KENYA COORDINATING MECHANISM (KCM) FOR GLOBAL FUNDTO FIGHT HIV/AIDS, TB & MALARIA SUB- RECIPIENT SELECTION GUIDELINESFOR NON-STATE PRINCIPAL RECIPIENTS

16th December 2019

Definition of terms

AIDS	Acquired Immunodeficiency Syndrome
AGYW	Adolescent Girls and Young Women
ASRH	Adolescent Sexual Reproductive Health
AYPLHIV	Adolescents and Young People Living With HIV
CDP	Capacity Development Plan
CSO	Civil Society Organizations
EOI	Expression of Interest
GF	Global Fund
HIV	Human Immunodeficiency Virus
HSWC	Health Sector Working Committee (Previously referred to as the ICC)
ICC	Inter-agency Coordinating Committee
KASF	Kenya Aids Strategic Framework
KRCS	Kenya Red Cross Society
KCM	Kenya Coordinating Mechanism
MOU	Memorandum of Understanding
NACC	National AIDS Control Council
PIN	Personal Identification Number
PR	Principal Recipient
PR	Principal Recipient
SGBV	Sexual and Gender-Based Violence
SR	Sub-Recipient
TB	Tuberculosis
TRC	Technical Review Committee
UNAIDS	The Joint United Nations Program on HIV and AIDS

Foreward

The Kenya Coordinating Mechanism (KCM) of the Global fund is responsible for attracting funds from The Global Fund for HIV and AIDS, TB and Malaria programmes. KCM coordinates, monitors, evaluates and supports the implementation of the Global Fund grants. It is also responsible for ensuring that the Global Fund proposal is country-owned and implementation is country-driven.

One of the key roles of KCM is to select one or more appropriate Principal Recipient (PR) for a Global Fund Grant. The PR implements GF activities through Sub-Recipients (SRs). KCM has therefore developed guidelines for the selection of non-state SRs. It is proposed that to the extent possible, SRs are selected in a timely manner through a transparent and well documented process. The process should start immediately after the PR has been selected ensure that implementation is not delayed.

The guidelines intend to standardize the process of SR selection for all non-state PRs. The guidelines will continue to be updated periodically taking into consideration new information and changes that may arise, it is expected that users will continually give feedback to the KCM regarding their use.

Acknowledgment

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1.0 Background and Context

Global Fund Grants are awarded in three-year cycles that commence with a **notification on the country allocation**. The notice of the country's allocation also includes information on eligible additional funding (referred to as **"catalytic investment funding")** and an **indicative program split.**

Since the commencement of the dual track financing in Kenya, Amref Health Africa, Care Kenya and the Kenya Red Cross Society have managed the GF grants as non- state PRs. While the state PR, National Treasury directly works with the Ministry of Health, through the HIV, TB and Malaria programs and the National AIDS Control Council (NACC).

As guided by the Global fund, selection of the SRs by non-state PRs has always been done in consultation with the Kenya Coordinating Mechanism (KCM). Unfortunately, the process has been lengthy with each PR maintaining its guidelines for the process. The Global Fund, through the findings of the Office of the Inspector General Audit report for Kenya, published on November 2018, indicates that there have been delays in engaging sub-recipients for the grants managed by the civil society Principal Recipients. Based on previous cycles, the sub-recipient selection process takes nine months on average to complete, thus delaying the implementation of some activities.

These guidelines seek to ensure the timely selection of sub-recipients (SRs) in Kenya to achieve efficient program continuity.

1.2 Previous selection processes

The 2018 – 2021 Kenya Global Fund grant had 2 non-state PRs; namely Amref Health Africa (TB and Malaria grants) and the Kenya Red Cross Society (HIV grant). While the SRs were selected through an independent processes managed by Technical Review Committees, different selection approaches and methods were applied. The selection process for SRs implementing the malaria grant was done through an advertisement that invited applicants in an open tender process. TB SRs were selected via a process that involved a desk review of organizations that had implemented the previous grant. This was followed by an open tender for counties where SRs were not selected via the desk review method.

The open tender approach entailed an advertisement in the daily papers; technical evaluation process incorporating a preliminary review for the availability of mandatory administrative

documents, evaluation of applications for technical content and an organizational capacity assessment. TRC reports and recommendations were thereafter presented to Inter agency Coordinating Committees (ICCs), (currently the Heath Sector Working Committees - HSWCs) for endorsement and subsequently to KCM for approvals.

For the HIV Grant, the Kenya Red Cross Society used a mix of two methods for the selection of SR selection. Initially beginning with a continuation of good performing SRs, the process transitioned to an open tender process for some counties.

While the methods varied, several things remained common:

- The process starts with the PR proposing a road map to the respective disease Health Sector Working group (HSWG).
- Once the approval is done at the HSWG, the same is presented to KCM for endorsement.
- The next stage then is the selection by the TRC
- TRCs present reports and recommendations to HSWCSs for endorsement
- KCM approve HSWCS recommendations

For selection processes conducted through open tender, three steps have been applied:

- Mandatory eligibility criteria;
- Technical evaluation; and
- Organizational capacity assessment.

1.3 Delays in selection

Various reasons have been cited for the delays explained above. Among them include a lack of clarity and standardization of the method of SR selection as well as the appointment of TRC members and their availability. Majority of the organizations that delivered applications lacked the mandatory documents and were therefore disqualified at the preliminary stage. This led to a lack of SRs in some counties leading to re-advertisement and more delays. Reports of the TRC committees have to be presented at the Health Sector Working Committees (HSWCs) for approval before presentation to KCM for endorsement. In some cases, the outcome is disputed leading to delays in contracting SRs. Scheduling of meetings at the HSWCs and KCM also contribute to the delays.

