Annexe B

HEALTH SYSTEM STRENGTHENING

DECISION LETTER FOR CASH SUPPORT

This Decision Letter sets out the Programme Terms of a Programme

1. **Country:** The Government of DPR Korea
2. **Grant number:** 1418-PRK-10a-Y
3. **Date of Decision Letter:** 01 July 2014
4. **Date of the Partnership Framework Agreement:** 07 June 2013
5. **Programme Title:** Health Systems Strengthening (HSS)

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6. **HSS terms:**

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 relevant GAVI HSS guidelines – please contact your CRO at athomson@gavialliance.org for the guidelines.
- The relevant GAVI HSS application form - please contact your CRO at athomson@gavialliance.org for the form.
- Country's approved grant proposal and any responses to the HSS IRC's request for clarifications.

The HSS cash support shall be subject to GAVI's performance-based funding (PBF). Under this, the HSS support will be split into two payments: the programmed payment (based on implementation of the approved HSS grant) and the performance-based payment (based on improvements in immunisation outcomes). This means that in the first year, Country will receive 100% of the approved ceiling, or programme budget if different (the initial Annual Amount), as an upfront investment. After the first year, countries will receive 80% of the ceiling, or programme budget if different, based on implementation of the grant, and additional payments will be based on performance on immunisation outcome indicators. Note that countries whose total grant budget would fall below US$3 million are exempt from this 80% rule.

Country will have the opportunity to receive payments beyond the programme budget amount, for exceptional performance on immunisation outcomes. The maximum programmed payment plus performance payment may be up to 150% of the country ceiling.

Given that Country's DTP3 coverage was **at or above 90%** at baseline based on WHO/UNICEF estimates, Country will be rewarded for sustaining high coverage with:

- 20% of programme budget for maintaining DTP3 coverage at or above 90% and
- 20% of programme budget ensuring that 90% of districts have at or above 80% DTP3 coverage.

The performance payments under the performance-based funding shall be used solely for activities to be implemented in the country's health sector.

7. **Programme Duration**[1]**:** 2014 to 2018

8. **Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement, if applicable):**

	2014	2015	2016	2017	2018	Total[2]
Programme Budget (US$)	US$6,097,880	US$5,032,836	US$4,949,497	US$4,960,264	US$4,999,004	US$26,039,481

[1] This is the entire duration of the 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.

9. Indicative Annual Amounts (indicative) (subject to the terms of the Partnership Framework Agreement):

The following disbursements are subject to the conditions set out in sections 6, 10, 11 and 12:

Programme Year	2014	2015	Total[3]
Annual Amount ($US)	US$6,097,880	US$5,032,836	US$11,130,716

10. Financial Clarifications: The Country shall provide the following clarifications to GAVI[4]:

If the bank account information most recently provided to GAVI has changed or changes prior to disbursement, the country will need to complete a bank account information form. Please contact gavihss@gavialliance.org for the form.

11. Documents to be delivered for future HSS cash disbursements:

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.

Reports, documents and other deliverables	Due dates
Annual Progress Reports (APRs) or equivalent. The APRs, or equivalent, 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, or equivalent, 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.	15 May 2015 or as negotiated with Secretariat
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.	15 February and 15 August
In order to receive a disbursement for the second approved year of the HSS grant (2015), Country shall provide GAVI with a request for disbursement, which shall include the most recent interim unaudited financial report.	As necessary

12. Other conditions: The following terms and conditions shall apply to HSS support.

Cash disbursed under HSS support may not be used to meet GAVI's requirements to co-finance vaccine purchases.

[3] This is the amount approved by GAVI.

[4] Failure to provide the financial clarifications requested may result in GAVI withholding further disbursements

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, or equivalent, 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.

Signed by,

Hind A. Khatib

On behalf of the GAVI Alliance
Hind Khatib-Othman
Managing Director, Country Programmes
Date: 01 July 2014

Independent Review Committee (IRC) Country Report
GAVI Secretariat, Geneva • 27 February – 7 March 2014
Country: Korea, DPR
Review of response to level 2 clarifications

1. Clarification Questions/ Resubmission Issues Identified by Independent Review Committee

Please add lines as necessary for each iteration.

