

Operational Procedures

Pooled Procurement Mechanism

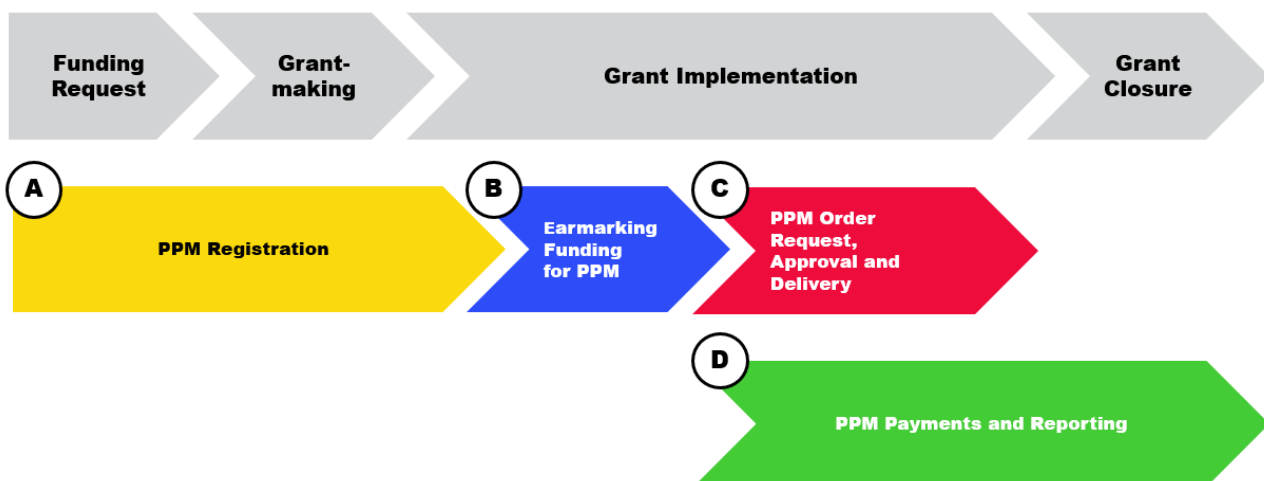
Approved on: 4 October 2023
Approved by: Executive Grant Management Committee
Process Owner: Supply Operations Department
Associated OPN: Pooled Procurement Mechanism OPN

For COVID-19 related deviations to the Operational Procedures on Pooled Procurement Mechanism, please refer to [COVID-19 Response Mechanism Guidelines](#)

Process Metrics for Pooled Procurement Mechanism Operational procedures: Forthcoming

Purpose and Overview

1. This document provides procedural guidance on the Pooled Procurement Mechanism (PPM). The diagram below provides an overview of the key steps in the PPM process:



2. Detailed procedural guidance is provided below on each of the key steps outlined above for the standard PPM process through the wambo.org platform.
 - [Section A: PPM Registration](#)
 - [Section B: Earmarking Funding for PPM](#)
 - [Section C: PPM Order Request, Approval and Delivery](#)
 - [Section D: PPM Payments and Reporting](#)
 - [Section E: Rapid Supply Mechanism Orders](#)
 - [Section F: Incident Management Process](#)
3. A list of acronyms used in this document available in [Annex 1](#). Acronyms.

Section A: PPM Registration

4. PPM participation may be initiated by the Principal Recipient (PR) or required by the Global Fund.

Outputs	HI & Core	Focused	Timeline	Responsibilities
PPM registration completed. Registration requirements include: <ul style="list-style-type: none"> • PR signed Application for Registration with the following: <ul style="list-style-type: none"> ○ PPM Schedule on Operational Matters; ○ wambo.org on-boarding form; ○ Terms of Use of wambo.org; and Other relevant documents, as applicable.	R	R	During grant-making or implementation	Review by: <ul style="list-style-type: none"> • PtM Focal Point, who validates registration information (e.g., grant details, delivery details, etc.) • AS WOT for system configuration (e.g., authorized users, acceptance of electronic approvals, approval hierarchy, delivery addresses and consignees, and required shipping documents) Approval by: <ul style="list-style-type: none"> • Head, PPTM

Section B: Earmarking Funding for PPM

5. **Grant Funds are earmarked for PPM procurement in Fusion.** The PPM ceiling amount is based on the approved detailed budget, after grant signature for PPM-related procurement budget for the grant implementation period (i.e., cumulative 3-year ceiling). It can be adjusted (increased or decreased) as needed during grant implementation based on approved changes to the budget. Only the unutilized PPM ceiling can be

reduced (i.e., the amount that has not been committed for specific orders). Such reduction should be processed only if the unutilized PPM ceiling will no longer be required for existing or future PPM orders.

