

**AMENDMENT 1 FOR THE**  
**PACIFIC ISLANDS HIV AND STI RESPONSE FUND**  
**BETWEEN THE AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**(AUSAID) AND**  
**SECRETARIAT OF THE PACIFIC COMMUNITY**

**AUSAID AGREEMENT NUMBER: 49585**

1. In January 2009, AusAID and the Secretariat of the Pacific Community ("the Parties") entered into Agreement **49585** ("the Agreement").
2. The Parties have now agreed to amend the Agreement as set out below:

<b>Agreement 49585</b>	Replace Agreement Number 49585 in its entirety with the new Agreement as per Attachment A.
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3. The amendments described above will take effect when this document is signed by the Parties.

Accepted on behalf of  
Secretariat of the Pacific Community

  
Dr. Jimmie Rodgers  
Director General

Date: 9 MAY 2011

Accepted on behalf of AusAID

  
Mr James Batley  
Deputy Director General  
FMA s.44 Delegate

Date: 14/7/2011



# GRANT AGREEMENT

BETWEEN

**COMMONWEALTH OF AUSTRALIA**

represented by the Australian Agency for International Development  
(AusAID)

**ABN 62 921 558 838**

and

**SECRETARIAT OF THE PACIFIC COMMUNITY (SPC)**

**FOR**

**PACIFIC ISLANDS HIV AND STI RESPONSE FUND**

**AUSAID AGREEMENT NUMBER: 49585**

day of

2011

**BETWEEN:**

**COMMONWEALTH OF AUSTRALIA** represented by the Australian Agency for International Development (“AusAID”) ABN 62 921 558 838 of the Department of Foreign Affairs and Trade

AND

**SECRETARIAT OF THE PACIFIC COMMUNITY, BP D5 98848 Noumea, NEW CALEDONIA ("SPC").**

**RECITALS:**

- A. AusAID wishes to provide the SPC with Funds to undertake a Program.
- B. The SPC wishes to accept the funds subject to the terms and conditions in this Agreement.


**OPERATIVE:**

AusAID and the SPC promise to carry out and complete their respective obligations in accordance with this Grant Agreement and in accordance with **Partnership Arrangement Number 58833** between AusAID and the SPC.

**IN WITNESS** whereof this Agreement has been executed by the Commonwealth, by an authorised officer, and has been executed by the SPC by its authorised officer.

**SIGNED** for and on behalf of the  
**COMMONWEALTH OF AUSTRALIA**  
represented by the Australian Agency  
for International Development by:

in the presence of:

  
\_\_\_\_\_  
Signature of FMA Act s44 Delegate


  
\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Name  
  
James Batley  
  
Deputy Director General

BRIDGET RANDALL  
\_\_\_\_\_  
Name of witness  
(Print)

**SIGNED** for and on behalf of  
**Secretariat of the Pacific Community** by:

*In Jimmie Rodgers, Director General*  
\_\_\_\_\_  
Name and Position  
(Print)

  
\_\_\_\_\_  
Signature

By executing this Agreement the signatory warrants that he/she is duly authorised to execute this Grant Agreement on behalf of the SPC.

in the presence of:

  
\_\_\_\_\_  
Name of witness  
(Print)

  
\_\_\_\_\_  
Signature of witness

## AGREEMENT CONDITIONS

### 1. INTERPRETATION

#### 1.1 Definitions

In this Agreement, including the recitals unless the context otherwise requires:

**“Program”** means the Program Pacific Islands HIV and STI Response Fund described in the Proposal for which the Funds are provided.

**“Proposal”** means the specific tasks and budget associated with the Program included as **Schedule 1** to this Agreement.

**“Agreement”** means this Agreement including all Parts and any schedules and annexes as issued under the terms and conditions of the Partnership Agreement (Agreement No: 58833) between AusAID and the Secretariat of the Pacific Community (SPC) dated 21 April 2011.

**“Agreement Material”** means all material created or required to be developed or created as part of, or for the purpose of undertaking the Program, including documents, equipment, information data, sounds and images stored by any means.

**“Business Day”** means a day on which AusAID is open for business.

**“Commonwealth”** means Commonwealth of Australia or AusAID, as appropriate.

**“Fraudulent Program”, “Fraud” or “Fraudulent”** means dishonestly obtaining a benefit by deception or other means.

**“Funds”** means the amount of money as specified in clause titled ‘Funds and Payment’ of this Agreement that has been approved by AusAID and paid to the SPC subject to the conditions outlined in this Agreement.

**“Independently Audited”** means financial records audited by a certified financial professional that is in no way linked or associated with the Program or the Parties to this Agreement.

**“Party”** means AusAID or the SPC.

**“Personnel”** means including Personnel, whether employed by the SPC or engaged by the SPC on a sub-contract basis or agents or volunteers of SPC, engaged in the provision of the Program

**“Prior Material”** means all material developed by SPC or a third party independently from the Program whether before or after commencement of the Program.

**“Relevant List”** means the lists of terrorist made under Division 102 of the *Criminal Code Act 1995* (Cth) and the *Charter of the United Nations Act 1945* (Cth) posted at: <http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DECF30CA256FAB001F7FBD?OpenDocument> and [http://www.dfat.gov.au/icat/UNSC\\_financial\\_sanctions.html#3](http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html#3)



“**Similar List**” means any similar list to the World Bank List maintained by any other donor of development funding.

“**World Bank List**” means a list maintained by the World Bank in its “Listing of Ineligible Firms” or “Listings of Firms, Letters of Reprimand” posted at:

<http://web.worldbank.org/external/default/main?theSitePK=84266&contentMDK=64069844&menuPK=116730&pagePK=64148989&piPK=64148984>

1.2 Agreement prevails:

If there is any inconsistency (whether expressly referred to or to be implied from this Agreement or otherwise) between the provisions of the Agreement Conditions and those of the schedules and any annexes including the Design Document, the schedules and any annexes including the Design Document are to be read subject to the Agreement Conditions and the provisions of the Agreement Conditions prevail to the extent of the inconsistency.

2. **TERM OF THE AGREEMENT**

2.1 The term of this Agreement commences upon execution by both Parties being the date indicated at the front of this Agreement and continues until all obligations have been fulfilled under this Agreement, unless terminated earlier in accordance with this Agreement.

2.2 The SPC must commence the Program no later than **30 September 2008** and must complete the Program by **31 December 2013**.

