



Independent observer
of the Global Fund

Two corrections to our article on LFA tenders

On 10 January, we published an article with the headline “Global Fund LFA tenders will be for six years instead of the current four.” There were two errors in the article.

First, the headline and the text of the article erroneously stated that as a result of a Board decision, LFA tenders will be for six years instead of the current four. The decision provided more flexibility with respect to the timing of re-tendering, but did not set any specific time frame for the re-tenders.

Second, the article stated that in 2012, the Global Fund launched a process to strengthen LFA management by, among other things, adding services to be covered by the LFAs. This last part was incorrect. The process launched in 2012 was designed to ensure that LFA services add value; it was not designed to add services covered by the LFAs.

In bringing these errors to our attention, the Secretariat provided the following additional information:

The six-year length of the LFA framework contracts, which is now based on the Board decision, is not connected with the timing of LFA tenders. The contractual relationship between the Global Fund and LFAs is formed by the framework contracts, an annual work plan for a specific country/portfolio, and corresponding purchase orders. While LFA framework contracts contain legal terms and conditions governing the LFA work, these are generic and do not change significantly over time. The framework contracts do not contain any cost information or obligations, including financial, for the Global Fund to engage LFAs in any country and do not assign countries or portfolios upon signing. The terms and conditions, pre-agreed by the parties in the framework contracts, would only be applicable in case a service provider is requested to provide LFA services for a certain portfolio under an annual work plan which defines the list of LFA services and costs. A specific country/portfolio can be re-tendered at any time, based on considerations described in the Board paper. If a framework contract is already in place

with a selected LFA service provider, this framework contract will be applicable for the annual work plan, and potentially future work plans. If there is no existing framework contract, a framework contract will be signed for six years, but this does not mean the LFA service provider will provide LFA services for a particular country for six years.

We regret any inconvenience caused by these errors.

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