

STANDARD TERMS AND CONDITIONS

1. Introduction

1.1 The association (“CCM”) named in block 2 of the face sheet of this Agreement is the Country Coordinating Mechanism for the country (the “Host Country”) specified in block 1 of the face sheet of this Agreement. The CCM has responsibility for oversight of the grants specified in block 8 of the face sheet of this Agreement.

1.2 The CCM has applied to the Global Fund for funding to support certain administrative costs of the CCM. The Global Fund has agreed to provide the requested funding on the terms and subject to the conditions set out in this Agreement.

1.3 The CCM is not a legally incorporated body with separate legal personality and does not have the authority to enter into legally binding agreements with third parties. Accordingly, the CCM has designated the organization (the “CCM Funding Recipient”) named in block 3 of the face sheet of this Agreement to be responsible for receiving and managing such funding on behalf of the CCM.

2. Parties and Purpose

2.1 This Agreement is between The Global Fund to Fight AIDS, Tuberculosis and Malaria, a foundation established under the laws of Switzerland (the “Global Fund”) and the CCM Funding Recipient (each, a “Party”, and together, the “Parties”).

2.2 This Agreement sets out the terms upon which the Global Fund will make available funding up to the amount stated in block 7 of the face sheet of this Agreement to support the administrative activities of the CCM.

3. Budget and Permitted Use

3.1 Funds provided under this Agreement may only be used to finance the administrative activities of the CCM in accordance with the workplan and budget (the “Budget”) set out in Annex A to this Agreement. Changes to the Budget are subject to the prior written approval of the Global Fund. The CCM Funding Recipient shall ensure that all funds provided under this Agreement are prudently managed and shall take all necessary action to ensure that funds are used solely to pay for administrative costs in accordance with the Budget and consistent with the terms of this Agreement. The CCM Funding Recipient shall use its reasonable efforts to ensure that such funds are not used to support or promote violence, to aid terrorists or terrorist-related activity, to conduct money-laundering activities or to fund organizations known to support terrorism or that are involved in money-laundering activities.

3.2 In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the funds provided under this Agreement shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, a fee equal to 7% of the funding provided hereunder shall be retained by the CCM Funding Recipient. Furthermore, as long as they are unequivocally linked to the CCM administrative activities approved for funding hereunder, all direct costs of implementation will be identified in the project budget against a relevant budget line and paid for accordingly from funds made available hereunder.

4. Effective Date; CCM Funding Period

4.1 This Agreement, prepared in two originals, shall become effective on the date of its signature by the CCM Funding Recipient and the Global Fund, acting through their duly Authorized Representatives identified in blocks 13 and 14 of the face sheet of the Agreement.

4.2 The Global Fund is making funding available to the CCM through the CCM Funding Recipient for a period (the “CCM Funding Period”) which starts on the CCM Funding Start Date (indicated in block 5A of the face sheet of this Agreement) and ends on the CCM Funding End Date (indicated in block 5B of the face sheet of this Agreement). The initial CCM Funding Period shall be 12 months, but may be extended for subsequent 12-month periods upon the submission by the CCM of a request for continued funding and approval by the Global Fund, in its sole discretion, of such request. A condition of such approval is the submission of all reports required by this Agreement, in form and substance satisfactory to the Global Fund.

5. Representations and Covenants

The CCM Funding Recipient shall receive and administer the funds in accordance with its regulations, rules and directives.

6. Local Fund Agent

6.1 The Global Fund has retained the services of a Local Fund Agent (the “LFA”), as indicated in block 10 of the face sheet of this Agreement, to assist the Global Fund in overseeing the implementation of this Agreement. The CCM Funding Recipient shall cooperate fully with the LFA to permit the LFA to carry out its functions, including by making available to the Global Fund and the LFA all relevant financial information drawn from relevant accounts and records.

