



GAVI/13/359/MK/RK

Professor A.F.M Ruhul Haque
The Minister of Health and Family Welfare
Ministry of Health and Family Welfare
Dhaka
Government of the People's Republic of Bangladesh

04 June 2013

Dear Minister,

***Bangladesh's 2013 application to the GAVI Alliance
for Health System Strengthening (HSS) cash support***

I am writing in relation to Bangladesh's Annual Progress Report (APR) for HSS cash support which was submitted to the GAVI Secretariat in February 2013.

Following a meeting of the GAVI Independent Review Committee (IRC) from 4 to 12 April 2013 to consider your APR, we are pleased to inform you that the GAVI Alliance has approved Bangladesh for GAVI's HSS support. The terms of this cash support grant are specified in the Appendices to this letter.

Please do not hesitate to contact my colleague Ranjana Kumar at rkumar@gavialliance.org or email gavihss@gavialliance.org if you have any questions or concerns.

Yours sincerely,

Hind Khatib-Othman
Managing Director, Country Programmes

Attachments: Appendix A: Decision Letter for HSS Cash Support.
Appendix B: Report of the Independent Review Committee.
Appendix C: GAVI Alliance Terms and Conditions.

cc: The Minister of Finance
The Director of General Health Services
Director Planning Unit, MoH
The EPI Manager
WHO Country Representative
UNICEF Country Representative
Regional Working Group
WHO HQ
UNICEF Programme Division
The World Bank

APPENDIX A

DECISION LETTER FOR HSS CASH SUPPORT LETTRE DE DÉCISION POUR LE SOUTIEN SOUS FORME D'ESPÈCES

**This Decision Letter sets out the Programme Terms of a Programme.
Complete in English**

1. Country: Bangladesh <i>Pays</i>
2. Grant number: 0913-BGD-10a-Y <i>Numéro d'allocation</i>
3. Decision Letter number: 2 <i>Numéro de la lettre de décision</i>
4. Date of the Partnership Framework Agreement: Not applicable <i>Date de l'Accord Cadre de Partenariat:</i>
5. Programme Title: Health Systems Strengthening (HSS) <i>Titre du programme : Renforcement des systèmes de santé (RSS)</i>
6. HSS terms: <i>Conditions du RSS</i> The ultimate aim of HSS support is to ensure increased and sustained immunisation coverage through addressing health systems barriers in country, as specified in: • The GAVI HSS guidelines • The GAVI HSS application form • Country's approved grant proposal and any responses to the HSFP IRC's request for clarifications. <i>L'objectif ultime du soutien par le biais de la Plateforme de financement des systèmes de santé (PFSS) est de garantir une couverture vaccinale accrue et suivie en levant les obstacles du système de santé dans le pays, ainsi que précisé dans :</i> • <i>les directives de GAVI sur la plateforme de financement des systèmes de santé (PFSS) ;</i> • <i>le formulaire de demande de soutien par la PFSS ;</i> • <i>la proposition approuvée et toute réponse du pays à la demande d'éclaircissements du CEI sur la PFSS.</i> Any disbursements under GAVI's HSS cash support will only be made if the following requirements are satisfied: • GAVI's availability of funding; • Submission of satisfactory Annual Progress Reports (APRs) by Country; • Approval of the recommendation by an Independent Review Committee (IRC) for continued support by GAVI after the second year; • Compliance with any TAP requirements pursuant to the TAP Policy and under any Aide Memoire concluded between GAVI and the Country; • Compliance with GAVI's standard terms and conditions (attached in Appendix [D]); and • Compliance with the then-current GAVI requirements relating to financial statements and external audits, including the requirements set out for annual external audit applicable to all GAVI cash grants as set out in GAVI's grant terms and conditions. <i>Tout décaissement au titre du soutien en espèces de GAVI au RSS ne sera effectué que si les conditions suivantes sont remplies :</i> • <i>disponibilité du financement GAVI ;</i> • <i>présentation de rapports de situation annuels satisfaisants par le pays ;</i> • <i>approbation de la recommandation du Comité d'examen indépendant (CEI) sur la poursuite du soutien de GAVI après la première année ;</i> • <i>respect de toute condition relative à la politique de transparence et de responsabilité et en vertu de l'aide-mémoire conclu entre GAVI et le pays ;</i> • <i>observance des clauses et conditions de GAVI (jointes à l'annexe [D]) ; et</i> • <i>respect des conditions de GAVI alors en vigueur relatives aux états financiers et aux vérifications externes des comptes, notamment l'obligation de conduire une vérification externe des comptes sur base annuelle applicable à toutes les allocations en espèces de GAVI.</i>