Outputs	HI & Core	Focused	Timeline	Responsibilities
PPM ceiling increased.	R	R	After grant signature	<ul style="list-style-type: none"> FS/PST update the PPM ceiling in Fusion, based on approved detailed budget.
PPM ceiling decreased (if applicable)	R	R	Anytime, provided the unutilized PPM ceiling is not required for existing or future PPM orders	<p>Review by:</p> <ul style="list-style-type: none"> PtM Focal Point, who validates that no PPM orders are in the pipeline or no incremental commitments on current PPM orders are required. HPM-S, who validates that no additional PPM orders are planned to be placed under the current Implementation Period. <p>Approval by:</p> <ul style="list-style-type: none"> FS/PST update the PPM ceiling in Fusion, against the detailed budget.

Section C: PPM Order Request, Approval and Delivery

6. **PPM Order Request and Approval.** The Principal Recipient submits a Purchase Requisition considering the minimum procurement lead time as defined in the Category and Product-level Procurement and Delivery Planning Guide (as amended from time to time).¹ For products not listed in the Guide, prior to submission of the Purchase Requisition, consultation with the PtM Focal Point for anticipated lead times is recommended. For emergency orders, the Global Fund has established the Rapid Supply Mechanism (RSM), which is detailed in [Section E: Rapid Supply Mechanism Orders](#).

¹ See [PPM Escalation Framework for Delayed Orders](#)

Outputs	HI & Core	Focused	Timeline	Responsibilities
<p>PPM Purchase Requisition approved.</p>	R	R	<p>In accordance with minimum procurement lead time, as defined in the Category and Product-level Procurement and Delivery Planning Guide (as amended from time to time)² or as agreed with PtM Focal Point</p>	<p>Prepared and submitted by:</p> <ul style="list-style-type: none"> PR through wambo.org platform specifying Grant, product information, quantities, grant budget identification, requested need by date, ship-to-address, consignee, Incoterm and special requests, if any. <p>Stage 1 review by:</p> <ul style="list-style-type: none"> PtM Focal Point who reviews need-by-dates are consistent with the Category and Product Level Procurement and Delivery Planning Guide (as amended from time to time), reviews minimum order quantities, validates the order for consistency and feasibility (e.g., product compliance with Global Fund Quality Assurance Policy, ship-to-address, consignee, Incoterm, requested delivery date, and others.) and general compliance with PPM OPN and PPM Operational Procedures. The Purchase Requisition may be rejected for PR to make applicable edits and resubmit or rejected if out of scope, in coordination with CT. PSA who screens Purchase Requisition to clarify any product and supply specifications for PSA managed or non wambo.org catalog requests and approves to proceed for procurement as actionable Purchase Requisition once all clarifications are addressed. The PSA may add back PtM Focal Point to the wambo.org workflow to review the Purchase Requisition with the PR to make applicable edits and

² See [PPM Escalation Framework for Delayed Orders](#)

Outputs	HI & Core	Focused	Timeline	Responsibilities
				<p>resubmit or rejected if out of scope, in coordination with CT.</p> <p>Stage 2 review by:</p> <ul style="list-style-type: none"> • FPM / HPM-S, who validates products and quantities compliance with the approved Health Product Management Template (or assumptions informing health product budgeting otherwise), confirm grant budget identification, and costs, requested need by date, reasonableness of special requests, grant agreement and related grant requirements and other mitigating measures. • Direct Sourcing Category Lead, who validates supplier allocation, product costs, specifies supplier Inco date, product registration status and other product supply specifications where Global Fund has a direct contractual relationship with supplier. <p style="text-align: center;">or</p> <ul style="list-style-type: none"> • PSA, who specifies product costs, supplier Inco date, and other product supply specifications where PSA has direct contractual relationship with supplier. • The logistics lines are populated by PSA who specifies mode of shipment, estimated delivery date, estimated procurement and supply management (PSM) costs (e.g., freight costs, supplier service fee, quality assurance, and other applicable logistics costs). <p>Approval by:</p> <ul style="list-style-type: none"> • PSA, who completes internal reviews of inputs and approves Purchase Requisition after validating completeness of offer in the Price Quotation.

Outputs	HI & Core	Focused	Timeline	Responsibilities
<p>Price Quotation approved by PR</p>	R	R	<p>Following PSA approval of Purchase Requisition</p>	<p>Prepared by:</p> <ul style="list-style-type: none"> Electronic price quotation is autogenerated. PSA signs the Price Quotation via EchoSign. The Price Quotation is automatically attached to the Purchase Requisition for PR approval. <p>Stage 1 review by:</p> <ul style="list-style-type: none"> PtM Focal Point, who reviews and approves after validating PSA inputs of PSM logistics lines estimates. <p>Stage 2 review by:</p> <p><i>Scenario 1: Approved Purchase Requisition is within PPM unutilized ceiling amount:</i></p> <ul style="list-style-type: none"> No additional review required. Price Quotation is issued to Principal Recipient via wambo.org. <p><i>Scenario 2: Approved Purchase Requisition exceeds PPM unutilized ceiling amount</i></p> <ul style="list-style-type: none"> FPM reviews and requests FS/PST to increase the PPM ceiling before issuing the Price Quotation to the PR. <p>Approval by:</p> <ul style="list-style-type: none"> PR Authorized Representative approves Price Quotation. <p>Approval may be electronic or may require that the Principal Recipient sign the Price Quotation attached to the Purchase Requisition, scan and upload it onto wambo.org.</p> <p>If manual approval, PtM Focal Point reviews to ensure correct document and signed Price Quotation is attached to the Purchase Requisition.</p>

