

# **Standard Procedures**

## **Donor Agreement End to End**

**(From Donor Proposal to Agreement Recording)**

*The revised version of the Standard Financial Processing Procedure 8 is divided in two sections. These sections are articulated to reflect end to end processes.*

***Section I - Donor Agreement End to End (From Donor Proposal to Agreement Recording)***

*Section II - Awards End to End (including donor reporting)*

*These procedures are implemented by FNM, PRP, Management Officers, External Relations/Resource Mobilization Officers (ERO/RMOs) and staff in technical units at headquarters, and by various staff in regional and country offices. They are the procedures necessary to comply with the Financial Regulations and Rules of the World Health Organization. They are the essential requirements for WHO's internal control, and should be followed in conjunction with relevant sections of the eManual and other control procedures.*

# Financial Regulations, Financial Rules, eManual and World Health Assembly Resolutions

1. The following **Financial Regulations** of the World Health Organization are applicable:

- (a) Regulation IV- Regular Budget Appropriations
- (b) Regulation V - Provision of Regular Budget Funds
- (c) Regulation VI - Assessed Contributions
- (d) Regulation VIII - Revenue: Other Sources
- (e) Regulation IX - Funds
- (f) Regulation XII - Internal Control
- (g) Regulation XIII - Accounts and Financial Statements
- (h) Regulation XIV - External Audit

2. The following **Financial Rules** of the World Health Organization are applicable:

- (a) Rule III - Regular Budget Appropriations
- (b) Rule IV - Financing
- (c) Rule V - Funding from Awards for Approved Workplans
- (d) Rule VII - Internal Control
- (e) Rule XI - Procurement of Goods and Services

3. The following **eManual** provisions are applicable:

- IV.1 Mobilizing Resources from Donors
- IV.2 Revenue Recognition
- IV.3 Award Creation and Management

4. **Governing Body Resolutions and Documents:**

WHA27.33, WHA29.31, WHA34.17, EB105/9 and EB105/41 are applicable.

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**Background:**

The Medium-term strategic plan 2008-2013 (MTSP 2008-2013) provides details of the resources needed to achieve the expected results set out in the Programme budget. WHO's Programme budget is financed from assessed and voluntary contributions. Voluntary contributions have dramatically increased in the last ten years and currently represent 80% of all contributions.

Significant work has taken place in WHO in recent years to improve the way financial resources are managed in the context of a results-based environment. Results-based management ensures that the Secretariat is collectively accountable for achieving the Programme stated in the MTSP 2008-2013. The contribution of each part of the Organization to their achievement is expressed through regional expected results and headquarters expected results. They are then operationalized through Outcome (country office, regional offices and headquarters), and related products and services.

WHO's Programme budget is managed in a matrix structure with Category and Major Offices being the two dimensions. The major office dimension is represented by the formal line-management structure (organizational structure) of WHO and the Categories (technical results) dimension is coordinated through the Global Category and Programme area teams, with designated Category leads and Programme facilitators.

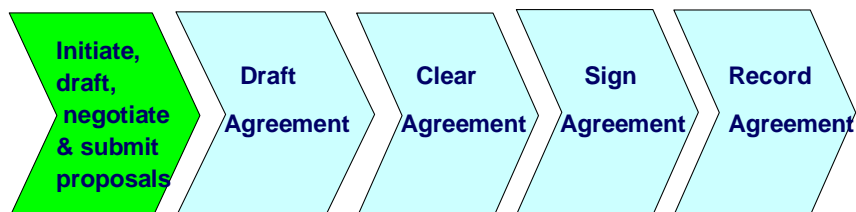
This document provides details of the standard financial procedures for proposal development, clearance and recording of agreements for voluntary contributions. It is intended to provide the procedures and tools needed to support the mobilization of resources for the MTSP 2008-2013 and beyond.

Voluntary contributions can be classified into four categories:

- 1) Deployable anywhere in WHO according to the Programme budget and can be pooled (fully flexible)
- 2) Flexible at the Category level and can be pooled (highly flexible)
- 3) Earmarked by Programme, major office, Organization-wide theme, or major disease programme and can be pooled - or are flexible at the above two levels but cannot be pooled (medium flexible)
- 4) Earmarked to department/project or below, regardless of whether they can be pooled or not (specified).

Categories 1 and 2 are managed together through the Core Voluntary Contributions Account (CVCA).

## Part I. Donor Proposals



### 1.1. General Principles

**Proposals:** A proposal is a formal request from WHO for funds or an in-kind/in-service contribution to a Member State, intergovernmental organization, civil society organization or private sector organization. A proposal can take many different forms, from a short letter of enquiry to a concept paper or a very detailed project document. If possible, the standard template for technical and budget proposals should be used (see *Appendices A & B*). For in-kind and in-services contributions, some adaptation of the texts and processes will be required and guidance can be sought from LEG for in-kind contributions and from HRD for in-services contributions (see 2.2.1. ii)).

**What can funds be requested for:** On approval of the biennial Programme budget, the WHA authorizes the Director-General to mobilize funds for the Programme budget. It is therefore important that resources are only requested for activities in approved workplans which are included in the WHO Programme budget and the MTSP 2008-2013, with the exception of proposals that are prepared in response to disease outbreaks and emergencies, where separate policies apply.

**Full cost-recovery:** As a general principle, assessed contributions should not be used to subsidize voluntary contribution funded activities. It is therefore important to ensure that all proposals include provisions to cover the full costs of implementing the activity of the agreement. This should include both direct and indirect costs (Programme Support Costs (PSC)). The WHO "*Guidance note on cost-recovery and development of budgets for proposals to/agreements with donors*" (see *Appendix B*) should be used as a reference when preparing budget proposals to donors.

### 1.2. Procedures

Proposals are submitted in response either to a call for proposals (also known as a request for proposal) or as a result of discussion with donors. Prior to submitting any proposal, the cluster or regional ERO/RMO or PRP should be consulted for specific information about a donor.

Prior to participating in a *call for proposals* it is important to check whether international organizations are eligible to apply. If international organizations are eligible, PRP or the cluster/regional ERO/RMO should be consulted to ascertain whether WHO can participate. Some organizations have separate corporate agreements with WHO which prohibits WHO participation in their calls for proposals.

Whenever possible, the templates for technical (see *Appendix A*) and budget proposals (see *Appendix B*) should be used.

Proposals submitted to donors as part of an emergency should be submitted in line with the WHO Standard Operating Procedures for Emergencies : <http://intranet.who.int/homes/hac/sop> .

The cluster or regional office ERO/RMO is the primary responsible officer for overseeing drafting of

proposals.

### 1. 2. 1. Initiating proposals, clearance and signature of proposals

**Initiation:** As a first step, the activities outlined in the proposal should be consistent with the Category/major office and foreseen in the approved workplan. In addition, the financial part of the proposal should be developed in accordance with WHO guidance on proposals, especially on cost-recovery (see [Appendix B](#)).

**Clearance:** Proposals (including the cover letter) are cleared by the responsible officers indicated in the table below. Technical and financial review as mentioned in the section on initiation above is required.

**Signature:** Proposal submissions are signed by the responsible officers indicated in the table below, by delegation of authority.

Responsibilities are as follows:

	For multi-cluster or Organization-wide contributions	For single cluster contributions for headquarters, regional and country offices	For regional or country level contributions
Responsible for initiating proposals	PRP	Technical unit	Technical unit in regional office and WHO Representative (WR)
Responsible for clearing proposals	ADG/GMG or Director, PRP, by delegation of authority	Technical section: director of the department	Technical section: responsible officer of the technical unit of the regional office/the WR <sup>1</sup>
		Financial section: director of the department <sup>1</sup> , with review and clearance by a certifying officer <sup>2</sup>	Financial section: responsible officer of the technical unit of the regional office/the WR <sup>1</sup> with review and clearance by a certifying officer <sup>2</sup> in the regional office or in the country office
Responsible for signing proposals	ADG/GMG or Director, PRP, by delegation of authority	ADG unless a delegation of authority has been made to another official	Regional Director or, by delegation of authority, Director of Programme Management (DPM), director of the technical unit of the regional office/the WR

<sup>1</sup> In some cases (for the European Commission, for commercial enterprises or for foundations associated with commercial enterprises), the submission needs to be cleared by PRP, ACT and LEG after an initial review by a designated certifying officer.

<sup>2</sup> Certifying officers as designated by the ADG/Regional Director and agreed by the Comptroller.

## Part II. Agreements

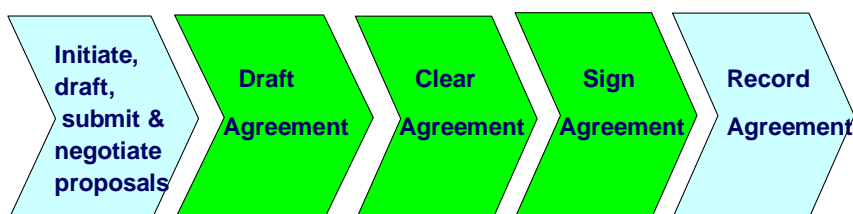
### 2.1. General Principles

The form and exact content of donor agreements varies according to the donor, or to the nature of the contribution or activity. However, the WHO [Standard Donor Agreement](#) (see [Appendix C](#)) contains clauses that reflect how WHO will manage contributions. These clauses should therefore form part of every donor agreement. The following types of legal instrument could be used for the conclusion of an agreement:

- i) **Stand-alone agreement** i.e. a single document that is signed by both parties, normally based on the WHO Standard Donor Agreement, or a standard text that has been agreed with a specific donor by PRP, LEG and FNM/ACT (see [Appendix F](#) for a full list of current arrangements with main donor countries) or, where necessary, an ad hoc text agreed by PRP, LEG and FNM/ACT;
- ii) **Letter of Agreement of Contribution (LAC)** (see [Appendix D](#));
- iii) **Exchange of Letters** (e.g. a letter from WHO in response to a letter from a donor - see example in [Appendix E](#));
- iv) Some donors have general **framework arrangements** (see [Appendix F](#) for a full list of current arrangements with main donor countries);

### 2.2. Procedures

#### 2.2.1 Agreement development



#### i) All cases

Please note that the steps below apply to all cases. In addition, in the specific cases noted in paragraph 2.2.1 ii), specific procedures apply.

**Initiation:** As a first step, acceptability of the agreement provisions must be reviewed, in the light of the foreseen implementation, in order to ensure that the activities outlined in the proposal are consistent with the approved workplans. Any technical annexes to the proposed agreements should also be reviewed at the same time. When and if possible, agreements should clearly define the CATEGORY, PROGRAMME and budget centre where the income will be recorded. Also wherever possible, funding should be transferred in one instalment upon signature and agreements should be in US\$. All payments should be made to HQ bank accounts. For any non-US\$ payments, the corresponding HQ non-US\$ bank account should be quoted. All payments to non-HQ bank accounts must be cleared by FNM/ACT. It is essential that non-US\$ contributions, which should be in a convertible currency such as Euros, Pounds Sterling, Swiss Francs etc., cite the correct bank account and that the payment schedule or budget be shown in the currency of the contribution.

**Clearance:** The draft agreement documentation should be reviewed by the responsible officers as indicated in the table below and in the light of the project proposals which were previously submitted. This review should ensure consistency with individual donor practices. The agreement is also reviewed from a financial perspective to ensure that it is in line with WHO's Financial Rules and Regulations (<http://intranet.who.int/homes/fpg/b/>) and for adherence to the clauses of the Standard Donor Agreement. In particular, it should follow the WHO "Guidance note on cost-recovery and development of budgets for proposals to/agreements with donors" (see **Appendix B**).

If the agreement conforms to the WHO Standard Donor Agreement OR to a standard agreement previously agreed by PRP, LEG and FNM/ACT at corporate level with the specific donor (list in **Appendix F** and under PRP intranet site (<http://intranet.who.int/homes/prp/rm/collaboration/index.shtm>) OR if all of the requirements set out in this standard procedure can be met, then the agreement can be cleared. In all other cases where the above provisions cannot be met, the agreement should be submitted for clearance first to PRP, then to FNM/ACT and lastly to LEG. When referring a draft agreement to PRP, FNM/ACT and LEG, deviations from standard agreements should be highlighted and explained. LEG clearance must be sought for agreements including private sector donations, copyright issues and research ethics clauses.

**Signature:** When the agreement is deemed acceptable, it is submitted for signature by the responsible officers indicated in the table below, unless a delegation of authority has been made to another official.

At this stage, an **Agreement Reference Number** will be assigned by the Certifying Officer by accessing [http://intranet.who.int/asp/datacol/survey.asp?survey\\_id=4392](http://intranet.who.int/asp/datacol/survey.asp?survey_id=4392) to allow tracking of the processing of the agreement. Any subsequent major amendment (change of: i) duration and/or end date of the agreement; ii) payment amount and schedule; or iii) reporting obligations) will refer to this number. This number should be quoted in the draft agreement/acknowledgement letter and all subsequent correspondence.

Responsibilities are as follows:

	For multi-cluster or Organization-wide contributions	For single cluster contributions for headquarters, regional and country offices	For regional or country level contributions		
Responsible for initiating agreements	PRP	Technical unit	Technical unit in regional office and WR		
Responsible for clearing agreements	FNM/ACT	Review and clearance by a certifying officer <sup>3</sup> from: a) legal clauses & technical annexes; and b) financial, reporting and accounting point of view	Review and clearance by a certifying officer <sup>3</sup> from: a) legal clauses & technical annexes; and b) financial, reporting and accounting point of view		
		<b>Agreements conforming to existing standard</b>	<b>Agreements <u>not</u> conforming to existing standard</b>	<b>Agreements conforming to existing standard</b>	<b>Agreements <u>not</u> conforming to existing standard</b>
		↓	First to PRP, then to FNM/ACT and lastly to LEG	↓	First to PRP, then to FNM/ACT and lastly to LEG
	An <b>Agreement Reference Number</b> is assigned by the certifying officer at this stage to allow tracking of the processing of the agreement and it is reflected in the draft agreement/acknowledgement letter				
Responsible for signing agreements	ADG/GMG or Director, PRP, by delegation of authority	ADG unless a delegation of authority has been made to another official	Regional Director or, by delegation of authority, Director of Programme Management (DPM), director of the technical unit of the regional office/the WR		

<sup>3</sup> Certifying officers as designated by the ADG/Regional Director and agreed by the Comptroller.