Question/Issue 1:	
Because such rapid scale-up is proposed, from the first HSS grant of US$4.26 million to the new request for US$26.06 million, the extent to which implementation is feasible and practicable needs justification and elaboration. Country needs to explain in detail how this issue will be addressed.	
Supporting Documentation requested: *(IRC: Please list suggested supporting documentation to accompany country response)*	
Applicant's Response – Issue 1:	Date: 22- 01-14

Response:

Ministry of Public Health, the interagency coordination committee (ICC)/ health system coordination committee (HSCC) discussed the issue of large scaling-up of activities in relation to GAVI HSS support with partners (UNICEF, WHO) prior to chalking out the detailed proposal and in the process of preparing clarifications sought by IRC, GAVI. The following facts were considered to decide on feasibility of scaling up the activities:

- DRP Korea has the advantage of having a strong network of primary health care implemented through unique Household Doctors system and robust health infrastructure. Both of these are key facilitating factors in ensuring scaling up of the activities to such an extent. The household doctor system places one primary care medical staff in charge of 100-130 households. There are over 44,000 primary care household doctors in DPR Korea (*see MTSP page 28*). Overall, DPR Korea has one of the highest health staff to population ratios in the region which is more than 215,000 for the whole population of about 23 million (*see MTSP, page 15)*. In DPR Korea health care network is evenly distributed. At the primary health care level, there are 6,263 primary health care centres known as Ri (village) clinics and hospitals. The existing system of continued on-the job training for health workers at all levels ensures regular training to strengthen the capacity of the health work force. It is considered to be an important factor for successful implementation of the planned training activities, which constitutes a significant proportion of the activities planned in HSS2.
- The capacity of public health system has been significantly enhanced through the HSS1 grant, enabling provision of responsive services with particular focus on enhancing competency based knowledge and skills of human resources. Both individual and institutional capacity in planning, implementation, supportive supervision, monitoring and documentation remained focused as strategic programmatic approach to build in country capacity for expansion, replication and sustainability. There is evidence from JRF reports, Annual progress Reports to GAVI Alliance for HSS1, and the EVM assessment that HSS 1 has produced sound gains in immunization performance as demonstrated by increased DPT3 coverage from baseline (WHO/UNICEF estimates), development of strategic planning processes (MTSP 2010 – 2015) and enhanced cold chain capacity and vaccine management capacity (EVM 2011). Nevertheless, in depth evaluation has not taken place for assessing and disseminating information on HSS1 impact; however, the evaluation of impact of health management training, a major series of activities under HSS1, carried out in 2013, shows significant increase in capacity of the health mangers trained against those not trained (see attached *Report on evaluation of impact of Health Management training through GAVI HSS support-2013, MoPH, DPR Korea).*The planned end of grant evaluation of HSS1 later in 2014 is expected to provide a clearer picture.
- The emphasis in HSS 1 was given to human resources capacity building through training,

which is itself a time consuming process. HSS 1 undertook systematic training efforts in relation to mid-level management training (health planning), scale up of IMCI to all 208 counties as well as cold chain management training. More time was provided for this to ensure quality of the activities. In HSS 2 major focus is on providing cold chain at the level of Ri Hospitals, ensuring access through outreach and catch-up immunization which could be implemented more rapidly. Moreover, the training effort in management, logistics and service delivery referred to above (which will be reinforced to Ri level in HSS2) demonstrates that there has been a degree of investment in middle level management and service delivery capacity building which will make scale up more feasible in HSS 2

