product may be prequalified at the time it is ordered but is subsequently de-listed. De-listed drugs that have been ordered, but not received, should not be accepted. In this case, alternative prequalified products should be ordered instead. However, if alternative suppliers are not immediately available and the non-acceptance of the ordered products could lead to an inability to continue or to start treating patients, the risk of withholding treatment is higher than that of providing medicines whose bioequivalence is not proven but which have, otherwise, been prequalified. In this case, it would be justified to accept and use the de-listed products. For follow-up orders, only prequalified products should be used.

Sometimes, products that were designated as single or limited source may become multi-source products when additional products enter the market. Under the GFATM Board Decision for its 16th Meeting (November 2007) HIV, TB and malaria pharmaceutical products which are published in an International, US, or British Pharmacopeia after 10 October, 2002, shall continue to be subject to the GFATM quality assurance policy for single or limited source products.

9.4.7 Quality Control

Quality control is an element of quality assurance and refers to the testing of samples against specific standards of quality. If purchasing pharmaceutical products from a procurement agent, check to make sure that the agent conducts quality control testing of random samples of each pharmaceutical batch. If purchasing directly from the manufacturer, the PR must ensure that batch testing (at-random chemical analysis by an independent laboratory) is conducted. The GFATM requires the laboratory performing the chemical analysis of single or limited source products to meet the following standards:

- Acceptance for collaboration with WHO Prequalification Project;
- Compliance with ISO17025 or EN45002; or

- Acceptance by a stringent regulatory authority.⁶

Multi-source products can be tested in national laboratories or, for pre-inspection testing, pursuant to a LTA that the UN maintains with SGS Trade Assurance Services. The cost of the batch testing should be budgeted in the grant. In addition, the entity responsible for quality assurance should maintain one sample (box or bottle) from every batch of pharmaceuticals until expiry of the product. This is necessary in case there are any questions about the pharmaceutical's composition while it is being consumed.

Quality control also encompasses physical inspection. Each shipment of pharmaceuticals and medical products should be physically inspected by a qualified pharmacist upon receipt. Country Offices may rely on a pharmacist from the national health authorities to conduct the inspection, but the PR should also have a representative present during the inspection.

9.4.8 Distribution and Inventory Management

Some of the key elements necessary to ensure that medical products actually reach the intended user are adequate storage and distribution systems. Existing public health storage facilities and distribution should be used if they are adequate or if deficiencies can be remedied during the program. If not, then storage facilities run by NGOs and international organizations may be a viable alternative. It may even be possible to use private facilities and distribution networks run by commercial companies while public health facilities are improved.

Before medical products are procured the PR must verify the following:

- The storage space for the products is adequate with respect to volume as well as quality of space (clean, dry, not subject to excessive heat or light, cold chain areas available if needed, all storage areas free of rodents and facilities are secure). Storage areas should be assessed using these guidelines:

[WHO Good Storage Guidelines for Medical Supplies](#)

[Joint Agency Guidelines for the Storage of Essential Medicines and Other Health Commodities](#)

- There are inventory and information collection systems at each distribution and treatment site sufficient to monitor consumption rates and prevent diversion, stock outs and expired products; and

If the inventory and information collection systems are not sufficient, it may be necessary to use grant funds to develop a computerized inventory and information collection system. Distribution and inventory management systems should include a mechanism to trace by batch number the patients to whom ARVs and other sensitive drugs are distributed in the event the product is recalled.

⁶ See footnote 5, supra.

- All storage facilities and personnel use the FEFO (first-expiry, first out) system when products have different expiry dates and the FIFP (first-inventory, first out) system for products with the same expiry date.

The distribution network should be evaluated to ensure that there will be a constant supply of medicine. First, it is necessary to confirm the location and adequacy of the different distribution points needed: central medical stores, regional stores, local treatment sites, etc. It is then necessary to identify significant challenges in distribution:

- Lack of adequate roads, including seasonal problems like flooding;
- Areas of internal conflict;
- Landmines; and
- Long distances between distribution points.

The presence of one or more of these significant challenges will affect the next decision about the distribution network- which method of transportation will be used? It may be a good idea to do a “test-run” of the distribution route in order to estimate the delivery times and make sure that the route is adequate before starting out in a vehicle full of fragile products.