## ii) Specific cases

### ▪ **Bill and Melinda Gates Foundation Agreements**

All agreements with the Bill and Melinda Gates Foundation must be cleared by PRP. A standard template has been developed with the Foundation and must be used. Any deviation from the standard agreement with the Bill and Melinda Gates Foundation must be cleared by LEG and FNM/ACT (contact PRP for Bill and Melinda Gates Foundation standard template).

### ▪ **Institutions of the European Union**

All agreements with the Institutions of the European Union, must be signed by one of the five authorized WHO signatories for agreements with the European Union, after the clearance process has been completed. The list of authorized signatories is maintained by PRP and available on the PRP intranet site.

### ▪ **Commercial enterprises or foundations associated with commercial enterprises**

The responsible cluster/regional ERO/RMO along with the Management Officer (as designated by the ADG) must consult with the Department of Partnerships and UN Reform (PUN) any planned fund-raising activity involving commercial enterprises or foundations associated with commercial enterprises. PUN is the entry point for discussions and liaises with LEG.

### ▪ **UN Multi-Donor Trust Funds**

Refer to the "Guidance note on WHO engagement with Multi-Donor Trust Funds and Joint programmes" (<http://intranet.who.int/homes/pun/uni/mdtfs/>). The Department of Country Focus (CCO) is the entry point for discussions and liaises with LEG.

### ▪ **In-kind contributions**

In-kind contributions (of goods) should be treated separately as they are subject to different considerations and require specific agreements. LEG should be consulted for all in-kind contributions with a view to negotiating and drafting an appropriate agreement with the donor. In addition, FNM should be consulted with a view to determining the value at which the donation will be recorded in WHO's financial records. Detailed instructions for processing of agreements for in-kind contributions can be found in the eManual, section IV.1.3 (<http://emanual.who.int/p04/s01/Pages/IV13In-kindcontributions.aspx>).

### ▪ **In-services contributions**

Contributions of services and contributions of human resources (secondments) should be addressed in consultation with LEG on a case-by-case basis. In the case of secondments, section III.4.7 of the eManual (<http://emanual.who.int/p03/s04/Pages/III47Interorg.aspx>) and related standard operating procedures should be consulted.

## 2.2.2 Standard Donor Agreement

The following section provides a detailed explanation of the legal and financial criteria that are included in a WHO Standard Donor Agreement:

Page 1

APPENDIX C

*Please note that all Text in Italics in this Appendix is for reference purposes only and should not be included in the actual agreement.*

*This agreement can be used for financial contributions from governments, NGO foundations and companies. Financial contributions from companies can also be formalized through an exchange of letters, including the standard wording provided by LEG.*

*LEG/CCM should be consulted for all agreements, for in-kind or in-services contributions. If an in-kind or in-services donation includes a cash contribution to manage the in-kind or in-services donation, the agreement should include relevant clauses of this agreement.*

*A Letter of Agreement of Contribution (LAC - paragraph 2.1 and Appendix D), is sufficient if the donor is simply making a contribution to support existing unspecified activities, provided however that no conditions are attached to the contribution. Unspecified contributions provide WHO with greater management flexibility. In addition, WHO does not need to issue a certified financial statement and is not held to reimburse any non-utilized balance of funds to the donor.*

*A LAC is also sufficient for contributions under US\$ 50 000 (unless reference is made to an umbrella agreement, or the donor makes so many, or unacceptable conditions, that it is more efficient to use this donor agreement).*

### DONOR AGREEMENT

between

THE WORLD HEALTH ORGANIZATION (WHO)

and

.....

(hereinafter referred to as the "Donor")

I. This Agreement relates to a financial contribution to be made by the Donor to WHO towards the implementation of the [Activity (project) title], which is outlined in Annex I hereto, and which is hereinafter referred to as the "Project". Annex I is an integral part of this Agreement.

II. The budget for the activities financed by the contribution is set out in Annex I. Prior to effecting major changes between categories of expenditure that may be found necessary in the course of implementing the activities, WHO shall consult the Donor.

#### III. Responsibility

1. WHO shall be responsible for the monitoring and implementation of the Project.
2. The Donor shall be responsible for the provision of funds to WHO for the Project, in accordance with the terms of this Agreement and its Annex I.

#### IV. Financial arrangements

##### 1. Schedule of payments

The total amount of the contribution is US\$.....

The contribution shall be paid [in one instalment on signature of this Agreement by both parties] [to cover at least one year's operations in accordance with the following schedule.

The initial instalment shall be paid upon signature of this Agreement:

US\$..... on .....

US\$..... on .....]\*

*\*If an agreement is longer than one year, is for more than US\$ 50 000 and where the donor requests to pay in instalments, a payment schedule should be included in the agreement as per the above.*

### Flexible contributions

It provides more management flexibility to negotiate [contributions](#) as "flexible" at the Category level, or Programme level, but unspecified in terms of specific activities or expenditures. The reason for this is that: i) funds can be pooled with similar contributions, ii) a separate certified financial statement will not be issued for individual contributions, and iii) no refund will be made to donors of flexible funding. An unsigned Management Report of programme implementation can be provided by the technical unit at any budget centre level, but the funding being reported may have multiple sources.

### Annex I - Technical and Budget proposal

The templates for technical and budget proposals in [Appendices A & B](#) should be used where possible.

### Schedule of Payments

Whenever possible, funding should be transferred in one instalment upon signature and agreements should be in US\$.

2. Payment of contribution

The US\$ contribution shall be deposited according to the above schedule of payments in WHO's Geneva bank account:

**US\$** World Health Organization  
IBAN CH31 0024 0240 C016 9920 3  
UBS AG  
SWIFT - UBSWCHZH 80A  
1211 Genève 2, Switzerland

and the details of the contribution clearly identified using *[Agreement Reference Number]* and *[major office/budget centre]* codes.

*All payments should be made to HQ bank accounts. For any non-US\$ payments, the corresponding HQ non-US\$ bank account should be quoted. All payments to non-HQ bank accounts must be cleared by FNM/ACT.*

3. Utilization of funds and accounting

(i) The contribution shall be used for the purposes indicated in Annex I hereto and shall be administered in accordance with the Financial Regulations and Rules, and financial and administrative rules and practices of WHO.

(ii) Under this Agreement, ---% *[13% or other authorized rate]* of expenditure will be deducted by WHO to cover the costs of administrative support, in accordance with World Health Assembly resolution WHA34.17.

(iii) *Any interest earned on* the cash balance of the contribution shall be used in accordance with WHO Financial Regulations and Rules, and financial and administrative rules and practices of WHO.

(iv) Income and expenditure recorded in respect of the contribution shall be identified and kept separately by WHO in the relevant account.

(v)\* Any balance of the contribution that is outstanding at the time of completion of the Project, or of termination of this Agreement, and after all encumbrances (financial liabilities) incurred by WHO prior to completion or termination have been fully liquidated, shall be treated in the following manner:

- If the remaining balance is US\$ 1 000 or less, WHO shall be entitled to use this balance for similar activities;

- If the remaining balance is more than US\$ 1 000, this remaining balance shall be:

1. reprogrammed for similar activities
2. used at the discretion of WHO
3. repaid to the Donor
4. other options.]

\* This paragraph should be deleted when the contribution is unspecified, or flexible.

.....

**Bank accounts**

All payments should be made to HQ bank accounts. For any non-US\$ payments, the corresponding HQ non-US\$ bank account should be quoted. All payments to non-HQ bank accounts must be cleared by FNM/ACT.

**Agreement Reference Number**

This number is unique for each agreement and subsequent key amendments. It is assigned by the Certifying Officer using the following link [http://intranet.who.int/asp/datacol/survey.asp?survey\\_id=4392](http://intranet.who.int/asp/datacol/survey.asp?survey_id=4392) and allows tracking of agreements and facilitates reconciliation of contribution pledges with income receipts.

**Programme Support Costs (PSC)**

Reference is to be made to the Operational Guide to Programme Support Costs (<http://intranet.who.int/homes/fpg/documents/programmesupportcosts.pdf>) and FNM/FPG should be consulted in case of proposed variations.

**Interest**

Financial Regulation VIII .2 authorizes the Director-General, to use any interest earnings from voluntary contributions to reimburse the indirect costs incurred from administration of the contributions. Clauses specifying that interest earned be repaid to the donor are not permitted. Interest cannot be applied in deduction of the donor's initial pledge.

V. Implementation

1. Period of implementation

The start date of the Project shall be.....  
The end date of the Project shall be.....

WHO shall have no obligation to implement the Project unless all necessary and sufficient funds for the implementation have been received by WHO. If the start date is postponed for that reason, the end date shall be extended accordingly.

The Donor shall allow WHO a period of up to twelve months after completion of the Project, or any termination of this Agreement (close date), to liquidate all encumbrances for activities completed by WHO prior to completion or termination.

**Period of implementation**

Agreements must specify the “implementation period” (the starting date and the completion date). The activity or work should be completed during the “implementation period” of the project, and all encumbrances must be liquidated by the agreement close date, after which a final certified financial statement may be issued to the donor.

**Liquidation of encumbrances**

In accordance with the Financial Regulations, the donor agreement should include a period typically up to 12 months after the completion date of the agreement for the liquidation of encumbrances for activities carried out prior to completion date. (It should be noted that standard business practice is to liquidate all voluntary specified contributions within 6 months after the completion date of the agreement.)

VI. Reporting

1. Technical

WHO shall transmit to the Donor at regular intervals *[specify]* a technical report on the progress in the activities financed by the contribution.

2. Financial

(i) The income and expenditure recorded in respect of the contribution shall be included in the WHO Financial Reports submitted to the World Health Assembly on an annual basis. Certified financial statements of income and expenditure shall be provided to the Donor on a yearly basis, upon request.

(ii)\* A Final Certified Financial Statement (FCFS) of income and expenditure will be provided by WHO, by the close date of the Agreement (namely, after settlement of all encumbrances for activities started by WHO prior to completion or early termination of the Agreement).

*\* Unless otherwise agreed by Chief, ACT, this paragraph should be deleted when the contribution is unspecified or flexible. All requests for certified financial statements, both interim and final, should be made by the award manager to FNM through e-mail.*

3. Other reports

*In the case of projects of less than one year, only one financial report shall be issued as per item (ii) above. A FCFS shall not be issued for unspecified contributions, including for projects under US\$ 50 000. For projects of more than one year, if the donor insists, a clause may be included agreeing that instalments in the second, or later years will be made upon presentation of an annual certified statement of income and expenditure. This clause must be cleared with LEG and FNM/ACT. All requests for certified financial statements, both interim and final, should be made by the award manager to FNM through e-mail.*

**Financial reporting requirements**

Reports should be restricted to one per annum for projects with a duration exceeding one year, or a final report only for a project of less than one year. Donors should be encouraged to accept the audited WHO Financial Report as approved by the World Health Assembly, in lieu of a separate certified financial report.

Any deviation from these standard financial reporting requirements must be cleared with FNM/ACT.

VII. Audit

It is understood that all contributions to WHO are subject exclusively to its internal and external auditing procedures. The External Auditors’ certification of accounts and audit report is made available to the World Health Assembly on an annual basis. The Donor may request a copy.

VIII. Acknowledgement

WHO will make an appropriate acknowledgement of the contribution in all of its publications emanating from the Project, or in reports that are habitually made available to its Member States. In the absence of the consent of the other party, neither party may otherwise refer to the contribution or to the relationship between the parties in any material of a promotional nature. Of course, donors are always entitled to make reference to their donations in their internal documents and in their annual reports.

**Audit of WHO’s accounts** A request by a donor for access to WHO’s accounts or financial documents by a donor-appointed individual or institution should be referred to the Comptroller. The External Auditor’s opinion in the Financial Report covers WHO’s entire financial operations. Any clauses contrary to this are not permitted. WHO’s accounts are audited by the External Auditor on a biennial basis. Copies of the External Auditor’s opinion in the WHO Annual Reports may be provided to the donor if necessary.

IX. Termination

Either party may give the other notice of termination of this Agreement. Such termination shall enter into effect six months after notice has been received, subject to the settlement of any outstanding encumbrances.

X. Notices

Any notices required under this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail or facsimile to the following addresses:

**To WHO:**

World Health Organization  
*[name of RO/Department-WCO or HQ/Department/unit]*  
*[address]*  
 Tel nr: .....  
 Fax nr: .....  
 Email: .....

With copies to:  
*[name of responsible officer]*

**To the Donor:**

*[full name and address of donor, with name of responsible administrative authority]*  
 Tel nr: ....  
 Fax nr: ....  
 Email: ....

With copies to :  
*[name of responsible technical focal point]*

or such addresses as either party shall have notified the other party. Any such communication shall be deemed to have been given or made on the date such letter was hand-delivered, registered or transmitted from the sender's facsimile operator, but any assumption of actual notice shall be subject to rebuttal to show that it has not actually been received.

XI. Settlement of disputes

Any dispute relating to the interpretation or application of this Agreement shall, unless amicably settled, be subject to conciliation. In the event of failure of the latter, the dispute shall be settled by arbitration. The arbitration shall be conducted in accordance with the modalities to be agreed upon by the parties or, in the absence of agreement, with the rules of arbitration of the International Chamber of Commerce. The parties shall accept the arbitral award as final.

XII. Privileges and immunities of WHO

Nothing contained in this Agreement shall be construed as a waiver of any of the privileges and immunities enjoyed by WHO under national and international law, and/or as submitting WHO to any national court jurisdiction.

Accepted on behalf  
of the Donor:

Accepted on behalf of the  
World Health Organization

.....  
Authorized official

.....  
*[Assistant Director-General/Regional Director  
or other authorized signatory]*

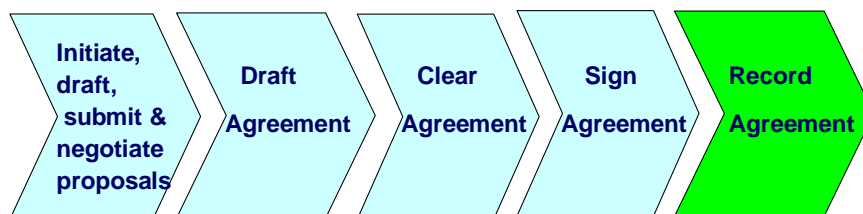
Place:

Place:

Date:

Date:

## 2.3. Recording Agreements



Procedures have been established whereby relevant Resource Mobilization documents for both HQ and regional offices must be uploaded to the GSM Resource Mobilization folder structure by Records and Archive (RAS) at HQ before funds can be accessed. The following outlines the responsibilities of the different stakeholders concerning the management of Resource Mobilization records.

