

GENERAL CONDITIONS – Direct Funding Cooperation (DFC)

The following are the general conditions which should be strictly adhered to by the relevant Governmental Authority (the “Partner”) while implementing the programme under this Direct Financial Cooperation (“Agreement”). If the payments under this Agreement are made from a sub-grant under a principal grant to UNAIDS, this Agreement shall be subject to UNAIDS receiving the full amount of the principal grant. In the event UNAIDS does not receive the full amount of the principal grant, UNAIDS shall be entitled to either cancel this Agreement or adjust the payments to be made hereunder (at UNAIDS’s sole discretion and without incurring any liability towards the Partner).

1. The activity described in the Agreement must commence within three months from the date of the Agreement and must be completed within the agreed period for the activities.
2. Any amendments to the Agreement, including, but not limited to, additional activities, extended timeframe, financial adjustments and/or deviation from the original proposal must be requested and approved in writing, by both parties, prior to the expiry of the current Agreement dates.
3. It will be the responsibility of the Partner to ensure that funds entrusted are properly accounted for, and that the Partner’s designated officials shall directly be held accountable for the use of project funds.
4. Expenditure should be incurred according to the approved budget for the activity(ies) under this Agreement.
5. Payments will be made according to the payment schedule set forth in the DFC Agreement, in each case upon receipt of the deliverables mentioned therein. Any advance payment (full or part as the case may be) will be made only upon signature of both the government and UNAIDS to the Agreement, and upon recording receipt of the signed Agreement in the WHO’s system (GSM or BMS), and on the basis of a request received using the FACE form.
6. Payment will be made in local currency.
7. Cheques and bank transfers will be made to Partner, not to individuals. Bank particulars must be recorded in the supplier record in GSM or BMS.
8. A final DFC report comprising: 1) a technical report specifying the activities undertaken and outcomes achieved, as against the terms of reference and budget set forth in the Agreement, and 2) a financial certification using the Funding Authorization and Certification of Expenditure (FACE) form, shall be submitted to UNAIDS within three (3) months of completion of the activity. Where the funded activities will be implemented in more than one calendar year, an interim financial implementation report shall be provided within fifteen (15) days after end of each calendar year (i.e. by 15 January of the following year).
9. The report must relate the activity and its outcome to the relevant activities, products and expected results in the approved Annual Work Plan and be signed by the appropriate government official and verified by the responsible officer of UNAIDS.
10. The FACE form must include a detailed expenditure breakdown by category of expense and details of unspent balances following the original approved budget. Any funds not utilized must be reported on in the FACE form and returned to UNAIDS within 30 days following the acceptance of the final reports.
11. Receipt of the signed certification must be recorded in the GSM/BMS against the final deliverable for the Agreement and filed electronically in ERP with the Agreement and any supporting documents by the responsible office.
12. Further payments will be withheld from Partners who have not spent previous payments made in accordance with the Agreement, have not submitted DFC reports on a timely basis, or who have not returned unspent balances from previous payments.
13. Supporting financial documents must be retained by the Partner for a period of at least five (5) years from the end of the activity and be made available for inspection by UNAIDS and/or parties acting on behalf of UNAIDS, upon request.
14. The relevant extract of the audited financial statements of the government must also be made available to UNAIDS upon request.
15. Audit, spot checks and investigations. The Partner shall share with UNAIDS the external audit report, or extracts thereof, of the supreme audit institution or other entity authorized to perform external audits on the activity(ies) financed by UNAIDS under this Agreement. In addition, UNAIDS may request a financial and operational review, assurance or audit of the activities undertaken by the Partner, to be conducted by UNAIDS and/or parties authorized by UNAIDS, and the Partner undertakes to facilitate such audit, assurance or review. This audit, assurance or review may be carried out at any time during the implementation of the activities, or within five (5) years of completion thereof. In order to

facilitate such financial and operational audit, assurance or review, the Partner shall keep accurate and systematic accounts and records in respect of the activities funded under this Agreement. Similarly, UNAIDS may initiate an investigation, to be conducted by UNAIDS and/or parties authorized by UNAIDS, into credible allegations of fraudulent and corrupt practices and other forms of misconduct (including, but not limited to, sexual misconduct, harassment and other types of abusive conduct) based on information received in accordance with its respective policies, procedures and rules. In this context, the Partner shall make available, without restriction, to UNAIDS and/or parties authorized by UNAIDS:

- i. the Partner's books, records and systems (including all relevant financial and operational information) relating to the funded activities; and
- ii. reasonable access to the Partner's premises and personnel

The Partner shall provide explanations to all queries arising in connection with the aforementioned audit, review or assurance and access rights, to the satisfaction of the auditors.

