



The Global Fund

Process: Accessing Pre-Qualified Service Providers for Financial Management Strengthening

October 2017
Geneva, Switzerland

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1. Background and Introduction

The purpose of the Global Fund is to attract, manage and disburse additional resources to fight AIDS, tuberculosis and malaria. To fulfill these functions, the Global Fund needs to ensure adequate system and fiduciary controls are in place for the management of donor funds at the Secretariat and country level and a minimum set of reliable financial information is available on a timely basis regarding the implementation of grants.

Following the successful overhaul of internal financial management systems and processes that generated significant efficiencies, reliability and timely availability of financial data at Secretariat level, the Global Fund as part of the 2017-2022 strategy has included “**strengthening financial management and oversight**” of grant implementers as a core component of strategic objective 2 (SO2g) “**Build Resilient and Sustainable Systems for Health**” to support grant implementers in enhancing financial management and oversight capacity.

Pursuant to executing the foregoing strategy, the Global Fund Secretariat has pre-qualified service providers on the basis of technical and cost factors to provide capacity building services to grant implementers. The objectives of pre-qualifying service providers are to:

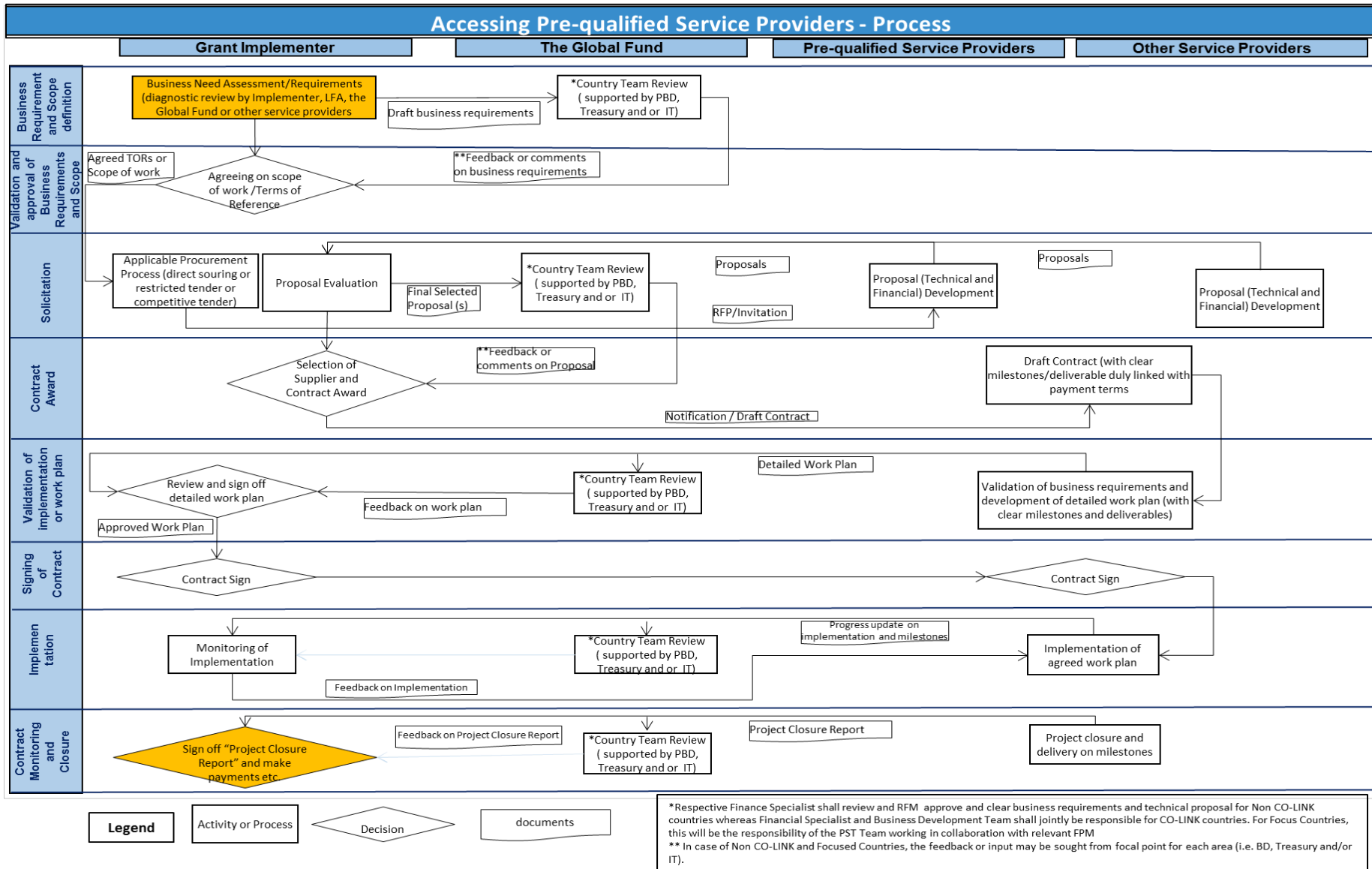
- Facilitate grant implementers in obtaining the required technical assistance for strengthening financial management and oversight in a timely and efficient manner; and
- Support grant implementers in achieving value for money in addressing financial management challenges