qui figure dans les *Clauses et Conditions de GAVI*.

7. Programme Duration¹: 2009 to 2013
Durée du programme: 2009 à 2013

8. Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement, if applicable):
Budget du programme (indicatif) (sous réserve des conditions de l'Accord Cadre de Partenariat):

	2009-2012	2013	Total ²
Programme Budget (US\$) <i>Budget du programme</i>	7,243,500	6,428,000	13,671,500

9. Indicative Annual Amounts (indicative) (subject to the terms of the Partnership Framework Agreement):
Montants annuels indicatifs (indicatif) (sous réserve des conditions de l'Accord Cadre de Subvention):

The following disbursements are subject to the conditions set out in sections 6, 10, 11 and 12:
Les décaissements suivants sont sujets aux conditions précisées dans les sections 6, 10, 11 et 12:

Programme Year <i>Année du programme</i>	2009-2012	2013	Total ³
Annual Amount (US\$) <i>Montant Annuel (US\$)</i>	7,243,500	6,428,000	13,671,500

10. Documents/information to be delivered prior to HSS cash disbursement (Financial clarifications) :
Documents/informations à soumettre avant le décaissement des fonds RSS (clarifications financières):

Submission of an audit report for the period ended June 30, 2012 resulting from an audit conducted by an external audit firm pursuant to the Aide Memoire and according to the Terms of Reference provided by GAVI

11. Documents to be delivered for future HSS cash disbursements:
Documents devant être présentés pour des décaissements futurs des fonds RSS:

The Country shall deliver the following documents by the specified due dates as part of the conditions for approval and disbursements of the future Annual Amounts.
Le pays devra présenter les documents suivants aux dates précisées dans le cadre des conditions d'approbation et de décaissement des futurs montants annuels.

Reports, documents and other deliverables <i>Rapports, documents et autres</i>	Due <i>Date limite de réception</i>	dates
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¹ This is the entire duration of the programme. *Ceci est la durée entière du programme.*

² This is the total amount endorsed by GAVI for the entire duration of the programme. This should be equal to the total of all sums in the table. *Ceci est le montant total approuvé par GAVI pour la durée entière du programme. Celui-ci doit être équivalent au total de toutes les sommes comprises dans ce tableau.*