3. **NOTICES**

3.1 For the purpose of serving notices to either Party of this Agreement, a notice must be in writing and shall be treated as having been duly given and received:

- (a) when delivered (if left at that Party’s address);
- (b) on the third Business Day after posting (if sent by pre-paid mail); or
- (c) on the Business Day of transmission (if given by facsimile and sent to the facsimile receiver number of that Party and no intimation having been received that the notice had not been received, whether that intimation comes from that Party or from the operation of facsimile machinery or otherwise).

- 3.2 For the purposes of this Agreement, the address of a Party is the address set out below or another address of which that Party may give notice in writing to the other Party:

**AusAID:**

To: Senior Program Manager  
Regional Health Programs  
Australian Agency for International Development

Postal Address: Australian High Commission  
P O Box 214  
Suva, FIJI

Street Address: 37 Princess Road (Tamavua)  
Suva, FIJI

Facsimile: 679 3382 695

**SPC:**

To: Dr Jimmy Rodgers  
Director General

Postal Address: Secretariat of the Pacific Community  
B.P. D5, Noumea,  
New Caledonia

Street Address: Secretariat of the Pacific Community  
98848 Noumea,  
New Caledonia

Facsimile: 675 26 3818



4. **GENERAL CONDITIONS**

- 4.1 The SPC must carry out the Program in accordance with the Program Proposal at Schedule 1 and the terms and conditions of this Agreement and Partnership Arrangement.
- 4.2 The SPC must advise AusAID immediately of any difficulties or delays in implementation of the Program.
- 4.3 The SPC shall acknowledge in writing to AusAID receipt of the Funds immediately on its receipt.
- 4.4 The Funds and any interest earned or exchange rate gains must be used diligently and for the sole purpose of the Program outlined in **Schedule 1** of this Agreement. Any interest earned or exchange rate gains made on the Funds must only be expended on the Program.
- 4.5 The SPC acknowledges that Funds provided by AusAID to the SPC for this Program does not entitle the SPC to any other or further funding.
- 4.6 The SPC shall acknowledge AusAID funding assistance provided under this Agreement where appropriate and advise AusAID of matters relating to any publicity and media relations, prior to any publication or media release.
- 4.7 The SPC must not represent itself and must ensure that its Personnel participating in the Program do not represent themselves as being employees, partners or agents of the Commonwealth of Australia.
- 4.8 The SPC will use its best endeavours to ensure that in its performance of the Program all Personnel and their dependents, while in a recipient country, respect the laws and regulations in force in the recipient country.
- 4.9 The SPC is responsible for the security of all of its Personnel and for taking-out and maintaining all appropriate insurances.
- 4.10 The SPC must not assign its interest in this Agreement without first obtaining the consent in writing of AusAID.
- 4.11 No delay, neglect or forbearance by either Party in enforcing against the other any term or condition of this Agreement shall be deemed to be a waiver or in any way prejudice any right of that Party.
- 4.12 This Agreement is governed by, and is to be construed in accordance with, the law of the Australian Capital Territory and the Parties submit to the exclusive jurisdiction of the courts of the Australian Capital Territory and any court hearing appeals from those courts.

5. **AGREEMENT AMENDMENTS**

- 5.1 AusAID or the SPC may propose amendments to this Agreement at any time for the purpose of improving the delivery of the Program, the efficiency, cost-effectiveness and development impact of the Program.
- 5.2 Changes to this Agreement (including to **Schedule 1** and any annexes) shall only be effected if agreed in writing and signed by both Parties in the form of a Amendment.

**6. PROCUREMENT OF GOODS**

- 6.1 Procurement under this Agreement will be in accordance with the Partnership Arrangement.

**7. MONITORING AND EVALUATION**

- 7.1 Monitoring and Evaluation of the Services provided under this Agreement will be in accordance with the Partnership Arrangement.

**8. COMPLIANCE WITH LAWS, GUIDELINES AND POLICIES**

- 8.1 The SPC and its Personnel must have regard to and comply with, relevant and applicable laws, guidelines, regulations and policies, including those in Australia and in the recipient country. A list, as amended from time to time, of Australian laws and guidelines that may apply to the delivery of developmental aid to foreign countries can be found on the AusAID website: <http://www.aid.gov.au/business/contracting.cfm>. This list is not exhaustive and is provided for information only. The provision of this list does not relieve the SPC from complying with the obligations contained in this clause headed 'Compliance with Laws, Guidelines and Policies'.
- 8.2 The SPC and its Personnel must comply with:
- (a) AusAID's *Child protection policy*. (<http://www.aid.gov.au/publications/pubs.cfm?Type=PubPolicyDocuments>) and particularly the child protection compliance standards at Attachment 1 to the policy. AusAID may audit the SPC's compliance with AusAID's *Child protection policy* and child protection compliance standards. The SPC must participate cooperatively in any reviews conducted by AusAID;
  - (b) The strategy 'Development for All: Towards a Disability-Inclusive Australian Aid Program 2009-2014' ([http://www.aid.gov.au/publications/pdf/FINAL%20AusAID\\_Disability%20for%20All.pdf](http://www.aid.gov.au/publications/pdf/FINAL%20AusAID_Disability%20for%20All.pdf)), and in particular the strategy's six guiding principles; and
  - (c) *Family Planning and the Aid Program: Guiding Principles* (August 2009), accessible on AusAID's website (<http://www.aid.gov.au/keyaid/health.cfm>).
- 8.3 The SPC must use its best endeavours to ensure:
- (a) that individuals involved in implementing the Program are in no way linked, directly or indirectly, to individuals associated with terrorism; and
  - (b) that Funds provided under this Agreement are not used in any way to provide direct or indirect support or resources to individuals associated with terrorism.
- 8.4 The SPC must have regard to the Australian Government guidance "Safeguarding against terrorism financing: a guidance for non-profit NPOs," available at <http://www.nationalsecurity.gov.au/npo>.
- 8.5 If, during the course of this Agreement, the SPC discovers any link whatsoever with any SPC or individual listed on a Relevant List it must inform AusAID immediately.
- 8.6 If, during the course of this Agreement, the SPC is listed on a World Bank List or Similar List it must inform AusAID immediately.



