3MDG Operational Guidelines

For Implementing Partners
and the Fund Manager

Approvals

This document requires the approval of the 3MDG Fund Director

| Name           | Signature | Title                  | Date of Approval      | Version |
|----------------|-----------|                       |                       |         |
| Dr. Paul Sender|           | Fund Director, 3MDG   | 18th March 2015       | 1.0     |
| Orenn Ginzburg |           | Fund Director, 3MDG   | 21st Dec. 17          | 2.0     |

Revision History

<table>
<thead>
<tr>
<th>Revision</th>
<th>Approval Date</th>
<th>Summary of Changes</th>
<th>Comments</th>
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<tr>
<td>2.0</td>
<td>December 07, 2017</td>
<td>Changes to assets transfer modality; international procurement modality; reporting timelines; visibility guidelines</td>
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</table>
Preface

The Three Millennium Development Goal (3MDG) Fund Operational Guidelines (OG) replace the Three Diseases Fund (3DF) and Joint Initiative on Maternal, Newborn and Child Health (JIMNCH) Operational Guidelines which were still in effect during the transition from these predecessor funds to the 3MDG in 2013 and 2014 partially for all rolled-over grants.

The Operational Guidelines version 1.0 and the latest versions of all annexes are available on the 3MDG website http://3mdg.org, under “Library”. Changes are captured in the configuration log at the end of this document.

Version 1.0 will take effect from 1 March 2015 and will be reviewed on a calendar year basis.

Acronyms

CFP Call for Proposals
CTHP Comprehensive Township Health Plan
FB Fund Board
FCA Financial Capacity Assessment
FD Fund Director
FM Fund Manager
FMO Fund Management Office
GSA Grant Support Agreement
IAIG Internal Audit and Investigation Group
IAA Inter-Agency Agreement
IEG Independent Evaluation Group
IP Implementing Partner
IPAA International Procurement Assistance Agreement
3MDG Three Millennium Development Goal Fund
MMOH Myanmar Operations Hub
MOA Memorandum of Agreement
MOH Ministry of Health
OG Operational Guidelines
PCA Project Cooperation Agreement
PMB Programme Management Budget
RSQA/PMA Routine Service Quality Assessment / Programme Management Assessment
RDQA Routine Data Quality Assessment
UNCITRAL United Nations Commission on International Trade Law
UNGM United Nations Global Marketplace
UNOPS United Nations Office for Project Services
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1 Introduction to the 3MDG Operational Guidelines

1.1 Purpose of the Operational Guidelines

This document describes the Operational Guidelines applicable to the Three Millennium Development Goal Fund ("3MDG" or "Fund") in the implementation of Fund activities under the current programmatic framework.

The purpose of the Operational Guidelines ("OG") is to provide guidance for the operations of the Fund Manager and Implementing Partners in the key processes that they are expected to undertake during implementation, either directly or through the engagement of sub-grantees or subcontractors.

The United Nations Offices for Project Services (UNOPS) provides the 3MDG Fund Management Office (hereinafter “Fund Manager or FM”) and serves as trustee of the financial resources of 3MDG. The functions of UNOPS include but are not limited to disbursing financial resources, reporting on all financial and operational aspects relating to 3MDG, ensuring monitoring of the implementation of activities undertaken by Implementing Partners (IPs) and fulfilling other functions, as set out in the agreements concluded with 3MDG donors.

In case of inconsistency between the OG and the agreement with an IP, the terms of the agreement will prevail.

In case of inconsistency between the OG and the Fund Manager’s bilateral donor agreements, the terms of the bilateral donor agreements will prevail.

1.2 Amendments to the Operational Guidelines

To ensure they are up to date and relevant, the OG may be amended by the Fund Manager with the consent of the Fund Board. A configuration log is to be maintained to document the changes in the document.

1.3 Key Contacts

<table>
<thead>
<tr>
<th>Subject</th>
<th>Source – contact details can be found at 3mdg.org</th>
</tr>
</thead>
</table>
| All correspondence and reports regarding the implementation of Grant Support Agreements including but not limited to request for amendments. Via email or official letter | Fund Director  
3MDG Fund Manager  
Yangon, Myanmar,  
Through: Contract Analyst, 3MDG |
| Queries on Programme Implementation and IP Performance Management      | Head of Programme  
3MDG Fund Manager |
| Queries on monitoring and evaluation                                   | Monitoring & Evaluation Officer  
3MDG Fund Manager |
| Queries on visibility and communications                               | Communications Officer  
3MDG Fund Manager |
| Queries on Operational Guidelines                                      | Programme Support Officer  
3MDG Fund Manager |
2 Purpose and Governance of 3MDG

Australia, Denmark, the European Union, Sweden, Switzerland, the United Kingdom and the USA jointly fund the Three Millennium Development Goal Fund.

The Description of Action of the fund states the overarching goal of the fund as contributing to national progress towards the health MDGs through a rights-based approach. This will reflect the principles of non-discrimination, equality, participation, transparency and accountability and will give high priority to strengthening voices and accountability including through building the capacity of civil society and community structures.

The goal of the Fund is improved maternal, newborn and child health and a reduction in communicable disease burden in areas supported by the 3MDG Fund. The 3MDG Fund’s purpose is: Increased access and availability of (i) essential maternal and child health services for the poorest and most vulnerable in townships supported by the 3MDG Fund and (ii) HIV, TB, and malaria interventions for populations and areas not readily covered by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Consideration has also been given to international best practice concerning the following principles: promote participation and accountability; “do no harm”; foster capacity building; ensure transparency and financial probity; promote a rights-based approach; and support the aid effectiveness agenda. The core structure to oversee the Fund is the Fund Board.

Eligible implementing partners include the Government of Myanmar, international and national non-governmental organizations, United Nations agencies, other international and national organizations, academic or research institutions and private sector companies.

2.1 Fund Governance

The detailed roles and responsibilities of the governance structure can be found in section 4 of the Description of Action.

Fund Board (FB)

Membership of the 3MDG Fund Board includes representatives from the Ministry of Health and all seven donors and three independent experts recruited by the 3MDG Fund donors. It is the core structure to oversee the Fund and to make strategic funding decisions. The responsibilities of the FB are:

1. Contract, guide, oversee and performance manage the FM;
2. Engage in dialogue with the Ministry of Health and other key stakeholders;
3. Approval of the FM’s annual budget;
4. Risk management including monitoring risks to the Fund; and
5. Provide official communication for the Fund.

The FB is chaired on a rotational basis by a senior donor representative from the donors. The FB meets three times a year and decision-making is by consensus.

Senior Consultation Group (SCG)

The SCG is a Fund governance support structure. It is a formal advisory group to the FB and membership includes senior representatives from the Ministry of Health.

Independent Evaluation Group (IEG)

The IEG is a fund governance support structure. It provides independent evaluation services of the Fund and reports to the Fund Board.

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1 The 3MDG Description of Action can be accessed on the 3MDG website at http://www.3mdg.org/library
Fund Manager (FM)
UNOPS has been engaged as the Fund Manager. The FM has delegated authority for the management of the Fund in accordance with the organizational directives and administrative instructions of UNOPS. The FM’s responsibilities include:

1. Implementation of the 3MDG Fund in line with donor priorities, agreed policies and procedures and best practices for international aid;
2. Establishing transparent financial systems, managing and disbursing funds in an efficient manner and demonstrating excellent value for money;
3. Manage service commissioning through competitive and direct grant selection procedures;
4. Provide central procurement services;
5. Provide high quality technical advice to IPs and FB; and
6. Measuring the success of the Fund using an approved monitoring and evaluation system.

The FM will maintain complete independence from all recipients of Fund support.

2.2 Code of Conduct
As the FM and the IPs accept funds from 3MDG, they are accepting that the following code of conduct will be adhered to:

- Activities engaged under the Fund will be undertaken without discrimination, direct or indirect, because of race, ethnicity, religion or creed, nationality or political belief, gender, sexual orientation, disability or any other circumstances;
- The organization will take every appropriate measure to prevent irregularities, fraud, corruption or any other illegal activity. All suspected and actual cases of irregularity, fraud, and corruption related to the agreement must be reported to the FM without delay. Any suspected or actual cases reported and/or related to the FM must be reported without delay to the FB;
- The organization will undertake to take all necessary precautions to avoid conflicts of interest, and will inform the FM without delay of any situation constituting or leading to any such conflict. Any such situations within the FM must be reported without delay to the FB to the extent such notification does not jeopardize the conduct of UNOPS’ investigation;
- The FM and IP have the obligation to ensure that they do not engage in, nor condone behavior, which would constitute harassment, sexual harassment, or abuse of authority; and
- The FM and IP will not engage in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child. The FM and IP will undertake to protect children from abuse of all kinds in the implementation of the funded activities, including ensuring that any sub-grantee and/or sub-contractor engaged by the IP also complies with the terms of this provision.

2.3 Dispute Resolution
IPs and UNOPS shall to the fullest extent possible strive to resolve promptly and amicably questions of interpretation and application of agreements for the disbursement of funds and any disputes arising out of or in relation to disbursement agreements. The Chair of the FB may be involved as deemed necessary.

Should the IP be part of the UN system, any controversy or claim arising out of, or in accordance with agreements for the disbursement of funds which is not settled by negotiation will be resolved through consultation between the Executive Heads of each party.

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2 The 3MDG Anti-Fraud and Anti-Corruption Policy and required reporting procedures can be found at [http://www.3mdg.org/library](http://www.3mdg.org/library)
Should the IP be a national government, any dispute between UNOPS and the IP arising out of or relating to agreements for the disbursement of funds which is not settled by negotiation or other agreed mode of settlement shall be submitted to arbitration at the request of either party. Each party shall appoint 1 (one) arbitrator, and the 2 (two) arbitrators so appointed shall appoint a third, who shall be the chairman. If within 30 (thirty) days of the request for arbitration either party has not appointed an arbitrator or if within 15 (fifteen) days of the appointment of 2 (two) arbitrators the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration shall be borne by the parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the parties as the final adjudication of the dispute.

Should the IP be any other entity, any controversy or claim arising out of, or in accordance with, agreements for the disbursement of funds or any breach thereof shall, unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. Where, in the course of such direct negotiation referred to above, the parties wish to seek an amicable settlement of such dispute, controversy or claim by conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules as at present in force. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy or claim.

Disputes or claims by third parties engaged by the IP will be dealt with by the IP and under no circumstances will the FM be held liable for resolving such disputes.

3 Grant Selection and Approval

The 3MDG Fund’s principal implementing mechanism is through issuance of grants to partners. The default selection method of these grants is through an open, transparent and competitive process.

Where appropriate, including but not limited to situations where an entity may not meet UNOPS’ criteria for grant support, other modalities for disbursing funds to IPs may be utilised by the FM.

To implement the strategic funding decisions taken by the Fund Board, the Fund Board has delegated the authority to select IPs, including grantees, through a competitive process to the Fund Manager. The Fund Manager informs the Fund Board of the IP selection in compliance to the funding decision and to the selection process principles of fairness, transparency and integrity.

In addition the 3MDG Description of Action allows for direct commissioning of grantees as and when instructed by the Fund Board to the Fund Manager.

The FB may request advice from the FM before deciding on Fund priorities and funding allocations.

3.1 Grant Eligibility

Grant support is the provision of funds to an organization to directly implement a project activity using its own resources. Grant support is given to a ‘grantee’. A grantee is responsible for implementing activities and usually retains ownership of the results. Grant support is typically for not-for-profit organizations, Community Based Organizations (CBOs), research institutions, NGOs, indigenous groups, charitable organizations, foundations and local or municipal branches of government.

In grant support cases, the principal purpose of the relationship between UNOPS and the grantee is the transfer of funds that will be used for a public purpose supported by UNOPS' funding source, as evidenced in the relevant project agreement.

A 'grantee' will often be a non-governmental, community-based or grass-roots organization, and 'grant support' is the provision of funds to an organisation to directly implement a project activity.

To be eligible for a grant, the activity must comply with three principles:

1. Purpose – engaging an implementing partner (grantee) to carry out project activities with milestones or against agreed targets.
2. Autonomy – the grantee is largely autonomous with UNOPS role limited to monitoring.

3. Not-for-profit – there is no direct financial profit for the grant recipient

3.2 Call for Proposals

Call for Proposals (CFP)

3MDG aims to allocate the majority of its funding using a competitive Call for Proposals (CFP) process. Announcements for a CFP will be communicated through email distribution lists, the 3MDG and UNOPS websites, and as necessary through public advertising in Myanmar and English speaking publications.

The details of a CFP may vary according to the nature, complexity and value of the requirements. Following the parameters set by the Fund Board’s strategic funding decision, the selection and eligibility criteria will be defined by the Fund Manager and included in the solicitation document.

