

**LETTER OF UNDERTAKING BETWEEN THE DEPARTMENT OF AIDS
CONTROL,
MINISTRY OF HEALTH & FAMILY WELFARE, GOVERNMENT OF INDIA
AND
THE GOVERNMENT OF
HEALTH AND FAMILY WELFARE DEPARTMENT &
..... STATE AIDS CONTROL SOCIETY**

This Letter of Undertaking is made on this day of between President of India acting through the Department of AIDS Control (DAC), Ministry of Health & Family Welfare (MoHFW), (herein after referred to as Government of India) and Governor of(name of State) acting through(name) Principal Secretary / Secretary, Health & Family Welfare Department, Government of (herein after referred to as: "The Government of") and(name), Project Director,State AIDS Control Society, autonomous body registered under Indian Societies registration Act in the State of having its headquarters at(address of SACS) for implementation of National AIDS Control Programme Phase IV (NACP – IV)

WHEREAS the National AIDS Control Programme Phase IV is jointly funded by Government of India, Global Fund, World Bank and other Development Partners.

The Government ofand State AIDS Control Society

- a) express its commitment to the objectives of the Program as conveyed vide this office letter No..... dated, and to that end, shall agree to undertake implementation of its respective activities under the Program;
 - (i) with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices; and
 - (ii) provide, promptly as needed, the funds, facilities, services and other resources required therefore.
- b) undertake to carry out respective activities under the Program in accordance with the National Plan; the Financial Management Manual, the Procurement Manual, Tribal Action Plan (TAP), Infection Control and Waste Management Plan (ICWMP), the NGO/CBO Guidelines and relevant financing agreements of Global Fund and World Bank, and shall agree not to bypass or waive any provisions contained therein, without the prior approval of the Government of India.
- c) undertake to engage NGOs/CBOs for carrying out activities in accordance with the relevant guidelines and Financing Agreements.

- d) undertake to:
- (i) review and monitor annually the performance and the progress of NGOs/CBOs in implementation of their respective activities under the Program;
 - (ii) carry out/facilitate performance reviews of NGOs/CBOs using third party monitoring focusing, *inter-alia*, on activities, purchases of pharmaceuticals and medical supplies etc. by NGOs/CBOs and
 - (iii) on the basis of such reviews, take necessary actions to improve performance and progress, including termination of contractual arrangements, if required, in a manner and time frame suggested by GOI .
- e) undertake to procure all goods and services required for the Project in accordance with orders/sanction issued from time to time and Procurement Manual.
- f) Agree that the GOI may from time to time inspect the pharmaceuticals, medical supplies, other goods, works and consultants' services procured under the Program including all records and documents thereto.
- g) Agree to assume and undertake the obligations relating to insurance, use of goods and services, plans and schedules, maintenance of records and reports etc.
- h) undertake to prepare and provide to DAC, MOHFW by December of each Fiscal Year - a plan setting out, *inter-alia*, the activities under the Program proposed to be implemented by such Project State and its respective State Implementing Society (SIS) in the following Fiscal Year (State Annual Work Plan), and the procurement plan for implementation of such activities, which shall be in form and substance satisfactory to MOHFW and in accordance with the Programme Objectives and Financial Management Manual.
- i) undertake to furnish to MOHFW by May and November of each Fiscal Year, a certificate providing, *inter-alia*, the manner and the purposes for which the funds provided by the GOI during the six months period of such Fiscal Year preceding such date have been utilized by such Project State and its respective State Implementation Society (State Utilization Certificate). Such Certificate shall be in form and substance satisfactory to MOHFW.
- j) agree to:
- (i) maintain a financial management system, and prepare financial statements (State and SIS Financial Statements) as set out in the Financial Management Manual, financing agreements and orders issued from time to time in accordance with accounting standards acceptable to the GOI , both in a manner adequate to reflect the operations, resources and expenditure related to the Programme, of the Departments, agencies of the Project State and its respective SIS;
 - (ii) have the State and SIS Financial Statements referred to in sub paragraph (i) above for each Fiscal Year audited by independent

auditors acceptable to DAC, in accordance with accounting standards acceptable to the GOI / ; and

- (iii) furnish to DAC, MOHFW, the audited Statement and SIS Financial Statements for each Fiscal Year not later than three months after the end of such Fiscal Year, and such other information concerning the audited Financial Statements, as DAC, MOHFW; may from time to time reasonably request.

k) agree to:

- (i) maintain data management and record keeping system for ensuring proper and efficient maintenance of all information relating contracts procured under the Program, all in a manner satisfactory to GOI ; and

- (ii) furnish information relating to contracts procured under the Program, as may be requested by the GOI .

l) cause selected Districts with the approval of DAC, MOHFW, in such Project State to establish and thereafter maintain throughout the period of Project implementation:

- (i) a DAPCU in form and with functions, staffing and resources satisfactory to the GOI and which shall be responsible for inter alia, implementation of all assigned activities under the Project and the Program in such District; and

- (ii) a District Advisory Committee in form and with functions, staffing and resources satisfactory to the GOI and which shall be responsible for inter-alia implementation providing overall guidance and support to DAPCU and the District Health Society in such District;

m) agree to establish and thereafter maintain throughout the period of Project implementation a Task Force on Hospital Safety in each District hospital in form and with functions, staffing and resources satisfactory to GOI and which shall be responsible for, inter-alia, managing hospital waste and ensuring hospital safety.