8.7 The SPC agrees that:

- (a) The SPC and its employees, agents, representatives or its subcontractors must not engage in any Fraudulent Program. The SPC is responsible for preventing and detecting Fraud.
- (b) The SPC must report in writing within five (5) working days to AusAID any detected, suspected, or attempted Fraudulent Program involving the Program. AusAID may direct the SPC to investigate the alleged Fraud and the SPC must undertake an investigation at the SPC's cost and in accordance with any directions or standards required by AusAID.
- (c) Following the conclusion of any investigation which identifies acts of a Fraudulent nature, the SPC shall:
  - (i) make every effort to recover any AusAID Funds, the subject of Fraudulent Program;
  - (ii) refer the matter to the relevant police or other authorities responsible for prosecution of Fraudulent Program; and
  - (iii) be liable for the repayment of any Funds amounts misappropriated by the SPC, its agents, representatives or subcontractors.
- (d) The obligations of the SPC under **Clauses 8.7(b) and 8.7(c)** shall survive the termination or expiration of this Agreement.
- (e) The SPC warrants that the SPC shall not make or cause to be made, nor shall the SPC receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of this Agreement. In addition, the SPC shall not bribe public officials and shall ensure that its delivery contractor's comply with this provision. Any breach of this clause shall be grounds for immediate termination of this Agreement by notice from AusAID.

9. **TERMINATION**

- 9.1 This Agreement can be terminated by mutual agreement between both Parties subject to written notice given three (3) months in advance.
- 9.2 In the event of any termination, the SPC must provide an Independently Audited statement of expenditure of the Funds within thirty (30) days of the date of the notice to terminate, signed by the head of the SPC, and return any uncommitted unspent Funds to AusAID.
- 9.3 In the event that a notice to terminate is given by either party AusAID shall not be liable to pay compensation in an amount which, in addition to any amounts paid or due or becoming due to the SPC under this Agreement, together would exceed the amount of the total financial limitation of this Agreement.

10. **ACCOUNTS AND RECORDS**

- 10.1 The bank account used by SPC must be in the name of the SPC and must not be a personal bank account.

- 10.2 The SPC must maintain a sound administrative and financial system capable of verifying all statements of acquittal. In addition, the SPC must:
- (a) keep proper and detailed accounts, records and assets registers along with adequate Program management records providing clear audit trails in relation to expenditure under this Agreement;
  - (b) afford adequate facilities for audit and inspection of the financial records referred to in this Agreement by AusAID and its authorised representatives at all reasonable times and allow copies and extracts to be taken;
  - (c) if requested by AusAID, provide an acquittal, certified by the senior financial officer or the head of the SPC, of Funds spent to date against the budget in the Program Proposal; and
  - (d) if reasonably requested by AusAID, provide an Independently Audited statement of Program expenditure by an auditor nominated by AusAID at no cost to AusAID.

**11. AusAID USE OF AGREEMENT INFORMATION**

- 11.1 AusAID may disclose matters relating to this Agreement, including this Agreement, and other relevant information, except where such information may breach the *Privacy Act 1988* (Cth), to Commonwealth governmental departments and agencies, Commonwealth Ministers and Parliamentary Secretaries, and to the Commonwealth Parliament, including responding to requests for information from Parliamentary committees or inquiries. In addition, AusAID may publicly report information regarding this Agreement. This clause shall survive termination or expiration of this Agreement

**12. REPORTS**

- 12.1 The SPC shall submit six monthly and annual financial acquittal statements of all Response Fund funding in Australian dollars certified by the appropriate SPC Financial Manager, and approved by the Pacific HIV and STI Response Fund Committee (PRFC) ;
- 12.2 The SPC shall submit a six monthly report by November and annual reports, by March of each year of the Program, and approved by the PRFC.
- 12.3 The Six Monthly and Annual Reports are to be provided to all donors contributing to the Response Fund as well as other significant development partners, and include reporting on:
- i. progress results and outcomes on the impact of activities in implementing the annual work plan;
  - ii. individual country as well as regional activity progress output and outcomes, expenditure, and acquittals including unutilized funds;
  - iii. human resource and institutional capacity to provide sufficient grant management of Response Fund and including provision of technical assistance to PICTs, and progress towards achievements of RF and PRSIP outcomes;
  - iv. action taken to mitigate the identified risks;
  - v. issues of concern, limitations and constraints;



- vi. agreed monitoring and evaluation measures including success in addressing issues relating to gender inequality;
  - vii. any changes to the annual work-plan; and
  - viii. issues, and activities as requested by donors and PRFC.
- 12.4 SPC shall provide an annual work and budget for the upcoming year in November of the previous year and to be approved by the PRFC.
- 12.5 Within thirty (30) days of completion of the Program the SPC shall submit a final report which provides an outline of the completed Program and in more detail covers key outcomes compared with objectives, development impact, sustainability and lessons learned.
- 12.6 Attached to the final report will be a statement acquitting all of the Funds ('final Funds acquittal'). The statement must acquit the Funds against the budget referred to in the Program Proposal and must be signed by the senior financial officer or the head of the SPC, indicating that the Funds have been spent in accordance with the terms of this Agreement. Any unspent Funds, interest earned or exchange rate gains must be repaid to AusAID with the final report and final Funds acquittal. The final Funds acquittal must include details of any interest earned or exchange rate gains on the Funds. The final Funds acquittal acquitting all Funds shall be subject to the internal and external auditing procedures laid down in the rules and regulations applicable to the SPC and must also be Independently Audited and certified. The cost of an independent external audit required by this clause may be payable from the Funds.
- 12.7 The annual report and final report with attached statement acquitting all Funds should be sent to

Melinia Nawadra  
Acting Senior Program Manager - Regional  
PO Box 214  
Suva, Fiji  
[melinia.nawadra@ausaid.gov.au](mailto:melinia.nawadra@ausaid.gov.au)

in the following format:

- (a) one electronic version in PDF (Portable Document Format).
- (b) One bound hard copy.

### 13. FUNDS AND PAYMENT

- 13.1 AusAID will pay SPC an acquittable Grant up to a maximum of **AUD 28.1M** between July 2008 and December 2013 in tranches divided as follows:

Indicative Date	Tranche	Amount (AUD)	Deliverables
2008/09		3.5 million	
(2009/10)		5.4 million	
April/May 2011	2010/11	2.7 million	2010 Annual report and financial acquittals of previous tranches, draft 2011 work Plan and a six monthly budget approved by the PRFC.
November 2011	2011/12 - 1	3.350 million	January-June 2011 six monthly progress report and financial acquittals,  Draft 2012 Annual work-plan and budget approved by the PRFC.
April 2012	2011/12- 2	3.350 million	2011 Annual Report and Financial Acquittals approved by the PRFC.
November 2012	2012/13 - 1	3.350 million	January – June 2012 six monthly Report and financial acquittals,  Draft 2013 Annual Work Plan and budget approved by the PRFC.
April 2013	2012/13 - 2	3.350 million	2012 Annual Report and Financial Acquittals, approved by the PRFC.
August 2013	2013/14	3.1 million	January – June 2013 six monthly Report and financial Acquittals approved by the PRFC.
<b>TOTAL</b>		<b>28.1 million</b>	