- The proposal is based on evidence where there is lack of cold chain support at Ri level which is critical for ensuring access of eligible population to immunization services. The current proposal looks into this missing area and focuses on strengthening the immunization services and bulk of the efforts will be in this area. Based on the evidence in the most recent EVM assessment, DPR Korea has already demonstrated its capacity to scale up nationally cold chain initiatives through installation of cold chain systems across the 208 counties. Based on the evidence from this review, it is entirely feasible that DPR Korea has the capacity to extend these systems to Ri level (see attached *EVSM Report*).
- In-depth analysis of the situation to identify needs, through different approaches helped in identification of the needs and the ways to address the constraints. In this regard both EPI related and Maternal and Neonatal Health (MNH) bottlenecks analysis were undertaken. The EPI Bottleneck Analysis done in September 2013 focused on low performing provinces and counties conducted to identify major bottlenecks. (see attached *Report on EPI Bottleneck Analysis, Wonsan, DPR Korea, September 2013).* MNH Bottleneck analysis report had been provided as an annexure with the original application to GAVI.
- Strong management capacity in MOPH and within partner organization will be a key factor to scale up the activities supported through GAVI HSS. Based on experiences of successful implementation of GFATM support, strengthening the Programme Management Unit (PMU) within the Ministry of Public Health, which will be responsible for operational planning and management, facilitation, supervision and monitoring of the proposed activities, is proposed. Also, supporting dedicated staff in both the partner agencies (UNICEF and WHO) national and international is proposed to cope with the rapid expansion of the grant.
- Need to address relative low access in geographically hard-to-reach areas, especially in harsh winters, through specifically designed outreach and catch-up immunization was stressed in the above mentioned EPI Bottleneck analysis workshop. This complements the in depth situation analyses in the cMYP 2011-2015 and the Medium term strategy plan (MTSP) 2010 – 2015 and the 2008 Coverage Survey, all of which emphasize the importance of reaching hard to reach areas of the country with health and immunization services; (*see attached MTSP 2010-15 and cMYP 2011-15*).
- Collaboration and coordination mechanism, as compared to situation prior to HSS1 has improved. In fact, it is important to recognize that the Medium Term Strategic Plan for the Development of the Health Sector in DPRK (MTSP 2010-2015) was an initiative planned and financed through GAVI HSS1 and with technical support through WHO and UNICEF. For the first time, DPR Korea published a multi-year sector plan that reflected national and international partnerships and goals for improving the health situation in DPR Korea. This HSS2 initiative, through establishment of a shared plan and national M & E framework, including a costed gap analysis for the sector, has opened the possibility for moving to scale public health initiatives through national and international partnerships.

Supporting Documentation from the applicant relevant to the response:
(Applicant: Please list any supporting documentation that was provided to accompany country response)

1. Report on evaluation of impact of Health Management training within GAVI HSS support-2013, MoPH, DPR Korea
2. Medium term strategic plan (MTSP) 2010-15
3. Comprehensive multi-year plan (cMYP) 2011-15
4. Report on effective vaccine supply management (EVSM) assessment, 2011
5. Report of EPI Bottleneck Analysis Workshop, Wonsan, DPR Korea, September 2013

IRC Comments and/or request for further clarifications – Issue 1:
(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)

Date: 06- 03-14

Response: Condition Met

The above clarification provides a cogent argument as to the absorptive capacity of the government and partners to scale-up the HSS programme. There is evidence of the human resource capacity in term of the a) health system structure (Household Doctors, provider to population ratio) and b) human resource capacity building (existing on-the-job training, HSS1 training of MLM and cold chain to 208 counties). The response provides concrete evidence that the interventions in HSS1 has been effective. The PMU will need to be fully resourced in order to manage this scale-up and based on the GFATM experience, this model has served well. HSS 2 will benefit from the strong foundation laid with HSS I and with a fully staffed PMU, will be well poised to scale-up. This is further confirmed by the political will from the government to support this international partnership as indicated in the shared plan and national M&E framework.

Question/Issue 2:

It is necessary to: a) justify; and b) elaborate on the proposal to establish, at very high cost, a vertical unit within MoPH to manage the grant. Following this exercise, and including a review of international lessons learnt from establishing previous vertical units of this type, the country may propose an alternative approach and a revised budget (also see rationale for further information).

Supporting Documentation requested:
(IRC: Please list suggested supporting documentation to accompany country response)

Applicant's Response - Issue 2: Date: 22- 01-14

Response

A functional Programme Management Unit (PMU) within Ministry of Public Health (MoPH) proposed to be established in the current HSS2 proposal, is required to operationalize the activities planned under the HSS proposal in terms of implementation, supervision and monitoring. PMU will also be responsible for providing technical and financial reports to GAVI through the partners (UNICEF and WHO). PMU will also work in liaison with different departments within MoPH engaged for implementation of the activities. The experience with Global Fund has shown that supporting PMU for tuberculosis and for malaria is cost effective.

The Programme Management Unit is not a vertical unit within MoPH. It will be functioning only at the national level and there is no plan to build similar units at the provincial or county levels.

