

15. Signed for the Principal Recipient by its Authorized Representative	
_____ Monsieur Dahmoune Salah Eddine Director general for Administration Minister of Health, Population and Hospital Reform	Date _____
16. Signed for the Global Fund by its Authorized Representative	
_____ Prof. Richard G. A. Feachem Executive Director	Date _____
17. Acknowledged by the Chair of the Country Coordinating Mechanism	
_____ Pr Boubaker Benbouzid (Ministry of National Education)	Date _____
18. Acknowledged by Civil Society Representative of the Country Coordinating Mechanism	
Mme Zahira Merah Président Association El Hayat	Date _____
Mr Ahcéne Boufenissa Président AIDS Solidarité	Date _____
Mr Adel Zaddam Président AIDS Algérie	Date _____
19. Entry into Force: This Agreement, prepared in two originals, shall enter into force on the date of its signature by both the Principal Recipient and the Global Fund, acting through their duly Authorized Representatives identified in blocks 15 and 16 above.	

Standard Terms and Conditions

Article 1. PURPOSE OF AGREEMENT

This Agreement between the Global Fund to Fight AIDS, Tuberculosis and Malaria, a non-profit foundation established under the laws of Switzerland (sometimes hereinafter, the “Global Fund”) and the Principal Recipient identified on the face sheet of this Agreement defines the terms and conditions under which the Global Fund will provide funding to the Principal Recipient to implement or oversee the implementation of the Program whose title is set forth in block 2 of the face sheet of this Agreement (the “Program”) for the country specified in block 1 of the face sheet of this Agreement (“Host Country”).

Article 2. THE PROGRAM

a. The “Program Implementation Abstract,” Annex A of this Agreement, further describes the Program and constitutes an integral part of this Agreement.

b. The Global Fund and the Principal Recipient may by agreement in writing from time to time modify Annex A of this Agreement during the implementation of the Program.

Article 3. FISCAL TERMS

a. The Global Fund hereby grants to the Principal Recipient an amount not to exceed that stated in block 7 of the face sheet of this Agreement (the “Grant”), which shall be made available to the Principal Recipient under the terms of this Agreement. The Global Fund makes the Grant to the Principal Recipient in response to the Country Coordinating Mechanism’s request for financial assistance.

b. Any interest or other earnings on funds disbursed by the Global Fund to the Principal Recipient under this Agreement shall be used for Program purposes, unless the Global Fund agrees otherwise in writing.

c. Total Global Fund funding for the Program is limited to the Grant. Each disbursement of Grant funds shall be subject to the availability of funds to the Global Fund for such purpose at the time of the disbursement. Unless the Global Fund agrees otherwise in writing, the Grant may be used for Program expenditures beginning from the “Program Starting Date” (specified in block 4 of the face sheet of this Agreement). If the Principal Recipient chooses to continue Program activities after the Global Fund funding has been exhausted, the Principal Recipient understands that the Global Fund makes no commitment beyond the amounts available under the terms of this Agreement.

d. The term of the Program is the first period of a larger initiative that has the completion date indicated in Block 6 of the face sheet of this Agreement. Unless the Global Fund agrees otherwise in writing, the Global Fund will not authorize disbursement of the Grant after the “Program Ending Date” (specified in block 5 of the face sheet of this Agreement) if the Global Fund determines in its sole discretion that

satisfactory progress has not been made in implementing the Program before the Program Ending Date or that funds are not available for such disbursement.

e. Conditions Precedent to Disbursement.

(1) Annex A, the Program Implementation Abstract, may state conditions precedent to first disbursement of funds under the Grant or conditions precedent to disbursement of Grant funds for a particular purpose, in excess of a specified amount or after a certain time. Unless the Global Fund and the Principal Recipient agree otherwise in writing, the Principal Recipient must satisfy the stated conditions, in form and substance satisfactory to the Global Fund, before the Global Fund will authorize disbursement of the relevant funds.

(2) The terminal dates for meeting the conditions specified in Annex A are the dates specified in blocks 6A, 6B and 6C (if present) of the face sheet of this Agreement, as indicated for the particular conditions. If the conditions precedent have not been met by the stated terminal date, the Global Fund, at any time, may terminate this Agreement by written notice to the Principal Recipient.

(3) Unless the Global Fund advises the Principal Recipient otherwise in writing, the Principal Recipient will furnish to the Global Fund all items required to satisfy the conditions precedent to disbursement stated in Annex A and shall ensure that members of the Country Coordinating Mechanism receive copies of the items. The Global Fund will promptly notify the Principal Recipient when the Global Fund has determined that a condition precedent has been met.

Article 4. TAXES AND DUTIES

a. The Global Fund is strongly encouraged to ensure that this Agreement and the assistance financed hereunder shall be free from taxes and duties imposed under laws in effect in the Host Country. The Principal Recipient will, not later than 90 days after the Program Starting Date, inform the Global Fund on the status of the exemption from taxes and duties that may be accorded to assistance under this Agreement.

b. If a tax or duty has been levied and paid despite the government of the Host Country having granted an exemption from such tax or duty, the Global Fund may, in its discretion, (1) require the Principal Recipient to refund to the Global Fund or to others as the Global Fund may direct the amount of such tax with funds other than those provided under this Agreement, or (2) offset the amount of such tax from amounts to be disbursed under this or any other agreement between the Global Fund and the Principal Recipient.

c. In the event of a disagreement about the application of an exemption that has been granted by the government of the Host Country, the Global Fund and the Principal Recipient agree to promptly meet and resolve such matters, guided by the principle that the assistance furnished by the Global Fund is intended to be free from taxation, so that all of the assistance furnished by the Global Fund will contribute directly to the treatment and prevention of disease in the Host Country.