Principles of Fairness, Transparency and Integrity

All personnel involved in the CFP grant selection process on behalf of the FM will ensure that:

1. During the pre-solicitation phase, that information is available to the community at large and that there is no specific or privileged information available to particular individuals or groups;
2. During the solicitation phase, all potential applicants will receive identical information and any clarifications on or updates to solicitation documents or the process will be provided at the same time to all potential applicants through the 3MDG and UNOPS websites;
3. Individuals having a personal or financial interest in a potential applicant responding to a solicitation must declare such a position and will be prohibited from any involvement in the grant selection and approval process.

Evaluation of Proposals

To conduct the evaluation of submitted proposals, an evaluation team will be identified and put in place by the FM. This team may include external experts and representation from the Ministry of Health. The actual number of people on the evaluation team will depend on the nature, complexity and value of the CFP. All participants in the evaluation team who are non-FM personnel will sign confidentiality statements.

The evaluation team will conduct a review of each proposal based upon the technical criteria defined in the solicitation document and all applications will be subject to a financial evaluation in order to ensure that the costing is fair and reasonable.

Before making the final decision, the FM may seek additional information, including requests for further information from the applicants.

Grant Negotiations

Negotiations between the FM and the applicant may take place after the selection of the applicant and prior to the grant award. The purpose of negotiations will be to ensure clarity, consistency, and completeness of the technical and financial proposal, and to incorporate any changes specified by the FB and recommendations on good practices from the FM.

During or on completion of grant negotiation, the FM may conduct a Financial and Governance Capacity Assessment (FCA) of successful applicants. Please refer to section 5.3 on Financial Capacity Assessments.
3.3 Direct Commissioning

To achieve a coherent and focused programme, the Fund will also consider grants to support strategic partnerships, innovation, policy formulation and research, as well as in response to other agreed priorities established by the FB. In such a case, the FB may instruct the FM to issue a grant on basis of direct commissioning as nominated by the FB. The selection and application criteria will be defined by the FB. Evaluation of the proposals will follow the same principles as a competitive Call for Proposals.

3.4 Proposal requirements

General requirements

It is the exclusive responsibility of the applying organization to ensure that it has appropriate authority to carry out the project in the specific location in Myanmar and that appropriate authorizations are in place in the event of sub-granting implementation to a third party. The Fund is not necessarily able to extend any assistance and will not accept any responsibility for any such registration or authorization process.

Proposals must be submitted in English.

The costs of preparing a proposal and finalizing the Grant Support Agreement (GSA) including any relevant communication or travel costs are not reimbursable and cannot be included as a direct cost into the grant.

Any previous or ongoing litigation cases involving the applicant or potential conflict of interest or cases of fraud investigations must be declared and explanations provided.

The FM reserves the right to decline the submission of a proposal.

Budgeting for Health Services Delivery under Programme Management Budget (PMB) and Comprehensive Township Health Plan (CTHP)

The proposed budget is developed in Myanmar Kyat (MMK). For contractual purposes an exchange rate to United States Dollars will be determined by the FM. The contractual budget will always be in United States Dollars (US$). The Programme Management Budget (PMB) and the Comprehensive Township Health Plan (CTHP) must follow the format as prescribed in the budgeting user manuals accessible on the 3MDG website.3

During the grant negotiations and consequently in the agreement between the FM and IP, the budget amount for the Programme Management Budget (PMB) of the inception phase of the first three to six months is determined. Preliminary health services may already be included in a CTHP during this startup period.

During the inception / startup period the CTHP to cover the full implementation period is developed by the Township Health Authorities with the support of the IP in close coordination with local stakeholders and the FM. The fully scaled up PMB and CTHP versions are made contractual at the end of the inception / startup phase by means of a grant amendment for the full duration of the grant.

3 http://www.3mdg.org/library
The PMB and the CTHP contain the following 15 (PMB, five categories at three different levels) respectively 16 (CTHP) budget categories / headings.

<table>
<thead>
<tr>
<th>Programme Management Budget (PMB)</th>
<th>Comprehensive Township Health Plan (CTHP)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Categories</strong></td>
<td><strong>Budget Categories</strong></td>
</tr>
<tr>
<td><strong>Direct Costs</strong></td>
<td><strong>Direct Costs</strong></td>
</tr>
<tr>
<td>Central</td>
<td>Management_and_administration 01</td>
</tr>
<tr>
<td>500 Human_resources</td>
<td>Planning_and_coordination 02</td>
</tr>
<tr>
<td>600 Office_costs</td>
<td>Supervision_and_monitoring 03</td>
</tr>
<tr>
<td>700 Transport</td>
<td>Training_HRH_technical 04</td>
</tr>
<tr>
<td>800 Equipment_and_furniture</td>
<td>Training_HRH_other 05</td>
</tr>
<tr>
<td>900 Other_costs</td>
<td>Training_VHW 06</td>
</tr>
<tr>
<td>District</td>
<td>Training_VHC 07</td>
</tr>
<tr>
<td>500 Human_resources</td>
<td>Outreach_sessions 08</td>
</tr>
<tr>
<td><strong>District</strong></td>
<td><strong>District</strong></td>
</tr>
<tr>
<td>600 Office_costs</td>
<td>Referrals 09</td>
</tr>
<tr>
<td>700 Transport</td>
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</tr>
<tr>
<td>800 Equipment_and_furniture</td>
<td>Activities_at_community_level 11</td>
</tr>
<tr>
<td>900 Other_costs</td>
<td>Investment 12</td>
</tr>
<tr>
<td>Township</td>
<td>Evaluation_surveys_OR 13</td>
</tr>
<tr>
<td>500 Human_resources</td>
<td>Recruitment_of_staff 14</td>
</tr>
<tr>
<td>600 Office_costs</td>
<td>Health_care_delivery 15</td>
</tr>
<tr>
<td>700 Transport</td>
<td>Other_category 98</td>
</tr>
<tr>
<td>800 Equipment_and_furniture</td>
<td></td>
</tr>
<tr>
<td>900 Other_costs</td>
<td></td>
</tr>
<tr>
<td><strong>Indirect Cost</strong></td>
<td><strong>Indirect Cost</strong></td>
</tr>
<tr>
<td>• Up to 6% of Total Direct Costs</td>
<td>• Up to 6% of Total Direct Costs</td>
</tr>
</tbody>
</table>

The proposed budget is to be broken down into quarterly plans which are based on the workplan of the entire project period.

**Budgeting for Non-Health Services Delivery**

Grants issued for strategic partnerships, advocacy, innovation, technical assistance, and capacity building follow a simplified standard budget template as published in the solicitation documents or in exceptional cases as agreed between the FM and the organization. Whilst budget categories may differ to the PMB / CTHP format, the indirect costs are as well limited to 6% of Total Direct Costs for these GSAs.

**Cost sharing of resources**

IPs must have a clear and documented cost sharing methodology that is applied consistently, treats all donors equally and fairly on a pro-rated basis, is based on actuals and that can be clearly linked to the respective donors’ funding. Actual cost-shared resources charged to a 3MDG funded budget need to be unequivocally linked to the 3MDG grant and be supported in documentation reflecting the level of effort actually spent on 3MDG (e.g. time-sheets) or an equal apportionment rationale to all donors on basis of actual invoices (e.g. utilities of a shared office) that satisfy auditor’s scrutiny.

**Defining Direct and Indirect Costs**

Direct costs are incurred costs that are:

i. Directly attributable to the action as outlined in the ‘Description of Action’ as annexed to the GSA;

ii. Specifically provided for in the approved budget;

iii. Supported by original and verifiable vouchers for the incurred period; and

iv. Auditable.
Indirect costs are incurred costs that:

i. May be overhead costs;
ii. Are calculated as a percentage (6%) against the total of incurred direct costs;
iii. Do not require verifiable vouchers; and
iv. Are not auditable.

For GSAs, the maximum percentage for indirect costs cannot exceed 6% of the total direct costs. In partnerships and consortia, the 6% indirect costs should be evenly shared across implementing partner organizations, including local civil society organizations, proportionate to their implementation budget (6% of their total direct cost budget). The FM recommends that sub-grantees should receive 6% indirect cost over their total direct costs, as overheads are the critical investment tool of organizational strengthening and producing sustainable results. Should a grantee not pass through the full 6% to its sub-grantees the FMO will require a written explanation.

6% indirect costs are not incurred over international procurement that the Fund Manager Office undertakes on behalf of the grantee. This is reflected and automated accordingly in the Financial Report templates.

For types of agreement other than the standard GSA (e.g. PCA or IAA), different provisions may apply. This will be defined on a case to case basis.

4 Management of Agreements

All communication with regards the management of the grant between the IP and the FM is channelled through the 3MDG’s Public Health Analyst (PHA) assigned to the grant. Please ensure that all communication is always addressed to the Analyst.

4.1 Agreements between the FM and IPs

The FM and the IP shall sign a standard UNOPS 3MDG Grant Support Agreement (GSA) for eligible grantees, UNOPS Inter-Agency Agreement (IAA) for UN partners or Project Cooperation Agreement (PCA) for national government entities to formalize the outcomes of the proposal and negotiation phase. By applying for funding to the 3MDG Fund, IPs accept the engagement to be governed by the standard 3MDG GSA and its general conditions, unless the IP qualifies to enter into an IAA or PCA for receiving 3MDG funds, in which case the conditions applicable to the relevant modality shall apply.

No expenditures or activities can be incurred or started prior to the effective date of the agreement.

The GSA annexes comprise of the 3MDG General Conditions for Grant Support Agreements (also accessible on the 3MDG website), the description of action, the (PMB / CTHP) budget, the log frame / workplan and technical as well as financial reporting templates. The IP is responsible for the achievement of outputs and objectives as stated in the annexure within set financial limits and obligations.

Where the results and outputs of the contribution funds are co-financed, it is the responsibility of the IP to make this explicit prior to approval of the agreement. Use of funds, budgets from the different sources and reporting requirements will be clarified in the agreement.

Subject to completion of grant negotiations, the agreement will be issued in two copies by the FM for signature by the IP. Both copies need to be initialled by the signatories personally on each page of the agreement. One signed copy must be returned to the FM within 10 days. The agreement will come into effect upon the date of signature by both parties, unless otherwise specified in the agreement. The FM does not require signature of

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4 Please see this article [http://www.ssireview.org/articles/entry/the_nonprofit_starvation_cycle/] on the vital relevance of charging and using overheads effectively for non-profit organizations.

5 See [http://www.3mdg.org/library] for the latest version of the 3MDG standard template of the GSA.
original hardcopies and signatures and initials can be exchanged as electronic copies.

The FM will post information on project and budget about awarded grants on the 3MDG and UNOPS websites.

4.2 Sub-grantees

The 3MDG fund encourages IPs to partner with sub-grantees, especially with local civil society organisations, to increase a grant’s coverage and capacity. Should an IP that is a grantee choose to sub-grant, then it is required to enter into a sub-grant agreement in line with the relevant stipulations of the 3MDG General Conditions for Grant Support Agreements between the grantee and sub-grantee(s)\(^6\). Such requirements may also apply to other types of IPs depending on the terms of their agreement with the FM. The PMB template configured to differentiate budget inputs between grantees and sub-grantees. The CTHP does not differentiate in this regard. The reporting responsibility to the FMO lies with the grantee.

Refer to section 3.3 above on the FMO recommendation on indirect cost for sub-grantees. All 3MDG funded sub-grantee expenditures are subject to a full annual audit in line with section 5.2 below, the responsibility in this regard falls to the grantee.

4.3 Performance Management of the Grants

The performance management of the grants is a shared responsibility between the IP and FMO, and is carried out through six processes:

i. Active Risk Management;

ii. Bi-Annual Performance Data returns as scheduled with performance meetings to discuss the results;

iii. Quality Assurance field monitoring visits;

iv. IP Risk Profiling and Performance Improvement Plans for high risk areas/IPs;

v. Support Forums, lesson learned reports, technical workshops and capacity building trainings; and

vi. Monthly directorate meetings.

Fundamental to the performance management of the grants is active risk management by the IP project management team. It is expected that the FMO will be informed of any changes to the risk register in a timely manner, throughout the lifetime of the grant. In addition to the bi-annual scheduled performance meetings following the data returns, the FMO will be initiating quarterly meetings for IPs/areas where there is a risk of not being able to deliver and/or to meet the performance target. The FMO will be risk profiling against benchmarks, bi-annually, following the performance data returns. The benchmarks are against implementation, service delivery, performance results, data & reporting compliance, and financial management risks. Those ranked at very high risks will be requested to meet quarterly in order to identify and address the issues, and will also be required to develop performance improvement plans which would be monitored and managed jointly.

