

**United Nations Development Programme
Country: Kyrgyz Republic
Project Document**

Project Title	UNDP Support to implementation of GFATM TB Grants in the Kyrgyz Republic
Expected Output(s): <i>(Those that will result from the project)</i>	The capacity of National Phthisiology Institute to manage GFATM funds in accordance with international standards and procedures will be strengthened to successfully and efficiently implement disbursement of GFATM funds
Implementing Agency:	The National Phthisiology Institute under the Ministry of Health of the Kyrgyz Republic

Brief Description

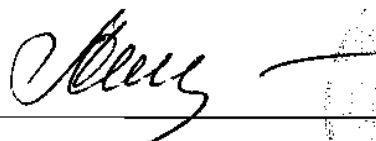
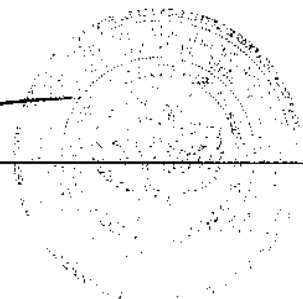
The TB control program is one of the four priority programmes in the Kyrgyz Republic National Health Care Reform Program "Manas Taalimi" for 2006-2010. With the joined efforts of the Government of the Kyrgyz Republic and international organizations working in the country the DOTS strategy has been implemented countrywide since 1998 and the DOTS-Plus strategy piloted in 2005. Nevertheless the TB incidence and mortality rate continue to be among the highest in the European and Central Asian Region.

UNDP, in keeping with its general mandate and demonstrated expertise in capacity development services, and in line with the corporate strategic plan aimed at supporting acceleration of GFATM grant funds implementation, and based on its experience supporting the GFATM AIDS Principal Recipient, will seek to support effective implementation of GFATM TB grants in the Kyrgyz Republic through provision of capacity building, fiduciary services and other support to National Phthisiology Institute.

Project Period:	2008-2009*
Start date:	13 August 2008
End Date	30 June 2009
* the duration is subject to extension	

Total budget USD:	2669767.12
GMS	3%
o Government	2669767,12
o UNDP	25,000
Allocated resources USD:	2644767. 12
** the amount is subject to review	

Agreed by (Implementing Partner):

Agreed by (UNDP):



I. SITUATION ANALYSIS

TB Globally and in the Kyrgyz Republic

Tuberculosis (TB) kills about two million people each year, making it one of the world's leading infectious causes of death among young people and adults. One-third of the world's population is infected with TB. Five to ten percent of people who are infected with TB become sick with TB at some time during their life. The association between poverty and tuberculosis is well established. Even within the developed world the highest rates of disease are seen in the poorest sections of the community. As the world population increases in some of the poorest areas of the world so the number of people living in poverty has increased. In the last fifteen years the number of people living on less than a dollar a day (the definition of absolute poverty) has increased from three quarters to one and a third billion. The population in the Kyrgyz Republic is highly vulnerable, because TB, AIDS and poverty go hand in hand. The Kyrgyz Republic is facing TB epidemic. Due to increased number of incidents there were several national programmes approved. With the combined efforts of the Government of the Kyrgyz Republic and international organizations working in the Kyrgyz Republic, the DOTS (Directly Observed Treatment, Short course) strategy has been implemented countrywide from 1998 and the DOTS-Plus strategy has been piloted since 2005. The TB control program is one of the four priority programs in the Kyrgyz Republic National Health Care Reform Program "Manas Taalimi" (Lessons of Manas) for 2006-2010. Nevertheless, TB incidence (122/100 000) and the TB mortality rate (18/100 000) continue to be among the highest in the European Region. High rates of MDR-TB (Multi-Drug Resistant Tuberculosis) nationally (8.1% in never previously treated and 28% in previously treated) and increasing HIV rates in vulnerable groups are contributing to the burden of disease.