6.2 For purposes of this Agreement, the principal representative of the LFA shall be the person named or acting in the position identified in block 10 of the face sheet of this Agreement. The Global Fund may, in its sole discretion, decide to replace the LFA or designate an alternative principal representative of the LFA and shall inform the CCM Funding Recipient accordingly.

7. Disbursements and Reporting

7.1 The Global Fund will disburse funds under this Agreement on an annual basis in advance. The Global Fund will not disburse funds under this Agreement after the CCM Funding End Date or at any time when the Global Fund has determined in its sole discretion that funds sufficient to make the disbursement are not available to the Global Fund for such purpose at the time of the disbursement. If the CCM Funding Recipient chooses to continue administrative activities in support of the CCM after the Global Fund funding available under this Agreement has been exhausted, the CCM Funding Recipient understands that the Global Fund makes no commitment beyond the amounts available under the terms of this Agreement.

7.2 The CCM Funding Recipient shall, not later than 2 months before the initial CCM Funding End Date, provide to the Global Fund a financial report for the 9-month period beginning on the CCM Funding Start Date. The financial report shall set out the income and expenditure relating to funds disbursed under this Agreement and a statement of the cash balance at the end of the 9-month period and the projected cash balance at the initial CCM Funding End Date. The report shall explain any variance between Budget and actual expenditures.

7.3 If the CCM Funding End Date is extended following the approval of the CCM's request for continued funding, the CCM Funding Recipient shall, no later than 2 months before the end of the extended CCM Funding End Date, provide to the Global Fund a financial report for the 12-month period beginning on the day after the most recent reporting period. If the CCM Funding End Date is not extended, the CCM Funding Recipient shall, no later than 3 months after the CCM Funding End Date, provide to the Global Fund a financial report for the period beginning on the day after the most recent reporting period and ending on the CCM Funding End Date.

8. Interest

8.1 Any interest or other earnings on funds disbursed by the Global Fund to the CCM Funding Recipient under this Agreement shall be utilized in accordance with established UNDP procedures.

9. Books and Records; Audits; Access

9.1 The CCM Funding Recipient shall maintain books and records in accordance with United Nations Accounting Standards adequate to show, without limitation, all costs incurred by the CCM Funding Recipient under the Agreement. Books and records must be kept in the possession of the CCM Funding Recipient for at least three years after the date of last disbursement under this Agreement, or for such longer period, if any, required to resolve any claims or audit enquiries.

9.2 The CCM Funding Recipient shall have financial audits conducted of program expenditures in accordance with its internal and external auditing practices. The CCM Funding Recipient agrees to provide to the Global Fund a copy of biennial financial statements, as audited by its external auditors, the UN Board of Auditors. In addition, not later than June 30 of each year, the CCM Funding Recipient shall submit to the Global Fund a statement, certified by the Comptroller of the CCM Funding Recipient, of income and expenditure made under this Agreement during the preceding year.

10. Goods and Services; Assets

10.1 The CCM Funding Recipient shall maintain policies and practices that govern all procurement using funds made available under this Agreement that, at a minimum, conform to standards that ensure transparency, value-for-money, competitiveness, efficiency and accountability. The CCM Funding Recipient shall ensure that such policies and practices are followed at all times.

10.2 Although goods or other property financed by the Global Fund under this Agreement may, during the CCM Funding Period, be held in the possession of the CCM or members of the CCM for the purpose of the administrative activities of the CCM, title to such goods and other property shall be held by the CCM Funding Recipient. The Global Fund may direct, at any time in its sole discretion, that title to such goods and other property be transferred to the Global Fund or another entity in the Host Country nominated by the Global Fund. All goods and services and activities financed with funds made available under this Agreement shall be used solely for the administrative purposes of the CCM consistent with the Budget.

10.3 The CCM Funding Recipient shall ensure that, where available at a reasonable cost, appropriate levels of insurance be maintained to cover the CCM's administrative activities under this Agreement, including assets (if any) financed under this Agreement. The Global Fund assumes no liability for any loss or damage to any person or property arising in connection with this Agreement.