### Background

Resource Mobilization is one of the primary functional areas in the GSM records management system. The folder structure is arranged by donor and then by agreement. There are separate structures for HQ and regional offices; these structures mirror each other.

Detailed information about the Resource Mobilization folder structure, procedures established concerning the management of Resource Mobilization records by all relevant parties, and use of the naming convention and scanning standard, can be found in "*Resource Mobilization Records at WHO*", first issued in March 2010.

### Responsibilities of technical units at HQ

Technical units at HQ send original signed donor agreements (see section 2.1 for types of legal instruments which could be used for the conclusion of an agreement) and supporting documents (e.g. annexes such as budgets, cover letters, amendments and no-cost extensions) to RAS. Donor agreements must be dated and fully signed by all parties. In exceptional cases where paper originals are not immediately available or when there will be no original paper agreement, the circumstances must be officially documented by the technical unit, and the relevant documents forwarded to RAS if and when available.

When technical units receive the links to uploaded Resource Mobilization documents from RAS, they include these links on the Award Activation Request (AAR) they submit to IAM.

Technical units send other related documents (e.g. proposals, technical reports) concerning agreements to RAS for inclusion in the electronic and paper files, in order to make available all relevant documents and to securely retain records of long-term value.

### Responsibilities of regional offices

Regional offices are responsible for sending complete and accurate Resource Mobilization documents in electronic form to RAS at HQ. Fully-signed donor agreements, along with related annexes, amendments and other supporting documents, must be scanned by regional office staff, named correctly and sent via email to RAS. Regional offices remain responsible for the paper originals of Resource Mobilization documents.

## **Responsibilities of RAS**

RAS, with advice from PRP, creates and maintains the Resource Mobilization folder structure for HQ and regional offices in the GSM records management system. RAS also maintains the paper files of original HQ Resource Mobilization records.

For regional offices, RAS receives scanned and properly named donor agreements and supporting documents via email. RAS creates the appropriate folders in the GSM records management system, uploads the documents, and sends links back to the regional offices so that the links can be included in the AARs submitted by the regional offices to IAM.

For HQ, RAS receives original signed donor agreements and supporting documents from technical units or by mail, creates and names the relevant folders in the GSM records management system, scans the documents, names them appropriately, uploads them to the correct folders, and sends links to the technical units so that the links can be included in the AARs submitted by the technical units to IAM.

On receipt of the award numbers from IAM, RAS inserts these numbers into the Resource Mobilization folder titles.

## **Responsibilities of IAM**

The Income and Awards Management (IAM) unit records income and creates awards on the basis of an AAR from the unit that mobilized (and possibly signed) the agreement. The AAR documentation includes a link to the relevant Resource Mobilization records uploaded by RAS and assigns an Award Manager to the contribution. IAM includes RAS on notifications concerning assignment of Award Numbers (via emails that also include the links submitted with AARs, so that RAS can identify the folder and add the award number to the folder title). IAM also includes RAS on notifications of cancellations of awards, and exchanges about awards created exceptionally without links. IAM identifies correct donors for agreements and liaises with PRP and RAS about difficult-to-determine cases.

## **Responsibilities of PRP**

PRP is the business owner of the Resource Mobilization functional area in the GSM records management system. Changes to the structure require PRP's consent, and PRP undertakes verifications to ensure the structure is appropriate.

## **Responsibilities of ACT**

ACT uploads Certified Financial Statements in the folder for the relevant contribution in the GSM records management system.

## **Responsibilities of ITT**

ITT is responsible for technical maintenance of the GSM records management system and for assigning permissions governing access to and use of the system.

## Appendices

- Template for technical proposal (technical section) *Appendix A*
  - Guidance note on cost-recovery and development of budgets for proposals to/agreements with donors *Appendix B*
  - Standard Donor Agreement *Appendix C*
  - Standard Letter of Agreement of Contribution (LAC) *Appendix D*
  - Standard Letter of Acknowledgement of Contribution *Appendix E*
  - List of general framework arrangements and of standard grant agreements with donors *Appendix F*
  - “Guidelines for Drug Donations” – extract *Appendix G*
-

**[Proposal Title]**

<b>Contribution Proposal Title</b>	The title is the selling point and should be concise and informative, reflecting the central theme of the project
<b>Category and Programme</b>	
<b>Geographical focus</b>	Indicate if this refers to: -Organization-wide; -major office(s); -country office or particular organization in the regional office or headquarters.
<b>Beneficiaries</b>	
<b>Proposal period</b>	
<b>Total budget</b>	
<b>Amount requested</b>	
<b>Contact details</b>	

**Introduction and background**

Present the historical background to the problem, including what has been done as a response by various actors to date and the limitations of such activities. Use statistical evidence, graphs, tables and pictures if available.

Sources for statistics include World Health Reports, (UNDP) Human Development Report, OECD/DAC, UNFPA State of the World Population, Economist Intelligence Unit, *Global Burden of Disease and Risk Factors* (Disease-control Priorities Project), WHO data and statistics, WHO health statistics and health information systems <http://www.who.int/research/en/>

**Rationale**

Present the rational (why) of the project and summarize proposed solutions. State what is new and innovative compared to previous & similar activities and state what gap this contribution proposal aims to fill.

**Objective(s) of the proposal**

**Objective(s):**

The objective(s) is(are) the long-term accomplishment(s) (in relation to the WHO MTSP, Country Cooperation Strategy, etc.), embracing the specific results (broader in scope than the specific results). If

possible, align a description of purpose and activities with the GSM workplan to facilitate financial reporting.

**Specific results and products:**

**Specific Result 1:** Specific results should describe the measurable achievements or steps which need to be taken in order to reach the overall goal. Specific results should be SMART: **S**pecific (clear & well-defined), **M**easurable (possible to define when it will be completed), **A**chievable (logical & in common agreement by all partners), **R**ealistic and **T**ime-bound.

**Product 1:** Describe the various activities/steps required under each Specific Result, i.e. how you are going to achieve the Specific Result, including method (research, training, meetings, studies).

**Indicators of success for each Product:** List indicators for each Product and their means of verification (where such information can be found or how it will be collected).

**Expected output:** Expected output of the activities, such as workshops, experiments, studies, built capacity, etc.). List expected output for each activity.

**Product 2, 3, 4 etc.**

**Partners (who will we work with)**

Present the partners, at local, regional, national and international level. Describe who the key project partners (implementers) are, who will provide technical expertise & advice, etc.

- List local partners
- List national and regional partners
- List international partners.

**Implementation & organizational capacity**

**Management**

Present implementation arrangements and contribution proposal management structure including, if relevant, a brief description of the Manager(s), Management Team, Advisory Group, panel/network of experts/consultants, etc., their respective responsibilities and reporting lines. Include participation of relevant WHO regional & country offices and WHO Collaborating Centres and how the project will interact with the identified partners. Include, for example, an organization chart and graphs for illustration.

**Inputs**

Inputs are the means that must be provided in order to attain the expected result, for example personnel, technical expertise, IT, transport, equipment and supplies, etc.

**Organizational Capacity**

Present briefly the organizational capacity of WHO in the area of work, including the professional capacities and experience of relevant project staff and those of its key partners.

## Impact & sustainability

Present the expected outcomes or long-term impact of the contribution, what will happen as a result, such as changes in policy, behavior or condition of target population. This can, for example, be presented by category of impacts such as:

- Impact on the ultimate beneficiary population, demonstrated with numbers if possible, i.e. number of people with improved access to health services, medicines or safe blood; availability of tools and standards for national policy makers.

At country level:

Present **direct beneficiaries**/target population: direct beneficiaries are the first target group of the project, for example policy makers, health officials trained, etc.

Present **indirect beneficiaries**/target population: indirect beneficiaries are the ultimate long-term beneficiaries, but not the population directly targeted for project activities.

- Impact on the achievement of MDGs and other relevant internationally agreed policies in the area of development and health.
- Impact related to WHO's core functions:
  - Development of tools and standards
  - Access to health services
  - National capacity-building/technical expertise
  - Collaboration across countries and regions, professional bodies/networks
  - Development/implementation of policies/national plans

## Monitoring, evaluation and dissemination

The assumption is that monitoring and performance assessment will be based on ongoing monitoring and evaluation of WHO (workplans & Programme budget).

Present monitoring and evaluation plans, such as who will monitor project progress at different levels. Include information/a plan for mid-term and final external evaluations.

List indicators and source of indicators for monitoring and evaluation (if not mentioned earlier) if the Objectives section is structured around WHO Outputs. If not, criteria (quantity and quality) of "outputs" should be provided. These should be those that WHO uses normally.

Present the channels that will be used for disseminating and sharing project results.

Include a list of risk factors.

**Budget - see generic budget template in [Appendix B: Annex A & B](#)**

**SUMMARY BUDGET IN US\$**

**TOTAL BUDGET** .....[TYPE AMOUNT]  
**FUNDS SECURED**.....[TYPE AMOUNT]  
**FUNDS SOUGHT** .....[TYPE AMOUNT]

WHO's functional currency, official accounting system, budget and expenditure are in US\$, so proposals to donors from WHO should be in US\$.

In order to facilitate financial reporting, individual tasks in the workplan (GSM) should correspond to one budget line.

List the various types of support, both financial and in-kind from other sources (office space, equipment, human resources such as technical advice, staff and secondments, hosting arrangements, etc.). List ongoing efforts to raise resources other than this proposal - these need not be only financial.

**GUIDANCE NOTES ON COST-RECOVERY AND  
DEVELOPMENT OF BUDGETS FOR PROPOSALS  
TO/AGREEMENTS WITH DONORS**

January 2025

**APPENDIX B**

## Guidance note on cost-recovery and development of budgets for proposals to/agreement with donors

### Why direct costs have to be included in budgets of WHO proposals to/agreements with donors

Voluntary funding is the principal source of finance for the Organization, financing the demand for WHO's technical programmes.

WHO is required to recover the full costs of activities funded by voluntary contributions<sup>1</sup>. To ensure financial sustainability, and to achieve quality results, proposals for voluntary funding must ensure the **full cost recovery principle**, of both direct and indirect costs necessary to achieve planned results. The recovery of full costs will help country offices, regions and headquarters to build and finance the necessary capacity to deliver quality programmes that meet donor expectations.

This requires ensuring that at the programme / project funding proposal stage, the proposed budget incorporates all direct project costs **plus** the programme support and coordination costs necessary to implement the activities. This must include the full costs of implementing, monitoring, assuring, and evaluating activities at all levels of the organization (i.e. country offices, regional offices and headquarters). The systemic inclusion of these costs in budget funding proposals will help reduce cross-subsidization by Assessed Contributions or other voluntary funds that are earmarked elsewhere, or challenges in delivering the required results where budgets were under-estimated.

The indirect costs are recovered by applying PSC based on the established cost recovery rate.

#### Accountability for full cost recovery:

All levels of the Organization have responsibility to adhere to the principle of full cost-recovery, starting from the project formulation phase, the submission and negotiation of a project proposal, and concluding with the signing of a financing agreement with the donor.

- (i) Prospective budget centre managers negotiating agreements are accountable for ensuring that WHO recovers all direct and indirect costs. They must ensure all funding proposals include all direct and programme support costs, and that donor agreements reflect the applicable PSC rate. They must also ensure Operations personnel review funding proposals prior to submission to potential donors.
- (ii) Operations personnel are accountable for reviewing the accuracy and providing quality assurance for budgets and operational aspects of proposals being developed.
- (iii) Regional Resource Mobilization and Partnerships Advisors provide support and oversight of the agreement clearance process. They provide advice on the applicable PSC rate, UN levy, and other financial and reporting aspects, with the support of RO/ Director - Business Operations (BOS)/ BFOs or the Awards team in HQ/BOS.
- (iv) Headquarter units negotiating funding agreements should get support from Resource mobilization unit under External relations and governance department.

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<sup>1</sup> As required by [Financial Regulation](#) VIII, paragraph 8.2.

When negotiating funding with donors, the objective should be to negotiate more flexible funding with no or minimal earmarking thus maintaining programmatic and geographic flexibility (such as at the PILLAR or STRATEGIC OBJECTIVE level, and at the global, major office or country level). This will allow for maximum flexibility in the use of the resources, while keeping in mind the risks with reallocating / transferring funds between budget lines agreed with the donor. Technical units are advised to keep detailed proposals closely aligned to their workplan.

When budgeting for programme proposals, it is important not double-charge costs. Costs should be recovered once only, and thus it is important to understand and differentiate the costs covered by PSC or POC at the Headquarters and Regional levels, and the GAH levy, versus costs to be recovered directly from voluntary contributions through direct charges.

**Annex – 3** of the WHO cost recovery policy details the risks relating to the Cost recovery policy, the impact and the associated controls.

## **A. BUDGETING MODEL – FULL COST RECOVERY**

The direct costs and the indirect costs of WHO are further classified as below:

**Direct Costs:** (directly budgeted and recovered from the funding sources, i.e., Assessed Contributions and / or Voluntary contributions), primarily incurred at country and regional levels.

1. Programme / Project Activities and Outcomes; and
2. Programme / Project Coordination and Support

**Enabling services and Indirect costs,** incurred at all levels of the organization:

3. Stewardship and Governance Costs are primarily budgeted and funded by Assessed Contributions. However, costs related to assurance activities<sup>2</sup> for specific programmes funded by voluntary contributions must be budgeted and recovered for those voluntary contributions; and
4. Administrative and Infrastructure Support Costs: - funded through PSC, Post Occupancy Charge (POC) and Capital Master Plan (CMP); and direct charges to voluntary funded programme/projects where reduced PSC rates have been authorized (see below).

The principle of full cost recovery of all costs classified as above, is a necessary component of budgeting of programme / project proposals. The level of budgeting of these costs depends on the indirect costs recovery rate (PSC) applied to the programme and projects.

Where Voluntary Contribution funding agreements apply the standard WHO indirect cost recovery rate (PSC) of 13%, cost recovery should be limited to apply to the cost elements related to programme / project costs listed under direct costs (items 1 and 2 above), and project specific compliance, PRSEAH and assurance related activities (item 3 above) as budgeted in the proposals.

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<sup>2</sup> This includes assurance activities necessary for mitigating specific risks of program delivery by third parties, such as capacity assessments, third party monitoring, spot checks audits, etc. The GAH levy finances the coordination of assurance activities globally, as well as limited assurance activities aligned with plans. Where GAH financing for assurance costs has been provided, they should be excluded from the project budgets.