Once products arrive, it is important to use the inventory and information collection system to monitor forecasts with actual consumption rates. Only by monitoring this information can stock-outs be avoided and continuous supply of medicine guaranteed.

It is also important for the programme to do periodic audits and inspections of all points in the distribution chain. This will confirm that information is being accurately reported and help to prevent diversion of valuable commodities.

9.4.9 Encouraging Appropriate Use

The programme is responsible for ensuring that appropriate mechanisms are implemented to encourage adherence to treatment. This is usually accomplished by the following:

- Incorporating when possible fixed dose combinations, once a day formulations, and blister pack presentations of pharmaceuticals, as these measures have been shown to increase patients’ ability to adhere to treatment; and
- Peer education and support.

The PR also needs to assure that the health authorities responsible for administering the treatment programmes have systems in place for monitoring adverse drug reactions and resistance. If they do not have such systems, the programme should obtain advice from an international organization or consultant with technical expertise in this area.

9.4.10 Price Reporting Mechanism.

Principal Recipients are required to report data on prices for select pharmaceuticals to the Global Fund Price Reporting Mechanism, a database that itself is integrated into the WHO/AMDS (AIDS Medicines and Diagnostic Service) system. These databases are of crucial importance for monitoring developments in price and also serve internal accountability purposes.

Each PR is provided with a user name and password to enter their data directly into the system. The GFATM, however, accepts the price information in the form of Excel spreadsheets as many PRs have complained about the functionality of the system.

It is important that price information is timely and accurately conveyed to the GFATM. The GFATM advises that failure to report required price information may lead to the withholding of disbursement requests and even termination of the grant.

10. Conflicts of Interest and Anti-Corruption

Article 27 of the [Standard Grant Agreement](#) requires UNDP to abide by the conflict of interest and anti-corruption standards of conduct that are set forth in the Staff Regulations and Rules of the United Nations and the UNDP Financial Regulations and Rules, and Procurement Manual.

UNDP regulations and rules prohibit conflicts of interest and corrupt practices in connection with the award and administration of contracts, grants or other benefits (See Section 1.6 of the UNDP [Procurement Manual](#)).

The Grant Agreement also has anti-corruption provisions. It prohibits any person affiliated with the PR (including staff, individual contractors, and counterpart government officials) from participating in the selection, award or administration of a contract, grant or other benefit or transaction funded by the grant, in which the person, members of the person's immediate family or his or her business partners, or organizations controlled by or substantially involving such person, has or have a financial interest. Nor can persons affiliated with the PR participate in transactions involving organizations or entities with which that person is negotiating or has any arrangement concerning prospective employment.

If the PR has knowledge or becomes aware of any actual, apparent or potential conflict between the financial interests of any person affiliated with the PR, the CCM, the LFA, or the GFATM and that person's duties with respect to the implementation of the programme, the PR must immediately disclose the potential conflict of interest to the GFATM. Country Offices should also notify OAI.

11. Property Issues

11.1 Title to Goods and Property

Under the Grant Agreement, UNDP can retain title to goods and other property financed by the GFATM or can transfer title to any other entity which UNDP might name. At the completion or termination of the Grant Agreement, any remaining property must be transferred to the GFATM, unless the GFATM agrees otherwise (See Articles 17 and 19 of the [Standard Grant Agreement](#)). In order to ensure that UNDP is able to honor this obligation, Country Offices should retain title during the project to all goods and other property financed by the GFATM.

During project implementation, all equipment and materials must be devoted to the Programme. The SR is responsible for their proper custody, maintenance and care. UNDP regulations require the SR to obtain appropriate insurance in amounts agreed upon with UNDP for the protection of such equipment and materials during implementation of the project. The cost of the insurance should be incorporated in the Project Budget.

UNDP has a [standard letter of transfer of goods](#) to a governmental entity, should this be authorized at the end of the project.

11.2 Logos and Other Markings

The UNDP name and emblem is protected by a General Assembly Resolution and reserved for official purposes. The UNDP name and logo cannot be used for commercial purposes. Its use is subject to prior written consent of the UNDP Resident Representative.