Upon approval and endorsement of the SRs, the PR has also been reported to take a long time in contracting and ultimately disbursement of funds. All the above contribute to the disruption of services hence the need for these SR selection guidelines.

2.0 Purpose

The overall purpose of these guidelines is to guide the selection of SRs by non-state PRs through a standardized, fair and competitive selection process. The guidelines outlined in this document aim to ensure an improvement in the timely engagement of SRs to avoid disruption of services to clients.

3.0 Guiding Principles

The selection and management process shall be guided by the following values and principles;

a) Value for money: Selection of SRs shall be conducted through an open and transparent process to obtain value for money

b) Performance: selection will consider SRs that have performed well in the past, this is to ensure timely engagement of SRs at start of new implementation period Competition: Selection of additional SRs shall be carried out on a competitive basis to the maximum practical extent;

c) Efficient and Effective Selection: SR selection shall be conducted in a manner that maximizes the efficient use of Global Fund resources and ensures that the SR selected effectively meet the requirements of the users;

d) Impartiality, Transparency, and Accountability: SR selection shall be conducted in an impartial, transparent and accountable manner; and

e) Ethics: SR selection shall comply with Global Fund's Code of Conduct for Suppliers, and Code of Conduct for Recipients of Global Fund Resource

f) Management of conflict of interest as per the global fund guidelines

4.0 Methodology for the development of the guidelines

The development of the SR selection and management guidelines was done through a consultative process. Data informing this assignment primarily came from several sources; Secondary data from the Global fund website as well as previous local and regional guidelines and reports. Previous TRC reports were also used to inform the process. Primary data was collected through key informant interviews, questionnaires and focussed group discussions.

The UNDP toolkit for the selection of SRs offered the basic framework for the guidelines. Regional guidelines from Tanzania and Zambia were reviewed as well as reports detailing the SR selection processes in Ethiopia, Kenya, Romania, Sri Lanka and Tanzania. Other documents reviewed included the Kenya Public Procurement and assets disposal act (2015), previous TRC reports and SR selection guidelines developed by AMREF and the KRCS.

Key Informant Interviews were held with 12 KCM members, the heads of the National disease programmes in Kenya, the National AIDS Control Council leadership, three TRP chairs and two development partners.

An initial draft was reviewed by a core team drawing representation from UNAIDS, KCM, Amref Health Africa, KRCs and the National Treasury. This was later circulated to the Health Sector Working Committees whose feedback was received and consolidated after which the final draft was reviewed, discussed and adopted by the KCM.

5.0 Responsibility for Sub- Recipient Selection

5.1 PR responsibilities

Principal Recipients (PR) are responsible for the implementation of Global Fund Grants on behalf of the KCM. The PR may select and contract Sub-Recipients to ensure the effective implementation of grants. The responsibility of selecting SRs lies with the PRs in consultation with KCM. These guidelines therefore provide a roadmap of the selection process without shifting the responsibility in any manner. The responsibilities of the PR are as follows:

i. The PR is responsible for developing the expression of interest, advertisement, collection and safe custody of the applications and keeping records of the entire process of selection.

ii. Ultimately, the PR will contract the selected organizations and manage them throughout the implementation period.

iii. The PR shall provide Secretariat services to the Technical Review Committee and shall be ex-officio members.

iv. The PR is responsible through the advice of HSWC, to replace and add SRs as need be during the grant implementation following laid down guidelines

v. Development of TORs of the selection panel to be approved by KCM with advise from the HSWC.

5.2 Health Sector Working Committee (HSWC) Responsibilities

The Health Sector Working Groups are the technical arms of the three diseases, HIV, TB and Malaria. Any matter on the respective disease is first discussed at the respective HSWC. The responsibilities of the HSWCs in respect to SR selection are as follows:

i. The respective HSWC recommends the number of SRs to be selected based on the scope of work and the budget available;

ii. The respective HSWC recommends TRC members and forwards them to KCM for endorsement;

iii. The respective HSWC Proposes special conditions for affirmative action to KCM where these apply,

iv. The respective HSWC recommends the road map for the selection of the SRs which is forwarded to KCM for endorsement

v. The respective HSWC is responsible for timely meetings to review TRC report and forwarding to KCM for endorsement

5.3 KCM responsibilities

KCM will work in consultation with the PR to ensure the SRs are selected through an open transparent, competitive and documented process based on objective criteria related to performance capacities. To achieve this, KCM will ensure that the PR is nominated before submitting the country's application for funding (Funding Request).

i. KCM is responsible for ensuring that a Technical Review Committee comprising of competent and independent members is in place before the SR selection process begins.

ii. KCM will ensure that The TRC will not include people who are potential applicants or sit in the boards of the potential applicants. The TRC will include a minimum of 7 and a maximum of 12 comprising:

    a. Development partners

    b. Disease experts;

    c. Finance experts;

    d. Monitoring and evaluation experts;

    e. Procurement experts;

    f. CSO representative and

    g. Programme management experts

ii. KCM will ensure that an appeals committee is in place before the SR selection process commences. The appeals committee will comprise of competent and independent members drawn from the civil society organizations, development partners and the government.

iii. KCM is responsible for ensuring that the selection, contracting and disbursements of funds happen within the scheduled time;

iv. Considers and endorses special conditions for affirmative action proposed by the HSWC where these apply.

v. KCM will hold timely meetings to ensure the selection and engagement of SRs do not delay.

vi. KCM will arbitrate any issues that may arise between the PR and SR

6.0 Sub-Recipient Selection Process

6.1 Methodology for selection of SRs

Sub- recipients will be selected via two pathways. Existing SRs performance will be assessed and those meeting a threshold of 70% as per the selection criteria will be retained. Open competitive tenders shall be conducted to fill in vacancies where SRs fall below the set threshold. The two processes shall be detailed, competitive (in the case of open tenders), transparent and fully documented to enable verification. This will lead to the award of a contract for a period of time to be determined by the PR, recommended by the HSWCs and endorsed by KCM.

