

Ref.: GMD/AME/CA/CF/MTA/NG/DD/20/78

24 July 2020

Ms Katarzyna Wawiernia
Resident Representative
United Nations Development Programme
Avenia das Nações Unidas
BP 109
Sao Tome and Principe

Subject: Grant Name: STP-Z-UNDP
Principal Recipient: United Nations Development Programme
Guidance for Grant Closure

UNOFFICIAL SUMMARY:
This letter informs you of the grant closure process for the above referenced grant.

Dear Ms Wawiernia

We are writing this letter to inform you about the process for grant closure of grant STP-Z-UNDP (the “Grant”). As you are aware, the Implementation Period will end on 31 December 2020.

Unless defined in this letter or the context otherwise requires, all capitalized terms used in this letter shall have the same meaning as set out in the Grant Agreement.

We take this opportunity to remind you that during the six months from the Implementation Period end date (the “Closure Period”), the Grant Funds must be prudently managed, and used solely for relevant Grant Closure Activities, as such term is defined below, and consistent with the terms of the Grant Agreement. Other guiding principles for grant closure are set out in Attachment A to this letter.

Set out below are the required deliverables you will need to submit before the end of the Implementation Period (the “Grant Closure Planning Documents”):

Required deliverables	Submission due date	Format
1. Grant Closure Plan A detailed description of any activities that need to be implemented in order to close the Grant in an orderly and responsible manner (“Grant Closure Activities”). Activities that are already included in the approved work	30 September 2020	Please provide a Word narrative description for the Grant Closure Plan. Please use the same format as work plans submitted under the Grant

Required deliverables	Submission due date	Format
<p>plan for the final year of the Grant do not need to be described again.</p> <p>The Grant Closure Plan should have a particular emphasis on continuity of services (including in relation to Sub-recipient agreements and supplier contracts) between this Grant and the new grant with the new Principal Recipient.</p> <p>Note: Grant Closure Activities must be consistent with those already included in the work plan that has been approved by the Global Fund, should not include any new Program Activities and should focus on administrative matters required to close the Grant, including but not limited to final accounting, reporting, disposal and transfer of assets, and record keeping.</p>		<p>Confirmation and include the rationale and timeline for the Grant Closure Activities.</p>
<p>2. Grant Closure Budget</p> <p>An itemized costed budget for all Grant Closure Activities that will be implemented during the Closure Period.</p> <p>Note: During the Closure Period, only payments against valid financial commitments and the Grant Closure Budget can be made. The Principal Recipient also has a duty to minimize the Grant Closure Activities' costs.</p>	<p>30 September 2020</p>	<p>Please use the Grant Closure Budget template set out in Attachment B to this letter.¹</p>
<p>3. List of Program Assets and Receivables and Transfer Plan</p> <p>The List of Program Assets and Receivables should include:</p> <ul style="list-style-type: none"> - All Health Products procured with Grant Funds that are not likely to be used / consumed before the Implementation Period end date; - Other assets (including, but not limited to, vehicles, equipment and infrastructure and non-physical assets such as copyright in any Information, Education and Communication ("IEC") materials or television spots) 	<p>30 September 2020</p>	<p>Please use the format suggested in Attachment C to this letter.</p>

¹ The Global Fund templates are designed to work with the Global Fund Grant Operating System. Therefore, all Global Fund Excel templates are locked and password-protected to ensure data integrity and consistency. The templates contain instructions detailing which editing actions are allowed. Any changes to the lock fields or other actions, such as unprotecting a sheet, would result in rejection of the template.