n) agree to:

- (i) assist the GOI in implementation of the Governance and Accountability Action Plan and to carry out their respective activities under the Program in accordance with the Governance and Accountability Action Plan;

- (ii) Implement the Governance and Accountability Action Plan in accordance with the objectives, policies, procedures, time schedules and other provisions set forth therein, in such manner as to protect the interests of the GOI and to accomplish the purposes of the Financing;

(iii) refrain from taking any action which shall prevent or interfere with the implementation of the Governance and Accountability Action Plan;

(iv) except as the GOI shall otherwise agree, not waive, amend or abrogate the Governance and Accountability Action Plan or any provision thereof; and

(v) provide a report to the GOI on the progress achieved in the implementation of the Governance and Accountability Action Plan once every quarter.

o) agree to promptly inform the GOI of any condition which interferes or threatens to interfere with the progress of the Program, the accomplishment of the purposes of the Financing, or the performance of their respective obligations under the relevant Letter of Undertaking;

p) from time to time, at the request of the GOI :

(i) undertake to exchange views with the GOI with regard to the progress of carrying out activities under the Project, their respective performance under the Letter of Undertaking and other matters relating to the purposes of the Financing;

(ii) furnish all such information related thereto as may reasonably be required by the GOI ; and

(iii) participate in the reviews of the Project implementation and provide relevant reports.

q) agree to:

(i) prepare, on the basis of guidelines acceptable to the GOI , and furnish to the GOI not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose with the GOI, Project State and its respective SIS, a plan designed to ensure the continued achievement of the Project's objectives; and

(ii) afford the GOI a reasonable opportunity to exchange views with such Project State and its respective SIS on said plan.

r) agree to:

release funds to SIS promptly in case grant relating to SIS is released through State Govt.

s) agree that the GOI may suspend or terminate the right of the Project State and its respective SIS to use the proceeds of the Financing:

upon failure of the Project State or its respective SIS to perform any of its obligations under their Letter of Undertaking.

The Government of and SACS shall also:

1. Agree to the continuance of the existing AIDS Control Society as a legal entity for receiving grants from DAC and account for all funds released to the State Society as well as document and report receipts and expenditure in appropriately prescribed forms. It shall also take the responsibility for implementing the approved Annual Action Plan (AAP) and for collaborating with civil society organizations or other entities.
2. Agree to have a Society functioning as per a standard Memorandum of Association and Articles of Association inter alia consisting of the Executive Committee and General Body chaired by the Secretary of Health & Family Welfare with clear cut delegation of powers spelt out. All decisions shall be taken at the official level of the Health & Family Welfare Department.
3. Agree to continue appoint of a full time Project Director and a Joint Director (F)/Finance Controller for the above mentioned Society. Further in the event of any evidence of mis-utilization of funds and/ or mis-management of financial affairs such as non-maintenance of accounts, non-settlement of advances and non-appointment of Joint Director (F)/Finance Controller/Finance Officer from Government service, the Government of India will not be liable to release any funds from budgetary resources.
4. Agree to post a Project Director with at least 10 years of experience in development work in the field. Agree to also ensure that an officer once posted will not be transferred for at least three years without the prior concurrence of DAC except on grounds of financial impropriety and mismanagement.
5. Agree also to ensure that post of Project Director and other key posts such as Joint Director (F)/Finance Controller/ Finance Officer and Procurement Officer will not be kept vacant for more than two months. In case these posts are kept vacant for more than four months it may entail DAC to take steps to recruit and appoint suitable officer in the vacancies.
6. Agree to merge any existing District AIDS Control Societies / Municipal AIDS Control Society/ State AIDS Control Society with District Health & Family Welfare Society or NRHM.
7. Agree to establish in all A and B category districts a District AIDS Cell as per the guidelines of DAC to function as an integral constituent of the District Health & Family Welfare Society and work under the guidance of the District collector.
8. Agree to formulate before the start of every financial year a State Annual Action Plan with district wise AAPs for districts including all financial requirements.

9. Agree to the implementation of Govt. of India prescribed activities, operation guidelines, manuals, instructions and circulars issued from the DAC for the implementation of the National AIDS Control Programme – IV (NACP-IV) and seeking prior concurrence of DAC either in case of deviation or any case of taking up any new activity outside the NACP-IV framework or approved AAP.
10. Agree to ensure that the SACS will take all precautions and necessary action to preserve the confidentiality of patient records and government data and ensure access only to authorized persons after obtaining appropriate approvals from competent authorities. The SACS shall develop a clear cut guideline with respect to confidentiality of records.
11. Agree to seek prior concurrence of DAC before accepting any foreign visits/hospitality/ training to avoid conflict of interest.

IN WITNESS WHERE OF _____, acting for and on behalf of the President of India and(name) for and on behalf of the Government of India and acting for and on behalf of the State AIDS Control Society set their hands on the day, month and year first above written.

Signature of	Signature of	Signature of
()	()	()
Dept. of AIDS control, Ministry of Health & Family Welfare, Govt. of India, acting for and on behalf of the President of India	Principal Secretary to Govt. of Health and Family Welfare Dept., Government of and acting for and on behalf of the Government of	Acting for an on behalf of the State AIDS Control Society