In general the SR should identify supplies, equipment and other materials furnished or financed by UNDP as the organization's property. In some countries UNDP does not identify vehicles as its property for security reasons. Vehicles purchased for SRs should follow the procedures for UNDP vehicles developed in consultation with the security team in that country.

Use of the GFATM name and logo is subject to a [licensing agreement](#) between UNDP and the GFATM and must conform to certain specifications. Any deviation from these models (in color, dimension or other aspect) must be approved by the GFATM.

GFATM marks are not allowed on pharmaceuticals, health products or stationary, including letterhead and business cards. They may not be used for any form of sales, marketing or promotion of products. Their use on communications materials and vehicles must conform to the following requirements imposed by the GFATM:

- Material may not suggest affiliation, production or endorsement by the GFATM;
- The GFATM name and logo must be preceded by the text "supported by;"

- UNDP's name and/or logo must precede the GFATM name and logo;
- UNDP's name or mark should have a greater size than the size of GFATM's name or marks;
- All materials, with the exception of posters and signs, must contain the following disclaimer in a location reasonably positioned to give readers notice:

The views described herein are the views of this institution, and do not represent the views or opinions of the Global Fund To Fight AIDS, Tuberculosis And Malaria, nor is there any approval or authorization of this material, express or implied, by The Global Fund To Fight AIDS, Tuberculosis And Malaria.

- The CO or SR's website may provide a link to the GFATM's official website at www.theglobalfund.org if all other terms of the licensing agreement are followed; and
- If space is available, UNDP must give attribution of ownership of the name and logo in the following form: THE GLOBAL FUND (& DESIGN) (or other licensed mark) is a trademark of The Global Fund to Fight AIDS, Tuberculosis and Malaria."

For more information see the GFATM [policy on the use of logos by external partners](#).

11.3 Intellectual Property Rights and Disclosure of Confidential Information

Under UNDP's basic assistance agreement with the government, all intellectual property rights deriving from activities under UNDP's programmes vest in UNDP.

Except as specified in the Basic Assistance Agreement and UNDP's [Public Information and Disclosure Policy](#), confidential information cannot be used without UNDP's consent.

12. Phase Two Grant Renewal Process

The Board of Directors of the GFATM initially approves proposals for two years of funding only, often referred to as the first phase of the programme. Funding for the second phase, which is generally years three to five, is contingent upon satisfactory progress being made towards the achievement of the results indicated in Attachments 1 and 2 of the Grant Agreement and upon the availability of funds from the GFATM. The grant renewal process is part of the GFATM's system for performance-based funding and is intended to provide incentives for grantees to focus on results and timely implementation, identify opportunities to expand effective efforts, provide a tool to facilitate CCM oversight and free up committed resources from non-performing grant programmes for reallocation to programmes where results can be achieved.

12.1 Timeline for Phase Two Decision Making Process

The timeline for the Phase Two review and decision process is outlined below. The starting point for this process is determined by the Grant Start Date set forth on the Face Sheet of the Grant Agreement.

Timeline: Phase Two Renewal Process	
Month 18	The Fund Portfolio Manager sends an invitation to the CCM to submit a <i>Request for Continued Funding</i> and a copy of the <i>GFATM's Grant Performance Report</i> .
Month 21	The CCM sends its completed <i>Request for Continued Funding</i> to the Fund Portfolio Manager.
Month 21-23	Review and decision on continued funding by the GFATM (note: the LFA assesses the request and provides a recommendation to the GFATM within two weeks of receipt at the beginning of month 21).
Month 23-24	The Fund Portfolio Manager and the Principal Recipient negotiate an extension to the Grant Agreement for Phase Two.

While the Board makes its decision on continued funding for the programme and the grant agreement is negotiated, the Secretariat is authorized to extend the Phase One grant agreement by up to three months without extending the overall proposal term and to provide additional funding of grants, if necessary, in an amount up to the amount requested by the CCM in the Request for Continued Funding for the first three months of the programme. This funding will be part of, and not in addition to, the maximum amount available for Phase 2 of each grant.

