ANNUAL REPORT

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UNDP GLOBAL FUND PARTNERSHIP

United Nations Development Programme

2014–2015

EXECUTIVE SUMMARY

This Annual Report provides

i. an analysis of the overall status of the partnership between the Global Fund and UNDP, and strategic opportunities moving forward;
ii. an overview of the performance and results of UNDP-managed Global Fund grants;
iii. an update on the status of capacity development and transitions of UNDP-managed grants to national Principal Recipients; and
iv. a report on the work of the UNDP Global Fund Partnership Team in 2014 and its support to UNDP Country Offices.

UNDP continues to play a key role in supporting countries facing challenging circumstances in accessing Global Fund resources, making the money work, managing the risks, and achieving vital health outcomes, all the while building national capacity and institutions that will ensure sustainability of Global Fund programmes. The partnership is a key feature of the Global Fund's approach to risk management in difficult country contexts.

The Global Fund is continuously evolving and UNDP needs to be ever more agile in adapting its support and engagement. In 2015, the **Global Fund is in the process of developing its new strategy for 2017–2021,** presenting the partnership with a host of strategic opportunities, including engagement on key policy issues, building on existing work in "challenging operating environments", sharing experiences in developing the capacity of national systems, promoting domestic and sustainable financing, and continuing to innovate in the area of risk management together with the Global Fund.

UNDP's partnership with the Global Fund is a powerful contributor to UNDP's Strategic Plan 2014–2017 and to health-related development goals, through the key role it plays in supporting countries facing challenging circumstances to strengthen their institutions and enable access to essential social services.

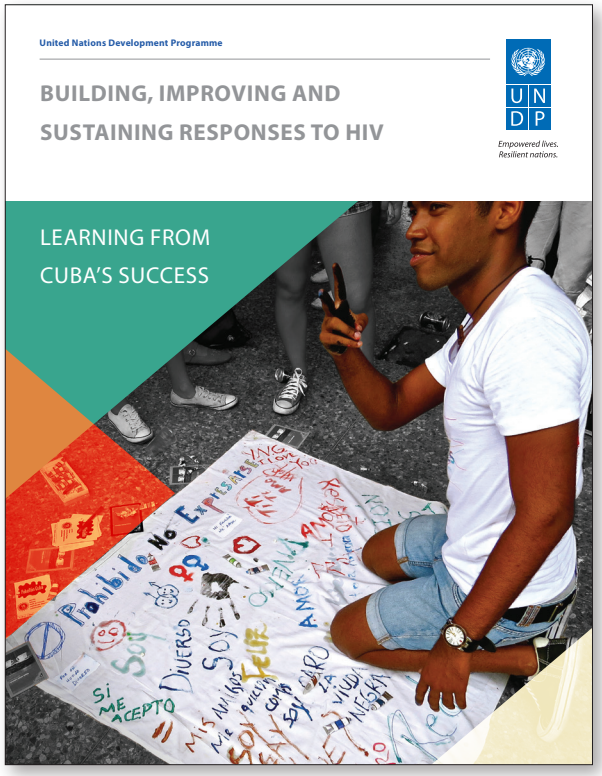
The **results** of the partnership continue to be remarkable. For instance, over 1.4 million people are currently receiving HIV treatment through UNDP programmes financed by the Global Fund, enabling them to live healthier lives, stay productive to support their families, and reduce the spread of HIV to others. This represents 1 in 8 people on HIV treatment in low- and middle-income countries.

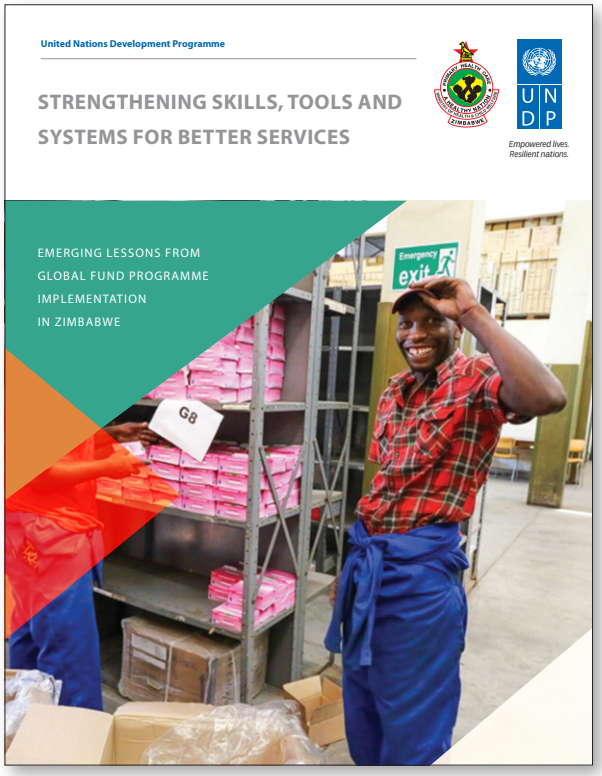
The performance of UNDP grants continues to exceed all others. Over **sixty percent of UNDP grants are currently rated A1 or A2** by the Global Fund, compared with 37 percent of grants implemented by other partners. This is despite the fact that UNDP is operating in the most difficult country contexts, including Afghanistan, Chad, Haiti, Iraq, Mali, Syria, South Sudan, State of Palestine, and Sudan.

As of 5 March 2015, UNDP is managing 49 Global Fund grants in 25 countries, as well as one Regional Grant in Asia Pacific covering another 7 countries. The total value of the active/signed agreements with the Global Fund (1–4 year duration) has reached US$ 1.96 billion. Including the US$ 607.7 government parallel co-financing invested into these programmes, as per Global Fund requirements, and Global Fund resources managed by UNDP in a role of support to national Principal Recipients, the **total size of the UNDP-Global Fund portfolio is US$ 2.65 billion**. In 2014, the total Global Fund contributions to UNDP were US$ 411.6 million and the UNDP Global Fund portfolio expenditure/delivery was US$ 474.1 million.

Beyond this programme implementation role, the past year has seen a further deepening in UNDP's engagement with the Global Fund on **human rights, key populations, gender, capacity development of health systems, sustainable financing,** and other key strategic issues.

In 2014, UNDP continued to use, support and strengthen national systems necessary for the implementation of Global Fund grants and other health programmes. Areas of **capacity development** include programme and financial management, fiduciary controls and oversight, sub-recipient management, procurement and supply chain management, enabling policy environments, and monitoring and evaluation. The report provides an update on those efforts, as well as the status of transition of the role of Principal Recipient to national entities in the countries in which UNDP manages Global Fund programmes.





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I. OVERVIEW OF THE PARTNERSHIP

1. General update

UNDP continues to play a key role in supporting countries facing challenging circumstances access Global Fund resources, implement grants, manage the risks, and achieve remarkable and measurable health outcomes, all the while building national capacity and institutions that will ensure sustainability of Global Fund programmes. As such, the partnership is an important feature of the Global Fund's approach to risk management in difficult country contexts.

As of 5 March 2015, UNDP is managing 49 Global Fund grants in 25 countries, as well as one Regional Grant in Asia Pacific covering another 7 countries. The total value of the active/signed agreements with the Global Fund (1–4 year duration) has reached US$ 1.96 billion. With the additional government parallel co-financing invested into these programmes, which is mandated by the Global Fund and amounts to US$ 607.7 million, as well as Global Fund resources managed by UNDP in support to national Principal Recipients, the total size of the UNDP-Global Fund portfolio is US$ 2.65 billion.

In 2014, the total Global Fund contributions to UNDP were US$ 411.6 million and the UNDP Global Fund portfolio expenditure/delivery was US$ 474.1 million. UNDP's partnership with the Global Fund is a powerful contributor to two Outcomes of UNDP's Strategic Plan 2014–2017:

- Outcome 3 "Countries have strengthened institutions to progressively deliver universal access to basic services", and since many UNDP Global Fund grants are in crisis countries;
- Outcome 6 "Early recovery and rapid return to sustainable development pathways are achieved in post-conflict and post-disaster settings".

The impact continues to be remarkable. Over 1.4 million people are currently receiving HIV treatment through UNDP programmes financed by the Global Fund, which enables them to live healthier lives, stay in work to support their families, and reduce the spread of HIV to others. This is one in eight people on HIV treatment in low-and middle-income countries.

Six countries (Bolivia, Iran, Kyrgyzstan, Sao Tome and Principe, Tajikistan, and Zambia) have decreased the incidence of malaria by 75 percent with support from UNDP and 13 countries (Angola, Belize, Belarus, Bosnia & Herzegovina, Cuba, El Salvador, Haiti, Kyrgyzstan, Montenegro, Sao Tome & Principe, Syria, Tajikistan, and Turkmenistan) have exceeded the global target of 70 percent of TB case detection rate set for 2015. 500 million condoms have been distributed and 22 million people have received HIV testing and counselling (for more on results and impact, see Section III). As for programme performance, UNDP continues to outperform other implementers of Global Fund grants combined. Over 63 percent of UNDP grants are currently rated A1 or A2 by the Global Fund, compared to 36 percent of grants implemented by other partners, and this despite the fact that UNDP is operating in the most difficult country contexts. This is also a remarkable improvement for UNDP in the last 5 years. In 2010 only 25 percent of UNDP grants were rated A1 or A2.

Beyond the programme implementation and capacity development role, the past year has seen a further deepening in UNDP's engagement with the Global Fund on a number of key policy issues. This includes work to operationalize the Global Fund's commitments on human rights, gender and key populations, and to translate those into costed interventions with measurable and verifiable results.

UNDP is also involved in discussions on how the Global Fund should increasingly tailor its approach to countries' circumstances along the 'development continuum', including through more flexible arrangements and more risk tolerance for countries presenting 'challenging operating environments' (what is often called fragile states). The Global Fund Board wants this reflected in the next Global Fund Strategy (2017–2021) and UNDP is involved at various levels in the process that will lead to the new strategy's development.

2. Emerging opportunities in 2015 and beyond

a. Engagement on the Global Fund's new Strategy for 2017–2022

In 2015, the Global Fund is embarking on a comprehensive process of consultations with partners on its replenishment in 2017 and its new Strategy 2017–2020. Along with other key partners of the Global Fund, UNDP is playing an important role throughout this process.

As a first step in the consultations on its new strategy, the Global Fund created a 'Development Continuum Working Group', chaired by the Swedish Health Ambassador and composed of member of the Global Fund Board, to provide initial input into the Global Fund's new strategy and help shape the consultations in the course of 2015. Under this 'Development Continuum Working Group', UNDP chaired a sub-working group focusing on challenging operating environments, which represented a significant opportunity to engage with other Global Fund stakeholders and help shape thinking and policy on how the organization should tailor its approach to different countries and their respective situations.

b. Promote country ownership of Global Fund programmes

The Global Fund's new funding approach is presenting UNDP with important opportunities to bring additional value to the Global Fund. Firstly, the new approach is very much in line with what UNDP, other UN agencies and a number of donor and programme countries have advocated for: proper alignment with national disease strategies and health plans; stronger country ownership with better articulation of needs and demands through meaningful country processes; and more equitable allocation of funds towards low-income and lower middle-income countries with higher disease burdens, while protecting the ability of the Fund to support key interventions in countries with concentrated epidemics.

Secondly, the NFM offers an opportunity for UNDP to support countries in helping to anchor their Global Fund applications not only in national disease and health strategies, but also more broadly in national development and poverty reduction strategies, and national budget processes and expenditure frameworks. It opens the door for engaging in a strategic dialogue with countries about sustainable financing of these programmes, especially middle income countries where Global Fund support will be phasing out.

c. Implementation support in crisis countries and fragile states

Over the years of its partnership with the Global Fund, UNDP has become a world leader in implementing health programmes in the most difficult crisis contexts and war-torn countries. UNDP is managing Global Fund grants in Iraq, Mali, Syria, South Sudan, and other crisis countries. UNDP was also nominated as interim Principal Recipient for new malaria, TB, HIV and health systems strengthening grants in Afghanistan, currently under negotiation. UNDP also supported governments in Ebola-affected countries in re-designing their Global Fund programmes.

UNDP sees added value in connecting its Global Fund work with UNDP's resilience and early recovery mandate in crisis and post-crisis countries. Syria is emerging as a pioneering example where UNDP and WHO work together to build resilience

and recover the health sector, with UNDP bringing to the table its operational heft and its role as implementer of the Global Fund TB and HIV grants in Syria.

d. Capacity development, health system strengthening and sustainability of Global Fund programmes

The Global Fund is increasingly paying attention to the importance of building national capacity and resilient health systems to ensure the sustainability of their investments into the three diseases. The renewed focus on health systems is becoming evident in the development of the Sustainable Development Goals (SDG) agenda and further stimulated by the lessons learnt from the Ebola crisis.

This opens up new opportunities for UNDP to contribute experience and expertise developed while managing Global Fund grants. For instance, experience in El Salvador, Zambia, Zimbabwe, Tajikistan, and other countries at various stages of transition to national Principal Recipients can be of great value to the debate about how to strengthen programme, finance, procurement and supply management in the health sector; the nuts-and-bolts 'non-medical' aspects of delivering essential health services to people.

e. Increased emphasis on human rights, gender, and key populations

In line with its current Strategy, the Global Fund is accelerating its efforts to operationalize its commitments on human rights, gender and reaching key populations. UNDP is supporting the Global Fund to translate those commitments at programme level. This includes participation in the Human Rights Reference Group as well as production of guidance and training for Global Fund staff and Country Coordinating Mechanisms. In addition, UNDP continues to leverage its role as interim Principal Recipient to advocate for the removal of barriers to access to services, thus combining implementation support and technical and policy engagement at global, regional and country level so that both dimensions inform each other. Examples of results achieved are included in Section III.

f. Sustainability of disease responses and domestic financing

Among the key drivers of the Global Fund's New Funding Model is a transition to sustainable domestic financing of AIDS responses. This has immediate implications for many middle-income countries with concentrated epidemics, including an end of their eligibility for Global Fund support, or significantly reduced support. UNDP has embarked on direct support to countries in sustainable AIDS financing, chiefly through modelling options under different budget scenarios.

g. Risk management

The Global Fund is approaching risk in a more systematic way than previously and as a result is starting to increase risk differentiation in its portfolio. This process should lead to greater tailoring of procedures and risk mitigation measures to the different environments and circumstances in which the Global Fund operates. This is combined with a new approach to audit, currently focusing more on systems and processes and less on detailed country audits, and based on 'combined assurance' i.e. increasingly relying on other assurance providers, including implementing partners such as UNDP. UNDP is engaging with the Global Fund on risk management on an ongoing basis, and the Global Fund asked UNDP to host a stakeholder meeting on risk management that was held in April 2015.