- 13.2 Payment of the 2008/09 and 2009/10 tranches have been made to SPC in November 2008 and July 2009 respectively;
- 13.3 AusAID will pay subsequent tranches in the timeframes indicated in clause 13.1 above subject to SPC:
- (a) providing an Acquittal Statement of **80%** of the previous tranche (and 100% of expenditure and acquittal of earlier tranches), supported by the relevant progress/annual reports endorsed by the PRFC, and signed by the senior financial officer or the head of SPC indicating that the Grant funds being acquitted have been expended in accordance with the terms of this Agreement;
  - (b) submitting a valid invoice; and
  - (c) making satisfactory progress with the Activity as determined by AusAID.
- 13.4 AusAID reserves the right to pay the annual funding in two tranches (six month payments) on the basis of the PRFC approval of the six month budget if necessary.
- 13.5 Proportion Of Funding To Be Used For Program Support For The Response Fund:
- a) Out of total Australian contribution to the Response Fund in the amount of AUD28.1million for the period of 2009-2013, AUD16 million is provided for grants (Streams I, II, III, IV, V, VII) for national funding support, regional implementation and rapid response. AUD12.1 million is allocated for SPC to manage the grants, provide HIV/STI technical capacity development and regional programme coordination (Streams VI, VIII, IX) as well for the PRFC to conduct its activities and receive secretariat support from SPC (Stream X) .
  - b) In 2009, 7% project management fee was paid to SPC by AusAID on the portion of AusAID's contribution to the Response Fund's 2009 budget for Stream VIII (AUD 2,145,916) and Stream X (AUD280,374). The management fee paid by AusAID in 2009 was AUD135,872.
  - c) In 2010 onwards, 7% project management fees are paid to SPC by AusAID on the amounts of AusAID's total contribution of the years to all 10 Response Fund Streams. These project management fees are inclusive to the total amount contributed by AusAID to the Response Fund.

#### **14. CLAIMS FOR PAYMENT**

- 14.1 Invoices must be submitted when due in accordance with this Agreement, in a form identifying this Agreement title and Agreement Number 49585. Invoices must also contain the Payment Event number(s) notified by AusAID.
- 14.2 All invoices must be made to:

Chief Finance Officer  
Australian Agency for International Development  
GPO Box 887  
CANBERRA ACT 2601 AUSTRALIA

- 14.3 Invoices should be sent to the above address. Alternatively AusAID will accept electronic invoices. These can be sent to [accountsprocessing@ausaid.gov.au](mailto:accountsprocessing@ausaid.gov.au)
- 14.4 Where Australian GST applies to this Agreement all invoices must be in the form of a valid tax invoice. Invalid tax invoices will be returned to SPCs. Information on what constitutes a valid tax invoice can be found at <http://www.ato.gov.au/businesses/content.asp?doc=/content/50913.htm>

## **SCHEDULE 1: SCOPE OF SERVICES**

**PROGRAM NAME:** Pacific Islands HIV and STI Response Fund

### **1. BACKGROUND**

- 1.1. Australia has a continuing strong commitment to addressing HIV in the Pacific. From 2003 - 2008 the Australian Government funded the Pacific Regional HIV/AIDS Project (PRHP). This aimed to reduce the vulnerability to and impact of HIV/AIDS in Pacific Island Countries and Territories. The five year project was implemented by IDSS and Burnet in conjunction with the Secretariat of the Pacific Community (SPC) which was responsible for coordinating the development and implementation of a regional HIV strategy.
- 1.2. In 2004 the Pacific Island Forum endorsed the first Pacific Regional HIV/AIDS Strategy for all 22 Pacific Countries and Territories. This Strategy and its Implementation Plan (PRSIP) formed the cornerstone of the regional response to HIV and attracted significant donor support, most notably from AusAID, NZAID, France, the Global Fund for AIDS, Tuberculosis and Malaria (GFATM) and the Asian Development Bank (ADB).
- 1.3. Key achievements under this Regional Strategy include;
  - i. Increased engagement in HIV issues by Pacific political and community leaders.
  - ii. An increased focus on prevention in vulnerable groups such as young people and sex workers;
  - iii. Increased availability of peer support and anti-retroviral treatment for people with HIV infection.
  - iv. Greater access to voluntary counselling and testing for HIV.
- 1.4. The Mid Term Review of the Strategy identified that a much stronger multi-sectoral response was required with greater attention to coordination between regional and national activities and between donors. It also recommended that the response to other sexually transmitted infections (STIs) be scaled up in the Pacific, including gender dimension of HIV epidemic.
- 1.5. At the 38th Pacific Islands Forum held in Tonga, 16-17 October 2007, Pacific Leaders "endorsed the extension of the current Pacific Regional Strategy on HIV/AIDS (2004-2008) for a further five years to cover 2009-2013 and agreed that it be amended to emphasize current and emerging trends of the epidemic, including other Sexually Transmitted Infections".
- 1.6. In 2007 an AusAID led-design process took place to identify the most effective way for Australia and other donor support to be provided for HIV and STIs in the Pacific after the completion of the current PRHP. It included extensive consultation with national, regional and international implementing agencies. The final Design Document was discussed in detail at a donor roundtable meeting in Fiji in November 2007 where there was a strong commitment to harmonise responses to HIV in the Pacific in a manner that is consistent with the Rome and



Paris Declarations and the Pacific Aid Effectiveness Principles, as adopted by the Pacific Islands Forum (PIF).

- 1.7. This Grant Agreements covers SPC's responsibilities identified in this design document (hereafter called the Design Document). These relate to management, coordination and as well as technical support functions. It also relates to the transition of the current PRHP activities to SPC management, effective on 30 September 2008.

## **2. DURATION**

- 2.1. The duration of the Response Fund is from the 1 October 2008 and will continue until 31 December 2013.

## **3. PACIFIC REGIONAL HIV AND STI RESPONSE FUND**

- 3.1. The goal, purpose and component structure of the Project to be implemented under this Contract are described in detail in the Design Document (January 2008) – the DD. The DD contains the details of SPC's responsibilities described in this Scope of Services. The DD should therefore be read in conjunction with this Scope of Services and where the DD prescribes in greater detail any of the Services described below, SPC should implement the Services accordingly.
- 3.2. The agreed approach, as outlined in the DD, is known as the Pacific Island HIV and STI Response Fund (hereafter called the Response Fund). This is a multi donor pooled funding mechanism supported by Australia and New Zealand. This initiative is expected to result in a stronger and more coordinated approach to prevention at a community level; expand testing, treatment, care and support programs for HIV positive people and increase the evidence base for the monitoring and evaluation of these activities.

