



The Minister of Health  
Ministry of Health  
Kichik Deniz Kuc. 4  
370014 Baku  
Azerbaijan

GAVI/12/252/lm/na

18 December 2012

Dear Minister,

***Azerbaijan's Pneumococcal Vaccine Proposal to the GAVI Alliance***

This letter is in relation to Azerbaijan's proposal to the GAVI Alliance for New Vaccines Support for **pneumococcal vaccine**, which was submitted to the GAVI Secretariat in May/June 2011. In a letter of 19 July 2011, you were informed that the Independent Review Committee (IRC) recommended "**Approval**" of your proposal for pneumococcal vaccine. Subsequently, the GAVI Executive Committee (EC), at its meeting on 26 September 2011, endorsed Azerbaijan's 2013-2015 proposal for the introduction of pneumococcal vaccine (PCV13).

For your information, this document contains the following important attachments:

Appendix A: Summary of approved GAVI support to **Azerbaijan**

Appendix B: Financial and programmatic information per type of support

Appendix C: The terms and conditions of GAVI Alliance support

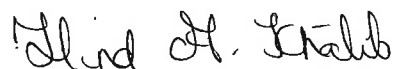
The financial and programmatic information for the approvals are detailed in the attached Appendix B1 (for vaccine support), with additional Appendices per type of support, i.e. Appendix B1-A, B1-B and B2-A and B2-B, etc. The format of these appendices will be used in a partnership agreement that the GAVI Alliance aims to introduce to simplify information exchange between countries receiving GAVI support and the Secretariat. The Secretariat will be pleased to provide any clarifications on this process.

Following Azerbaijan's confirmation to switch to PCV10 by your letter dated 20 November, 2012T, below table summarises GAVI support applicable to the Azerbaijan for PCV10 .

Type of GAVI support		Approved for 2013
New Vaccines Support	Pneumococcal vaccines and related injection safety materials	US\$ 2,290,000

Please do not hesitate to contact my colleague Nilgun Aydogan ([naydogan@gavialliance.org](mailto:naydogan@gavialliance.org)) if you have any questions or concerns.

Yours sincerely,



Hind Khatib-Othman  
Managing Director, Country Programmes

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

## Description of GAVI support to Azerbaijan (the “Country”)

### New Vaccines Support (NVS)

The GAVI Alliance has approved the Country's request for supply of vaccine doses and related injection safety material which are estimated to be required for the 2013 immunization programme as set out in Appendix B. Financing provided by GAVI for vaccines will be in accordance with:

- The GAVI Alliance Guidelines notified to the Country with the APR format; and
- The APR, as recommended by the IRC for approval for funding, including any subsequent clarifications.

The vaccines provided will be used for routine immunisation of children under 12 months of age. The principles of the WHO-UNICEF-UNFPA joint statement on safety of injections (WHO/V&B/99.25) shall apply to all immunisation provided with these vaccines.

Item number 11 of Appendix B summarises the details of the approved GAVI support for vaccines in 2013.

Any required taxes, customs, toll or other duties imposed on the importation of vaccines and related supplies can not be paid for using GAVI funding.

GAVI is not responsible for any liability that may arise in connection with the distribution or use of vaccines and related supplies after title to such vaccines and related supplies has passed to the country, excluding liability for any defect in vaccines and related supplies, which remain the responsibility of the applicable manufacturer.

### *Country Co-financing*

In accordance with the GAVI Co-financing Policy, the Country has agreed to make the required contribution to co-financing vaccine doses in 2013.

Item number 14 of Appendix B summarises the budget and the quantity of supply that will be procured with country's funds in 2013.

The total co-financing amount expressed in item number 14 of Appendix B indicates costs for the vaccines and related injection safety devices only. It does not contain the cost for contingency buffer nor UNICEF's handling fee as per standard practice as indicated in [http://www.unicef.org/supply/index\\_faq.html#1](http://www.unicef.org/supply/index_faq.html#1). An estimation of the complete cost including contingency buffer and handling fee will be provided as part of the cost estimate to be requested by the country.

For the purchase of the co-financed supply detailed in item number 14 of Appendix B the payment is to be made to UNICEF or PAHO (whichever is applicable) as agreed in the Procurement Services Memorandum of Understanding between UNICEF or PAHO (whichever is applicable) and the country, and not to the GAVI Alliance. Please keep in contact with UNICEF Supply Division or PAHO (whichever is applicable) to understand the availability of the relevant vaccine(s) and to prepare the schedule of deliveries. UNICEF will share information with GAVI on the status of purchase of the co-financed supply. In accordance with the GAVI Co-financing Policy (<http://www.gavialliance.org/about/governance/programme-policies/co-financing/>), the

**GAVI support will only be provided if the Country complies with the following requirements:**

Transparency and Accountability Policy(TAP). Compliance with any TAP requirements pursuant to the GAVI TAP Policy and the requirements under any Aide Memoire concluded between GAVI and the country.