11. Conduct

11.1 The Parties agree that it is important to take all necessary precautions to avoid conflicts of interest and corrupt practices. To this end, the CCM Funding Recipient shall maintain standards of conduct that govern the performance of its staff, including the prohibition of conflicts of interest and corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

11.2 No person affiliated with the CCM Funding Recipient (staff, individual contractors, counterpart government officials) shall participate in the selection, award or administration of a contract, grant or other benefit or transaction financed by funds made available hereunder, in which the person, members of the person's immediate family or his or her business partners, or organizations controlled by or substantially involving such person, has or have a financial interest. No person affiliated with the CCM Funding Recipient (staff, individual contractors, counterpart government officials) shall participate in such transactions involving organizations or entities with which or whom that person is negotiating or has any arrangement concerning prospective employment. Persons affiliated with the CCM Funding Recipient (staff, individual contractors, counterpart government officials) shall not solicit gratuities, favors or gifts from contractors or potential contractors.

11.3 If the CCM Funding Recipient has knowledge or becomes aware of any actual, apparent or potential conflict between the financial interests of any person affiliated with the CCM Funding Recipient, the CCM, the LFA, or the Global Fund and that person's duties with respect to the implementation of this Agreement, the CCM Funding Recipient shall immediately disclose the actual, apparent or potential conflict of interest directly to the Global Fund.

11.4 The Global Fund and the CCM Funding Recipient shall neither offer a third person nor seek, accept or be promised directly or indirectly for themselves or for another person or entity any gift or benefit that would or could be construed as an illegal or corrupt practice.

12. Use of Name and Logo

Neither Party shall use the logo or any trademarks of the other Party unless it has executed valid license agreements for such use.

13. Novation or Transfer of the Responsibilities of the CCM Funding Recipient

If at any time, either the CCM Funding Recipient or the Global Fund concludes that the CCM Funding Recipient is not able to perform the role of CCM Funding Recipient and to carry out its responsibilities under this Agreement or if, for whatever reason, the Global Fund and the CCM Funding Recipient wish to transfer some or all of the responsibilities of the CCM Funding Recipient to another entity that is able and willing to accept those responsibilities, then the Global Fund and the CCM Funding Recipient may agree that the other entity, may be substituted for the CCM Funding Recipient in this Agreement. The substitution shall occur on such terms and conditions as the Global Fund and the new recipient agree, in consultation with the CCM. The CCM Funding Recipient hereby agrees to cooperate fully to make the transfer as smooth as possible.

14. Notices

Any notice, request, document, report, or other communication submitted by the CCM Funding Recipient or the Global Fund, unless this Agreement expressly provides otherwise, shall be sent to the other Party's: (i) Authorized Representative noted in block 13 or 14 of the face sheet of this

Agreement, as appropriate; or (ii) the Name/Address for Notices noted in block 11B or 12 of the face sheet of this Agreement, as appropriate. In the case of communications to the Global Fund through the LFA, the CCM Funding Recipient shall submit such communications to the person identified in block 10 of the face sheet of this Agreement. All communications under this Agreement will be in English, unless the Global Fund and the Principal Recipient agree otherwise in writing.

15. Termination, Suspension, Expiry of CCM Funding Period

15.1 After consultations have taken place between the Global Fund and the CCM Funding Recipient, and provided that the payments already received are, together with other funds available to the program/project, sufficient to meet all commitments and liabilities incurred in the execution/implementation of this Agreement, this Agreement may be terminated by the Global Fund or by the CCM Funding Recipient. The Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate the Agreement. Either the Global Fund or the CCM Funding Recipient may suspend this Agreement in whole or in part upon giving the other Party seven days written notice. Any portion of this Agreement that is not terminated or suspended shall remain in full force and effect.