## **4. ABOUT THE RESPONSE FUND**

- 4.1. The goal of the Response Fund is to contribute to the achievement of the goal of the Pacific Regional HIV and STI Strategy which is: "to reduce the spread and impact of HIV and other STIs, while embracing people infected and affected by HIV in Pacific Communities".
- 4.2. The purpose is to support the scale up of the response to HIV and STIs in the Pacific through an efficient, responsive multi-donor fund that supports effective implementation of regional and national HIV & STI plans, including the capacity building needs identified in those plans.
- 4.3. The objectives of the Response Fund are to establish:
- i. an efficient funding mechanism to finance regional and national HIV and STI strategies including the capacity building needs identified in these strategies; and
  - ii. Cost-effective fund governance arrangements of the Response Fund, which promote Pacific ownership; ensure accountability and appropriate risk management; promote evidence based actions and multi-sectoral approaches; and encourage participation by multiple donors.
- 4.4. The Response Fund will contribute to the achievement of PRSIP II objectives:
- i. To support national and regional efforts to prevent the spread and minimise the impact of HIV and other STIs on individuals, families and communities.

- ii. To increase the early detection of HIV and other STIs to reduce further infections and facilitate timely treatment.
  - iii. To strengthen the capacity of PICTs to provide an adequately resourced continuum of treatment, care and support for people living with and affected by HIV and other STIs.
  - iv. To achieve commitment and engagement from leaders in key sectors to address the challenges of HIV and other STIs.
  - v. To strengthen planning, monitoring, evaluation, surveillance, research and information sharing at the national and regional levels.
  - vi. To contribute to the attainment of good governance and effective coordination of regional and national HIV & STI responses.
- iii. The Response Fund consists of six different grant streams for governments, civil society and regional and multilateral agencies (Streams I, II, III, IV, V, VII) as well the establishment of a governance mechanism to provide an increased level of accountability for results (Stream X). SPC will also be allocated funds from the Response Fund to administer and manage the funds (Streams VI and VIII), to provide technical support on HIV/STI and PRSIP Coordination (Stream IX) and to provide secretariat function for the governance mechanism (Stream X).

## 5. SUMMARY OF FUNDING STREAMS

### 5.1. National Funding Support

- **Stream I: National allocation for Forum Island Countries** - To assist with their implementation of their national strategies.
- **Stream II: Allocation for Capacity Development Organisations (CDOs)** - To strengthen the capacity by providing and facilitating technical and administrative support to grant holders in a country. In the case of Community Action Grant (CAG) holders, CDOs act as country agents to the Response Fund secretariat and with the National AIDS Committees are responsible for selection, management and monitoring of CAGs.
- **Funding Stream III: Community Action Grants (CAGs)** - To expand and improve national responses in PICs by ensuring access to funds to support HIV programs organised by smaller and less experienced community based organisations. The Grant ensures non-traditional HIV organisations and partners have access to funding and technical support whilst ensuring a wider reach of HIV and STI education and services to target populations who otherwise would not be reached.
- **Funding Stream IV: Competitive Grants** – To expand and improve national responses in partner countries by enabling a higher number of more experienced and established national and international Civil Society Organisations (CSOs) to expand and improve their HIV programs and experience by taking action on HIV, managing and implementing HIV grants and reaching communities and special groups with new or additional HIV-focused services in line with PRSIP II priorities. .
- **Funding Stream VII: Rapid Response Fund** – To enable allocation for specific potentially urgent functions that require a rapid response.



## 5.2. Regional Implementation and Support

- **Funding Stream V: Allocation to fund PRISP priorities** – To enable an expansion of regional technical support to PICT's on high priority areas identified in PRSIP through an allocation to Pacific Regional CSOs and multilateral agencies.

## 5.3. Grant Management

- **Funding Stream VI: Grant Strategic Leadership** – To enable SPC as RF Grant Administrator to provide high level grant and aid-related support to the region, on quality assurance, coordination, and programme and system improvements..
- **Funding Stream VIII: Grant Oversight, Management and Administration** – To allow SPC to oversee, manage, and administer grants and build capacity of grant recipients and coordination at the country level.

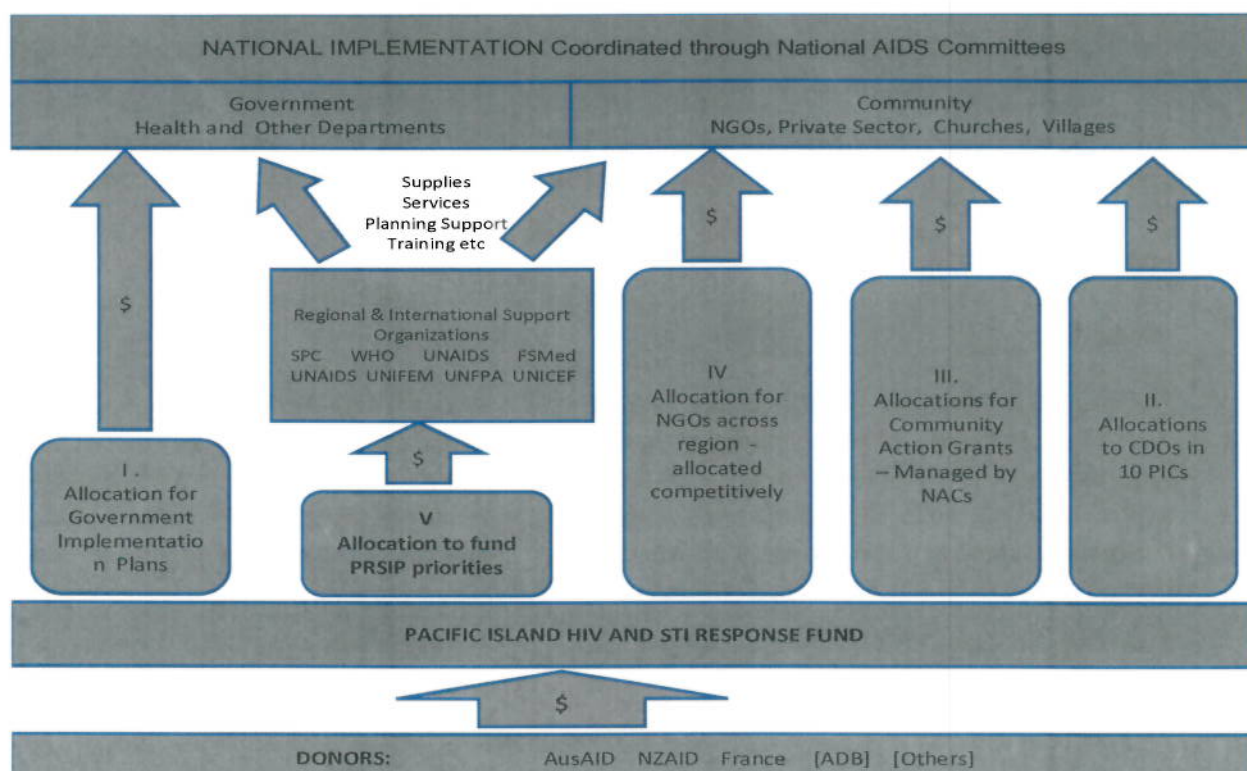
## 5.4. Technical Capacity Development and Regional Programme Coordination