\(^6\) 3MDG General Conditions for Grant Support Agreements can be accessed at [http://www.3mdg.org/library](http://www.3mdg.org/library)
<table>
<thead>
<tr>
<th>Process</th>
<th>Purpose</th>
<th>Expected of IPs</th>
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</thead>
<tbody>
<tr>
<td>Risk management: Pre-implementation, on going</td>
<td>To ensure potential risks of implementation delays and barriers are highlighted at the planning stage, and developed remedial actions as well as contingency plans; Risks are regularly managed</td>
<td>- Risk Log including mitigation and contingency plan&lt;br&gt;- Regular update of the Risk Log and reporting on exception basis</td>
</tr>
<tr>
<td>Performance indicators data return: mid-year and annual reports</td>
<td>To assess the IP’s performance on outputs and outcomes against the LogFrame</td>
<td>- Timely data submissions (15 Feb- 15 Mar, 15 Aug-15 Sep)&lt;br&gt;- One-to-one review meeting&lt;br&gt;- Completion of RSQA/PMA, RDQA&lt;br&gt;- Field visit assistance&lt;br&gt;- Review meeting post-visit</td>
</tr>
<tr>
<td>Quality assurance: Monitoring visits, data service quality assessments</td>
<td>To assess IPs implementation process, service quality, data compliance</td>
<td></td>
</tr>
<tr>
<td>Enhanced Performance Management: risk profiling of the IPs annually</td>
<td>To performance manage based on the risk matrix assessment outcome where IPs identified as Amber and Red are managed closely and provided additional support mechanism to achieve the targets</td>
<td>- One-to-one meeting&lt;br&gt;- Joint development of improvement plan and quality monitoring with FMO</td>
</tr>
<tr>
<td>Support mechanisms: Lessons learnt, mentorship/guidance by IPs already implemented the</td>
<td>To develop a support platform for the IPs to share lessons learned</td>
<td>- Sharing learnings with other IPs&lt;br&gt;- Providing guidance to the new IPs on projects implemented earlier</td>
</tr>
<tr>
<td>Senior Management: Monthly meetings with IP country directors</td>
<td>To ensure the senior executives have 3MDG projects oversight and to address emerging issues</td>
<td>- Discussion of program/project progress, issues, and concerns</td>
</tr>
</tbody>
</table>
4.4 Amendment of Agreements

IPs wishing to make an amendment to their agreement with the FM may submit a written request with sound justification to the FM, at any time up to two months before the end of the agreement. The FM reserves the right to reject any amendment requests. The FM also reserves the right to reduce budgets where funding is no longer available or delayed activities no longer can be implemented. Amendments are required for any changes in the agreement, including but not limited to:

i. Changes in the scope of the description of action, logframe, activity plan or workplan, including new or unplanned activities;
ii. Any increases in the total budget;
iii. Any variances at budget category level exceeding 10%;
iv. Any changes in the duration of the agreement;
v. Any changes in the terms or schedules of the grant agreement.

Requests for amendments will be assessed by the FM against 3MDG requirements. The FM may refuse or adjust requested amendments. If they involve an increase to the initially granted budget, the FB’s approval will be required.

Authorization must be formalized through an official amendment to the agreement and its annexes and signature and initials by both parties.

No-cost extensions are allowable but require a strong justification from the IP to explain the reasons for not having been able to spend the budget as planned and how the budget in the no-cost extension is reallocated to ensure best value for money. The IP is responsible to manage the timely implementation of the project and its outputs.

No expenditures or activities not authorized under the original agreement can be incurred or started prior to the effective date of the amendment.

Mandatory Budget Revisions

A budget revision always requires an amendment, except in the situations listed below. As budget revisions and subsequent amendments represent a resource-intensive management effort by all involved, the FM seeks to reduce the number of budget revisions in a year to no more than a mandatory two.

Budget/expenditure variations are allowed without an immediate budget revision, if:

1. The planned expenditures on PMB or CTHP (or for non-health services delivery otherwise defined in the GSA) budget categories do not exceed 10% of the contractual budget categories of a given budget year (not over the lifetime of the grant).
2. The variations are within the scope of the defined outputs and activities as specified in the logframe and the work plan, (i.e. not new or unplanned activities), and
3. The total amount approved by the FM is not exceeded (i.e. there must be underspent amounts from another budget line item: increase in one category = decrease in another category, not exceeding 10% in either category).

Such variations can be undertaken by the IP without seeking prior FM approval. The IP must however inform the FM of these changes in budget, detailing the relevant budget lines. This can be done by email to the relevant 3MDG Public Health Analyst.

For any variation exceeding 10% of the budget categories as described in Section 3.3 above, or which increases the total grant amount or which involves new, unplanned activities or new HR positions outside of those defined in the contractual budget, the IP must submit a formal written request including a detailed justification to the 3MDG Fund Director or his delegated official. Expenditure against these changes can only be incurred after the formal approval by the Fund Director or his delegated official was communicated back to the IP.
In both cases, variations within and outside the set tolerance require a mandatory budget revision at the end of the budget year to update the current year budget for all the changes. This is to ensure that financial reporting for the year is against the approved budget and therefore avoids any audit challenges. To this end the FM will not accept further change requests to the current year PMB or CTHP after 31 October of the current year.

A second mandatory budget revision is required after any 15 February IP reporting cycle, when the IPs have reported their prior year actual expenditure, identifying underspent amounts. This budget revision follows an in depth programmatic review by FM and IPs of the actual expenditure and future planned activities. The FM will decide on one of three options with regards underspent amounts in budget lines:

1) Roll forward: Underspent amounts from delayed or not achieved activities are rolled forward into future periods at the same cost and for the same purpose
2) Reprogramme: Underspent amounts are repurposed within the grant and used to finance additional quantities or new activities altogether.
3) Recover: Underspent amounts are reduced from the total grant and repurposed for other grants or new activities outside the grant, effectively reducing the total grant amount.

The total grant amount is not considered to be a fixed amount, but can be reduced in cases of delayed or not conducted time-bound activities that cannot be recovered / caught up with.

Mandatory budget revisions may not apply to all agreements with IPs, with non-applicability to be regulated on a case by case basis in the agreements.

4.5 Completion or Termination of Agreements

Operational closure of the agreement will be on the last day of the duration of the activities as stipulated in the agreement between the IP and the FM, or upon early termination of the agreement by either the IP or the FM as spelled out in the agreement. No activities or expenditures are to be incurred after this date. All funds which remain unutilized after completion of activities must be returned to the FM.

For the financial closure, the IP will submit the final reports as per the obligations set out in the agreement upon termination or expiry of the agreement. For details on required types of reports, reporting formats and acceptance by the FM, refer to Section 7.3, Implementing Partner Reporting. The FM will evaluate and approve the IP reports with emphasis on results and deliverables being in line with the obligations of the agreement.

With respect to IPs who are grantees, unless otherwise defined in the grant agreement, the financial closing of the grant is tied to the payment of the retention amount which will be released based on the following:

i. Acceptance of an audit of the final financial report by the FM and IP;
ii. Acceptance of the final narrative report and M&E related data reporting by the FM, as well as the acceptance of any other pending reports as defined in the grant agreement;
iii. Approved asset transfer agreement between FM and IP;
iv. Return (or deduction from final payment) of unspent funds and/or ineligible costs (if applicable);
v. All outstanding sub-granting issues have been settled (if applicable); and
vi. There are no outstanding claims or investigations on the agreement.

Such requirements may also apply to other types of IPs depending on the terms of their agreement with the FM.

Once the final payment is completed, the FM archives the entire documentation of the project and declares it closed. Refer to section 15 on Record Management.
5  **Fund Management**

The FM is responsible for ensuring financial management systems are established and used so that funds are held, disbursed and accounted for in a timely, transparent and efficient manner.

At the end of the Fund, the FM will propose a formal close out plan in accordance to UNOPS closure procedures. This plan will be submitted to the FB for approval six months before the operational closure of the Fund.

The financial closure of the Fund will be confirmed by UNOPS HQ once all the pending requirements under UNOPS Financial Regulations and Rules have been cleared.

### 5.1 Disbursements to IPs

The FM is responsible for managing fund disbursements and monitoring expenditure of IPs according to the agreements with the IPs and subject to a review of ongoing performance against the agreement. This section sets out some of the requirements applicable to IPs who are grantees, however such requirements may also apply to other IPs depending on the terms of their agreement with the FM.

The GSA includes a schedule for disbursements for the duration of the grant. Based on this schedule, the IP is expected to submit a fund request together with the Financial Report due on any year’s 15th February / August on basis of the approved workplan for the next / remainder of the same year. The FM may adjust or disapprove a disbursement request taking into account the achieved progress and results in outputs, the reported fund balance remaining from the previous disbursements and the proposed activity plan of the IP. The FM will ensure that all due reports have been received and approved by the FM before disbursements.

Disbursements to the IP will be limited to agreed budget costs up to a maximum of 12 months of project implementation unless otherwise agreed in the GSA. In all dealings with IPs, the FM will make it clear that disbursements by the FM are subject to availability of funds. Availability of funds may deviate from plan over the lifetime of the fund due to changes in strategic direction and / or redirection of donor funding to the 3MDG. Under no circumstances shall the FM be expected to disburse funds in excess of the funds the FM has in hand.

When an inception / startup phase is defined as part of the project, the first disbursement will provide for the activities in the inception phase and the requirements of implementation until the second disbursement against an agreed deliverable is due. The FM is limited by Financial Rules and Risk Management considerations in the first disbursement to **less than US$ 250,000** upon signature of the grant. Subsequent disbursements can then only be defined against a deliverable.

A percentage of the grant agreement amount can be paid as a **bridging fund** in addition to the amount requested for the inception phase to cover the periods from the end of one reporting period to the next disbursement of funds. The bridging fund will be deducted before the end of the project. The duration of the inception phase will be defined according to the needs of the project by the FM in consultation with the IP. Such bridging fund would not be considered as cash balance held in hand in any reporting period other than in the period of recovery at the end of the grant.

### 5.2 Audits

The fiduciary framework of 3MDG requires the audit of all financial statements related to the Fund. All expenditures are required to be externally audited or verified as appropriate on an annual basis.

**FM Audit**

The FM will be subject to a full audit every year by a team of auditors appointed by the UNOPS Internal Audit and Investigations Group (IAIG), subject exclusively to the internal and external auditing procedures laid down in the UNOPS Financial Regulations and Rules and further regulated by the Executive Board of UNDP/UNFPA/UNOPS. The objective of the audit is to ascertain the effectiveness and efficiency of operations, including the economical use of resources in addition to verification of compliance activities of the office with the relevant UN and UNOPS rules and regulations.
IP Audit

The FM will appoint auditors to conduct a full audit of all functional areas of the IP. Such audit will be conducted annually and at the end of the project.

Costs relating to regular external audits undertaken by the FM will be borne by the Fund.

The IP audit report will be submitted to the FM and the IP with a management letter from the auditors, addressing adequacies of the accounting, the internal control systems, and compliance in all functional areas. The IP is required to reply as soon as possible to the recommendations by providing management comments. In addition the FM may include comments into the audit report to which the FM may as well have to reply with management comments. The final audit report will be shared with the IP and the 3MDG Fund Board.

Adverse and disclaimer opinions from auditors will result in suspension of any further disbursement to the IP by the FM until the IP satisfactorily demonstrates that issues identified have been resolved. The FM will follow up with IPs on implementation of the audit recommendations management plan. The FM will provide summary reports to the FB on audit recommendations management as part of the FMO progress reports and the FMO Key Performance Indicators.

Please note that, depending on the type of agreement with the IP (GSA, IAA, PCA or otherwise), the requirements of this section may change.

5.3 Financial and Governance Capacity Assessments

The FM is under obligation to conduct financial and governance capacity assessments (FCA) of each IP. The objective of the assessment is to evaluate the capacity of the IP’s financial procedures, internal controls, and management as well as governance structures to manage 3MDG funding and define the level of risks to the FM.

The assessment will be conducted either prior to signing of the grant agreement or in the early stage of the project implementation and may be undertaken by FM staff or external experts. It will evaluate the IP’s capacity and compatibility in relation to legal agreements, fund flow mechanisms, staffing, accounting policies and procedures, segregation of duties, governance configuration, project management capacities, budgeting, payment procedures, asset management, audit mechanisms, reporting and monitoring, and ITC systems.

Where a similar assessment (e.g. a HACT micro-assessment) has been conducted by another UN agency, the findings of this assessment may be reviewed, and evaluated in lieu of 3MDG’s own FCA. Where IPs have been partners under the 3MDG predecessor funds, the Three Diseases Fund (3DF) and the Joint Initiative on MNCH (JIMNCH), the FM may consider to rely on the various assessments undertaken under these funds.

In case of a major change in environment (e.g. internally: significant changes in leadership, in results achieved, new procedures) and/or high risks identified in the initial FCA or audit reports, a follow up to the assessment may be required. The FM will endeavor to provide a standardized questionnaire to the IP at least two weeks prior to the assessment.

The FCA report will provide a detailed analysis of the risks in relation to the management capacity of the IP. Based on the findings, the report will propose an overall rating (high, significant, moderate, low) and will provide recommendations how to address shortcomings and identified risks. The draft report will be discussed with the IP before submitting the final report to the FD for review and approval. The final report will be shared with the IP; recommendations will be binding to the IP and will be monitored by the FM.