## APPENDIX B

However, where a lower PSC rate than 13% applies, based on the rates established in this policy or another ad-hoc/exceptional approval by the Comptroller, budget proposals must include the costs of the full range of costs attributable to the activities, including enabling services costs incurred at the country and regional levels (items 3 and 4 above). This practice aligns with the cost recovery practices of other UN entities with reduced PSC rates.

Requests for exceptions to the standard PSC rates are strongly discouraged, as they reduce the overall effective indirect cost-recovery rate, weakening the financial sustainability of the organization, as well as leading to the cross- subsidization of Voluntary Contributions by Assessed Contributions to fund the necessary level of indirect costs. All approved PSC rate exceptions are reported to the Executive Board.

**Figure 1** below depicts the budgeting model to be followed in proposals, depending on the PSC recovery rate applied, to ensure full cost recovery.

Figure 1 : Budgeting model for standard and differential PSC rate recovery

Budgets applying <b>standard PSC rate of 13%</b>				Budgets applying PSC rate of <b>less than 13%</b>		
SCOPE	Cost incurred at Country offices	Cost incurred at Regional Offices	Cost incurred at Head quarters	Cost incurred at Country offices	Cost incurred at Regional Offices	Cost incurred at Head quarters
"Direct costs": 1.Programme Activities Costs	✓	✓	✓	✓	✓	✓
"Direct costs": 2.Programme Coordination and Support costs	✓	✓	✓	✓	✓	✓
"Enabling services and Indirect costs": 3.Stewardship and Governance Costs	Included in the 13%	Included in the 13%	Included in the 13%	✓ (1)	✓ (1)	Included in the PSC
"Enabling services and Indirect costs": 4.Administration and Infrastructure Costs	Included in the 13%	Included in the 13%	Included in the 13%	✓ (2)	✓ (2)	✓ Procurement and Supply Services, Translation etc (2)
Position Occupancy Costs (POC)	Do not budget separately for staff - included in Post Cost Average (PCA)			Do not budget separately for staff - included in Post Cost Average (PCA)		
Capital Master Plan (CMP) costs	Do not budget separately for staff - included in Post Cost Average (PCA)			Do not budget separately for staff - included in Post Cost Average (PCA)		
(1) Refer to Annex 1 for cost items requiring review and budgeting when PSC rate applied is <b>less than</b> 13%						
(2) Refer to Annex 2 for cost items requiring review and budgeting when PSC rate applied is <b>less than</b> 13%						

**B. Budgeting for all “direct” and “indirect” costs:**

❖ **1. Budgeting for Programme /Project Activities costs and Outcomes:**

- *These direct costs are "directly incurred by and for" the implementation of specific activities and are "directly traceable".* Examples include cost of personnel (staff and affiliates) assigned to the programme, missions and travels incurred specifically to carry out or support project activities, etc, and programme and operational functions (e.g. finance, human resources, procurement) that are partly or fully dedicated to the programme/project. Such costs are incurred mainly at the implementation locations, but may also be incurred at Regional offices and Headquarters.

- Generally, costs that fall under this category are Programmatic / project specific activities (as listed in the project document, including goods and services), such as:
  - Project specific personnel, including all related costs such as rent and premises maintenance, utilities, communications, supplies, office related security and safety costs, etc<sup>3</sup>. These must include:
    - Project management personnel.
    - Personnel providing Quality Assurance services on the project/programme activities.
    - PRSEAH focal persons, and activities directly related to the project/programme.
    - Personnel providing monitoring and evaluation of activities to the project/programme.
    - Personnel providing Operational policy advise and advocacy (project specific).
  - Costs of meetings, missions and travel (incurred by country office, regional office and headquarters personnel) specific to the programme/project.
  - Costs of all project-specific contractual services (APWs, TSA and research grants etc), procurement of supplies and equipment.
  - Project activities planned for implementation through partners (i.e., DFC, GLOA, and DI), including all related assurance activities, capacity assessments (IPCA), spot checks, independent audit and investigations, and the GAH levy (0.5% of DFC, GLOA and DI)<sup>4</sup>.
  - Operational support and services provided to the programme or project.
  - Project specific briefings and technical guidance for project stakeholders, as well as project meetings, progress, and final reporting including donor-specific reporting (excluding annual certified financial reports).
  - Project / programme specific closure costs.
  - Donor engagement, reporting and other resource mobilization related functions.

❖ **2. Budgeting for Programme /Project Coordination and Support costs**

These are usually "**Shared**" direct costs for programmatic / technical activities that closely align outcomes and are attributable / allocable based on reliable bases such as, ratio of staff costs to activities for the overall budget centre, percentage of the time of the staff to be spent on this project, use of time declarations etc<sup>5</sup>. Such costs can be incurred mainly by the regional offices and country office locations, but may also be incurred at Headquarters. These 'Shared Services' needs to be budgeted as direct costs'.

- Examples falling under this category are 'a portion of the following costs that are attributable / allocable to the specific programme/project'.
  - cost of the personnel providing project supervision, programme coordination, policy advice and advocacy.
  - cost of the personnel providing technical advice, such as programme and administration officers (PAO) at country offices
  - cost of the personnel providing quality assurance, monitoring and evaluation.

<sup>3</sup> See Section E below for further guidance on cost allocation.

<sup>4</sup> The GAH levy finances the coordination of assurance activities globally, as well as limited assurance activities aligned with plans. Where GAH financing for assurance costs has been provided, they should be excluded from the project budgets.

<sup>5</sup> See section E below for guidance on cost allocation.

- cost of the personnel providing donor coordination, visibility, communication and results reporting, such as those responsible for Coordination and communication for Health, Coordinators for Health systems, Coordinators for Surveillance Epidemiology/communicable diseases
- cost of the personnel providing services related programme / project formulation, pipelines and business development (if explicitly provided for by the donor).
- cost of the personnel providing services related project/ programme planning services.
- costs of the personnel performing activities related to Gender, Equity and Human Rights.
- logistics services.

❖ **3. Budgeting for Stewardship and Governance (S&G) Costs:**

These are institutional costs that are critical to the functioning of the Organization and fulfill constitutional requirements, irrespective of the technical work of the Organization. S&G costs cover the expenses related to functions such as strategic management, legal, oversight and compliance etc. incurred at all the three levels of the organization. Most S&G costs are funded by Assessed Contributions, supplemented by voluntary contributions for additional support provided to programs (with PSC rates below the standard 13%). Examples falling under this category which may require charging to programmes are:

- Cost of the personnel coordinating PRSEAH activities.
- Project specific risk assessments, compliance services, independent audits of implementing partners or investigations of implementing partners.
- Legal services.
- Cost of the personnel providing project supervision, policy advice and advocacy.

**Annex – 1** provides a detailed breakdown of some examples of these costs, by organization level.

❖ **4. Budgeting for Administrative and Infrastructure Support Costs:**

These costs reflect the Operational, Administrative and functional Service costs *incurred at all the three levels of the organization* in support of the implementation of projects and programmes. These costs are recovered through (i) a standard indirect cost recovery (PSC) rate of 13% (ii) Post occupancy charge (POC); (iii) a charge for Capital Master Plan (CMP). For voluntary funded activities with PSC is below the standard 13%, additional support must be budgeted for cost recovery.

- Examples of local and regional costs falling under this category which require charging to programmes (where PSC is below the standard 13%) are:
  - Local and regional administrative, financial and operational support relating to revenue processing, budget, expenses, payments, vendor and project level reporting, requisitions, purchase orders, vouchers, payroll processing
  - Local and regional costs of procurement of goods and services, and Headquarters procurement service fees
  - Local and regional Human resources (HR) services: recruitment and management of project personnel (recurrent personnel management, security and general administration briefings, trainings and learning tools)
  - Logistics services for office premises
  - Logistics support services such as travel and event management
  - Project communications, advocacy and funding partner visibility, and communication support for project personnel and activities
  - Equipment and asset management services, including information technology (IT) equipment, maintenance, licenses, and support for the project team and activities
  - Local security costs.

**Annex – 2** provides a detailed breakdown of some examples of these costs, by organization level.

❖ **Budgeting for POC and CMP (to be charged through staff costs using Post Cost Average (PCA))<sup>6</sup>:**

○ **Post Occupancy Charge (POC):**

POC contributes to those enabling and supportive functions, incurred at Regional offices and Headquarters, that are most directly related to the level of staffing, i.e. HR management and administration, staff development and learning; information and communication technology (user license fees, infrastructure, user support and applications management); payroll administration; pension administration; and conducive working environment, including some United Nations common security costs and other jointly financed costs related to the United Nations system. These costs are directly related to the level of staffing (staff and affiliates) and vary with staffing levels deployed in WHO programmes. ([Post Occupancy Charge Briefing Note.pdf \(who.int\)](#)).

The POC is currently charged @ 8.5% on the gross staff costs OR 12.6% of net salary plus post adjustment and spouse allowance. For staff, these costs are already budgeted within the standard average staff costs (i.e., Post Cost Average / PCA), whereas for Special Service Agreements (SSA) these costs will need to be added in to the SSA costs within the programme/project budget (e.g. 12.6% of monthly salary for POC).

**Annex – 3** provides detailed, summarized distinction of costs covered by POC and PSC at Regional offices and Headquarters.

○ **Capital Master Plan (CMP):**

Capital Master Plan is a distinct financing mechanism to “supplement” the corporate Real estate fund and IT Infrastructure Fund, to cover planned fixed and variable costs towards long term capital investments (land, buildings and IT), including depreciation/replacement of capital items (both **fixed and variable** indirect costs) and the replacement of obsolete infrastructure. The CMP funds (held in **Real Estate Fund** and **IT fund**) are used for planned capital expenditure within the WHO biennium budgets.

The CMP is currently charged on the gross staff costs at 3% of net salary plus post adjustment and spouse allowance. But there is no need to foresee a separate budget line for CMP in funding proposals since it is included in the standard average staff costs (i.e., Post Cost Average / PCA), and thus represents a cost component of the programme project direct costs. Currently CMP is not charged on SSAs.

The cost of any assets purchased or leased for a specific project/programme, such as a project vehicle or machinery, should be included within the proposed budget.

<sup>6</sup> See <https://emanual.who.int/p12new/s12/Pages/XII-12-1-General.aspx>

## C. Budgeting formulation:

Resource planning and budgeting is based on the results-based management approach, with first planning for outcomes, outputs and activities that will be delivered in the funding proposals which are linked to the country/global/regional programmes and WHO strategic plan. They are then supported by the budget items (**inputs**).

This section provides guidance on how to prepare budgets in funding proposals for programme activities. It gives practical tips and provides an overview of frequently used budget items (inputs) required to deliver programme activities.

Below are some **underlying principles** to be adhered while formulating such budgets:

- Preparation of budgets for funding proposals should be well thought out with sound rational estimates, following a consistent logic with reasonable underlying assumptions. They should describe the basic assumptions used, and explain clearly budget line items.
- Where possible unit of measures are included and applied consistently where required to show the costing details (e.g., fuel, monthly salary for consultants etc.).
- The details of the budget estimates should be to guide internal planning while the funding proposal may include the high-level budget requirement as agreed to with the donor.
- To the extent possible, disaggregate the estimates by activity and type of inputs.
- The budget may include additional funding for contingencies, a best practice, preferably embedded in the calculations of inputs as a % of the total estimates. For low risk projects, this might constitute 10% of the total budget, with a larger amount for higher risk projects.
- It is necessary to assess the risks associated with delivering the programme, and budget adequately for risk mitigation measures. This includes PRSEAH, security and business continuity management measures that apply to the location of the project and build necessary costs within the budgets.
- For agreements that do not apply standard indirect cost recovery rate (i.e., less than 13%), budget planners and budget owners must review the Stewardship and Governance, and Administration and Infrastructure costs incurred at the Regional offices and Country offices and budget any such support activities to ensure full cost recovery. Items in red in **annexes 1 and 2** for some suggestive examples of such costs.

## D. Budget items (inputs):

This section provides guidance on how to prepare budgets in funding proposals for programme activities with some practical tips around frequently used budget items (inputs) required to deliver programme activities.

**Annex 4** presents a comprehensive list (although not exhaustive) of frequently needed costs to be considered while identifying them and estimating the budgets.

Detailed 'worksheet' for budgeting for proposals is also available through the related content of the eManual. Below is the summarized budget table that can be obtained from the detailed worksheet.

Summarized budget/costing sheet							
Outputs	Activities	Cost Nature	Cost categories	Costs incurred at CO	Costs incurred at RO	Costs incurred at HQ	Total Costs
Output-1	Activity-1	Personnel Costs	Staff and other personnel costs	0	0	0	0
		Non-Personnel Costs	Contractual services	0	0	0	0
	SUBTOTAL	SUBTOTAL Personnel Costs		0	0	0	0
		SUBTOTAL Non-Personnel Costs		0	0	0	0
Output-2	Activity-1	Non-Personnel Costs	Travel	0	0	0	0
		Non-Personnel Costs	Contractual services	0	0	0	0
		Personnel Costs	Staff and other personnel costs	0	0	0	0
	SUBTOTAL	SUBTOTAL Personnel Costs		0	0	0	0
		SUBTOTAL Non-Personnel Costs		0	0	0	0
Output-3	Activity-1	Non-Personnel Costs	Transfers and grants to counterparts	0	0	0	0
		Non-Personnel Costs	Travel	0	0	0	0
	SUBTOTAL	SUBTOTAL Personnel Costs		0	0	0	0
		SUBTOTAL Non-Personnel Costs		0	0	0	0
Output-4	Activity-1	Non-Personnel Costs	Travel	0	0	0	0
	Activity-2	Non-Personnel Costs	Direct implementation	0	0	0	0
	SUBTOTAL	SUBTOTAL Personnel Costs		0	0	0	0
		SUBTOTAL Non-Personnel Costs		0	0	0	0
<b>PSC Total</b>				0	0	0	0
<b>Grand Total</b>				0	0	0	0

### E. Allocating Staff and Other Shared Costs Amongst Programmes and Projects

Under the leadership of the WR/Director, a comprehensive project/portfolio planning exercise must be conducted annually to assess the magnitude of services required for the upcoming year across all projects within a Country Office/Budget Centre. The relevant Budget holders and service-providing entities must be informed and agree upon the services to be provided, the basis of cost sharing and also to pre-position relevant capacities.

The budget for delivery enabling services can be estimated using the PCA plus related operating expenses and calculated based on the amount of staff/other personnel time the project anticipates will be required for implementation. The actual cost charged should be based on the actual amount of time personnel spend supporting the project.