- **Funding Stream IX: HIV/STI Technical Capacity Development and Regional Programme Coordination** – To enable SPC technical teams to provide PICTs and RF grantees and partners with HIV and STI technical input, surveillance, monitoring and evaluation (M&E), and capacity building and coordination support.

## 5.5. Response Fund Governance

- **Funding Stream X: Pacific Islands HIV and STI Response Fund Committee (PRFC Costs)** – To provide financial contribution to the PRFC associated costs, including the Secretariat, RF independent reviews, meeting expenses, and PRFC Chairperson's costs.

**Diagram showing the proposed flow of funds and other support for national implementation**





## 6. THE RESPONSE FUND POOLED-FUNDING ARRANGEMENT

- 6.1. As of April 2011, in addition to the Commonwealth Australia's contribution in the amount of AUD28.1 million (81%), New Zealand has also contributed NZD7.5 million (approx. equivalent to AUD6.7 million) to the Response Fund. With these two contributions combined (AusAID: 80%; NZ Aid Programme: 20%), the Response Fund's total budget for the period of 2009-2013 is approx. AUD34.8 million.
- 6.2. These two contributions are arranged in one funding pool from which Response Fund grants (national funding support, regional implementation and rapid response), grant management, HIV/STI technical capacity development and regional programme coordination support, as well as the governing of the Response Fund activities are funded.
- 6.3. Proportion of funding to be used for grant and non-grant activities for the Response Fund
- 6.4. Out of the total Response Fund amount of AUD34.8 million (2009-2013), indicated allocation of funds is as follows:

Allocation (2009 – 2013)	Total (AUD)	Contribution (AUD)	
		AusAID (80%)	NZ Aid Programme (20%)
Grants (Streams I, II, III, IV, V, VII)	19,800,000	16,000,000	3,800,000
Non Grants (Streams VI, VIII, IX, X): - Grant management - HIV/STI technical support - PRSIP Coordination - PRFC/Joint Secretariat	15,000,000	12,100,000	2,900,000
<b>Total</b>	<b>34,800,000</b>	<b>28,100,000</b>	<b>6,700,000</b>

- 6.5. The following is the guidance on the proportion of AUD15,000,000 for the period of 2009 – 2013, to be used for SPC to manage the grants, provide HIV/STI technical capacity development and regional programme coordination support, as well as for the PRFC:

2009 – 2010 (2 years):

ACTIVITIES	AMOUNT (AUD)
Grant management and provision of HIV/STI technical capacity development and regional programme coordination support	2,000,000
PRFC	200,000
<b>Total</b>	<b>2,200,000</b>

2011 – 2013 (3 years):

ACTIVITIES	AMOUNT (AUD)
Grant management	7,500,000
Provision of HIV/STI technical capacity development and regional programme coordination support	4,500,000
PRFC	800,000
<b>Total</b>	<b>12,800,000</b>

## 7. GOVERNANCE MECHANISMS

### 7.1. Role of the PRFC:

- i. A PRFC will be established with responsibility for setting policy for and providing the governance of the Response Fund. This Committee will oversee, on behalf of Pacific Island stakeholders and donors, the effectiveness of implementation financed from the Response Fund and the effectiveness of the Response Fund mechanisms.
- ii. The responsibility for the decision on the allocation of funds for each stream on annual basis will lie with the PRFC, taking into account priorities identified in PRSIP II and evaluations and financial reports on activity funded from each funding stream.
- iii. Facilitated by the Joint Secretariat, the PRFC will establish grant assessment panels and other technical assessment panels which are tasked to assess grant proposals submitted to PRFC for funding from Streams I, II, III, IV, and V, and to make recommendations on grant proposals to be approved by the PRFC. The PRFC does not make decisions on which individual agencies to receive funds.

7.2. The PRFC is responsible for:

- a) Establish and review policies and criteria for the allocation and utilization of the Response Fund and for monitoring compliance with those policies.
- b) Establish and oversee monitoring and evaluation processes for the funding streams.
- c) Establish and monitor a risk management strategy.
- d) Identify key investment and result areas based on PRSIP, as the basis for allocating Response Fund resources.
- e) Identify funding gaps and advocate for additional funds for Response Fund to meet these gaps.
- f) Monitor progress made in addressing issues in gender inequality, and human rights and equity issues.
- g) Provide regular reports on performance to Forum Leaders, donors, and the public.
- h) Ensure Response Fund activities are linked to other regional reference groups
- i) Appoint sub-Fund Committees to assist and complement the work of the PRFC as required.
- j) Identify opportunities to harmonize processes of the Response Fund with those implemented through other mechanisms such as the Global Fund, sector-wide approaches and other pooled funding arrangements in countries.
- k) Review annual Response Fund independent audits and management letters.
- l) Appoint independent technical experts, when necessary, to ensure the integrity and impartiality of technical advice on which Fund Committee decisions are to be based.
- m) Commission research, develop and oversee a program of evaluations.

**8. THE REVIEW AND EVALUATION OF RESPONSE FUND**

- 8.1. The PRFC will initiate regular comprehensive independent reviews and evaluation of the Response Fund, its effectiveness and its efficiency. This should include assessment against the Goal, Purpose and Objectives identified in the DD (see Part F). This should be timed to link to the proposed reviews of the Pacific Regional HIV and STI Strategy (PRSIP II) in early 2011 and in 2013. Funding for these reviews will come from the Response Fund Stream VI (six) which is managed by the Response Fund Committee
- 8.2. Funding for these reviews will come from the Response Fund Stream X which is dedicated to support PRFC activities.
- 8.3. The PRFC will develop an evaluation plan that includes a timeline and budget for evaluation activity for the Response Fund over the five years.
- 8.4. All Response Fund donors should participate in and rely on the review and evaluation of the Response Fund led by the PRFC rather than constructing separate processes. The reviews of Response Fund should be timed to link to the reviews of the Pacific Regional HIV and STI Strategy (PRSIP II) in 2011 and in 2013.