Article 5. THE TRUSTEE

The Global Fund and the International Bank for Reconstruction and Development (the "World Bank") have entered into an agreement as of May 31, 2002, by which the World Bank has agreed to establish the "Trust Fund for the Global Fund to Fight AIDS, Tuberculosis and Malaria" (the "Trust Fund") and to serve as the trustee of the Trust Fund (the "Trustee"). Grant funds made available to the Principal Recipient will be disbursed from the Trust Fund.

Article 6. DISBURSEMENTS

a. To receive disbursements under the Grant, the Principal Recipient shall submit to the Global Fund requests for disbursements, which shall be in form and substance satisfactory to the Global Fund and at intervals acceptable to the Global Fund. The requests for disbursement shall be signed by the person or persons authorized by the Principal Recipient to do so. The Principal Recipient shall furnish to the Country Coordinating Mechanism a copy of each request for disbursement that the Principal Recipient submits to the Global Fund under this Article. Upon the Global Fund's approval of a request for disbursement, the Global Fund will advise the Trustee to transfer the amount approved by the Global Fund into the account specified in block 9 of the face sheet of this Agreement.

b. The amount approved for disbursement will be based on achievement of Program results and the expected cash flow needs of the Principal Recipient. The Global Fund, at any time, may approve for disbursement an amount less than the disbursement request if the Global Fund concludes that the full disbursement request is not justified.

c. Each disbursement under the Grant is subject to the availability of funds to the Global Fund for such disbursement.

d. From time to time, the Global Fund will give the Principal Recipient guidance, through postings on the Global Fund's Internet web site or through Implementation Letters, on the acceptable frequency, form and content of requests for disbursements. Unless the Principal Recipient and the Global Fund agree otherwise in writing, the form of the request for disbursement applicable to this Agreement shall be the relevant form specified in Annex A of this Agreement.

Article 7. AUDITS AND RECORDS

a. Books and Records of the Principal Recipient. The Principal Recipient shall maintain accounting books, records, documents and other evidence relating to the Agreement, adequate to show, without limitation, all costs incurred by the Principal Recipient under the Agreement and the overall progress toward completion of the Program ("Agreement books and records"). The Principal Recipient shall maintain Agreement books and records in accordance with generally accepted accounting standards acceptable in the Host Country or in accordance with other accounting standards that the Global Fund and the Principal Recipient have agreed to in writing in advance. Agreement books and records shall be maintained for at least three years after

the date of last disbursement under this Agreement or for such longer period, if any, required to resolve any claims or audit findings.

b. **Principal Recipient Audits.** The Principal Recipient shall have annual financial audits conducted of Program expenditures, except as the Global Fund and the Principal Recipient may otherwise agree in writing. With the concurrence of the Global Fund, the Principal Recipient shall select an independent auditor acceptable to the Global Fund, and the audits shall be performed in accordance with terms of reference acceptable to the Global Fund.

c. **Sub-recipient Audits.** The Principal Recipient shall ensure the audit of the expenditures of Sub-recipients in accordance with the plan approved by the Global Fund for such audits, unless the Global Fund and the Principal Recipient agree otherwise in writing.

d. **Audit Reports.** The Principal Recipient shall furnish or cause to be furnished to the Global Fund an audit report for each audit arranged for by the Principal Recipient or a Sub-recipient in accordance with this Article within six months after the end of the period under audit.

e. **Audit by the Global Fund.** The Global Fund reserves the right, on its own or through an agent, to perform the audits required under this Agreement utilizing Grant funds or other resources available for this purpose, to conduct a financial review, or otherwise to ensure the accountability of Grant funds.

f. **Opportunity to Inspect.** The Principal Recipient shall afford authorized representatives of the Global Fund, its agents or any third party of which the Global Fund notifies the Principal Recipient the opportunity at all reasonable times to inspect activities financed by the Grant, the utilization of goods and services financed by the Grant, and Agreement books and records.

g. **Notification.** The Principal Recipient shall notify the Global Fund promptly in writing of any audits of activities financed by this Agreement initiated by or at the request of an audit authority of the Government of the Host Country or of any other entity.

Article 8. REFUNDS

a. In the case of any disbursement of the Grant that is not made or used in accordance with this Agreement, or that finances goods or services that are not used in accordance with this Agreement, the Global Fund, notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Principal Recipient to refund the amount of such disbursement in United States dollars to the Global Fund within sixty (60) days after the Principal Recipient receives the Global Fund's request for a refund.

b. If the Principal Recipient's failure to comply with any of its obligations under this Agreement has the result that goods or services financed or supported by the Grant

are not used in accordance with this Agreement, the Global Fund may require the Principal Recipient to refund all or any part of the amount of the disbursements under this Agreement for or in connection with such goods or services in United States dollars to the Global Fund within sixty (60) days after receipt of a request therefor.

c. The right under paragraphs (a) or (b) of this Article to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

Article 9. ADDITIONALITY

In accordance with the criteria governing the selection and award of this Grant, the Global Fund has awarded the Grant to the Principal Recipient on the condition that the Grant is in addition to the normal and expected resources that the Host Country usually receives or budgets from external or domestic sources. This is an essential condition for the award of this Grant, and, therefore, the Principal Recipient must take all actions available to it to ensure that this condition continues to be met during the period of this Agreement.

Article 10. PROGRAM COOPERATION AND COORDINATION

a. The Country Coordinating Mechanism

(1) The Principal Recipient hereby acknowledges that

(a) the Country Coordinating Mechanism (of which the Principal Recipient is a part) is the group that coordinates the submission of proposals to the Global Fund from the Host Country and monitors the implementation of activities under approved programs;

(b) the Country Coordinating Mechanism functions as a forum to promote true partnership development and participation of multiple constituencies, including Host Country governmental entities, donors, nongovernmental organizations, faith-based organizations and the private sector;

(c) the Country Coordinating Mechanism should encourage multisectoral program approaches and ensure linkages and consistency between Global Fund assistance and other development and health assistance programs, including but not limited to multilateral loans, bilateral grants, Poverty Reduction Strategy Programs, and sector-wide assistance programs; and

(d) the Country Coordinating Mechanism should encourage its partners to mobilize broadly to fight diseases of poverty, to seek increased financial resources and technical assistance for that purpose, and to ensure the sustainability of local programs, including those supported by the Global Fund.