Outputs	HI & Core	Focused	Timeline	Responsibilities
<p>Purchase Order approved and Grant Funds are committed</p>	R	R	<p>Following financial controlling and grant status controls</p>	<p>Stage 1 review by:</p> <ul style="list-style-type: none"> • FS/PST, who conducts budgetary compliance (verifies the availability of funding for the grant in Fusion and/or exception approval for initiation of advance procurement is complete) and allocation utilization period (AUP) compliance (verifies expected delivery dates are within grant implementation period or approved exceptions) on requisitions. <p>Stage 2 review by:</p> <ul style="list-style-type: none"> • An automated wambo.org built in system control to validate grant is approved in Fusion. This is to prevent procurement transactions from recording any financial commitments against that implementation period when the grant purchase order is pending approval in line with approved detailed budget and/or subsequent funding decisions during the implementation period as recorded in Fusion.
				<p>Approval by:</p> <ul style="list-style-type: none"> • Category Manager, Direct Sourcing where Global Fund has framework agreements who verifies that: <ul style="list-style-type: none"> ○ Product pricing is per confirmed supplier agreement price. ○ Stock or fresh material offered. If supply offered from stock, PR has accepted receipt of stock with applicable manufacture and expiry dates in writing. ○ For completeness, review comments in wambo.org purchase requisition transaction for any deviations or special requests have been addressed.

Outputs	HI & Core	Focused	Timeline	Responsibilities
				<ul style="list-style-type: none"> ○ General product compliance with WHO recommended or transitioning product as applicable per product category. ● Where the product category is managed by PSA, Category Manager, Direct Sourcing clearance and release of Purchase Order. <p style="text-align: center;">and</p> <ul style="list-style-type: none"> ● Additional approvers in accordance with approval limits defined in the OPN on Pooled Procurement Mechanism. <p>Principal Recipient is informed that the wambo.org Purchase Order has been issued to PSA through a system-generated email.</p> <p>Following issuance of Purchase Order to the PSA, the grant commitment is auto approved and interfaced in Fusion.</p>

7. **Order changes.** The amount of the approved Price Quotation or RSM Order Form is an estimate. In some instances, changes may need to be made to a Price Quotation or signed RSM Order Form after it has been approved by the Principal Recipient. For Material Changes, following a review/approval process similar to that for the issuance of the original electronic Price Quotation, the Principal Recipient will receive an updated electronic Price Quotation for review/approval. For Non-material Changes, for Unplanned Costs and for Cancellation Costs (as such terms are defined below), the Principal Recipient will be notified of the changes through a system-generated email.
- a. **Material Changes** are costs other than Unplanned Costs and Cancellation Costs (as such terms are defined below), which increase the price originally authorized by the Principal Recipient in an electronic Price Quotation as evidenced by the affirmative consent or signature of its duly authorized representative where such increases amount to Ten Thousand United States Dollars (US\$10,000) or five percent (5%), or more of the total value of the electronic Price Quotation (whichever is less). Increases pursuant to the foregoing sentence will be calculated against the price originally authorized by the Principal Recipient and shall not apply with respect to amended prices where the Global Fund has processed increases incrementally or cumulatively.

- b. **Non-material Changes** are costs other than Unplanned Costs and Cancellation Costs, which increase the price originally authorized by the Principal Recipient in an electronic Price Quotation as evidenced by the affirmative consent or signature of its duly authorized representative, by an amount to no more than Ten Thousand United States Dollars (US\$10,000) or five percent (5%) of the total value of the electronic Price Quotation, whichever is less. Increases pursuant to the foregoing sentence will be calculated against the price originally authorized by the Principal Recipient and shall not apply with respect to amended prices where the Global Fund has processed increases incrementally or cumulatively.
- c. **Unplanned Costs** are costs related to the procurement and order management process which could not be reasonably foreseen (including, but not limited to, demurrage, container detention, associated port charges, warehousing at origin or at destination, and others). Delays to address the import issue may result in additional costs. The process to control these costs is outlined in [Section F](#) on the Incident Management Process.
- d. **Cancellation Costs** are applicable costs associated with order cancellations (including partial cancellations), which will follow the principles as described in the [Guidelines for Grant Budgeting](#).³

The below table provides the procedural steps for revising and approving the Price Quotation and Purchase order in cases of the above changes.

