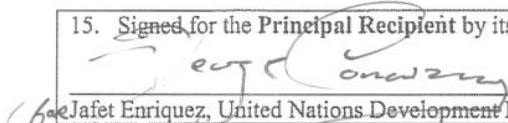


15. Signed for the Principal Recipient by its Authorized Representative

 Date 20/10/2008.

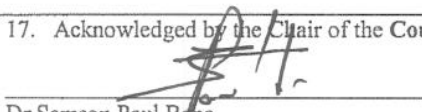
Jafet Enriquez, United Nations Development Programme, Juba, South Sudan (a.i.)

16. Signed for the Global Fund by its Authorized Representative

_____ Date _____

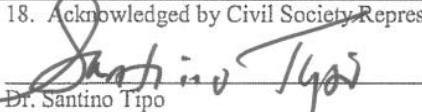
Professor Michel Kazatchkine
Executive Director

17. Acknowledged by the Chair of the Country Coordinating Mechanism

 Date 09/10/2008

Dr Samson Paul Buba
Ministry of Health, Government of Southern Sudan

18. Acknowledged by Civil Society Representative of the Country Coordinating Mechanism

 Date 9/10/2008

Dr. Santino Tipo
Vice-Chairperson
Southern Sudan Chamber of Commerce

STANDARD TERMS AND CONDITIONS

Article 1. PURPOSE OF AGREEMENT

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 Principal Recipient identified in block 2 of the face sheet of this Agreement. This Agreement defines the terms and conditions under which the Global Fund may provide funding to the Principal Recipient to implement the program whose title is set forth in block 3 of the face sheet of this Agreement (the “Program”) for the country specified in block 1 of the face sheet of this Agreement (the “Host Country”).

Article 2. IMPLEMENTATION OF THE PROGRAM

- (a) Program Description and Objectives. The Principal Recipient shall implement the Program as described in the “Program Implementation Description” included as Annex A of this Agreement. The “Performance Framework(s)” attached to Annex A of this Agreement set forth the main objectives of the Program, key indicators, intended results, targets and reporting periods of the Program. Unless otherwise indicated, the targets set forth in the Performance Framework(s) attached to Annex A of this Agreement are cumulative and do not include the baseline values.
- (b) Program Budget. The “Summary Budget(s)” attached to Annex A of this Agreement set(s) out approved expenditures for the Program Term. The Principal Recipient shall implement the Program in accordance with the Summary Budget(s). Changes to the Summary Budget(s) shall only be made pursuant to written guidelines provided by the Global Fund or as otherwise authorized in writing by the Global Fund.

Article 3. PROGRAM TERM

- (a) Phase 1. The Principal Recipient acknowledges that, as of the effective date of this Agreement (referred to in Article 38 of this Agreement), the Global Fund has committed funds to the Program under this Agreement for a 24 month period which starts on the Phase 1 Starting Date (indicated in block 5 of the face sheet of this Agreement) and ends on the Phase 1 Ending Date (indicated in block 6 of the face sheet of this Agreement) (hereinafter, the “Program Term”).
- (b) Phase 2. The Global Fund may decide, in its sole discretion, to extend the Program Term beyond the Phase 1 Ending Date and commit funding for Phase 2 of the Program (a “Phase 2 Approval”). If the Global Fund issues a Phase 2 Approval, the parties shall execute an amendment to this Agreement and the “Program Term” shall be extended to the Phase 2 Ending Date (indicated in block 7 the face sheet of this Agreement) or any other date specified by the Global Fund in its Phase 2 Approval.
- (c) Deemed Disbursement. The Phase 1 Starting Date, the Phase 1 Ending Date and the Phase 2 Ending Date will be determined by the date on which the Principal Recipient receives the first disbursement of Grant funds under this Agreement or as otherwise agreed between the Parties. For that purpose, the Principal Recipient shall be deemed to have received the first disbursement seven calendar days after the Global Fund

- (f) Additionality. The Grant is in addition to the resources that the Host Country receives from external and domestic sources to fight the disease indicated in block 9 of the face sheet of this Agreement, or, if applicable, health expenditure (if Health Systems Strengthening is indicated in block 9).
- (g) No Double-funding. The targets set for the Program are made possible by the additional funding provided by the Global Fund under this Agreement. The Principal Recipient is not receiving funding from any other source that duplicates the funding provided under this Agreement.