Principal Recipient of Global Fund to fight AIDS/TB/Malaria (GFATM)

In August 2003 Programme document KGZ-202-G02-T-00 "Development of preventive programmes on TB in order to prevent social and economic consequences and spread" was signed between GFATM and National Phthisiology Institute being the Principal Recipient (PR) of the GFATM grants/TB component (GFATM Round 2). The purpose of the Project was effective implementation of DOTS strategy, recommended by WHO, National TB Control Programme, by reducing rate of TB incidents. In 2004 PIU was established within the National Phthisiology Institute to implement GFATM TB grant. In May 2007 the new Program Grant Agreement between GFATM and National Phthisiology Institute was signed KGZ-607-G04-T (GFATM Round 6). It is named "Enhancing DOTS implementation by strengthening planning and management of the National TB Program (NTP) under the "Manas Taalimi" National Health Care Reform Programme and by its further integration into health care services, scaling-up DOTS-Plus implementation beyond the pilot phase, and reducing the burden of TB, TB/HIV and MDR-TB in the penitentiary system." The Principal Recipient also applies to the GFATM 8 Round aimed at strengthening programme management, improving TB case detection and diagnosis and quality treatment of TB cases, expanding access to diagnosis and treatment of drug-resistant tuberculosis.

UNDP and its work with the CMCC and Government on GFATM implementation

An original UNAIDS Cosponsor, UNDP is the UN's development network. UNDP works on the ground in 166 countries to build national capacities and assist countries in addressing challenges to development. UNDP Resident Representative functions as the UN Resident Coordinator, helping promote strategic coherence and effectiveness of the entire UN system's country-level efforts. Through its support to major resource platforms in the region, especially the GFATM, UNDP provides the national partners with a vehicle for strengthening existing national structures and partnerships. In accordance with UNDP Strategic Plan 2008-2011, UNDP has an increased role in accelerating implementation of GFATM grants and an increased capacity building role in strengthening the governance components. UNDP Kyrgyz Republic has an extensive experience working with GFATM. Since 2003, following the Government's request, UNDP has been supporting the National AIDS Center in acceleration implementation of the GF grant funds. Besides, UNDP Kyrgyz Republic is well represented in CMCC and its technical sectors. Building upon the successful experience of supporting the PR (AIDS component), UNDP was requested by the Government to support the TB component Principal Recipient with similar capacity building and fiduciary services.

II. STRATEGY

In order to carry out its functions of Principal Recipient, the National Phthisiology Institute must have adequate capacity for financial and programmatic accounting, disbursement and procurement arrangements. Despite the fact that the National Phthisiology Institute has a strong technical capacity in the area of TB, there is a need for strengthened capacity in project management of PIU staff in lieu increasing grants coming to the country to tackle TB in the Kyrgyz Republic. UNDP Kyrgyz Republic in accordance with general mandate for capacity development, demonstrated expertise in supporting implementation of the project funded by GFATM, and well-resources regional capacity, will continue to support the Government of the Kyrgyz Republic in implementation of the GFATM TB grants.

UNDP capacity building and implementation support services

Capacity development has proved to be indispensable and inseparable condition for a successful and sustainable project, therefore, UNDP Kyrgyz Republic country office will ensure that the capacity of Principal Recipient is strengthened to enable it to carry out such implementation activities directly in future.

Until then, the UNDP country office will provide support services (procurement, administrative, financial and human resources) to the Principal Recipient and its' sub-recipients for the management and implementation of the GFATM TB grant. These services are defined in Annex 1 hereto which constitutes an integral part of this agreement. The scope of services covers support and capacity development for managerial, procurement, financial, and human resources capacities related to the management and implementation of the GF grant. Areas of support and capacity building include:

- Financial management systems;
- Procurement;
- Human resources management;

The procurement of goods and services, the recruitment of project personnel made by the UNDP country office on the request of the Principal Recipient shall be as per UNDP rules and regulations and in accordance with the relevant provisions of the Grant Agreement signed between the Principal Recipient and the Global Fund.

a) Financial management:

- Keep separate financial records for the GFATM grant funds and provide regular financial reports on funds advanced to UNDP;
- Process payments on the basis of requests for direct payment signed by authorized representative of GF PR with properly prepared supporting documents;
- UNDP is neither accountable nor legally liable for the use of the funds disbursed from the account at Principal Recipient's request;
- Provide support in project financial planning and budgeting upon request of PR;
- Prepare timely requests to PR for replenishment of advance funds to ensure that adequate funds are available to cover all expenditures under this project document;
- Conduct regular trainings to respective project personnel on financial issues.

b) Procurement

- Provide procurement support for project activities covered under this document upon request of PR as per Annex 1.
- Provide quarterly reporting on all procurement done by UNDP under this document if requested by PR.
- UNDP is neither accountable nor legally liable for the procurement done by PR as per procurement procedures outlined in the GF Grant Agreement.
- In case UNDP is requested by PR to do the procurement of goods and services then UNDP rules and regulations apply.
- Conduct regular trainings to respective project personnel on procurement issues.

c) Human Resources (HR) management

- Provide HR support for project activities covered under this document upon request of PR as per Annex 3
- Provide quarterly reporting on all recruitments done by UNDP under this document upon request of PR.
- Conduct regular trainings to respective project personnel on HR issues.

III. Project Results and Resources Framework:

Based on the strategy for programme implementation described above, the scope of current project will be to cover support services and capacity development activities for managerial, administrative, financial and programme capacities of the Principal Recipient related to the management and implementation of the GFATM TB grant. Areas of support and capacity building by UNDP Kyrgyz Republic to the Principal Recipient of the GFATM TB grant include the following:

- management systems and operations
- human resources management
- financial management systems
- procurement based on international procurement principles
- programme and service delivery scope and quality

Expected outcomes

UNDP support aims at enabling the Principal Recipient to meet the conditions precedent to disbursement and the subsequent deadlines set by the Global Fund regarding programme management, financial management, procurement and HR management systems, thus allowing for timely disbursement of the funds. The capacity of the National Phthisiology Institute to manage GFATM funds in accordance with international standards and procedures will be strengthened, and will not impede further disbursement by the GFATM.

Expected project outputs:

- 1) Capacity of the Principal Recipient in implementation of the GFATM grants in accordance with the international standards strengthened;
- 2) Fiduciary services provided to the Principal Recipient of the GFATM TB grant in accordance with UNDP rules and regulations based on international standards.

I. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome:

GFATM TB Principal Recipient PIU staff have the necessary capacities to manage and disburse the GFATM funds timely and effectively and following the international standards.

Applicable intended outcome (from 2008-11 Strategic Plan): Accelerated implementation of AIDS funds and programmes financed through multilateral funding initiatives, including the Global Fund to fight AIDS, Tuberculosis, and Malaria

Partnership Strategy: National Phthisiology Institute, Government Office, CMCC, WHO, UNAIDS, UN Agencies, ICRC, other

Project title and ID (ATLAS Award ID):

INTENDED OUTPUTS	OUTPUT TARGETS (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1 Capacity of the Principal Recipient in implementation of the GFATM grants in accordance with the international standards strengthened;</p> <p>Baseline: There is a limited capacity of the Principal Recipient of GFATM TB grant to implement the project in accordance with international standards</p> <p>Indicators: # of GFATM PR TB PIU staff trained to operate project, financial, procurement, human resources management in accordance with the international standards;</p>	<p>2008 - 2009 - 2010</p>	<p>Activity Result 1: GFATM PR TB PIU staff capacity in project management, finance, procurement and HR are built:</p> <ul style="list-style-type: none"> ▪ Capacity needs assessment is conducted ▪ Functional analysis is conducted ▪ Training and capacity development plan is prepared ▪ Trainings are conducted 	<p>UNDP, GFATM, GFATM TB PR</p>	<p>Contractual consulting services, staff time, research USD 25,000</p>
<p>Output 2 Fiduciary services provided to the Principal Recipient of the GFATM TB grant in accordance with UNDP rules and regulations based on international standards</p> <p>Baseline: National TB Institute requested UNDP to provide fiduciary services to GFATM TB grant Principal Recipient</p> <p>Indicators: # of requests from the PR to UNDP on services provision; # of services provided by UNDP to PR in accordance with UNDP rules and regulations;</p>	<p>2008 - 2009 - 2010</p>	<p>Activity Result 2: Fiduciary services are provided in accordance with UNDP rules and regulations based on international standards:</p> <ul style="list-style-type: none"> ▪ Financial requests are processed ▪ Procurement requests are processed ▪ Human Resources requests are processed 	<p>UNDP, GFATM, GFATM TB PR</p>	<p>Staff time, USD 2,944,578</p>