(2) The Principal Recipient will cooperate with the Country Coordinating Mechanism and the Global Fund to assure that the purpose of this Agreement will be

accomplished. To this end, the Principal Recipient and the Global Fund, at the request of either or of the Country Coordinating Mechanism, will exchange views on the progress of the Program, the performance of obligations under this Agreement, and the performance of any consultants, contractors, or suppliers engaged in the Program, and other matters relating to the Program.

(3) The Principal Recipient shall actively assist the Country Coordinating Mechanism to meet regularly to discuss plans, share information and communicate on Global Fund issues. The Principal Recipient shall keep the Country Coordinating Mechanism continuously informed about the Program and the Principal Recipient's management thereof and shall furnish to the Country Coordinating Mechanism such reports and information as the Country Coordinating Mechanism may reasonably request. The Principal Recipient understands that the Global Fund may, in its discretion, share information with the Country Coordinating Mechanism.

(4) The Principal Recipient shall coordinate its activities with the activities of related or substantially similar programs in the Host Country.

(5) The Global Fund will specify in Implementation Letters additional responsibilities of the Principal Recipient with respect to the Country Coordinating Mechanism.

b. Sub-recipients

(1) From time to time, the Principal Recipient may, under this Agreement, provide funding to other entities to carry out activities contemplated under the Program ("Sub-recipients"). The Principal Recipient will be responsible for all resources it receives and for the results it and Sub-recipients (if any) are to accomplish. The Principal Recipient shall ensure that all agreements with Sub-recipients are in compliance with this Agreement. The Principal Recipient shall furnish the Global Fund a copy of the form or forms of agreement, acceptable to the Global Fund, that the Principal Recipient will use with Sub-recipients.

(2) The Principal Recipient's accountability and reporting shall encompass the funds disbursed to all Sub-recipients and to the activities Sub-recipients carry out using Program funds. The Principal Recipient shall have systems in place, acceptable to the Global Fund, to assess the capacity of Sub-recipients, monitor their performance, and assure regular reporting from them in accordance with this Agreement. The Principal Recipient shall comply with such systems to assess Sub-recipients and supervise and monitor their activities and reporting under the Program.

(3) With respect to Sub-recipients or other third parties that enter into agreements with the Principal Recipient, the Principal Recipient shall remain solely responsible for the actions of such Sub-recipients or other third parties and shall not, under any circumstances, engage the responsibility of the Global Fund.

c. Other Principal Recipients

In addition to the Principal Recipient, the Global Fund may from time to time award grants to other entities, as possibly proposed by the Country Coordinating Mechanism, to implement programs in the Host Country. The Principal Recipient will cooperate as appropriate with such other entities to realize the benefits of all programs financed by the Global Fund.

d. The LFA

(1) The Global Fund has entrusted an entity, as indicated in block 11 of the face sheet of this Agreement (the “LFA”), to assist the Global Fund in its oversight role during the implementation of the Program.

(2) The Principal Recipient agrees to cooperate fully to permit the LFA to carry out its functions. To this end, the Principal Recipient shall, inter alia, do the following:

(a) submit all reports, disbursement requests and other communications required under this Agreement to the Global Fund through the LFA;

(b) submit copies of all audit reports to the LFA;

(c) permit the LFA to perform ad hoc site visits at the times and places decided by the LFA;

(d) allow the LFA to review books and records relating to the Program at the times and places decided by the LFA;

(e) cooperate with the LFA to identify additional training and capacity building that the Principal Recipient may need to implement the Program; and

(f) cooperate with the LFA in other ways that the Global Fund may specify in writing.

(3) For purposes of this Agreement, the principal representative of the LFA shall be the person named or acting in the position identified in block 11 of the face sheet of this Agreement, unless the Global Fund notifies the Principal Recipient otherwise in writing.

(4) The LFA may not amend or otherwise modify the terms of this Agreement.

Article 11. COMMUNICATIONS

Any notice, request, document, report, or other communication submitted by either the Principal Recipient or the Global Fund, unless this Agreement expressly provides otherwise or the Global Fund and the Principal Recipient agree otherwise in writing, will be sent to the other party’s Authorized Representative (noted in block 15 or 16 of the face sheet of this Agreement) or Additional Representative (noted in block 12

or 13 of the face sheet of this Agreement. In the case of communications to the Global Fund through the LFA, the Principal Recipient shall submit such communications to the person identified in block 11 of the face sheet of this Agreement. All communications under this Agreement will be in English, unless the Global Fund and the Principal Recipient agree otherwise in writing.

Article 12. IMPLEMENTATION LETTERS

To assist the Principal Recipient in the implementation of this Agreement, the Global Fund will from time to time issue Implementation Letters that will furnish additional information and guidance about matters stated in this Agreement. In addition, the Global Fund and the Principal Recipient may from time to time issue jointly signed Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

Article 13. REPORTS

a. Unless the Global Fund advises the Principal Recipient otherwise in writing, the Principal Recipient shall furnish to the Global Fund the reports specified in paragraph b below. In addition, the Principal Recipient shall furnish to the Global Fund such other information and reports at such times as the Global Fund may request. From time to time, the Global Fund will give the Principal Recipient guidance, through postings on the Global Fund's Internet web site or through Implementation Letters, on the acceptable frequency, form and content of the reports required under this Article. The Principal Recipient shall furnish to the Country Coordinating Mechanism a copy of all reports the Principal Recipient submits to the Global Fund under this Article.

b. Required Reports

(1) Periodic Reports

The Principal Recipient shall periodically report on the programmatic achievements and expenditures of the Program. For purposes of this Article, a reporting period will be the same as the interval stated as the planned disbursement period in Annex A. Not later than 45 days after the close of each reporting period of the Program, the Principal Recipient shall submit to the Global Fund a report for the reporting period using the relevant form specified in Annex A of this Agreement or such other form as the Principal Recipient and the Global Fund may agree upon in writing. For the period in question, the Principal Recipient shall explain in the report any variance between planned and actual achievements and between planned and actual expenditures.