Article 6. COVENANTS OF THE PRINCIPAL RECIPIENT

The Principal Recipient covenants and agrees with the Global Fund the following during the Program Term:

- (a) Authority. The person signing documents related to this Agreement (including any amendments to this Agreement) will have, at the time of such signing, the authority to sign such documents.
- (b) Notice of Material Events. The Principal Recipient shall immediately provide written notice to the Global Fund of any claims, investigations or proceedings which, if determined adversely, could reasonably be expected to result in a material adverse effect on the ability of the Principal Recipient or any Sub-recipient (as described in Article 14 of this Agreement) to implement the Program or perform any of the other obligations under this Agreement.
- (c) Conduct of Business. The Principal Recipient shall, and shall ensure that each Sub-recipient shall do all the things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses and permits which may be required to implement Program activities for which they are responsible.
- (d) Compliance with Laws. The Principal Recipient shall, and shall ensure that each of its Sub-recipients shall, comply with Host Country law and other applicable law, including but not limited to intellectual property law, when carrying out Program activities.
- (e) Additionality. The Principal Recipient shall take all actions available to it to ensure that the representation made in Article 5(f) of this Agreement continues to be valid during the Program Term.
- (f) Notification of Additional Funding. The Principal Recipient shall provide written notice to the Global Fund of any additional funding received by the Principal Recipient which may require an adjustment to the Program in order to meet its obligations under Article 5(g) of this Agreement.

Article 7. COUNTRY COORDINATING MECHANISM

- (a) CCM. The parties acknowledge that the Country Coordinating Mechanism (“CCM”) coordinates the submission of proposals to the Global Fund from the Host Country, including any request for continued funding beyond the Phase 1 Ending Date

rev. 1.2008

(“Request for Continued Funding”) and monitors the implementation of both Program activities under this Agreement and other programs financed by the Global Fund in the Host Country, if any.

- (b) Cooperation. The Principal Recipient shall cooperate with the CCM and the Global Fund to accomplish the purpose of this Agreement. The Principal Recipient shall be available to meet regularly with the CCM to discuss plans, share information and communicate on matters that relate to the Program. The Principal Recipient shall provide to the CCM, upon request of the CCM, a copy of reports and material information relating to the Program for information purposes. This may include, but is not limited to, Requests for Disbursements, items delivered to fulfill a condition precedent, implementation letters and any amendment to this Agreement. In addition, the Principal Recipient shall assist the CCM in the preparation of any Request for Continued Funding. The Principal Recipient understands that the Global Fund may, in its sole discretion, share information about the Program with the CCM.

Article 8. LOCAL FUND AGENT

- (a) LFA. The Global Fund has retained the services of a Local Fund Agent (the “LFA”), as indicated in block 12 of the face sheet of this Agreement, to perform certain functions on behalf of the Global Fund, including:
- i. assessment of the capacity of the Principal Recipient to implement the Program and manage Grant funds; and
 - ii. verification of the Principal Recipient’s progress towards the objectives of the Program, use of Grant funds and compliance with the terms and conditions of this Agreement.
- (b) Cooperation. The Principal Recipient shall, and shall ensure that Sub-recipients shall, cooperate fully with the LFA to permit the LFA to carry out its functions. To this end, the Principal Recipient shall, among other things:
- i. submit all reports, Requests for Disbursement and other communications required under this Agreement to the Global Fund through the LFA;
 - ii. submit copies of all audit reports to the LFA;
 - iii. permit the LFA to perform ad hoc site visits at the times decided by the LFA;
 - iv. permit the LFA to review Program Books and Records, (as described in Article 13 of this Agreement) at the times and places decided by the LFA;
 - v. permit the LFA to interview its personnel and personnel of Sub-recipients;
 - vi. cooperate with the LFA to identify additional training and capacity building that the Principal Recipient and Sub-recipients may need to implement the Program; and

- vii. cooperate with the LFA in other ways that the Global Fund may specify.
- (c) LFA Representative. For purposes of this Agreement, the principal representative of the LFA shall be the person named or acting in the position identified in block 12 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 Principal Recipient accordingly.

Article 9. MANAGEMENT OF GRANT FUNDS

The Principal Recipient shall ensure that all Grant funds are prudently managed and shall take all necessary action to ensure that Grant funds are used solely for Program purposes and consistent with the terms of this Agreement. Accordingly, the Principal Recipient shall use its reasonable efforts to ensure that Grant funds are not used by it or by any Sub-recipient 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.

Article 10. DISBURSEMENT OF GRANT FUNDS

- (a) Disbursements. Notwithstanding the disbursement schedule set out in Annex A to this Agreement, the timing and amount of any disbursements of Grant funds shall be determined by the Global Fund in its sole discretion. In particular, the Global Fund will not make any disbursement of Grant funds unless:
- i. the Principal Recipient has submitted to the Global Fund a Request for Disbursement, signed by the person or persons authorized by the Principal Recipient to do so, in form and substance satisfactory to the Global Fund, at a time acceptable to the Global Fund;
 - ii. the Global Fund has determined in its sole discretion that funds sufficient to make the disbursement are available to the Global Fund for such purpose at the time of the disbursement;
 - iii. the Principal Recipient has fulfilled, in form and substance satisfactory to the Global Fund, the conditions precedent to such disbursement or special conditions indicated in Annex A, if any, and within the applicable terminal date indicated on the face sheet of this Agreement or other deadlines noted in the special conditions;
 - iv. the Principal Recipient demonstrates that the amount requested in its Request for Disbursement is based on its reasonable cash flow needs during the period for which the disbursement is requested;
 - v. the Principal Recipient has provided to the Global Fund all Programmatic Progress reports referred to in Article 15(b) of this Agreement that were due prior to the date of the Request for Disbursement;
 - vi. the Principal Recipient demonstrates that it has achieved programmatic results consistent with the targets for indicators set forth in the Performance