II. MANAGEMENT ARRANGEMENTS

1. The Principal Recipient is responsible for management and implementation of the GF grant and for achievement of the Project results.
2. The PR acts on behalf of and reports to the Country Coordinating Mechanism and is accountable to the GFATM for the GFATM grant implementation as it is stipulated in the *Programme Grant Agreement between The Global Fund to Fight AIDS, Tuberculosis and Malaria and the National Phthisiology Institute of the Government of the Kyrgyz Republic* signed in May 2007.
3. Upon request from the PR, UNDP will support the Principal Recipient in implementation of the GF grant funds through offering capacity development and fiduciary services in procurement, finance and human resources which would open UNDP's worldwide experience.
4. UNDP may put additional UNDP recruited finance, procurement and technical specialists to support PR in managing and implementation of GFATM grants.
5. When providing services to the Principal Recipient and its sub-recipients for implementation of the GFATM grant UNDP will operate based on the Government Cost Sharing Agreement and Letter of Agreement on provision of support services, signed between the Principal Recipient and UNDP, and serving an integral part of this document (Annex 1 and 2 of this Project Document).
6. The schedule of payments and UNDP bank account details are outlined in the Cost Sharing Agreement.
7. UNDP Kyrgyz Republic will cooperate closely with LFA and support PR in following up the Local Funding Agent's recommendations from the capacity development perspective.
8. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP. All financial accounts and statements shall be expressed in United States dollars. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
9. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with provisions in enclosed Cost Sharing Agreement, Annex 1, Article1, para 6.
10. In accordance with the decisions and directives of UNDP's Executive Board:
The contribution shall be charged:
 - (a) 3% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country office;
 - (b) Direct cost for implementation support services (ISS) provided by UNDP.The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."

III. MONITORING FRAMEWORK AND EVALUATION

Monitoring and Evaluation – The Project will be subject to quarterly reviews by the Local Fund Agent, Principal Recipient of the GFATM and UNDP, using the progress reports as the basis for discussions.

IV. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Programme Document as referred to in the SBAA and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the Programme is being carried;
- b) assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Programme Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999).

The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Programme Document"

V. ANNEXES

1. Annex 1 Agreement between the United Nations Development Programme and the National Phthysiology Institute
2. Annex 2 Standard Letter of Agreement between the Government of the KR and UNDP on provision of support services
3. Description of Country Office Support Services
4. Annex 3 Budget of the Project and Annual Workplan

VI. LIST OF ACRONYMS

TB - TUBERCULOSIS

DOTS - DIRECTLY OBSERVED TREATMENT, SHORT COURSE

MDR-TB - MULTI-DRUG RESISTANT TUBERCULOSIS

GFATM - GLOBAL FUND TO FIGHT AIDS, TB, MALARIA

PR – PRINCIPAL RECIPIENT

WHO - WORLD HEALTH ORGANIZATION

PIU – PROJECT IMPLEMENTATION UNIT

UN– The United Nations

UNAIDS – JOINT UN PROGRAMME ON AIDS

UNDP – UNITED NATIONS DEVELOPMENT PROGRAMME

CMCC - Country Multisectoral Coordination Committee

AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE NATIONAL PHTHIOLOGY INSTITUTE