³ This is the amount approved by GAVI. *Ceci est le montant approuvé par GAVI*

Annual Progress Reports (APRs). The APRs shall provide detail on the progress against milestones and targets against baseline data for indicators identified in the proposal, as well as the PBF indicators as listed in section 6 above. The APRs should also include a financial report on the use of GAVI support for HSS (which could include a joint pooled funding arrangement report, if appropriate) and use of performance payments, which have been endorsed by the Health Sector Coordination Committee (HSCC) or its equivalent. <i>Rapport de situation annuel. Ce rapport renseignera en détail sur les progrès accomplis pour atteindre les repères et les objectifs en regard des données de référence pour les indicateurs identifiés dans la proposition, ainsi que les indicateurs du FBR dont la liste figure à la section 6 ci-dessus. Le rapport de situation annuel comprendra également un rapport financier sur l'utilisation du soutien de GAVI au RSS (qui peut inclure un rapport conjoint d'un dispositif de financement commun, le cas échéant) et l'utilisation faite des paiements liés aux résultats, qui ont été approuvés par le Comité de coordination du secteur de la santé (CCSS) ou son équivalent.</i>	15 May 2013 or as negotiated with Secretariat <i>15 mai 2013, ou tel que négocié avec le Secrétariat</i>
Interim unaudited financial reports. Unless stated otherwise in the existing Aide Memoire between GAVI and the Country, the Country shall deliver interim unaudited financial reports on the HSS cash support no later than 45 days after the end of each 6-month reporting period (15 February for the period covering 1 July – 31 December and 15 August for the period covering 1 January – 30 June). Failure to submit timely reports may affect future funding. <i>Rapports financiers intérimaires non-audités. A moins que l'aide-mémoire existant entre GAVI et le pays indique le contraire, le pays devra soumettre des rapports financiers intérimaires non-audités sur le soutien financier RSS au plus tard 45 jours au terme de chaque 6 mois de la période sous revue (15 février pour la période couvrant 1^{er} juillet – 31 décembre et 15 août pour la période couvrant 1^{er} janvier – 30 juin). Un défaut de soumission de rapports dans les temps pourrait affecter les financements futurs.</i>	15 February and 15 August <i>15 février et 15 août</i>
12. Other conditions: The following terms and conditions shall apply to HSS support. <i>Autres conditions : les termes et conditions suivants s'appliqueront au soutien RSS.</i> Cash disbursed under HSS support may not be used to meet GAVI's requirements to co-finance vaccine purchases. <i>Les fonds en espèces versés au titre du soutien du RSS ne pourront en aucun cas être utilisés pour répondre aux obligations GAVI de cofinancement d'achat de vaccins.</i> In case the Country wishes to alter the disbursement schedule over the course of the HSS programme, this must be highlighted and justified in the APR and will be subject to GAVI approval. It is essential that Country's Health Sector Coordination Committee (or its equivalent) be involved with this process both in its technical process function and its support during implementation and monitoring of the HSS programme proposal. Utilisation of GAVI support stated in this letter will be subject to performance monitoring. <i>Si le pays souhaite modifier le calendrier des décaissements au cours du programme de la PFSS, il devra l'indiquer et le justifier dans son rapport de situation annuel. Cette modification sera subordonnée à l'approbation de GAVI. Il est essentiel que le Comité de coordination du secteur de la santé (ou son équivalent) participe à ce processus en sa qualité d'organe technique et pour soutenir la mise en œuvre et le suivi de la proposition de programme par le biais de la PFSS. L'utilisation du soutien de GAVI décrit dans la présente lettre sera soumise à un suivi des résultats.</i>	

Signed by,
Signé par,

On behalf of the GAVI Alliance
Au nom de GAVI Alliance

By (Sign):
Par (signature)

Hind Khatib-Othman

Name (Print):
Nom (Majuscules)

Hind Khatib-Othman
Managing Director
Country Programmes
GAVI Alliance

Title:
Titre

Date:
Date

3 June 2013

Report of the Independent Review Committee

Country: Bangladesh
Type of report: APR (HSS)
Reporting period: 2011
Date reviewed: April 2013

1. Composition and Functioning of Inter-agency Coordinating Committee (ICC) / Health Sector Coordinating Committee (HSCC)

Coordination of GAVI supported programmes in Bangladesh is the mandate of the Local Consultative Group (LCG), which is the highest level committee. It has a diverse representation profile: ministries, development partners and civil society organizations.

Minutes of May 2012 ICC/HSCC meeting where committee members have discussed and approved both the APR 2011 and the proposed 2012 workplan/budget were provided. Minutes of the LCG meeting in June 2012 were also provided with many agenda items discussed and approved at a highest level of the health sector.