(2) Fiscal-Year Progress Reports

Unless the Global Fund advises the Principal Recipient otherwise in writing, not later than 90 days after the close of each fiscal year of the Principal Recipient (as specified in block 10 of the face sheet of this Agreement), the Principal Recipient shall submit to the Global Fund, in form and substance satisfactory to the Global Fund, a fiscal-year

financial and programmatic progress report covering the Principal Recipient's preceding fiscal year ("Fiscal-Year Progress Report").

Article 14. MONITORING

Not later than 90 days after this Agreement enters into force, the Principal Recipient shall submit to the Global Fund, in form and substance satisfactory to the Global Fund, a detailed plan for monitoring the Program. The Global Fund will give the Principal Recipient guidelines for the plan, through postings on the Global Fund's Internet web site or through Implementation Letters.

Article 15. EVALUATION

The Global Fund, in its discretion, may conduct an independent evaluation of the Program. If so, the Global Fund will specify, in consultation with the Principal Recipient and the Country Coordinating Mechanism, the terms of reference for the evaluation and an appropriate schedule for conducting it. The Principal Recipient shall require all Sub-recipients to cooperate fully in the execution of the evaluation.

Article 16. DISSEMINATION OF INFORMATION

Either party to this Agreement may make the information derived from the implementation of this Program available to the domestic and international community, consistent with the rights of individuals to privacy, the property rights of persons in trade secrets and confidential commercial or financial information. The Global Fund reserves the right to freely publish or disseminate information derived from the implementation of this Program.

Article 17. CONTRACTS FOR GOODS AND SERVICES.

a. Unless the Global Fund agrees otherwise in writing,

(1) The Principal Recipient shall disclose to the Global Fund the policies and practices that it will use to contract for goods and services under this Agreement. At a minimum, such policies and practices shall conform to the requirements (a) through (e) listed below.

(a) Contracts shall be awarded, to the extent practical, on a competitive basis.

(b) Solicitations for goods and services shall be based upon a clear and accurate description of the goods or services to be acquired.

(c) Contracts shall be awarded only to responsible contractors that possess the potential ability to successfully perform the contracts.

(d) No more than a reasonable price (as determined, for example, by a comparison of price quotations and market prices) shall be paid to obtain goods and services.

(e) The Principal Recipient shall maintain records regarding the receipt and use of goods and services acquired under the Agreement by the Principal Recipient, the nature and extent of solicitations of prospective suppliers of goods and services acquired by the Principal Recipient, and the basis of award of Principal Recipient contracts and orders.

(2) Title to goods or other property financed by the Global Fund under this Agreement shall be in the name of the Principal Recipient or a Sub-recipient or other entity approved by the Principal Recipient.

b. From time to time, the Global Fund may issue Implementation Letters to further advise the Principal Recipient regarding policies applicable to the contracts for goods (including pharmaceutical products) and services using Grant funds.

Article 18. PHARMACEUTICAL AND OTHER HEALTH PRODUCTS

As used in this Agreement, the terms “medicines,” “multisource pharmaceutical product,” and “pharmaceutical products” have the meanings used by the World Health Organization in the “Glossary” of its “Marketing Authorization of Pharmaceutical Products with Special Reference to Multisource (Generic) Products: A Manual for Drug Regulatory Authorities.” The term “health products” includes pharmaceutical products, diagnostic technologies and supplies, bed nets, insecticides, aerial sprays against mosquitoes, other products for prevention (e.g., condoms), or laboratory equipment and supportive products (e.g., microscopes and reagents). When Sub-recipients (instead of or in addition to the Principal Recipient) carry out procurement activities governed by this Article, the Principal Recipient shall perform the functions applicable to the Principal Recipient under this Article or ensure that Sub-recipients perform them.

a. Procurement assessment and procurement plan

Due to the complexity and significant risks of the procurement of health products, no Grant funds may be used to finance such procurement until

(1) the Global Fund has approved an assessment of the Principal Recipient’s capability to manage such procurement, unless the Global Fund agrees otherwise in writing; and

(2) the Principal Recipient has submitted to the Global Fund, in form and substance satisfactory to the Global Fund, a plan, consistent with this Article 18, for the procurement and use of the health products that will be procured (the “procurement plan”). The procurement plan must also include a plan to procure and use diagnostic technologies and supplies and other major categories of supplies related to the provision of the medicines.

The Global Fund will advise the Principal Recipient in writing when it has approved the procurement plan. Unless the Global Fund and the Principal Recipient agree otherwise in writing, the Principal Recipient must ensure that procurement under the Program is carried out in accordance with the procurement plan.

b. List of medicines to be procured

Unless the Global Fund agrees otherwise in writing, Grant funds must not be used to procure medicines that do not appear in current standard treatment guidelines or essential medicines lists of the World Health Organization, the Host Country government, or the Recipient or Sub-recipient. The procurement plan must include a listing of the standard treatment guidelines and essential medicines lists that will apply to the Program.

c. Forecasting and inventory management

The Principal Recipient must systematically and regularly update forecasts of the quantities of pharmaceutical and other health products needed for the Program. Initial forecasts for new activities must be based on morbidity, adjusting the potential demand in light of realistic estimates of the anticipated capacity to deliver services. Forecasts for ongoing activities must be based on consumption.

The Principal Recipient must monitor forecasts and regularly compare estimated needs for pharmaceutical and other health products under the Program with actual consumption of such products. The Principal Recipient must report this information to the Global Fund.