## 9. MANAGEMENT OF RESPONSE FUND

**Roles of SPC under the Response Fund** (Ref. Annex 10 of DD for more details on SPC roles)

9.1. SPC will be responsible for the effective and efficient management of the Response Fund.

Accordingly SPC will be responsible for the following four functions:

- a) Fund administration – including banking, financial transfers, accounting, acquittal, ensuring regular auditing and financial reporting.
- b) Management of all Response Funds streams – including the grant management and programmatic reporting.
- c) Capacity development functions associated with the grant management aspects of the Response Fund as well as HIV and STI technical aspects of the grant implementation and program coordination at the regional level.
- d) Providing the secretariat functions to the PRFC, The Secretariat will be under the direction of the PRFC Chair but staffed and supported by the SPC.

iv. To perform these roles SPC will be expected to achieve the following tasks:

### *9.1.1. Fund Administration and Grant Management:*

- a) establishing efficient banking systems to support the fund disbursement;
- b) ensuring good communication with civil society, government and multi lateral agencies on funding processes and performance requirements;
- c) establishing efficient record management systems;
- d) establishing sound financial management practices;
- e) preparing annual work-plans and required reports and acquittals;
- f) building capacity in areas relevant to applying, implementing, acquitting and reporting on Response Funds;
- g) recruiting and managing the grant management staff;
- h) establishing suitable office facilities and support services;
- i) producing operational guidelines, grant guidelines and procedural manuals;
- j) managing allocated funds, their disbursement and acquittal;
- k) managing risks associated with the implementation of the Response Fund.

*9.1.2. HIV/STI Technical Capacity Development and Regional Coordination*

- a) Provide HIV and STI technical input and capacity building at the country level.
- b) Coordinate the PRSIP II and link with the national strategic plans (NSPs) at country level.
- c) Facilitate and build capacity on HIV and STI monitoring and evaluation.

*9.1.3. Joint Secretariat for Response Fund and Global Fund Programs*

In 2011, SPC will establish a Joint Secretariat which will provide support and advice on a number of areas to the governing bodies of public health funding streams that are managed by SPC. At the beginning, the Joint Secretariat will serve the PRFC and the Global Fund Pacific Islands Regional Multi-Country Coordination Mechanisms (PIRCCM). The Joint Secretariat will perform similar activities for both governing bodies but will still have to take into account the specificities of each of them as outlined in the Joint TORs.

The objectives of the Joint Secretariat are to increase:

- a) the alignment and harmonization of regional and country programmes (including the linkage with the CCMs/NACs) and strategies and funding mechanisms;
- b) the effectiveness of the governance;
- c) the efficiency of the secretariat support; and
- d) the capacity of members of the regional and national CCM and National AIDS Committee (NAC) on their governing and oversight role.

The Joint Secretariat will ensure that the following specific activities for the Pacific Response Fund Committee is carried out and supported:

- a) Facilitate the review of the six-monthly and annual Response Fund reports by SPC as RF Grant Administrator.
- b) Develop plans and TOR for Response Fund mid-term review and end-of-project evaluation and facilitate the monitoring of the implementation and follow up of the review decisions, as necessary.
- c) Logistical support to the PRFC and its Chairperson for Response Fund activities.
- d) Timely implementation of actions recommended by the PRFC and Chairperson;
- e) Administration and management of the PRFC Chairperson's contract.

The Response Fund is only responsible for up to 50% of the Joint Secretariat Cost and Global Fund will meet the other 50%. The Joint Secretariat staffing and day-to-day operational expenses are jointly funded by the PIRMCCM and Response Fund. Some RF- and PRFC-specific activities that the Joint Secretariat will provide will be covered by RF budgets.



## **10. MANAGEMENT OF RISKS**

10.1. A number of risks have the potential to impact on the successful outcomes of the Pacific Islands HIV and STI Response Fund. In particular, SPC should ensure that risk mitigation strategies are put in place for the following issues.

- a) Lack of national ownership and commitment to planning, implementing and reporting on their HIV and STI activities supported by the Response Fund.
- b) Poor reporting and compliance with monitoring and evaluation measures by civil society agencies and regional partners.
- c) Lack of coordination and harmonization with activities supported by other key partners such as GFATM and UN agencies.
- d) Slow implementation of Fund activities caused by inadequacies within SPC systems and procedures, human resources and management information systems which may result in risks such as the slow disbursement of funds from SPC to grantees, and the ability to provide timely and quality support to countries.
- e) Lack of clarity about roles and responsibilities between SPC as RF Grant Administrator and implementer of RF Grants which may lead to a conflict of interest.
- f) Lack of human resource capacity in SPC/PHD to properly administer and manage the Response Fund.

## **11. TRANSITION OF PRHP TO SPC MANAGEMENT AND SET UP OF FUNDING MECHANISMS AND HIV/STI TECHNICAL SUPPORT AND PROGRAMME COORDINATION (July – December 2008)**

11.1. Transition of PRHP activities and RF Administration:

- a) Core staff positions including program support staff are recruited.
- b) An annual work plan that provides implementation details and costing for 2009 for Response Fund activities.
- c) Transition of PRHP activities, including grants management. This will include the disbursement of funds, receiving reports and acquittals and providing technical and capacity building support as required.
- d) Reporting to AusAID on progress with transition by December 2008.

11.2. Response Fund Management

- a) Guidelines and mechanisms for disbursement of different funding streams are completed and communicated to countries and agencies.
- b) Electronic systems for managing the grants and their performance are completed and implemented.



11.3. Setting up SPC internal arrangement to enable to provide HIV/STI Technical Capacity Development and Programme Coordination services:

- i. Provision of HIV and STI technical input and capacity building at both the country and regional levels.
- ii. Roll out of comprehensive STI control and prevention policy recommendations in PICTs including HIV confirmatory testing and patient monitoring systems that are not covered by GF R7 HIV grant.
- iii. Establishment and implementation of the PRSIP II coordination mechanism; conducting PRSIP II mid-term reviews and final evaluation.
- iv. Strengthening the linkages of regional and national strategic plans (NSPs) at the country level, including national coordination mechanisms.
- v. Strengthening of surveillance on STI and HIV in PICTs that are not covered by GF R7 grants.
- vi. Coordination and maintenance of communication strategies on HIV and STIs initiatives in the region.
- vii. Maintaining partnership and collaborations on strategic health communications (SHC) at regional level and supporting countries in strengthening their health communication strategies at national level.
- viii. Development and review of national M&E framework for national responses to HIV & STIs.
- ix. In collaboration with other technical partners, provision of training of basic M&E skills to various national stakeholders including strengthening of reporting systems in selected countries.
- x. Maintenance of M&E database on HIV & STI agreed indicators.
- xi. Assistance in reporting and internal data verification and validation.

