

Honourable Dr. Cleopa Mailu
Cabinet Secretary
Ministry of Health
Nairobi
Kenya

5 May 2017

Confirmation of Kenya's request for CCEOP support from Gavi

Dear Honourable Dr. Mailu,

I refer to the request for support for the Cold Chain Equipment Optimisation Platform (CCEOP) which was submitted by Kenya to the Gavi Secretariat in September 2016. In November, the Independent Review Committee (IRC) reviewed your support request and recommended approval with clarifications. Based upon the clarifications presented, the IRC recommends approval of the CCEOP support for Kenya, as described in the Decision Letter attached with this letter.

We appreciate Kenya's request and Gavi is fully committed to support the multi year proposal recommended by the IRC, as reflected by the Gavi Board allocating funding to the CCEOP programmes at its December 2016.

At this time, Gavi is approving the support for years 2017 and 2018 only. The allocations beyond years 2017 and 2018 are expected to be communicated during 2017, taking into account resource availability and updated CCEOP-related policies and procedures. However, in order to facilitate timely implementation of the CCEOP Programme, years 2017 and 2018 are approved now.

We look forward to working with you to strengthen the cold chain in Kenya, which ultimately should help increase the coverage of vaccines. Please do not hesitate to reach out to Antonia Pannell, Gavi's Senior Country Manager for Kenya (apannell@gavi.org) should you have any queries on the above.

Yours sincerely



Hind Khatib-Othman
Managing Director, Country Programmes

Decision Letter

KENYA Cold Chain Equipment Optimisation Platform Support

This Decision Letter forms a part of the PFA and together with the PFA sets out the Programme Terms of the Programme. Any term used in this Decision Letter but not defined shall have the meaning given to such term in the PFA. The English language version of this Decision Letter shall prevail in the case of any conflict with terms expressed in any other language.

1. Country : Kenya																				
2. Grant number: 1718-KEN-31a-Z																				
3. Date of Decision Letter: 05 May 2017																				
4. Date of the Partnership Framework Agreement: 25 November 2014																				
5. Programme title: Cold Chain Equipment Optimisation Platform (CCE OP)																				
<p>6. CCE OP terms:</p> <p>The aim of the CCE OP support is to support countries with improving their supply chains and contribute to efforts to strengthen the coverage and equity of immunisation; as specified in:</p> <ul style="list-style-type: none"> - The relevant Gavi CCE OP technology guide and application instructions and form- please contact your senior country manager for these documents. - Country's approved CCE OP proposal and any responses to the CCE OP IRC request for clarifications. 																				
7. Programme duration: 2017-2018																				
8. Joint investment classification: Country: 50% Joint Investment / Gavi: 50% Joint investment																				
<p>9. Programme Budget : <i>This is the amount of an estimated 2017 and 2018 budget endorsed by Gavi under the Programme.</i></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%; text-align: center;">2017</th> <th style="width: 15%; text-align: center;">2018</th> <th style="width: 30%; text-align: center;">Total¹</th> </tr> </thead> <tbody> <tr> <td>Gavi maximum Budget</td> <td style="text-align: center;">US\$ 2,537,553</td> <td style="text-align: center;">US\$ 1,578,318</td> <td style="text-align: center;">US\$ 4,115,871</td> </tr> <tr> <td>Kenya maximum joint investment Budget</td> <td style="text-align: center;">US\$ 2,537,553</td> <td style="text-align: center;">US\$ 1,578,317</td> <td style="text-align: center;">US\$ 4,115,870</td> </tr> <tr> <td><i>(of which is budgeted under approved HSS budget)</i></td> <td style="text-align: center;"><i>(US\$ 2,474,107)</i></td> <td style="text-align: center;"><i>(US\$ 1,634,716)</i></td> <td style="text-align: center;"><i>(US\$ 4,108,823)</i></td> </tr> <tr> <td>Programme Budget</td> <td style="text-align: center;">US\$ 5,075,106</td> <td style="text-align: center;">US\$ 3,156,635</td> <td style="text-align: center;">US\$ 8,231,741</td> </tr> </tbody> </table>		2017	2018	Total ¹	Gavi maximum Budget	US\$ 2,537,553	US\$ 1,578,318	US\$ 4,115,871	Kenya maximum joint investment Budget	US\$ 2,537,553	US\$ 1,578,317	US\$ 4,115,870	<i>(of which is budgeted under approved HSS budget)</i>	<i>(US\$ 2,474,107)</i>	<i>(US\$ 1,634,716)</i>	<i>(US\$ 4,108,823)</i>	Programme Budget	US\$ 5,075,106	US\$ 3,156,635	US\$ 8,231,741
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¹ This is the total amount endorsed by Gavi for years 2017 and 2018 of the Programme.