The Principal Recipient must develop a plan and information system to minimize the risk that products will be out of stock. Not less frequently than semi-annually, the Principal Recipient must report to the Global Fund how often products are out of stock. The Principal Recipient must establish (or ensure the establishment of) product-specific levels of local buffer stocks and closely monitor them.

d. Procurement responsibilities

Where the Global Fund has determined that the Principal Recipient possesses the requisite procurement capacity, the Principal Recipient will be responsible for all procurement under the Agreement, and at its discretion, may use, or permit its Sub-recipients to use, contracted local, regional or international procurement agents to conduct procurements. Otherwise, the Principal Recipient must use established regional or international procurement agents or other mechanisms acceptable to the Global Fund.

In all cases, the Principal Recipient is encouraged to use, or cause Sub-recipients to use, capable regional and global procurement services wherever pooling of demand lowers prices for products of assured quality.

e. Procurement practices

The Principal Recipient must ensure that the procurement of pharmaceutical products under the Agreement adheres to the Interagency Operational Principles for Good Pharmaceutical Procurement, unless, in cases where actual practices differ from the Interagency Operational Principles for Good Pharmaceutical Procurement, the Principal Recipient demonstrates, in form and substance satisfactory to the Global Fund, a comparable system of competitive procurement by a group of pre-qualified suppliers, transparency and accountability to their practices, and the application of necessary quality assurance mechanisms.

f. Lowest possible price

The Principal Recipient must use good procurement practices, including competitive purchasing from qualified manufacturers and suppliers, as outlined in item e above, to attain the lowest price of products, consistent with quality assurance.

g. Compliance with quality standards

Pharmaceutical products may be financed under the Agreement only if the quality standards of such pharmaceutical products can be assured. For multisource, off-patent products with available dosage from published pharmacopoeial quality standards, the Principal Recipient may verify compliance with applicable standards in accordance with existing national procedures of the Host Country.

Any single- or limited-source pharmaceutical product (that is, a pharmaceutical product for which there are not publicly available quality assurance standards, analytic methods, and reference standards) must

(1) be acceptable under the United Nations Pilot Procurement Quality and Sourcing Project initiated by the World Health Organization;

(2) have been authorized for use by the regulatory authority of

(a) a member of the Pharmaceutical Inspection Convention or an entity participating in the Pharmaceutical Inspection Co-operation Scheme or

(b) a member of the International Conference on Harmonisation of Technical Requirements for the Registration of Pharmaceuticals for Human Use; or

(3) until December 31, 2004, have been authorized by the National Drug Regulatory Authority.

After December 31, 2004, all single- or limited-source pharmaceutical products must meet the requirements of either (1) or (2), of this sub-section g. In all cases, pharmaceutical products financed under the Agreement must satisfy quality standards prescribed from time to time by the Global Fund.

h. National drug registration (must comply with local requirements, if any)

If pharmaceutical products intended for use under the Program require approval by the cognizant national drug regulatory authority in the Host Country (the “National Drug Regulatory Authority”), such pharmaceutical products may be financed under the Agreement only if they have been granted such approval.

i. Monitoring supplier performance

The Principal Recipient must monitor the performance of suppliers with respect to the quality of the goods and services they supply and must submit the information gathered to the Global Fund electronically for publication over the Internet through a mechanism to be established or specified by the Global Fund.

j. Monitoring product quality

The Principal Recipient must systematically ensure that random samples of pharmaceutical products financed under the Agreement are tested for compliance with applicable quality standards. The Global Fund will furnish additional guidance on this matter at a future date. However, in any event, the Principal Recipient must have appropriate monitoring systems in place that are acceptable to the Global Fund or provide for the use of international procurement agencies acceptable to the Global Fund.

k. Supply chain

With regard to the supply chain for pharmaceutical and other health products financed under the Program, the Principal Recipient must seek to ensure optimal reliability, efficiency and security.

l. Avoidance of diversion

The Principal Recipient must implement and ensure that Sub-recipients implement procedures that will avoid the diversion of Program-financed health products from their intended and agreed-upon purpose. The procedures should include the establishment and maintenance of reliable inventory management, first-in first-out stock control systems, internal audit systems, and good governance structures to ensure the sound operation of these systems.

m. Adherence to treatment protocols, drug resistance and adverse effects

The Principal Recipient must implement mechanisms to

(1) encourage patients to adhere to their prescribed treatments (which mechanisms must include but not be limited to fixed-dose combinations, once-a-day formulations, blister packs, and peer education and support);

(2) monitor and contain drug resistance; and

(3) monitor adverse drug reactions according to existing international guidelines.

To help limit resistance to second-line tuberculosis drugs and to be consistent with the policies of other international funding sources, all procurement of medicines to treat multi-drug resistant tuberculosis financed under the Agreement must be conducted through the Green Light Committee of the Global Stop TB Partnership.

Article 19. UTILIZATION OF GOODS AND SERVICES

All goods and services financed with Grant funds will, unless otherwise agreed in writing by the Global Fund, be devoted to the Program until the completion or termination of this Agreement, and thereafter may only be used to further the objectives of this Agreement or as the Global Fund may direct in Implementation Letters.

Article 20. MODIFICATION OR AMENDMENT

a. Any change to the terms of this Agreement as set forth in blocks 1 through 13 of the face sheet of this Agreement shall be reflected in and accompanied by the execution of an amended face sheet. In the case of blocks 1 and 2, blocks 4 through 8 and block 10, the amended face sheet must be formally agreed in writing by both the Global Fund and the Principal Recipient. Modifications of block 9 may be issued by the Global Fund based upon notification in writing from the person or persons authorized to sign disbursement requests for the Principal Recipient and verification of the proposed modification. Modifications of block 12 may be issued by the Global Fund based upon notification from an authorized representative of the Principal Recipient. Modifications of blocks 3, 11 and 13 may be issued by the Global Fund in its discretion. The Global Fund may modify block 3A to reflect agreed changes to the Agreement (in Annex A, for example).

b. Except as provided in paragraph a of this Article, no modification of this Agreement shall be valid unless in writing and signed by the Authorized Representative or Additional Representative of the Global Fund and the Authorized Representative of the Principal Recipient.