For the HSS section re-submission, updated signatures dated February 2013 have been provided showing involvement of HSCC members and ICC members, including bilateral and multilateral partners (USAID, The World Bank, DFID, WHO, UNICE, JICA) and local NGOs (Rotary International, BRAC).

2. HSS workplan and budget (financial management and reporting)

The APR provides information on HSS activities in 2011, and detailed plans/activities for 2012 and 2013.

Country reported receipt of US\$ 7.24 million in 2009, however activities delayed until 2011. An expenditure of US\$ 1.75 million is reported in 2011 (24% of the total) and US\$ 3.3 million (45%) in 2012. A balance of US\$ 2.1 million is reported for 2013, that is to be expended, and thus a request for US\$ 6.42 million for 2013 is made. Budget absorption rate was very low at the beginning of the reprogramming period. However, US\$ 7 million will be spent overall by the next APR process, which justifies the request of US\$ 6.42 million for 2013 made by the country.

The reprogrammed work plans and budgets presented in 2011 APR for fiscal years 2011, 2012 and 2013 include other 11 new activities.

For 2013, activities planned show a total revised budget of US\$ 8.6m (reflecting the US\$ 6.4 from the last tranche and the balance of US\$ 2.1 million from previous year). Increased expenditure is due to proposed expansion of activities in additional 19 low performing districts (from existing 13).

3. Implementation of the Health Systems Strengthening (HSS) proposal

Bangladesh HSS window was approved in 2008 pending conclusion of FMA. While the first tranche of grant was disbursed in 2009, implementation of activities was delayed until 2011, at which point the country requested for approval of HSS reprogramming.

The goal of Health System Strengthening in Bangladesh is to provide universal MCH services delivery through strengthened human resources management, improved logistics management, and increased community participation and demand, which will contribute to achieving MDGs 4 and 5 goals.

Key indicators monitored during the HSS proposal implementation process are:

- 90% of HA and FWA vacant posts are filled
- 90% of supervisory & performance reports available
- Critical gaps in equipment & physical structures addressed
- High quality and appropriate MNCH services available

The original HSS proposal targets 13 districts (expanded to 19 as part of the reprogramming and request for 2013) of the country and has 4 key objectives focussing on (i) health workforce (Health Assistants and Family Welfare Assistants), (ii) logistics and supervision capacities, (iii) equipments and physical infrastructure and (iv) high quality MCH services.

4. Summary of the HSS Review

Bangladesh HSS proposal has taken a lot time to kick off due to FMA issues and in-country bottlenecks regarding recruitment and procurement processes.

This is an excellent report with sufficient details for 2011, 2012 and 2013, and makes it easy for IRC to review and understand the HSS activities and plans, with clear tables and linkages between budgets and activities.

The results reported on the 2011 APR show that the HSS program is catching up and on track. Funds utilisation has significantly improved in the last two years.

The IRC commends the country for an excellent report, showing progress made against targets, clear expenditure analysis and proposed activities for 2013. The IRC further recommends that the country should modify Table 9.1.3a to depict changes in activity implementation timeframe per year (from 2007-2012 to 2011 onward) by the next APR.

5. IRC Review Recommendations

Recommendation: Approval of second and final tranche of the Bangladesh HSS proposal (US\$ 6.428 million)

6. TAP recommendations

Recommendation: Submission of an audit report conducted by external audit firm based on ToR provided by GAVI for the financial year that ended June 30, 2012.

APPENDIX C

GAVI Alliance Terms and Conditions

Countries will be expected to sign and agree to the following GAVI Alliance terms and conditions in the application forms, which may also be included in a grant agreement to be agreed upon between GAVI and the country:

FUNDING USED SOLELY FOR APPROVED PROGRAMMES

The applicant country ("Country") confirms that all funding provided by the GAVI Alliance for this application will be used and applied for the sole purpose of fulfilling the programme(s) described in this application. Any significant change from the approved programme(s) must be reviewed and approved in advance by the GAVI Alliance. All funding decisions for this application are made at the discretion of the GAVI Alliance Board and are subject to IRC processes and the availability of funds.

