

Our Ref: LAC/MM/SK/BEL-910-Go2-H Feedback Letter S8

10 April 2015

Mr Roberto Valent  
UNDP Resident Representative  
UNDP Country Office  
3rd Floor, Lawrence Nicholas Building  
South Ring Road  
Belmopan, Belize  
Central America

**Subject: Grant Agreement BEL-910-Go2-H: Progress Review for the Period of 1 July to 31 December 2014**

Dear Mr Valent:

This letter presents our assessment of overall performance of the 8<sup>th</sup> Semester of the BEL-910-Go2H grant implemented by the United Nations Development Programme (UNDP) in Belize as the Principal Recipient (PR).

This feedback is based on the analytical review of the Local Fund Agent (LFA) and the subsequent analysis by the Secretariat of the Global Fund. It summarizes the relevant facts, findings, challenges and the corresponding actions to be undertaken during the next period of implementation.

#### **A. Programmatic Achievements**

Overall, the programmatic performance of the grant during Period 8 of implementation was excellent, with an average indicator performance of 102% and a "Top 10 Indicator" performance of 113%, resulting in a quantitative indicator rating of A1. We take the opportunity to thank you UNDP, the Belize CCM, and all the stakeholders involved in the programmatic performance of the grant for their efforts, work, and dedication to fighting HIV in Belize.

Despite the excellent overall programmatic performance, there were a few errors included in the results reported by UNDP that we hope will be avoided in the future. They include:

- With regards to Indicator 2.1 (the Number of adults and children living with HIV who receive care and support outside health facilities) -- The results reported by UNDP were based on the total amount of "services" provided to beneficiaries, rather than the total number of "people reached." Given that the M&E plan clearly explains that this indicator should be measured using "persons reached," the result reported by UNDP has been modified. *To ensure that the information is correct, we kindly request that UNDP provides a confirmation of the "persons reached" during 2014 for this indicator by April 20<sup>th</sup>, 2015 (please see the management action below).*

- With regards to Indicator 5.5 (Number of HIV testing and counseling services provided (including pre and post-test counseling) - UNDP reported results from the Central Medical Lab. After our review, it appears that the Central Medical Lab does not provide counseling activities, only testing. *We kindly request that in the future UNDP reports for this indicator only the results when both services – testing and counseling – are provided.*
- Finally, it is important to note that some of the indicators continuously report “over-achievement.” While we congratulate UNDP on the continued programmatic success, we believe its important to ensure that the targets are sufficiently ambitious during the final year of the grant. As a result, *we kindly request that UNDP reviews (along with the MOH and relevant other stakeholders) the indicators that over-achieved during the last two semesters (Period 9 and Period 10) and presents to the Global Fund Secretariat revised and enhanced targets (please see management action below).*

## B. Financial Performance

During the current reporting period, the financial execution of the program was 173% and the cumulative execution was 92%, resulting in a cash balance at the PR-level of USD 78,885 (as of Dec. 31<sup>st</sup> 2015), as well as an estimated 75,248 cash balance at the SR level. We kindly remind UNDP that in our management letter dated 23 May 2014, a difference in the cash balance of USD 100 was highlighted, but the respective adjustment has not yet been made. *We kindly request that UNDP makes the USD 100 adjustment and sends confirmation of the adjustment by April 20<sup>th</sup>.*

During the review of the Progress Report, the Global Fund Secretariat identified a number of important financial challenges that we would like to highlight for UNDP, described in detail below:

- *Confusion over SR Advances* – In the PUDR, UNDP reported SR advances amounting to USD 75,248 as part of the opening cash balance. However, this was inconsistent with the way these SR advances were reported in the last progress report (30 June 2014). We kindly request that in future progress reports the SR\_Financial tab of the PUDR is fully completed in order to have more clarity on SR disbursements, expenses and the respective cash on hand. If SRs are operating on a cash modality and do not receive disbursements, this should be clearly explained in the PUDR.
- *Reconciliation Difficulties Between the UNDP CDR, EFR, and Detailed Budget*– Given that the cost categories used in the UNDP CDR (also referred to as the GFFR) are different from those in the EFR and detailed budget, it was difficult for the Global Fund Secretariat to verify the expenditures reported by UNDP and reconcile with both the EFR and the detailed budget. We kindly request that UNDP submits to the Global Fund an analysis that cross-references the expenses included in the CDR with the expenses reported by UNDP in the EFR and included in the detailed budget (*please see the management action below*).
- *Inconsistencies in the EFR* – Both the 2014 EFR and the cumulative EFR report contained justifications for variances that were not completely clear. This was exacerbated by the significant rescheduling (and or payment) of activities from one semester to another. While the Global Fund Secretariat was able to verify the vast majority of reported variances with UNDP (with the exception of the HFE expenses described below), we kindly remind UNDP to ensure that all EFR expenses in both the reporting period and the cumulative period are described in a detailed manner in future PUDRs.
- *24K of HPE Expenses* – While most of the variances in the EFR were clarified during communications between the UNDP Belize team and the Global Fund Secretariat, 24K of HPE expenses reported in the 2013 and 2014 cumulative EFRs require additional

clarification. We kindly request that UNDP provides to the Global Fund Secretariat an overview of the HPE variance from 2013 and 2014 (including any carry over from Phase I) by April 31<sup>st</sup> (please see Management Action below).