Article 21. TERMINATION; SUSPENSION

a. The Global Fund may terminate this Agreement in whole or in part upon giving the Principal Recipient thirty days written notice. The Global Fund may suspend this Agreement in whole or in part upon giving the Principal Recipient written notice. Any portion of this Agreement that is not terminated or suspended shall remain in full force and effect.

b. In addition, upon full or partial termination or suspension of this Agreement, the Global Fund may, at the Global Fund's expense, direct that title to goods financed under the Grant, be transferred to the Global Fund if the goods are in a deliverable state.

Article 22. NOVIATION; TRANSFER OF PRINCIPAL RECIPIENT RESPONSIBILITIES UNDER THIS AGREEMENT

If at any time, either the Principal Recipient or the Global Fund concludes that the Principal Recipient is not able to perform the role of Principal Recipient and to carry out its responsibilities under this Agreement or if, for whatever reason, the Global Fund and the Principal Recipient wish to transfer some or all of the responsibilities of the Principal Recipient to another entity that is able and willing to accept those responsibilities, then the Global Fund and the Principal Recipient may agree that the other entity (“New Principal Recipient”), may be substituted for the Principal Recipient in this Agreement. The substitution shall occur on such terms and conditions as the Global Fund and the New Principal Recipient agree, in consultation with the Country Coordinating Mechanism. The Principal Recipient hereby agrees to cooperate fully to make the transfer as smooth as possible.

Article 23. NONWAIVER OF REMEDIES.

No delay in exercising any right or remedy under this Agreement will be construed as a waiver of such right or remedy.

Article 24. SUCCESSORS AND ASSIGNEES

This Agreement shall be binding on the successors and assignees of the Principal Recipient and the Agreement shall be deemed to include the Principal Recipient’s successors and assignees. However, nothing in this Agreement shall permit any assignment without the prior written approval of the Global Fund.

Article 25. LIMITS OF GLOBAL FUND LIABILITY

a. The Global Fund shall be responsible only for performing the obligations specifically set forth in this Agreement. Except for those obligations, the Global Fund shall have no liability to the Country Coordinating Mechanism, the Principal Recipient, Sub-recipients or any other person or entity as a result of this Agreement or the implementation of the Program. Any financial or other liability that may arise as a result of the implementation of the Program shall be the responsibility of the Principal Recipient and Sub-recipients.

b. The Principal Recipient undertakes the Program on its own behalf and not on behalf of the Global Fund. This Agreement and the Grant shall in no way be construed as creating the relationship of principal and agent, of partnership in law or of joint venture as between the Global Fund and the Principal Recipient or any other person involved in the Program. The Global Fund assumes no liability for any loss or damage to any person or property arising from the Program.

Article 26. ARBITRATION

a. Any dispute between the Global Fund and the Principal Recipient arising out of or relating to this Agreement that is not settled amicably shall be submitted to arbitration at the request of either the Global Fund or the Principal Recipient. The arbitration shall be conducted in accordance with UNCITRAL Arbitration Rules as at present in force. The Global Fund and the Principal Recipient agree to be bound by the

arbitration award rendered in accordance with such arbitration, as the final adjudication of any such dispute, controversy, or claim. The place of arbitration shall be Geneva, Switzerland.

b. For any dispute for which the amount at issue is 100,000 United States dollars or less, there shall be one arbitrator.

c. For any dispute for which the amount at issue is greater than 100,000 United States dollars, there shall be three arbitrators appointed as follows: The Global Fund and the Principal Recipient shall each appoint one arbitrator, and the two arbitrators so appointed shall jointly appoint a third who shall be the chairperson.

Article 27. CONFLICTS OF INTEREST; ANTI-CORRUPTION

a. The Principal Recipient shall maintain standards of conduct that shall govern the performance of persons affiliated with the Principal Recipient (for example, directors, officers, employees, or agents) engaged in the award and administration of contracts, grants, or other benefits using Grant funds. No person affiliated with the Principal Recipient shall participate in the selection, award or administration of a contract, grant or other benefit or transaction funded by the Grant, in which the person, members of the person's immediate family or his or her business partners, or organizations controlled by or substantially involving such person, has or have a financial interest. Nor shall any person affiliated with the Principal Recipient participate in such transactions involving organizations or entities with which or whom that person is negotiating or has any arrangement concerning prospective employment. Persons affiliated with the Principal Recipient shall not solicit gratuities, favors or gifts from contractors or potential contractors.

b. If the Principal Recipient has knowledge or becomes aware of any actual, apparent or potential conflict between the financial interests of any person affiliated with the Principal Recipient, the Country Coordinating Mechanism, the LFA, or the Global Fund and that person's duties with respect to the implementation of the Program, the Principal Recipient shall immediately disclose the actual, apparent or potential conflict of interest directly to the Global Fund.

c. The Global Fund and the Principal Recipient shall neither offer a third person nor seek, accept or be promised directly or indirectly for themselves or for another person or entity any gift or benefit that would or could be construed as an illegal or corrupt practice.

Annex A
Program Implementation Abstract

Country:	Algeria
Program Title:	Support to Implement the Multisectoral Plan of Action to Fight HIV/AIDS
Program Number:	ALG-304-G01-H
Disease:	HIV/AIDS
Principal Recipient:	Ministry of Health

A. Program Description

1. Summary:

Algeria has a population of 29 million and a low prevalence of HIV (0.1%) but a risk of a rapid spread of the epidemic. Two structural elements contribute to the acceleration of epidemic: a generally unfavorable environment that promotes the emergence of risk behavior among vulnerable populations and the geographic location of Algeria at the interface between the two most affected continents.