Outputs	HI & Core	Focused	Timeline	Responsibilities
Revised Price Quotation approved				
Material changes.	R	R	Following revisions required to update electronic Purchase Order based on original approved Price Quotation	Prepared by: <ul style="list-style-type: none"> • Category Lead updates supplier allocation and/or unit costs where Global Fund have a direct contractual relationship with supplier. <li style="text-align: center;">or • PSA updates supplier and/or unit costs where PSA has a direct contractual relationship with supplier. Stage 1 review by: <ul style="list-style-type: none"> • PSA who includes applicable revisions to product cost, estimated delivery date, estimated

³ As defined in the [Guidelines for Grant Budgeting](#)

Outputs	HI & Core	Focused	Timeline	Responsibilities
				<p>procurement and supply management (PSM) costs (e.g., mode of shipment, freight and insurance, supplier service fee, quality assurance, and other applicable logistics costs).</p> <p>PSA signs the autogenerated revised Price Quotation via EchoSign, thereafter, attached to wambo.org.</p> <p>Stage 2 review by:</p> <ul style="list-style-type: none"> PtM Focal Point, who reviews and approves after validating revisions and PSA inputs. <p><i>Scenario 1: Approved revised Price Quotation is within PPM unutilized ceiling amount:</i></p> <ul style="list-style-type: none"> No additional review required. Revised Price Quotation is issued to Principal Recipient via wambo.org. <p><i>Scenario 2: Approved revised Price Quotation exceeds PPM unutilized ceiling amount</i></p> <ul style="list-style-type: none"> FPM reviews and requests FS/PST to increase the PPM ceiling before issuing the revised Price Quotation to PR. <p>Approval 1 by:</p> <ul style="list-style-type: none"> PR approves revised Price Quotation. <p>Approval may be electronic or manual which may require the PR to sign the revised Price Quotation, scan and upload it onto wambo.org.</p> <p>If manual approval, PtM Focal Point reviews to ensure correct document and revised signed Price</p>

Outputs	HI & Core	Focused	Timeline	Responsibilities
				<p>Quotation is uploaded to wambo.org.</p> <p>Approval 2 by:</p> <ul style="list-style-type: none"> • Category Manager, Direct Sourcing Global Fund has framework agreements who verifies that: <ul style="list-style-type: none"> ○ Product pricing is per confirmed supplier agreement price. ○ Stock or fresh material offered. If supply offered from stock, PR has accepted receipt of stock with applicable manufacture and expiry dates in writing. ○ For completeness, review comment in wambo.org purchase requisition transaction for any deviations or special requests have been addressed. ○ General product compliance with WHO recommended or transitioning product as applicable per product category. • Where the product category is managed by PSA, Category Manager, Direct Sourcing clearance and release of the Purchase Order. and • Additional approvers in accordance with approval limits defined in the OPN on Pooled Procurement Mechanism.
<p>Non-material Changes or Unplanned Costs</p>	<p>R</p>	<p>R</p>	<p>Following revisions required to update electronic Purchase Order based on original approved Price Quotation</p>	<ul style="list-style-type: none"> • Category Lead updates supplier allocation and/or unit costs and other order amendments where Global Fund has a direct contractual relationship with supplier. or

Outputs	HI & Core	Focused	Timeline	Responsibilities
				<ul style="list-style-type: none"> • PtM Focal Point makes administrative changes (e.g., changes to billing information). <p style="text-align: center;">or</p> <ul style="list-style-type: none"> • PSA updates supplier and/or unit costs and other order amendments where PSA has a direct contractual relationship with supplier. <p>Stage 1 review by:</p> <ul style="list-style-type: none"> • PSA who includes applicable revisions to product cost, estimated delivery date, estimated procurement and supply management (PSM) costs (e.g., mode of shipment, freight and insurance, supplier service fee, quality assurance, and other applicable logistics costs). <p>PSA signs the autogenerated revised Price Quotation via EchoSign, thereafter, attached to wambo.org.</p> <p>Stage 2 review by:</p> <ul style="list-style-type: none"> • PtM Focal Point, who reviews and approves after validating revisions and PSA inputs. <p><i>Scenario 1: Approved revised Price Quotation is within PPM unutilized ceiling amount:</i></p> <ul style="list-style-type: none"> • No additional review required. Revised Price Quotation is approved. <p><i>Scenario 2: Approved revised Price Quotation exceeds PPM unutilized ceiling amount</i></p> <ul style="list-style-type: none"> • FPM reviews and requests FS/PST to increase the PPM ceiling.