h. Continued implementation support as PR and through other means

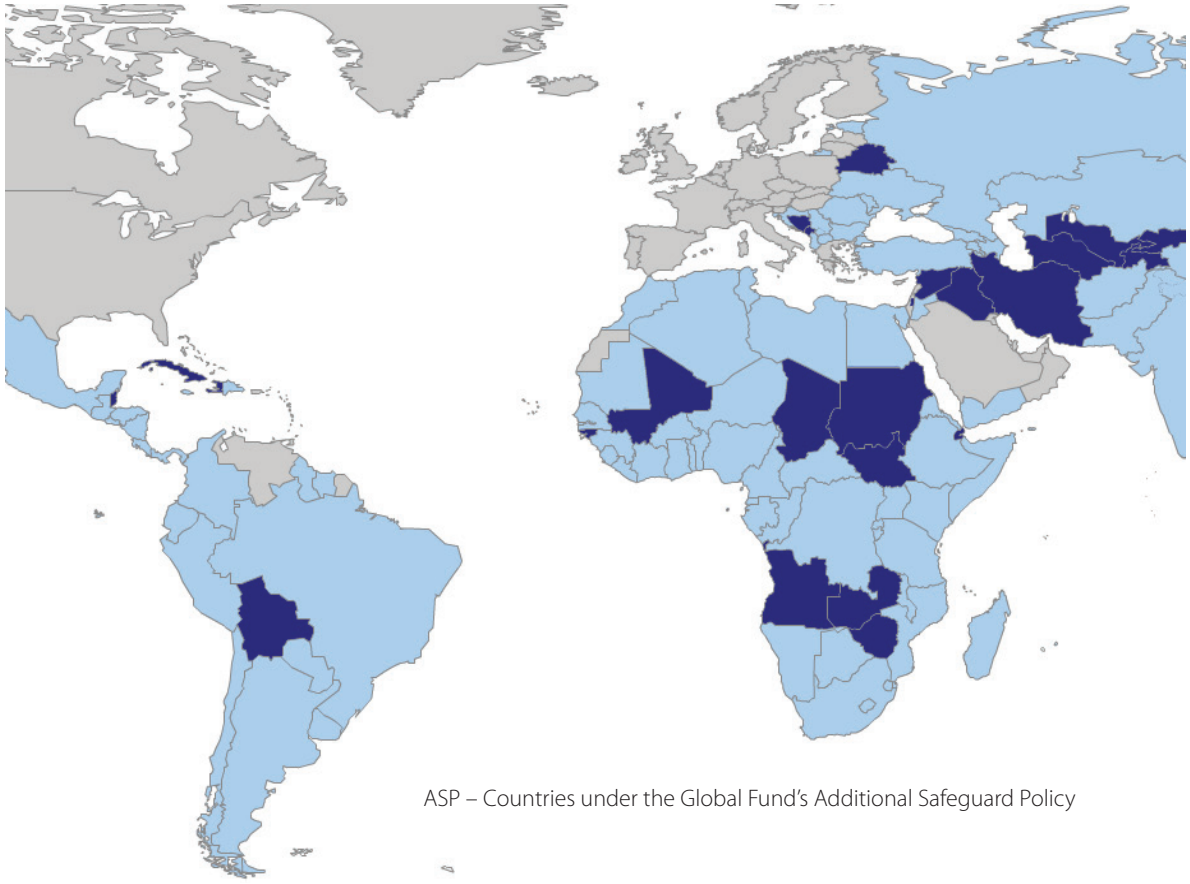
Last but not least, the Global Fund will continue to require UNDP's support in implementation of their grants in a number of countries facing difficult and special circumstances. UNDP is also being requested to provide procurement services, combined with capacity development support, for a number of Global Fund grants that are not managed by UNDP, and this work is likely to expand further.

II. STATUS OF UNDP'S GLOBAL FUND PORTFOLIO OF GRANTS

UNDP serves as interim Principal Recipient in **25 countries**, with 49 active grants, including a multi-country grant covering 7 countries in South Asia (Refer Annex I).The total current value of the portfolio is **US$ 1.96 billion.**

When US$ 60 million in mandatory government contributions under the Global Fund Counterpart Financing Policy are included, the total of resources mobilized for disease responses through UNDP-managed grants is **US$ 2.4 billion**. Since the start of the partnership, the Global Fund has disbursed a total of US$ 1.42 billion to UNDP. The Global Fund remains UNDP's largest non-bilateral partner with contributions of US$ 412 million in 2014.

Figure 1. UNDP Principal Recipient – Country Coverage



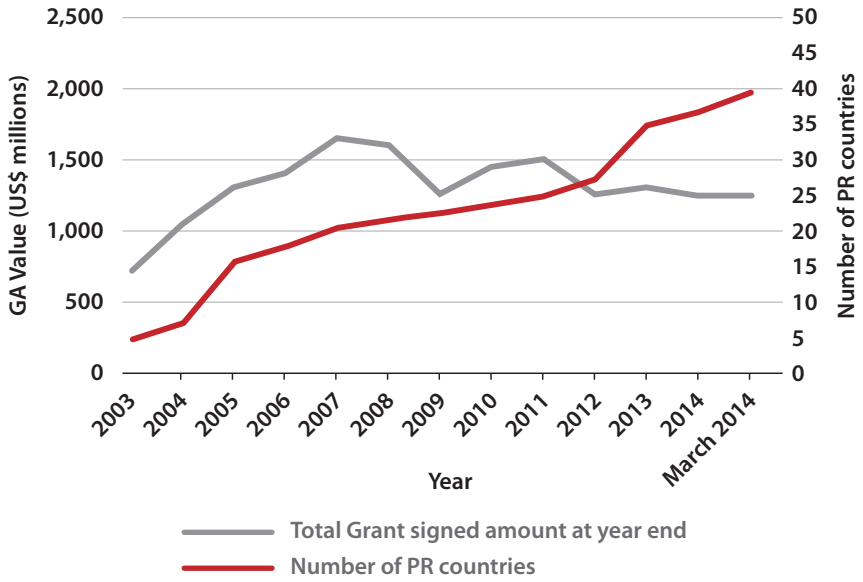
ASP – Countries under the Global Fund's Additional Safeguard Policy

Countries

Angola
Belarus
Belize
Bosnia & Herzegovina
Bolivia
Chad (ASP)
Cuba
Djibouti (ASP)
Haiti (ASP)
Guinea Bissau (ASP)
Iran (ASP)
Iraq (ASP)
Kyrgyzstan
Mali (ASP)
Montenegro
Sao Tome & Principe
South Sudan (ASP)
Sudan (ASP)
Syria (ASP)
Tajikistan
Turkmenistan
Uzbekistan
State of Palestine (ASP)
Zambia
Zimbabwe (ASP)
Multi-country
South Asia Grant

Figure 2 shows the growth of the portfolio since the start of the partnership up to December 2014, comparing the value of signed grant agreements and the number of countries where UNDP has served as interim Principal Recipient. While the size of the portfolio in dollar terms continues to grow, the number of countries where UNDP serves as interim Principal Recipient has decreased in recent years. UNDP has exited as interim Principal Recipient from 5 countries in the last 3 years. The continued increase in the funds managed by UNDP is mostly due to the large programmes in Zambia and Zimbabwe.

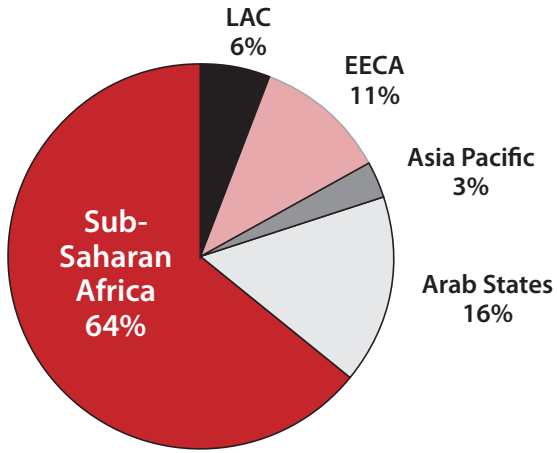
Figure 2. Size of UNDP Grant Portfolio vs. Number of UNDP Principal Recipient Countries (2003–March 2015)



In addition to the traditional interim Principal Recipient role, UNDP is also supporting a number of countries with a range of other services. This includes managing funding for Country Coordinating Mechanisms (in Belarus, Bolivia, Cuba, El Salvador, Kazakhstan, Kyrgyzstan, Panama, Sudan, Tajikistan, Ukraine, Uzbekistan), providing procurement services (Kazakhstan), and other types of support to other Principal Recipients (El Salvador and Somalia).

Grant delivery-related programme expenditure in 2014 amounted to US$ 474 million, which represents 108 percent of the budgeted amount, and 107 percent of the US $441 million delivery target set for that year. An overview of the distribution of expenditure by region and by disease is provided in Figures 3 and 4. Programme expenditure in 2013 was US$ 414 million, and in 2012 it was US$ 370 million. As shown in Figure 4, two thirds of grant-related expenditure in 2014 was for HIV activities, followed by malaria and tuberculosis.

Figure 3. UNDP Global Fund Expenditure 2014, by Region



In 2014, the total procurement volume of pharmaceutical and medical equipment for UNDP-managed grants was US$ 211,378,786 million (see Figure 5). A large proportion of the procurement of health products is concluded through MoUs with UN agencies, with UNICEF being by far the largest provider, and through commercial long term agreements (LTAs) with private manufacturers (Annex II provides details of procurement by provider since 2008).

Figure 4. UNDP Global Fund Expenditure (2014), by Disease

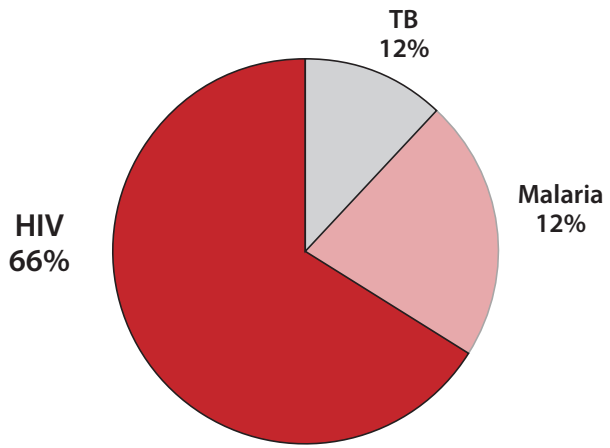
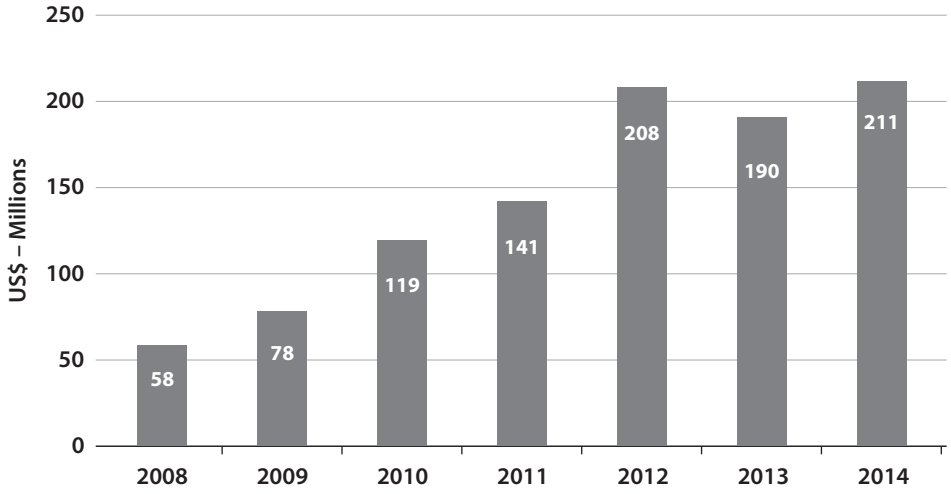


Figure 5. UNDP Procurement Levels for Global Fund Grants, 2008–2014



III. RESULTS & PERFORMANCE OF UNDP'S GLOBAL FUND GRANTS

This section provides an overview of the results and impact in countries where UNDP manages Global Fund grants, trends in performance ratings of the portfolio, as well as audit ratings and main issues and recommendations identified by audits of UNDP-managed Global Fund grants.

1. Results and Impact

As interim Principal Recipient of Global Fund grants, UNDP is providing critical support to countries facing the most difficult challenges toward the achievement of MDG 6 and the other health-related MDGs.

The results in countries where UNDP serves as interim Principal Recipients are remarkable, as shown in Table 1.

Table 1. Highlights of Results of UNDP's Global Fund Portfolio

HIV	▪ 1 in 5 of all HIV treatments currently funded by the Global Fund
	▪ **1 out of 7 people in Africa currently receiving HIV treatment, and 1 out of 8 people globally (LICs and MICs)**
	▪ 21 million people received HIV counselling and testing*
	▪ 550 million condoms distributed*
	▪ 2.4 million cases of sexually transmitted infections treated*

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MALARIA	▪ 70 million malaria cases treated, or 1 in 6 cases treated with Global Fund support*
	▪ 33 million bed nets distributed*
	▪ 6 countries have decreased the incidence of malaria by 75 percent with support from UNDP
TUBERCULOSIS	▪ 760,000 cases of TB detected and put on treatment
	▪ In 13 countries where UNDP has managed the implementation of TB grants, the TB case detection rate has exceeded the global target of 70 percent set for 2015
	▪ **6 countries that have received support from UNDP have seen a 50 percent reduction in TB prevalence and 2 have achieved a 90 percent treatment success rate for new smear-positive TB cases.**

* *Cumulative since beginning of implementation of the grants, as of end-2013*

Achieving impact through implementation support

- With Global Fund and UNDP support, **Tajikistan** has achieved significant results across the HIV, TB and malaria programmes. HIV prevalence among people who use drugs (PWUDs) has decreased from 24 percent in 2006 to 13 percent in 2014. The involvement of health workers and community volunteers has significantly improved treatment outcomes. Strengthening of control and quality assurance of national supply chain systems at central and local levels has led to continuous supply of ARVs without stock-outs throughout 2013. UNDP supports more than 90 percent of HIV prevention services for key affected populations and has achieved coverage and impact through innovative partnerships with umbrella organisations that engage and mentor smaller local NGOs. Universal access to TB treatment, including in the penitentiary system, has been achieved. From 2004 and 2012, the TB mortality rate dropped by 26 percent. Malaria has effectively been eliminated in Tajikistan, with only three cases reported in 2013, and no new reported cases of Malaria falciparum, its deadliest form, since 2008.
- **Zambia** has achieved universal access to prevention of mother-to-child transmission of HIV, and 580,000 people living with HIV are currently accessing life-saving antiretroviral therapy, enabling them to leave longer, healthier lives, stay in work and continue to support their families, and reduce the spread of HIV to others. From 2011 to 2013 there has been a 25% reduction in new cases of HIV and the number of AIDS related deaths has declined by 18% (and by 65% since 2003).
- In **Zimbabwe**, 665,000 people are currently receiving treatment through Global Fund and UNDP programmes. From 2011 to 2013, the number of AIDS-related deaths decreased by 17% (61% since 2003) and new infections were reduced by 19%. Zimbabwe has seen one of the sharpest declines in HIV prevalence in Southern Africa, from 27% in 1997 to 15% in 2013.
- UNDP continued to support civil society and the Ministry of Health in **Syria** to reach the WHO target of 87 percent of tuberculosis patients successfully on treatment via the Directly Observed Treatment, Short-Course (DOTS) strategy. There has been a 50 percent reduction in TB prevalence since 2000. Through the UNDP-administered Global Fund grant, advanced DNA technology was procured to aid in the early detection of tuberculosis, and health workers were trained on how to use it. In conflict situations, medical staff experience difficulties reaching patients, and patients in turn have difficulty reaching health centres. UNDP's support ensured that patients continued to be reached and that medicines were delivered on time. One of the TB centres renovated under the programme specializes in MDR-TB strains, offering

financial support to patients during treatment, which can last for two years. One of UNDP's aims is to ensure that supervisory visits to health centres take place throughout Syria. Due to the restrictions in place and the conflict situation, these visits have frequently been difficult to undertake. However, UNDP has coordinated these visits in collaboration with the Syrian Medical Association in all conflict areas.