During the proposal preparation, and during the discussions to prepare the clarifications sought by GAVI IRC, this issue was thoroughly discussed. While recognizing the high cost for PMU support, it was underscored that recurrent costs for PMU support would be far less after provision of one-time support needed in the initial stage (e.g. for vehicles, office equipment). During the deliberations in those meetings, MoPH reached to the conclusion that a strong grant management unit would facilitate timely completion of the planned activities while helping quality assurance and will also strengthen the integrated approach. It was recognized that the cost is high but the benefits would outweigh the cost in long term. Based on in country assessment by MoPH, a strong PMU in the Ministry of Public Health with additional technical support through WHO and UNICEF is seen as a critical component to ensure the successful implementation of the program, particularly with regard to monitoring, research and system development and installation (planning, surveillance, cold chain and logistics).

Supporting Documentation from the applicant relevant to the response:
(Applicant: Please list any supporting documentation that was provided to accompany country response)

1. *GFTAM Tuberculosis Program Grant Agreement, DPR Korea (The file size is big, can be found out at http://portfolio.theglobalfund.org/en/Grant/Index/PRK-810-G02-T; if requested, pdf file can be forwarded)*
2. *GFTAM Malaria Grant Agreement, DPR Korea (The file size is big, can be found out at http://portfolio.theglobalfund.org/en/Grant/Index/PRK-810-G01-M; if requested, pdf file can be forwarded)*
3. *Revised budget of HSS2*

IRC Comments and/or request for further clarifications – Issue 2:
(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)

Date: 06- 03-14

Response: Condition Met

Following the situational explanation provided to the IRC by the CRO, there appears to be an indispensable and justifiable case for a strong national level PMU, which can provide adequate and high quality oversight to the program including its extensive capacity building component which is very management and resource intensive. A central-level PMU is warranted especially to ensure adequate coordination, planning, monitoring, and logistics. Indeed, a six fold increase in funding warrants an enhanced management unit. Given that the PMU is not meant to be a vertical system and is focused on managerial functions to support a large funding increase, the proposed PMU is justified. The high cost has been reviewed by the TAP and adjustments made to the satisfaction of the Secretariat. There are strong indications that the program will make an important contribution to the

quality of EPI service delivery especially in hard to reach clusters with a strong PMU in place.

Question/Issue 3:

The country should review and revise the text and corresponding budgets relating to activities suitable for 'strengthening the capacity of integrated health systems ...' as they seem to be significantly lacking in detail and under-budgeted (also see rationale for further information).

Supporting Documentation requested:

(IRC: Please list suggested supporting documentation to accompany country response)

Applicant's Response - Issue 3:	Date: 22- 01-14

Response

The proposal has been designed to address health system bottleneck to achieve better immunization outcomes including coverage and equity. HSS2 proposal focuses more on EPI, in accordance with earlier indication that GAVI would be supporting only the health system areas in relation to immunization program. By strengthening EPI, other pillars of health system benefit. In the prescribed format for application for HSS2, in the section on results chain system, emphasis was also given to immunization outcomes. These were the reasons for focus towards immunization in the present proposal.

However, in the current HSS2 proposal, several activities are included through which the health system as a whole would benefit.

- The service delivery proposed in HSS2 through EPI outreach and catch up campaigns (*activities 1.3, 1.6 and 1.7 in current proposal*) will not only provide immunization, but will also include essential service package to be provided by house-hold doctors that will include provision of vitamin A and deworming drugs to children and lactating mothers, provision of iron and folic acid to pregnant and lactating women, management of common illnesses, monitoring of patients with chronic illnesses and health promotion.
- Integrated management of childhood illnesses (IMCI) was duly focussed; clinical IMCI started to be implemented in HSS 1 and will be completed in HSS2 (*activity 4.2*). The present proposal puts more focus on community IMCI. In the present proposal it is planned that community IMCI will be implemented through GAVI support in the 25% under-performing counties (activity *3.5)* with a mid-term evaluation of the implementation planned in 2016 (*activity 3.6)*. The IMCI is one of the major capacity building and child survival initiative across the country. Due to increase in proportion of Childhood Tuberculosis and malnutrition, revision of IMCI is planned. The revision of the IMCI training modules will be a major step towards health system strengthening.
- Strengthening of Health Management Information System with emphasis on EPI data management and e-reporting has been in built in the proposal. Data Quality Audit (DQA) system development is also included. Both activities have integrated approach, though with more emphasis on EPI. (*see activities 4.20-4.22 and 4.23-26)*
- Strengthening of logistic management system (LMIS) is also supported in the proposal (*activities 2.2 and 4.18*)
- Development of national waste management plan (*see activities 2.8-2.10)* and its implementation will benefit the whole health system because waste management plan will include waste management for hospital wastes and not only for immunization wastes.
- In HSS2, support to integrated disease surveillance program (IDSP) *(activity 4.5)* including strengthening public health laboratory network will contribute to strengthening integrated surveillance system (*activities 4.14-4.15)*
- HSS2 also proposes to continue investments in broader health system strengthening through strengthening Health Education Institutes at the national and provincial levels; revision/ updating of pre/in-service trainings and establishment of national financial management information system for health.