- **Rescheduling of Activities** – In 2013, the previous Global Fund Country Team for Belize provided UNDP with flexibility related to the rescheduling of activities from one semester to another (without the need to formally request a reprogramming). This was designed to allow for occasional rescheduling of activities and to minimize the administrative burden of requesting reprogramming, and was a reflection of the high level of confidence in UNDP's management of the grant. Recently, however, there has been above average and relatively consistent rescheduling of activities reported in the PUDRs. *Moving forward, we kindly request that UNDP work to implement activities (and reconcile accounts) in the semester when activities are scheduled, and reschedule activities as infrequently as possible.*

### C. Management Actions

The Global Fund notes that all Management Actions included in our last feedback letter were fulfilled by the UDNP. We take the opportunity to thank UNDP for complying with these management actions and for its continued quality management of the Global Fund grant.

Given the financial and programmatic items mentioned above, we are including additional management actions in this feedback letter, described in detail below:

Management Actions	Completion Date
<b>Management Action 1:</b> We kindly request that UNDP review the reports for Indicator 2.1 and confirm the total number of people reached. Adjustments to the performance of this indicator will be made after receiving confirmation from UNDP.	<b>By 20th April 2015</b>
<b>Management Action 3:</b> Following email clarifications with UNDP on variances listed in the EFR, there remains confusion related to a negative variance of 24K in the HPE cost category. To ensure that there is clarity on this variance and to officially approve these costs, we kindly request that UNDP submits an explanation documenting the HPE expenses for 2013 and 2014 (including any carryover from Phase I) that clarifies the HPE costs in the EFR.	<b>By 31<sup>st</sup> April</b>
<b>Management Action 4:</b> Given that the cost categories used in the UNDP CDR (GFFR) are not the same as those used in the Global Fund's EFR and the detailed budget, it is difficult for the Global Fund Secretariat to reconcile expenses. In order to verify and officially approve the approximately 245K of costs listed in the CDR that are difficult to reconcile, we kindly request that UNDP presents to the Global Fund an analysis that cross-references the expenses detailed in the CDR (GFFR) with the cost-categories included in the EFR and detailed budget.	<b>By 31 April 2015</b>
<b>Management Action 5:</b> During the last two reporting periods, there has been consistent over-achievement of the following indicators: 1) Number of MSM reached with a defined package of HIV prevention services; 2) Number of FSW reached with a defined package of HIV prevention services; 3) Number of HIV testing and counselling services provided (including pre and post-test counselling). Given the consistent over-performance, we kindly request that UNDP works with the MOH and the other relevant stakeholders to present to the Global Fund a proposal for more ambitious and targets for these indicators for the final two semesters of the grant.	<b>By 31st April 2015</b>
<b>Management Action 6:</b> We kindly request that UNDP send us a copy of the finalized audit performed on CNET, one of the sub-recipients in the grant.	<b>June 1<sup>st</sup>, 2015</b>
<b>Management Action 7</b> -- The PUDR explained that UNDP is looking to use POWA to provide services in 2015 originally planned for implementation by CNET in 2014. While the Global Fund Secretariat in principle has no objection to this reprogramming, there are a few questions related to the reprogramming that need to be clarified before moving forward. UNDP should not proceed with this reprogramming until receiving a no-objection from the Global Fund Secretariat.	<b>April 20<sup>th</sup>, 2015</b>

## D. Disbursement Decision

Following an analysis of the programmatic and financial performance, the final rating for the period is A1, and the Global Fund Secretariat has made an Annual Disbursement Decision totaling US\$ 752,369.

The details of the Annual Disbursement Decision are as follows:

Approved Budget Year 5 (Jan to Dec 2015)	US\$	865,303
Plus commitments	US\$	63,280
<u>Plus savings to be reprogrammed</u>	<u>US\$</u>	<u>186,919</u>
Total Forecast	US\$	1,106,502
Minus PR cash balance	US\$	78,885
Minus SR advance/estimated cash balance	US\$	75,248
<u>Minus cash in transfer (4 March 2015)</u>	<u>US\$</u>	<u>200,000</u>
Total Annual Disbursement Decision	US\$	752,369

We would like to take this opportunity to thank UNDP and all of the stakeholders in Belize for the continued efforts in implementing the current HIV grant, and the consistent strong performance and quality overall management of the grant. We are available to discuss any of the recommendations / observations / management actions included in this feedback letter at your convenience.

Sincerely,

Matthew MacGregor  
Fund Portfolio Manager  
Latin America and the Caribbean

Cc: Mrs. Maisoon Abuabdalla Elbukhari Ibrahim, UNDP Program Manager, Belize  
Mrs. Laura Longworth, CCM Chair  
Ms. Joan Burke, Executive Director of BLFA, CCM Vice Chairperson  
Mr. Damián Eduardo Vázquez, Local Fund Agent, PricewaterhouseCoopers  
Mr. Ramiro González Puglia, Local Fund Agent, PricewaterhouseCoopers  
Distinguished Members of the Belize CCM  
Mrs. Tracey Burton, UNDP  
Mrs. Laura Friedrichs, UNDP