Strengthening HIV, TB and Malaria responses through capacity development

In **Zimbabwe** UNDP has strengthened the existing Health Information and Surveillance System (HISS) through the introduction of data capturing software, Frontline SMS, that has dramatically improved the weekly disease surveillance from under 40 percent in 2009 to 98 percent as of June, 2014. As a result of UNDP's efforts, 1,650 cell phones have been distributed to health workers throughout the country, resulting in significant improvements in the complete and timely reporting of data, in turn reducing morbidity and mortality and curtailing deadly disease outbreaks. Additional UNDP-administered grants have strengthened existing service delivery in health centres through integrated health information systems, better data management and analysis for health programme monitoring and evaluation.

Through UNDP-managed programmes, **Iraq** provided significant support to the National Reference Laboratory for TB in the country. As a result the NRL was accredited for the first time for the proficiency of drug susceptibility testing of Mycobacteria tuberculosis in 2011 which was a prerequisite from WHO to start diagnosis and treatment of multi-drug resistant (MDR) and extensively drug resistant (XDR) patients. The Regional Supra National Reference Laboratory based in Cairo, Egypt is managing the proficiency of drug susceptibility testing on an annual basis. By end of June 2014, 155 MDR-TB patients out of 243 converted negative which represent a 64 percent conversion rate. An additional 47 MDR-TB patients have been enrolled in treatment.

In **Zambia**, implementation of a Capacity Development plan included the adoption by the Ministry of Health of Standard Operating Procedures and guidelines; installation and training on financial management software at different levels for increasing efficiency, accountability and transparency; improvements in procurement and supply chain systems; and training of health information officers in Monitoring and Evaluation. As a result of capacity development efforts, the Ministry of Health reverted to managing Global Fund grants in 2015.

Promoting rights and reaching key populations through policy change

As interim Principal Recipient for two Global Fund grants in **Belarus**, UNDP has contributed to significant achievements under the national TB and HIV strategies. Given a rise in HIV prevalence among PWUDs, sex workers and men having sex with men (MSM), the focus of interventions for these populations remained central. With UNDP active support, opioid substitution therapy (OST) has been institutionalised at narcological healthcare facilities with 18 OST points providing treatment to more than 1,100 clients. A study of the intervention's socio-economic benefits showed high cost-effectiveness of OST provision and has increased support from national authorities. UNDP has also been supporting the introduction of a TB register that allows for electronic tracking of all patient information, diagnostics and treatment outcomes across the country resulting in significant improvements in patient care. Similarly, an ARV register includes information on all registered cases of HIV infection and tracks laboratory data and ARV provision. The registers also

include components for procurement and supply chain management to ensure continuous access.

In **Nepal**, UNDP is working to reduce the vulnerability of key populations to HIV through activities that promote human rights and decrease stigma and discrimination. As Principal Recipient for the Global Fund Round 9 **Regional HIV Programme in South Asia,** UNDP has supported efforts by a local community-based organization Blue Diamond Society (BDS) to advocate for inclusion of lesbian, gay, bisexual and transgender (LGBT) rights in the country's National Human Rights Action Plan – a core guiding document of the National Human Rights Commission of Nepal. As a result of UNDP's capacity building activities, including targeted training, strategic information and technical assistance, BDS was well-positioned to engage on these issues at the national level. Following high level discussions between BDS and representatives of the National Human Rights Commission in April 2014, commitments were made to include the rights of LGBT people into the document. BDS has also achieved significant progress in ensuring that rights of LGBT people are adequately addressed in the proposed Criminal and Civil Codes of Nepal's new Constitution, which is currently in the process of being drafted. MSM and transgender people in Nepal are exposed to human rights violations and lack access to basic health and sexual care and ARVs; however, with support of UNDP, BDS has ensured that marginalized groups are better positioned to have access to better quality health care and life-saving HIV medications and services.

In **Bangladesh,** UNDP is working to strengthen community-based lesbian, gay, bisexual and transgender organizations (LGBT CBOs) through the Global Fund Round 9 Regional HIV Programme in South Asia. As a result of UNDP's efforts, one such organization, the Bandhu Social Welfare Society (BSWS), has successfully facilitated the official registration of LGBT CBOs with the local government. Gaining official national registration provides legitimacy to the CBOs, and is a prerequisite for access to funding, both of which are important for developing partnerships and implementing activities. Registration is also critical for sustainability and strengthening the ability of CBOs to advocate for human rights and sexual health of LGBT people, including the key affected populations.

2. UNDP grant performance ratings

The performance of the grants managed by UNDP continues to be very strong at this point in time. 92 percent of UNDP grants are currently rated A1, A2 or B1 ('exceeding expectations', 'meeting expectations' or 'adequate') by the Global Fund, of which 61 percent are rated A1 or A2, up from 25 percent in 2010. UNDP currently has six grants rated B2 ('inadequate but potential demonstrated'), in Djibouti (two grants), Sudan and Syria. For the second year running, UNDP doesn't have any C-rated ('unacceptable') grants. Grant ratings are also important because, given the performance-based nature of the Global Fund model, the performance of a country portfolio directly informs future allocation of funding.

Table 2. UNDP Grant Performance Rating (as of March 2015)

A1 (11)	A2 (17)	B1 (13)	B2 (5)	C (0)
▪ Belarus HIV ▪ Belarus TB ▪ Belize HIV ▪ Bolivia Malaria ▪ Bosnia and Herzego-vina TB Cuba HIV ▪ Guinea-Bissau TB ▪ Monte-negro HIV ▪ Palestine TB ▪ Tajikistan TB ▪ Zimbabwe HSS	▪ Bosnia and Herzegovina HIV ▪ Haiti HIV ▪ Haiti TB ▪ Iran HIV ▪ Iran Malaria ▪ Kyrgyzstan HIV ▪ Regional MSA HIV ▪ Sao Tome and Principe (STP) TB ▪ South Sudan HIV ▪ Sudan Malaria ▪ Tajikistan HIV ▪ Tajikistan Malaria ▪ Turkmenistan TB ▪ Uzbekistan HIV ▪ Zambia HIV ▪ Zambia Malaria ▪ Zambia TB	▪ Angola HIV ▪ Chad Malaria ▪ Djibouti HIV ▪ Iraq TB ▪ Kyrgyzstan TB ▪ Mali HIV ▪ STP HIV ▪ STP Malaria ▪ South Sudan HSS ▪ South Sudan TB ▪ Palestine HIV ▪ Sudan HIV ▪ Syria HIV	▪ Djibouti TB ▪ Guinea-Bissau Malaria ▪ Sudan Malaria ▪ Sudan TB ▪ Syria TB	▪ None

Note: Grants not listed here have not yet been rated by the Global Fund
HSS= Health systems strengthening

Also worth noting is the fact UNDP continues to outperform other implementers of Global Fund grants combined, as shown in Figure 6.

Figure 6. Performance of UNDP vs Other Principal Recipients, March 2015

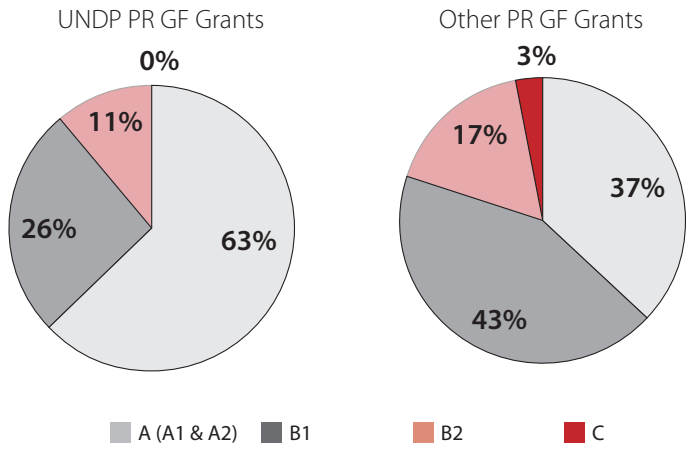
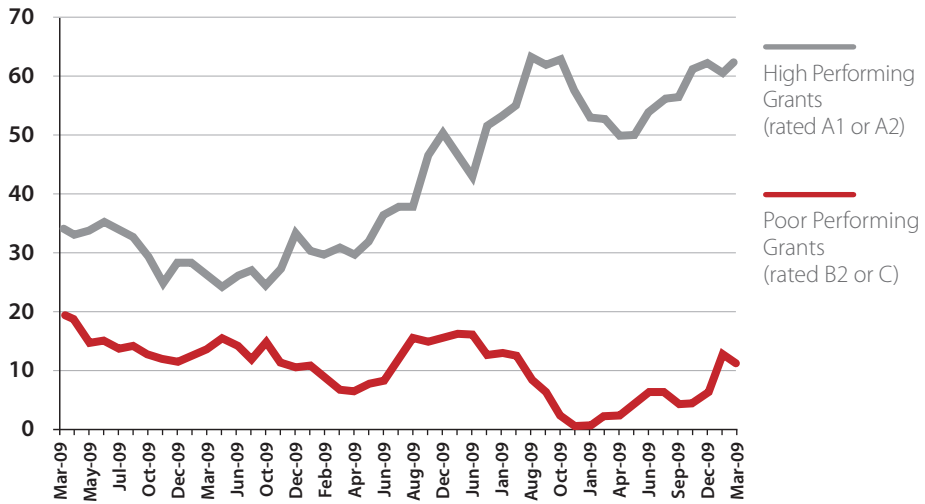


Figure 7 shows the trend in grant ratings for UNDP-managed grants in recent years, with a steady improvement leading to the current low level of poor performing grants.

Figure 7. Evolution of Portfolio Performance, High and Poor Performing Grants (%), 2009–2015



3. OAI Audits of Global Fund grants – findings and implementation

In 2014, the UNDP Office of Audit and Investigation (OAI) issued 16 audit reports pertaining to 31 Global Fund grants managed by 14 UNDP Country Offices.[1] OAI has also issued consolidated reports[2] on the 2013 and 2014 Global Fund audits and a consolidated report on the audit of Sub-recipients (SRs) of Global Fund grants for FY 2013.[3]

A risk-based audit cycle has been developed for all countries where UNDP is interim Principal Recipient. For 2014, 13 of the 25 Principal Recipient countries (52 percent) were planned to be audited covering 24 of the 51 grants (47 percent),[4] with two audits being financial audits outsourced to external audit firms (Iran, Iraq). Nine of these countries have grants managed under the Additional Safeguard Policy[5] and four countries were selected based on audit risk assessment. OAI's 2015 work plan includes 15[6] of the 25 interim Principal Recipient countries (65 percent) covering 28 of the 47 grants (60 percent). Eleven of these countries have grants managed under the Additional Safeguard Policy[7] and four countries were selected based on audit risk assessment. To date all of the 25 current interim Principal Recipient countries have been audited with the exception of Montenegro ('low' risk), which will be audited in 2015, and the Multi-country South Asia grant covering 7 countries (MSA Grant),[8] for which a Control Self-Assessment was completed in March 2015 with the support of OAI.

From 2009 to 2014, the Office of Audit and Investigations (OAI) issued 67 audits of Global Fund projects where UNDP is the interim Principal Recipient[9] and the 'Overall Audit Rating' is shown in Figure 8. For 2014, the proportion of '***satisfactory***' ratings has been the highest to date at 42 percent (5 of the 12 reports issued) and the proportion of '***unsatisfactory***' ratings was stable at 8 percent (1 of the 12 reports issued).[10]

1 Angola, Bosnia and Herzegovina, Chad, Djibouti, Guinea Bissau, Haiti, State of Palestine, Sudan, Syria, Turkmenistan, Uzbekistan and Zimbabwe. Due to the security situation OAI completed a desk review for Yemen and due to the limitation of scope an overall audit rating was not issued. A financial audit of Iran's three grants was completed by an external audit firm; an unqualified opinion on the Funds Utilization Statement was issued with no recommendations.

2 Report No. 1301 Issued 28 March 2014 and Report No. 1451 issued 8 May 2015.

3 Report No. 1428 Issued 13 February 2015.

4 Angola, Chad, Djibouti, Guinea Bissau, Iran, Iraq, Mali, PAPP, South Sudan, Tajikistan, Turkmenistan, Yemen and Zimbabwe.

5 The ASP is a risk management tool applied on the basis of risks identified in countries where a grant or group of grants is/are being implemented. The ASP comes into effect when the systems to ensure accountability over the use of Global Fund resources are notably weak and assets would be exposed to an unacceptable level of risk if additional measure were not applied.

6 Chad (ASP), Cuba, Djibouti (ASP), Haiti (ASP), Iran (ASP), Iraq (ASP), Mali (ASP), Montenegro, PAPP (ASP) (financial audit), South Sudan (ASP), Sudan (ASP), Syria (ASP), Uzbekistan, Zambia and Zimbabwe (ASP).

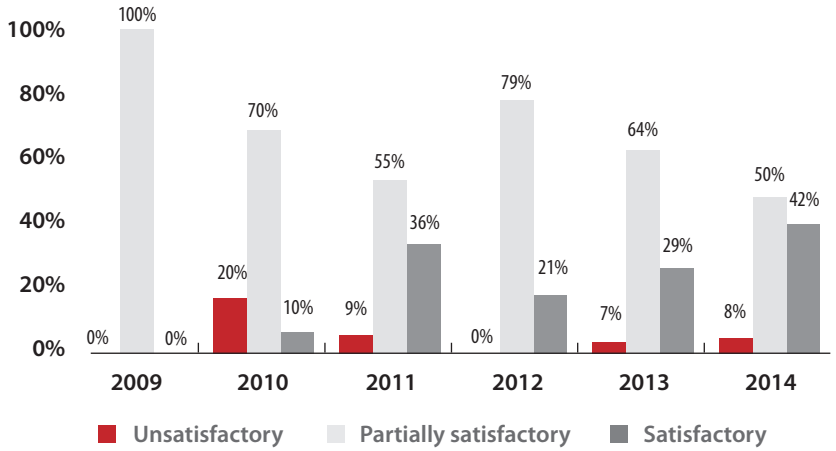
7 The ASP is a risk management tool applied on the basis of risks identified in countries where a grant or group of grants is/are being implemented. The ASP comes into effect when the systems to ensure accountability over the use of Global Fund resources are notably weak and assets would be exposed to an unacceptable level of risk if additional measure were not applied.

8 The 7 countries included under this grant are Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, and Sri Lanka.

9 Only includes audits of Country Offices and excludes audit of the corporate procurement services, the consolidated PR and SR audit reports, and financial audits by external firms (Iran 2014) and OAI desk review (Yemen 2014). The number of reports issued by OAI was: 2009, 4 reports; 2010, 10 reports; 2011, 11 reports; 2012, 12 reports; 2013, 14 reports; and 2014, 12 reports.