Personnel who provide services to projects may use a high-level time declaration when the donor requires detailed documentation.

WHO must discuss the project budget with funding partners in advance in order to ensure transparency and a common understanding of what functions will be performed and why they are necessary. These deliberations are essential, especially when an individual personnel not recruited directly for the project, is estimated to exceed 20 percent (e.g. over 2 months) of his/her annual workload on the project.]

#### **Cost Allocation methods:**

Costs that are directly incurred by the project or programme, or that can be directly identified with specific activity of such project, should be charged solely to that project. For example, if a project requires the establishment of a coordinating office and staff to run that office, then all the costs incurred (staff, office rental, operating costs, etc) should be directly charged to that project.

However, there are certain costs which may benefit different projects. In the example above, if there are two or more projects using the same coordinating office, then the projects should share the costs. There should be an agreement and acceptance by the projects involved on the costs to be shared, and the basis for sharing those costs. There should be clear evidence to show this, in the planning documents, reports or any other documentation from the project.

The sharing of costs may happen at different points during the duration of the project and can be handled in different ways. If at the onset, it has been determined that costs will be shared by different projects, the technical programmes involved may agree thereon on the cost allocation to be used. It may also happen that certain costs to be shared will be identified during or towards the completion of the implementation period. In which case, the cost allocation should be agreed at the later stage.

If it can be established at the planning stage that the activity will benefit more than one project, the technical teams of these respective projects may agree on a method of allocation. The costs may then be reflected immediately in the project and funding source of the obligating documents (PO, TR, etc) raised. Or, if the allocation will happen later or post facto, the recorded costs may be retrieved from the BC workplans and shared by charging it to the respective project and funding of the programmes involved through an expenditure batch. And it can also be used for adjustments

where the planned activity costs to be shared will be different from the actual results. Some of the allocation methods that may be used are described below and applied giving priority to the methods that can be considered at the earlier stage of the project rather than allocation post facto.

In all cases, it is important that there is a sound basis of allocation applicable to the nature of the cost being shared and that this is clearly defined and supported by relevant documents. This will then justify the cost allocation in view of its validity and agreement by all projects involved. The projects should also ensure that sufficient funds are available to cover the costs.

#### 1) Staff costs

- i. Staff costs may be allocated by making changes to the existing HR mapping of the staff, revising the WP/PTA with that of the WP/PTA of the budget center (BC) where the cost will be shared. For example, the WP/PTA of BC 1 will be changed to the WP/PTA of BC 2 for the period where the staff has performed the work for BC 2 or the equivalent time spent as agreed by the projects concerned, if such period cannot be clearly established.
- ii. Alternative, the HR mapping may be split to two or more different WP/PTAs at the agreed percentage sharing between the projects sharing the cost. The staff may be mapped to WP/PTA of BC 1 at 60% and of BC 2 at 40%, during the period when the work is performed or for the equivalent time as agreed by the BCs.
- iii. The allocation may also be done post facto through an expenditure batch after completion of the work and the actual costs (payroll) have been recorded. The actual staff costs may be obtained from the salary workplans. The allocation may be based on the agreed percentage sharing. However, post facto allocation should be the least priority.
- iv. The budget centers should devise a monitoring tool (time declarations, tracking or attendance report) to have a more accurate basis of the time spent for the projects.

#### 2) Supplies and equipment

- i. Supplies and equipment bought for the projects may be allocated based on the consumption of the supplies or usage of the equipment.
- ii. The sharing in terms of consumption may be determined by the quantity of supplies used by each project as against the total quantity bought. These may be established through POs or receiving reports and certified by the Project Officer or Administrative Officer responsible for the procurement and distribution of the units.

- iii. For the equipment, the percentage maybe based on the frequency of use as against the service life. This may be possible if there is a monitoring of usage or output report. Or, in the case of smaller equipment, the quantity by units distributed to

each BC over the total quantity. Similarly, this should be certified by the responsible Project Officer or Administrative Officer.

- iv. If the consumption or usage can be reasonably estimated or agreed upon at the time of purchase, the procurement cost may be shared by using the WP/PTAs of the respective BCs, at the agreed percentage of sharing, to fund the procurement request.
- v. The allocation may also be done post facto thru an expenditure batch after the activity has been completed and the actual cost recorded. The same principle as above may be followed to allocate the cost. However, post facto allocation should be the least priority.

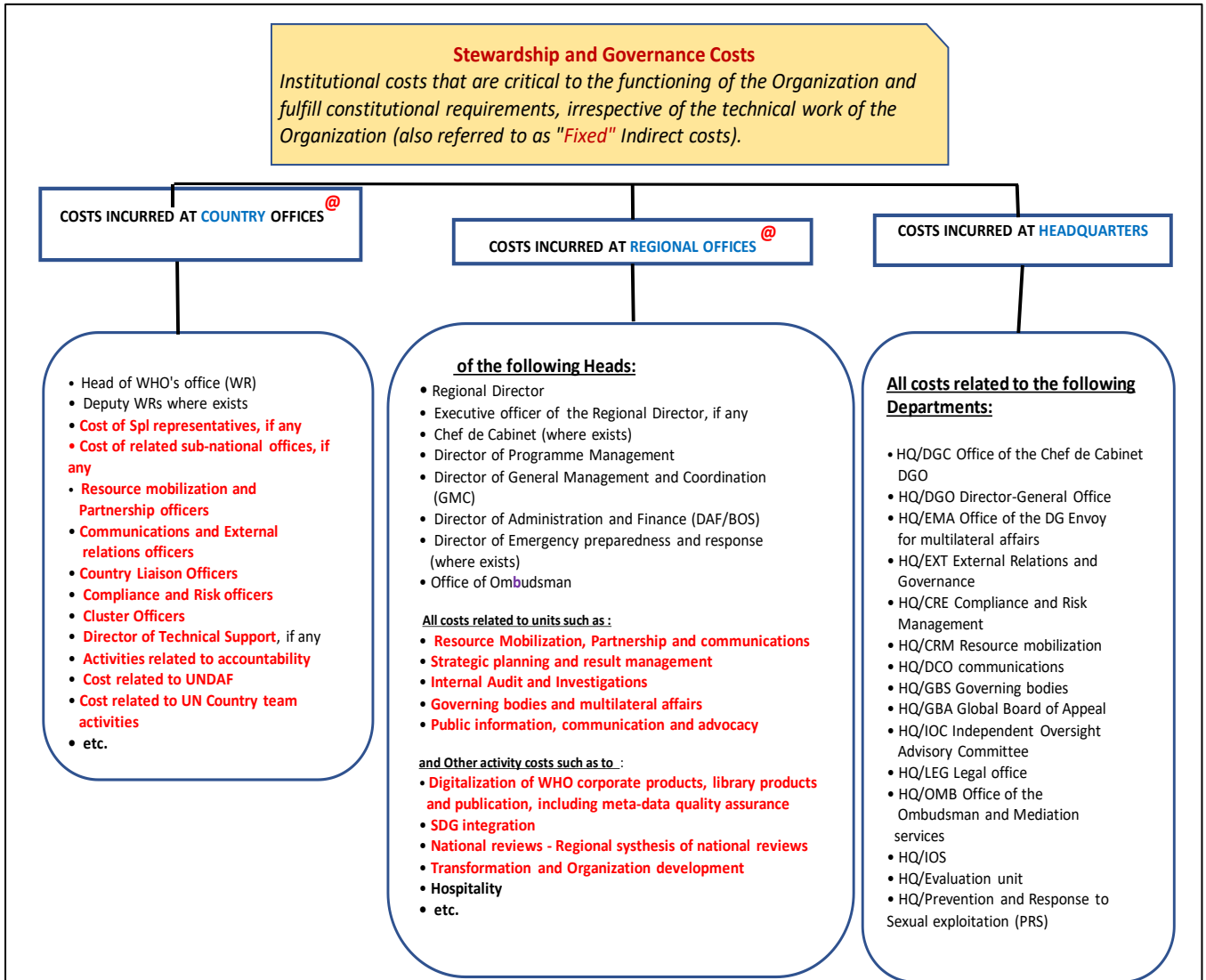
### 3) Travel

- i. Travel of staff members and consultants are normally carried out for a specific project. However, in cases where a travel cost is to be shared by or benefits other projects as well, the travel costs may be shared thru an agreed percentage sharing between the BCs involved. This sharing maybe based on the actual travel or meeting days spent for each of the projects. The BCs involved may also develop an agreed mechanism to determine the time spent for each project. Travel reports may also indicate the amount of work or time spent on each project.
- ii. The allocation may also be based on an agreed percentage which would be the perceived equivalent time spent by the staff on the respective projects.
- iii. If the basis of the allocation can be reasonably established or agreed upon at the time of initiation of the travel request (TR), the TR may be funded using the WP/PTAs of the respective BCs, at the agreed percentage of sharing.
- iv. The allocation may also be done post facto through an expenditure batch after the activity has been completed and the actual cost recorded. The same principle as above may be followed to allocate the cost. However, post facto allocation should be the least priority.

### 4) Security costs

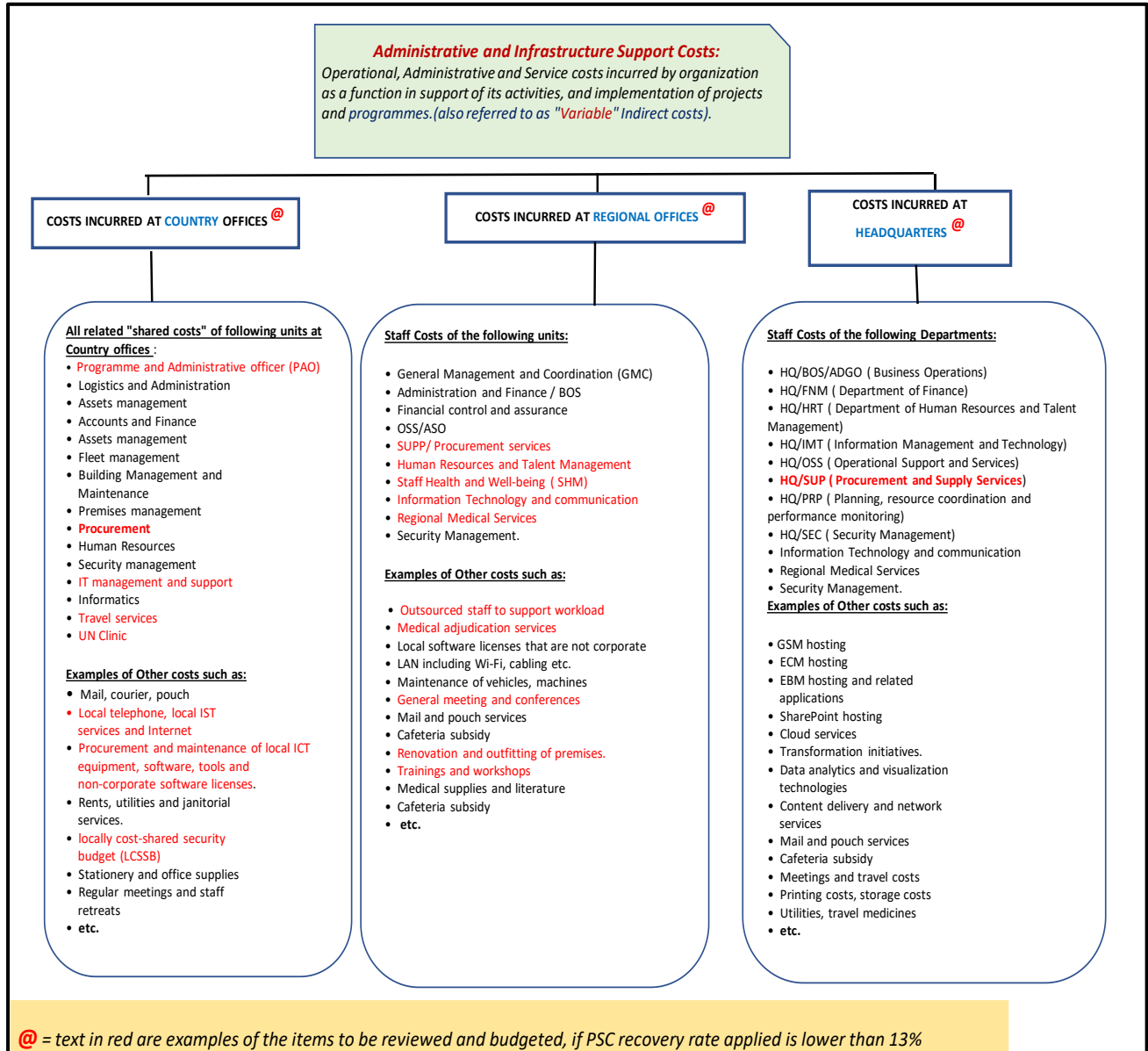
- i. Security costs may be incurred in the implementation of a project.
- ii. The cost maybe shared based on the different elements contributing to the project or in the performance of an activity such as the number of participants involved, the location of the activity, and timing of the activity.
- iii. The projects involved may agree on a sharing percentage which factors in these elements.
- iv. If the basis of the allocation can be reasonably established at the time of contracting the services, the cost maybe shared by using the workplans of the respective BCs to fund the procurement of service.
- v. The allocation may also be done post facto through an expenditure batch after the activity has been completed and the actual cost recorded. The same principle as above may be followed to allocate the cost. However, the post facto allocation should be the least priority.