Outputs	HI & Core	Focused	Timeline	Responsibilities
Full order cancellation	R	R	Following revisions required to update electronic Purchase Order based on original approved Price Quotation	Prepared by: <ul style="list-style-type: none"> PtM Focal Point initiates order cancellation. Stage 1 review by: <ul style="list-style-type: none"> PSA who confirms no invoices issued and validates order cancellation. Stage 2 review by: <ul style="list-style-type: none"> PtM Focal Point, who reviews and approves after validating revisions and PSA inputs.
Revised Purchase Order approved and Grant Funds Committed				
For all changes	R	R	Following financial controlling and grant status controls	Review by: <p>Automated wambo.org system check to validate grant approved in Fusion.</p> <ul style="list-style-type: none"> If grant purchase order is approved in Fusion, no additional review is required. If grant Purchase Order is not approved in Fusion, the pending approval of the grant process does not allow wambo.org to record any commitment against that implementation period and will automatically block transactions from proceeding in wambo.org until grant is approved in Fusion or applicable exception is requested as outlined in OPN on Pooled Procurement Mechanism. Approval by: <ul style="list-style-type: none"> PST, who conduct compliance check and release revised Purchase Order. <p>Principal Recipient is informed that the wambo.org revised Purchase Order has been issued to PSA through a system-generated email.</p>

Outputs	HI & Core	Focused	Timeline	Responsibilities
				Following issuance of revised Purchase Order to the PSA, the grant commitment is auto approved and interfaced in Fusion.

8. Order Fulfilment and Delivery. The PSA is responsible for ensuring that orders are fulfilled and delivered to the Principal Recipient in accordance with the approved order. PSA performance is monitored by the Direct Sourcing Team. When the Global Fund has executed agreements with manufacturers, the performance of such manufacturers is also monitored by the Direct Sourcing Team, in accordance with those agreements, including their ability to meet promised goods-ready-pick-up dates. When the PSA has executed agreements with manufacturers, the performance of such manufacturers is monitored directly by the PSA, in accordance with those agreements, including their ability to meet promised goods-ready-pick-up dates, with monitoring and oversight completed by the Direct Sourcing Team.

Outputs	HI & Core	Focused	Timeline	Responsibilities
Orders are issued to suppliers and confirmed by the PSA (manufacturers and logistics agents) for the quotations approved by the Principal Recipient	R	R	Following receipt of the Purchase Order issued through wambo.org	<ul style="list-style-type: none"> PSA, who undertakes required actions. PSA notifies Principal Recipient, PtM Team and Direct Sourcing (where Global Fund has direct contractual agreements with suppliers) on any delays⁴ of deliveries or changes in products supplied or changes in cost which can trigger order changes and additional approvals if the materiality thresholds as defined in paragraph 7 above are met.
Import waivers obtained	R	R	Shipping documents issued to PR	<ul style="list-style-type: none"> PR is responsible for ensuring appropriate waivers are obtained when required and facilitating the import process locally.

⁴ See [PPM Escalation Framework for Delayed Orders](#)

Outputs	HI & Core	Focused	Timeline	Responsibilities
Quality Control testing of health products completed , if any, in line with Global Fund quality assurance policies and other applicable quality assurance requirements	R	R	Prior to delivery	<ul style="list-style-type: none"> PSA, who undertakes required actions.
Products are delivered by PSA-engaged logistics agent to the Principal Recipient	R	R	Following health product manufacture and quality control testing, as applicable	<ul style="list-style-type: none"> PSA, who undertakes required actions.
Confirmation of receipt of goods delivered and associated costs by the Principal Recipient (or designated / contracted service provider, as the case may be)	R	R	Following delivery	<ul style="list-style-type: none"> PR, who validates quantity and condition of the goods and reports any discrepancy to the PSA within the time limit specified in the PSA's terms and conditions.

Section D: PPM Payments and Reporting

9. Payments are made to PSAs per payment terms stipulated in their respective Agreements.

Outputs	HI & Core	Focused	Timeline	Responsibilities
Payments to PSAs processed. Payments are based on invoices received, which triggers disbursements under the respective grants.	R	R	Based on PSA Agreements	Review by: <ul style="list-style-type: none"> AS P2P, PtM Focal Point, who verifies invoices if there is any variation within tolerances and invoices are not automatically matched in wambo.org.

Outputs	HI & Core	Focused	Timeline	Responsibilities
				<p>Approval by:</p> <ul style="list-style-type: none"> Financial Services, who generate the batch based on fully approved invoice automated in Fusion and perform final compliance and due diligence review for the batch details (including Batch Release Approval for execution of the transaction by the Treasury and banking institution). <p>The Country Team is informed and sends the Principal Recipient a Disbursement Notification Letter.</p>
<p>Periodic performance and financial reports submitted and approved</p>	R	R	Per agreed periodicity	<p>Prepared by:</p> <ul style="list-style-type: none"> PSA. <p>Review and approval by:</p> <ul style="list-style-type: none"> M-PSM who validates and approve performance information. AS P2P, who validates and approves financial information.
<p>Electronic Purchase Order is closed</p>	R	R	<p>Following submission of Invoice Summary Statement (ISS) by PSA</p> <p>Global Fund Invoice Summary Statement is automatically generated by wambo.org and attached to the invoice</p>	<p>Review by:</p> <ul style="list-style-type: none"> PtM Focal Point, who flags known anomalies, if any. Principal Recipient, who flags known anomalies, if any.⁵ <p>Approval by:</p> <ul style="list-style-type: none"> AS P2P, who approves after confirming financial information in the PSA and Global Fund statements are consistent, complete, and accurate. <p>In case of any unutilized Grant Funds relating to the procurement transaction, this is automatically de-committed to the PPM ceiling. The Country Team is notified through</p>

⁵ A non-response by the Principal Recipient after 14 days will be considered concurrence with the Invoice Summary Statement, in which case the system will automatically approve the Invoice Summary Statement on behalf of the Principal Recipient.