The pre-qualified service providers may provide the services for which they have been pre-qualified on an as-needed basis to Global Fund grant implementers. These services will be provided under an agreement signed between the relevant grant implementer and the selected service provider. Neither the Global Fund nor any of its grant implementers shall be bound to enter into an agreement with the pre-qualified service providers. The Global Fund shall have no liability whatsoever for the grant implementers’ conduct under any agreement between grant implementers and pre-qualified service providers.

Pre-qualified service providers are grouped into the following service categories:

- ***Financial Management Information System:*** To support implementers in deploying or optimizing a financial management information system that meets international best practice including complying with both the implementer and the Global Fund’s minimum information system requirements for implementers of Global Fund grants.
- ***Mobile Device Solution:*** To assist grant implementers build a suite of Mobile application functionality to help them manage their grants better, i.e. to leverage the use of mobile/hand-held device and Cloud technologies (SMAC -social, mobile, analytics and cloud) for not only collecting and transmitting basic grant information from sub-central to central implementer level but also as a risk reduction mechanism for certain core/risky implementation activities (such as trainings, allowance payments and advance liquidations). A mix of online and offline functionality is being envisaged to avoid issues with connectivity and bandwidth depending on the maturity of the mobile landscape in the countries.
- ***Mobile Money Solution:*** To support grant implementers in building an alternative payment method that may be presented in a cashless way through mobile network operators (MNO). With the rapid penetration of mobile technology and services, more and more people have access to affordable mobile devices and modern services offered by MNOs. Mobile Money (a service for those without bank accounts to make and receive payments using mobile phones) is one of the rapidly growing financial products in many countries and its advantage as a risk mitigating method by it being an alternative to physical cash payments is widely recognized.
- ***Consultancy Services for Capacity Building:*** To provide a range of consultancy services geared towards the implementation and monitoring of capacity building action plans for financial management of grant implementers. The services include but are not limited to improvements to internal controls and processes, risk management and assurance provision by grant implementers.

2. Process Flow Chart





3. Process detail

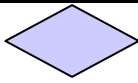
2.1 Business requirements and scope definition	Responsible
<p>Diagnostic review of financial management system is carried out to understand and identify the root causes of financial management challenges and bottlenecks. The diagnostic review may be carried out by (either one or more of these) the implementer (through a self-assessment exercise), Local Fund Agent, Fiscal Agent, the Global Fund Country Team (including Business Development Team) and/or other service provider (MANGO).</p> <p>The diagnostic review would identify financial management capacity weaknesses and propose recommendations or measures to address them in an action plan. The implementer then has to develop its business requirements or needs including defining the scope of intervention that is in alignment with the action plan's recommendation geared towards addressing the weakness contained in the action plan:</p> <p>People: Qualified & experienced human resource for financial management of an organization and/or program; Processes: Appropriate policies, processes and procedures supporting financial management; and Systems: Robust financial management information systems supporting budgeting, accounting & reporting etc.</p> <p>In case the Global Fund country team is not directly involved in the diagnostic review of the financial management system, the diagnostic review report, related action plan and business requirements/scope definition documents shall be shared with the Global Fund Country Team.</p>	<p>Grant Implementer,</p>
2.2 Validation and approval of business requirements and scope	Responsible
<p>In all cases the business requirements and scope definition document along with related action plan to improve financial management capacity shall be reviewed, validated and approved by both the implementer and the Global Fund country team.</p> <ul style="list-style-type: none"> ▪ For the countries covered under CO-LINK Project (high impact and core countries), Business Development Team in collaboration with the Country Team (through the respective Finance Specialist) shall be responsible for the validation and clearance of the business requirements and scope definition document. ▪ For Non CO-LINK Countries (not yet started or not part of current annual work plan), the respective Country Team (through the Finance Specialist) shall review and RFM approve and clear business requirements and scope definition document. ▪ For Focus Countries, this shall be the responsibility of the PST Team working in collaboration with FPM. <p>In case of Non CO-LINK and Focused Countries, the feedback or input may be sought from technical person/focal point for respective area from Business Development (BD), IT and/or Treasury Teams (note:- for mobile money: Treasury Team; for consultancy services & financial management information system: BD Team and for mobile device solutions: IT Team) .</p>	<p>Grant Implementer, CT</p>
2.3 Solicitation (Procurement process)	Responsible
<p>Based on agreed and approved business requirements and related action plan, the implementer shall commence procurement process. The following are the three options available (any one of these can be opted for based on applicable implementer procurement policy and regulation):</p>	