Examples of **Stewardship & Governance** costs incurred by WHO's three levels of the organization (not exhaustive)



@ = text in red are examples of the items to be reviewed and budgeted, if PSC recovery rate applied is lower than 13%

## Examples of Administration and Infrastructure costs incurred by three levels of the organization (not exhaustive)



## Comparison between PSC funded and POC funded costs incurred at Regional Offices and Headquarters

**Administrative and Infrastructure Support Costs recovered through PSC**

**Administrative and Infrastructure Support Costs recovered through Position Occupancy Charge (POC)**

### COSTS INCURRED AT REGIONAL OFFICES

**Staff Costs of the following units:**

- General Management and Coordination (GMC)
- Administration and Finance / BOS
- Financial control and assurance
- OSS/ASO
- SUPP/ Procurement services
- **Human Resources and Talent Management**
- Staff Health and Well-being ( SHM)
- Information Technology and communication
- Regional Medical Services
- **Security Management.**

**Examples of Other costs such as:**

- Outsourced staff to support workload
- Medical adjudication services
- Local software licenses that are not corporate
- LAN including Wi-Fi, cabling etc.
- Maintenance of vehicles, machines
- General meeting and conferences
- Mail and pouch services
- Cafeteria subsidy
- Renovation and outfitting of premises.
- **Trainings and workshops**
- Medical supplies and literature
- Cafeteria subsidy
- Renovation and outfitting of premises.
- Trainings and workshops

- Staff costs of Human Resource Management (96432R)
- All costs related to **Staff Development and learning** (96432R)
- **Global Infrastructure services:** (including global private network, remote access and token, Unified communication, Identity and Access Management, Global email, Global synergy, Global data centre, Global application and hosting support, productivity, and collaboration) **including staff-96433R**
- **Global Application services** [ including all business solutions developed and used globally (excluding GSM and allied systems) and related corporate software licenses, application support and maintenance, , enhancements and improvements] – **including staff 96433R**
- **Local Infrastructure Services** (including LAN, local firewall, Meetings and conferences, telephony, Local data centre, desktop environment) -including staff 96433R
- **Local Application Services** (including tools and licenses, local development and local support) – including staff 96433R
- **Costs related to Management and Oversight of Administrative Services** at the regional offices (including staff who provide operational and logistic support to the regional offices), Building maintenance (including rents, utilities), management of fixed assets - 96434R
- **Costs related to Procurement of goods and services**
- **All costs related to management of Security:** Premises security, evacuation, security training and security communication equipment (etc. including Regional share of the common costs paid to UNDSS) , including staff - 96434R

### COSTS INCURRED AT HEADQUARTERS

**Staff Costs of the following Departments:**

- HQ/BOS/ADGO ( Business Operations)
- HQ/FNM ( Department of Finance)
- HQ/HRT ( Department of Human Resources and Talent Management)
- HQ/IMT ( Information Management and Technology)
- HQ/OSS ( Operational Support and Services)
- HQ/SUP ( Procurement and Supply Services)
- HQ/PRP ( Planning, resource coordination and performance monitoring)
- HQ/SEC ( Security Management)
- Information Technology and communication
- Regional Medical Services
- Security Management.

**Examples of Other costs such as:**

- **GSM hosting**
- ECM hosting
- EBM hosting and related applications
- SharePoint hosting
- Cloud services
- Transformation initiatives.
- Data analytics and visualization technologies
- Content delivery and network services
- Mail and pouch services
- Cafeteria subsidy
- Meetings and travel costs
- Printing costs, storage costs
- Utilities, travel medicines
- **etc.**

**Common Costs related to:**

- UN Resident coordinators -96421H
- Chief Executives Board (CEB)- 96421H
- JIU EA -96422H
- ILO EA -96422H
- IPSAS - 96431H
- UN insurances -96431H
- ICSC, UN staff college, UN remuneration -96432H
- UN Cares initiative -96434H
- UN Dual career -96434H
- UN Evacuation -96434H
- UNDSS (contribution to country office shared costs) -96434H

**Costs related to GSC:**

- GSC - Payroll transactional services-96432H
- GSC - Financial transactional and reconciliation services - 96432H
- GSC- Transactional services (duty and statutory travel)- 96432H
- GSC - Pension activities and insurance team -96432H
- GSC - Human resources transactional services (including Issuing offer letters of successful candidates) - 96432H
- GSC - Staff costs - procurement related activities (GPL), including processing of service contracts - 96434H
- GSC- Staff cost of the office of the Director of GSC - 96439H
- GSC- Staff costs of the office of the CSO - 96439H
- CPC – Budapest: Operational costs of CPC Budapest (including global tendering, establishment of LTAs, global tendering and purchase of commodities, procurement training, HLCM procurement network)- 96434H
- All costs related to **Global infrastructure initiatives** -96433H
- Global Application Services (GSM and its allied systems with related software licenses, application support and maintenance, enhancements, and improvements) - 96433H
- Global Support Services (include Global service desk and training for global services) -96433H
- **Staff costs of HQ IT staff - 96433H**
- Conference and meeting services, including cost of staff who provide operational support (GCT) - 96434H
- US Tax - **96439H**

**Annex 4: Cost elements to be directly charged to  
voluntary contributions and to be included in proposals to/agreements with donors**

**APPENDIX B - Annex 4**

Cost Elements	Description	How to calculate	Examples and tips
<p><b>Staff and Other Personnel Costs:</b></p>	<p>Staff costs include programmatic, technical and operational staff (including internationally and locally recruited staff). It is essential to include operational staff who are directly involved in the implementation of the project.</p> <p>All WHO longer-term or temporary staff contributing to the project, including staff time for project coordination, monitoring and evaluation and technical and administrative support. Could include staff which do not necessarily belong to the budget centre implementing the agreement (e.g. time of regional office or headquarters staff spent on a project implemented in a country may be included in the proposal and will be charged to the country project).</p> <p>Discuss the need for additional staff (full time or part time; fixed-term or temporary appointment) to support the implementation of the project. Include all those needs in the funding proposal (note that consultants, service contracts, UNVs and personnel of implementing partners' are not part of this group of costs).</p> <p><b>Programme Coordination from Regional offices, Headquarters and experts from other country offices:</b></p> <p>Further, discuss with all the relevant parties within the country office, as well as with the regional office (where applicable), plus the HQ units if their support will be needed (e.g. specialized donor reporting, specialized technical support not available at regional level, specialized procurement, specific donor-requested direct evaluation or internal audit/verification costs). Include such costs in the proposal</p> <p><b>Post Allocation:</b></p> <p>Programme posts contributing to the implementation of various programmes can be allocated across funding sources. Include full or partial costs of such positions in the funding proposal.</p>	<p>As a general rule, ensure that sufficient provision for staff is included. Align the duration of staff contracts within the functions required within the agreement. One or more of the below approaches are recommended:</p> <ol style="list-style-type: none"> <li>i. Use the ratio of staff costs to activities for the overall budget centre (can be done by using actual expenditure or planned cost information). Ensure that you apply at least the same proportion to the proposal with the donor depending on the nature of the work and the staff intensity required.</li> <li>ii. The percentage of the time of the staff to be spent on this project multiplied by the staff post cost averages would give the cost for budgeting purposes (see references, item1).</li> <li>iii. Prorate existing technical, programme and operational positions if needed to implement the activities in the proposal. For example, proposals that envisage procurement of substantial volume of programme supplies must include a budget for logistician (either full- or part- time). Additionally, proposals involving substantial procurement component, especially procurement of non-catalog items, must be discussed with Procurement Services and may involve budgeting for dedicated procurement personnel.</li> <li>iv. Use WHO Standard Post Cost Calculation (PCA) to estimate staff costs. For UNVs, refer website for the <a href="#">UNV proforma costs</a>. PCA helps offices budget for all posts, including fixed-term posts, temporary appointments (and service contracts which are usually based on a % of the staff PCAs).</li> </ol> <p>For detailed proposals: the attached template for capturing staff positions, their PCA costs, and percentage of the time of the staff to be spent on this project which will provide the cost that is to be used in the budget.</p>	<p>If a budget centre has total planned costs of US\$ 1 million of which 50% is for staff, ensure that the proposal to the donor has a provision for staff which represents at least 50% of the total amount requested, depending on the nature of the work.</p> <p>Percentage of the time of a professional staff in a region providing technical assistance to a country on the development of a training module; technical WHO staff time spent on selecting, guiding and supervising the work of an external consultant hired for the project.</p> <p><b>References, item 1:</b> Post Cost Averages: <a href="http://intranet.who.int/homes/prp/budget/costaverages">http://intranet.who.int/homes/prp/budget/costaverages</a></p>

Cost Elements	Description	How to calculate	Examples and tips
	<p><b>Staff Training (to be budgeted under respective category)</b>                      : If a staff training program has to be delivered, ensure that costs for procuring a room venue, catering/food, transportation, stationary, instructors fee, instructor's accommodation, travel costs of all participants as well as the facilitators, production of training materials are all included under contractual services and travel categories as applicable. Include cost for specialized security training for WHO personnel, if needed by the context.</p>		
<p><b>Travel</b></p>	<p>This includes itemized local, regional and international travel costs (incl. tickets, daily subsistence allowance, prepaid travel advance) of staff, consultants and other personnel for particular project implementation. This category also includes duty related travel undertaken by personnel working on the project independent of the location or budget centre.</p>	<p>To calculate the daily subsistence allowance, refer to the rates which are updated on a monthly basis at the following site: <a href="http://intranet.who.int/homes/trv/">http://intranet.who.int/homes/trv/</a>. They are also available at the <a href="#">per diem dashboard</a>.</p> <p>For the cost of transportation use the fare quotations available at the same site. For assistance for regional and country travel, the respective regional travel units should be consulted.</p> <p>While calculating, provide assumptions for the estimate (e.g. average cost per trip, number of participants, number of trips, estimated carbon tax to be collected on all travel etc.).</p> <p>Include also the costs of living allowance payable to HQ entitled in-house staff consultants, if relevant.</p>	
<p><b>Contractual services, incl. consulting, research services, training.</b></p>	<p>This includes works and services of commercial, institutional and/or individual nature to be contracted under the project. It also includes Direct Implementation (DI) and Technical Services Agreements (TSA).</p> <p>It should include services contracted by the office, such as international or national consultants, short term or long term and their corresponding security and travel charges, all costs associated with UNVs, service contracts (SSAs), contracts of any kind with UNOPS or any other third party.</p> <p>Depending on the budget lines and formats for a particular project, this may also include professional services rendered as part of the contract, example, audit fees, accounting related fees, management and reporting services fees, legal fees, investment management fees, translation costs, or capacity assessment.</p> <p>Consultants may perform specialized duties for the project for which WHO lacks the expertise and should not be used in lieu of WHO staff members' time. Selection of consultants should follow WHO rules and regulations which are available in the eManual (VI.2.4 Procurement of Goods and Services, Consultants).</p> <p>For DI activities, costs associated with capacity assessment, assurance activities, and the GAH levy should also be factored in against the appropriate budget lines.</p>	<ol style="list-style-type: none"> <li>i. International Consultants pay band ranges in Annex 7E of Guidance note 003: Procurement of Services.</li> <li>ii. All international, national and service contract costs should be estimated using the WHO standard Post Cost Averages (PCA).</li> <li>iii. For UNVs, please refer to the <a href="#">UNV proforma costs</a> website for the UNV proforma cost.</li> <li>iv. The cost of a consultant should be consistent with the Policy and Procedures for Contracting Individual Consultants or commensurate with the equivalent using the standard Post Cost Averages.</li> <li>v. All professional services costs should be budgeted based upon estimates of or actual costs from contractual agreements.</li> <li>vi. Detailed guidelines on the cost components to include in DI are in <a href="#">FIN.SOP.XVI.0002 Direct Implementation</a></li> </ol>	<p>Examples from technical units at headquarters</p>

Cost Elements	Description	How to calculate	Examples and tips
<p><b>Transfers and Grants to Counterparts:</b></p>	<p>This category is intended to record grants issued in compliance with Policy and Procedures for using the funding Modality Direct Financing Cooperation (DFC) and Grant Letter of Agreement (GLOA)). It is intended to record grants from WHO, transferred to implementing partners as sub-contractees. It may also include WHO contributions to jointly funded activities by other UN entities</p>	<p>Itemize the cost of all items, and provide assumptions for the estimates (e.g., number of IPs, value of each grant, etc.).</p>	
<ul style="list-style-type: none"> <li><i>Direct Financial Cooperation (DFC)</i></li> </ul>	<p>Direct Financial Cooperation funds are made available by the Organization to cover the cost of items that would otherwise be borne by governments, in order to strengthen their health development capacity and ability to participate more effectively in, or to meet their commitments to, WHO technical cooperation at country level. Direct Financial Cooperation activities are subject to the same standards of health programme accountability and evaluation in terms of relevance, efficiency, effectiveness and impact as any WHO technical cooperation programme, project or activity at country level.</p> <p>Costs associated with capacity assessment, assurance activities, and the GAH levy should also be factored in against the appropriate budget lines.</p>	<p>Detailed guidelines on the cost components to include in the DFC are in <a href="#">FIN.SOP.XVI.001 – Direct Financial Cooperation (DFC)</a></p> <p><b>Capacity building of counterparts/partners:</b> Depending on the donor agreements, ensure that all costs for training/capacity building for counterparts include participant’s travel, cost of procuring a venue, catering/food, transportation, stationary, instructors’ fees, instructor’s accommodation, production of training materials etc. Itemize the cost of all items and provide assumptions for the estimates.</p>	<p>Examples from technical units at headquarters</p>
<ul style="list-style-type: none"> <li><i>Grants LOA</i></li> </ul>	<p>A Grant Letter of Agreement (GLOA) refers to the mechanism under which WHO transfers funds to an external party (not a government entity). A WHO Grant is funding provided to achieve a programmatic result, an arrangement under which there is a transfer of funds from WHO to a beneficiary:</p> <ul style="list-style-type: none"> <li>To assist the beneficiary reach specific goals in line with WHO’s own objectives</li> <li>To support WHO and national partners achieve health related objectives (including by providing support at country level to improve the health of the populations).</li> </ul> <p>Costs associated with capacity assessment, assurance activities, and the GAH levy should also be factored in against the appropriate budget lines.</p>	<p>Detailed guidelines on the cost components to include in the DFC are in IN. <a href="#">SOP.XVI.003 – Grant Letters of Agreement</a> and <a href="#">FIN.SOP.XVI.004 Risk Assessment and Assurance Activities</a>.</p>	<p>Examples from technical units at headquarters</p>
<p><b>Medical Supplies and Materials</b></p>	<p>This includes various types of commodities, consumables and materials required for the project. Costs relating to the implementation of the project including equipment, supplies and publications bought for a project, either locally or through an international invitation to tender; office rental; building construction and renovation costs.</p> <p>Standard WHO procedures should be followed, including taking into account timelines required for processing requests.</p>	<ol style="list-style-type: none"> <li>Consultation with OSS/CPS as may be required.</li> <li>Itemize the cost of all items using an appropriate unit of measure and unit price.</li> <li>Decisions on the types and quantities of programme supplies to be included in the budget must be based on careful needs assessment and forecasting and following coordination with other participants, such as, in-country supply chain networks (e.g. ministries of health, other UN entities, etc.)</li> <li>For all items, office must ensure that (i) project implementation period is sufficient to cover the lead times</li> </ol>	<p><b>a. Post-delivery:</b> Offices must carefully consider how programme supplies will be stored, transported, insured and distributed to the end user, past their delivery from WHO to IPs. When IP is known at the time of funding proposal development, dedicated consultations with IPs must be held in this regard reaching agreement on costs expected to be</p>