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7 UN agencies, government recipients and other selected IPs may not require FCA, but may be requested to provide details on management structure and auditing procedures. Exemption from this requirement will be regulated in the agreement on a case by case basis.
5.4 **Eligible Expenses**

3MDG funds may **not** be used:

1. For international travel to conferences, trainings, workshops or any other activity outside the country not directly related to project implementation.
2. To cover exchange rate losses or disbursements to government agencies’ bank accounts.
3. For the following charges: taxes, duties and charges, customs duty for procurement, corruption, previous obligations, bad debts, fines and penalties, land and property, hospitality, and political and religious propaganda.
4. For the costs of developing proposals submitted for 3MDG funding.
5. For direct cost-shared resources that cannot be directly linked to the 3MDG grant.

5.5 **Support to government staff and institutions**

3MDG funds may be used for activities in the following three categories:

**Allowances to government officials in country**

This includes government staff at each administrative level from Township to Central level, who are involved in implementation of activities specified in the budget and therefore are eligible to receive per diems and travel cost at rates stipulated by the FM and not higher than the rates approved by the UN Resident Coordinator.

**Technical Assistance**

Technical assistance procured by government ministries or departments where there is a need identified, either within an IP project or direct by the FM. The services will be procured, contracted and paid directly by the IP or 3MDG. This may involve national or international consultants.

**Equipment / Assets**

Non-medical equipment procured by the IPs remain under ownership of the 3MDG Fund and on the IPs asset register until the end of the grant, whether this is used by the IP directly or placed within government facilities (refer to section 14 on Asset Management).

This includes support to specific government ministries, departments and agencies that are working closely with IPs or the FM. The support may include basic operating equipment, e.g. office assets like ICT (printers, computers/laptops), furniture, etc.

Medical equipment will be procured by the FM and directly placed within recipient government facilities guided by dedicated asset guidelines.

6 **Monitoring and Evaluation**

The FM is responsible for designing, developing and implementing a monitoring and evaluation (M&E) system specific to the Fund to ensure that funds are used effectively. As IPs have their own modalities of delivery and varying capacities, the M&E system will be built around a partnership approach.

The M&E system will be geared towards providing information on the outputs, and impact of 3MDG projects and programs. The M&E system will provide input for the semi-annual and annual reports on progress of the Fund towards the achievement of 3MDG objectives.

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8 The Resident Coordinator publishes regularly a note specifying the maximum allowable payments for per diems, travel costs, as well as payment of facilitator / trainer cost.
The M&E system will be used to generate evidence and contribute to the learning of all stakeholders. Where possible, evidence will be used to deepen and broaden development strategies and promote policy dialogue.

### 6.1 Overview of M&E roles

<table>
<thead>
<tr>
<th>IPs</th>
<th>FM</th>
<th>FB</th>
<th>Independent Evaluation Group (IEG)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All IP projects must have a logframe/results framework and M&amp;E plan approved by the FM. IPs will conduct an M&amp;E systems and capacity assessment to inform their M&amp;E plan.</td>
<td>The FM develops and revises as necessary the 3MDG logframe (indicators are discussed with IPs and other stakeholders).</td>
<td>The FB approves the 3MDG M&amp;E system and 3MDG logframe.</td>
<td>The IEG conducts midterm, final and impact evaluations. IEG conducts commissioned special studies.</td>
</tr>
<tr>
<td>IPs are to have dedicated staff to ensure M&amp;E functions are fulfilled.</td>
<td>FMO is to have dedicated staff to ensure M&amp;E functions are fulfilled.</td>
<td>FB is to have a dedicated M&amp;E sub-committee to provide strategic direction in M&amp;E.</td>
<td>IEG reviews all technical documents, such as logframe, M&amp;E strategy, research proposals/protocols supported by the Fund.</td>
</tr>
<tr>
<td>Reporting on selected 3MDG indicators relevant to each IP project in mid-year, annual, and final narrative reports.</td>
<td>Reporting on 3MDG indicators in semi-annual, annual and final reports based on collated information from IPs.</td>
<td>The FB manages IEG to review the robustness of the 3MDG M&amp;E system.</td>
<td>IEG conducts annual DQA on the 3MDG Fund to ensure robustness of the 3MDG M&amp;E system and data set.</td>
</tr>
<tr>
<td>IPs will work with the FMO to establish relevant baseline and end lines for their projects.</td>
<td>The FM commissions periodic evaluations covering all its operating areas.</td>
<td>The FB approves FM reports.</td>
<td>IEG provides technical review and assurance of the 3MDG reports.</td>
</tr>
<tr>
<td>IPs will manage midterm project reviews where appropriate</td>
<td>The FM will review and comment on midterm project review reports</td>
<td>The FB commissions independent midterm, final and impact evaluations of Fund performance.</td>
<td></td>
</tr>
<tr>
<td>IPs will assist and facilitate at the field level the 3MDG Independent Evaluation Group (IEG) evaluations</td>
<td>The FM manages the mid-term, final and impact evaluations implemented by the IEG</td>
<td>The FB commissions special studies to inform policy and assess Fund performance.</td>
<td></td>
</tr>
<tr>
<td>IPs conduct regular periodic monitoring according to the M&amp;E Plan</td>
<td>The FM conducts field visits to all IP projects and conducts DQA and programme assurance</td>
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<td></td>
</tr>
<tr>
<td>IPs conduct regular data quality assurance (DQA) and facilitate external DQA by the FM and the IEG</td>
<td>The FM facilitates M&amp;E meetings every 2 months (often to include training).</td>
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<td></td>
</tr>
<tr>
<td>IPs are responsible for familiarizing themselves with the 3MDG M&amp;E strategy</td>
<td>The FM commissions specific research and advice on development themes and information systems, plus independent qualitative monitoring of 3MDG activities.</td>
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<tr>
<td>All IPs will establish a feedback mechanism for its local partners and beneficiaries to ensure downward accountability.</td>
<td>The FM supports the creation and implementation of beneficiary accountability framework including the provision of technical assistance to create such systems.</td>
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</tbody>
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9 Exceptions may be granted by the FM for projects where such a feedback mechanism is inappropriate.
Implementing Partners

The IPs will be responsible for conducting relevant M&E tasks related to their respective projects including assessing the performance and capacity development of their partners.

Logframes and Reporting

Projects funded by 3MDG will have a logframe, the final version being approved by the FM at the end of the inception phase. This logframe may be reviewed annually.

IPs will be required to report on the indicators of the Fund which are relevant to their projects and ensure alignment to the national strategies.

Based on these indicators, targets will be set for each six month period and annual targets. Progress towards output indicators and outcome indicators will be reported in six monthly narrative reports by IPs to the FM, with annual reports providing quantitative progress towards targets. The IP is expected to follow the 3MDG and national M&E indicator guidelines.

Where relevant, the IP will also provide details of the location of all IP villages, hard-to-reach villages, their populations at the start of their project. Number and type of beneficiaries in each location will be updated every 6 months.

Baseline, Mid-term, Final Evaluations and Operational Research

Component 1: IPs will work with the FM to strengthen routine monitoring and conduct operational research in order to provide relevant information at baseline and endline. The FM will support national surveys, such as DHS to broaden the knowledge base.

Component 2: Each IP will be responsible to provide operational baseline and endline findings, including lessons learnt, subject to approval by FM. The FM will support the national programmes to implement large scale surveys e.g. IBBS, TB Prevalence Survey, Malaria Indicator Survey to assess epidemiological changes in disease burden.

Each IP will assist and facilitate the FM’s management of mid-term review (where appropriate to clarify or justify significant adjustment in design) and independent final and impact evaluations to address 3MDG specific project requirements. These evaluations will be led by the 3MDG IEG. Mid-term reviews should make recommendations to improve effectiveness, efficiency and relevance. Final evaluations should, amongst other requirements, draw on the results of the baseline and endline surveys and document the lessons learned. Impact evaluation will assess the changes attributed to the 3MDG programme. FM will manage the mid trope, final and impact evaluations, with assistance and cooperation from the IPs but led by the IEG.

The FM’s M&E team will be available to offer guidance on good practice on issues such as sampling, survey design and on capturing different types of data.

6.2 Fund Manager

The FM is responsible for providing an aggregation of the outputs and outcomes of the 3MDG Fund, and assessing the performance of IPs. The FM will ensure that IPs have targets set in line with the overall aims of 3MDG and that the geographical spread and balance between outputs is appropriate to deliver according to the 3MDG objectives. This will require careful aggregation of all the IP projects to identify gaps and overlaps in each delivery area.

Logframe, Results Framework and Reporting

The IP logframes and results frameworks will reflect the overall 3MDG logframe. The 3MDG indicators will not cover all IP activities. The 3MDG logframe includes a set of indicators, which will be used to summarize 3MDG progress and performance against 3MDG outcomes and outputs. In addition, the 3MDG partners will collect Core Indicators to enhance the limited number of 3MDG logframe indicators. All indicators are defined by the 3MDG Indicator Guidelines.
The 3MDG logframe targets are established using modelling and are based on value for money analysis. IP targets should align with the 3MDG targets, which reflect national targets where appropriate. Programme reports will include quantitative progress towards milestones and targets on all indicators.

Field Visits

The FM is expected to visit IP headquarters, field offices and villages on a regular basis. The objectives of field visits include monitoring and mutual learning for the FM and IPs to produce strategic lessons on program delivery. A program of field visits will be drawn up by the FM every 6 months.

Key aspects of FM field visits include:

- All IP projects will be visited at least once each year by the FM.
- The FM undertakes to consolidate different FM units’ monitoring needs and integrate as many units into a field visit as to reduce the burden on ongoing programming of the IP to the extent possible.
- All office and field visits will be scheduled in advance with IPs and a formal process of feedback undertaken.
- The IP field office will be visited at the beginning to collect project details and results. At the end of the field visit there will be a debriefing with project staff.
- A member of the IP’s in-country head quarter’s staff should attend the de-briefing, so as to agree follow up actions.
- The field visit should if possible randomly select service delivery sites.
- A field visit report will be prepared by the FM and shared with the IP within 10 working days after the field visit. The report will include a summary of the strengths and weaknesses of project management and implementation, provide recommendations, and address more strategic issues and lessons arising from the village and IP office visits.
- Field visit reports will be shared with the IP. The IP is welcome to provide comments and correction about the field visit reports within 20 days of receiving it.

For further information please see the following documents on the 3MDG website: Planning and Implementation of HIV, TB and Malaria RDQA Assessment; Standard Operating Procedure Performance Monitoring Assessment and Rapid Service Quality Assessment10.

Thematic Studies, Operational Research and Large Scale Surveys

On behalf of the FB, the FM will commission thematic studies and operational research to provide an important complement to the routine tracking of 3MDG results.

Research topics may arise either from gaps in knowledge in sectors where 3MDG is operating, or from the need to explore in greater depth issues identified from the M&E system. Some of the thematic studies will be designed to contribute evidence relevant to Government of Myanmar policy formulation and programming.

Thematic studies will be made available on the 3MDG website. The costs of the studies will be charged to the budget of the FM.

The FM will support national programmes to implement large scale national surveys that align with national strategic plans. These surveys will be included in grant agreement with the relevant partner.

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10 [http://www.3mdg.org/library](http://www.3mdg.org/library)
6.3 **Fund Board**

The FB is responsible for monitoring the Fund’s performance, assessing the 3MDG programme, approving the 3MDG M&E framework, and approving the 3MDG logframe.

The FB will review the overall progress and performance of 3MDG against its strategic objectives and will approve the FM’s semi-annual and annual reports. The FB will use commissioned M&E studies and other M&E information to take decisions about programme funding and strategic direction.

The FB will chair the 3MDG M&E sub-committee, which is responsible for strategic direction and oversight of 3MDG’s M&E strategy.

**Independent Mid-term and Final Evaluations**

The FB will commission mid-term, final and impact evaluations of the Fund’s performance. The independent evaluations will reflect on 3MDG’s achievements and constraints. 3MDG’s achievements may also be compared with national estimates, other development programmes as well as with surveys and studies undertaken by third parties.

The costs of the evaluations will be charged to the Fund.

6.4 **Independent Evaluation Group (IEG)**

The independent Evaluation Group will:

1) Establish an evaluation framework at the outset of 3MDG Fund implementation. The framework will:
   - Articulate the theory of change of the 3MDG Fund, in support of the programme logframe
   - Identify key questions for evaluation, including whether the interventions have had an impact and whether the implementation of the programme has been successful.
   - Include the differential impact of interventions on the poor and other vulnerable groups, including in-depth analysis of what works (or doesn’t) to reach the hard-to-reach, poorest and most vulnerable
   - Establish robust methodological approaches to address the evaluation questions and processes for quality assurance of data collection and analysis.
   - Consider options for rigorous impact evaluation of this complex programme, through setting of appropriate counterfactuals.
   - Be accompanied by a costed work plan including milestones and deliverables in the questions/areas (e.g. full reports, summaries and presentations).

