

Ref. EECA/TS/262-08/10/2013

8 October 2013

Marija Čukić
Project Coordinator
Red Cross of Serbia
Simina 19, 11000 Belgrade
Serbia

Re: Management Letter to Progress Update 6 under Grant Agreement number SER-910-G07-T

Dear Ms Čukić

We are writing this letter to provide you with feedback after having conducted a comprehensive review of the Progress Update (PU) for the HIV Grant Agreement number SER-910-G07-T. This PU covers the reporting period 1 January – 30 June 2013.

The final overall performance rating for the reporting period is 'A2'. Please find below a summary of the key issues and recommendations as identified during our review and evaluation of the overall implementation, performance and management of the program implemented by your team.

A. PROGRAMMATIC PERFORMANCE

Overall, the Principal Recipient has continued with the strong performance in the reporting period. The quantitative indicator rating is A2, out of 4 indicators due for reporting, one was over-achieved and 3 were achieved.

In the reporting period, 152 IDUs, 266 sex workers, and 10,003 soup kitchen users were screen for TB, equating to 99%, 107% and 94% cumulative indicator achievement respectively.

Regarding the indicator "Number of people trained in TB and TB/HIV related issues with a special emphasis on equity and advocacy among most vulnerable groups" was overall achieved by 99% with 163 people trained cumulatively. However, for the reporting period there were only 26 people trained, because of overachievement in the previous period and that the Principal Recipient was focusing more on quality of the trainings by training smaller groups. The Global Fund did not include 1 person the PR reported as trained in the reporting period who acted as both a participant and lecturer.

The indicator "Percentage of contacts of Roma smear positive TB patients referred to TB unit and examined for TB out of all contacts of smear positive Roma identified during the reporting period" was not reported in the current reporting period. In order to address

challenges in investigating all contacts during the same reporting period when the index case is identified, the reporting arrangements were changed to provide a delay in reporting.

The Grant Rating Tool for the reporting period is attached to this letter.

B. FINANCIAL PERFORMANCE

For the reporting period, the PR's cash out flow rate (PR expenditure plus disbursements to SRs) for the reporting period represents 95% of the semi-annual budget. The PR's expenditure rate for the reporting period is 94% and 96% of funds were disbursed to sub-recipients.

The cumulative cash outflow rate (PR expenditure plus disbursement to SRs) up to the end of the reporting period was 94%. The cumulative spending rate of the PR was 91% and 103% of funds were disbursed to sub-recipients.

The cash balance as of 30 June 2013 is USD 375,164, which will be used to fund activities from 1 July 2013 to 30 June 2015.

Finally, there were some minor ineligible expenditures identified during the review of the Progress Update and have been summarised in the management actions annex, attached.

C. CONDITIONS PRECEDENT / SPECIAL CONDITIONS

All remaining Condition Precedents and Special Conditions were met during previous reporting periods.

D. DISBURSEMENT AMOUNT

The Global Fund disbursed the amount of USD 423,852 on 18 April 2013 to cover grant related activities from 1 January 2013 to 30 June 2014. The next disbursement request to be submitted by the Principal Recipient is due on 14 February 2014.

E. GRANT MANAGEMENT ISSUES AND RECOMMENDATIONS

There are a few minor management actions that were identified during the reporting period that require the attention of the Principal Recipient. These have been summarized in the attached excel document "Global Fund Management Actions for PU6".

F. OVERALL GRANT RATING

The overall grant rating for the period is "A2".

May I take this opportunity to thank the PIU, the sub-recipients, the implementing partners and the national stakeholders for the program's progress to date. We look forward to continued strong performance in future periods.

Yours sincerely,



Tsovinar Sakanyan
Fund Portfolio Manager

Encl.: Grant Rating Tool
Global Fund Management Actions for PU6

Cc: All CCM members
Miroslava Stevanovic, LFA, UNOPS