

**Timor-Leste Support for  
Health Systems Strengthening**

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

<b>1. Country:</b> Timor-Leste
<b>2. Programme payment grant number:</b> 1418-TLS-10d-Y <b>Performance payment grant number:</b> 15-TLS-10e-Y
<b>3. Date of Decision Letter:</b> 27 November 2015
<b>4. Date of the Partnership Framework Agreement:</b> 24 January 2014
<b>5. Programme title:</b> Health Systems Strengthening (HSS)
<p><b>6. HSS terms:</b></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"> <li>• The relevant Gavi HSS guidelines – please contact your SCM at athomson@gavi.org for the guidelines.</li> <li>• The relevant Gavi HSS application form - please contact your SCM at athomson@gavi.org for the form.</li> <li>• Country's approved grant proposal and any responses to the HSS independent review committee (IRC)'s request for clarifications.</li> </ul> <p>Any disbursements under Gavi's HSS cash support will only be made if the following requirements are satisfied:</p> <ul style="list-style-type: none"> <li>• Gavi funding being available;</li> <li>• Reporting on programmatic and financial performance by the Country, in accordance with applicable Gavi processes;</li> <li>• Approval of the recommendation by a high level Alliance review panel (HLRP) for continued support by Gavi after the second year;</li> <li>• Compliance with any fiduciary requirements pursuant to the transparency and accountability policy and under any aide memoire or financial management assessment concluded between Gavi and the Country;</li> <li>• Compliance with Gavi's standard terms and conditions (attached in Appendix [D] or as set out in the Partnership Framework Agreement (PFA)); and</li> <li>• 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.</li> </ul>
<p><b>7. Gavi performance based funding</b></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 payment (based on improvements in immunisation outcomes). This means that in the first year, Country will receive 100% of the year one annual amount, as an upfront investment. After year one, countries will receive 80% of the annual amount, based on implementation of the grant. 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. Such performance payments will be based on performance on immunisation outcome indicators. For any given year, the programmed payment and</p>

performance payment may total up to 150% of the country's year one annual amount (upfront investment).

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

Given that Country's DTP3 coverage was **below 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 improving coverage with:

- \$30 per additional child immunised with DTP3, if DTP3 coverage increases and
- \$30 per additional child immunised with first dose of measles containing vaccine, if measles coverage increases.

Countries with DTP3 coverage < 90% at baseline					TOTAL Performance payment to the country
Reported DTP3 coverage (WUENIC) at baseline*	Eligibility for DTP3 performance payment	Amount of DTP3 performance payment (US\$)	Eligibility for MCV1 performance payment	Amount of MCV1 performance payment (US\$)	
82%	Not eligible	\$0	Eligible	\$73,020	\$73,020

COUNTRY is not eligible for the DTP3 performance payment because of failure to demonstrate sustained high coverage and/or failure to meet data validation with WHO/UNICEF estimates. Please contact your Gavi senior country manager for further details.

Should Timor Leste wish to request the full details of the calculation method leading to the TOTAL amount of the performance payment, please contact your Gavi senior country manager: Andrew Thomson [athomson@gavi.org](mailto:athomson@gavi.org).

8. Programme duration<sup>1</sup>: 2013 to 2018

<sup>1</sup> This is the entire duration of the Programme.

**9. Indicative Programme Budget:** (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.

	2013-2015	2016	2017	2018	Total <sup>2</sup>
Programme Budget (US\$)	US\$868,513	US\$566,385	US\$805,192	US\$758,557	US\$ 2,998,647

  

	2015	Total
Performance payment	US\$73,020	US\$73,020

**10. Annual Amounts:** (subject to the terms of the Partnership Framework Agreement, if applicable)  
The following disbursements are subject to the conditions set out in the decision letter:

Programme year	2013-2015	2016	Total <sup>3</sup>
Annual Amount (\$US)	US\$868,513	US\$566,385	US\$1,434,898

  

Programme year	2015	Total
Performance payment (\$US)	US\$73,020	US\$73,020

**11. Outstanding comments/clarifications:** The Country shall provide the following clarifications to Gavi<sup>4</sup>: Not applicable

**12. 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 and other information	Due dates
In accordance with applicable Gavi processes, Country shall report on programmatic and financial performance on all aspects including PBF.	15 May 2016
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

<sup>2</sup> This is the total amount endorsed by Gavi for the entire duration of the Programme.

<sup>3</sup> This is the amount approved by Gavi.

<sup>4</sup> Failure to provide the comments/clarifications requested may result in Gavi withholding further disbursements

**13. 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.

In case the Country wishes to alter the disbursement schedule over the course of the HSS programme, this must be communicated 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.

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](mailto:gavihss@gavi.org) for the form.

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

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.

Signed by,



**On behalf of Gavi**

Hind Khatib-Othman

Managing Director, Country Programmes

27 November 2015