Required deliverables	Submission due date	Format
<p>created / acquired with Grant Funds; and</p> <ul style="list-style-type: none"> - All receivables owed to the Principal Recipient by a third party. <p>The Transfer Plan shall include:</p> <ul style="list-style-type: none"> - A plan for the use, transfer and/or disposal of all the items, including a detailed rationale for each proposed action, set out in the List of Program Assets and Receivables. 		
<p>4. Estimated Cash Statement as of the last date of the relevant Implementation Period</p> <p>All revenue generated from Grant Funds (including but not limited to interest foreign exchange gains, tax refund(s), revenue from any social marketing activities) must be treated and accounted for as grant funds and included in the Cash Statement. Any revenue that is expected to be received after the last date of the Implementation Period should also be considered as Grant Funds.</p>		<p>Please use the format specified in Attachment D to this letter.</p>

Please note that all of the Grant Closure Planning Documents will need to be endorsed by the CCM Chair and Vice-Chair prior to submission to the Global Fund, and reviewed and verified by the Global Fund’s Local Fund Agent (“LFA”). The Grant Closure Planning Documents are also subject to the Global Fund’s review and approval, before the Grant Closure Activities can be commenced and implemented.

We would also like to take this opportunity to remind you that Section 7(a) of the Grant Regulations provides as follows:

“Program Books and Records of the Principal Recipient and Sub-recipients shall be retained in accordance with the policies and procedures of the Principal Recipient (which as of the Effective Date provide for retention of Program Books and Records for seven years after the document date), or for such longer period, if any, as may be requested by the Global Fund in writing to the Headquarters of the Principal Recipient in order to resolve any claims.”

To this end we would encourage you to develop a plan to determine where and how the Program Books and Records will be stored for that period.

Following the Global Fund’s approval of the Grant Closure Planning Documents, the Global Fund will issue an implementation letter that:

- Records the results of the Global Fund’s review of the Grant Closure Planning Documents. The Global Fund may approve all or some of the documents, or its approval may be subject to certain conditions and exceptions; and
- Sets out the terms and conditions governing the Grant closure process.

Following the end of the Implementation Period and in any event on or before the due date specified below, the Principal Recipient must also submit the following reporting documents (the “Grant Closure Reporting Documents”):

Required deliverables	Submission due date	Format
<p>1. Final Progress Update for the Grant</p> <p>This shall include the programmatic and financial progress report for the period between the last progress report and the Implementation Period end date.</p>	1 March 2021	The Global Fund will make available the Final Progress Update template. Please observe the template requirements at footnote 1 above.
<p>2. Final Tax Report for the Grant</p> <p>This shall cover the final year of the Implementation Period (including any extensions) ended.</p>	31 July 2021	The Global Fund will make available the Final Tax Report template. Please observe the template requirements at footnote 1 above.
<p>3. Confirmation of Transfer of Program Assets</p> <p>Confirmation that all actions set out in the Transfer Plan have been completed.</p>	As soon as the Program Assets are transferred, and/or disposed of, in accordance with the Transfer Plan, and in any event before 30 June 2021	Please submit a report or other explanation, as well as supporting documentation, showing that the Program Assets have been transferred or otherwise disposed of.
<p>4. Confirmation of Transfer of Contracts</p> <p>Confirmation that contracts for continuing services with e.g., sub-implementers and service providers have been assigned to the new principal recipient.</p>	As soon as the contracts are transferred, and in any event before 30 June 2021	Please submit a report or other explanation, as well as supporting documentation, showing that contracts have been assigned to the new principal recipient.
<p>5. Financial Closure Report</p> <p>This shall include:</p> <ul style="list-style-type: none"> • The financial reconciliation of the cash balance as at the end of the Implementation Period (including any extensions); • The expenditure report covering the period from the last submitted expenditure report up to the end of the Closure Period; and • An updated list of the outstanding financial commitments and financial obligations as at the Implementation Period end date. <p>Note: Based on the reported information, any remaining cash, non-compliant expenditures and recoverable amounts</p>	15 August 2021	The Global Fund will make available the Financial Closure Report template. Please observe the template requirements at footnote 1 above.

Required deliverables	Submission due date	Format
should be swiftly determined and returned to the Global Fund.		
6. Certified Financial Report Final financial report of income and expenditure of the Program covering a period through the end of the relevant Implementation Period and any Closure Period	30 June 2022	

The Grant Closure Reporting Documents will be reviewed and verified by the LFA and the Global Fund.

If you have any questions regarding the Grant closure process, please do not hesitate to contact us.

We would also like to take this opportunity to express our gratitude for your commitment and leadership in the fight against HIV and AIDS, tuberculosis and malaria, and look forward to working with you towards an orderly closure of the Grant.