10 Chad Report No. 1293 Issued 20 June 2014.

Figure 8. Overall Audit Ratings, 2014

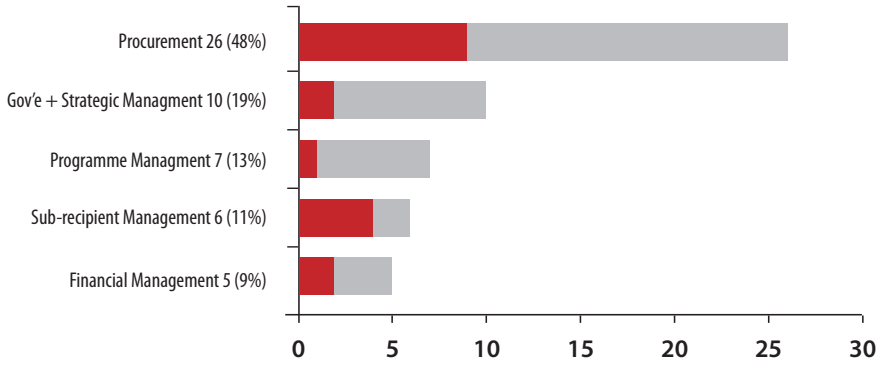


As reflected in Figure 9, for 2014 the proportion of '***satisfactory***' and '***unsatisfactory***' audit ratings of Global Fund programmes as an aggregate of audit ratings in '***All Audit Areas***'[11] was maintained at 47 percent and 5 percent, respectively.

The 12 audit reports issued by OAI in 2014 contained a total of 54 recommendations,[12] and the audit area ***'Procurement and Supply Management'*** (PSM) accounted for 48 percent of the recommendations with most of the weaknesses noted in the areas of quality assurance, stock management, weak procurement planning and monitoring, and weak asset management. For 2013, PSM also accounted for 43 percent of the recommendations and 47% for 2014, so this area remains a weakness at the Country Office level (see Figure 10). Another area of weakness is 'Sub-recipient Management' which was introduced by OAI as an audit area in 2012. While there has been a significant increase in '***satisfactory***' ratings from 44 percent to 83 percent in 2014, this audit area has the highest percentage of '***unsatisfactory***' ratings for all audit areas at 17 percent. Annex III provides the Overview of Audit Ratings per Audit Area for 2009–2014.

Figure 9. Audit Ratings, All Audit Areas, 2014

Figure 10. Distribution and Prioritization of All Global Fund Audit Recommendations in 2014 Reports (Total Recommendations: 54)



11 Audit areas are Governance and Strategic Management, Programme Management, Procurement and Supply Management, Finance, Sub-recipient Management (2012 separate audit area) and Human Resources Management (since 2012 not a separate audit area).

12 Only those countries where full audit completed, Angola, Bosnia and Herzegovina, Chad, Djibouti, Guinea Bissau, Haiti, State of Palestine, Sudan, Syria, Turkmenistan, Uzbekistan, and Zimbabwe and excludes Yemen and Iran.

Considerable progress has been made in the audit area of 'Finance and Administration' with the proportion of '***satisfactory***' ratings increasing from 33 percent in 2009 to 67 percent in 2014 and with '***unsatisfactory***' ratings declining from 20 percent in 2010 to 8 percent in 2014. Focused efforts in 2014 by the UNDP Global Fund Partnership Team included finance trainings and webinars for finance staff working on Global Fund grants.

UNDP's Global Fund Partnership Team is reviewing with OAI the findings/recommendations for the audit area of 'Governance and Strategic Management' as the proportion of '***satisfactory***' ratings declined from 86 percent in 2012 to 33 percent in 2014.

All audit findings have been analysed in great detail and serve as the basis for guidance by the UNDP Global Fund Partnership Team to Country Offices.

The Global Fund Partnership Team actively supports Country Offices to address the audit recommendations, using a robust monitoring system to regularly review the status.

As of 2 June 2015, of the 70 recommendations made in 2013, 69 had been fully implemented, leaving 1 outstanding.[13] There are no outstanding OAI audit recommendations directed towards UNDP Global Fund Partnership Team and since 2010, there have been no audit recommendations directed towards the UNDP Global Fund Partnership Team. The implementation rates of OAI audit recommendations are presented in Table 3.

Table 3. Trend of UNDP OAI GF Audit Report Implementation Rates (5 March 2015)

Year*	Audit Reports Issued	Recommendations	Outstanding Recommendations	Outstanding Recommendations over 12 months	Implementation rate
2009	4	48	0	0	**100%**
2010	10	–90	0	0	**100%**
2011	11	73	0	0	**100%**
2012	15	68	0	0	**100%**
2013	14	70	1	1[14]	**99%**
2014	12	54	17	1	**69%**

* *The year represents the year the audit reports were issued, not the year the audit was conducted*[14]

4. Audits of Sub-recipients of Global Fund grants[15]

Starting with the FY2012 audit, the UNDP Global Fund Partnership Team engaged in long-term agreements with external audit firms to improve the consistency and quality of the SR audit reports. In preparation for the FY2013/2014 audits, the Team completed a robust performance review of audit firms and developed new materials and processes to facilitate the process (blog posts, guidance materials), including training sessions for the external audit firms. There is also an agreed centralised approach for the review of the audit plans by the Global Fund, which now takes approximately one week whereas in the past COs could be in discussion with the Fund for months. For FY2013 the

13 DRC (No.1190) Issued 13 Dec 2013.

14 Haiti Report No: 1267 Issued 15 April 2014.

15 Except for United Nations entities, organizations engaged as Sub-recipients of those grants are required to be audited by external audit firms pursuant to the UNDP procedures for audits of projects under the NIM/NGO modality and to submit those audit reports to UNDP.

Team supported 25 interim Principal Recipient Country Offices to review audit plans for 53 grants covering 403 Sub-recipients.

For FY2013, in line with OAI criteria for the selection of SRs to audit, 19 of the 25 countries undertook audits with the external audit firms required to certify, express an opinion, and quantify the net financial impact (NFI) on three types of financial statements, namely: a. Statement of Expenses – Combined Delivery Report (CDR); b. Statement of Cash Position; and c. Statement of Assets and Equipment. Of the US$ 63.7million in expenses audited, US$62.6 million (98 percent) had unqualified audit opinions and US$ 1.1 million (2 percent) had a qualified audit opinion. Those with a qualified audit opinion (Uzbekistan) had a net financial impact (NFI) of about US$ 173,000 representing 0.3 percent of the total audited expenses. The qualified audit opinion related to a FY2012 expense that was not recorded in the FY2013 CDR, an oversight by the Country Office, which has now been addressed. There was a significant improvement in financial management, as the NFI of qualified opinions decreased from US$ 3 million (or 22 percent) in FY 2012 to $0.2 million (or 0 .3 percent) in FY 2013.

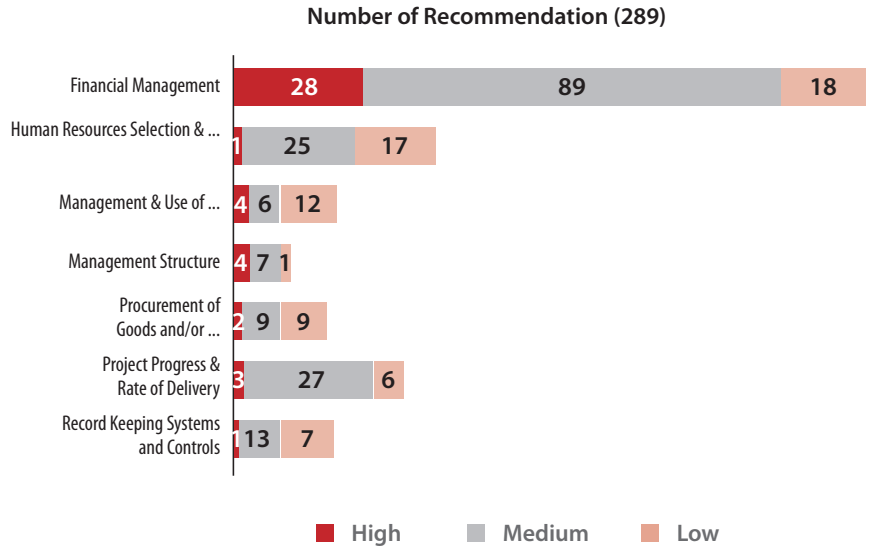
The external audit firms described internal control weaknesses in a management letter. The management letter included the audit observations and recommendations, categorized the nature of audit observations by risk severity, and classified the audit observations by audit areas. The external audit firms raised 289 observations and the reports were examined by OAI and the distribution of the audit observations by risk severity and by audit area was as follows:

- **Risk severity:** In terms of risk severity, the external audit firms classified the audit observations in three categories, namely high, medium, or low. The 289 audit observations comprised of 43 (15 percent) categorized as high priority; 176 (61 percent) categorized as medium priority; and 70 (24 percent) categorized as low priority.

- **Audit areas:** The external audit firms classified the nature of audit observations according to seven audit areas, namely (a) financial management, (b) project progress and rate of delivery, (c) human resources management and administration, (d) record keeping systems and controls, (e) management and use of equipment/inventory, (f) management structure, and (g) procurement of goods and/or services.

The distribution by audit area and risk severity for the 289 audit observations is shown in Figure 11.

Figure 11. Classification of Audit Observations by Audit Area

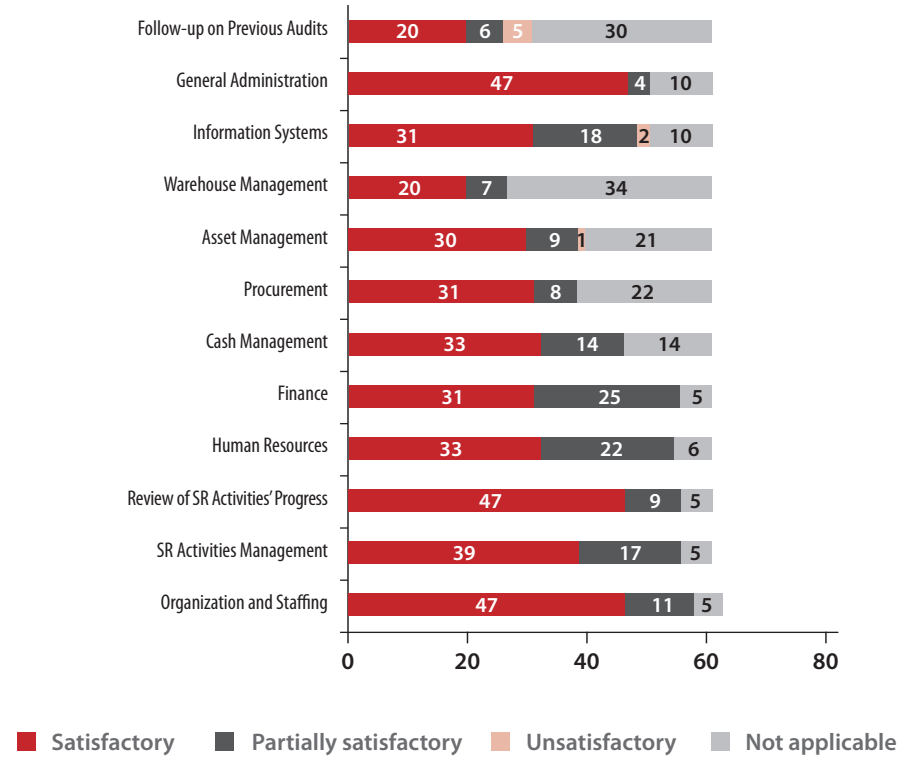


Three core audit areas, namely (a) financial management, (b) human resources selection and administration, and (c) project progress and rate of delivery, accounted for 214 audit observations or about 74 percent. With respect to financial management, the most common issues related to inadequate documentation in support of expenses and lack of adequate accounting systems. Human resources selection and administration issues mainly encompassed poor management of contracts and an inadequate performance evaluation system. On project progress and delivery rate, the issues were mainly focused on the inadequate reporting by the Sub-recipients as per the grant agreement with UNDP.

In line with the expanded TORs for the SR audits, the external audit firms provided ratings of the internal controls of Sub-recipients. Overall, the results highlighted more satisfactory controls, as highlighted in Figure 12.

UNDP has been recognized as one of the Global Fund implementers with most matured systems in the area of risk management. UNDP has been invited by the Global Fund to join the Global Health Risk Management Forum. The Forum was developed as a subgroup of the Global Fund Core TA providers group aiming to build the capacity of PRs in implementing necessary processes and tools for effectively integrating risk management in grant management.

Figure 12. Distribution of rating on Internal Controls, FY 2013[16]



UNDP participated in the first Risk Management Forum meeting in November 2014 and actively contributed to shaping the agenda and objectives of the Forum. During the meeting UNDP shared its practice in managing risks at corporate level as well as tailored approaches for implementation of Global Fund grants. Following the first meeting, UNDP is actively supporting the Global Fund to promote this work, for example by sharing its practice of risk based Sub-recipient audits. In April 2015, UNDP hosted the Risk Management

16 Ratings on the internal controls of Sub-recipients were provided by audit firms and in countries not covered by the firms contracted under the LTAs, ratings on internal controls were not available.

Forum meeting. The Global Fund Partnership Team also supported the Forum in assessing the risk management maturity of participating organisations, thus providing information on the areas requiring strengthening and support planning the next steps.

In addition, UNDP took an active part in the regional Risk Management meeting for Eastern Europe and Central Asia which took place at the end of January 2015 in Istanbul. The meeting was organised by the Developing Country NGO Delegation of the Global Fund Board and its objective was to promote risk management among implementers of Global Fund grants. UNDP shared its approach to managing non- operational risks, such as risk related to human rights and sustainability of national disease programmes.

IV. UPDATE ON CAPACITY DEVELOPMENT AND TRANSITIONS

UNDP's role as interim Principal Recipient is an interim arrangement that lasts until one or more national entities (i.e. government entities and/or CSOs) are ready and able to take over grant implementation. While supporting countries in implementing grants and ensuring timely delivery of services, UNDP also helps develop the capacity of national entities to take over this Principal Recipient role.

1. Progress on capacity development

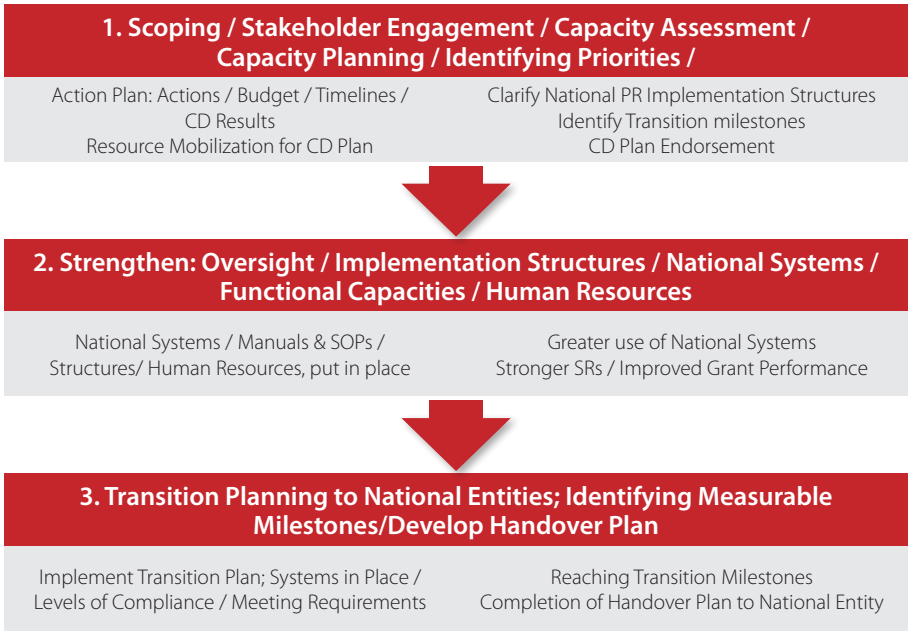
Capacity development is an integral part of all UNDP programmes, including those financed through the Global Fund. Programmatic leadership of the national health authorities is maintained and strengthened when UNDP serves as interim Principal Recipient of the Global Fund.