Outputs	HI & Core	Focused	Timeline	Responsibilities
				system generated document from Fusion and sends the Principal Recipient a Commitment Notification Letter.

Section E: Rapid Supply Mechanism Orders

10. When the order is placed less than three months from the expected delivery date, Supply Operations may recommend the Rapid Supply Mechanism (RSM). The Principal Recipient completes the RSM Order Form, which is uploaded in wambo.org by the Procurement Transaction Management Focal Point until system improvements permit the Principal Recipient to raise these orders directly through wambo.org platform. If RSM is requested for a non-PPM-registered Principal Recipient, a pre-approval is required before the RSM order process is initiated.

Outputs	HI & Core	Focused	Timeline	Responsibilities
Completed Rapid Supply Mechanism Order Form signed and submitted by the Principal Recipient, and additional approvals obtained for exceptional cases	R	R	Following completion of the PPM registration process for PPM-registered Principal Recipients or after completion of the exception process for non-PPM-registered Principal Recipients	Review by: <ul style="list-style-type: none"> HPM Specialist,⁶ who confirms the urgency of the request, validates the order against the Health Products Management Template (or assumptions informing health product budgeting otherwise), the requested delivery date, reasonableness of the request. PtM Focal Point, who reviews consistency and feasibility (e.g., ship-to-address, consignee, Incoterm, requested delivery date, ensure that the final delivery date is not later than the grant implementation period, etc.).

⁶ Please note that for Focused Countries for which no HPM Specialist is assigned, during the onboarding process, the Country Team will determine who will perform this step. In some instances, this may be the Fund Portfolio Manager. Please also note that the Principal Recipient and/or Country Team may decide to include a Local Fund Agent and/or a Fiscal Agent in some of the review and approval steps, in addition to the actors described here.

Outputs	HI & Core	Focused	Timeline	Responsibilities
				Approval by: <ul style="list-style-type: none"> FPM,⁷ through signature of the RSM Order Form
Submission of RSM Order Form in wambo.org	R	R	Following fully approved RSM Order Form by Principal Recipient and Country Team	<ul style="list-style-type: none"> PtM Focal Point creates RSM Order in wambo.org and uploads approved RSM Order Form.
Electronic Purchase Order approved, and grant funds committed	R	R	Following financial controlling and grant status control	Stage 1 review by: <ul style="list-style-type: none"> Finance Specialist/PST, who conducts budgetary compliance (verifies the availability of funding for the grant in Fusion and/or exception approval for initiation of advance procurement is complete) and allocation utilization period (AUP) compliance (verifies expected delivery dates are within grant implementation period or approved exceptions) on requisitions. Stage 2 review by: <ul style="list-style-type: none"> Automated wambo.org system check to validate grant approved in financial systems. <ul style="list-style-type: none"> If grant Purchase order is approved in Fusion, no additional review is required. If grant Purchase Order is not approved in Fusion, the pending approval of the grant process does not allow wambo.org to record any commitment against that implementation period and will automatically block transactions from proceeding in wambo.org until grant is approved in Fusion or applicable exception is

⁷ For portfolios with Disease Fund Manager (DFM), the FPM approves based on the recommendation of the DFM.

Outputs	HI & Core	Focused	Timeline	Responsibilities
				<p>requested as outlined in OPN on Pooled Procurement Mechanism.</p> <p>Approval by:</p> <ul style="list-style-type: none"> • Category Manager, Direct Sourcing where Global Fund has framework agreements who verifies that: <ul style="list-style-type: none"> ○ Product pricing is per confirmed supplier agreement price. ○ Stock or fresh material offered. If supply offered from stock, PR has accepted receipt of stock with applicable manufacture and expiry dates in writing. ○ For completeness, review comments in wambo.org purchase requisition transaction for any deviations or special requests have been addressed. ○ General product compliance with WHO recommended or transitioning product as applicable per product category. • Where the product category is managed by PSA, Category Manager, Direct Sourcing clearance and release the Purchase Order. <p>and</p> <ul style="list-style-type: none"> • Additional approvers in accordance with approval limits defined in the OPN on Pooled Procurement Mechanism. <p>Principal Recipient is informed that the Purchase Order has been issued through a system-generated email.</p> <p>Following issuance of Purchase Order to the PSA, the grant commitment is</p>

Outputs	HI & Core	Focused	Timeline	Responsibilities
				auto approved and interfaced in Fusion.
Note that requirements for: (i) Order Fulfillment and Delivery; (ii) PPM Payments and Reporting; and (iii) wambo.org Invoice Control are as for non-RSM orders, described above.	R	R	See Section C.8 , Section D and Section E .	