6.2 Road map for sub-recipient selection

The purpose of the guidelines is to reduce the time taken for the selection and engagement of SRs. To achieve this, the selection process will begin immediately after the selection of PRs and specifically within 3 months after the submission of the Funding Request to Global fund.

The road map and timelines are indicated below:
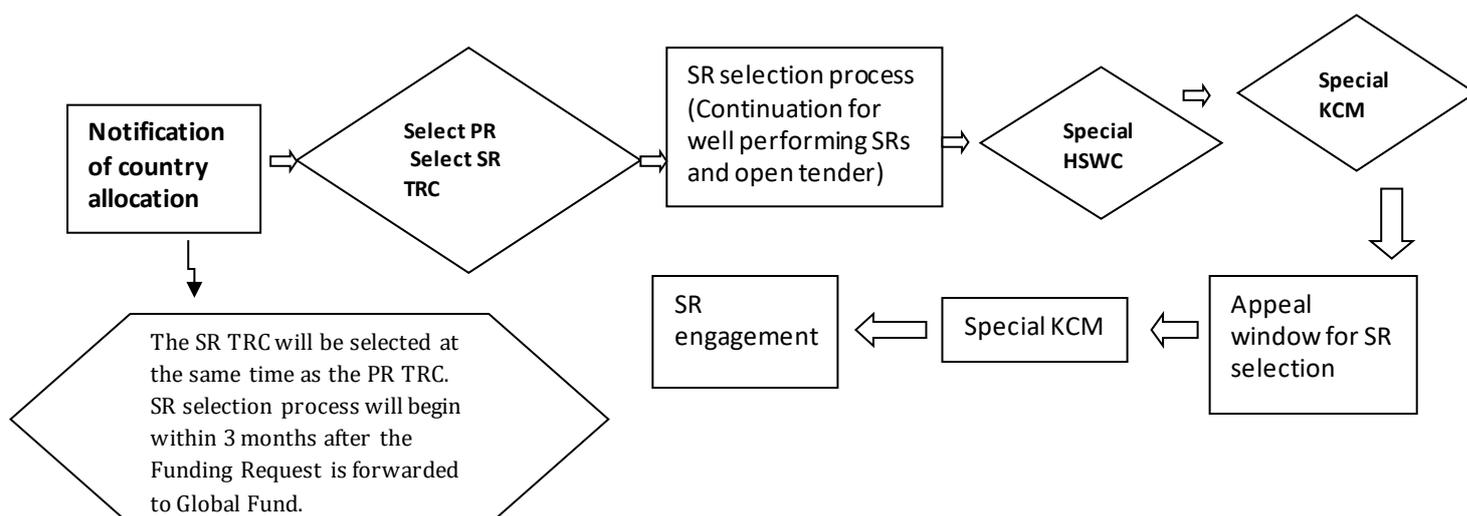
The PR shall utilize the country dialogue meetings to disseminate the SR selection guidelines to all potential SRs. After the call for proposals, the PR will arrange for a pre-bid conference to answer and clarify questions and/or concerns. Where possible, regional meetings can be held to reach as many potential SRs as possible and increase the response rates from potential applicants. It is recommended that minutes of the meeting be distributed to all attendees and posted on the PR's website.

The table below summarizes the timing for the selection process with timelines for each activity:

Step	Activity	Responsible	Timeline (when and no. Of days)
Step 1	Appointment of TRC	KCM	After receipt of county allocation letter from the Global Fund
Step 2	Appraisal for well performing SRs and/or advertisement for new SRs.	TRC, PR	Within 3 months after the submission of the Funding Request to Global fund
Step 4	Proposal submission by SRs and opening of the tender	SRs, TRC, PR	14 days after the advertisement
Step 5	Proposal reviews – Administrative and Technical	TRC	To end 14 days after the opening of tender
Step 6	Capacity assessment and report writing	TRC	Not to last more than **28** days after the opening of tender
Step 7	Endorsement by relevant HSWC	TRC	Special HSWC meeting to review TRC report within **7** of TRC report (**35 days** after tender opening)

Step 8	Endorsement by KCM	HSWCS chair	Special KCM meeting to endorse TRC report within **7 days** of HSWC report (**42 days** after tender opening)
Step 9	Feedback to SRs	PR	Within **7 days** of KCM report (**49 days** after tender opening)
Step 10	Receipt of appeals, reviews and feedback to SRs	KCM appeals committee, PR	Within **14 days** after PR communicates feedback. (**63 days** after tender opening)
Step 11	Contractual engagement of SRs (where there are no appeals)	PR	After the expiry of the **14 days'** appeals window.
Step 12	Review of appeals	Appeals committee	After the expiry of the **14 days'** appeals window.
Step 13	Presentation of the appeals committee report to KCM	Appeals committee	**28 days** after closure of the appeals window.
Step 14	New call for proposals where appeals were successful	PR	One week after the KCM report

The process for selection of the SRs in Kenya shall start with pre-selection of well performing SRs. Where existing SRs do not meet the set threshold, an open tender will be conducted.