Supporting Documentation from the applicant relevant to the response:

(Applicant: Please list any supporting documentation that was provided to accompany country response)

1. *Revised Budget for HSS2*

IRC Comments and/or request for further clarifications – Issue 3: *(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)*	Date: 06- 03-14

Response: Condition Met

The HSS2 program has a strong EPI focus in line with GAVI directives. The response provided by the country also explicitly describes the programmatic contribution to IMCI, surveillance, waste management etc addressing the broader aspects of the program contribution to HSS in a broader context. Through cross-referencing the various activities, Indeed, the country lays out a strong argument on how the proposed program embodies a holistic approach to HSS which extends beyond EPI. The presentation is very well laid out and draws important linkages between the WHO HSS building blocks.

The Country has declined to adjust the budget and revise text to address HIS as requested by the IRC. Arguments presented for this are adequate and responsive to the IRC concern.

Question/Issue 4:

The results chain needs to allow for the measurement of the planned work in improving equity and gender, and the results framework needs to be changed to allow for sex disaggregated coverage data to be recorded.

Supporting Documentation requested:
(IRC: Please list suggested supporting documentation to accompany country response)

Applicant's Response - Issue 4:	Date: 22- 01-14

Response

In DPR Korea, there is no evidence of barrier that leads to inequity in access to health services by gender. Geographically hard to reach areas were identified through regular reports and especially EPI coverage evaluation survey conducted in 2008. This was substantiated through Workshop on Bottleneck analysis of EPI held in September 2013. Therefore, geographically targeted investments for improvements in service delivery in low performing counties to address equity issues are suggested in HSS 2. They include strengthening of cold chain at Ri level, planning of outreach immunization in the geographically hard-to-reach areas, and of periodic catch-up immunization campaigns in specifically targeted areas and community IMCI.

Though there is no concern for gender-based inequity issues, it is planned to collect the EPI data disaggregated based on both gender and geography to provide scientific evidence for planning and management of EPI programme.

The result framework has been modified taking in consideration IRC comments in the proposal (page 33, GAVI HSS Proposal)

Supporting Documentation from the applicant relevant to the response:
(Applicant: Please list any supporting documentation that was provided to accompany country response)

1. *Report on workshop on EPI Bottleneck analysis*
2. *Updated HSS 2 Proposal*

IRC Comments and/or request for further clarifications – Issue 4: *(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)*	Date: 06- 03-14

Response: Condition Met

The clarification is satisfactory. Geographic equity will be tracked though out the period 2014-2018. There is a commitment to update forms to reflect sex disaggregated data.

Question/Issue 5:

Country needs to clarify and explain: a) how the proposed TA will approach their work, e.g. whether they will work as implementers, as mentors and/or through coaching; b) how they will be selected, monitored, evaluated and coordinated with other TA in the MoPH; and c) how the total cost for TA was determined.

Supporting Documentation requested:
(IRC: Please list suggested supporting documentation to accompany country response)

Applicant's Response - Issue 5:	Date: 22- 01-14

Response

The proposed Technical Assistance through partner agencies (UNICEF and WHO) will serve different functions ranging from project management, capacity building, cold chain installation and logistics management, facilitation, supervision, communication and documentation. The proposal has included support of both national and international staff that will consume a reasonable amount of resources. The main objective of including government seconded national officers in the team providing technical assistance through UNICEF and WHO, is to facilitate program implementation and also build country capacity for sustainability.
The international professionals within each partner organization (UNICEF and WHO) would act as the project manager within the respective organization and be responsible for overall technical guidance for effective implementation of GAVI HSS Grant. They would ensure program planning, implementation, monitoring and evaluation in line with global standards and policies. They would also provide necessary technical support to MOPH and the GAVI Program Management Unit.

GAVI support to DPR Korea has been being provided through partner agencies, namely UNICEF and WHO. To successfully implement the proposed grant by GAVI, UNICEF and WHO require fulltime staff, because, without in-built support for human resources in the grant, neither UNICEF nor WHO will be able to ensure timely implementation and quality of the programme.