Cost Elements	Description	How to calculate	Examples and tips
	<p>All supplies acquired as part of the programme should follow WHO Policy and Procedures on Management of Programme Supplies.</p> <p>Additionally, all logistics costs, such as freight, transport, delivery, storage, distribution, customs clearance, demurrage, insurance, etc.</p>	<p>(some donors, such as EU, require delivery to end destination by implementation end date) (ii) that quantities expected to be ordered are above Minimum Order</p> <p>e. Procurement related costs: The budget must include considerations of and for the following:</p> <ul style="list-style-type: none"> <li>(i) <b>Supply quantification:</b> technical expertise for developing specifications (required in case of local procurement)</li> <li>(ii) <b>Sourcing:</b> expertise to perform technical evaluation, pre-shipment inspection (for locally procured goods, delivered directly to IPs), testing, procurement fees etc.</li> <li>(iii) <b>Fulfillment:</b> freight and insurance costs (PFI) to be estimated at standard <b>PFI</b> rate (at time of issuance this was 10% ).</li> <li>(iv) <b>Delivery:</b> in country transportation e.g., from port of arrival to IP warehouse. For offices expected to store static inventory as part of project activity - warehouse rental, security cost, insurance and cost of performing warehouse control activities such as periodic stock counts - these costs should be budgeted. This is especially important if substantial quantities of programme supplies are expected to be procured.</li> </ul>	<p>covered by IP and those that will be funded by WHO. Costs to be funded by WHO must be included in the funding proposal budget. Offices must consider all costs associated with running and maintaining equipment expected to be supplied as part of the project (e.g., fuel for generators, electricity / electricity source, etc.). When IP is known at the time of funding proposal development, offices must agree with IPs on responsibility to cover those costs (at least for the duration of the project); costs to be funded by WHO must be included in the funding proposal budget.</p> <p><b>b. Monitoring:</b> Budget must be included for assurance activities such as monitoring visits, spot checks and audits.</p>
<p><b>Equipment, vehicles and furniture</b></p>	<p>Purchase of project equipment, vehicles and furniture.</p> <p>Additionally, all logistics costs to bring equipment, vehicles, and furniture into use should be recorded here. This includes: freight, transport, delivery, storage, distribution, customs clearance, demurrage, equipment insurance during storage period before use, etc.</p> <p>Standard WHO procedures should be followed, including taking into account timelines required for processing requests.</p>	<p>Itemize the cost of all items using the WHO Catalogue, LTAs or other market research.</p>	
<p><b>General operating and other direct expenses</b></p>	<p>This includes all general operating expenses and other costs directly required for project implementation. Examples include:</p> <ul style="list-style-type: none"> <li>a. Telecommunication charges (land telephone, mobile, satellite phone, internet connectivity), premises rental or prefab, repairs and maintenance of equipment or vehicles, finance charges, reimbursements to UNDP for their services, print and publication costs, audio visual production, miscellaneous (postage and pouch) and other costs which cannot be mapped to other expense categories.</li> <li>b. Also, include the budget for security costs, especially in high-risk environments (apportioned).</li> </ul>	<p>Itemize the cost of all items and provide assumptions for the estimates.</p>	



Cost Elements	Description	How to calculate	Examples and tips
	<p>- <b>Project specific briefings and technical guidance</b> (for project stakeholders, as well as project meetings, progress, and final reporting including donor-specific reporting (excluding annual certified financial reports)</p> <p>- Project / programme specific <b>closure costs</b> (Certified financial reports are processed by central functions and are considered as variable indirect costs and therefore do not need to be included in the proposal to donors).</p>		
<p><b>Programme Support Costs</b></p>	<p>The Programme Support Costs are added to the total cost for the implementation of the project at a rate of 13%. Any exceptions to the 13% rate must be approved by the Comptroller. <i>Please refer to the updated version of the "Operational Guide to Programme Support Costs" which is maintained by FNM [<a href="http://intranet.who.int/homes/fpg/b/">http://intranet.who.int/homes/fpg/b/</a>].</i></p>	<ul style="list-style-type: none"> <li>• Calculate 13% of the total amount of direct costs and add it to the total direct costs. If the donor provides a total amount for the project before a detailed budget for the proposal is developed, you need to consider that the PSC rate is included in the amount agreed by the donor. An example of the two situations is given in the next column.</li> <li>• <i>In the event of applying lower than standard PSC rate of 13%, all attributable indirect costs should be carefully assessed and budgeted (ref: Figure- 1 of the guidance note on budgeting for proposal Appendix B)</i></li> </ul>	<p>If the total direct costs are 100 and the 13% PSC rate is applied, the final amount requested to the donor will be 100+13=113. If the donor has expressed a ceiling for the amount to be requested, then you should consider that the total amount agreed by the donor also includes the PSC. As a result, you need to calculate the amount you can plan for direct charges by taking the total amount indicated by the donor and dividing by 1.13. For example, i.e. <math>PSC = \frac{\text{Total budget}}{1.13}</math></p> <p>Project budget excl. PSC = <math>\frac{\text{Total budget}}{1.13}</math></p> <p>Where X is PSC rate.</p>

Please note that all *Text in Italics* in this Appendix is for reference purposes only and should not be included in the actual agreement.

*This agreement can be used for financial contributions from governments, NGO foundations and companies. Financial contributions from companies can also be formalized through an exchange of letters, including the standard wording provided by LEG.*

*LEG/CCM should be consulted for all agreements, for in-kind or in-services contributions. If an in-kind or in-services donation includes a cash contribution to manage the in-kind or in-services donation, the agreement should include relevant clauses of this agreement.*

*A Letter of Agreement of Contribution (LAC - paragraph 2.1 and Appendix D), is sufficient if the donor is simply making a contribution to support existing unspecified activities, provided however that no conditions are attached to the contribution. Unspecified contributions provide WHO with greater management flexibility. In addition, WHO does not need to issue a certified financial statement and is not held to reimburse any non-utilized balance of funds to the donor.*

*A LAC is also sufficient for contributions under US\$ 50 000, (unless reference is made to an umbrella agreement, or the donor makes so many, or unacceptable conditions, that it is more efficient to use this donor agreement).*

## DONOR AGREEMENT

between

**THE WORLD HEALTH ORGANIZATION (WHO)**

and

.....  
(hereinafter referred to as the "Donor")

- I. This Agreement relates to a financial contribution to be made by the Donor to WHO towards the implementation of the [*Activity (project) title*], which is outlined in Annex I hereto, and which is hereinafter referred to as the "Project". Annex I is an integral part of this Agreement.
- II. The budget for the activities financed by the contribution is set out in Annex I. Prior to effecting major changes between categories of expenditure that may be found necessary in the course of implementing the activities, WHO shall consult the Donor.
- III. Responsibility
  1. WHO shall be responsible for the monitoring and implementation of the Project.
  2. The Donor shall be responsible for the provision of funds to WHO for the Project, in accordance with the terms of this Agreement and its Annex I.
- IV. Financial arrangements
  1. Schedule of payments

The total amount of the contribution is US\$ .....

The contribution shall be paid [*in one instalment on signature of this Agreement by both parties*] [*to cover at least one year's operations in accordance with the following schedule.*]

The initial instalment shall be paid upon signature of this Agreement:

US\$..... on .....

US\$..... on .....]\*

*\*If an agreement is longer than one year, is for more than US\$ 50 000 and where the donor requests to pay in instalments, a payment schedule should be included in the agreement as per the above.*

2. Payment of contribution

The US\$ contribution shall be deposited according to the above schedule of payments in WHO's Geneva bank account:

US\$ World Health Organization  
IBAN CH31 0024 0240 C016 9920 3  
UBS AG  
SWIFT - UBSWCHZH 80A  
1211 Genève 2, Switzerland

and the details of the contribution clearly identified using *[Agreement Reference Number]* and *[major office/budget centre]* codes.

*All payments should be made to HQ bank accounts. For any non-US\$ payments, the corresponding HQ non-US\$ bank account should be quoted. All payments to non-HQ bank accounts must be cleared by FNM/ACT.*

3. Utilization of funds and accounting

(i) The contribution shall be used for the purposes indicated in Annex I hereto and shall be administered in accordance with the Financial Regulations and Rules, and financial and administrative rules and practices of WHO.

(ii) Under this Agreement, --% *[13% or other authorized rate]* of expenditure will be deducted by WHO to cover the costs of administrative support, in accordance with World Health Assembly resolution WHA34.17.

(iii) Any interest earned on the cash balance of the contribution shall be used in accordance with WHO Financial Regulations and Rules, and financial and administrative rules and practices of WHO.

(iv) Income and expenditure recorded in respect of the contribution shall be identified and kept separately by WHO in the relevant account.

(v)\* Any balance of the contribution that is outstanding at the time of completion of the Project, or of termination of this Agreement, and after all encumbrances (financial liabilities) incurred by WHO prior to completion or termination have been fully liquidated, shall be treated in the following manner:

- If the remaining balance is US\$1 000 or less, WHO shall be entitled to use this balance for similar activities;

- If the remaining balance is more than US\$1 000, this remaining balance shall be:

- 1. reprogrammed for similar activities*
- 2. used at the discretion of WHO*
- 3. repaid to the Donor*
- 4. other options.]*

*\* This paragraph should be deleted when the contribution is unspecified or flexible.*

## V. Implementation

### 1. Period of implementation

The start date of the Project shall be.....

The end date of the Project shall be.....

WHO shall have no obligation to implement the Project unless all necessary and sufficient funds for the implementation have been received by WHO. If the start date is postponed for that reason, the end date shall be extended accordingly.

The Donor shall allow WHO a period of up to twelve months after completion of the Project, or any termination of this Agreement (close date), to liquidate all encumbrances for activities completed by WHO prior to completion or termination.

## VI. Reporting

### 1. Technical

WHO shall transmit to the Donor at regular intervals [*specify*] a technical report on the progress in the activities financed by the contribution.

### 2. Financial

(i) The income and expenditure recorded in respect of the contribution shall be included in the WHO Financial Reports submitted to the World Health Assembly on an annual basis. Certified financial statements of income and expenditure shall be provided to the Donor on a yearly basis, upon request.

(ii)\* A Final Certified Financial Statement (FCFS) of income and expenditure will be provided by WHO, by the close date of the Agreement (namely, after settlement of all encumbrances for activities started by WHO prior to completion or early termination of the Agreement).

*\* Unless otherwise agreed by Chief, ACT, this paragraph should be deleted when the contribution is unspecified or flexible. All requests for certified financial statements, both interim and final, should be made by the award manager to FNM through e-mail.*

### 3. Other reports

*In the case of projects of less than one year, only one financial report shall be issued as per item (ii) above. A FCFS shall not be issued for unspecified contributions, including for projects under US\$ 50 000. For projects of more than one year, if the donor insists, a clause may be included agreeing that instalments in the second, or later years will be made upon presentation of an annual certified statement of income and expenditure. This clause must be cleared with LEG and FNM/ACT. All requests for certified financial statements, both interim and final, should be made by the award manager to FNM through e-mail.*

VII. Audit

It is understood that all contributions to WHO are subject exclusively to its internal and external auditing procedures. The External Auditors' certification of accounts and audit report is made available to the World Health Assembly on an annual basis. The Donor may request a copy.

VIII. Acknowledgement

WHO will make an appropriate acknowledgement of the contribution in all of its publications emanating from the Project, or in reports that are habitually made available to its Member States. In the absence of the consent of the other party, neither party may otherwise refer to the contribution or to the relationship between the parties in any material of a promotional nature. Of course, donors are always entitled to make reference to their donations in their internal documents and in their annual reports.

IX. Termination

Either party may give the other notice of termination of this Agreement. Such termination shall enter into effect six months after notice has been received, subject to the settlement of any outstanding encumbrances.

X. Notices

Any notices required under this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail or facsimile to the following addresses:

**To WHO:**

World Health Organization

*[name of RO/Department-WCO or HQ/Department/Unit]*

*[address]*

Tel nr: .....

Fax nr: .....

Email: .....

With copies to:

*[name of responsible officer]*

**To the Donor:**

*[full name and address of donor, with name of responsible administrative authority]*

Tel nr: .....

Fax nr: .....

Email: .....

With copies to:

*[name of responsible technical focal point]*

or such other addresses as either party shall have notified the other party. Any such communication shall be deemed to have been given or made on the date such letter was hand-delivered, registered or transmitted from the sender's facsimile operator, but any assumption of actual notice shall be subject to rebuttal to show that it has not actually been received.

XI. Settlement of disputes

Any dispute relating to the interpretation or application of this Agreement shall, unless amicably settled, be subject to conciliation. In the event of failure of the latter, the dispute shall be settled by arbitration. The arbitration shall be conducted in accordance with the modalities to be agreed upon by the parties or, in the absence of agreement, with the rules of arbitration of the International Chamber of Commerce. The parties shall accept the arbitral award as final.

XII. Privileges and immunities of WHO

Nothing contained in this Agreement shall be construed as a waiver of any of the privileges and immunities enjoyed by WHO under national and international law, and/or as submitting WHO to any national court jurisdiction.

Accepted on behalf  
of the Donor:

Accepted on behalf of the  
World Health Organization

.....  
Authorized official

.....  
*[Assistant Director-General/Regional Director  
or other authorized signatory]*

Place:

Place:

Date:

Date:



Tel. direct: +41 22 791

Fax direct: +41 22 791

E-mail :

In reply please  
refer to:

Your reference:

## APPENDIX D

Standard Letter of Agreement of  
Contribution (for amounts under  
US\$ 50 000).

**NOT to be used** with commercial  
enterprises or foundations associated with  
commercial enterprises

Date

Dear ,

*(a) If the donation was received with covering correspondence:*

I refer to your letter of *[date]*, and have pleasure in accepting the sum of *[amount]*.

*(b) If the donation was not received with covering correspondence:*

I have pleasure in accepting the sum of *[amount]*.

This amount will be recorded in the WHO General Fund (under *[Category]* *[/[Programme]/[major office-budget centre codes]*) with reference *[Agreement reference number]*, and will be used for the work of the Organization in accordance with WHO's Financial Rules and Regulations, and the financial and administrative rules and practices of WHO. This contribution will be included in the Organization's Financial Report and Audited Financial Statements.

On behalf of the Director-General, I should like to express our sincere appreciation of your support of the Organization's work.