AMENDMENT TO THIS PROPOSAL

The Country will notify the GAVI Alliance in its Annual Progress Report if it wishes to propose any change to the programme(s) description in this application. The GAVI Alliance will document any change approved by the GAVI Alliance, and this application will be amended.

RETURN OF FUNDS

The Country agrees to reimburse to the GAVI Alliance, all funding amounts that are not used for the programme(s) described in this application. The country's reimbursement must be in US dollars and be provided, unless otherwise decided by the GAVI Alliance, within sixty (60) days after the Country receives the GAVI Alliance's request for a reimbursement and be paid to the account or accounts as directed by the GAVI Alliance.

SUSPENSION/ TERMINATION

The GAVI Alliance may suspend all or part of its funding to the Country if it has reason to suspect that funds have been used for purpose other than for the programmes described in this application, or any GAVI Alliance-approved amendment to this application. The GAVI Alliance retains the right to terminate its support to the Country for the programmes described in this application if a misuse of GAVI Alliance funds is confirmed.

ANTICORRUPTION

The Country confirms that funds provided by the GAVI Alliance shall not be offered by the Country to any third person, nor will the Country seek in connection with this application any gift, payment or benefit directly or indirectly that could be construed as an illegal or corrupt practice.

AUDITS AND RECORDS

The Country will conduct annual financial audits, and share these with the GAVI Alliance, as requested. The GAVI Alliance reserves the right, on its own or through an agent, to perform audits or other financial management assessment to ensure the accountability of funds disbursed to the Country.

The Country will maintain accurate accounting records documenting how GAVI Alliance funds are used. The Country will maintain its accounting records in accordance with its government-approved accounting standards for at least three years after the date of last disbursement of GAVI Alliance funds. If there is any claims of misuse of funds, Country will maintain such records until the audit findings are final. The Country agrees not to assert any documentary privilege against the GAVI Alliance in connection with any audit.

CONFIRMATION OF LEGAL VALIDITY

The Country and the signatories for the government confirm that this application is accurate and correct and forms a legally binding obligation on the Country, under the Country's law, to perform the programmes described in this application.

CONFIRMATION OF COMPLIANCE WITH THE GAVI ALLIANCE TRANSPARENCY AND ACCOUNTABILITY POLICY

The Country confirms that it is familiar with the GAVI Alliance Transparency and Accountability Policy (TAP) and will comply with its requirements.

ARBITRATION

Any dispute between the Country and the GAVI Alliance arising out of or relating to this application that is not settled amicably within a reasonable period of time, will be submitted to arbitration at the request of either the GAVI Alliance or the Country. The arbitration will be conducted in accordance with the then-current UNCITRAL Arbitration Rules. The parties agree to be bound by the arbitration award, as the final adjudication of any such dispute. The place of arbitration will be Geneva, Switzerland. The language of the arbitration will be English.

For any dispute for which the amount at issue is US\$ 100,000 or less, there will be one arbitrator appointed by the GAVI Alliance. For any dispute for which the amount at issue is greater than US \$100,000 there will be three arbitrators appointed as follows: The GAVI Alliance and the Country will each appoint one arbitrator, and the two arbitrators so appointed will jointly appoint a third arbitrator who shall be the chairperson.

The GAVI Alliance will not be liable to the country for any claim or loss relating to the programmes described in this application, including without limitation, any financial loss, reliance claims, any harm to property, or personal injury or death. Country is solely responsible for all aspects of managing and implementing the programmes described in this application.

USE OF COMMERCIAL BANK ACCOUNTS

The eligible country government is responsible for undertaking the necessary due diligence on all commercial banks used to manage GAVI cash-based support, including HSS, ISS, CSO and vaccine introduction grants. The undersigned representative of the government confirms that the government will take all responsibility for replenishing GAVI cash support lost due to bank insolvency, fraud or any other unforeseen event.