2) Assess the 3MDG data collection systems and proposed data collection tools and methods (particularly baseline surveys) so that data supports required information for evaluations. This will include a review of partner research protocol.

3) Conduct a mid-term evaluation including assessment of programme, financial and management issues.

4) Conduct a final evaluation, again including assessment of programme, financial and management issues.

5) Conduct at least one impact evaluation.

6) Conduct specific evaluations or research studies addressing key questions identified in the evaluation framework at the outset, requested by the Fund Board or arising from the Mid Term Evaluation.
7 Reporting

7.1 FM Reporting

The FM will provide transparent summaries of the Fund throughout its lifetime to inform the FB and stakeholders of the Fund. To this end the FM will submit to the FB six-monthly narrative and financial progress reports based on the calendar year. Reporting formats and contents have been approved by the FB.

There are two progress reports, the semi-annual (covering January to June of any year) and the annual progress report (covering July to December of any year). Both reports provide a comprehensive update on the fund progress and after clearance by the FB are published on the 3MDG website. Both progress reports rely critically on timely submission of IP reports.

7.2 Schedule of FM Reports

<table>
<thead>
<tr>
<th>Type of report and period covered</th>
<th>Area of reporting</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due 30th Sept</td>
<td>Programme:</td>
<td>Semi-annual report (Progress report)</td>
</tr>
<tr>
<td>Due on 31st May</td>
<td>Programme:</td>
<td>Annual Narrative Report</td>
</tr>
<tr>
<td>Certified Financial Report (Jan-Dec)</td>
<td>Finance:</td>
<td>Certified and Audited Annual Financial Statement</td>
</tr>
<tr>
<td>Due 30th June</td>
<td>Programme:</td>
<td>Final Financial Report with audited certified financial statement and Asset disposal / transfer report</td>
</tr>
<tr>
<td>Final Report</td>
<td>Finance:</td>
<td>Final Narrative Report</td>
</tr>
</tbody>
</table>

7.3 Implementing Partner Reporting

The FM defines and requests reports from the IP as outlined in the agreement and as further discussed in 7.4 below. Reports submitted by IPs will be verified and approved by the FM. The FM will configure the reporting formats for every IP for every reporting period and submit the same one month ahead of the reporting deadline. All communication around regular reporting will be through the common reporting email address: 3mdgreports.mmoc@unops.org.

The blank technical and financial reporting templates relating to health services delivery are uploaded onto the 3MDG website. All reports must be provided in English.

7.4 Reporting Schedule for IPs

As finalized IP reporting is prerequisite to the FM progress reporting, it is critical that the IPs dedicate sufficient resources during the report review period for about three weeks starting with submission. It is recommended that IP staff essential to the report not be on work related travel during the report clearance period.
The calendar year is used for annual technical and financial reporting. During the implementation of a grant, the following reports may be required depending on the duration and the type of the grant, and as specified in the agreement:

<table>
<thead>
<tr>
<th>Type of report and period covered</th>
<th>Area of reporting</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Progress Report</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st January to 30th June of any year</td>
<td>Finance:</td>
<td>Financial Progress Report</td>
</tr>
<tr>
<td>Due on 15 August of any year</td>
<td>Project:</td>
<td>Narrative Progress Report with M&amp;E Data sheets and Activity Coverage sheets (where applicable)</td>
</tr>
<tr>
<td><strong>Annual Report</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st July to 31st December</td>
<td>Finance:</td>
<td>Annual Financial Report for the previous year with</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Certified financial statement and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Annual Assets Register</td>
</tr>
<tr>
<td>Due on 15 February of any year</td>
<td>Project:</td>
<td>Annual Narrative Progress Report with</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• M&amp;E Data sheets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Activity Coverage sheets (where applicable)</td>
</tr>
<tr>
<td><strong>Final Report</strong></td>
<td></td>
<td>Final Financial Report with</td>
</tr>
<tr>
<td>Covering the entire duration of the grant agreement</td>
<td>Finance:</td>
<td>• Certified and audited final financial statement</td>
</tr>
<tr>
<td>Due on 15 February or 15 August, whichever occurs first following the end date of grant agreement</td>
<td>Project:</td>
<td>• Final Asset Register with transfer recommendations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Final Narrative Report including final status of progress against outcome and output targets</td>
</tr>
</tbody>
</table>

### 7.5 Approval of Reports

Approval will include a review and validation of reports by the FM. The FM may request further information and clarification of the IP in the review process.

Approval of reports by the FM indicates that the reports meet the requirements of the Grant agreements. Payments to IPs will not be made until the required reports have been approved as meeting minimum quality requirements.

### 7.6 Guidelines on Financial Reports

The IP is responsible for maintaining clear, accurate and complete financial records in respect of the funds received under the agreement to ensure accuracy and reliability of the financial information and reporting. The grantee is responsible for the reporting contribution of all sub-grantees.

**Expenditures**

The FM will not accept inflation adjustments, exchange rate differences and depreciation expenses in reporting expenditures. Only actual costs incurred may be reflected. This applies as well to cost-shared resources budgeted as direct costs: Expenditure charged must be based on actuals, be supported by relevant documentation and be directly linked to the 3MDG grant.

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11 Please refer to sections 7 and 8 of the 3MDG General Conditions of Grant Support Agreements, uploaded to the 3MDG website at [http://www.3mdg.org/library](http://www.3mdg.org/library)
Exchange Rate Definition

The 3MDG operates in an US$ environment: Contractual budgets, disbursement, reporting and refund of remaining balance at the end of a grant are all in US$ as currency. The IP implementation environment of course is mainly in Myanmar Kyat (MMK). The FM does not set a fixed exchange rate the IPs need to comply with. IPs can therefore reasonably establish an operationally best possible exchange rate in line with their Financial Rules and Regulations, whether this is an aggregated average of exchange rates or following the daily spot rate or the United Nations Operational Rates of Exchange (UNORE) exchange rates – for as long as the rates are defined an documented systematically, and the relevant IP Finance Officer certifies the Financial Statements.

The IP shall document the exchange rates applied and retain proof that best possible rates are obtained. The FMO will send regular updates of the official United Nations Operational Rate of Exchange (UNORE) to all IPs as a guiding benchmark of a reasonable exchange rate. The actual exchange rate used by the IP is subject to annual verification by the auditors for its reasonableness.

For UN Agencies, the official UN exchanges rates shall apply.

The 3MDG FM will not allow for reporting of exchange rate losses / gains as eligible expenditure / income. A practical recommendation is to apply a First In First Out approach to 3MDG contributions, i.e. to pay and report at the same exchange rate as funds received.

Income Earned

Any income earned from implementation of activities granted under the grant agreements shall be identified and accounted for in financial reports.

Communication and Visibility

Please refer to the 3MDG website for regularly updated visibility guidelines. Examples of logo use, the most recent logos and donor lists are available therein: https://www.3mdg.org/en/publication/3mdg-visibility-guidelines

Implementing Partners (IPs) are required to publically credit 3MDG-funded activity to the Fund. This requirement is compulsory, and is a condition of funding.

Overview

- **Delivery sites**: providing visibility of the Fund will be through the prominent display of the 3MDG logo, prominent use of the logo on banners, on assets, and through clearly crediting 3MDG on all promotional materials.
- **Attributing funding**: display of the logo should be accompanied by the words “funded by” to clearly mark the role of 3MDG in the project.
- **Events**: Events funded or partially funded by 3MDG should be acknowledged with the use of the logo and the words “funded by” in the event backdrop, brochure and all promotional materials relating to that event.
- **Publications, research and studies**: Publications funded or partially funded by 3MDG require the 3MDG logo with the words “funded by” on the front cover of the document, with an acknowledgement and disclaimer on the inside cover (see wording below).

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12 Please see section 9 of the 3MDG General Conditions for Grant Support Agreements at http://www.3mdg.org/library
- **Websites and social media:** On websites and social media, 3MDG is to be clearly credited.
- **Press:** 3MDG funding should be stated clearly in all public and press statements and media coverage. Journalists are to be made aware of 3MDG funding.

Please note that FMO is authorised under the IPs MoA to communicate or publish the name of the IP, the maximum amount of the individual grant, and a description of the activities funded.

### 8.1 Use of the 3MDG Logo

**When to display the logo:**
- At events/trainings/meetings or presentations which are funded or partially funded by 3MDG, the logo should be present and prominent:
  - On event promotional material and invitations
  - On event banners/roll ups
  - On event handouts, agendas
- On vehicles of any kind, which are funded or partially funded by 3MDG, the logo should be present and prominent. This includes cars, trucks, motorcycles, vans or boats.
- On any other funded or partially funded equipment, and/or its packaging. This includes medical equipment and Pharmaceuticals.
- Promotional materials produced with 3MDG funding such as brochures, CDs, calendars, posters, newsletters and visibility items such as T-shirts, caps, umbrellas, pens, notebooks, etc
- Cover page of any 3MDG funded or partially funded written materials including reports, publications, research or studies
- Signboards at the project offices or project sites
- Commemorative plaques places on infrastructure, which should include the 3MDG logo and the phrase “supported by 3MDG” in English and Myanmar
- On video and public presentations about 3MDG funded projects

**Versions of the logo**

There are three official versions of the 3MDG logo. Preference should be given to the full logo (LOGO 1), unless it is used in relation to work in the field (LOGO 2/3 – depending on space). Please see examples below.

a. **LOGO 1** – Full Logo, usually accompanied by the words “funded by”

Please note that this logo also includes the Ministry of Health and Sports logo. If you are uncertain about using the Ministry of Health and Sports logo in a particular situation, please get in touch with the Communications Unit (танелег@unops.org).
When to use each logo (samples)

<table>
<thead>
<tr>
<th>Logo 1 Uses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Written materials such as 3MDG-funded reports and presentations.</td>
</tr>
<tr>
<td>The logo is to appear on the cover page</td>
</tr>
<tr>
<td>• Invitations and agendas of 3MDG-funded events</td>
</tr>
<tr>
<td>• Signboards/project activity photo boards at project offices and sites</td>
</tr>
<tr>
<td>• Banners, backdrops and brochures for meetings, briefings, training or other uses</td>
</tr>
<tr>
<td>• Materials produced with 3MDG funding such as CDs, calendars, posters, newsletters, etc.</td>
</tr>
<tr>
<td>• IP website pages featuring 3MDG-funded projects, or 3MDG-funded programme websites please link to <a href="http://www.3MDG.org">www.3MDG.org</a></td>
</tr>
<tr>
<td>• On video and public presentations about 3MDG-funded projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Logo 2 Uses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Infrastructure projects (health centres etc.) The commemorative plaque should include the 3MDG logo and words “Funded by 3MDG” in English or Myanmar</td>
</tr>
<tr>
<td>• On flags, vehicles, boats, motor cycles, and other equipment funded by 3MDG and used by the FMO or IPs in implementation of activities. In these cases, the logo can also be used with the words, ‘The Three Millennium Development Goal Fund in English or Myanmar language.</td>
</tr>
<tr>
<td>• Visibility items (sometimes in conjunction with Logo 1, for instance, T-shirts)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Logo 3 Uses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• This logo should be used in the same scenarios as above, with the following features:</td>
</tr>
<tr>
<td>o Space is limited – eg on a pen</td>
</tr>
<tr>
<td>o The primary logo (1 or 2) is also present – for example, this logo can be used on every page of a publication if one of the primary logos is on the cover</td>
</tr>
<tr>
<td>o The logo is repeated a number of times in the same space – eg packaging</td>
</tr>
</tbody>
</table>

The 3MDG logo must NOT be used:

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• On activities or materials not funded by 3MDG</td>
</tr>
<tr>
<td>• In any activities or communications which may be associated or aligned to a particular political party or political activity</td>
</tr>
<tr>
<td>• On IPs business cards, stationary, contracts, etc.</td>
</tr>
</tbody>
</table>
IMPORTANT: Please contact the Communications Unit (tanieleg@unops.org) if you have any queries, for example, in the case where a publication or event has several funders, or if a publication has sensitive content.

How to use the logo

When using the 3MDG logo, please only use official copies. Do not attempt to create the logo from scratch or manipulate current versions. Appropriate sizes should be used to ensure visibility, and when appearing with logos of other organisations, it should be the same size as their logos.

For high resolution, black and white, official versions of the logo, please get in touch with Communications Unit tanieleg@unops.org. Please note that for large items, such as vehicles or large banners, a vector version of the logo gives the best results.

The 3MDG logo should be displayed prominently. No changes are to be made to the color scheme, nor is the image to be skewed or distorted. In text-only materials where it is not possible to include the logo, include the line: “This project is funded by the Three Millennium Development Goal Fund (3MDG)”.

Specifications

Colours

There are three colour variations of the logo to accommodate the backgrounds of different materials:

- Two-colour – the preferred version for all white and complimentary light-coloured backgrounds. These colours should not be changed.
  