If the Board takes more than 23 months to reach a decision on Phase Two, the GFATM may extend the grant by up to an additional three months, although no additional funding may be committed for these additional three months. In addition, if the Secretariat refers the grant to the TRP as a "Revised Go" or if the Secretariat recommends the grant as a "No Go," the GFATM may extend the grant by up to six months and provide bridge funding, if needed, until the Board decision in the Phase Two can be made and the grant

agreement is signed. **The total extensions and funding during the Phase Two renewal process can not exceed six months and one half of the amounts of the first year budget contained in the Request for Continued Funding.**

It is possible that Phase Two decision may be made ahead of schedule based on a *Request for Continued Funding* with specific justifications, in cases of accelerated implementation or severe exchange rate fluctuations. Extensions to the normal time frame can only be granted in exceptionally difficult situations (*force majeure*).

Practice Pointer: Although the GFATM can extend Phase One of the grant up to three months while the grant agreement for Phase Two is being negotiated, in practice it has often taken longer before the agreement is signed. This is because the GFATM often imposes special conditions that must be fulfilled before the grant can be signed. It also requires the programme to produce new work plans, budgets, PSM plans and other work products prior to signature. Even if these have already been produced as part of the Phase Two renewal process, the GFATM will usually require revised versions before the Phase Two agreement can be signed. It is important that all requirements are fulfilled as soon as possible or the programme may be left without a legal framework or funds, which could jeopardize on-going activities and patient treatment.

12.2 Grant Performance Report

The *Grant Performance Report* (GPR) is essentially a Fact Sheet, comprised of objective information on the grant's performance. The GPR sets forth:

- General Information on the Grant from the Grant Agreement;
- A list of each of the indicators included in Attachments 1 and 2 of the Grant Agreement;
- Reported results against intended results;
- Actual disbursements made against planned disbursements;
- Major audit findings (if any); and
- Major recommendations from the LFA (if any).

The Grant Performance Report is posted on the GFATM website and regularly updated. The PR should review the GPR carefully, and notify the FPM immediately if any of the information contained in the report is inaccurate.

Practice Pointer: As actual results against intended results is the most important factor that the GFATM will use in making its decision, it is extremely important that the PRs report their results on time. Country Offices reporting semi-annually are slightly disadvantaged at this stage, as they would have reported on two periods only, i.e. the first twelve months' results. The GFATM accepts an interim report at the end of the second year's first quarter, in order to record these results when making its review. Interim reports must be submitted to the LFA for verification. As many programmes experience delays in the first year, it is often important to provide the GFATM with interim results, particularly when major advances have been made in the second year.

12.3 Request for Continued Funding

The Request for Continued Funding is completed by the CCM, and must include the following information:

- The CCM's assessment of performance to date;
- Complementary contextual information;
- Proposed Budget for Phase Two;
- Programme objectives (should be broadly consistent with the original, approved proposal);
- Intended results for Phase Two, i.e., Attachment 3 to Annex A (third year results) broken down by reporting period, and intended results for years 4 and 5 (if applicable);
- Request for Continued Funding;
- Minutes of all CCM meetings where Request for Continued Funding was discussed;
- Detailed Budget and Workplan for Year 3;
- Indicative Budget and Workplan for Year 4 and 5;
- List of Health Products for Year 3;
- Proposed Attachment 3;
- Progress Report for all agreed-upon indicators for S3;
- Agreed upon Attachment 2;
- Annual Report;
- Latest Health Information System Report (if available); and
- Revised Programme Implementation Strategy.

The proposed budget cannot exceed the original amount in the proposal, less the amount spent during the initial grant period (Phase One). While this amount is the maximum limit, the CCM is expected to request a reasonable amount for Phase two based on:

- The use of funds and performance during the initial grant period;

- Anticipated programme realities for Phase Two; and
- Key unit costs for the budget, such as up-to-date costs of health products.

It is important to note that at the time the request is made, the actual expenses for Phase One will not be known as only expenses through month 18 will be available. The CCM is therefore asked to estimate the expected disbursements through the end of the first phase.

Practice Pointer: While the CCM is expected to complete and submit the request, much of the work will involve the PR, in particular the third year's work plan and budget and the third year's intended results. One of the major observations made by the GFATM in the early Phase Two rounds was that few CCMs acknowledged problems or proposed solutions to those problems in their requests. If the PR is aware of any on-going or potential problems to programme implementation, it is advisable to discuss them in the CCM request and propose corrective actions. In addition, if one or two major activities do not succeed in the first phase, the PR/CCM should propose to eliminate them and channel resources where results were achieved. Finally, if the programme's disbursements to date are less than planned, the PR should not request the full amount for Phase Two unless it is fully justified. Without appropriate justification, the GFATM may arbitrarily cut the budgets to what they view as a more reasonable amount, considering expenditures to date.