15.2 Notwithstanding termination of all or part of this Agreement, the CCM Funding Recipient may use funds that have already been disbursed to it to satisfy commitments and expenditures already incurred in the implementation of the Agreement before the date of termination. After the CCM Funding Recipient has satisfied such commitments and liabilities, the CCM Funding Recipient will return all remaining funds disbursed hereunder to the Global Fund or dispose of such funds as directed by the Global Fund.

16. Limitation of Liability; Indemnification

16.1 The Global Fund shall be responsible only for performing the obligations that are specifically set forth in this Agreement. Except for those obligations, the Global Fund shall have no liability to the CCM Funding Recipient, any employees or any contractor thereof, the CCM or any other person or entity as a result of this Agreement. Any financial or other liability that may arise as a result of the activities of the CCM Funding Recipient shall be the sole responsibility of the CCM Funding Recipient.

16.2 This Agreement shall in no way be construed as creating the relationship of principal and agent, of partnership in law or of joint venture as between the Global Fund and the CCM Funding Recipient. Neither the CCM nor the CCM Funding Recipient shall, under any circumstances, represent that it is an agent of the Global Fund, and shall take all reasonable precautions to avoid any perception that such relationship exists.

17. Applicable Law; Arbitration

17.1 Any dispute between the Global Fund and the CCM Funding Recipient arising out of or relating to this Agreement that is not settled amicably shall be submitted to arbitration at the request of either Party. The arbitration shall be conducted in accordance with UNCITRAL Arbitration Rules as at present in force. The Global Fund and the CCM Funding Recipient agree to be bound by the arbitration award rendered in accordance with such arbitration, as the final adjudication of any such dispute, controversy, or claim.

17.2 For any dispute for which the amount at issue is 100,000 United States dollars or less, there shall be one arbitrator.

17.3 For any dispute for which the amount at issue is greater than 100,000 United States dollars, there shall be three arbitrators appointed as follows: The Global Fund and the CCM Funding Recipient shall each appoint one arbitrator, and the two arbitrators so appointed shall jointly appoint a third who shall be the chairperson.

18. Miscellaneous

18.1 No modification of this Agreement shall be valid unless in writing and signed by an authorized representative of the Global Fund and an authorized representative of the CCM Funding Recipient.

18.2 This Agreement and any annexes and attachments hereto constitute the entire agreement between the Parties and set out all the conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any attachments hereto.

18.3 No delay in exercising any right or remedy under this Agreement shall be construed as a waiver of such right or remedy.

18.4 This Agreement shall be binding on the successors and assignees of the CCM Funding Recipient and the Agreement shall be deemed to include the CCM Funding Recipient's successors and assignees. However, nothing in this Agreement shall permit any assignment without the prior written approval of the Global Fund.

18.5 This Agreement may be executed in one or more counterparts, all of which will constitute one and the same agreement.

19. Privileges and Immunities

19.1 Nothing in or related to this Agreement may be construed as a waiver, express or implied, of the privileges and immunities accorded to the Global Fund under (i) international law, including international customary law, any international conventions, treaties or agreements, (ii) any national laws including but not limited to the United States of America's International Organizations Immunities Act (22 United States Code 288), or (iii) under the Headquarters Agreement between the Global Fund and the Swiss Federal Council dated 13 December 2004.

19.2 Nothing in or relating to the present Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations and UNDP.

20. Trustee

The Global Fund and the International Bank for Reconstruction and Development (the "World Bank") have entered into an agreement by which the World Bank has agreed to establish the "Trust Fund for the Global Fund to Fight AIDS, Tuberculosis and Malaria" (the "Trust Fund") and to serve as the trustee of the Trust Fund (the "Trustee"). Funds made available to the CCM Funding Recipient under this Agreement will be disbursed from the Trust Fund. All of the obligations of the Global Fund under this Agreement are obligations of the Global Fund and the World Bank has no personal liability for the obligations of the Global Fund under this Agreement.