The grants are implemented by national partners using national systems, including treatment protocols and quantification, warehousing and supply chain systems, treatment and prevention services, and national regulatory frameworks.

The capacity development work thus focuses primarily on strengthening or creating ***national systems*** necessary for the implementation of programmes. Areas of capacity development include programme and financial management, fiduciary controls and oversight, Sub-recipient management, procurement and supply chain management, enabling policy environments, and monitoring and evaluation.

The framework and process to enable the capacity development and transition of the PR role from UNDP to national entities is outlined below and consists of two interlinked phases: (i) achievement of Capacity Development Results including strengthening national entities structures and systems, and (ii) reaching of Transition Milestones, by having in place national systems for all functional capacities, with acceptable levels of compliance that meet national and international requirements.

Figure 13. Phases of the Capacity Development and Transition Process



Since 2011, all new grants that UNDP implements must have a capacity development plan formulated at an early stage of grant implementation. It is important to note, however, that the absence of a capacity development plan in older grants does not mean that capacity development is not taking place, as activities are then part and parcel of a grant and its budget.

The increased use of formal capacity development plans has emerged from the best practice from a number of countries, including Haiti, Zambia and Zimbabwe. 13 UNDP interim Principal Recipient countries currently have such formal plans in place (Belarus, Belize, Bosnia and Herzegovina, Haiti, Iran, Kyrgyzstan, Montenegro, Sao Tome and Principe, Sudan, Tajikistan, Uzbekistan, Zambia, and Zimbabwe). For both Sudan and Zimbabwe, the plans have now been expanded to include transition planning. In the case of Zimbabwe, the country office will contribute US$ 2 million of its own resources to finance implementation of the plan.

Successful examples of this more systematic capacity development approach include:

Programme management – In Tajikistan, realizing that the long-term success and sustainability of the efforts to contain and combat the three diseases depends on the ability of the government to manage adequate disease responses, UNDP has provided additional resources to institutional strengthening every year since 2005, totalling more than US$ 2.6 million.

Sub-recipient management – In Cuba, UNDP worked closely with the government to establish a stronger multi-sectoral response, developing a country-owned model to manage the work of 30 different national sub-recipients of Global Fund grants.

Financial management and systems – In Zambia, UNDP established an automated financial management system with improved tracking and more

comprehensive, timely reports, and developed and implemented a Financial Procedures Manual for the Ministry of Health.

Risk management and prevention of fraud and corruption – In Mali, after the HIV programme was temporarily scaled-down due to financial mismanagement, UNDP stepped in as PR and scaled up mechanisms for management and oversight of grants and strengthening safeguards against fraud.

Procurement and supply chain management – In Sao Tome and Principe, UNDP equipped 100 percent of health facilities with microscopy and rapid diagnostic testing for malaria and ensured that 36 health facilities had the capacity to implement high quality directly observed treatment (DOTS) for TB.

Monitoring and evaluation – In Zimbabwe, UNDP supported the introduction of an electronic Patient Management System (ePMS) and the District Health Information System 2 (DHIS–2), which increased access to reliable data, improving quality of patient care and forecasting for commodities.

Box 1. Strengthening the National Systems for the National Response for HIV, TB, and Malaria in Zambia

UNDP became interim Principal Recipient (PR) for the HIV, TB and Malaria Global Fund grants in Zambia at the end of 2010 following the findings of an Office of the Inspector General (OIG) report. During the grant signing there was high level agreement between the Ministry of Health (MoH), the Global Fund and UNDP that there would be a transition of the PR role back to the MOH, as soon as the national systems met the minimum requirements of the Global Fund. To this end, a comprehensive Capacity Development and Transition Plan for the MoH with measurable milestones, was facilitated by UNDP and approved by the Global Fund. The implementation of the plan strengthened the national systems for program management, financial management, supply chain management and monitoring and evaluation. This has been achieved by developing Standard Operating Systems (SOPs), putting hardware, software and management information systems in place at national and provincial level and delivering the programs through national systems.

An important principle was that the strengthening of systems should enhance the delivery of life saving services and contribute to the performance of the Global Fund grants and national programmes. The following very strong results from the HIV programme provide evidence of the effectiveness of this approach:

- *By mid-2014 600,987 people living with HIV in Zambia were accessing life-saving anti-retroviral therapy.*
- *An annual average of 2,231,974 people in 2013 tested for HIV were given the opportunity to know their status with quality counseling support to help them cope with a positive or a negative test.*
- *74,142 of HIV positive women in 2013 were given medical care to help prevent HIV infection in their babies.*

Innovative Partnership and Collaboration

The Ministry of Health and Medical Stores Limited have collaborated with the Global Fund, UNDP and a number of key partners to deliver these impressive results. Bold new policies such as Option B+ and new WHO guidelines will require further

Continued on p. 26

innovation and collaboration going forward, to meet the increasing demand for ARVs. In 2015, under the New Funding Model the transition of the PR-ship from UNDP to the MoH, in line with the transition plan, will take place. Additional capacity development will still be required and supported by UNDP to strengthen the procurement of ARVs and to strengthen Sub-recipient Management to allow implementation to take place through the Ministry of Community Development and Mother and Child Health (MCDMCH).

Strengthening National Systems – Lessons Learned

A UNDP / MOH case study has helped to identify the lessons learned from strengthening national systems.
http://www.undp-globalfund-capacitydevelopment.org/media/473482/zambia_case_study_-_strengthening_national_capacity.pdf

Some of the lessons and success factors emerging are:

- *The establishment of a skilled Programme Management Unit in the Ministry of Health to more effectively manage and coordinate donor resources;*
- *Major upgrades of the National Health Information System;*
- *Development and implementation of standard operating procedures for financial management and procurement of health commodities;*
- *Implementation of a new technological platform for improved financial management in the health sector;*
- *Significant investments in training at national, provincial and district levels; and*
- *Strengthening of the Country Coordination Mechanism (CCM).*

To further understand the lessons learned and communicate the results from this innovative process a series of video clips are currently being produced in partnership with the MoH and the UNDP Innovation Facility. The first videos available are;

The ART Program in Zambia, over 600,000 people living with HIV on Life Saving ARVs.
http://youtu.be/dQlljZg8rhA

Innovative approach Option B+ in Zambia, Preventing Mother to Child Transmission (PMTCT) of HIV.
http://youtu.be/x7BnX1IUaJo

Health Systems Strengthening
http://youtu.be/8o62E5lbdok

Supply Chain Management – how life saving ARV medicines are reaching 600,000 people living with HIV
http://youtu.be/AyT3zPQEh1g

2. Status of transitions out of Principal Recipient role

To date, UNDP has transitioned out of 23 countries. In 2014, UNDP transitioned six grants. It is currently expected that UNDP will transition out of another three countries in 2015 (six grants), another five countries (eight grants) in 2016, and another country (two grants) in 2017. In 11 countries, UNDP is likely to continue as interim PR beyond 2017 due to particularly difficult or special circumstances. Meanwhile, UNDP is being requested to manage new grants in countries facing particularly complex challenges, showing the dynamic nature of the partnership between the Global Fund and UNDP. It is to be noted that timelines mentioned in this section are indicative as country contexts can evolve rapidly.

Key recent developments with regard to transitions include:

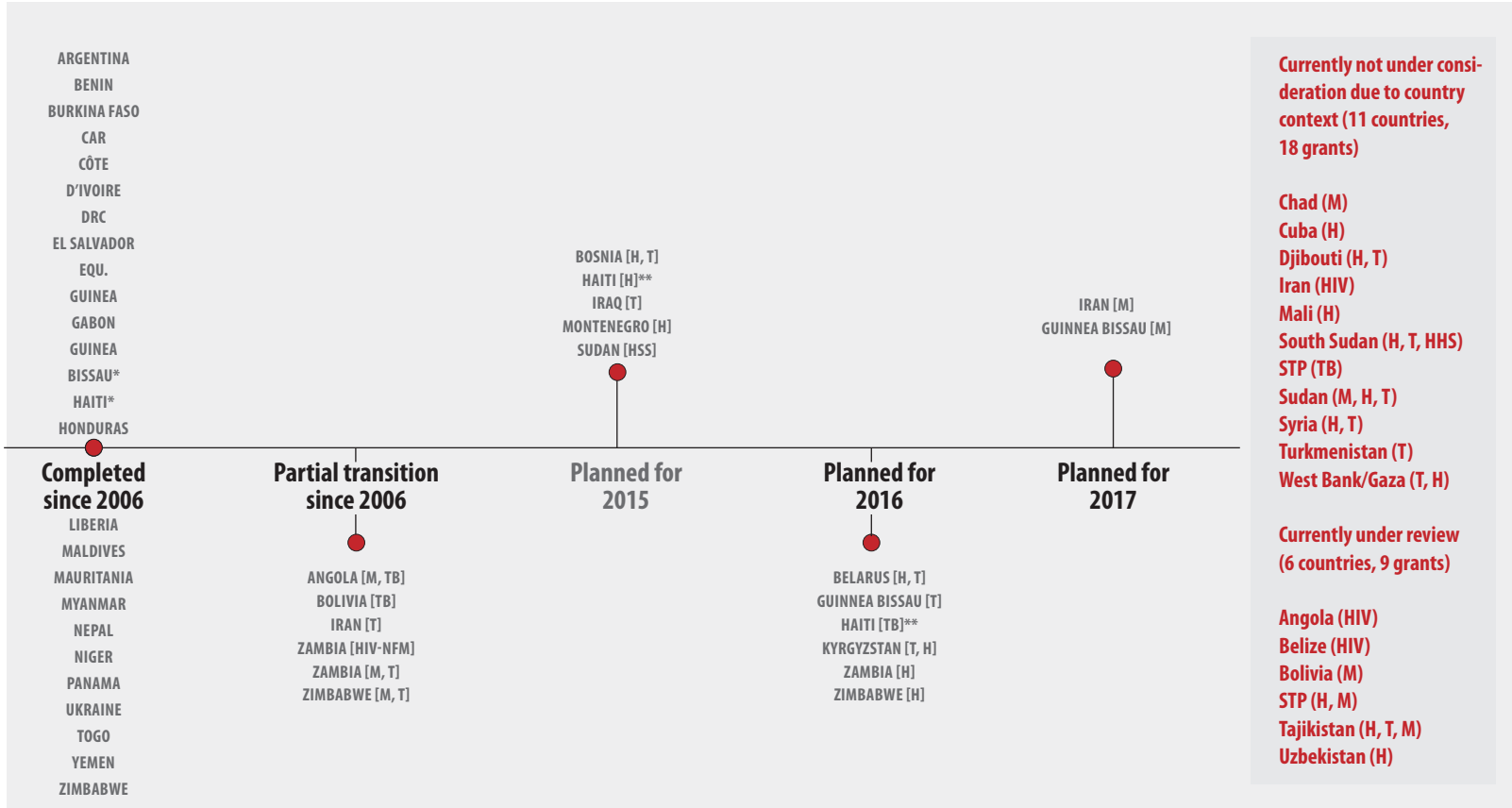
- The completion of a comprehensive Capacity Development and Transition Plan that has enabled $234M of new grants to be awarded to the Ministry of Health in Zambia as Principal Recipient in January 2015.
- In Zimbabwe, the Ministry of Health and Child Care in Zimbabwe has become the PR for the new TB and Malaria grants in January

2015, with a fully funded Capacity Development and Transition Plan in place, and with continued support by UNDP to the national PR.

- In Belarus and Kyrgyzstan a Capacity Development and Transition process is being designed to enable a phased approach of the transition to national entities. Transition for a further 6 grants in 5 countries is planned for 2015.

Table 4 provides a snapshot of current transition plans for countries in which UNDP manages Global Fund grants. Again these timelines are indicative as country contexts can evolve very rapidly. A full overview of capacity development and transition plans for each country portfolio is located in Annex IV.

Table 4. Status of Transition Plans for UNDP-managed Global Fund Grants, March 2015



H= HIV, T= TB, M= Malaria

* *Countries for which UNDP completed a transition but subsequently re-assumed the role of PR due to a change in circumstances.*

** *Not a transition to a national PR since an international NGO was nominated as PR*

V. REPORT ON ACTIVITIES OF UNDP GLOBAL FUND PARTNERSHIP TEAM

This section provides a report on the work of the UNDP Global Fund Partnership Team in 2014.

The UNDP Global Fund Partnership Team's primary goal is to provide quality and timely support to Country Offices to implement high performing Global Fund grants – in close coordination with Regional Bureaux – and to manage UNDP's partnership with the Global Fund at the corporate level.

The team's key goals are to: (i) enhance results and performance of Global Fund grants managed by UNDP; (ii) further strengthen UNDP's risk management of its Global Fund portfolio; (iii) scale-up and systematize UNDP's work to develop the capacity of national entities to take over as Principal Recipient; (iv) enhance the value of UNDP as a policy and programme partner; and (v) manage corporate-level agreements to streamline operational and oversight procedures and requirements.

1. Direct support to Country Offices

The UNDP Global Fund Partnership Team develops annual work plans for each grant, monitoring the key events during the grant lifecycle. Support missions form a significant part of the direct support provided. Efforts are made to organize joint missions with Global Fund staff and other key partners as needed. Table 6 provides an overview of the direct support that the BPPS/HHD Team provided to Country Offices in 2014.

2014 saw a large number of countries, including countries where UNDP acts as Principal Recipient for one or more disease components, going through the various phases leading to an application for funding under the Global Fund's New Funding Model. Though the expected 'tidal wave' effect of funding applications submitted in 2014 was somewhat offset by delays experienced by a number of countries, the UNDP Global Fund Partnership Team provided crucial direct support to these processes across the portfolio, and helped mobilize technical support where and when needed.

In addition, the Global Fund Partnership team, in collaboration with other parts of UNDP, supported and mobilized support for a series of regional applications under the New Funding Model. This included supporting Expressions of Interest for regional programmes in Africa, Arab States, Asia-Pacific, and Latin America and the Caribbean, some of which subsequently moved to the full funding application phase and for which UNDP is expected to act as Principal Recipient.

In addition to the support provided throughout the lifecycle of the grants, the Global Fund Partnership Team provides direct support to the recruitment of Programme Managers and senior procurement-related positions (i.e. for the short-listing and interview process). The UNDP Global Fund Partnership Team also provides support to Country Offices in identifying and recruiting consultants when necessary. Table 5 provides a list of direct support provided to Country Offices in 2014.