12.4 Grant Score Card

Upon receipt of the CCM Request for Continued Funding and the LFA Assessment of the Request, the Fund Portfolio Manager reviews the request and prepares a Grant Score Card, which is only available to the public after a decision is reached in an edited form. The Fund Portfolio collates all of the information, and makes two key recommendations to the Team Leader:

1. Grant Performance Rating; and
2. Overall Recommendation

The Grant Performance rating is classified as follows:

- A:** Expected or exceeding expectations (generally when greater than 80 percent of the intended results shown in Attachment 1 and 2 are achieved);
- B1:** Adequate (generally between 60 and 80 percent of the intended results are achieved);
- B2:** Inadequate but potential demonstrated (generally between 50 and 60 percent of the intended results achieved); and

C: Unacceptable (below 50 percent of the intended results achieved).

The Overall Performance, which looks at actual results, contextual information, the LFA assessment and the Fund Portfolio Manager's knowledge of the grant, is classified as:

GO: Phase Two is committed to the remaining proposal period.

CONDITIONAL GO: Phase Two grant commitment depends on time-bound actions to be taken by the PR/CCM within one year.

REVISED GO: CCM/PR must significantly revise its targets and/or budget, subject to GFATM approval.

NO GO: The Grant is closed at the end of Phase 1.

The Team Leader then reviews the recommendation of the Fund Portfolio Manager, and provides the Phase two Decision Panel with the Team's overall recommendation.

12.5 Phase Two Decision Panel

The Phase Two Decision Panel at the GFATM includes four members of the Executive Leadership Team of the GFATM, plus one technical specialist. The panel reviews the recommendation of the Fund Portfolio Manager/Team Leader, and then gives them an opportunity to provide additional information as required. The panel will often question the FPM/TL before taking a vote on the Phase 2 decision. The decision is then communicated to the PR/CCM by the Fund Portfolio Manager.

The majority of the decisions to date have been GO and CONDITIONAL GO, with only a few NO GOs. The GFATM may classify more grants as NO GOs in the future, now that its procedures are better established and it expects more results. Often, a GO decision includes time-bound actions or conditions, but these are generally done through negotiation rather than through contractual obligations. Increasingly, the Decision Panel is cutting budgets in order to channel additional resources to successful countries. Thus, the PR/CCM should be ready to justify its budget at the time that the request is submitted.

13. Rolling Continuation Channel

The GFATM has established a funding channel (the Rolling Continuation Channel) that provides an opportunity for CCMs to apply for continued funding for grants that are reaching the end of their funding terms under conditions different from those available for proposals submitted as part of new rounds of financing.

The GFATM Secretariat conducts a review of all grants before the end of their Phase Two to determine if they qualify for the Rolling Continuation Channel. Primary factors for eligibility are (1) whether the grant received “A” ratings for performance ratings in more than half of the GFATM’s reviews of the grant’s progress updates over the 18 months preceding the determination of qualification, and (2) whether the grant demonstrates potential for impact, which is defined as contribution to a national effort that has had, or has the potential to have in the near future, a measure impact on the burden of the disease.

The GFATM will also consider whether the grant is sustainable, as determined by the extent to which the grant contributes to a national plan which is inclusive of civil society and the private sector and transparently shows the financial contributions to the plan by major funding sources, including domestic sources, and whether in exceptional cases severe and unexpected changes in circumstances have had a material negative impact on programme implementation.

If the GFATM Secretariat determines that a grant is eligible to apply for funding through the Rolling Continuation Channel, it will notify the CCM. The CCM will still have to submit a proposal for continued funding for evaluation by the Technical Evaluation Panel. The proposals may cover a maximum term of six years in two phases of three years each, with funding in the second phase subject to the approval of the Board based on a mid-point performance review.

It is estimated that only one quarter to one third of GFATM grants that expire in a given year will be eligible to apply for the Rolling Continuation Channel.

The GFATM provides [questions and answers](#) about the Rolling Continuation Channel.