  Reference numbers:
  - Green – Pantone 339, C: 80 M: 7 Y: 62 K: 0
    R0 G153 B153, Hex 009999
  - Blue – Pantone 3165, C: 88 M: 51 Y: 47 K: 23,
    R0 G102 102, Hex 006666,

  - B&W – for materials printed in black and white, such as newspapers
  - White – for use on materials with dark-coloured backgrounds

Size

- Minimum size 35mm wide and high (do not distort dimensions)
- Appropriate sizes should be used for site signs and vehicles to ensure visibility.
- When appearing with logos of other organisations, it should be the same size as their logos.

Using the logo (examples)

a. Meeting/ Event Banner
8.2 Materials to be shared with 3MDG FMO Communications

a) IPs are requested to provide the following materials and assistance to the 3MDG communications office:

- Upon signing of the MOA, IPs are required to share the communications plan for the activity, supplying communications focal point contact details
- IPs are required to provide project brief/summary/achievements and photo for www.3MDG.org database page for their project
- The FMO should receive copies of all publications, reports and studies funded by 3MDG
- IPs are required to send one beneficiary success/capacity development stories to the FMO as part of the six monthly reporting
- IPs are required to share five of its best photos, with captions, of activities to the FMO as part of the six monthly reporting in best resolution possible
- IPs are to share copies of any video material generated on the project with the FMO on an ad hoc basis
- IPs are to share copies of any press coverage on the project (in MM language and EN) on an ad hoc basis
- IPs are to facilitate visits of the FMO’s communications team to obtain beneficiary stories
8.3 Writing about 3MDG

3MDG should be clearly credited:
- In all public and press statements, press conferences and other media coverage. Journalists should be made aware of 3MDG funding
- IP promotional and website/social media material referencing 3MDG funded activities including press releases, success stories and publications should acknowledge 3MDG funding. When a 3MDG funded project is featured on-line, a link is required to [www.3MDG.org](http://www.3MDG.org)

Please note that written acknowledgement is also a compulsory requirement for partners who receive financial support from the 3MDG Fund. This acknowledgement can take a brief form, for example – “with funding from Three Millennium Development Goal Fund (3MDG)”; “3MDG-financed”; “3MDG-supported.” Wherever possible, the written communication should link to the 3MDG website ([www.3MDG.org](http://www.3MDG.org))

If a longer description is appropriate, please find suitable text below:

In partnership with the Government of Myanmar and other partners, the Three Millennium Development Goal Fund (3MDG) strengthens the national health system at all levels, extending access for poor and vulnerable populations to quality health services. 3MDG has a significant, timely and nationwide impact improving maternal, newborn and child health, combating HIV and AIDS, tuberculosis and malaria, and health system strengthening to deliver sustainable, efficient and responsive healthcare across Myanmar.

Text for stories for publication referencing IP projects will be agreed upon by FMO with the IP, and IP photos used in public documents will acknowledge the source.

8.4 Acknowledgements and Disclaimers

An acknowledgement to donors and a disclaimer is to be included in all public 3MDG-funded documents. The following text should be used:

ACKNOWLEDGEMENTS

The Three Millennium Development Goal Fund (3MDG) is funded by Australia, Denmark, the European Union, Sweden, Switzerland, the United Kingdom and the United States of America, and managed by the United Nations Office of Project Services (UNOPS).

DISCLAIMER

This document has been produced with financial assistance from Australia, Denmark, the European Union, Sweden, Switzerland, the United Kingdom and the United States of America. The views expressed do not necessarily reflect the official opinion of these donors.

8.5 Media

Authority to make statements on behalf of 3MDG is limited to Fund Board, and the Fund Director. No IP can make statements on behalf of 3MDG.

Any requests from media received by IPs regarding 3MDG should be referred to Taniele Gofers, 3MDG Communications Officer – tanieleg@unops.org.
8.6 Translation of Communications Materials

Where possible, all public documents should be translated into Myanmar language simultaneously with English language versions. In the case of inconsistencies between English and Myanmar language publications, refer to the English language version.

3MDG uses the English spelling for Myanmar place names used by the Myanmar Information Management Unit (MIMU). Spellings can be found at http://www.themimu.info.

8.7 Intellectual property with regards the 3MDG logo types

The intellectual property rights attached to the logo of 3MDG shall remain at all times with the Fund. File formats of the 3MDG logo are available from the Fund Management Office.

8.8 UNOPS Logo

Official correspondence of the FMO will use the 3MDG logo type A (corporate logo), except when corresponding with the Government of Myanmar where the UNOPS logo will be used to reflect the legal status of FM operations in Myanmar. The FM may, if the FM considers it appropriate, also include the UNOPS logo on any official correspondence alongside the 3MDG logo type A.

IPs shall not advertise or otherwise make public the fact that it is performing, or has performed, work or services with UNOPS or the United Nations, or use the name, emblem or official seal of UNOPS or the United Nations or any abbreviation of the name of UNOPS or the United Nations in connection with its business for advertising purposes or for any other purposes.

8.9 For more information please contact:

Taniele Gofers – tanieleg@unops.org
Communications Unit, 3MDG
UNOPS, 12 (O) Pyi Thu Lane, Seven Mile, Yangon, Myanmar
Website: http://www.3mdg.org/
Facebook: https://www.facebook.com/3MDGfund/

9 Accountability, Equity and Inclusion (AEI)

In addition to the mechanisms that 3MDG employs to ensure that 3MDG-funded partners are accountable to the Fund Manager and to the donors of 3MDG (regular field trips by the Fund Manager and the Fund Board, reports submitted to the Fund Manager twice a year, and audits carried out by an external audit firm), 3MDG has an Accountability, Equity and Inclusion (AEI) Strategic Framework. This guides accountability to beneficiaries - the people who use health services at community level. This is a priority for the donors to 3MDG who are guided by the Paris Declaration, the Accra Agenda for Action and the Busan Partnership Agreement, which call for donors and partners to be mutually accountable for development results13.

The purpose of the AEI Strategic Framework is to describe how, through a rights-based approach, 3MDG aims to ensure equitable access to health services by empowering women, engaging communities in decision making and implementation, and ensuring the voices of minorities and other vulnerable communities are heard. It provides strategic guidance to 3MDG implementing partners and other concerned stakeholders on the 3MDG’s strategy to advance accountability to communities and promote equity (including gender equity), social inclusion, participation and conflict sensitive approaches.

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The AEI Strategy outlines the responsibilities of the 3MDG in:

- Strengthening national, regional/state and township level accountability mechanisms.
- Including measures to strengthen voice and accountability and to build related capacity.
- Enabling communities and beneficiaries to engage in the design, implementation and monitoring of health services, with an emphasis on non-discrimination and inclusion of vulnerable and marginalised groups.
- Ensuring that accountability mechanisms support equal engagement of women and men and promote women’s representation and voice, and monitor the participation of women.
- Supporting a partnership approach that recognises and strengthens the role of all partners, including Community Based Organisations (CBOs), self-help groups and communities in addressing the health MDGs and in accountability processes.

To guide the implementation of these objectives, 3MDG has developed eight interconnected standards, tailored to 3MDG and the Myanmar context:

- **Standard 1: Leadership on Accountability, Equity and Inclusion**
  Organisations demonstrate their commitments to program quality, which includes accountability, equity and inclusion.

- **Standard 2: Staff Capacity and Support**
  Organisations support their staff to improve program quality.

- **Standard 3: Information sharing and Transparency**
  Organisations publicly communicate their mandates, projects and what stakeholders can expect from them.

- **Standard 4: Participation**
  Organisations involve beneficiaries and communities in all phases of their projects.

- **Standard 5: Feedback and Response Mechanisms**
  Organisations put formal feedback and response mechanisms in place to gather and act on feedback.

- **Standard 6: Monitoring, Evaluation and Learning**
  Organisations learn from experience to continually improve their performance.

- **Standard 7: Conflict Sensitivity**
  Organisations ensure that their activities do not make conflicts worse and where possible that they improve possibilities for peace.

- **Standard 8: Working with Partners and Other Stakeholders**
  Organisations collaborate with partners and other stakeholders to ensure coordinated and efficient interventions.

For 3MDG, the standards become operational through:

- a commitment to accountability, equity and inclusion;
- efforts to ensure that its representatives who interact with other stakeholders always behave professionally, are trained and skilled in participatory approaches, and promote and apply the standards above;
- presenting key information about 3MDG and the projects it funds to stakeholders in languages, formats and media that are accessible, comprehensible and useful to them;
- ensuring that stakeholders consent to participation in related activities, and that they are satisfied with their representation in the design, implementation, monitoring and evaluation of 3MDG-funded projects;
- making all local 3MDG stakeholders aware of their right to express feedback and more serious
grievances and of the channels for doing so, including direct access to the 3MDG Fund Board and the Fund Manager;

- understanding both how 3MDG-funded activities may affect conflict dynamics and how the conflict context may impact on the implementation of these activities, and acting on this understanding; and
- working in partnership and effectively making linkages to other similar initiatives to maximise the impact of 3MDG-funded activities.

The above principles should apply to all relationships within the chain that connects the donors to 3MDG with the communities targeted by 3MDG-funded activities. This chain normally involves the following stakeholders:

- Fund Board (appointed by the donors to 3MDG);
- Fund Manager (UNOPS);
- Contracted implementing partners (IPs);
- Local partners of contracted 3MDG IPs (at national, regional, community levels, depending on the project);
- Communities targeted by 3MDG-funded activities.

The full text of the AEI Strategic Framework is available on 3MDG’s website. The related tools and resources to assist implementing partners in translating AEI principles into practice will be accessible on the 3MDG website as they become available.

10 Fraud

Fraud is defined as “as the intentional act by one or more individuals involving the use of deception to obtain an unjust or illegal advantage”. This definition and the required action applies to all recipients of 3MDG funding, grantees, sub-grantees, companies, institutions, individual consultants, and staff.

As a mechanism for pooled funding, there is a need for UNOPS / 3MDG to agree on a standard policy on financial risk and fraud. As 3MDG allocation decisions are made by the Fund Board and translate into grants and contracts between UNOPS / 3MDG and various other parties, this common standard shall be based on the UNOPS Fraud Policy. The UNOPS Policy is part of the wider risk management framework of UNOPS which includes risk- and fraud-related provisions covering various areas and levels, including but not limited to procurement, staffing, financial regulations and rules, financial declaration statements, accountability and oversight, internal control, internal audit and investigation.

Anyone suspecting a fraud case has a duty to immediately report fraud. Please refer to the Anti-Fraud and Anti-Corruption Policy of the 3MDG, available on the 3MDG website for details on types of fraud, and reporting mechanisms on how and what to report.

11 Intellectual property

3MDG promotes the principle that Implementing Partners should not make commercial profit from the intellectual property generated with 3MDG funds. By default all Intellectual Property rights developed with 3MDG funding are the sole property of the funding source. Licensing arrangements for intellectual property can be specified where agreed in the relevant grant agreement. Please refer to the General Conditions for Grant Support Agreements on the 3MDG website or, where an IP is not a grantee, in the terms and conditions set out in the relevant agreement.

14 http://www.3mdg.org/library
16 http://www.3mdg.org/library
17 http://www.3mdg.org/library
12  Confidentiality

While the FB and FM is committed to have an open and transparent disclosure system in place, there are legal, operational, and practical considerations at times that may be necessary to preserve the Fund, IPs and beneficiaries interests. In these cases, information will be received or sent to IPs under the expectation of confidentiality. Please refer to the relevant provision in the General Conditions for Grant Support Agreements on the 3MDG website\textsuperscript{18} or, where an IP is not a grantee, in the terms and conditions set out in the relevant agreement.

13  Procurement

13.1  Procurement Principles

Best value for money

Application of the ‘best value for money’ principle in the procurement process, means selection of the offer which presents the optimum combination of factors such as appropriate quality, service, life-cycle costs and other parameters to best meet the defined needs.

Fairness, integrity and transparency

The manner in which the procurement process is carried out must give all internal and external stakeholders of the organization the assurance that the process is fair, has integrity and is transparent.

The IP must undertake all necessary precautions to avoid conflicts of interests, favoritism, or corrupt practices in the execution of procurement. Segregation of duties is an important basic principle of internal control.

Effective competition

Effective competition is best explained as a situation in which at least three independent contractors acting on their own (not in collusion) effectively compete in the same business opportunity and submit a responsive bid. In case of restricted sourcing of products or services, a Note to File should be prepared and signed by the approving authority of the IP. It will justify why a procurement process without a competitive process is required.

In the best interests of organizational objectives

The ultimate value is to add value to fulfilling the goals and objectives of the project agreements ensuring the highest image and reputation of the organizations and Fund.

Sustainable procurement

Procurement is called sustainable when it integrates requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs. Additional information on sustainable procurement can be obtained from the United Nations Global Marketplace\textsuperscript{19}.

Procurement by FM

The FM will comply with UNOPS procurement regulations\textsuperscript{20} based on the procurement principles of public procurement.