The Program aims to provide a greater number of people with better and more organized management of people living with HIV/AIDS, including access to treatment, patient follow-up, and control compliance with antiretroviral treatment. Health practitioners will be trained in modern care techniques and practices, as will association-based personnel working upstream and downstream [??] of professional interventions.

Vulnerable populations will also receive more and better assistance to make prevention and behavioral changes part of their life despite their living conditions.

There is insufficient knowledge about the evolution of the disease in Algeria caused by deficiencies in the notification system, inadequacies in keeping sectoral serosurveillance survey records, and failure to conduct behavioral surveillance. This situation will be remedied through a reorganization of the system and enforcement of its procedures. Finally, community mobilization, civil society participation will assure continued long-term institutional commitment to guarantee [??] the future.

All activities undertaken will be routinely evaluated to make any necessary adjustments and to build on whatever is considered a source of success. An external evaluation is also envisaged to measure the impact on the target populations through different parameters.

The attachment or attachments to this Annex A set forth the main Program objectives, key indicators, intended results and targets applicable to the stated period or periods of the Program. The attachment or attachments to this Annex A shall be an integral part of this Annex A.

2. Goal:

The overall goal of the Program is to expand the multidisciplinary national response to fight HIV/AIDS in Algeria.

3. Target Group/Beneficiaries:

The Program will reach:

- Psychologically and economically vulnerable populations, which include young people in or out of school, young girls, women, children, sex workers and their clients, inmates, drug users, migrants, wives of migrants, and military personnel. Their number is estimated at 600,000 vulnerable young people and 100,000 people engaged in risky behavior;
- People living with HIV/AIDS newly added to the caseload at referral centers throughout Algeria and their families;
- Community- and association-based resource persons
- Health professionals
- Non-governmental organizations

4. Strategies:

- The **first objective** is to improve access to sexually transmitted infections and HIV/AIDS risk prevention with and for vulnerable populations, taking into account the needs of vulnerable populations concerning prevention by encouraging their participation. Mentors selected from among the vulnerable populations will be trained to act as an interface [??] between vulnerable environments and health professionals. In the short- and medium-term, these populations are expected to have real access to prevention for a lasting behavior change. The activity implementation timeframe will prioritize training for trainers and for peer mentors in the first so they may become active in the very first year, the second year will focus on developing nation-wide activities.
- The expected impact will be behavior change, in addition to a reduction of vulnerability through the assistance provided under the multisectoral plan
- The **second objective** is to expand overall management of people living with HIV/AIDS. It is a fundamental focus area as the program aims to decentralize care management through facilities located in several regions. Patients will receive comprehensive management integrated in a care continuum including antiretroviral therapy. Help and support for people living with HIV/AIDS will be provided in cooperation with associations, targeting reduction of mother-to-child transmission, women and their families, adherence to antiretroviral treatment, psycho-social monitoring, and socio-professional reinsertion. People living with HIV/AIDS will also participate as mediators to facilitate access to care. Scaling up activities to care for People living with HIV/AIDS and HIV-affected persons will also consist of promoting voluntary testing and systematic counseling at the health care facilities.

- The timeframe for these activities calls for simultaneously training health care professionals and association-based professionals and mediators in the first year so that people living with HIV/AIDS receive medical and psycho-social care at the same time.
- Scaling up activities to care for people living with HIV/AIDS and HIV-affected persons will consist of promoting voluntary testing and systematic counseling at the health care facilities
- The expected impact will be to improved health among people living with HIV/AIDS and their families
- The **third objective** is to expand mobilization of community and association leaders. This essential focus area will help to create a favorable environment at the regional referral centers, with special emphasis on gender, poverty, and human rights issues (including poverty and mobility/migration). Community-and association-based mobilization will also help to build social acceptance of people living with HIV/AIDS and fight all forms of discrimination and exclusion.
- Activities will be centered on identifying and mobilizing resource persons, and their interventions at the referral centers. The plan starts with a diagnosis of the situation, training and outreach activities.
- The expected impact will be for civil society involvement to result in an environment favorable for the prevention of discrimination and social exclusion risks.
- The **fourth objective** is to expand qualitative information management and program monitoring and evaluation. This objective is to build awareness and involve professionals in the reorganization of sexually transmitted infections and HIV/AIDS epidemiological surveillance by training them in data collection and case reporting. This goal will be supported by a network of testing facilities to meet user demand for tests and detect new infections.
- A better understanding of the epidemiological reality based on second generation surveillance, will result in better health decisions being made in the focus areas covered by the application.
- The intervention area will also serve to develop action-research to identify risk situations and the social and behavioral attitude of vulnerable populations.
- First year activities will focus on capacity and skill building among stakeholders to improve data collection and launch some socio-behavioral studies to draw a national map of areas and situations with higher sexually transmitted infections and HIV/AIDS infection risk. Here also, special attention will be given to gender, poverty, and human rights issues.
- Risk indicators are needed to better identify the adverse factors linked to the spread of the disease in order to reduce the negative impact.
- [Finally, the **fifth objective** is to ensure an optimal financial and programmatic management and strengthen institutional support to non-governmental organizations.

