

GMD/AME/CA/TD/NB/JSM/17/186

21 December 2017

Ms Zahira Virani
Resident Representative
United Nations Development Programme
Avenida das Nações Unidas
BP 109
Sao Tome
Democratic Republic of Sao Tome and Principe

Subject: Grant STP-Z-UNDP

Dear Ms Virani

Together with this letter please find the Grant Confirmation for the HIV/AIDS, tuberculosis and malaria grant in the Democratic Republic of Sao Tome and Principe (the “Grant Confirmation”).

We would like to take this opportunity to remind you that in accordance with the Global Fund Sustainability, Transition and Co-financing Policy (GF/B35/04) (the “STC Policy”):

The Democratic Republic of Sao Tome and Principe should progressively increase government expenditure on health to meet national universal health coverage goals; and increase co-financing of the Global Fund-supported programs, focused on progressively taking up key costs of national disease plans (the “Core Co-Financing Requirements”). The commitment and disbursement of Grant Funds is subject to the Global Fund’s satisfaction with the Democratic Republic of Sao Tome and Principe’s compliance with the Core Co-Financing Requirements. The Global Fund may reduce Grant Funds during the Implementation Period based on non-compliance with the Core Co-Financing Requirements;

The Democratic Republic of Sao Tome and Principe should comply with the requirements to access the ‘co-financing incentive’ as set forth in the STC Policy (the “Co-Financing Incentive Requirements”). The commitment and disbursement of 15% of the Democratic Republic of Sao Tome and Principe’s HIV, TB and malaria allocation of EUR 5,088,901 for the 2017-2019 allocation period, which is equal to EUR 763,335 (the “Co-Financing Incentive”), is subject to the Global Fund’s satisfaction with the Democratic Republic of Sao Tome and Principe’s compliance with the Co-Financing Incentive Requirements. The Global Fund may reduce the Co-Financing Incentive from Grant Funds during the Implementation Period, or from the Democratic Republic of Sao Tome and Principe’s subsequent allocation, proportionate to non-compliance with the Co-Financing Incentive Requirements; and

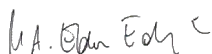
By 31 December of each calendar year, the Democratic Republic of Sao Tome and Principe should ensure and deliver to the Global Fund its annual health accounts report evidencing that the Democratic Republic of Sao Tome and Principe complies with each applicable Program specific Core Co-Financing Requirement.

In addition, we note that under Article 3 of the UNDP-Global Fund Grant Regulations, the “Grant” consists of “funds as stated in the relevant Grant Confirmation together with any funds previously granted by the Global Fund to the Principal Recipient for the Program”. In this regard, please note that where the Global Fund has approved the use under the current Grant Confirmation of grant funds disbursed to the Principal Recipient under a previous Grant Agreement for the Program (“Previously Disbursed Grant Funds”), the Global Fund may reduce the amount of Grant Funds set forth in Section 3.6 of the Grant Confirmation by the amount of any Previously Disbursed Grant Funds.

Each capitalized term used but not defined in this letter shall have the meaning ascribed to such term in the Grant Confirmation or the Framework Agreement, dated 13 October 2016, between the Global Fund and the United Nations Development Programme.

We thank you and wish for successful work and implementation of the Program.

Yours sincerely



Mark Edington
Head, Grant Management Division

Cc: M. Luis Segura, LFA
CCM Sao Tome and Principe