11.4. PRFC Secretariat:

- i. Secretariat staff for the PRFC are recruited.
- ii. PRFC Chairperson and members are recruited and meetings held.
- iii. Operational guidelines for the Response Fund Committee are developed and endorsed.

Outcome	Verifiable Indicators	Means of Verification	Responsibility	Data Source
<b>Response Fund Stream Management</b>				
Proper completion, acquittal and reporting on transitioned PRHP activities.	By November 2011: PRHP transitioned activities completion report; acquittal reports.	Full acquittal of PRHP transitioned activities.	SPC	PRHP transitioned activities completion report; acquittal reports.
Completion of annual work plans that provide implementation details and costs for Response Fund activities, broken down in six-monthly periods.	Annual and Six-monthly Work and Budget Plans.	Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.	SPC	Six monthly and annual reports, acquittal reports, PRFC meeting papers and Minutes.
Timely distribution of funding to countries, NGOs and regional partners consistent with grant guidelines and in line with the PRFC-approved RF Work & Budget Plans.	Six-monthly RF Work & Budget Plans. Six-monthly and Annual Reports and acquittals.	Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.  Acquittal reports approved by the PRFC.	SPC	Six monthly and annual reports; acquittal reports, PRFC meeting papers and Minutes.
Funding is acquitted as per accountability requirements set for the grant funds.	Six-monthly RF Work & Budget Plans. Six-monthly and Annual Reports and acquittals.	Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.  Acquittal reports approved by the PRFC.	SPC	Six monthly and annual reports; acquittal reports, PRFC meeting papers and Minutes.

Appropriate and timely grant management and technical support is provided to all grantees to assist them to access, effectively utilise and report on funding.	Six-monthly RF Work & Budget Plans. Six-monthly and Annual Reports and acquittals.	Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.  Acquittal reports approved by the PRFC.	SPC	Six monthly and annual reports; acquittal reports; PRFC meeting papers and Minutes.
Timely and accurate reporting on all activities and output of funding as per Response Fund M&E Framework, which is developed in line with PRSIP II M&E Framework.	Six-monthly RF Work & Budget Plans. Six-monthly and Annual Reports and acquittals.	Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.  Acquittal reports approved by the PRFC.	SPC	Six monthly and annual reports; acquittal reports, PRFC meeting papers and Minutes.
Identified risks are actively and properly addressed.	Six-monthly RF Work & Budget Plans. Six-monthly and Annual Reports and acquittals.	Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.  Acquittal reports approved by the PRFC.	SPC	Six monthly and annual reports; acquittal reports, PRFC meeting papers and Minutes.
Completion of Response Fund policies, procedures and guidelines.	By October 2011: RF policies, procedures and guidelines.	PRFC endorsement of the new policies, procedures and guidelines.	SPC	PRFC meeting papers, Six monthly and annual reports; acquittal reports, PRFC meeting papers and Minutes.
Establishment of the Joint Secretariat.	By October 2011: Joint Secretariat office is physically	Joint Secretariat office is established in Suva by October 2011.	SPC	Six monthly and annual reports; acquittal reports, PRFC meeting papers and Minutes.



	<p>established in Suva; Joint Secretariat Coordinator and Assistant are on board.</p> <p>Joint Secretariat Annual and Six- monthly Work &amp; Budget Plans.</p> <p>Joint Secretariat Six- monthly and Annual Reports.</p>	<p>Joint Secretariat annual and six-monthly work plan including budgets included in the overall RF Annual and six-monthly Work-plans, budgets and progress reports to AusAID and NZ-MFAT.</p> <p>RF Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.</p>		
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<p>The provision of HIV/STI technical support and PRSIP Coordination, funded by the RF.</p>	<p>By June 2011: a concept and detailed implementation plan and budget (2011-2013) to be submitted to the PRFC.</p> <p>Six-monthly progress and annual reports on the provision of HIV/STI technical support and PRSIP Coordination to be submitted as part of the overall RF six-monthly and annual reports to the PRFC.</p>	<p>Endorsement of the concept and detailed implementation plan and budget (2011-2013) by the PRFC at the June 2011 PRFC meeting.</p> <p>Six-monthly progress and annual reports on the provision of HIV/STI technical support and PRSIP Coordination submitted as part of the overall RF six-monthly and annual reports to the PRFC.</p> <p>Annual and six-monthly Work-plans, budgets and progress reports endorsed by the PRFC.</p>	<p>SPC</p>	<p>Six monthly and annual reports; acquittal reports, PRFC meeting papers and Minutes.</p>
<p>SPC management and institutional capacity to manage Response Fund and deliver Response Fund activities, outputs and outcomes in accordance with agreement with donors.</p>	<p>By June 2011: A special report from SPC to PRFC on the progress of the implementation of</p>	<p>Endorsement by the PRFC in the June 2011 meeting of the SPC Management's special report on the progress of the implementation of the</p>	<p>SPC</p>	

	<p>the Public Health Division restructuring;</p> <p>By June 2011: A detailed plan from SPC to the PRFC on the human resource and institutional capacity in providing sufficient grant management of Response Fund, HIV/STI technical support, PRSIP coordination, and the Secretariat services for the PRFC, including the utilization of RF funds to these activities.</p> <p>By October 2011: An update from SPC to the PRFC on the completion of the restructuring.</p>	<p>Public Health Division restructure.</p> <p>Endorsement by the PRFC of the PSC Management's detailed plan on the human resource and institutional capacity in providing sufficient grant management of Response Fund, HIV/STI technical support, PRSIP coordination, and the Secretariat services for the PRFC, including the utilization of RF funds to these activities.</p> <p>Endorsement by the PRFC of the update report from SPC Management on the completion of the PHD restructuring.</p> <p>Endorsement by the PRFC of the six monthly updates on the human resource and</p>	
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	<p>Six monthly updates from SPC</p> <p>Management to the PRFC on the human resource and institutional capacity in providing sufficient grant management of Response Fund including provision of technical assistance to PICTs including progress towards achievements of RF and PRSIP outcomes.</p>	<p>institutional capacity in providing sufficient grant management of Response Fund including provision of technical assistance to PICTs, and progress towards achievements of RF and PRSIP outcomes.</p>		
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