10. Indicative equipment and annual amounts: (i.e. Total Platform investment from Gavi and the country) The Country acknowledges that the Annual Amount will be disbursed directly to UNICEF as the agreed implementing agency:

<i>Type of equipment to be purchased with Gavi and country funds in each year</i>	2017	2018
Indicative number of On-grid ice-lined refrigerator (ILR) (without freezer compartment)	1,839	1,071
Indicative number of Off-grid/SDD refrigerators (without freezer comp.)	609	471
Indicative number of Temperature monitoring devices (30-day loggers)	3,748	1,542
Indicative number of Spare parts (for existing platform-eligible equipment)	2,448	1,542
Total annual Amount (US\$)	5,075,106	3,156,635
Total annual Amount from Gavi (US\$)	2,537,553	1,578,318
Total annual Amount from Kenya (US\$)	2,537,553	1,578,317

11. Financial clarifications: Not applicable

12. Procurement agency: UNICEF Supply Division is the sole procurement agency for the CCE OP. Gavi and country shall release their joint investment share each year to UNICEF. A part of the country share is being financed with Gavi HSS funds; Gavi (after due consideration with country) shall withhold such funds from HSS disbursements and release them directly to UNICEF Supply Division at the appropriate time. Given that, in 2017, HSS funds are passing via UNICEF Kenya, UNICEF Kenya has requested Gavi to withhold the CCE OP joint investment included in the HSS grant, and transfer it direct to UNICEF Supply Division.

13. Buffer and Procurement fees

Buffer fees

During the contracting process with UNICEF Supply Division, Kenya may be required to pay a 7% buffer fee on top of country's joint-investment share. This will cover cost and currency variations, demurrage and associated costs **and will be returned to country at the completion of the contract, if unused.**

Procurement fees

Kenya will be responsible for paying **yearly procurement fees (up to 8.5%) on country joint-investment share.** This amount, payable to UNICEF Supply Division, varies from country to country, and should be discussed with UNICEF Kenya.

14. Additional reporting requirements:

Reports and other information	Due dates
<p>As part of preparations for the following year's equipment purchase, countries are required to develop (with UNICEF) and submit an operational deployment plan.</p>	<p>Within 60 days of receiving the decision letter</p>
<p>In accordance with applicable Gavi processes, Country shall report on programmatic and financial performance including (but not limited to) the following indicators as proposed by country:</p> <ul style="list-style-type: none"> • Number of equipped facilities replacing CCE with higher performing equipment (ILR, SDD or long-term passive devices) • Number of facilities previously without equipment, newly equipped with ILRs, SDDs or long-term passive devices • Indicators proposed by the country to take into account appropriate equipment maintenance; for example the percentage of facilities with operational cold chains • Submission of yearly updated CCE inventory <p>The selected indicators should be included in the country's performance framework order to track the results of the replacement and/or expansion plan and/or implementation of the maintenance plan.</p>	<p>As agreed in the Performance framework</p>

15. Other conditions: The country is reminded of its obligations under the PFA with respect to insurance and is requested to provide information to Gavi on the steps it has taken in this regard.

The disbursement of Gavi annual amounts is subject to UNICEF's confirmation of receipt of the country's joint investment share.

The country is also reminded that it is responsible for reception at the port of entry, customs clearance and for provision of a waiver of (or, in the absence of waiver, paying for) any taxes or other duties for each consignment of Cold Chain Equipment. Governments must provide UNICEF with confirmation of such waiver of taxes and other duties.

If the country has to make variations to the delivery schedules, such as where conditions for installation and implementation are delayed or in cases of force majeure, the government must develop a deviation protocol to document such cases and any cost implications of such variations. The Government will be responsible for all such costs.

On behalf of Gavi



Hind Khatib-Othman
Managing Director, Country Programmes

05 May 2017