14. General Resources

Key Documents Required by UNDP Country Offices that are GFATM Principal Recipients (PR)	
Getting Started	<p>For general information on the Global Fund and grants www.theglobalfund.org</p>
	<p>An overview of the UNDP-GFATM Partnership http://content.undp.org/go/practices/hiv/docs/download/?d_id=236662</p>
	<p>Endorsed UNDP-GFATM Letters of Exchange: from UNDP Administrator http://content.undp.org/go/practices/hiv/docs/download/?d_id=213075</p> <p>Endorsed UNDP-GFATM Letters of Exchange: from GFATM Executive Director. http://content.undp.org/go/practices/hiv/docs/download/?d_id=213116</p>
	<p>UNDP-GFATM Business Strategy: 2005-2006 http://content.undp.org/go/practices/hiv/docs/download/?d_id=161042</p>
	<p>UNDP-GFATM PR Programme Grant Agreement - Standard http://content.undp.org/go/practices/hiv/docs/download/?d_id=213184</p> <p>UNDP-GFATM PR Programme Grant Agreement - with Additional Safeguards http://content.undp.org/go/practices/hiv/docs/download/?d_id=1326946</p> <p>Quality Assurance of Limited and Single Source Pharmaceutical Products http://content.undp.org/go/practices/hiv/docs/download/?d_id=270792</p>
	<p>UNDP-GFATM Procurement Guidelines Click here for a list of procurement and supply management documents</p>
	<p>UNDP-GFATM Financial Guidelines http://content.undp.org/go/practices/hiv/docs/download/?d_id=213162</p>
	<p>UNDP-GFATM Operational Manual</p> <p>English: http://content.undp.org/go/practices/hiv/docs/download/?d_id=422120</p> <p>French: http://content.undp.org/go/practices/hiv/docs/download/?d_id=236648</p>
	<p>GFATM Toolkit: Frequently Asked Questions and Answers in Implementation</p>

	http://content.undp.org/go/practices/hiv/docs/download/?d_id=226814
	Protocol Regarding Ad Hoc Site Visits http://content.undp.org/go/practices/hiv/docs/download/?d_id=730902
	UNDP-GFATM Decisions and Actions from March 2006 Consultations http://content.undp.org/go/practices/hiv/docs/download/?d_id=730905
	Revised Guidelines on Purpose and Structure of Country Co-ordinating Mechanisms http://content.undp.org/go/practices/hiv/docs/download/?d_id=375843
	Latest UNDP Partnership Bulletin UNDP-GFATM Newsletters on the UNDP-Global Fund workspace
Project Set-Up and Implementation	ATLAS Project Set-Up Training Manual English: http://content.undp.org/go/practices/hiv/docs/download/?d_id=422218 French: http://content.undp.org/go/practices/hiv/docs/download/?d_id=236648 Instructions for Project Management and generating Progress Update from Atlas http://content.undp.org/go/practices/hiv/docs/download/?d_id=1246437 The Atlas Executive Snapshot Guide for GFATM Projects http://content.undp.org/go/practices/hiv/docs/download/?d_id=1227963 Entering programmatic updates in Atlas for GFATM projects (Live “How To” session) http://content.undp.org/go/practices/hiv/docs/download/?d_id=1246951
Sample Workplans and Budget	Sample GFATM Workplans and Budgets <i>Liberia workplan and budget, HIV/AIDS Round 6 (2007)</i> http://content.undp.org/go/practices/hiv/docs/download/?d_id=1194938 <i>Niger workplan and budget, Malaria Round 5 (2006)</i> http://content.undp.org/go/practices/hiv/docs/download/?d_id=1002082
Model Agreements	Model UNDP Sub-Recipient Contracts <i>Model agreement with Government:</i> English: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1135490