Table 5. Overview of Support to Country Offices, 2014

CATEGORY	TOTAL	COUNTRIES
Regular support missions by the Global Fund Partnership Team	55	Afghanistan (x5), Angola (x1), Belarus (x1), Belize (x1), Djibouti (x4), Guinea Bissau (x4), Iraq (x1), Kazakhstan (x1), Kyrgyzstan (x5), Mali (x2), Sao Tome and Principe (x1), South Sudan (x2), Sudan (x2), Syria (x2), Tajikistan (x5), Uzbekistan (x5), Zambia (x5), Zimbabwe (x6), Multi-country South Asia Grant (x2)
Countries supported for start-up of new interim PR or other support role	9	Albania, Afghanistan, Guinea (Ebola), Kazakhstan, Nepal, Liberia (Ebola), Panama, Sierra Leone (Ebola), Western Pacific.
Grant Negotiations	13	Afghanistan (x3), Belarus (x2), Belize (x1), Bolivia (x1), Cuba (x1), Guinea Bissau (x1), Iran (x1), Kyrgyzstan (x1), Tajikistan (x1), Uzbekistan (x1)
NFM submissions supported	13	Afghanistan (x3), Belarus (x2), Belize (x1), Cuba (x1), Guinea Bissau (x1), Haiti (x1), Iran (x1), Kyrgyzstan (x1), Tajikistan (x1), Uzbekistan (x1)
Support to submission of expression of interest for Regional Programmes	5	Africa, Asia Pacific, Eastern Europe, Latin America and Caribbean.
Grant extensions	10	Bolivia (x1), Bosnia and Herzegovina (x2), Cuba (x1), Djibouti (x1), Haiti (x1), Kyrgyzstan (x1), Uzbekistan (x1), PAPP (x1), Yemen (x1)
Progress Updates/Disbursement Request Submissions	9	Angola (x1), Belize (x1), Bosnia and Herzegovina (x2), Guinea Bissau (x2), Kyrgyzstan (x1), Multi-country South Asia (x1), Uzbekistan (x1)
Grant Closures	14	Angola (x1), El Salvador (x2), Equatorial Guinea (x1), Gabon (x2), Iran (x1), Kyrgyzstan (x1), Liberia (x3), Montenegro (x1), Nepal (x1), Togo (x1)
Capacity Development/ Transition plan formulations supported	6	Belize (x1), Bosnia and Herzegovina (x2), Zambia (x3)
Countries with new PSM Plan(s) Supported	3	Afghanistan, Kazakhstan, Sao Tome and Principe
Review of Value for Money Assessments of SRs	6	Kyrgyzstan
Support to CCM funding agreements	6	Belarus, Bolivia, El Salvador, Kazakhstan, Panama, Uzbekistan
Support to recruitment of Programme Managers	3	Belize (x1), Multi-country South Asia (x1), Zimbabwe (x1)
Support to recruitment of PSM Advisors and consultants	7	Afghanistan (x1), Kazakhstan (x1), Kyrgyzstan (x3), Uzbekistan (x2)

2. Ebola-related support

The UNDP Global Fund Partnership team has actively supported the three worst-hit countries by Ebola (UNDP is not currently PR in any of the three), with the first mission in August 2014 to Guinea by the UNDP Global Fund Partnership Manager, and subsequent missions to Liberia and Sierra Leone.

The Team played a central role in initiating and setting up the cash transfer/ salary incentive programme for Ebola workers, with one team member part of the UNDP Development Solutions Team set up for this purpose.

In September 2014, as part of its overall mandate within the Ebola Response, UNDP fielded emergency early recovery missions to Liberia, Sierra Leone and Guinea, with the participation of health experts. It rapidly became apparent that supporting the existing Global Fund grants should be an essential task to strengthen the health sector resilience: The HIV, TB and Malaria responses, largely financed by the Global Fund, were severely being affected by the crisis. Special concerns emerged as the EVD outbreak happened during the peak of the malaria transmission season, but interruption of DOTS treatment for TB patients, as well as risks of protracted treatment interruptions for HIV patients were also a major concern. Funding was available, as the Global Fund had swiftly indicated that reprogramming available funds was an option, and made available additional emergency funding. Because of its long expertise in managing Global Fund grants, UNDP offered to support the reprogramming of the grants.

In **Liberia**, at the request of the CCM and the MoH, and in coordination with the GF, UNDP has supported the reprogramming of the HIV and the TB grants. An exploratory mission took place at the end of September 2014. Following a formal request from the CCM in December 2014, a support mission took place from 18 January to 11 March.

A 6-month extension to the HIV grant was prepared and submitted to the Global Fund on 30 January 2015, with an overall budget of US$ 10.5 million. EVD-related activities were introduced, such as funds for trainings of health workers and community service providers to restore the quality of both PMTCT and ART services, funds for refresher trainings to address staff turnover due to EVD, and funds to trace and re-enroll all patients that were lost to follow up.

A US$ 2.8 million extension has been prepared, up to July 2016. While the budget addresses the priorities for the restoration of the health services, it also includes programmatic activities not implemented in 2014 and the 1st Semester of 2015. During the extension period the program will decentralize the services provided. The original budget for the patient feeding and supplies was reallocated to cover food packages and financial support for transport to ensure continuation of the treatment. 14% of the proposed budget is allocated to activities to strengthen community TB care.

In **Sierra Leone,** after a 3 person exploratory mission in December 2014, UNDP provided support to the Principal Recipient for HIV, the National Aids Secretariat (NAS), to reprogramme the HIV grant (11- 21 March). The mission also focused on programmatic, health systems strengthening and procurement & supply chain aspects (PSM). The UNDP team proposed changes in the programme to take into account the impact of the EVD. The changes were discussed and validated during a CCM and PR meeting at the end of the mission. Subsequently, NAS received inputs from various in-country technical partners on the reprogramming exercise. In March 2015, UNDP sent another mission to assist NAS with the costing of the HIV grant reprograming. A PSM situation

analysis was performed and recommendations were made to strengthen the supply chain of HIV/AIDS health products.

Finally, in **Mali**, UNDP has supported the preparation efforts of the Ministry of Health from the beginning. US$ 500,000 have been reprogrammed from the HIV grant and are being used to strengthen the surveillance system, train and equip health workers, and increase case detection in the hospitals of Bamako.

3. Facilitating Country Office-to-Country Office support

A significant aspect of how UNDP is organized to implement Global Fund programmes is the very active Country Office-to-Country Office support that is facilitated by the UNDP Global Fund Partnership Team in consultation with the Regional Bureaux, which may be among the most active in UNDP.

A Country Office-to-Country Office support mechanism has been established by which a colleague from one UNDP Country Office travels to another Country Office to support key processes at various stages of a programme's lifecycle.

In 2014, the UNDP Global Fund Partnership Team facilitated **13 missions from one Country Office to support another Country Office** on Global Fund grant implementation, including through sharing of good practices. In three additional instances, a Country Office supported the Asia Pacific Regional Centre (APRC) for the start-up of the South Asia multi-country grant. The APRC subsequently supported the Afghanistan Country Office as part of grant-making negotiations. An exchange between the APRC and the Regional Centre in Panama was also facilitated on the regional PR role and Global Fund related technical support as well as a number of policy initiatives. This brings to 56 the total number of events and missions held since 2010 to facilitate Country Office to Country Office support, and to 21 the number of countries supported.

In addition the UNDP Global Fund Partnership Team supported the Cuba Country Office in facilitating **South-South cooperation** between Cuba and the Dominican Republic, with Cuban officials travelling to the Dominican Republic alongside UNDP Cuba Global Fund PMU officers, to support the development of tools and guidance platforms

4. Tools and guidance materials

The UNDP Global Fund Partnership Team continues to produce new and improve existing guidance materials and platforms to support Country Offices at various stages of grant implementation. The development of guidance materials is largely in response to OAI and SR audit findings, mission findings and in response to UNDP and Global Fund policy changes. The UNDP Global Fund Partnership Team also continues to disseminate 'Best Practices' across the portfolio. Tools and other knowledge materials produced and disseminated in 2014 included:

a. *Capacity Development tools*
   - Expansion of the **Capacity Development Toolkit** to include a governance section. The new section aims to support CCMs in understanding and meeting the Global Fund's eligibility requirements under the New Funding Model, and provides guidance on the role and functions of CCMs in accessing and overseeing Global Fund grants, with links to key tools and resources.

b. *Implementation and operations tools*
   - Overhaul of the UNDP Global Fund Operations Manual for Projects Financed by the Global Fund, including development of workflows

of each life-cycle process and web-based structure to align the Manual with UNDP's POPP. The Manual responds to the Global Fund's new Access to Funding mechanism and the new life-cycle of the Global Fund grants. The current host for the web-based Manual is the UNDP Global Fund Partnership SharePoint site, with an external release once completed.

- Introduction of a project to improve SR management, which included a mapping of the SR management process, identification of key risk activities in the SR management cycle, and standardisation of tools for management of identified key activities, to allow prevention or detection of weaknesses at SR level.
- E-Discussion on **"Transitioning to the Global Fund's New Funding Model"** which ran from 17 March to 18 April 2014.

c. *Procurement and Supply Chain tools*

- In 2014 the UNDP Global Fund Partnership Team introduced a new procurement planning methodology with COs. A revised Procurement Plan template was developed and rolled out, based on the collection of relevant data in a standardized manner to facilitate consolidation and communication of early projections and forecasting information to relevant procurement partners.

5. Communication and knowledge products

Several notable communication materials have been published by the UNDP Global Fund Partnership Team in 2014:

- Three country case studies on strengthening national systems and capacities to implement Global Fund programmes and to ensure the sustainability of Global Fund investments. The three case studies are **Zambia**, **Zimbabwe** and Tajikistan and are available online. The Zambia study is published jointly with the Ministry of Health and the Zimbabwe study with the Ministry of Health and Child Welfare.
- A series of 25 **UNDP Global Fund Capacity Development Country Impact Sheets** that tell the UNDP-Global Fund story for each country where UNDP is currently interim PR, and can be updated in real time when new results are reported.
- A **Checklist for Integrating Gender into the New Funding Model of the Global Fund to Fight AIDS, TB and Malaria.** The Checklist is available in English, French and Spanish. It was developed to support the integration of gender-responsive components into the implementation of HIV programmes supported by the Global Fund, as their New Funding Model is rolled out. The Checklist provides specific steps and examples to ensure that the gender dimensions of HIV are addressed in all phases of programming – from country dialogues, through proposal drafting to monitoring and evaluation.

6. Training and knowledge sharing events

In addition, several collaborations for knowledge sharing occurred in 2014:

- A Procurement and Supply Management workshop in **Zambia** for close to 80 Country Office procurement staff, Government counterparts, partner agency experts (Global Fund, UNICEF, WHO-AMDS, UNDP GPU, UNFPA) allowed colleagues to share experience and benefit from training on new Global Fund processes and requirements (September 2014)
- Online **Finance Clinics**, French and English sessions.
- Webinars for Country Offices and audit firms on **SR audit process** with OAI (January 2014)

- Presentation to the Global Fund Asia-Pacific team on Gender and HIV/AIDS in the Asia-Pacific Region, including an overview of UNDP's Gender Checklist (August 2014)
- Participation in the **Global Fund Regional New Funding Model Workshops on New Funding Model**:
  - Global Fund Regional Workshop for the Middle East and North Africa Region (Jordan, March 2014)
  - Global Fund Latin American and Caribbean Regional Meeting, with UNDP plenary presentations on Sustainable Financing (Ecuador and Jamaica, April 2014)
  - Global Fund Regional Meeting for West and Central Africa (Senegal, April 2014)
  - Global Regional Meeting for Fund Southern and Eastern Africa (Namibia, April 2014)
  - Global Fund South and East Asia Regional Meeting, with UNDP plenary presentations on Gender and Human Rights (Cambodia, June 2014)
- Internal to UNDP, participation in Knowledge, Innovation and Capacity Group (KICG) Design Jam workshop to identify new ways of how capturing, sharing and applying lessons learned in UNDP could be improved. The UNDP Global Fund Partnership Team's CO-CO detail assignment mechanism was highlighted a good prototype for roll-out for other programmes (April 2014).
- Introduction to the UNDP-Global Fund Partnership at the **UNDP Resident Representatives Annual Induction Meeting** (June 2014).

7. Corporate agreements

A number of corporate-level agreements between UNDP and the Global Fund were reached in 2014. This included:

- **GMS rate:** in June 2014, the UNDP Administrator and the Executive Director of the Global Fund agreed that the rate of GMS charged for contributions from the Global Fund would be maintained at 7 percent, in line with Executive Board instructions to honour pre-existing agreements with donors and as a sign of UNDP's strong commitment to the Global Fund and the large portfolio of Global Fund grants that it manages. The agreement was subsequently formalized, and will be revisited in two years' time.
- **Recovery of audit costs:** In 2014, an agreement was reached at corporate level that as of July 2014, direct audit costs for Global Fund grants managed by UNDP would be recovered from the grant's budget.
- **Capacity development costs:** It has also been agreed that going forward, provisions for capacity development activities will be made in the budgets of grants (current and new) managed by UNDP to cover some of the costs associated with capacity development activities.

In addition, UNDP and the Global Fund reached an agreement on guidelines for negotiating grant agreements that seek to streamline and simplify the grant-making process and record institutional agreements that have been reached to date between the two organizations.