Framework(s) attached to Annex A of this Agreement during the periods set forth therein and explains any reasons for deviation from targets;

- vii. following receipt in the country of Health Products procured using Grant funds, the Principal Recipient has reported the prices and other related supply information required to be reported to the Global Fund in accordance with Article 19(t) of this Agreement using the Price Reporting Mechanism available on the website of the Global Fund or other suitable tool that the Global Fund may make available for this purpose; and
 - viii. the LFA (referenced in Article 8 of this Agreement) verifies the information provided in the Request for Disbursement.
- (b) Deadlines. If the conditions precedent or special conditions indicated in the Program Implementation Description have not been met by the applicable terminal date or deadline, or if the Principal Recipient fails to achieve the programmatic targets set forth in this Agreement, during the periods set forth therein, the Global Fund may, at any time, and in its sole discretion, terminate or suspend this Agreement by written notice to the Principal Recipient under Article 26 of this Agreement.
- (c) Phase 1 Ending Date. The Global Fund will not authorize disbursement of any Grant funds after the Phase 1 Ending Date unless the parties amend this Agreement to reflect a Phase 2 Approval (as described in Article 3(b) of this Agreement).

Article 11. BANK ACCOUNTS, INTEREST AND OTHER PROGRAM REVENUES

- (a) Bank Account. The Principal Recipient shall ensure that:
- i. Grant funds in the possession of the Principal Recipient or Sub-recipients remain, to the extent practicable, in a bank account which bears interest at a reasonable commercial rate available in the Host Country until they are expended for Program purposes;
 - ii. Grant funds are deposited in a bank that is fully compliant with all applicable local and international banking standards and regulations, including capital adequacy requirements; and
 - iii. at all times, Grant funds are held in cash and may be withdrawn at any time, in full, upon demand.
- (b) Interest. Any interest on Grant funds disbursed by the Global Fund to the Principal Recipient under this Agreement or by the Principal Recipient to Sub-recipients shall be accounted for and used solely for Program purposes.
- (c) Revenues. Any revenues earned by the Principal Recipient or Sub-recipients from Program activities, including but not limited to revenues from “social marketing” activities, shall be accounted for and used solely for Program purposes.

Article 12. TAXES AND DUTIES

- (a) Free From Taxes. The Principal Recipient is strongly encouraged to ensure that this Agreement and the purchase of any goods or service using Grant funds by the Principal Recipient and any Sub-recipients shall be free from taxes and duties imposed under laws in effect in the Host Country. The Principal Recipient shall, not later than 90 days after the Phase 1 Starting Date, inform the Global Fund of the status of the exemption from taxes and duties that may be accorded to assistance under this Agreement.
- (b) Refund of Taxes. If a tax or duty has been levied and paid by the Principal Recipient or Sub-recipient despite the exemption from such tax or duty, the Global Fund may, in its sole discretion, (i) require the Principal Recipient to refund to the Global Fund or to others as the Global Fund may direct the amount of such tax with funds other than those provided under this Agreement; or (ii) offset the amount of such tax from amounts to be disbursed under this or any other agreement between the Global Fund and the Principal Recipient.
- (c) Resolution of Tax Issues. In the event of a disagreement about the application of an exemption that has been granted by the government of the Host Country, the Global Fund and the Principal Recipient shall endeavor promptly to resolve such matters, guided by the principle that the Grant funds are intended to be free from taxation, so that all of the Grant funds provided by the Global Fund shall contribute directly to the treatment and prevention of disease in the Host Country.

Article 13. AUDITS AND RECORDS

- (a) Books and Records of the Principal Recipient. The Principal Recipient shall, and shall ensure that Sub-recipients shall, maintain accounting books, records, documents and other evidence relating to this Agreement, adequate to show, without limitation, all costs incurred and revenues earned by the Principal Recipient for the Program and the overall progress toward completion of the Program (“Program Books and Records”). The Principal Recipient and Sub-recipients shall maintain Program Books and Records in accordance with the generally accepted accounting standards in the Host Country. Program Books and Records must be kept in the possession of the Principal 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, or if required to do so by the Global Fund.
- (b) Principal Recipient Audits. The Principal Recipient shall have annual financial audits of Program revenues and expenditures conducted by an independent auditor. The first period under audit shall be the first completed fiscal year of the Principal Recipient (as indicated in Block 11 of the face sheet of this Agreement). However, if the end of the first such fiscal year is less than six months after the Phase 1 Starting Date, the first period under audit shall be from the Phase 1 Starting Date until the end of the second such fiscal year.
- (c) Independent Auditor. Not later than three months after the Phase 1 Starting Date, the Principal Recipient shall notify the Global Fund of the independent auditor that it has