6.3 Appraisal of well performing SRs

Data related to programmatic and financial performance will be reviewed by the TRC to rate the existing SRs. The SRs would be expected to produce a no-objection letter from the County Director of Medical Health services confirming the County's willingness to work with them. Under programmatic performance, achievement of set targets, reporting, data quality and integrity will be rated.

Financial performance will be rated based on Funds absorption and accountability of disbursed funds. Timeliness and accuracy of financial reporting will also be assessed.

SRs that attain 70% and above as per the selection criteria will be automatically selected to implement the next grant. Those that perform below the threshold will be replaced through an open tender and eligible to apply. A clearly defined criteria to assess and reselect well performing SRs is attached in Annexe 1.

In a situation where no existing SRs or well performing SRs are available SRs will be selected through Open tender. In the case where an SR is selected but declines to sign a contract with

the PR, the second best SR will replace the successful SR in such circumstances. During PR transition the Outgoing PR will hand over the SR performance reports to the incoming PR.

The following stages will be followed in assessing well performing SRs:

1. Compilation of SR performance reports by the PR;
2. Verification of SR performance data by the TRC
3. Rating of SR performance by the TRC

6.4 Open tender

Open tender will be conducted through a 3 stage process; **screening for administrative eligibility**, **evaluation of technical proposal** and finally a **capacity assessment** process.

The administrative eligibility will be guided by eligibility criteria that set the administrative requirements for an organization to qualify to serve as an SR. The technical evaluation will focus on the technical and management capacity of the organization to fulfil the role of the SR as envisaged by KCM and the Global Fund requirements. The eligibility, technical and management criteria will be developed for each call for Expression of Interest and made available to the applicants. In the final stage, the capacity assessment entails verification to confirm the authenticity of what has been provided by the potential SR in the application.

The sections below describe key stages in the selection process.

6.4.1 Develop the call for proposals

i. The PR shall develop the call for proposals.

ii. The call for proposals shall be approved by the respective HSWC and endorsed by KCM.

iii. The PR shall ask organizations planning to submit proposals to register their contact details for any relevant communication thereafter

iv. The call for proposals must include the proposal background, proposal goal, objective, service delivery areas, geographical coverage, eligibility criteria, technical and management capacity information required, templates to be used, date and place of submission among other information.

v. The eligibility criteria shall show the administrative requirements that applicants must meet to qualify to submit the proposal and the evidence they should provide.

   vi.   The evaluation criteria shall indicate the management and technical capacity the applicant is required to meet, the evaluation and scoring criteria.

  vii.   The evaluation criteria shall indicate any special conditions for affirmative action if this is applicable.

6.4.2 Issuing of call for proposals

The Principal Recipient shall ensure the call for proposals is advertised in at least two national newspapers with countrywide circulation as well as displayed on the PR's and KCM secretariat's website. The advertisement shall set out the following:

6.4.3 Invitation to tender

     i.   The name and address of the procuring entity;

    ii.   The tender number assigned to the procurement proceedings by the procuring entity;

   iii.   A brief description of the nature of services being procured including the time limit for delivery or completion;

   iv.   Indicate the programme service delivery areas, main strategies, geographic or population targets of the grant, size of the grant;

    v.   Provide instructions for responding to the call for proposals including the information required in the proposal application and how to obtain the proposal application forms.

   vi.   Provide details of the venue and dates for the pre-bid conference if scheduled

  vii.   Explain the selection criteria

 viii.   Outline the procedure for requesting specific information

   ix.   The PR shall answer questions received from interested parties

    x.   An explanation of where and when tenders shall be submitted and where and when the tenders shall be opened;

   xi.   A statement that those submitting tenders or their representatives may attend the opening of tenders;

  xii.   A declaration that the tender is only open to those who meet the requirements for eligibility;

 xiii.   The requirement of serialisation of pages by the bidder for each bid submitted; and

 xiv.   Any other requirement as may be prescribed.

6.4.4 Modifications to tender documents.

i. The PR may amend the tender documents at any time before the deadline for submitting tenders by issuing an addendum without materially altering the substance of the original tender.

ii. An amendment may be made on the procuring entity's initiative or in response to an inquiry by a potential applicant.

iii. The PR shall promptly provide a copy of the addendum to each person to whom the procuring entity provided copies of the tender documents.

iv. The addendum shall be deemed to be part of the tender documents.

v. If the tender documents are amended when the time remaining before the deadline for submitting tenders is less than one third of the time allowed for the preparation of tenders, or the time remaining is less than the period indicated in instructions to applicants, the PR shall extend the deadline as necessary to allow the amendment of the tender documents to be taken into account in the preparation or amendment of tenders.