The draft findings of the financial and operational review or audit report shall be shared with the Partner who shall have a chance to provide clarifications and additional documentation where possible. The final report shall also be shared with the Partner, and it shall provide a basis for adjusting the implementation arrangements in cases where this is recommended by the auditors. Audit reports of UNAIDS activities may be provided to UNAIDS's donors and/or be made available publicly.

UNAIDS shall also gain assurance by conducting financial spot checks, third party monitoring and output verification during the year, to assess the efficacy of the internal controls, accuracy of the financial records for cash transfers and the status of project implementation. The Partner must make available all financial record and progress reports to support these assurance activities. In the event that financial and operational review, assurance checks or audit of the funded activities reveals that expenses reported were not incurred in accordance with the provisions of this Agreement, or if original documentation supporting the reported expenses is not available or is deemed by UNAIDS, acting in its sole discretion, to be inadequate, UNAIDS shall be entitled to request a full refund of the expenses found to be ineligible under this Agreement. Following such a request by UNAIDS, the Partner shall return to UNAIDS the amounts corresponding to the ineligible expenses within fourteen (14) days of the request.

16. Use of UNAIDS name and emblem. Without UNAIDS's prior written approval, the Partner shall not, in any statement or material of an advertising nature, refer to this Agreement or its relationship with UNAIDS or otherwise use the name (or any abbreviation thereof) and/or emblem of UNAIDS.
17. By entering into this Agreement, the Partner acknowledges that it has read, and hereby accepts and agrees to comply with, the UNAIDS Policies (as defined below). In connection with the foregoing, the Partner shall take appropriate measures to prevent and respond to any violations of the standards of conduct, as described in the UNAIDS Policies, by its employees and any other natural or legal persons engaged or otherwise utilized to perform any activities supported by UNAIDS under the Agreement. Without limiting the foregoing, the Partner shall promptly report to UNAIDS, in accordance with the terms of the applicable UNAIDS/WHO Policies, any actual or suspected violations of any UNAIDS Policies of which the Grantee becomes aware. For purposes of this Agreement, the term "UNAIDS Policies" means collectively: (i) the UNAIDS/WHO Code of Ethics and Professional Conduct; (ii) Policy on the Preventing and Addressing Sexual Misconduct (PASM); (iii) the UNAIDS/WHO Policy on Preventing and Addressing Abusive Conduct; (iv) the UNAIDS/WHO Policy on Whistleblowing and Protection Against Retaliation; (v) the UNAIDS/WHO Policy on Prevention, Detection and Response to Fraud and Corruption, and in each case, as amended from time to time. Further information can be found from the Ethics webpage of the UNAIDS website: <https://www.unaids.org/en/howweare/ethics>
18. Zero tolerance for sexual exploitation and abuse
UNAIDS has zero tolerance towards sexual exploitation and abuse. In this regard, and without limiting any other provisions contained herein:
 - each legal entity Organization warrants that it will: (i) take all reasonable and appropriate measures to prevent sexual exploitation or abuse as described in the UNAIDS Policy on Sexual Exploitation and Abuse Prevention and Response by any of its employees and any other persons engaged by it to perform any services under the Contract; and (ii) promptly report to UNAIDS and respond to, in accordance with the terms of the Policy, any actual or suspected violations of the Policy of which the Organization becomes aware; and
 - each individual Organization warrants that he/she will (i) not engage in any conduct that would constitute sexual exploitation or abuse as described in the UNAIDS Policy on Sexual Exploitation and Abuse Prevention and Response; and (ii) promptly report to UNAIDS in accordance with the terms of the Policy, any actual or suspected violations of the Policy of which the Organization becomes aware.