Section F: Incident Management Process

The overarching principle of the Incident Management Process is to minimize disruptions to the timely delivery of health products, by recognizing an Incident⁸, quickly assessing the situation, notifying stakeholders, organizing the response to contain losses, minimize risk of seizure and potential auction to recover the cost by developing and capturing quick mitigating actions for agile timely decision-making leading to resolution. The diagram below provides an overview of the approach to the Incident Management Process which aims to minimize financial and programmatic risks and resulting Unplanned Costs.

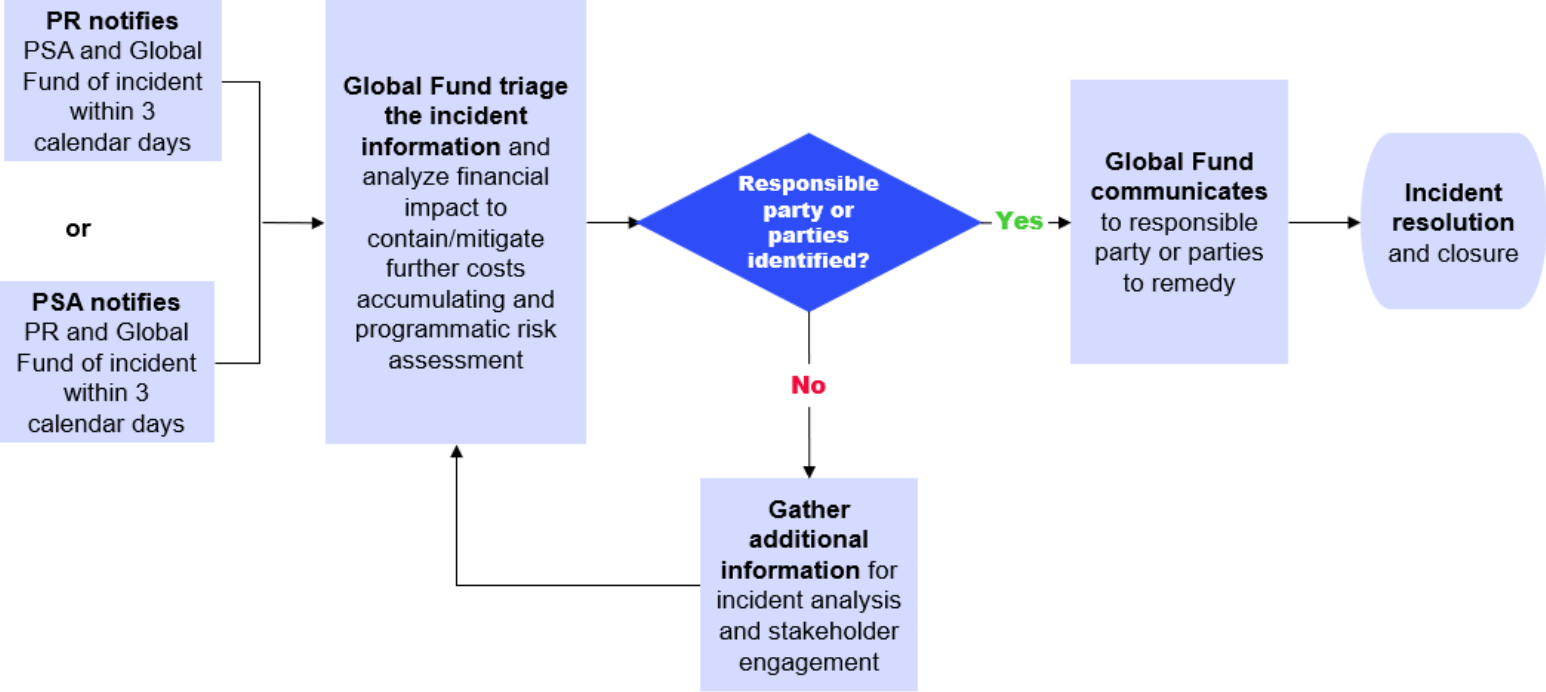
⁸ Incident as defined in the [OPN on Pooled Procurement Mechanism](#) where a shipment deviates in any way from the scheduled Service. A non-exhaustive list of examples include: a shipments' temperature excursions, routing changes and service level changes. Such situations may lead to Unplanned Costs.

Incident Management

Incident Management Approach

To facilitate quick decision-making and to contain/mitigate additional costs accumulating, timely escalation to notify The Global Fund of incident, engagement with stakeholders and resolution is required. The Global Fund (Country Team and Procurement Transaction Management (PtM) Focal Point) are to be notified within 3 calendar days of an incident.