	<p>French: http://content.undp.org/go/practices/hiv/docs/download/?d_id=268207</p> <p>Spanish: http://content.undp.org/go/practices/hiv/docs/download/?d_id=329544</p> <p><i>Model agreements with UN Agencies:</i></p> <p>WHO: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1135091</p> <p>UNICEF: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1135100</p> <p>UNFPA: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1286715</p> <p>Model UN: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1266303</p> <p><i>Model agreement with NGOs:</i></p> <p>English: http://content.undp.org/go/practices/hiv/docs/download/?d_id=261256</p> <p>French: http://content.undp.org/go/practices/hiv/docs/download/?d_id=268210</p> <p>Spanish: http://content.undp.org/go/practices/hiv/docs/download/?d_id=329537</p>
Generic TORs	<p>Generic TORs for key GFATM Unit Positions</p> <p><i>Financial Manager:</i> http://content.undp.org/go/practices/hiv/docs/download/?d_id=213049</p> <p>Procurement Officer http://content.undp.org/go/practices/hiv/docs/download/?d_id=212917</p> <p>Project Co-ordinator http://content.undp.org/go/practices/hiv/docs/download/?d_id=212791</p>
Local Fund Agent (LFA) Assessment-- can also be used for SR Assessment.	<p>GFATM's Guidelines for the PR Assessment http://content.undp.org/go/practices/hiv/docs/download/?d_id=213037</p>
	<p>GFATM's LFA Monitoring and Evaluation Assessment Questionnaire</p>

	http://content.undp.org/go/practices/hiv/docs/download/?d_id=161080
	GFATM's LFA Institutional and Programmatic Assessment Questionnaire http://content.undp.org/go/practices/hiv/docs/download/?d_id=161133
	TORs for country-readiness and pre-assessment mission when UNDP is PR http://content.undp.org/go/practices/hiv/docs/download/?d_id=160800
Financial Management and Reporting	GFATM Disbursement Forms and Guidelines http://content.undp.org/go/practices/hiv/docs/download/?d_id=407416
	GFATM's Fiduciary Arrangements for Grant Recipients http://content.undp.org/go/practices/hiv/docs/download/?d_id=213125
	GFATM's Guidelines for Performance Based Funding http://content.undp.org/go/practices/hiv/docs/download/?d_id=212899
	Key Guidelines from the UNDP Office of Audit and Performance Review (OAPR) Click on this link for OAPR auditing guidelines
Procurement and Supply Management	GFATM's Board Decisions on Procurement and Supply Management http://content.undp.org/go/practices/hiv/docs/download/?d_id=161113
	GFATM's Guide to the Global Fund's Policies on Procurement and Supply Management http://content.undp.org/go/practices/hiv/docs/download/?d_id=161170
	GFATM's Guide to Writing the Procurement and Supply Chain Management Plan English: http://content.undp.org/go/practices/hiv/docs/download/?d_id=226823 French: http://content.undp.org/go/practices/hiv/docs/download/?d_id=226826 Spanish: http://content.undp.org/go/practices/hiv/docs/download/?d_id=226829
Sample PSM Plans	Sample Procurement and Supply Chain Management Plans Iran - HIV/AIDS http://content.undp.org/go/practices/hiv/docs/download/?d_id=1261360 Belarus - TB http://content.undp.org/go/practices/hiv/docs/download/?d_id=1261333

Monitoring and Evaluation	<p>GFATM's Monitoring and Evaluation Toolkit: HIV/AIDS, TB and Malaria (2006)</p> <p>English: http://content.undp.org/go/practices/hiv/docs/download/?d_id=376956</p> <p>French: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1317175</p> <p>Spanish: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1317169</p> <p>Russian: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1317172</p>
	<p>GFATM's Monitoring and Evaluation Systems Strengthening Tool</p> <p>English: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1326064</p> <p>Excel: http://content.undp.org/go/practices/hiv/docs/download/?d_id=1326067</p>
	<p>GFATM's Guidelines for Principal Recipients M & E Plan http://content.undp.org/go/practices/hiv/docs/download/?d_id=212860</p>
	<p>GFATM's Measuring the System Effects of the Global Fund http://content.undp.org/go/practices/hiv/docs/download/?d_id=372709</p>
Phase II Renewals	<p>GFATM's Phase II Renewals Questions and Answers http://content.undp.org/go/practices/hiv/docs/download/?d_id=212814</p>
	<p>GFATM's Phase II Renewals Power Point http://content.undp.org/go/practices/hiv/docs/download/?d_id=377578</p>
	<p>GFATM's Guidance for the LFA Review of Phase II Budgets http://content.undp.org/go/practices/hiv/docs/download/?d_id=236175</p>