6.4.5 Submission and receipt of tenders.

i. Applications may be submitted by either electronic or manual form. They shall, however, be in writing, signed and in the case of manual submission, sealed in an envelope.

ii. A tender document and the envelope, in which it is sealed in, shall bear the tender number assigned.

iii. The PR shall provide an email address as well as acceptable sizes for the electronic submissions.

iv. Electronic documents with all accompanying attachments in a zipped folder must reach the designated email address by the date and time indicated in the tender documents.

v. A tender shall be submitted before the deadline for submitting tenders and any tender submitted after the deadline shall not be accepted by the PR.

vi. The PR shall ensure that the place or site where tenders shall be submitted is open and accessible and shall provide, in that place or site, a tender box including an electronic tender box that complies with the prescribed requirements in regulations.

vii. Each tender that is delivered shall be placed unopened in the tender box or designated email account.

viii. If a tender or part of a tender cannot fit in the tender box it shall be received in the manner set out in the tender documents or the invitation to tender or, if no such manner is set out, in the manner determined by the procuring entity and the PR shall acknowledge receipt of the tender documents.

6.4.6 Opening of tender documents

i. The PR shall appoint a tender opening committee specifically for the procurement as per the following requirements

    a) The committee shall have at least three members; and

    b) At least one of the members shall not be directly involved in the processing or evaluation of the tender.

ii. Those submitting tenders or their representatives may attend the opening of tenders.

iii. Immediately after the deadline for submitting tenders, the tender opening committee shall open all tenders received before that deadline.

iv. The email designated for the electronic submissions will be opened and all applications submitted before the deadline will be downloaded and printed.

v. The tender opening committee shall assign an identification number to each tender and record the number of pages received.

vi. As each tender is opened, the following shall be read out loud and recorded in a document to be called the tender opening register:

    a) The name of the organization submitting the tender;

    b) If applicable, what has been given as tender

vii. The PR will on request, provide a copy of the tender opening register to a person submitting a tender.

viii. Each member of the tender opening committee shall sign each tender on one or more pages as determined by the tender opening committee

ix. The tender opening committee shall prepare tender opening minutes which shall set out:

    a) A record of the procedure followed in opening the tenders; and

    b) The particulars of those persons submitting tenders, or their representatives, who attended the opening of the tenders.

x. To acknowledge that the minutes are a true reflection of the proceedings held, each member of the tender opening committee shall—

a) Initial each page of the minutes;

b) Append his or her signature as well as initial to the final page of the minutes indicating their full name and designation.

6.5 Tender evaluation

The tender shall be evaluated at three stages as follows:

- Administrative screening;
- Technical evaluation
- Capacity assessment

6.5.1 Administrative screening

a) A tender is responsive if it conforms to all the eligibility and other mandatory requirements in the tender documents.

b) The mandatory documents will include the following:

  i. Copy of valid organization's registration certificate

  ii. Copy of the organization's constitution/articles of association

  iii. Organizations PIN

  iv. Current tax compliance certificate or exemption certificate where applicable

  v. Three months' bank statements from the date of advertisement

  vi. Copy of the last audit report or financial report

  vii. Organizational governance and management structure

  viii. Two latest board meeting minutes as per the organization's constitution /Articles of association

  ix. Finance policy/ procurement manual

  x. CVs for key project staff

Note: Tenders that miss any of the above mandatory documents will not proceed to the technical evaluation stage.

6.5.2 Technical Evaluation stage

a) The Technical Review Committee appointed by the KCM shall evaluate and compare the responsive tenders other than tenders rejected under section 6.5.1

b) Proposals will be evaluated using the evaluation criteria that appear in **Annexe 2**

c) Evaluators will consider the proposal item by item, rendering a score for each area.

d) The scores for each area will be added to make a total score, with a maximum of 100 points.

e) The scoring system will take into account the need to build the capacity of local organizations to serve as SR at the same time balancing the need for effective and efficient implementation of Global Fund grants.

f) The evaluation and comparison shall be done using the procedures and criteria set out in the tender documents.

g) The following requirements shall apply for the procedures and criteria referred to in subsection (b) —

    i. TRC members start by evaluating the availability of the mandatory documents;

    ii. Each document to be reviewed by at least three TRC members

    iii. In case of a large discrepancy in the marks (more than 10) between reviewers, the proposal be reviewed by a fourth member;

    iv. The average of the 3 reviewers (without a discrepancy of 10 marks) is taken.

    v. The TRC shall select the top three proposals for organizational capacity assessment

6.5.3 Organizational Capacity Assessment

    i. For all selected SRs as per **6.5.2,** members of the TRC will visit the organizations to verify the information supplied on the proposal and obtain additional information regarding the potential SR's organizational capacity.

    ii. During the visit, committee members will complete the Capacity Assessment tool which appears in **Annexe 3**.

    iii. The Capacity Assessment report will assist the PR to develop an action plan to address SR capacity weaknesses that may prove to be high risks for the project, before signing the SR Agreement or during contract execution. The TRC may take into consideration other assessments carried out by other institutions.

6.6 Expression of Interest recommendation/rejection logic

Expression of Interest is recommended or rejected using the following logic:

    i. Proposals without any of the mandatory documents will be automatically rejected;

    ii. Applicants have to obtain a minimum score of 60% in both technical and organizational capacity assessment to be considered;

    iii. Total score will be a weighted average of the technical evaluation and capacity assessment (70% from technical evaluation and 30% from the capacity assessment)

iv. If multiple proposals score above 60%, the applicants will be ranked;

v. Where only one SR is to be selected, the top SR will be nominated.

vi. Where several SRs are being considered, the top organizations will be chosen based on rank

vii. Where special conditions for affirmative action apply, this shall be considered.

