

13 September 2013

Ms Hodan A. Haji-Mohamud  
Resident Representative  
United Nations Development Program (UNDP)  
Lotissement du Heron, lot No 52  
2001 Djibouti  
Djibouti

## Management letter: DJB-613-G05-H first annual disbursement decision

Dear Ms Haji-Mohamud

We have completed the review of the first disbursement request presented by UNDP for the period of 1 January to 31 December 2013, plus the buffer period of 1 January to 31 March 2014, submitted under grant number DJB-613-G05-H.

### RECOMMENDATION FOR DISBURSEMENT

The Global Fund has reviewed the disbursement request for this grant corresponding to the implementation period from January to December 2013.

As this is the first disbursement request following shortly the grant signature, there are no programmatic results involved in the disbursement decision and the first cash transfer.

With this letter, we present you the annual disbursement decision and make the point on several issues related to the future implementation of the grant. Finally, we highlight several recommendations for the implementation period, under the form of a list of management actions.

#### A. STATUS OF SPECIAL CONDITIONS LINKED TO THIS GRANT AGREEMENT

We remind you that special condition B.4. is an on-going condition, with no defined deadline, which has to be fulfilled at any time.

Table 1: Conditions Precedent and/or Special Conditions	Comments
<p>B.1. No later than 30 September 2013, the Principal Recipient shall:</p> <p>a. Conduct a multi-partner self-assessment workshop (the “MESST Workshop”) with respect to the national monitoring and evaluation (“M&amp;E”) system (the “Assessment”), which includes participation of major stakeholders, including the Health Management Information System; and</p> <p>b. Provide to the Global Fund, in form and substance satisfactory to the Global Fund, (i) the findings of the Assessment and (ii) a detailed action plan to address the gaps and deficiencies identified in the Assessment.</p>	Not due at the time of the disbursement
<p>B.2. No later than 31 October 2013, the Principal Recipient shall submit to the Global Fund, in form and substance satisfactory to the Global Fund, a revised national M&amp;E plan (the “Revised M&amp;E Plan”), reflecting:</p> <p>a. any modifications to the indicator framework and definitions of indicators in the performance framework;</p> <p>b. an updated costed workplan that incorporates the actions identified in the MESST Workshop; and</p> <p>c. a clear description of integration and use of key indicators in the Health Management Information System and in collecting community level data.</p>	Not due at the time of the disbursement
<p>B.3. No later than 30 November 2013, the Principal Recipient shall submit, in form and substance satisfactory to the Global Fund, a costed strengthening plan with clear timeline of the Logistic Management Information System (“LMIS”) of the Principal Recipient (the “Plan”), considering, among other things, the following:</p> <p>a. The implementation of adequate reporting of information by health centers through the tools that have been developed;</p> <p>b. The strengthening of the inventory management at CAMME and Laboratoire National, including the tracking and appropriate disposal of expired drugs;</p> <p>c. The adequate analysis and validation of data; and</p> <p>d. The development of procedures to ensure the realization of each of the above steps.</p>	Not due at the time of the disbursement
<p>B.4. The Principal Recipient agrees that it shall not advance any Grant funds to any Sub-recipients. The Principal Recipient shall only disburse Grant funds by paying directly to third party suppliers or by reimbursing the Sub-recipients for the provision of facilities such as storage.</p>	In progress
<p>B. 5. The Principal Recipient shall select Sub-recipients in accordance with its regulations and rules. Before making Grant funds available to any Sub-recipient under the Program, the Principal Recipient shall notify the Global Fund of its selection of the Sub-recipient. In the case that a Sub-recipient to be selected by the Principal Recipient is not a United Nations agency, the Global Fund may, at its election, conduct an assessment of such Sub-recipient (the “SR Assessment”). The Principal Recipient and the Global Fund shall consult on the SR Assessment recommendations and related risk mitigation measures, if any.</p>	In progress



(+)USD 3,428,873 - amount requested by PR for Year 1 of implementation

(+)USD 75,314 - adjustment to the common premises activity 7.1.10 (one time investment for Contribution LAN Connectivity and Contribution Security which the PR included in the request details but forgot to include in the total amount requested);

(-)USD 4,331 - GMS fee included in the expenditures for activity 7.1.5 Pre-Allocation Fund (the GMS fee should only be calculated once and under the activity 7.1.14-GMS);

(+)USD 4,969 corresponding to the adjustment of the 7% GMS charge due to the increase in the amount of recommended disbursement.

**(+) Cash buffer for period Q 5 (1 Jan - 31 Mar 2014): 416,791 USD**

This disbursement will be done in three cash transfers, as follows:

1. USD 2,894,958 - The 1st cash transfer corresponds to the adjusted budget for the period 1 January to 30 September 2013. Please see below the details of the costs included:
  - 334,674: Incurred expenditure up to June 2013 (mainly Procurement and functional costs)
  - 1,650,352: Total budgeted procurement costs
  - 100,891: Nutritional support (adjusted to the remaining period in the grant life)
  - 443,820: PR total costs
  - 189,390: GMS
  - 175,830: Other, e.g. SRs costs, supervision and Psycho-social support
2. USD 609,867- The 2nd cash transfer is based on the budget for the period 1 October to 31 December 2013 and will be initiated based on the reception of the following information:
  - o The 1st Progress Update due on 15 September 2013 including detailed analysis of expenditures;
  - o The cash need: Cash balance and commitments.
3. USD 416,791 - The 3rd cash transfer is based on the budget for Q5 and will be initiated based on verification of cash need including detailed expenditure analysis, cash balance and list of commitments and their payment schedule.

With this letter I confirm the first cash transfer of 2,894,958.

We look forward to the successful implementation of this TFM grant and thank you for your efforts in the fight against HIV and AIDS in Djibouti.

Best regards

  
Karima Jaouadi  
Fund Portfolio Manager

Cc : Ms Nicole Kouassi, UNDP (Principal Recipient)  
Members of CCMI Djibouti  
Ms Christine Perrier, Local Fund Agent (Swiss TPH)  
Dr Odile Pham-Tan, Local Fund Agent (Swiss TPH)