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the National Phthiology Institute (hereinafter referred to as the "National Phthiology Institute ") have agreed to co-operate in the implementation of a Project "UNDP Support to implementation of GFATM TB Grants in the Kyrgyz Republic" (hereinafter referred to as "the Project ");

WHEREAS the National Phthiology Institute has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Project;

WHEREAS UNDP shall designate an executing entity or implementing partner for the implementation of each project financed from the contribution (hereinafter referred to as "the Executing Agency/ Implementing Partner")

NOW THEREFORE, UNDP and the National Phthiology Institute hereby agree as follows:

Article I

1. The National Phthiology Institute shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of 2,644,767.12 US Dollars (Two Million Six Hundred Forty Four Thousand Seven Hundred Sixty Seven US Dollars and Twelve Cents).
2. The National Phthiology Institute shall, in accordance with the schedule of payments set out below, deposit the contribution at the following bank information:

UNDP Representative in Kyrgyzstan
Account 3752174485
Bank of America
1401 Elm Street
Dallas, Texas 75283-2406
SWIFT Code: BOFAUS3N

	<u>Date payment due</u>	<u>Amount(US\$)</u>
(a)	18 August 2008	USD 1,601,665.12
(b)	1 September 2008	USD 161,983.00
(c)	1 March 2009	USD 881,119.00

The above schedule of payments¹ takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

3. All financial accounts and statements shall be expressed in United States dollars.
4. UNDP may agree to accept contribution-payments in a currency other than United States dollars provided such currency is fully convertible or readily usable by UNDP and subject to the provisions of paragraph 5, below. Any change in the currency of contribution-payments shall be made only in agreement with UNDP.
5. The value of a contribution-payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by UNDP of the contribution-payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is

¹ It is recommended that country offices negotiate the number of instalments to ensure at least six months' anticipated disbursements are funded with each instalment. This will make processing of contributions and reporting more efficient for the country offices.

recorded, UNDP shall inform the National Phthisiology Institute with a view to determining whether any further financing could be provided by the National Phthisiology Institute. Should such further financing not be available, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

6. Any interest earned on the funds on UNDP's account will be transferred to the Principal Recipient's account on a yearly basis, following the abstract of the Program Grant Agreement between the Principal Recipient and the Global Fund to Fight AIDS, TB and Malaria.

Article II

1. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 3%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.
2. The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

Article III

1. The contribution shall be administered by the UNDP in accordance with UNDP regulations, rules and directives, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules and directives of UNDP and, where applicable, the regulations, rules and directives of the Executing Entity/Implementing Partner.

Article IV

1. The implementation of the responsibilities of the UNDP and of the Executing Agency/Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above.
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the National Phthisiology Institute on a timely basis a supplementary estimate showing the further financing that will be necessary. The National Phthisiology Institute shall use its best endeavours to obtain the additional funds required.
3. If the contribution-payments referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the National Phthisiology Institute or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article V

Ownership of equipment, supplies and other property financed from the contribution shall vest with the Principal Recipient.

Article VI

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

Article VII

UNDP shall provide the National Phthisiology Institute on request with financial and other reports prepared in accordance with UNDP reporting procedures.

Article VIII

1. UNDP shall notify the National Phthisiology Institute when all activities relating to the contribution have been completed.
2. Notwithstanding the completion of all activities relating to the contribution, UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the activities finance by the contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized contribution-payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the National Phthisiology Institute and consult with the National Phthisiology Institute on the manner in which such commitments and liabilities may be satisfied.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the National Phthisiology Institute.

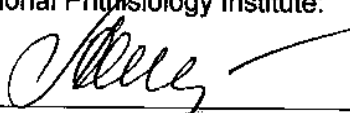
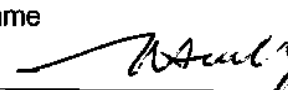
Article IX

1. After consultations have taken place between the two Parties to this Agreement and provided that the contribution-payments already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by UNDP or by the National Phthisiology Institute. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.
2. If the unutilized contribution-payments, together with other funds available to the Project, are insufficient to meet such commitments and liabilities, UNDP shall notify the National Phthisiology Institute and consult with the National Phthisiology Institute on the manner in which such commitments and liabilities may be satisfied.
3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the activities financed by the contribution have been satisfied and these activities brought to an orderly conclusion.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the National Phthisiology Institute.