6.7 Presentation of Shortlisted Organisations

i. The TRC shall prepare an evaluation report containing a summary of the evaluation and comparison of scores for different proposals and shall make recommendations to the respective HSWC and later to KCM

ii. The respective HSWC upon receipt of the evaluation report shall recommend the top organization to KCM per cluster for the award.

iii. KCM shall upon receipt of the report from the HSWC nominate SRs

iv. The nominations will be guided by the technical analysis and recommendations provided by the TRC and the need to ensure fairness, transparency, and a lack of conflict of interest.

v. Nominations will be made by consensus. If consensus cannot be reached, KCM will decide its award choices based on a simple majority vote

6.8 Feedback to Applicants

i. The PR shall provide feedback in writing to all candidates who submitted a proposal, regardless of whether they were nominated or not.

ii. The feedback should include the name of the selected organization, the ranking of the organizations to allow candidate organizations to understand why they were or were not awarded.

iii. With this understanding, candidate organizations will be more likely to bolster their capacity to submit successful proposals in future rounds.

6.9 Appeals window

i. The PR will give a period of 7 days for appeals before engaging the selected SRs

ii. Upon expiry of the appeals window, the PR will issue letters of award to the successful SRs.

iii. All appeals received will be presented to the appeals committee

iv. Appeals will only be heard from the organizations that had submitted proposals

v. Appeals will be received through writing to the KCM secretariat

vi.   The committee will review all cases within a period of 14 days

vii.   The appeals committee can invite the TRC chair or other parties of interest to make a presentation

viii.   All appeals will be based on the documents presented to the TRC and no additional information will be provided

ix.   The appeals committee will prepare a report with recommendations to the KCM

x.   KCM will make a decision based on the findings of the appeals committee

xi.   Where the appeal is successful, the selection process will begin again with an advertisement by the PR

6.10 Potential risks and mitigation plan

Mitigation strategies to address possible risks identified are captured in the table below. The risks are classified as high, medium and low based on the likelihood of occurrence.

Risk	Analysis		Mitigation	Responsible
	Likelihood	Consequence		
SRs not signing contract after selection	low	Delay in the implementation of grant.	SR with second highest score to be Selected/ Contracted after 14 days of no response from the initially selected SR	TRC
Appeals from unsuccessful SRs	High	Delay in selection of SRs	KCM to ensure that the Appeals committee is timely constituted and all appeals dispensed within one Month	KCM
Managing PR transition	Low	Failure to share SR performance report with incoming PR	Grant closure process to include submission of SR performance report	KCM Incoming/Outgoing PR
Appointment of TRC	Medium	Dispute on TRC membership	Guidelines are clear on qualifications and representation	KCM HSWG
Poor responses to calls for proposals	Medium	Counties without SR applications	Pre-bid conferences at County level to build capacity CBOs /NGOs on the SR Selection Process	PRs/KCM/Partners
Scheduling of meetings	Medium	Delay in discussing TRC reports	Special HSWC and KCM meetings to discuss SR selection Report	KCM /HSWG
Delays in contracting	Medium	Delays in implementation of activities	Standard SR selection guidelines to ensure timely selection of SRs	KCM/PRs
Conflict of interest	Medium	Delays in decision making	• Independent TRC • Signing of conflict of interest form	HSWG/TRC Members/KCM

7.0 Engagement of SRs

i. Following the selection process, the PR will engage the SRs by entering into SR Agreement.

ii. The SR Agreement must be consistent with the terms of the Global Fund Grant Agreement and will be based primarily on the proposal submitted by the SR.

iii. The PR is at liberty to negotiate with the SR regarding particular aspects of the proposal.

iv. Areas of discussion may include programmatic and performance indicators as well as financial issues. Items that may be negotiated include:

- o Specific activities and deliverables
- o Reporting template and schedule
- o Specific budget items
- o Final budget amount
- o Geographical coverage of activities
- o Audit plan and calendar for follow-ups
- o Disbursement schedule

v. The SR work plan, budget, calendar, disbursement schedule and performance framework form essential parts of the SR agreement and should be attached as annexes.

vi. The PR can include additional clauses in the SR Agreement as required and appropriate. This may include varying durations of the agreement renewable subject to performance.

vii. All these should follow the following **timelines after selection: -**

   a. Send a notification with contracts, targets and budget sheet within 5 days

   b. Notification of the meeting takes place within 7 days;

   c. Budget development and contract signing within 7 days;

   d. Money in the account within 14 days

viii. SRs shall be notified in advance about the timelines

8.0 SR Management

8.1 Capacity development of Sub-recipients

i. Using the scores and the EoI, the TRC will identify certain technical and management capacity shortcomings that can be addressed by the PRs.

ii.   SR Capacity development is a core mandate of the PR.

iii.   The PR should work to build the skills, knowledge and experience of SRs so that they can implement Global Fund programme activities.

iv.   This takes place throughout the lifetime of the SR Agreement and should be funded through the Grant Agreement. The priorities for the capacity building and expected results should be mutually identified by the PR and the SR.

v.   Based on the results of the capacity assessment and discussions with the SR, the PR and SR should create a Capacity Development Plan (CDP), to be annexed to the SR Agreement, addressing in detail how capacity will be developed in the identified areas of weakness, and how organizational capacities will be maintained and strengthened in other areas.

