

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

UNDP will execute the project in line with the UNDP's Direct Implementation Modality (DIM) procedures and guidelines. UNDP will work as the nominated Financing Agent/Implementing Partner under the general guidance of the Country Coordination Mechanism (CCM), and is responsible for programme management, financial accountability, procurement of goods & services and Monitoring and Evaluation.

### APPROVED IMPLEMENTATION ARRANGEMENTS

The implementation arrangements will continue as per the current grant with no change. Pakistan is under Additional Safe-guard Policy of the GF.

The following entities are going to be engaged as Sub-Recipients (SRs) during the initial phase of the implementation (01 July to 31 December 2021):

1. Woman Health Welfare Organization
2. MDG Achieving Organization
3. Parwaaz Male Health Society
4. Humraz Male Health Society
5. Gender Interactive Alliance (GIA)
6. Ghazi Social Welfare Association
7. Pireh Male Health Society
8. SHEED Society
9. Baham Foundation
10. Dostana Male Health Society
11. Khawaja Sira Society
12. Wasib Sanwaro
13. Sathi Foundation
14. Dareecha Male Health Society
15. Zaali Welfare Society
16. Organizing Action Towards Humanity
17. Association of People Living with HIV
18. National AIDS Control Program
19. Punjab AIDS Control Program
20. Sindh AIDS Control Program
21. Balochistan AIDS Control Program
22. Khyber Pakhtunkhwa AIDS Control Program

From 2022 onwards, it is anticipated that there will be two NGOs that are contracted to act as SRs, with the CBOs (1-16) as SSRs. In addition, expansion is planned for the number of SSRs as follows:

- From 16 to 27 in 2022 (including one specifically focused on Chemsex issues)
- From 27 to 37 in 2023

The Global Fund has recommended that UNDP work with Mainline (an international NGO, on Chemsex issues), HOPE (a local organization working on Chemsex issues), Rahnuma-FPAP and Pathfinder. UNDP may also consider working with Bridge Consultants Foundation (based in Larkana).

Engagement with these NGOs will be subject to a competitive selection process and also to capacity assessment.

UNDP as the PR is establishing a program management unit (MU) within its Pakistan country-office. The PMU structure will manage the activities and will be responsible for the management of sub recipients, financial management, procurement and supply chain management and monitoring of the grant's implementation.

UNDP's SR agreements will be consistent with the terms and conditions of UNDP's Grant Agreement with the Global Fund. Routine monitoring and evaluation of SR and SSR activities will provide UNDP with a strong evidence-base to inform decision making and propose changes to programming.

UNDP will hold regular/ad-hoc coordination meetings with its SRs and SSRS whenever required. The PMU will review SRs operations mechanisms, and revise developed manuals/templates accordingly. In addition, where required, the PR will hold refresher trainings in the area of M&E, procurement, finance, etc., based on the capacity assessments, feedback from SRs, performance reviews and GF updated instruction/requirements. Also as mentioned above, UNDP will hold coordination meetings with all SRs and technical partners and will provide updates to the CCM secretariat as well as the Global Fund.

At Headquarter level, the UNDP has established a dedicated office, the Health Implementation Support Team, to support the Country Offices with implementation of the Global Fund grants.

UNDP directly procures and disburses funds to the vendors for all the services and goods required for the project. When the work is implemented by SRs/implementers, the modality of payment will be dependent on the finding of the capacity assessments, and it can be a direct payment modality in some instances. In other cases, disbursement will be made on a quarterly basis for specific planned activities and expenditure must come to the 80% rule prior to next disbursement.

There is a well-established internal control framework within the UNDP PR system which provides detailed guidance to help the office to implement effective internal controls. Furthermore, as part of UNDP's overall strategy to strengthen the control and accountability framework, the Office of Audit and Investigation (OAI) which directly reports to the Administrator, is responsible to conduct independent and objective audits in compliance with international standards on UNDP's management and control processes, including those of management of projects funded by intergovernmental organizations, or by the Global Fund. The OAI in close collaboration with the Cluster of Partnership with the GF ensures that audit requirements of the Global Fund are met. It should be noted that due diligence is always exerted to fully address OAI's recommendations within due time.

### **Warehouses**

UNDP as the PR remains responsible for procurement of the supplies. In addition to minimum quality standards that the Global Fund requires on certain items such as ARV medicines and diagnostic tests, UNDP does have strict guidelines and procedures to ensure that the products being procured do meet internationally acceptable standards, and also to monitor the quality of the products throughout the supply chain (e.g., by regular sampling and testing). Furthermore, the existing infrastructure in the country (storage and distribution network) secures the quality of the products which need to be stored and distributed in certain conditions such as cold chain system.

Recently and as a result of competitive selection process, the Global Fund has selected and contracted the United Nations Office for Project Services (UNOPS) as Local Fund Agent (LFA). The appointed LFA has an in-country presence and will be working closely with the UNDP Country Office, and in particular the PMU.

The CMU (Common Management Services) will handle storage of health commodities for the HIV grant under a service contract modality. Third party logistics handling distribution will perform in-country transport of health products from central level to provincial level and to health facilities. UNDP will manage the logistics aspect of the supply chain in coordination with NACP and CMU.

**Fig 1: Approved Implementation Arrangement (Map)**

**See Annexure 2**

**Fig 2: Approved Organizational Chart of the PMU**

