

Lao PDR

Health Systems Strengthening

This Decision Letter sets out the Programme Terms of a Programme

<p>1. Country: Lao PDR</p>
<p>2. Programme Payment Grant number: 1215-LAO-10d-Y</p> <p>3. Performance Payment Grant number: 13-LAO-10e-Y / 14-LAO-10e-Y</p>
<p>4. Date of Decision Letter: 24 September 2014</p>
<p>5. Date of the Partnership Framework Agreement: 07 June 2013</p>
<p>6. Programme Title: Health Systems Strengthening (HSS)</p>
<p>7. HSS terms:</p> <p>The ultimate aim of HSS support is to ensure increased and sustained immunisation coverage through addressing health systems barriers in Country, as specified in:</p> <ul style="list-style-type: none"> • The relevant Gavi HSS guidelines – please contact your CRO at Raj Kumar - rajkumar@gavi.org] for the guidelines. • The relevant Gavi HSS application form - please contact your CRO at Raj Kumar - rajkumar@gavi.org for the form. • Country’s approved grant proposal and any responses to the HSS IRC’s request for clarifications.
<p>8. Application of Performance Based Funding (PBF): Does PBF apply: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> If the answer is YES, please refer to section 8 outlining performance grant details.</p>
<p>9. Gavi Performance Based Funding</p> <p>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.</p> <p>Country will have the opportunity to receive payments beyond the programme budget amount, for exceptional performance on the same immunisation outcomes. The maximum programmed payment plus performance payment</p>

may be up to 150% of the country ceiling.

Performance payments for a given year will be made the following year, based on performance of the indicators listed and data verification.

Gavi Calculation of Performance Payments for 2013 achievements – TOTALS:

Given that Country's DTP3 coverage was **at or above 90%** at baseline, which is defined as the year prior to the first year of HSS grant implementation, and 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.

Countries with DTP3 coverage >= 90% at baseline					TOTAL Performance Payment to the country
Reported DTP3 coverage (WUENIC) at baseline*	DTP3 performance payment	Amount of DTP3 performance payment (US\$)	Geographic equity performance payment	Amount of Geographic equity performance payment (US\$)	
	Not Applicable		Not applicable		

10. Programme Duration¹¹: 2012 to 2015

¹¹ This is the entire duration of the programme.

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

Note that with PBF, annual disbursements may be more or less than these endorsed amounts after the first year.

	2012	2013	2014	2015	Total ¹²
Programme Budget (US\$)	US\$302,049	US\$597,275	US\$600,868	US\$600,026	US\$2,100,218

	2013	2014	Total ¹³
Performance payment	US\$300,930	US\$1,153,440	US\$1,454,370

12. Annual Amounts (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	2012	2013	2014	2015
Annual Amount (\$US)	US\$302,049	US\$597,275	US\$600,868	US\$600,026
Performance Payment (\$US)	US\$0	US\$300,930	US\$1,153,440	

13. Financial Clarifications: The Country shall provide the following clarifications to Gavi¹⁴:

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@gavi.org for the form.

14. 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	To be agreed with Gavi Secretariat

¹² 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.

¹³ 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.

¹⁴ Failure to provide the financial clarifications requested may result in Gavi withholding further disbursements

	of performance payments, which have been endorsed by the Health Sector Coordination Committee (HSCC) or its equivalent.	
	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
<p>15. Other conditions: The following terms and conditions shall apply to HSS support.</p> <p>Cash disbursed under HSS support may not be used to meet Gavi’s requirements to co-finance vaccine purchases.</p> <p>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 HSSprogramme proposal. Utilisation of Gavi support stated in this letter will be subject to performance monitoring.</p>		
<p>16. Other conditions: The following terms and conditions shall apply to performance payments.</p> <p>The performance payments under the performance-based funding shall be used solely for activities to be implemented in the country’s health sector.</p> <p>Neither programmed nor performance payments may be used to purchase vaccines or meet Gavi’s requirements to co-finance vaccine purchases, and shall not be used to pay any taxes, customs, duties, toll or other charges imposed on the importation of vaccines and related supplies.</p>		

Signed by,



On behalf of the Gavi Alliance
Hind Khatib-Othman
Managing Director, Country Programmes
24 September 2014