Article X

This Agreement shall enter into force upon signature and deposit by the National Phthisiology Institute of the first contribution-payment to be made by the National Phthisiology Institute in accordance with the schedule of payments set out in Article I, paragraph 2 of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the National Phthisiology Institute: 	For the United Nations Development Programme 
(Signature) Name: Avtandil Sh. Alisherov Title: Director Date: 13.08.08 Place:	(Signature) Name: Neal Walker Title: Resident Representative Date: Place:

STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT FOR THE PROVISION OF SUPPORT SERVICES

HOW TO USE THIS LETTER OF AGREEMENT

- This agreement is used to provide appropriate legal coverage when the UNDP country office provides support services under national execution.
- This agreement must be signed by a governmental body or official authorised to confer full legal coverage on UNDP. (This is usually the Minister of Foreign Affairs, the Prime Minister /or Head of State.) The UNDP country office must verify that the government signatory has been properly authorised to confer immunities and privileges.
- A copy of the signed standard letter will be attached to each PSD and project document requiring such support services. When doing this, the UNDP country office completes the attachment to the standard letter on the nature and scope of the services and the responsibilities of the parties involved for that specific PSD/project document.
- The UNDP country office prepares the letter of agreement and consults with the regional bureau in case either of the parties wishes to modify the standard text. After signature by the authority authorised to confer immunities and privileges to UNDP, the government keeps one original and the UNDP country office the other original. A copy of the agreement should be provided to UNDP headquarters (BOM/OLPS) and the regional bureau.

Dear Mr. Alisherov,

1. Reference is made to consultations between officials of the Government of Kyrgyz Republic (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant programme support document or project document, as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the budget of the Global Fund Principal Recipient.
3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the project:
 - Capacity development;
 - Financial management systems;
 - Procurement;
 - Human resources management.
4. The procurement of goods and services and the recruitment of project personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the project document. If the requirements for support services by the country office change during the life of a project, the annex to the project document is revised with the mutual agreement of the UNDP resident representative and the designated institution.
5. The relevant provisions of the Standard basic assistance agreement between the Government of Kyrgyz Republic and the United Nations Development Programme dated 14 September 1992 (the "SBAA"), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed project through its designated institution. The responsibility of the UNDP country office for

the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the Standard Basic Assistance Agreement (SBAA).

7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.

8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.

9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally managed programmes and projects.

Yours sincerely,

Mr. Neal Walker
Resident Representative


Signed on behalf of UNDP



Professor Avtandil Sh. Alisherov,
Director of National Phthisiology Institute


For the Government



DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between The National Phthisiology Institute, the institution designated by the Government of Kyrgyz Republic and officials of UNDP with respect to the provision of support services by the UNDP country office for the project "UNDP Support to implementation of GFATM TB Grants in the Kyrgyz Republic", "the Project".

2. In accordance with the provisions of the letter of agreement signed on ___/___/___ and this project document, the UNDP country office shall provide support services for the Project as described below.

TABLE 1

HR management of GF TB PIU personnel*

GB TB PIU	UNDP	Activity
X		Prepare Terms of Reference
	X	Review/revision/clearance of Terms of Reference
X		Place advertisement
X	X	Open applications
	X	Arrange shortlisting
X	X	Shortlist
X	X	Prepare questions for written test: <ul style="list-style-type: none"> • Programme related positions; • Operations related positions.
	X	Arrange written test
X	X	Check written test
	X	Arrange interview
X	X	Interview
	X	Prepare Minutes
	X	Approve Minutes
	X	Issue contract
	X	Arrange contract signing
X		Administer contracts (attendance records, annual leaves, etc)
X		Supervise on a daily basis
	X	Payment of remuneration upon written request of PR
X		Evaluate performance
	X	Contract extension/termination upon PR request on the basis of performance evaluation
X	X	Final clearance upon separation/ contract termination

The contracts concluded with GF PIU staff should leave without renewal on the annual basis.