The International staffs for both WHO and UNICEF will be recruited as per the regulations of the respective UN agencies. The national officers are seconded by MOPH through a standard selection procedure agreed between MOPH and the respective partner agencies. Performance evaluation of staff, in both UNICEF and WHO, is done yearly in accordance with organizational norms. GAVI HSS technical support staff will be subject to the same organizational norms for performance evaluation.

The total cost for technical support was estimated based on the standard salary package for both the UN agencies.

Taking into consideration IRC comments, some modifications have been made; International technical staff to be in place for UNICEF will be now for grade P3 and not P4 as was in the original proposal

Supporting Documentation from the applicant relevant to the response:
(Applicant: Please list any supporting documentation that was provided to accompany country response)

1. *GFTAM Tuberculosis Program Grant Agreement, DPR Korea (The file size is big, can be found out at http://portfolio.theglobalfund.org/en/Grant/Index/PRK-810-G02-T; if requested, pdf file can be forwarded)*
2. *GFTAM Malaria Grant Agreement, DPR Korea (The file size is big, can be found out at http://portfolio.theglobalfund.org/en/Grant/Index/PRK-810-G01-M; if requested, pdf file can be forwarded)*
3. *Revised budget of HSS2*

IRC Comments and/or request for further clarifications – Issue 5: *(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)*	Date: 06- 03-14

Response: Condition Met

An adequate explanation and information on the respective support roles is provided and is supported by the TORs for proposed expatriate personnel. The IRC also recognizes the value of increasing national capacity by the TA approach adopted. The IRC appreciates the Country's gesture to reduce TA costs by downgrading the positions from P4 to P3. It is hoped that for this modest saving, program management quality will not be compromised and encourage the country to reconsider keeping these positions at the originally proposed P4 level and to this effect adjust the budget accordingly to reflect the P4 cost.

Question/Issue 6:

To make the link clearer between activities and outcomes it is important to refine the wording of some of the intermediate results e.g. Instead of 'Number of counties in target provinces with upgraded immunisation room change to 'Number of counties in target provinces with upgraded and fully functioning immunisation rooms.

Supporting Documentation requested:
(IRC: Please list suggested supporting documentation to accompany country response)

Applicant's Response - Issue 6:	Date: 22- 01-14

Response

Definitions of some of the outputs/ intermediate results have been revised in accordance with IRC comments and have been reflected in updated HSS2 proposal and in M&E Framework HSS

Supporting Documentation from the applicant relevant to the response:
(Applicant: Please list any supporting documentation that was provided to accompany country response)

1. *Updated HSS2 Proposal*
2. *Updated M&E Framework*

IRC Comments and/or request for further clarifications – Issue 6: *(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)*	Date: 06-03-14

Response: Condition Met

The country's response to the IRC recommendation is appreciated. One further suggestion would be for the country to adopt the WHO criteria for "fully functional" in objective terms so as to ensure the reliability of the data collected on this indicator. Thus, it should be clear that all the criteria are met before an immunization room is deemed "fully" functional to ensure that all rooms which fall in this category meet the same standardized criteria..

Question/Issue 7:

Justify why there is no engagement of civil society.

Supporting Documentation requested:
(IRC: Please list suggested supporting documentation to accompany country response)

Applicant's Response - Issue 7:	Date: 22- 01-14

Response

DPR Korea has strong network of social organizations such as the youth league, women's association and the Korean Elderly Association which ensure public involvement in social and cultural activities including health promotion. In DPR Korea, civil society organizations are not directly involved in provision of immunization services. Until now the above mentioned community based groups have been engaged in health promotion activities on the occasion of National Child Health Day events to provide Vitamin A and de-worming tablets to children and mothers twice a year. They serve as another network for disseminating important health messages to the community as and when needed. All these networks and their engagement have positive contributing potential.

Taking into consideration IRC comments, the matter has been discussed with partners. New activities are added to facilitate the engagement of civil society organizations in health promotion services. The newly proposed activities are

1. Orientation meetings and workshops for better participation of civil society organizations in health promotion activities, and
2. Support Information, Education and Communication (IEC) campaigns, by civil society organizations.

Additional USD 77,000 for these two activities (USD 29,000 for activity 1and USD 48,000 for activity 2 as stated above) has been added to activity 3.3 in the HSS 2 Budget within the headline "Production and distribution of IEC materials on immunization including AEFI with involvement of CSO".