8.2 Strategic engagements with counties for accountability

i.   The PR will facilitate county entry for the SR

ii.   The SR will undertake continuous joint planning and review of implementation, with the county/sub-county health management team and in consultation with the PR

8.3 Actions to be taken when potential irregularities are identified

i.   Some examples of action to be taken when and if there are initial indications of potential poor management or irregularities in financial reporting at the SR level that are not yet serious enough to launch an investigation:

ii.   Reduce the size and increase the frequency of advances (if quarterly, make them monthly), and intensify the scrutiny of financial reporting.

iii.   If the SR is not providing satisfactory financial reporting on advances, consider switching to Direct Payment to vendors.

iv.   If the financial reporting by the SR is more seriously inadequate or gives initial indications of irregularities, freeze further disbursement and send a management letter with conditions for the resumption of funding.

v.   If a function is outsourced from the SR, undertake a fresh risk assessment and develop a risk management plan for that arrangement; also require the SR to develop an RMAP.

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Annexes

Annex 1: SR performance appraisal tool

A. Mandatory Requirement				
	Recommendation from the County Health Management Team.	Letter of recommendation from County Director of Health Services.	Letter	Mandatory requirement
B. Assessment of Programmatic Performance				
Number	**Component**	**Indicators**	**Data source**	**Final Rating Criteria**
1.	Overall average achievement of set targets	Did the SR meet the set targets as per the signed contract? Compare set targets vs. Achievement	Dashboards and PR quarterly reports	80-100% - 4 60-79% - 3 40-59% - 2 <30% - 1
2.	Reporting	Proportion of monthly reports submitted on time when the SR are actively implementing.	PR/Dashboards	80-100% - 4 60-79% - 3 40-59% - 2 <30% - 1
3.	Data quality and integrity	Proportion of periods with no variance between reported and verified numbers	PR onsite verification reports/PR DQA reports	80-100% - 4 60-79% - 3 40-59% - 2 <30% - 1
C. Assessment of Financial Performance				
4.	Accountability	Did the SR have any questionable expenses	PR audit reports	No questionable expenses - 4 Yes but 80% Issues addressed 3 Yes but 50-79% Issues addressed 2 Yes but less that 50% 1 Yes and issues not addressed
5.	Absorption rate	What percentage of disbursed funds has been expended? Compare year to allocation to the SRs	PR dashboards/PR quarterly reports	80-100% - 4 60-79% - 3 40-59% - 2 <30% - 1

		against total budget for implementation period		
6.	Accuracy of financial reports	Proportion of monthly financial reports which were accurate	PR dashboards/PR quarterly reports	80-100% - 4 60-79% - 3 40-59% - 2 <30% - 1
7.	Timeliness of financial reports	Proportion of monthly financial reports received on time	PR financial reports	80-100% - 4 60-79% - 3 40-59% - 2 <30% - 1
	Overall scoring	**Overall score x/28**		

Notes:

1. The rating will be an average of overall performance (up to period of review)
2. It is expected that the PR will assess and offer feedback to SRs on a continuous basis
3. To be considered for continuation, the SR MUST obtain a no objection letter from the County Medical Director of Health services;
4. The cut off will be 70% calculated as **x/28 x100**
5. Any SR scoring 70% and above will be selected for continuation while any that scores less than 70% will be dropped but eligible to apply.
6. Any SR scoring 70% and above will be selected for continuation while any that scores less than 70% will be dropped but eligible to apply.

Annex 2: Sub-Recipient scoring matrix

Section	Scoring
1. The technical and programmatic approach	**85 Points**
1.1 Understanding of the problem 1.1.1 current disease situation and local context (5 points) 1.1.2 National program priorities and justification for proposed work (5 points)	10 points
1.2 Project description 1.2.1 Description of geographical area(s) of implementation, factors that hinder and those that facilitating implementation within the local contexts (5 points). 1.2.2 Proposed implementation strategies including specific activities for meeting the proposed objectives with measurable timelines (5 points). 1.2.3 Explanation of how each of the proposed strategies will contribute to the efficiency and sustainability of project activities. (10 points)	20 points
1.3 Experience in implementing health and/ Or development interventions 1.3.1 Description of organization work experience. Both management and technical capacity, good governance practices (5 points). 1.3.2 Ability to coordinate and collaborate with other partners (5 points). 1.3.3 Current and past experience in the provision of similar services (5 points). 1.3.4 Previous experience as a Global Fund Sub-Recipient (provide evidence of flawless performance) (15 points)	30 points
1.4 Programme monitoring and evaluation 1.4.1 Monitoring and evaluation of the project (5 points). 1.4.2 Key performance indicators, targets, responsibilities for reporting and means of verification (10 points). 1.4.3 How proposed action plans will be implemented (10 points).	25 points
2 Administration and Management	**10 points**
2.1 Administration and management of proposed activities and resources (5 points) 2.2 Procurement processes of your organization (5 points).	10 Points
3 Budget and Work-Plan	**5 points**