Yours sincerely



Monica Takyi-Appiah
Fund Portfolio Manager
Central Africa

Encl.: Attachment A – Guiding Principles for Closure
Attachment B – Grant Closure Budget template
Attachment C – Suggested Format for the List of Program Assets and Receivables and Transfer Plan
Attachment D – Suggested Format for Estimated Cash Statement as at the End of the Implementation Period

Cc: H.E. Edgar Agostinho Neves, CCM Chair
Dr. Luis Segura, Local Fund Agent

ATTACHMENT A

Principles for Grant Closure

1. Grant closure is managed with the same level of rigor and oversight as grant implementation.
2. Grant closure activities are those activities that are necessary for the orderly winding down of a grant. Grant closure activities may begin during the lifetime of the Grant, but will conclude after the end of the Implementation Period. Any commitments and liabilities outstanding as at the end of the Implementation Period must be included in the Grant Closure Budget.
3. The Grant is expected to be closed within six months after the end of the Implementation Period. In circumstances where the end of the Implementation Period was unanticipated, the inability to plan in advance may mean that additional time is reasonable and appropriate for an orderly wind down of the Grant.
4. Grant funds may be used to finance grant closure activities and satisfy commitments and liabilities incurred prior to the end of the Implementation Period.
5. The scope of grant closure activities is not driven by the amount of grant funding remaining.
6. The deliverables by the Principal Recipient related to grant closure may be verified by the Global Fund's Local Fund Agent (LFA). LFA verifications will be limited to the period covered by the respective deliverable. For example, LFA queries related to the estimated cash statement will not concern income and expenditure outside the period covered by the cash statement.
7. In making determinations about grant closure, the Secretariat balances the Global Fund's interest in maximizing the accountable use and recovery of funds with ensuring an orderly and responsible winding down of Global Fund financing.
8. The Principal Recipient has a responsibility to minimize the costs to the Global Fund of grant closure.
9. Each grant closure case will be assessed and managed on its own merits, based on these principles.
10. A grant will be considered closed upon issuance by the Secretariat of a formal notification letter to the Principal Recipient, confirming final grant closure.
11. The Secretariat will provide clear and up-to-date communications on grant closure to the Board, Principal Recipient(s), CCM, as well as LFAs and the public.

ATTACHMENT B

Grant Closure Budget Template

ATTACHMENT C

Suggested Format for the List of Program Assets and Receivables, and Transfer Plan

I. Suggested Format for the List of Health Products

Entity	Date of acquisition	Description	Location	Date of Expiry	Quantity	Cost/([USD/EUR])
PR						
SR 1						
SR 2						

Note: In light of the relatively short shelf-life of Health Products, the Grant Closure Plan should clearly indicate the purpose and time frame for the use of the Health Products. The Principal Recipient is encouraged to obtain certification from the National Drug Regulatory Authority or WHO or any other expert bodies though this is not mandatory.

II. Suggested Format for the List of Other Program Assets and Receivables

Entity	Date of acquisition	Description	Location	Quantity	Remaining Useful Life	Purchase Value ([USD/EUR])	Estimated Liquidation Value ([USD/EUR])
PR							
SR 1							
SR 2							

ATTACHMENT D**Suggested Format for Estimated Cash Statement as at the End of the Implementation Period**

Principal Recipient (PR)	Amount (Grant currency, i.e. USD or EUR)	Date
Actual disbursed to date by the GF to the PR		
Revenue generated by PR using grant funds*		
(Less Direct Payments by GF to PR suppliers)		
(Less PR expenditures)		
(Less PR Disbursements to Sub-recipients)		
PR Cash Balance		

Sub-recipient (SR)**	Amount (Grant currency, i.e. USD or EUR)	Date
Actual disbursed to date by the PR to the SR		
Revenue generated by SR using grant funds*		
Less: SR's payments to date (including disbursements to sub-sub-recipients)		
SR Cash Balance		

* All revenue generated from grant funds including interest, foreign exchange gains, tax refund(s) and revenue from any social marketing activities must be treated and accounted for as grant funds.

** SR cash statement should include all revenue generated by sub-sub-recipients.