Financial Statements & External Audits. Compliance with the then-current GAVI requirements relating to financial statements and external audits.

Grant Terms and Conditions: Compliance with GAVI's standard grant terms and conditions (attached in Appendix C).

Country Co-financing GAVI must receive proof of country co-payment from the Country such as invoices or shipment receipts if neither UNICEF nor PAHO is the procurement agent for country co-financed vaccine for the prior calendar year.

Monitoring and Annual Progress Reports: Use of financial support for the introduction of new vaccinations is subject to strict performance monitoring.

Achievements and the required support for the following year will be reported on in the APR. The APR must contain information on the number of children reported to have been vaccinated with DTP3 and with three doses of pentavalent vaccine by age 12 months, based on district monthly reports reviewed by the ICC, and as reported to WHO and UNICEF in the annual Joint Reporting Form (JRF). The APRs will also contain information on country's compliance with the co-financing arrangements outlined in this letter.

Please note the following conditions for future reporting:

- Signature of the APR by the Ministers of Health and Finance, and endorsement by members of the HSCC and/or ICC
- Attach minutes of all HSCC and ICC meetings held during the reporting year with the APR;
- Attach minutes of the HSCC/ICC meeting that explicitly discusses and endorses the APR submission;
- Attach financial statements with the APR as required for cash-based support, including HSS, CSO Type B and ISS. These statements should be prepared for the reporting year, and signed by the MOH chief accountant or the Permanent Secretary; and,
- Submit audit reports as required for cash-based windows of support, including HSS, CSO Type B and ISS. These audit reports are due to the GAVI Secretariat six to nine months after the close of your government's financial year.

GAVI encourages countries to continue working closely with their HSCC and/or ICC and local partners including Civil Society Organisations (CSOs). For the APR 2012 it is also recommended to share a draft report with the Regional Working Group for any technical input prior to final signatures and subsequent submission to GAVI before the 15 May 2013.

## Vaccine Support

## DECISION LETTER FOR VACCINE SUPPORT

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

1. Country: Azerbaijan				
2. Grant Number: 1315-AZE-12b-X				
3. Decision Letter no: 1				
4. Date of the Partnership Framework Agreement: Not applicable				
5. Programme Title: NVS				
6. Vaccine type: Pneumococcal vaccine				
7. Product presentation and formulation of vaccine: PCV10, 2 doses per vial, liquid				
8. Programme Duration <sup>1</sup> : 2013- 2015				
9. Programme Budget (indicative):				
	2013	2014	2015	Total <sup>2</sup>
Programme Budget (US\$)	2,290,000	1,753,500	1,156,000	5,199,500
10. Vaccine Introduction Grant: US\$127,000 payable in 2013				
11. Indicative Annual Amounts (subject to the terms of the Partnership Framework Agreement: <sup>3</sup>				
Type of supplies to be purchased with GAVI funds in each year	20xx – 2012	2013		
Number of PCV10 vaccines doses		342,800		
Number of AD syringes		350,400		
Number of re-constitution syringes		0		
Number of safety boxes		3,900		
Annual Amounts (US\$)	N/A <sup>4</sup>	2,290,000		

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

<sup>2</sup> This is the total amount endorsed by GAVI for the entire duration of the programme as per the current cMYP. This should be equal to the total of all sums in the table.

<sup>3</sup> This is the amount that GAVI has approved. Please amend the indicative Annual Amounts from previous years if that changes subsequently.

<sup>4</sup> This is the consolidated amount for all previously approved years.

**12. Procurement agency:** UNICEF Supply Division. The Country shall release its Co-Financing Payments each year to UNICEF.

**13. Self-procurement:** N/A

**14. Co-financing obligations:**

According to the Co-Financing Policy, the Country falls within the Graduating country group. The following table summarises the Co-Financing Payment(s) and quantity of supply that will be procured with such funds in the relevant year.

Type of supplies to be purchased with Country funds in each year	2013	2014	2015
Number of PCV10 vaccines doses	78,400		
Number of AD syringes	79,900		
Number of re-constitution syringes	0		
Number of safety boxes	900		
Total Co-Financing Payments (US\$)	295,000	687,500	1,051,000

**15. Operational support for campaigns:** Not applicable

**16. Additional documents to be delivered for future disbursements:** The Country shall deliver the following documents by the specified due dates as part of the conditions to the approval and disbursements of the future Annual Amounts.

Reports, documents and other deliverables	Due dates
NVS introduction grant plans	Immediate
Financial Statement for 2013 NVS introduction grant	May 2014 with APR

**17. Clarifications:** Not Applicable

**18. Other conditions:** Not applicable

Signed by:

**On behalf of the GAVI Alliance**

By (Sign): *Hind Khatib*

Name (Print): *Hind Khatib - Othman*

Title: *Managing Director*

Date: *20/12/2012*

### **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 TRANSPARANCY 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.