5. *Planned activities:*

- Prevention actions for vulnerable groups including promotion and distribution of condoms, diffusion of supports of information understandable by vulnerable populations and promotion of free voluntary anonymous testing among risk behavior groups.
- Training of peers mentors who will intervene in vulnerable environment. Some peers will be selected among the vulnerable populations whom participation will be favored.
- Reinforce building capacity. Equip laboratories with needed commodities, organize the antiretroviral drugs supply and distribution circuit, make antiretroviral drugs available at referral centers, and provide reagents and other inputs essential for testing and confirmation.
- Training of health care professionals and association-based professionals and mediators for an adequate medical and psycho-social care of people living with HIV/AIDS and ensure therapeutic education of beneficiaries.
- Treatment of persons affected by HIV/AIDS and treatment of opportunistic infections.
- Perform a community situation diagnosis and training of association and community leaders. Building intervention capacities at associations and communities involved in the fight against sexually transmitted infections and HIV/AIDS.
- Organization and support of outreach activities of these leaders. Diffusion of messages through different supports of information
- Evaluation of the interventions of these leaders.
- Improve data collection and training of professionals in data collection and case reporting and creation of a network of testing facilities
- Conduct socio-behavioral studies.
- Ensure programmatic and financial management of non-governmental organizations and institutional support of non-governmental organizations

6. *Initial Country Coordinating Mechanism Members:*

The composition of the Country Coordinating Mechanism may change from time to time. At the time of the signing of this Agreement, the Country Coordinating Mechanism included:

- Ministry of Health, Population and Hospital Reform
- Ministry of Higher Education and Scientific Research
- Ministry of Justice
- Ministry of Labour
- Ministry of Ministry of the Religious Affairs and the Wakfs
- Ministry of the Interior and Local communities
- Ministry of Culture and Communication
- Ministry for National Defence
- Ministry for Youth and Sports
- National Education Ministry

- National Institute of Health
- National Blood Agency
- Central Pharmacy of Hospitals
- Pasteur Institute in Algeria
- Laadi Flici SHF
- UCH Mustapha
- AIDS/Algeria
- « Etoile culturelle d' Akbou » Association
- « Solidarité AIDS » Association
- « Hak et Ouikaya » AIDS Protection Association
- « El Hayet » Association
- « ANISS » Association Annaba
- SIDI EL HOUARI Association Oran
- Algerian Family Planning Association
- FOREM foundation
- Algerian Haemophiles Association
- "IQRAA" Association
- Algerian Red Crescent
- UNDP and UN Resident Coordination
- United Nations Development Programme
- UNDP and United Nations Resident Coordinator system
- International Labour Organization
- United Nations Population Fund
- World Health Organization
- United Nations Children's Fund
- Joint United Nations Programme on HIV/AIDS
- Biopharm

7. *Program Partners include:*

- Health practitioners at referral facilities.
- Association members, including members of the association of people living with HIV/AIDS, an organization supported by many professionals through a support committee
- United Nations agencies, most especially the UNAIDS focal point and the United Nations Development Programme
- bilateral and multilateral cooperation agencies are involved in programme implementation
- non-governmental organizations representing civil society, to provide support and lobbying efforts.

B. Conditions Precedent

1. *Conditions Precedent to Disbursement to Sub-recipients (Terminal Date as stated in block 6A of the Face Sheet):*

Before any disbursement of Grant funds from the Principal Recipient to any Sub-recipient, the Principal Recipient shall provide to the Global Fund, in form and substance satisfactory to the Global Fund:

a. Evidence that the Principal Recipient has developed a comprehensive detailed monitoring and evaluation plan adequate to meet its obligations under this Agreement;

b. A detailed Program budget, including allocations of funds to each Sub-recipient;

c. Evidence that the Principal Recipient has developed detailed financial and management guidelines to cover:

(1) reporting lines between the Principal Recipient, the Pharmacie Centrale des Hopitaux and the Sub-recipients;

(2) cash management policies and procedures to adequately safeguard cash transactions;

(3) policies and procedures to govern the management of advances of funds to the Sub-recipients, including provisions for recording, monitoring and recovery;

(4) data storage and security; and

(5) the use of budgets;

d. Evidence that the Principal Recipient has carefully analyzed its reporting requirements under this Agreement and has designed a clear reporting structure, including responsibilities of each level of staff, and a reporting format that are appropriate to meet the requirements of this Agreement according to the existing monitoring and evaluation system; and

e. Evidence that the Principal Recipient has developed terms of reference for the positions of key personnel (senior coordinator, general administrator and a monitoring and evaluation advisor) of its Program Management Unit and that its has published invitations for applications for those positions.

2. Condition Precedent to Second Disbursement (Terminal Date as stated in block 6B of the Face Sheet):

Before the second disbursement under the Grant, the Principal Recipient will, except as the Global Fund and the Principal Recipient may otherwise agree in writing, provide to the Global Fund, in form and substance satisfactory to the Global Fund:

- a. Evidence that the Principal Recipient has appointed an external auditor;
- b. Evidence that guidelines consistent with Global Fund principles such as inclusiveness and transparency have been established to govern the relationship between the Country Coordinating Mechanism and the Principal Recipient, including a conflict-of-interest policy;
- c. A revised statement of the annual antiretroviral treatment cost per patient per year based on the national treatment protocol; and
- d. Evidence that the Principal Recipient's Program Management Unit is operational and that it has the staff and other resources its needs to perform its functions.

C. *Forms Applicable to this Agreement:*

Unless the Principal Recipient and the Global Fund agree otherwise in writing:

1. For purposes of Article 6, "Disbursements," the Principal Recipient will use Sections 1 and 3 and Appendix 1 of the Global Fund form entitled, "Disbursement Request and Progress Update," available upon request from the Global Fund; and
2. For purposes of Article 13b(1), "Periodic Reports," the Principal Recipient will use Section 2 of the Global Fund form entitled, "Disbursement Request and Progress Update," available upon request from the Global Fund

D. *Special Terms and Conditions for this Agreement:*

1. Before disbursement of Grant funds from the Principal Recipient to a Sub-recipient, the Principal Recipient shall provide to the Global Fund, in form and substance satisfactory to the Global Fund, evidence that the Principal Recipient has signed an agreement with that Sub-recipient that outlines the Sub-recipient's roles and responsibilities, reporting arrangements, monitoring and evaluation processes and that specifies the procurement requirements and the plan of action of the Sub-recipient.
2. The Principal Recipient shall be solely liable for the loss of any items acquired under the Program, and, immediately upon any such loss, shall replace such items at its own expense under the procurement procedures set forth in this Agreement.