\textsuperscript{18} http://www.3mdg.org/library
\textsuperscript{19} https://www.ungm.org/
\textsuperscript{20} https://www.unops.org/english/Opportunities_suppliers/how-we-procure/Pages/default.aspx#PR_policies
13.2 Procurement by IPs

IPs need to ensure that they follow public procurement principles as outlined above. In the case of IPs not having yet adequate systems and/or procedures in place to adhere to these principles, then the Partner is expected to rectify this and develop the necessary procedures, to document these and train staff to ensure the new procedures are adhered to. Until this is achieved the Partner is to follow UNOPS procurement procedures in absence of their own.

Procurement actions need to be within the available budget and shall not take place any later than 6 months before the end of the agreement unless agreed otherwise with the FM.

Cash grants provided to beneficiaries are not classified as procurement procedures. IPs are responsible for ensuring the correct use and effective application of cash grants to and by beneficiaries.

13.3 IPs: International versus local procurement

Certain types of health commodities are not allowed to be procured locally to ensure all purchased goods are qualified. As a rule of thumb all pharmaceuticals and sterile consumables have to be purchased internationally to ensure their quality.

For those commodities where local procurement is allowed the FM will normally not carry out this procurement and Partners are expected to manage this themselves. There are exceptions to this rule, for example the Voluntary Health Workers (VHW) supplies. Although many of these suitable for local procurement but to ensure consistency between supplies provided to the VHWs, the FM will purchase all these requirements. If items are to be purchased by the Partner themselves, required funds for this procurement should be part of the Partners’ budgets. Procurement conducted by the FM will be carried out from a 3MDG internal budget which is not part of the Partners’ budgets as was the case prior to 2018.

13.4 IPs: Procurement Budgets

For the final year of the 3MDG a new procurement modality will be introduced. This new modality is introduced for several reasons:

- The unexpected extension of the Fund means there are no propositioned goods to provide for the VHW;
- Support the restructuring of the Fund from a component to geography structure;
- Introduction of more efficient and simpler processes for all parties involved;

The new modality has a number of implications for the final round of procurement and provision of supplies to Partners:

- Funds required for procurement to be conducted by the FMO will no longer reside with Partners but instead with the 3MDG Procurement Unit;
- Grant Support Agreements will no longer have a budget for procurement incorporated. There will still be a procurement budget mentioned in the Grant Support Agreement, but this refers to costs related to procurement conducted during the previous years and cannot therefore not be removed as these indicated budgets have been fully utilised;
- With the Procurement Unit responsible for the procurement budget there will no longer be the need for Partners’ approval for expenditures, the previously used Acknowledgement Forms will therefore cease to exist.
- Any supplies handed over to Partners will now be provided as in-kind contributions under the Partners’ Grant Support Agreements.
This new modality will have a number of advantages leading to considerable savings in time and effort for both the Partners and the Procurement Unit beside some other gains:

- Procurement can commence prior to having the Grant Support Agreement in place;
- Shortages in Partners’ budgets will no longer delay procurement activities;
- Partners’ approvals for expenditures will no longer be required;
- UNOPS LTAs for transport and insurance can be utilised saving funds and time;
- All customs clearance processes will be conducted by the 3MDG Procurement Unit.

13.5 IPs: Obtaining health commodities for project implementation

The initial planning was for the 3MDG to cease end of 2017, hence no stocks were prepositioned for the year 2018. All requirements for 2018 therefore will have to be purchased and there will be no more distributions from stock.

Prior to placing requisitions to the FM, IPs are to ensure that a proper supply chain has been established with all required inventory control measures. This supply chain should ensure the commodities are protected from deterioration, fraud and theft through established procedures, proper facilities and supported by guidelines and forms. Supplies chains from IPs will be evaluated through a Commodity Tracking System Review (CTSR) on a yearly basis. If a supply chain is determined to be insufficiently safeguarding the commodities entrusted to it, immediate action is required from the IP to improve the supply chain to acceptable levels. If the supply chain cannot be improved sufficiently, the FM can decide to suspend provision of commodities until the supply chain has been improved to acceptable levels.

For the final 2018 round, health commodities can be obtained through two modalities:

i) Procured by the FM on request of the Partner;
ii) Procured by the Partner themselves;

By default, the FM will procure on behalf of Partners. Some Partners have well developed supply chains and prefer to manage procurement themselves. In these cases the Partner can request to FM to manage their own procurement. The FM manager will carry out an assessment to ensure the Partner has the capacity to manage their own procurement. If the result of the assessment is positive, the Partner will be given permission to procure themselves and the procurement budget will be disbursed to the Partner. Further details on the assessment and procedures can again be found in the SOP for Procurement with 3MDG grants, available on the 3MDG website.

When the procurement is to be carried out by the 3MDG, the following procedure is followed:

- Requisitions are to be submitted together with the proposals to the Programme Teams in the 3MDG.
  - Requisitions will only be accepted if submitted through the latest version of the requisition form. It is available from the library on the 3MDG website or via this link.
  - The requisition forms should be submitted as a soft copy so the data can be imported directly into the systems of the Fund Manager; this reduces chances mistakes are made;
  - The requisition form has four sheets: the first contains instructions, the second and third are to be completed by the partner and the forth is an optional one to be used if the required item is not listed in the standard list.
- The Programme Management Unit will subsequently assess the procurement plans in relation to the proposals and the Procurement Unit will determine the total cost of the requisition;
- One the requisition has been approved it becomes a procurement plan annexed to the Grant Support Agreement; The total cost from this procurement plan will not be part of the budget included in the Grant Support Agreement;

21 [http://www.3mdg.org/library](http://www.3mdg.org/library)
The procurement plan is then handed over to the Procurement Unit, which will commence the procurement of the items listed in the plan in accordance with the planned procurement cycles.

13.6 IPs: Reception of Goods

Partners who request goods to be purchased by the Fund Manager will receive a separate *In-Kind Contribution Agreement* (IKCA). This agreement has the procurement plan annexed and is linked to the Grant Support Agreement. The IKCA stipulates under which conditions the 3MDG will provide the goods as listed in the procurement plan to the Partner.

The 3MDG no longer has a warehouse for long-term storage of goods requiring temperature controlled storage and the existing bulk warehouse has become a transit warehouse. Therefore, the 3MDG cannot offer storage facilities for Partners beyond three weeks after consignments have been readied for pick up. As soon as the Procurement Unit is informed about incoming suppliers’ shipments, the Procurement Unit will inform the concerned Partners that some of their supplies will be available for pick-up in about three weeks. The shipment, tax exemption, customs clearance, in-country transport, and separation of supplies requires about three weeks. The moment the goods are ready for pick-up, Partners will be given an additional three weeks to retrieve the goods from the 3MDG warehouse in Hlaingthayar.

Important information regarding warehousing;

- The FM has limited storage capacity, and as such, supplies need to be removed from the 3MDG warehouse **within 3 weeks** after notification has been given that the goods are ready for pick up;
- Partners are responsible for picking up the supplies from the 3MDG warehouse in Hlaingthayar;
- Partners can immediately forward supplies to the final destination or consolidate supplies for a later transport up country. This last option will require access to adequate warehousing facilities in Yangon. The FM can provide a list of organisations providing warehouse services in Yangon if outsourcing is considered. If additional funding is required for contracting warehouse facilities in Yangon, Partners are advised to discuss this with the Programme Management Unit;
- At the time of picking up the goods, Partners are to verify that the provided supplies are in accordance with the issue voucher and waybill and sign both documents as proof that the goods have been received.

The Procurement Unit will report bi-annually the value of the in-kind contribution to the Partner. This amount should subsequently be included in the Partners’ report to the 3MDG as goods received *in-kind*.

13.7 IPs: Commodities Tracking Systems Review

To ensure that the supply chain which are used by the Partners are sufficiently transparent and safeguarding the commodities entrusted to it, the FM yearly carries out a so-called Commodity Tracking Systems Review (CTSR). During this review an external company assesses the supply chains of the Partners.

The CTSR entails field visits to Partners’ stores and headquarters in country. The assessment looks at all aspects of the supply chain with the exception of procurement. Upon completion each organisation will receive a report with the findings and scores. Subsequently a feedback meeting is organised with the individual; Partner to discuss the findings. If the findings are not-satisfactory a plan will be developed including deadlines to address the unsatisfactory issues detected during the review.

More details on the CTSR can be found in the SOP on Procurement with 3MDG grants available on the 3MDG website\(^\text{\textsuperscript{22}}\).

\(^\text{22}\) [http://www.3mdg.org/library](http://www.3mdg.org/library)
13.8 IPs: Donation of excess stocks

Partners are expected to ensure any kind of wastage is reduced to an absolute minimum, this requires good functioning supply chain with appropriate systems to manage the shelf life of commodities. The FM always tries to obtain the longest possible shelf-life when procuring commodities, but this does not mean that short shelf-lives can be avoided at all times. Some items have a short shelf life even when procured fresh from the supplier, in other cases consumption of stocks was lower as expected. In any case Partners are to prevent stocks being lost due to them expiring in the stores. Partners should check every month which drugs will expire in the coming six months and make these drugs available to other organisations if they can’t consume these themselves.

The FM has developed Standard Operating Procedures on Donations which details the procedures to be followed with health commodities soon to expiry.

13.9 IPs: Procurement Documentation

In line with the procurement principles of transparency and accountability, and in order to facilitate external audits of 3MDG operations, every step in the procurement process must be documented and kept on file.

A standard filing system, as well as a numbering system to enable tracking of files, should be established by every IP according to their own standards in order to create an audit trail and to facilitate the management of the procurement activities. Procurement files are to be kept by the IP for 5 years after the close of project.

14 Asset Management

14.1 FM Asset Management

The FM’s asset management falls under the rules and regulations of UNOPS. The FM will submit a proposal on the transfer or disposal of assets to the FB three months before the closure of the Fund.

14.2 IP Asset Management

For IPs, all equipment, property and non-expendable materials that are valued at US$300 per item or more and which are purchased by the IP (or under exceptional circumstances by the FM for the IP) under the grant agreement are considered assets.

The following Attractive Items with a purchase value at US$ 200 or above are also considered assets: Non-consumable items of portable and attractive nature and susceptible to theft or loss due to their portable nature and attractiveness for personal use or resale. Examples include PDA devices, tablets, GPS devices, audio-visual equipment, laptop, mobile phone, camera, and printer.

The assets remain under the ownership of 3MDG until the end of the project when the IP may propose a handover of ownership. The IPs are required to maintain complete and accurate records of assets purchased with 3MDG funds. Project audits will include audits of the asset management of the IP.

All equipment should be recorded on an asset register with description of the item, relevant serial numbers, asset location, purchase price, received date and manufacturing year (for second hand purchases), the asset condition and a unique identification number. All items should be labeled or tagged with the unique asset identification number. The asset register format includes a ‘suggested list’ of categories under which to report asset items, available on the 3MDG website. For the purpose of establishing US$ equivalent values where needed, the FM will apply the United Nations Operational Rate of Exchange at time of purchase of the asset.

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23 [http://www.3mdg.org/library](http://www.3mdg.org/library)
24 [http://www.3mdg.org/library](http://www.3mdg.org/library)
To facilitate asset management the IP should assign Asset Focal Points to perform the following duties:

i. Ensure that tags are properly placed on all assets;

ii. Check regularly to verify that newly purchased assets and location changes are properly reflected in the asset register;

iii. Ensure assets are physically disposed in a timely manner once disposal is approved;

iv. Coordinate the annual physical inventory of assets each year and reconcile assets with the annual asset register certification exercise to the FM.

All IP personnel should exercise due care in their capacity as custodians of assets and timely report instances of loss or damage of an asset that comes to their attention.

**Asset Reporting**

The IPs will submit annual and final asset registers as stipulated in the Grant Support Agreements. Physical Asset verification by the auditors may be included in audits.

Assets are tracked on the register as long as they are in use by the IP. Assets that have exhausted their useful life and remain in use shall continue to be tracked with their purchase value until disposed.

**Disposal of assets**

There are three methods of assets disposal, all three need to be approved by the FM prior:

1) Transfer / Donation – to the IP, to a partner, to an institution

2) Sale – proceeds of the sale should be reported to the FM as income under the grant

3) Write Off / Discard – if the asset is obsolete, i.e. has exceeded its useful lifetime, cannot be donated or sold, and cannot be repaired, then the asset is discarded in an environmentally friendly way.

**Audit preparation: Annual Physical Verification of assets**

IPs should carry out a physical asset inventory check of 3MDG assets at least once a year. The purpose of the physical check is to confirm that all of the assets are in the location they were initially assigned to, are in good working condition and still yield an economic benefit. To comply with the principle of separation of duties, the Asset Focal Point should not perform the annual physical verification exercise.