Incident Management Response



The table below describes types of Unplanned Costs that may occur at various stages of the procurement life cycle and the risks associated with, but not limited to the examples identified below.

Types of Unplanned Costs	Description	Potential risks associated with incidents during the procurement life cycle
Detention	Once the contractually defined "free days" to return the container(s) expire, the shipping line/carrier charges a fee per day for container storage <i>outside</i> the terminal. These costs keep increasing on a per day basis until the container(s) are returned to the shipping line/carrier.	<ul style="list-style-type: none"> • Additional insurance costs or lapse in insurance coverage • Detention, demurrage, port charges, port storage fees, surcharges, and other associated costs
Demurrage	Once the contractually defined "free days" for storage at port expire, the shipping line/carrier charges a fee per day for container storage <i>within</i> the port or terminal. These costs keep increasing on a per day basis until containers are returned to the shipping line/carrier.	<ul style="list-style-type: none"> • Programmatic impact, treatment disruption, missed mass campaigns, more generally late deliveries (including delivery after deadline following end date of implementation period, and others)
Force majeure	"Force Majeure" means an event which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, and which renders the implementation of contractual obligations wholly or partially impossible. Force Majeure event includes, without limitation, acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity, one or more acts of terrorism or failure of energy sources, significant decrease of Global Fund's donors' contributions, financial crises, significantly increased financial or economic exposure howsoever arising.	<ul style="list-style-type: none"> • Reduced remaining manufacturer warranty period for health equipment and other non-health products • Reduced remaining shelf life/expiry • Stock out linked to delayed shipment • Warehousing costs at origin or destination • Temperature controlled shipments are not maintained in their shipping conditions may result in product loss and impact to product quality. • And other risks not limited to the examples identified
Other associated port services charges (e.g., plug-in charges, electricity, monitoring fees, and others)	Associated port charges may include a fee charged for reefer containers that require to be plugged into an electricity source at the port and for the monitoring of those electricity sources. These incremental costs continue to accumulate on a per day basis until containers are returned to the shipping line/carrier.	

Types of Unplanned Costs	Description	Potential risks associated with incidents during the procurement life cycle
Port charges	Port storage charges are levied by the port authorities at shipment terminal for containers that have not been moved out of the port within the free days. This affects the yard space and port efficiencies.	
Port congestion	Shipment terminal is full, containers cannot be loaded or offloaded resulting in demurrage and detention charges.	
Port storage fees	A fee charged by the terminal (airport or seaport) for the space occupied at the airport warehouse, terminal grounds or container yard pending customs clearance and import release to the consignee.	
Surcharges and any other similar services or charges	Costs, penalties, or fines imposed by government authorities while the shipment is detained before it is released to the consignee.	
Truck detention charges	A fee charged when the truck is held at the pickup or delivery location longer than the allotted "free time."	
Warehousing fees	A fee charged at origin for delayed pick up of commodities from supplier which are stored on behalf of the Principal Recipient pending Principal Recipient approval to ship or temporary warehousing costs charged at destination due to limited warehousing capacity.	

To facilitate quick decision-making and to minimize additional costs accumulating due to delays in incident resolution requires timely escalation. PR and/or PSA are required to notify Global Fund Country Team and Procurement Transaction Management (PtM) Focal Point within 3 calendar days of awareness of incident.

Annex 1. Acronyms

AS P2P:	Associate Specialist, Procure to Pay	M-CM&FS:	Manager, Cash Management & Financial Services
AS WO & T:	Associate Specialist, Wambo Onboarding and Training	M HPM	Manager, Health Product Management
CT:	Members of the Country Team profiled as “watchers” in wambo.org	M-PSM:	Manager, Procurement Services Management
CT Legal:	Country Team Legal	M PtM:	Manager, Procurement Transaction Management
DFM:	Disease Fund Manager	M SOR:	Manager, Supply Operations Risk
DH:	Regional Department Head	PO:	Program Officer (including Senior Program Officer)
FF:	Freight Forwarder	PR:	Principal Recipient
FPA:	Fund Portfolio Analyst	PSA:	Procurement Services Agent
FPM:	Fund Portfolio Manager (including Senior FPM)	PST:	Portfolio Service Team
FS:	Finance Specialist, Grant Finance Team	PtM FP:	Procurement Transaction Management Focal Point
FSA:	Financial Services, Analyst	PtM-S:	PtM Specialist (regional lead)
FS AS:	Financial Services, Associate Specialist	RM:	Regional Manager
FS/PST:	Finance Specialist / Portfolio Service Team	GS-CL:	Global Sourcing, Category Lead (per product category)
GFM:	Grant Finance Manager	M-GS:	Manager, Global Sourcing (per product category)
HPM-S:	HPM Specialist	SM-DS:	Senior Manager, Direct Sourcing
H-PPTM:	Head, Planning and Procurement Transaction Management	SO QA:	Supply Operations Quality Assurance
LSP:	Logistics Service Provider		