<ul style="list-style-type: none"> ▪ Direct Sourcing: Directly appoint or contract with a pre-qualified service provider; ▪ Restrictive Tender: Launch tender with reference to the pre-qualified list of service providers; and ▪ Competitive Tender: Run a competitive tender process without reference to the pre-qualified list of service providers. <p>The implementer shall evaluate the technical and financial proposals received in accordance with their applicable policy and procedures. The final selected proposal (technical and financial) including procurement evaluation report shall be shared with the relevant Global Fund Country Team for review and clearance.</p> <ul style="list-style-type: none"> ▪ For the countries covered under CO-LINK Project (high impact and core countries), the Business Development Team in collaboration with the respective Country Team (through the Finance Specialist) shall be responsible for the review and clearance of the final proposal. ▪ For Non CO-LINK Countries (not yet started or not part of current annual work plan), the respective Country Team (through the Finance Specialist) shall review and RFM clear the technical proposal. ▪ For Focus Countries, this shall be the responsibility of the PST Team working in collaboration with FPM. <p>In case of Non CO-LINK and Focused Countries, the feedback or input may be sought from technical person/focal point for respective area from Business Development Team, IT and/or Treasury Teams.</p>	Grant Implementer
2.4 Contract award	Responsible
<p>Based on the outcome of the proposals evaluation process and feedback/clearance step from the Global Fund Country Team, the implementer shall notify the successful bidder alongside providing the draft contract and request for detailed implementation/work plan or notify the successful bidder and request bidder to provide draft contract along with detailed implementation/work plan (note: as appropriate, implementer can use its own standard contract or can use the contract from service providers).</p> <p>The service provider shall translate the business requirements or scope definition document into detailed implementation or work plan including clear milestones and deliverables and share with the implementer and consequently with the Global Fund team within reasonable time from the receipt of notification from implementer.</p>	Grant Implementer
2.5 Validation of implementation or work plan	Responsible
<p>The implementer and/or the Global Fund relevant Country Team shall review the detailed implementation or work plan for adequacy, appropriateness and consistency with the business requirement or scope definition document in 2.2, above.</p> <ul style="list-style-type: none"> ▪ For the countries covered under CO-LINK Project (high impact and core countries), the Business Development Team in collaboration with the respective Country Team (through the Finance Specialist) shall be responsible for the review and clearance of the detailed implementation or work plan along with the draft contract. ▪ For Non CO-LINK Countries (not yet started or not part of current annual work plan), the respective Country Team (through the Finance Specialist) shall review and RFM clear the detailed implementation or work plan along with the draft contract. ▪ For Focus Countries, this shall be the responsibility of the PST Team working in collaboration with the FPM. 	Grant Implementer, CT

In case of Non CO-LINK and Focused Countries, the feedback or input can be sought from technical person/focal point for respective area from Business Development Team, IT and Treasury team.	
2.6 Signing of contract	Responsible
Based on the approved implementation plan and feedback/clearance step from the Global Fund Country Team, the implementer or service provider shall finalize the contract including clear milestones or deliverable duly linked with the payment terms.	Grant Implementer, Service Provider
2.7 Implementation of contract	Responsible
As soon as the contract is counter signed by contracting party, the implementation shall commence. Service provide shall be responsible for implementation of contract within agreed timeliness and with professional competence, integrity and due care. The service provider shall be responsible to provide regular progress updates to both the implementer and the Global Fund Country Team (through the Finance Specialist). The implementer shall be responsible for quality control of the service being provided. Appropriate feedback based on progress update matters arising may be provided by the Global Fund Country Team (through the Finance Specialist, supported by the relevant technical person/focal point from Business Development, Treasury and/or IT Teams). The implementer and service provider may consult with the Global Fund Country Team (through the Finance Specialist) for any technical support or issues resolution (where appropriate).	Service Provider
2.8 Contract monitoring and closure	Responsible
The implementer shall be responsible to put in place appropriate processes and controls to manage and monitor the performance of the service provider. Payments shall be made to the service provide based on delivery of related milestones and quality assurance thereof as provided for in the contract. The Global Fund Country Team (through the Finance Specialist, supported by the relevant technical person/focal point from Business Development, Treasury and/or IT Teams) shall be involved in the final quality assurance of the services provided under contract including final progress report.	Grant Implementer, CT

4. Legends

Symbol	Symbol meaning within the process flow chart
	A process activity, function or task to be performed
	The symbol represents a document i.e. proposal, contract and progress reports etc.

Symbol	Symbol meaning within the process flow chart
	A decision being taken. The decision requires a “yes” or “no” answer.