If an asset has been physically counted, but is not found on the asset register, it must be added. Likewise, if at the end of the physical count, an asset on the asset register has not been physically verified, it must be written-off if it cannot be found after reasonable search period with relevant justification provided. After all modifications have been made, the asset focal point must review assets listed in the register under the 3MDG grant. Final certification of the register must be signed and dated by the delegated responsible of the IP.

**Repair of damaged assets**

Assets damaged before the end of the useful life can be repaired if economically feasible and if the cost of repair does not exceed the residual value of the asset.

**Reporting on theft/loss of assets**

In cases of damage, theft or other loss of assets, the IP will immediately notify the FM and provide a comprehensive report, including a police report where appropriate, and any other evidence giving full details of the event leading to the loss of the asset, including the report of the custodian of the asset or her / his supervisor. The FM will give written approval for write-off.
Depreciation

Assets purchased by the IP are fully expensed at time of purchase, i.e. reported to the FM through the Financial Report with their full purchase value at time of purchase. At the time of disposal, assets are depreciated on basis of their useful lifetime to establish the depreciation / residual value of the asset (if any).

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Example</th>
<th>Useful Lifetime</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Equipment</td>
<td>Computers, projectors, printer, UPS, networking equipment, Fax machines, audio &amp; visual equipment</td>
<td>3 years</td>
</tr>
<tr>
<td>Furniture</td>
<td>Tables, chairs, shelves</td>
<td>8 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>Cars, motorcycles</td>
<td>5 years</td>
</tr>
<tr>
<td>Intangibles</td>
<td>Software licenses and others</td>
<td>3 years</td>
</tr>
</tbody>
</table>

For used / second hand purchased assets, the useful lifetime is considered to start with the year of manufacture.

In the case of a residual value of stolen assets the amount will be recovered from the IP through the next Financial Reporting cycle, unless the Fund Board grants an exception on the recovery for compelling reasons.

Grant closure

At the end of the grant agreement, the IP shall include in their final asset register:

i. Proposal of transfer of ownership, indicating the proposed recipient entity for review and approval of the FM.

ii. A list on any outstanding procurement actions which have been ordered but not yet delivered at the time of the completion of the project period or early termination.

iii. A letter proposing on how the undelivered items, and any remaining inventories, not accounted for in the request for asset transfer will be used.

Asset Transfer at Grant closure

All assets purchased with 3MDG funds shall remain the property of the Fund unless a transfer of assets is formally approved. The Fund recognizes the rationale of continuing to use assets provided for the intended purposes beyond the implementation period of 3MDG funded projects and will allow the transfer of ownership to IPs (or an appropriate grant partner) upon project closure, if certain conditions are met and approved by the Fund Manager.

For the transfer of ownership of assets purchased by the IP, the following conditions must be adhered to:

i. The assets will be used exclusively for public health activities designed for the benefit of poor and vulnerable people in Myanmar,

ii. The receiving partner has an ongoing programme and adequate resources to maintain and operate the transferred assets,

iii. The receiving partner has adequate controls in place to ensure that the assets are used for their intended purpose,

iv. The receiving partner is a national entity (NGO or Government)

v. Any local requirements, regarding duties and taxes, or any other formalities, on transfer or disposal will be met by the receiving partner,
vi. Once the assets have reached their useful life they are disposed of safely, avoiding any unnecessary environmental hazards, and written off through an auditable process in line with the partner’s policies.

For approval of asset transfer the IP must submit a proposal to the FM three months prior to project closure. The request for asset transfer must be based against the asset register of IPs. The proposal should outline how the above principles will be adhered to by the organization designated to receive the assets. The FM will inform the IP in writing on approval of the asset transfer plan and the modalities to be followed.

15 Record Management

The proper management by the FM and IPs of records, paper or electronic, is important in supporting the transparency and accountability of the Fund. Record management includes document retention, custody, archiving and destruction of both paper and electronic records.

The FM will comply with UNOPS regulations on record management.

Document Retention by the IP

In addition to the documentation of financial, procurement and inventories outlined in these OG, the IP is required to maintain comprehensive files and records in respect of activities supported by the Fund, including but not limited to:

- the initial proposal submitted by the IP, and any documentation relating to the process leading up to an amended and final proposal;
- the final proposal and final budget;
- a copy of the IP grant agreements, signed by both parties;
- any amendments to the IP grant agreement;
- a copy of all technical reports submitted to the Fund Director;
- a copy of all interim (first semester of any grant year) financial reports on the use of the Contribution;
- a copy of all certified annual financial reports on the use of the Contribution;
- any correspondence with UNOPS, etc.; and
- final reports to be submitted.

Based on FB and the FM’s requirements for transparency and accountability, the IP is required to maintain and ensure key documents are accessible for five years after closure of project.

25 Please refer to section 8 of the General Conditions for Grant Support Agreements at http://www.3mdg.org/library
Annexes:

All forms and templates are available under http://www.3mdg.org/library

All SOPs are available under http://www.3mdg.org/library

3MDG Policies / Guidelines on fraud and visibility are available under http://www.3mdg.org/library

UNOPS policies are available under https://www.unops.org/english/About/policies/Pages/default.aspx
## Configuration Log Rev 1

<table>
<thead>
<tr>
<th>Change</th>
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<tr>
<td><strong>Structure/outline: 14.2 IP Asset Management</strong></td>
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<tr>
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<tr>
<td>At this stage no assets can be transferred to government institutions.</td>
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<td>As stated the procurement budgets for those Partner receiving procurement services will not be disbursed to the Partner. Also those Partners receiving commodities from pre-</td>
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positioned stocks will have procurement budgets which are not disbursed to them. The fact that the budgets are not disbursed does not mean that Partners are not responsible to track the expenses on these budgets; although the budgets are not disbursed they still belong to the Partners.

The FM manager will never utilise the procurement budget funds without prior approval of the Partner in question. Before either carrying out a procurement action or distribution of stocks, the Partner will be provided with a so-called Acknowledgment Form. Here the Partner will commit to the procurement or distribution by having an authorised representative of the organisation sign the form. This Acknowledgment Form will list the commodities to be purchased or distributed and the amount the procurement budget will be credited for this.

After each reporting period the FM will provide Partners with a Financial Utilisation Report (FUR). The FUR indicates the obligated funds, spent funds, expenditures per reporting period and remaining available budget for procurement. Partners are expected to verify this with their own records and if found to be correct, report the indicated expenditure for the reporting period in their Financial Report to the FM.

Where Partners have obtained approval to carry out their own procurement or local procurement, Partners are to report their own expenditures for the reporting period. For details procurement reporting see the guideline for Financial Utilisation Reports.20

Added:

For the final year of the 3MDG a new procurement modality will be introduced. This new modality is introduced for several reasons:

- The unexpected extension of the Fund means there are no propositioned goods to provide for the VHW;
- Support the restructuring of the Fund from a component to geography structure;
- Introduction of more efficient and simpler processes for all parties involved;

The new modality has a number of implications for the final round of procurement and provision of supplies to Partners:

- Funds required for procurement to be conducted by the FMO will no longer reside with Partners but instead with the 3MDG Procurement Unit;
- Grant Support Agreements will no longer have a budget for procurement incorporated. There will still be a procurement budget mentioned in the Grant Support Agreement, but this refers to costs related to procurement conducted during the previous years and cannot therefore not be removed as these indicated budgets have been fully utilised;
- With the Procurement Unit responsible for the procurement budget there will no longer be the need for Partners' approval for expenditures, the previously used Acknowledgement Forms will therefore cease to exist.
- Any supplies handed over to Partners will now be provided as in-kind contributions under the Partners' Grant Support Agreements.

This new modality will have a number of advantages leading to considerable savings in time and effort for both the Partners and the Procurement Unit beside some other gains:

- Procurement can be commence prior to having the Grant Support Agreement in place;
- Shortages in Partners' budgets will no longer delay procurement activities;
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- All customs clearance processes will be conducted by the 3MDG Procurement Unit.

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</tr>
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</tr>
<tr>
<td>ii) Issued from in-country pre-positioned stocks;</td>
</tr>
<tr>
<td>iii) Procured by the Partner themselves;</td>
</tr>
<tr>
<td>The FM will procure on behalf of Partners if there is a Memorandum of Agreement which contains a procurement budget which is not disbursed to the Partner. This procurement budget is under the responsibility of the Partner but remains with the FM for payment of the commodities procured on behalf of the Partner. Furthermore an International Procurement Assistance Agreement (IPAA) should be in place. This is an addendum to the original MOA and stipulates under which conditions the FM will provide the procurement services. For details on procurement services provided by the FM see the SOP for Procurement with 3MDG grants available on the 3MDG website.²¹</td>
</tr>
<tr>
<td>For specific projects the FM has pre-positioned stocks which can be issued upon request for Partners. Requisitions to request these stocks can be provided at all times but should always relate to a consumption period of 12 months and should be spaced by a period of no less than 9 months. The detailed procedure for stock requests and distributions can be found in the SOP for Warehouse distributions, available on the 3MDG website.²²</td>
</tr>
<tr>
<td>By default the FM will either procure on behalf of Partners or provide commodities for the pre-positioned stocks.</td>
</tr>
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- The Programme Management Unit will subsequently assess the procurement plans in relation to the proposals and the Procurement Unit will determine the total cost of the requisition;
- One the requisition has been approved it becomes a procurement plan annexed to the Grant Support Agreement; The total cost from this procurement plan will not be part of the budget included in the Grant Support Agreement;
- The procurement plan is then handed over to the Procurement Unit, which will commence the procurement of the items listed in the plan in accordance with the planned procurement cycles.

**Structure/outline:** 13.7 IPs: Reception of Consignments

**Removed:**

13.7 IPs: Reception of Consignments

In most cases arriving consignments will be cleared through customs by the Partners themselves even though they are consigned to UNOPS, Myanmar. The FM will provide the necessary documents required for this. Any health commodities shipped: consigned to UN agencies do not require import licenses, goods can be cleared with the original waybill, invoice and packing list. The FM will provide an authorisation letter for the clearing agent to clear the consignment. Partners are expected to ensure a clearing agent is selected through a competitive process.

In case an arriving consignment contains commodities for more than one Partner, the FM manager will take care of the customs clearance, but all related costs will still be charged to the procurement budgets of the Partners. Details regarding reception of consignments can be found in the SOP on Consignment Receptions, available on the 3MDG website.

**Added:**

13.7.1 IPs: Reception of Goods

Partners who request goods to be purchased by the Fund Manager will receive a separate *In-Kind Contribution Agreement* (IKCA). This agreement has the procurement plan annexed and is linked to the Grant Support Agreement. The IKCA stipulates under which conditions the 3MDG will provide the goods as listed in the procurement plan to the Partner.

The 3MDG no longer has a warehouse for long-term storage of goods requiring temperature controlled storage and the existing bulk warehouse has become a transit warehouse. Therefore, the 3MDG cannot offer storage facilities for Partners beyond **three weeks** after consignments have been received and as soon as the Procurement Unit is informed about incoming suppliers’ shipments, the Procurement Unit will inform the concerned Partners that some of their supplies will be available for pick-up in about three weeks. The shipment, tax exemption, customs clearance, in-country transport, and separation of supplies requires about three weeks. The moment the goods are ready for pick-up, Partners will be given an additional three weeks to retrieve the goods from the 3MDG warehouse in Hlaingthayar.

**Important information regarding warehousing:**

- The FM has limited storage capacity, and as such, supplies need to be removed from the 3MDG warehouse **within 3 weeks** after notification has been given that the goods are ready for pick up;
- Partners are responsible for picking up the supplies from the 3MDG warehouse in Hlaingthayar;
- Partners can immediately forward supplies to the final destination or consolidate supplies for a later transport up country. This last option will require access to adequate warehousing facilities in Yangon. The FM can provide a list of organisations providing warehouse services in Yangon if outsourcing is considered. If additional funding is required for contracting warehouse facilities in Yangon, Partners are advised to discuss this with the Programme Management Unit;
- At the time of picking up the goods, Partners are to verify that the provided supplies are in accordance with the issue voucher and waybill and sign both documents as proof that the goods have been received.

The Procurement Unit will report bi-annually the value of the in-kind contribution to the Partner. This amount should subsequently be included in the Partners’ report to the 3MDG as goods received in-kind.

<table>
<thead>
<tr>
<th>Structure/outline:</th>
<th>7.2 Schedule of FM Reports</th>
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<tbody>
<tr>
<td>Removed:</td>
<td></td>
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<td>Annual Report due date: 30th April</td>
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<td>Added:</td>
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<td>Annual Report due date: 31st May</td>
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<th>Structure/outline:</th>
<th>8.0 Communications and Visibility</th>
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</thead>
<tbody>
<tr>
<td>Removed:</td>
<td>Outdated versions of the 3MDG logos</td>
</tr>
<tr>
<td>Added:</td>
<td>New 3MDG logos</td>
</tr>
<tr>
<td></td>
<td>Revised visibility guidelines for all 3MDG funded activities, including publications, social media, press releases, and events.</td>
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