Furthermore, membership of civil society organizations in Interagency Coordination Committee (ICC) and Health System Coordination Committee (HSCC) has been proposed.

Supporting Documentation from the applicant relevant to the response:
(Applicant: Please list any supporting documentation that was provided to accompany country response)

1. *MTSP 2011-15*
2. *Revised Budget for HSS2*

IRC Comments and/or request for further clarifications – Issue 7: *(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)*	Date: 06- 03-14
Response: Condition Met The IRC appreciates the country's reconsideration to increase the involvement of the CSOs. The proposed activities are a good starting point and movement forward should be in line with the government's standard operating procedures for involvement of CSOs. This response and increased budget to accompany the new activities is acceptable.	

Question/Issue 8:	
The country should revise the total budget requested to reflect: a) the change in the administrative cost being claimed by WHO and UNICEF; b) any changes made in response to clarifications 2, 3 and 4 above; and c) any other changes.	
Supporting Documentation requested: *(IRC: Please list suggested supporting documentation to accompany country response)*	
Applicant's Response - Issue 8:	Date: 22- 01-14
Response The budget has been revised with consideration of reduction in project support cost (administrative cost) by UNICEF and WHO from 13% to 7% and in relation to adjustment of budget items (e.g. reduction in cost for technical assistance and inclusion of support to organize activities through civil society organizations), as described above. Revised total budget is now US$26.039 million. The Interagency Coordination Committee (ICC) and Health Sector Coordination Committee (HSCC) met on 22 January 2014 to review the amended budget and response to clarifications sought by IRC. ICC HSS endorsed the submission to GAVI unanimously.	
Supporting Documentation from the applicant relevant to the response: *(Applicant: Please list any supporting documentation that was provided to accompany country response)*	
1. *The Revised Budget for HSS2* 2. *ICC HSCC Meeting Minutes 22 January 2014*	
IRC Comments and/or request for further clarifications – Issue 8: *(Indicate whether the IRC is satisfied with the clarifications/adjustments provided (with or without conditions or matters the IRC wish to draw to the attention of the Secretariat to consider during grant processing) or there are further clarifications/adjustments requested)*	Date: 06- 03-14
Response: Condition Met: The WHO/UNICEF administrative costs are adjusted and acceptable to the ICC, the GAVI Secretariat and the IRC. In regard to IRC concerns 2, 3 and 4 above, the country clarified the issues and provided sound justifications for not making any budgetary adjustments. A budgetary adjustment to address IRC concerns of CSO participation are also made.	

2. Conclusions

The IRC appreciates the comprehensive response to the IRC's conditions. The response to Issue #3 is particularly compelling by presenting the linkages across the activities, laying out a strong argument as to how HSS2 will have tertiary effects on strengthening the system across the building blocks and target populations. Another strength of the HSS 2 proposal is a carefully thought-out plan to build on the accomplishments of HSS 1 which hold much promise for achieving success. The use of data for decision making throughout the planning process is evident and the proposed assessments and evaluations will allow the country to continue to build on progress and cull lessons learnt.

3. IRC Recommendation

Recommendation: Approval

Rationale: All conditions have been met.

Recommendation to the country:
The IRC encourages the country to reconsider reinstituting the grade level for the technical experts to P4 in order to attract more seasoned and experienced personnel to these posts and to this effect adjust the budget accordingly to reflect the P4 cost.

The table below shows the original approved budget and the revised one resulting from the clarifications provided by the country.

	Jan – Dec 2014 (or other annual period depending on country budget)	Jan – Dec 2015 (or other annual period depending on country budget)	Jan – Dec 2016 (or other annual period depending on country budget)	Jan – Dec 2017 (or other annual period depending on country budget)	Jan – Dec 2018 (or other annual period depending on country budget)	**TOTAL**
	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*	
5-year annual ceilings provided by GAVI (US$) *[country annual budget cannot exceed this amount]*	6,556,000	5,245,000	5,245,000	5,245,000	5,245,000	27,535,000
Budget request from Country Proposal (US$)	6,193,453	4,860,585	4,991,198	4,990,261	5,028,966	26,064,463
Revised Budget approved by IRC based on the clarifications provided by the country - if different from proposal budget (US$)	6,097,880	5,032,836	4,949,497	4,960,264	4,999,004	26,039,481