TABLE 2

Procurement of goods when GF TB PR is the contract signatory (in accordance with the Procurement Plan approved by GF)

GB TB PIU	UNDP	Activity
X		Prepare technical specifications and formally requisite products
	X	Review technical specifications and advise if requested
X		Confirm that products are registered in country
X		Prepare bid documents
	X	Review bid documents and advise if requested
X		Publish bid process in local papers and UN sources (if applicable)
X		Reception of queries and preparation of responses
X		Appointment of the evaluation commission
X		Reception and opening of the offers (formal bid process)
X	X	Evaluation (UNDP CO representative to be a Member of Evaluation Committee)
X	X	Preparation of evaluation report (UNDP CO representative to sign Minutes of Evaluation as a Member of Evaluation Committee)
X		Send notification of award
X		Sign contract
X		Clearance of good through customs
X		Receipt and inspection of goods
X		Notification of acceptance of goods
	X	Process payment

Procurement of services when GF TB PR is the contract signatory (in accordance with the Procurement Plan approved by GF)

GB TB PIU	UNDP	Activity
X		Prepare detailed TOR/SOW
	X	Review TOR/SOW and advise if requested
X		Prepare solicitation documents
X	X	Review/clear/approve solicitation documents
X		Advertise
X		Bid opening
X	X	Evaluation (UNDP CO representative to be a Member of Evaluation Committee)
X	X	Preparation of evaluation report (UNDP CO representative to sign Minutes of Evaluation as a Member of Evaluation Committee)
X		Contract Negotiation
X		Award of contract
X		Sign contract
X		Administer contract
X		Technical supervision and certification
	X	Payment

TABLE 2.1Procurement of goods when UNDP is the contract signatory (in accordance with UNDP rules and regulations)

GB TB PIU	UNDP	Activity
X		Prepare technical specifications
	X	Review technical specifications
X		Confirm that products are registered in country
	X	Prepare solicitation documents
X	X	Publish bid process in <ul style="list-style-type: none"> • local papers; • UN sources (if applicable)
X	X	Receipt of queries and preparation of responses
	X	Appoint the evaluation committee (with participation of GB TB PIU)
	X	Receipt and opening of the offers (formal bid process) (with participation of GB TB PIU)
	X	Evaluate (with participation of GB TB PIU)
	X	Prepare evaluation report
	X	Send notification of award
	X	Sign contract
X		Clearance of good through customs
X		Receipt goods and prepare act of acceptance
	X	Payment

Procurement of services when UNDP is the contract signatory (in accordance with UNDP rules and regulations)

GB TB PIU	UNDP	Activity
X		Preparation of detailed TOR/SOW
	X	Preparation of solicitation documents
	X	Review/revise/approve solicitation documents
X		Advertise
	X	Bid opening (with participation of GB TB PIU)
	X	Evaluate bids (with participation of GB TB PIU)
	X	Contract Negotiation
	X	Award of contract
	X	Sign contract
	X	Administer contract
X		Technical supervision and certification
	X	Payment to supplier

TABLE 3**Financial Management**

The responsibilities of the GB TB PIU and UNDP with respect to accounting and financial administration of the Project shall be as follows

GB TB PIU	UNDP	Activity
X		Prepare Annual Workplan
	X	Create/maintain/manage a separate project in Atlas
X		Review progress against AWP and propose on necessary budget revisions
	X	Do budget revisions in Atlas
	X	Process payments (deposits) upon request of PR
	X	Prepare regular expenditure reports (monthly)
	X	Prepare monthly reports with balances after month is closed in Atlas
	X	Prepare annual reports with balances after year is closed in Atlas
X		Prepare financial statements for audit
	X	Notify by email when payments are processed
	X	Provide copies of payment orders for processed payments on next day
	X	Closure of accounts and return of unspent balance