Yours sincerely,

*[signed by the appropriate WHO officer  
as specified in paragraph 2.2.1]*

bcc: IAM/HQ  
Relevant Regional counterpart  
Relevant Management Officer/HQ or ERO/RMO/HQ  
PRP  
LEG  
RAS



Tel. direct: +41 22 791

**APPENDIX E**

Fax direct: +41 22 791

E-mail :

Standard Letter of Acknowledgement of  
Contribution

In reply please  
refer to:

Your reference:

Dear ,

I am pleased to refer to your letter of *[date]* advising us of the decision of your *[Government /Foundation/other]* to make a voluntary contribution of *[US\$ ... or local currency]* to the World Health Organization (WHO) in support of the *[programme/department/activity]* for the period *[yyyy]*.

On behalf of the Director-General, I am pleased to accept this contribution which shall be used for the purposes indicated. The contribution shall be administered in accordance with the Financial Rules and Regulations, and financial and administrative rules and practices of WHO.

*Insert paragraph here in case any condition or terminology of the donor needs to be qualified.*

WHO shall report on a *[period]* basis on the technical progress of the activities financed by the contribution, either individually or in the context of the corporate reports prepared for donors. The income and expenditure recorded in respect of the contribution shall furthermore be included in the WHO Financial Reports submitted to the World Health Assembly on an annual and biennial basis.

It would be appreciated if the funds could be transferred to the following account:

World Health Organization  
A/C N° .....  
Bank .....

with reference to *[Agreement Reference Number]*.

I should like to extend my sincere appreciation to *[Government/Foundation/other]* for this generous contribution.

Yours sincerely,

*[signed by the appropriate WHO officer as  
specified in paragraph 2.2.1]*

cc: (Permanent Mission)

bcc: (Regional Office/Cluster/Department); IAM; PRP; RAS

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
<b>MEMBERS STATES</b>							
<b>Australia</b>	AusAID	Yes	2009	Yes	2009	Exchange of letters	05.09.2003
<b>Belgium</b>	Ministry of Foreign Affairs Directorate- General for Development Co- operation (DGCD)	Exchange of letters covering 2008-2011 period for core contributions ("Lettres d'intention")	22.10.2008 & 09.12.2008			Framework Agreement with Flemish Government (including individual specific standard grant agreement)	2008
<b>Canada</b>	CIDA			Grant agreement template (to be used <b>for all</b> agreements with CIDA)	29.01.2010		
	Health Canada			Letter of Agreement (accepted as template)	12.12.2007		
	Public Health Agency of Canada (PHAC)			Exchange of Letters - with template aknowledgment letter from WHO	26.03.2009		

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors (ctd)

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
<b>China</b>	Ministry of Health	MoU	18.05.2004	No		Donor agreement	16.05.2005
<b>Denmark</b>	Danida	No		No		No	
<b>Finland</b>							
<b>France</b>	Ministère des Affaires Etrangères et Européennes (MAEE), Ministry of Health and <b>for all</b> French governmental public institutions - apart from the Agence Française de Développement	Accord-Cadre 2008-2013  France/WHO	07.01.2008	Accords de Don (3 templates - for flexible, Programme and project levels- annexed to the Accord Cadre 2008-2013)	09.01.2008		

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors (ctd)

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
	Ministère des Affaires Etrangères et Européennes (MAEE)  &  Ministère Sante et Sports					Accord entre le Gouvernement de la République française et l'OMS relatif au Bureau OMS de Lyon pour la préparation et la réponse des pays aux épidémies	16.06.2010
	Conseil General Rhône & Département du Rhône & Communauté urbaine de Lyon					Convention cadre de subventionnement pour le développement du Bureau OMS de Lyon	07.08.2006
	Agence Française de Développement			Accord de Don (used as reference but not accepted as standard template)	19.05.2010		
	Agence Française de Sécurité sanitaire des Produits de Santé (AFSSaPS)					Convention (spécifique) entre OMS et AFFSaPS	03.2005

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors (ctd)

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
Germany	GTZ	Agreement on Cooperation in the Public Health Sector	02.02.1988	Yes, with minor modifications per project	2009		
	BMZ						
	KFW						
Ireland	Development Cooperation Ireland	Yes	30.06.2008	Yes		Strategy for Programme of Cooperation with WHO	2004-2006
Italy	DGCS	No				General Agreement	24.10.2000
Japan	Ministry of Health, Labour and Welfare					Guidelines for extrabudgetary contribution	24.10.2005
Korea						Exchange of Notes concerning Community Health Project Fund	18.12.1997
Kuwait		No					
Luxembourg	Direction de la Coopération au	General Framework Agreement	17.01.2006	Project Agreement Form (PAF) - and standard	17.01.2006		

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors (ctd)

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
	Développement	between the Government of the Grand Duchy of Luxembourg and WHO		administrative and financial clauses included in the General Framework Agreement)			
<b>Monaco</b>	Ministry of Foreign Affairs (International Cooperation)	Accord Cadre entre la principauté de Monaco et l'OMS	01.03.2007 + Modifications by Exchange of letters 20 & 21.04.2009	Formulaire d'Accord de Contribution (FAC) - to be used <b>for all</b> contribution agreements with Monaco	01.03.2007 + Modifications by Exchange of letters 20 & 21.04.2009		
<b>Netherlands</b>	Ministry of Health, Welfare and Sport	2010-2013 Framework Agreement	2009	Yes, refer to Framework		Arrangement on Partnership Programme, 2010- 2013	2009
	Ministry for Development Cooperation	2010-2013	2010	Yes		Partnership Programme, 2010- 2013	2009
<b>New Zealand</b>		No					
<b>Norway</b>	Ministry of Foreign Affairs	Framework Agreement	13.06.2003	Yes	2009	Programme Cooperation every biennium	December 2010
<b>Portugal</b>							

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors (ctd)

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
<b>Russian Federation</b>	Ministry of Foreign Affairs	Yes	2009	No		No	
<b>Saudi Arabia</b>							
<b>Spain</b>	Ministry of Health & Consumer Affairs	Framework Agreement on Cooperation between the World Health Organization and the Kingdom of Spain	12.09.2001				
<b>Sweden</b>	SIDA	Multi-year Framework Agreement	04.12.2008	Yes		Model Agreement	16.05.2009
<b>Switzerland</b>	Swiss Development Cooperation (SDC/DDC)	Contrat entre la DDC/SDC et l'OMS pour l'octroi d'une contribution dans les années 2008, 2009 et 2010	05.11.2008				

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors (ctd)

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
UK	DFID			Yes	Updated August 2010		
USA	USAID	Umbrella Grant  2009-2014		Yes	2009		
	USEPA	Memorandum of Understanding between the World Health Organization and the Environmental Protection Agency of the United States	03.09.2002				
<b>INTER-GOVERNMENTAL ORGANIZATIONS</b>							
<b>Institutions of the European Union</b>	European Commission: all funding except FP7 and LIFE. ECHO see below for variation	WHO adhesion to Financial and Administrative Framework Agreement (FAFA)	11.12.2003	European Union contribution agreement with an international organization	2009		

## APPENDIX F List of general framework arrangements and of standard grant agreements with donors (ctd)

Donor	Donor agency/ institution (if specific)	Framework Agreement/General Memorandum of Understanding		Specific Standard Grant Agreement(s) agreed with this donor		Other specific MoUs (e.g. on secondments, etc.)	
		Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision	Yes/ No	Date(s) and last revision
	ECHO			ECHO contribution agreement with UN agencies	2009		
	Directorate General Research Seventh Framework Programme (DG Research - FP7)			Special clauses for UN agencies must be included	2009		
<b>FOUNDATIONS</b>							
<b>Bill &amp; Melinda Gates Foundation</b>				Standard award letter			
<b>Open Society Institute</b>						MoU with EURO	

### **GUIDELINES FOR DRUG DONATIONS** *Revised 1999- Extract*

[...]

#### **Information and management**

**10. Recipients should be informed of all drug donations that are being considered, prepared or actually under way.**

##### *Justification and explanation*

Many drug donations arrive unannounced. Detailed advance information on all drug donations is essential to enable the recipient to plan for the receipt of the donation and to coordinate the donation with other sources of supply. The information should at least include: the type and quantities of donated drugs, including their International Nonproprietary Name (INN) or generic name, strength, dosage form, manufacturer and expiry date; reference to earlier correspondence (for example, the letter of consent by the recipient); the expected date of arrival and port of entry; and the identity and contact address of the donor.

**11. In the recipient country the declared value of a drug donation should be based upon the wholesale price of its generic equivalent in the recipient country, or, if such information is not available, on the wholesale world-market price for its generic equivalent.**

##### *Justification and explanation*

This provision is needed solely to prevent drug donations being valued in the recipient country according to the retail price of the product in the donor country. This may lead to elevated overhead costs for import tax, port clearance and handling in the recipient country. It may also result in a corresponding decrease in the public sector drug budget in the recipient country.

##### *Possible exception*

In the case of patented drugs (for which there is no generic equivalent) the wholesale price of the nearest therapeutic equivalent could be taken as a reference.

**12. Costs of international and local transport, warehousing, port clearance and appropriate storage and handling should be paid by the donor agency, unless specifically agreed otherwise with the recipient in advance.**

##### *Justification and explanation*

This provision prevents the recipient from being forced to spend effort and money on the clearance and transport of unannounced consignments of unwanted items, and also enables the recipient to review the list of donated items at an early stage.

WHO Revised Guidelines on Drug donations (1999) are available at [http://whqlibdoc.who.int/hq/1999/WHO\\_EDM\\_PAR\\_99.4.pdf](http://whqlibdoc.who.int/hq/1999/WHO_EDM_PAR_99.4.pdf)

## LIST OF ACRONYMS

<b>Acronym/ Term</b>	<b>Title/Description</b>	<b>Remarks</b>
AAR	Award Activation Request	
ACT	Accounting Services	
ADG	Assistant Director-General	
BFO	Budget and Finance Officer (in regional offices)	
CCO	Department of Country Focus	
CPS	Contract and Procurement Services Unit	
DFC	Direct Financial Cooperation	
DPM	Director of Programme Management (in regional offices)	
ERO	External Relations Officer (in clusters or regional offices)	
FCFS	final certified financial statement	
FNM	Department of Finance, headed by WHO Comptroller	
FPG	Financial Policy and Governance Unit	
GBS	Department for Governing Bodies and External Relations	
GMG	General Management Cluster	
GSM	Global Management System	
HRD	Department of Human Resources Management	
IAM	Income and Award Management Unit	
ITT	Department of Information Technology and Telecommunications	
LAC	Letter of Agreement of Contribution	
LEG	Office of the Legal Counsel	
MTSP	Medium-term strategic plan, which provides the strategic direction for the Organization for a 6-year period.	
OUPUT	Output	
OSS	Department of Operational Support and Services	
PROGRAMME	Programme	
POC	Post Occupancy Charge	
PRP	Department of Planning, Resource Coordination and Performance Monitoring	
PSC	Programme Support Costs	
PUN	Department of Partnerships and UN Reform	
RAS	Records and Archives Unit	
RMO	Resource Mobilization Officer (in clusters or regional offices)	
CATEGORY	Category	
TSY	Treasury and Risk Management Unit	
WHA	World Health Assembly	
WR	WHO Country Representative	

## GLOSSARY

Term	Title/Description	Remarks
Certified financial statements including final certified financial statements (FCFS)	<p>All requests for certified financial statements, both interim and final, should be made by the award manager to FNM through e-mail and these statements must only be signed by the Chief Accountant.</p> <p>A final certified financial statement (FCFS) of income and expenditure is provided by WHO, by the close date of the agreement (namely, after settlement of all encumbrances for activities started by WHO prior to completion or early termination of the Agreement).</p>	
Certifying officer	<p>The certifying officer is in charge of: a) reviewing and clearing proposals (financial section in particular); and b) reviewing and clearing draft agreements including technical annexes, legal clauses and financial and reporting provisions to ensure that they conform to existing standards (WHO standard agreement or grant agreement agreed corporately). If draft agreements do not conform to existing standards, the certifying officer should consult PRP, FNM/ACT and LEG, with deviations highlighted and comments noted. Certifying officers are designated by the ADG or regional director and agreed by the Comptroller. They can be Management Officers and ERO/RMOs in headquarters and ERO/RMOs and BFOs in regional offices.</p>	
Core Voluntary Contributions Account	<p>Account in which fully flexible funds are recorded and in which, generally, highly flexible funds, earmarked only at the Category level, are also recorded.</p>	
Declared value	<p>The value at which in-kind and non-reimbursable in-services contributions are recorded in the WHO accounts and reported to the World Health Assembly.</p>	
Fully flexible voluntary contribution	<p>Contribution deployable anywhere in WHO according to the Programme budget which can be pooled and does not retain a separate identity.</p>	
Highly flexible voluntary contribution	<p>Contribution that is flexible at the Category level which can be pooled and does not retain a separate identity, and cannot be reported on separately.</p>	
In-kind contribution	<p>Contribution of goods, such as medicines, computer equipment and vehicles. It is treated as revenue and expenses at the best estimate of fair value. This amount must be budgeted (and expended via expenditure batch) in the relevant workplan.</p>	
In-services contribution	<p>Non-reimbursable contribution of personnel services, such as medical research and field staff. It is treated as revenue and expenses at the best estimate of fair value. This amount must be budgeted (and expended via expenditure batch) in the relevant workplan.</p>	
Legal instrument	<p>Includes: general umbrella agreement; letter of agreement; stand-alone agreement; exchange of letters; countersigned project document based on a written proposal; and LAC.</p>	
Medium flexible voluntary contribution	<p>Contribution earmarked by Programme, major office, Organization-wide theme, or major disease programme which can be pooled - or is flexible at the above two levels but cannot be pooled.</p>	

## GLOSSARY

No-cost extension	A no-cost extension should be requested from the donor as soon as it is clear that the project will not be implemented by the project end date. It is an important means of ensuring that the projected outcome is achieved and that funds do not have to be returned to the donor.	
Specified contributions	Cash contributions for which the donor specifies the programmatic activities and possibly the geographical location in which the contribution is to be implemented, and the amount to be disbursed for each activity. Such funds retain a separate identity and reporting requirements.	
Standard Donor Agreement	Form of contract, containing the standard clauses required by the Organization for any contract with a donor contributing voluntary funds.	
Voluntary contribution-core	It includes two types of income: funds received to support the Programme budget as a whole, considered fully or highly flexible; and funds that are earmarked for purposes within the Programme budget, considered designated, or medium flexible.	