Annexe 3: A Capacity assessment tool

	Component	Maximum marks
1	**Part 1: Governance (Max. 3 marks each)**	**18**
1.1	Does the organization have a constitution?	
1.2	The organization has a Board or Committee that is constituted according to the constitution	
1.3	Board functions according to the constitution and other related documents	
1.4	Is there a separation of duties between the board or committee and the project management team as stipulated in the constitution	
1.5	There is evidence that the board or committee provide adequate oversight to the organization	
1.6	The organization holds an annual general meeting as stipulated in its constitution?	
2	**Part 2: Strategic & Operational Planning(Max. 3 marks each)**	**18**
2.1	The organization has a strategic plan to guide its activities to fulfil its set mission and vision within the organization?	
2.2	The organization has a clear vision and mission statements and are they in-line with the health and development agenda?	
2.3	Does the organization have an annual operational plan /work plan to inform the implementation of planned activities	
2.4	Organization has a human resource recruitment plan	
2.5	Organization has a resource mobilization strategy	
2.6	Organization networks and/or partner with various stakeholders(Government agencies, development partners and communities)	
3	**Part 3: Financial Management**	**45**
3.1	Finance unit/department is adequately staffed	
3.2	The organization has an accounting system in place	
3.3	The organization has a finance manual	
3.4	The accounting practices are guided by the finance manual	
3.5	There are budgetary control measures in place	
3.6	The organization prepares cash flow projections/forecast linked to activities	
3.7	The organization prepares financial reports to the management & / Board	
3.8	The organization has a list of authorized bank signatories	
3.9	The organization has a clear cash management plan	
3.10	The organization carries out bank reconciliations	
3.11	There is an independent auditor who audits the financial reports for this organization?	
3.12	The last audit report had no major findings brought out	
3.13	The organization meet its statutory obligations on time	
3.14	Does the organization have procurement policies and procedures/ manuals/ guidelines?	
3.15	The organization maintains an up to date asset register	
4	**Part 4: Human Resource Management**	**15**
4.1	Personnel records are well maintained	

4.2	Personnel for the proposed project is present as per the proposal	
4.3	All employees have signed contracts and written job descriptions	
4.4	Staff are appraised at least once per year	
4.5	There is an adequate cost allocation system for employees paid from different projects or funding sources	
5	**Part 5: Monitoring & Evaluation**	**30**
5.1	Does the organization have an M&E unit/department?	
5.2	M&E responsibilities within the organization are clearly defined in job descriptions.	
5.3	The organizational has relevant M&E tools (Organizational tools)	
5.4	There are designated staff responsible for reviewing the quality of data	
5.5	Data from the organization is shared with the government and donors.	
5.6	The organization has a secure and reliable data management system for storing project information	
5.7	The organization has a system/mechanism of verifying the quality of data at the service delivery points	
5.8	The organization has internal review meetings to assess project performance	
5.9	The existing grant(s) have a percentage of the funds allocated for Monitoring & Evaluation	
5.10	The organization uses the service provider data for decision making	
6	**Part 6: Project Planning & management**	**30**
6.1	The organization has a previous history of implemented activities similar to those proposed	
6.2	The scope of projects managed/implemented by the organization in the last 2 years exceeds or are equal to the current application	
6.3	The organization has an organizational structure with clear reporting lines	
6.4	The organization has adequate physical resources	
6.5	The organization has adequate qualified staff to carry out the proposed activities	
6.6	The organization holds a joint orientation to understand the contractual documents and project design	
6.7	The organization holds joint planning at the beginning of project implementation	
6.8	The organization has a good track record on timely delivery of projects	
6.9	The organization works in partnership with other organizations, Government, Community.	
6.10	The local community is involved in the design and implementation of the project in target areas	
7	**Part 7: Local Presence: Does the organization has previous experience of working in the proposed county of implementation (score one of the following)**	**10**
7.1	Office within the county or sub-county and currently implementing any project in the county/sub-county (10 points)	
7.2	Office within the county or sub-county but not currently implementing a project in the county/sub-county (5 points)	

7.3	The organization has no office in the proposed county but has an existing office and implementing any project from bordering counties (3 Points)	
7.4	The organization has no office in the proposed county but has an existing office and not currently implementing any project from bordering (2 Points)	
7.5	The organization is implementing in neighbouring counties (1 Point	
7.6	The organization has no office and have never implemented in the county (0 points)	

Total percentage = $x/_{166} \times 100$

1. Membership of TRC

The TRC will have a minimum of 5 and a maximum of 12 members. Membership will include the following:

      a. Development partners
      b. Disease experts;
      c. Finance experts;
      d. Monitoring and evaluation experts;
      e. Procurement experts;
      f. CSO representative and a
      g. COG representative
      h. Programme management experts

2. Responsibilities of TRC

The TRC will review submitted applications/proposals and recommend to the HSWCs & KCM Sub Recipients (SRs) to be considered for funding. Specific responsibilities will include:

2.1. Participate in opening and verifying completeness of the applications

2.2. Conduct technical review of the complete application/proposals

2.3. Propose allocation of the counties by SRs based on the strength of their application

2.4. Conduct capacity assessment for all the SRs who have passed the technical review process

2.5. Provide justifications and clear documentation on the process of selection

2.6. Provide the outcome of the review process, justification and recommendation to HSWCs and KCM

3. Governance of TRC

3.1. *Selection of members:* The HSWCs will nominate members of the TRC who will be endorsed by *KCM*

3.2. *Officials of the TRC:* The chair of the TRC will be elected by the members. Th*e PR* shall nominate a member who shall be the secretary to the committee but without any voting rights.

3.3. *Membership commitment:* Members will commit to attending all meetings during the review process in person.

3.4. *Quorum:* Quorum for the meetings will be at least 2/3 of the members.

3.5. *Compensation:* Membership to the panel is voluntary [does not attract any remuneration]. Logistics while attending the meetings shall be provided by the PR.

4   Deliverables

4.1   A listing of all applicants by outcome and justification for the outcome.

4.2   Detailed report to the HSWC and KCM on the technical review process and recommendations

4.3   Signed minutes of each TRC meeting.

4.4   A list of the proposed allocation of the counties by SRs based on the strength of their application

Annexe: 5: Constitution of KCM appeals committee

The KCM has an appeals committee made up of representation from the following:

   i.   Representation from informal private sector;

   ii.   Procurement expert;

   iii. 2 legal experts

   iv.   Representative of Bilateral partners