ANNEXES

ANNEX I **UNDP Global Fund Portfolio, March 2015**

Country	Rd (2)	Disease	Grant Number	Program Start Date	Program End Date	Total Grant Signed Amount (US$)	Disbursements (US$) Total Disbursement Amount	Grant Rating Performance Rating (4)
REGION: Eastern Europe and Central Asia								
Belarus	S	HIV/AIDS	BLR-H-UNDP	01-Jan-2013	30-Nov-2015	14,987,574	11,721,873	A1
	S	Tuberculosis	BLR-S10-G04-T	01-Jan-2011	31-Dec-2015	26,417,736	25,965,595	A1
Bosnia and Herzegovina	9	HIV/AIDS	BIH-910-G03-H	01-Dec-2010	30-Nov-2015	30,052,366	26,521,198	A2
	S	Tuberculosis	BIH-T-UNDP	01-Oct-2010	30-Sep-2015	16,391,925	14,745,356	A1
Kyrgyzstan	S	HIV/AIDS	KGZ-H-UNDP	01-Jul-2011	31-Dec-2015	29,436,073	24,858,399	A2
	S	Tuberculosis	KGZ-S10-G08-T	01-Jan-2011	Mar 31, 16	19,357,893	17,877,842	A2
Montenegro	9	HIV/AIDS	MNT-910-G03-H	01-Jul-2010	30-Jun-2015	5,466,082	5,427,712	A1
Tajikistan	8	HIV/AIDS	TAJ-809-G07-H	01-Oct-2009	30-Sep-2015	47,642,371	44,705,288	A2
	8	Malaria	TAJ-809-G08-M	01-Oct-2009	30-Sep-2015	12,908,783	12,597,852	A2
	8	Tuberculosis	TAJ-809-G09-T	01-Oct-2009	30-Sep-2015	47,133,615	42,689,056	A1
Turkmenistan	9	Tuberculosis	TKM-910-G01-T	01-Oct-2010	30-Sep-2015	16,357,494	14,825,570	A2
Uzbekistan	S	HIV/AIDS	UZB-H-UNDP	01-Jan-2012	31-Dec-2015	33,513,271	27,642,336	A2
REGION TOTAL						**299,665,183**	**269,578,077**	
REGION: Latin America and Caribbean								
Belize	9	HIV/AIDS	BEL-910-G02-H	01-Jan-2011	31-Dec-2015	5,520,782	4,680,759	A1
Bolivia (Plurinational State)	8	Malaria	BOL-809-G08-M	01-Oct-2009	31-Mar-2015	12,331,235	12,270,560	A1
Cuba	2	HIV/AIDS	CUB-202-G01-H-00	01-Jul-2003	30-Jun-2015	49,184,498	49,184,498	A1
Haiti	1	HIV/AIDS	HTI-102-G09-H	01-Jan-2011	30-Jun-2015	67,966,470	63,359,032	A2
	9	Tuberculosis	HTI-911-G08-T	01-Apr-2011	31-Mar-2016	21,661,161	17,973,497	A2
REGION TOTAL						**156,664,146**	**147,468,346**	
REGION: Asia Pacific								
Iran (Islamic Republic)	8	HIV/AIDS	IRN-810-G04-H	01-Apr-2010	31-Mar-2015	28,894,309	25,858,502	A2
	S	Malaria	IRN-M-UNDP	01-Oct-2011	30-Sep-2016	20,538,984	16,541,868	A2
Multicountry South Asia	9	HIV/AIDS	MSA-910-G02-H	01-Jul-2013	31-Dec-2015	16,762,166	8,811,596	A2
REGION TOTAL						**66,195,459**	**51,211,966**	

ANNEX I (continued) **UNDP Global Fund Portfolio, March 2015**

REGION: Arab States								
Djibouti	6	HIV/AIDS	DJB-613-G05-H	01-Jan-2013	31-Dec-2015	4,499,661	3,311,749	B1
	10	Tuberculosis	DJB-013-G06-T	01-Oct-2013	30-Sep-2015	3,389,069	1,911,402	B2
Iraq	S	Tuberculosis	IRQ-T-UNDP	01-Oct-2010	30-Sep-2015	26,054,029	22,262,002	B1
State of Palestine	7	HIV/AIDS	PSE-708-G01-H	01-Dec-2008	30-Nov-2015	10,064,531	9,227,385	B1
	8	Tuberculosis	PSE-809-G02-T	01-Dec-2009	30-Nov-2015	2,304,625	1,902,796	A1
Sudan	10	HIV/AIDS	SUD-011-G15-H	01-Mar-2012	31-Mar-2015	32,153,400	29,187,962	B1
	10	Malaria	SUD-011-G16-M	01-Mar-2012	31-Mar-2015	73,407,714	73,006,404	B2
	7	Malaria	SUD-708-G10-M	01-Apr-2009	31-Mar-2015	84,155,686	84,131,766	A2
	S	Tuberculosis	SUD-T-UNDP	01-Jan-2012	28-Feb-2015	45,267,706	40,511,000	B2
Syrian Arab Republic	10	HIV/AIDS	SYR-011-G02-H	01-Feb-2012	31-Jul-2015	2,384,227	2,001,503	B1
	6	Tuberculosis	SYR-607-G01-T	01-Dec-2007	31-May-2015	9,137,292	7,315,625	B2
REGION TOTAL						**292,817,940**	**274,769,594**	
REGION: Africa								
Angola	4	HIV/AIDS	AGO-405-G03-H	01-Oct-2005	1 March 2015	80,700,247	76,906,934	B1
Chad	S	Malaria	TCD-M-UNDP	01-Jul-2011	30-Jun-2015	22,320,425	19,378,917	B1
Guinea-Bissau	S	Malaria	GNB-M-UNDP	01-Jul-2013	30-Jun-2015	10,998,174	8,716,537	B2
	9	Tuberculosis	GNB-913-G13-T	01-Jul-2013	31-Oct-2015	8,587,996	3,035,276	A1
Mali	8	HIV/AIDS	MAL-812-G09-H	01-Nov-2012	31-Oct-2015	79,807,655	43,974,925	B1
Sao Tome and Principe	10	HIV/AIDS	STP-011-G05-H	01-Jan-2012	31-Dec-2016	1,895,959	1,276,024	B1
	S	Malaria	STP-M-UNDP	01-Feb-2011	31-Dec-2015	10,888,030	8,577,172	B1
	8	Tuberculosis	STP-809-G04-T	01-Dec-2009	30-Jun-2015	1,717,439	1,348,372	B1
South Sudan	4	HIV/AIDS	SSD-405-G05-H	01-Aug-2006	30-Jun-2015	46,834,369	44,330,665	A2
	7	Tuberculosis	SSD-708-G11-T	01-Jan-2009	31-Dec-2015	22,072,232	18,733,844	B1
	9	HSS	SSD-910-G13-S	1-Oct-2010	30-Sep-2015	47,315,332	40,244,424	B1
Zambia	S	HIV/AIDS	ZAM-H-UNDP	01-Nov-2013	31-Aug-2016	156,509,071	130,099,401	A2
	7	Malaria	ZAM-711-G27-M	01-Dec-2011	30-Jun-2015	37,123,387	35,446,881	A2
	7	Tuberculosis	ZAM-711-G26-T	01-Nov-2011	30-Jun-2015	15,174,213	12,930,382	A2
Zimbabwe	NFM	HIV/AIDS	ZIM-H-UNDP	1-Jan-2014	31-Dec-2016	437,270,909.60	194,003,554.00	Not defined
	S	Malaria	ZIM-M-UNDP	1-Apr-2012	30-Jun-2015	41,954,740.00	39,942,829.00	A1
	8	HSS	ZIM-809-G14-S	1-Apr-2012	31-Mar-2015	74,663,832.00	73,933,270.00	A1
	8	Tuberculosis	ZIM-809-G12-T	1-Jan-2010	30-Jun-2015	53,051,202.00	51,928,756.95	A2
REGION TOTAL:						**1,148,885,212**	**804,808,163**	
GRAND TOTAL:						**1,964,227,940**	**1,547,836,145**	

ANNEX I (continued) **UNDP Global Fund Portfolio, March 2015**

Active non-PR Funding Agreements as of March 2015

Agreement Type	Country	Agreement No.	Start Date	End Date	Agreement Amount (USD)	Comments
RBEC						
CCM Funding Agreement	**Belarus**	**BEL-CFUND-1401**	**Sep 1, 14**	**Aug 31, 16**	**180,278**	
Support Service (Procurement)	Kazakhstan				1,602,756	Procurement Support for TB programme KAZ-809-G04-T
CCM Funding Agreement	Kazakhstan	KAZ-CFUND-1403	Jan 1, 14	Dec 31, 15	167,483	
CCM Funding Agreement	Tajikistan	TAJ-CFUND-1506	Jan 1, 15	Dec 31, 16	134,364	134,364 minus cash balance amount of 3,544 for a total of 130,820 to be disbursed
CCM Funding Agreement	Ukraine	UKR-CFUND-1201	Dec 1, 12	Nov 30, 14	214,514	In process of renewal
CCM Funding Agreement	Uzbekistan	UZB-CFUND-1403	Jan 1, 14	Dec 31, 15	197,959	Previous agreement UZB-CFUND-1201
TOTAL					**2,497,354**	
RBLAC						
CCM Funding Agreement	Bolivia	BOL-CFUND-1304	Jul 1, 13	Jun 30, 15	95,851	
TB NIM Agreement with MoH	El Salvador		Oct 4, 14	Dec 31, 15	1,700,000	Approximate Amount, as additional budget under discussion.
CCM Funding Agreement	El Salvador	SLV-CFUND-1506	Jan 1, 15	Dec 31, 16	315,936	
CCM Funding Agreement	Panama	PAN-CFUND-1401	Apr 1, 14	Mar 31, 16	80,543	
TOTAL					**2,192,330**	
RBAP						
RBAS						
CCM Funding Agreement	Sudan	SUD-CFUND-2303	Jul 1, 13	Jun 30, 15	146,187	146,187 minus 142,360 cash balance from previous year, mins 9,280 cofunding amount = -5,453 to be disbursed
RBA						
ARV Procurement Support	Chad		17-Jun-14		2,491,879.00	ARVs emergency procurement for HIV PR (FOSAP). Active as there are outstanding shipments expected.
CCM Funding Agreement	Mali	MAL-CFUND-1304	1 Oct 13	Sep 30, 15	134,268.71	Original signed amount of 118,425.00 Euros.This signed amount reflects conversion to USD.
UN Agency to UN Agency Contribution Agreement	Somalia		2013	Dec 31, 14	1,848,863.70	Activitites continuing in 2015.
Support Service	Zimbabwe	ZWE-M-MOHCC	01/15	Dec 1, 17	38,247,282.00	The amounts represented here is the total NFM amount for Zimbabwe TB and Malaria programmes, excluding the US$ 34,339,619 allocated for procurement which is paid directly by the Global FUnd to the suppliers and is not channeled through UNDP. In addition, these amounts also include US$ 1million for CO suppor for Capacity Development activities (even split between the US$ 2 mio).
Support Service Agreement	Zimbabwe	ZWE-T-MOHCC	01/15	Dec 1, 17	25,662,415.60	
TOTAL					**68,530,896**	
Grand Total (USD)					**73,220,580**	

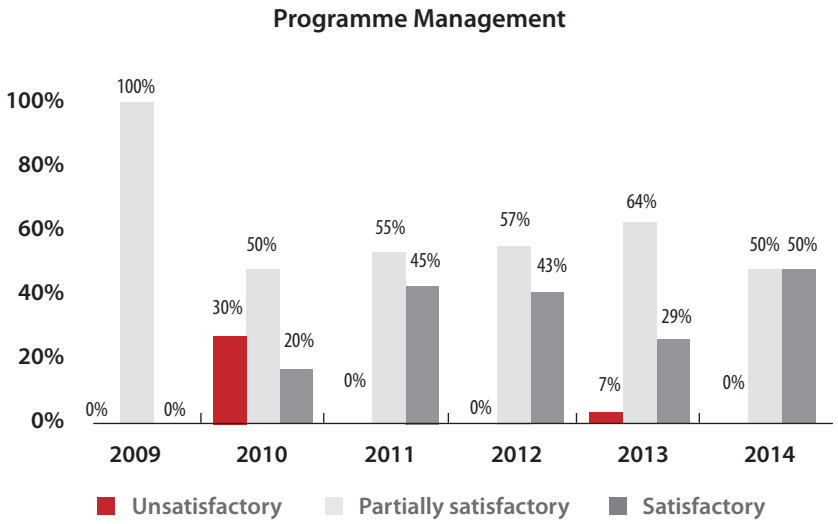
ANNEX II **Procurement statistics by provider 2008–2014 (as of 12 December 2014)**

		2008		2009		2010		2011		2012		2013		2014 (Q1–Q4)	
		(US$)	%	(US$)	%	(US$)	%	(US$)	%	(US$)	%	(US$)	%	(US$)	%
UN	UNICEF	17,849,487	32%	40,344,505	52%	74,319,482	63%	89,879,559	65%	135,190,907	65%	38,500,334	73%	73,484,658	82%
	UNFPA	3,097,690	5%	4,009,035	5%	6,271,158	5.20%	3,000,000	2%	3,348,317	2%	1,679,399	1%	1,125,985	1%
	UNDP PSO-GPU	12,000,000	20%	16,500,000	21%	33,572,367	28%	34,500,000	25%	60,077,579	29%	47,934,601	25%	34,661,709	16%
LTA	IDA	15,425,138		10,881,036		2,922,580		7,518,446		1,240,733		504,110		439,649	
	MEG	682,761		316,727		—		396,814						13,338	
	IMRES	34,909	42%	831,909	22%	18,563	4.30%	183,650	8%	1,268,583	4%	312,917	1.06%	721,351	0.57%
	Novartis	1,979,979		1,057,063		2,284,752		3,193,267		6,539,597		1,138,252		28,431	
	CHMP	—		—		—		18,608						—	
	GIZ	6,658,640		3,928,244		0		2,405,717		133,514		67,703		—	
	ARV –TLE LTAs													903,665	0.43%
GRAND TOTAL		**57,728,604**		**77,868,519**		**119,388,902**		**141,096,061**		**207,799,230**		**90,137,317**		**11,378,786**	**100%**

ANNEX III Overview of audit ratings per audit area, 2009–2014

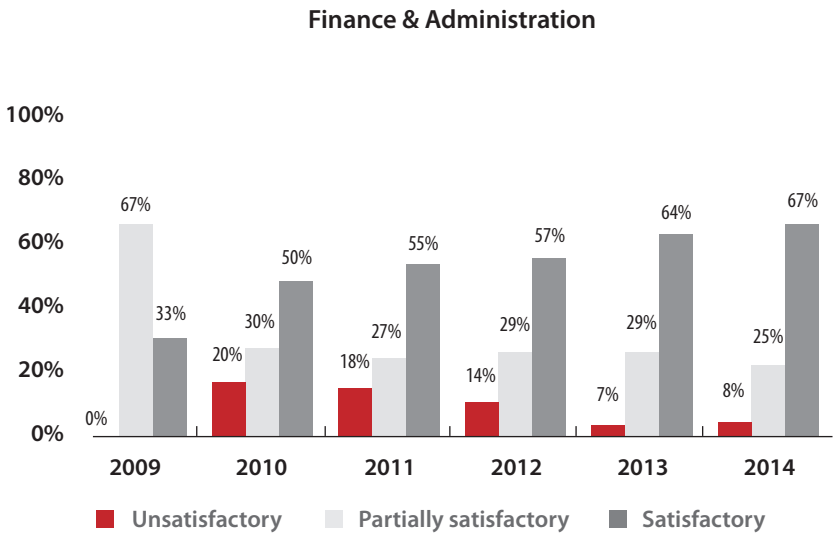
A. Programme Management

Programme Management is an area that has consistently fared well in audit reports. The proportion of 'satisfactory' audit ratings has steadily increased from 0 percent in 2009 to 50 percent in 2014, with a slight decline in 2013 (29 percent). The proportion of 'unsatisfactory' ratings has also declined over time from 30 percent (2010) to 0 percent in 2011, 2012 and 2014.



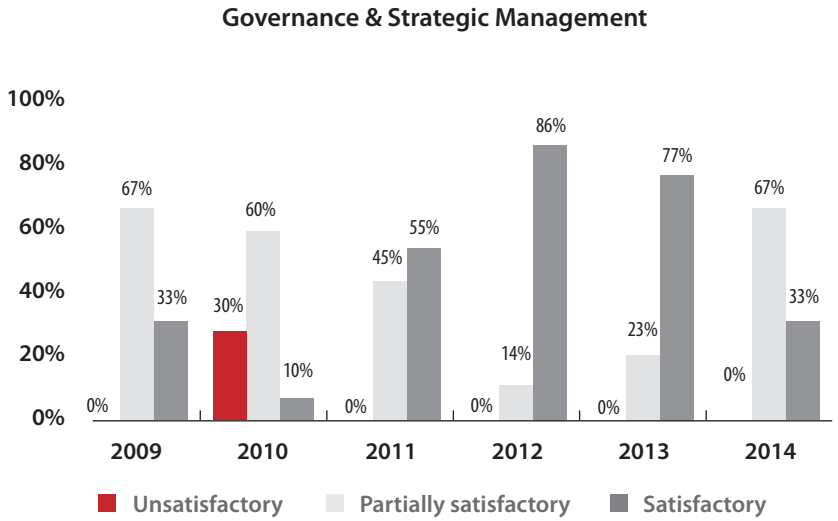
B. Finance and Administration

Considerable progress has been made in the area of Finance and Administration since 2009 with continued improvement in the proportion of 'satisfactory' ratings from 33 percent in 2009 to 67 percent in 2014. The 'unsatisfactory' ratings have also shown a decline from 20 percent in 2010 to 14 percent in 2012 and to 8 percent in 2014.

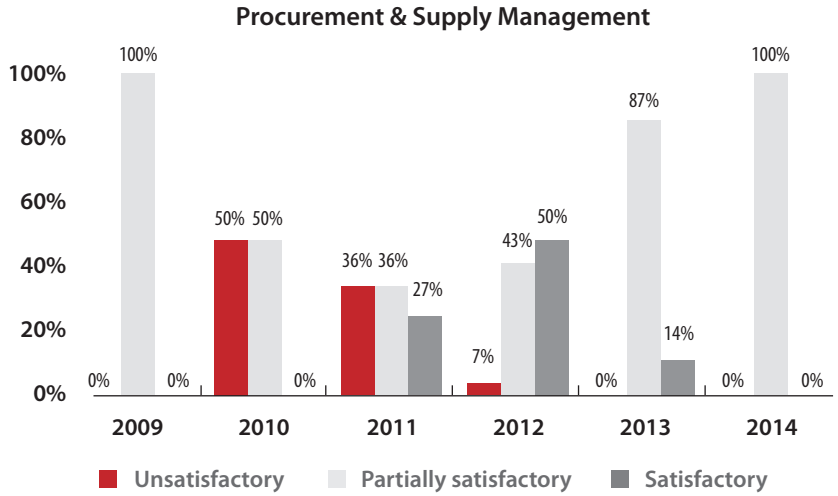


C. Governance & Strategic Management

Considerable progress had been made in the area of Governance and Strategic Management since 2009 with the proportion of 'unsatisfactory' ratings being 0 percent since 2011. However, after an increase in 'satisfactory' ratings from 10 percent in 2010 to 86 percent in 2012, the proportion declined in 2013 and 2014 to 77 percent and 33 percent respectively.



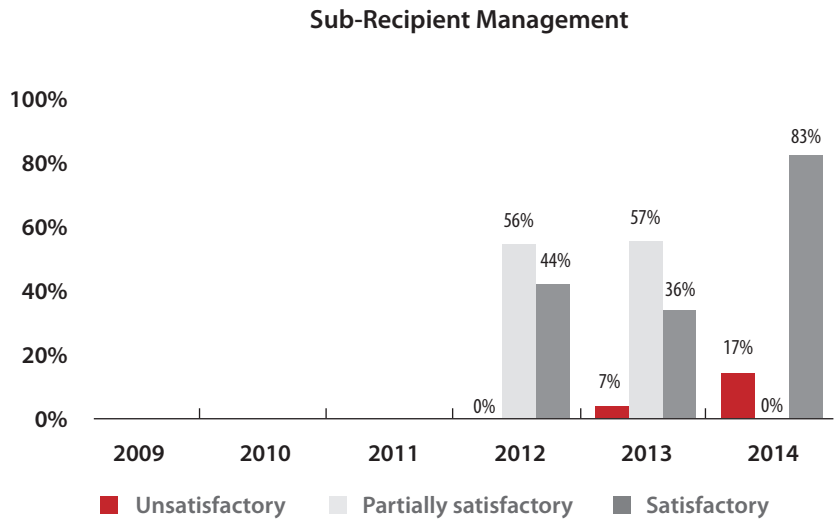
D. Procurement and Supply Management



The area of Procurement and Supply Management remains a weakness at the CO level. Progress appeared to have been made in 2012, with 50 percent of audit ratings 'satisfactory' and 7 percent of ratings 'unsatisfactory'. In 2013 and 2014, while the percentage of 'unsatisfactory' ratings was 0 percent there was a decline in 'satisfactory' ratings from 14 percent to 0 percent in 2014, with 100 percent of all ratings 'partially satisfactory'.

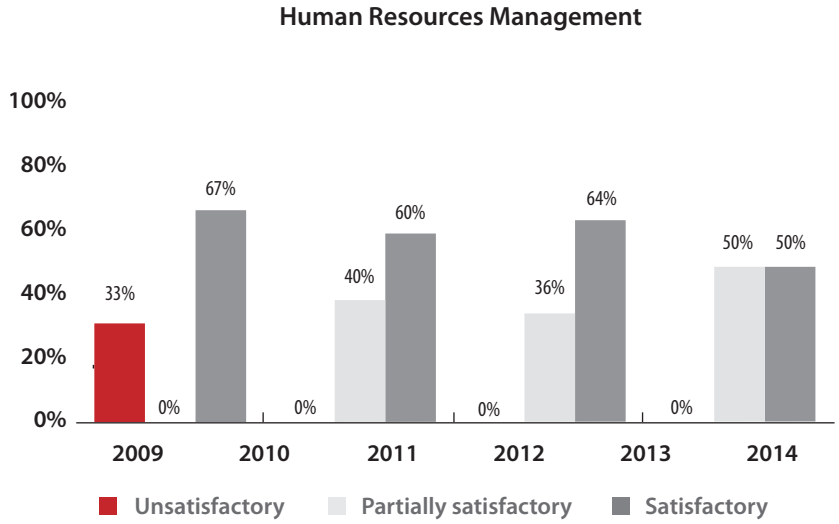
E. Sub-recipient Management

Sub-recipient Management was introduced by OAI as a category in 2012 and while there has been a significant increase in 'satisfactory' ratings from 44 percent to 83 percent in 2014, this audit area has the highest percentage of 'unsatisfactory' ratings for all audit areas at 17 percent.



F. Human Resources Management

Human Resources Management is an area that has not been a separate audit category since 2012. It has consistently fared well in audit reports. The proportion of 'satisfactory' audit ratings has remained relatively high from 2009 (67 percent) to 2012 (50 percent). The proportion of 'unsatisfactory' ratings was 0 percent in 2010, 2011 and 2012, down from 33 percent in 2009.



ANNEX IV Status of Capacity Development for Transition of PR Role, February 2015

STATUS OF CAPACITY DEVELOPMENT FOR TRANSITION TO NATIONAL PRINCIPAL RECIPIENTS IN COUNTRIES WHERE UNDP SERVES AS INTERIM PRINCIPAL RECIPIENT – TENTATIVE TIMELINES									
Country	**Disease**	**Grant number**	**Grant end date**	**Grant signed amount (US$)**	**Entity nominating UNDP as interim PR**	**Reason for UNDP nomination as interim PR**	**CD plan for transition under implementation**	**Timeframe of transition to national entities**	**Comments**
Angola	HIV	AGO-405-G03-H	31.03.2015	80'700'247.00	CCM	Post-crisis, capacity constraints	No	To be determined during NFM application in 2015	Transition completed for TB and Malaria grants in 2013
Belarus	HIV	BLR-H-UNDP	30.11.2015	14'987'573.68	CCM	Capacity constraints, weak governance/ accountability, political constraints in working with NGOs	Yes	Planned in 2016	
	TB	BLR-S10-G04-T	31.12.2015	26'417'736.00	CCM			Planned in 2016	
Belize	HIV	BEL-910-G02-H	31.12.2015	5'520'782.00	CCM	Capacity constraints, weak civil society	Yes to be implemented in 2015	To be reviewed in 2015	Capacity development and transition plan developed – will inform the timing of the transition
Bolivia	Malaria	BOL-809-G08-M	31.03.2015	12'331'235.00	CCM	Complex political context	No	To be reviewed in 2015	Transition completed for TB component PR designation for NFM grant still to be confirmed

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Bosnia and Herzegovina	HIV	BIH-910-G03-H	30.11.2015	30'052'366	CCM	Complex political context	Yes	30 November 2015 (upon graduation)	Sustainability/ Graduation Plan being developed in 2015
	TB	BIH-T-UNDP	30.09.2015	16'391'925.05	CCM			30 September 2015 (upon graduation)	
Chad	Malaria	TCD-M-UNDP	30.06.2015	22'320'425	Global Fund	ASP, capacity constraints, fragile state, weak governance and accountability	N/A	Currently not under consideration due to country context	
Cuba	HIV	CUB-202-G01-H-00	30.06.2015	49'184'498.00	CCM	Donor sanctions	N/A	Currently not under consideration due to donor sanctions	
Djibouti	HIV	DJB-613-G05-H	31.05.2015	4'499'661.00	Global Fund	ASP, OIG findings of irregularities, outstanding recoveries from Government, weak governance and accountability	No	Currently not under consideration due to country context	Capacity Development plan is expected to be formulated in 2015
	TB	DJB-013-G06-T	30.09.2015	3'389'069	Global Fund				

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Guinea Bissau	TB	GNB-913-G13-T	31.10.2015	8'587'996	Global Fund	ASP, OIG findings of irregularities, capacity constraints, and weak governance and accountability	No	Planned in 2016	Capacity Development plan is expected to be formulated in 2015
	Malaria	GNB-M-UNDP	30.06.2015	10'998'174	Global Fund			Planned in 2017	
Haiti	HIV	HTI-102-G09-H	30.06.2015	67'996'470	Global Fund	ASP, post-disaster context, complex emergency, fragile state, capacity constraints	Yes (to strengthen national SRs that will eventually be serving as PRs)	July 2015	HIV and TB grants will be transitioned to an international NGO and the Ministry of Finance will manage the HSS component.
	TB	HTI-911-G08-T	31.03.2016	21'661'161.27	Global Fund			April 2016	
Iran (Islamic Republic)	HIV	IRN-810-G04-H	31.03.2015	28'894'309.00	Global Fund	ASP, donor sanctions	Capacity development as part of grants	Currently not under consideration due to country context	NFM HIV approved for grant making; signing expected end March 2015. UNDP will be interim PR
	Malaria	IRN-M-UNDP	31.03.2017	20'538'984.00	Global Fund			30 September 2017 (upon graduation)	Country no longer eligible for TB funding from Global Fund
Iraq	TB	IRQ-TB-UNDP	30.09.2015	26'054'029.00	Global Fund	ASP, complex emergency, fragile state, security,	N/A	30 September 2015 (upon graduation)	Country no longer eligible beyond current grants

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Kyrgyzstan	Malaria	KGZ-811-G09-M	31.12.2014	2'727'501.00	CCM	Political crisis in 2012, capacity constraints,	Yes (to strengthen national SRs that will eventually be serving as PR)	Grant closed, no further grants	
	HIV	KGZ-H-UNDP	31.12.2015	29'436'073	CCM			Under review and potential transition in 2016	
	TB	KGZ-S10-G08-T	31.12.2015	19'357'893.43	CCM			Under consideration and potential transition in 2016	
Mali	HIV	MAL-812-G09-H	31.10.2015	79'807'655	CCM	ASP, OIG findings of irregularities, political crisis, complex emergency, fragile state, capacity constraints	A CD plan for PSM is under formulation	Currently not under consideration due to country context	
Montenegro	HIV	MNT-910-G03-H	30.06.2015	5'466'082	CCM	Capacity constraints	Yes	30 June 2015 (upon graduation)	Transition / Graduation plan for HIV in final year of implementation
Sao Tome and Principe	TB	STP-809-G04-T	31.12.2016	1'717'439.00	CCM	Capacity constraints	Yes (to strengthen national SRs that will eventually serve as PR)	Currently under review	
	HIV	STP-011-G05-H	31.03.2016	1'895'959	CCM				
	Malaria	STP-M-UNDP	31.12.2015	10'888'030.00	CCM				

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South Sudan	HIV	SSD-405-G05-H	30.06.2015	46'834'368.86	Global Fund	ASP, complex emergency, fragile state, capacity constraints, newly independent country	Yes	Currently not under consideration due to country context	
	TB	SSD-708-G11-T	31.12.2015	22'072'231.99	Global Fund				
	HSS	SSD-910-G13-S	30.09.2015	47'315'332.00	Global Fund				
Sudan	Malaria	SUD-708-G10-M	31.03.2015	84'155'686.00	Global Fund	ASP, capacity constraints, donor sanctions	Yes (to strengthen SRs that will eventually serve as PR)	HSS component transition in 2015	
	HIV	SUD-011-G15-H	31.03.2015	32,153,400.00	Global Fund				
	Malaria	SUD-011-G16-M	31.13.2015	73,407,714.00	Global Fund				
	TB	SUD-T-UNDP	28.02.2015	45'267'706.00	Global Fund				
Syrian Arab Republic	TB	SYR-607-G01-T	31.05.2015	9'137'292.00	Global Fund	ASP, civil war, complex emergency, security issues, donor sanctions	N/A	Currently not under consideration due to country context	
	HIV	SYR-011-G02-H	31.07.2015	2'384'227	Global Fund				
Tajikistan	HIV	TAJ-809-G07-H	30.09.2015	47'642'371	CCM	Capacity constraints	Yes	2017	
	Malaria	TAJ-809-G08-M	30.09.2015	12'908'783	CCM			No additional funding for malaria, no NFM grant	
	TB	TAJ-809-G09-T	30.09.2015	47'133'615	CCM			Probable transition in 2016	
Turkmenistan	TB	TKM-910-G01-T	30.09.2015	16'357'494.00	CCM	Capacity constraints, weak governance and accountability	No	Currently not under consideration due to country context	

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Uzbekistan	HIV	UZB-H-UNDP	31.12.2015	33'513'271	CCM	Political considerations, non-conducive environment for NGOs	Yes (to strengthen national SRs)	Currently not under consideration due to country context	
West Bank and Gaza	HIV	PSE-708-G01-H	30.11.2015	10'064'531.00	Global Fund	Crisis context, ASP	No	Currently not under consideration due to context	
	TB	PSE-809-G02-T	30.11.2015	2'304'625	Global Fund				
Zambia	TB	ZAM-711-G26-T	30.06.2015	15'174'213	CCM	OIG findings of irregularities, capacity constraints	Yes	30 June 2015	
	Malaria	ZAM-711-G27-M	30.06.2015	37'123'387	CCM			30 June 2015	
	HIV	ZAM-H-UNDP	31.08.2016	156'509'071.00	CCM			31 August 2016	
	HIV	New HIV NFM grant	2017	TBD	N/A	N/A		1 January 2015	New grant to run in parallel with other HIV grant to facilitate transition

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Zimbabwe	HSS	ZIM-809-G14-S	31.03.2015	74'663'832.00	Global Fund	ASP, OIG findings of irregularities, donor sanctions, risk of sequestration of funds due to fiscal crisis, weak governance and accountability	Yes. Second Phase under development for 2015–2016	31 December 2014	No new grant planned
	TB	ZIM-809-G12-T	31.12.2014	53'051'202.00	Global Fund			31 December 2014	MOHCC is PR since 1st Jan 2015
	Malaria	ZIM-M-UNDP	31.12.2014	41'954'740.00	Global Fund			31 December 2014	MOHCC is PR since 1st Jan 2015
	HIV	ZIM-H-UNDP	31.12.2016	437'270'910	Global Fund			31 December 2016	

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