



GAVI/14/094/ar/mp

The Minister of Health
Ministry of Health
P.O. Box 30016
Nairobi
Kenya

11 March 2014

Dear Minister,

Rotavirus vaccine support to Kenya

I am writing in relation to Kenya's Rotavirus vaccine proposal which was submitted to the GAVI Secretariat.

I am pleased to inform you that the GAVI Alliance has approved Kenya for GAVI support as specified in the appendices to this letter. Following our correspondence of November 2013 to confirm that the Rotarix vaccine could be delivered to Kenya earlier than expected given improved global supply situation this year, the Ministry has indicated a projected introduction date of June 2014. We have recalculated the number of doses to be supported by GAVI and updated the co-financing requirements based on this information. Appendix B provides this information. UNICEF Supply Division through the UNICEF Country Office will be in further contact to plan the timing of the first vaccine shipment.

Please note that there are outstanding financial clarifications to be provided, as specified in section 14 of Appendix C, and failure to provide these financial clarifications may result in GAVI withholding further disbursements.

The appendices include the following important information:

- Appendix A: Description of approved GAVI support to Kenya
- Appendix B: Financial and programmatic information of Rotavirus vaccine
- Appendix C: The terms and conditions of GAVI Alliance support

We would like to highlight that Kenya received a Partnership Framework Agreement in March 2013. To date, we have not received the signatures of the Ministry of Health and Ministry of Finance on the Partnership Framework Agreement. Please be advised that the GAVI Alliance will no longer disburse cash funds (including the Vaccine Introduction Grant for the rotavirus vaccine) until the Partnership Framework Agreement has been signed between the GAVI Alliance and Kenya. We would be grateful if you could sign the Partnership Framework Agreement so that the Vaccine Introduction Grant could be released prior to the launch of the rotavirus vaccine introduction, which is scheduled to take place in June this year.

Please do not hesitate to contact my colleague Alison Riddle (ariddle@gavialliance.org) if you have any questions or concerns.

Yours sincerely,

A handwritten signature in black ink that reads "Hind A. Khatib". The signature is written in a cursive style with a large initial 'H'.

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
 WHO HQ
 WHO AFRO
 WHO IST ESA
 UNICEF Programme Division
 UNICEF Supply Division

KENYA - ROTAVIRUS VACCINE SUPPORT

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

1. Country: Kenya									
2. Grant Number: 1415-KEN-13b-X / 14-KEN-08b-Y									
3. Date of Decision Letter: 11 March 2014									
4. Date of the Partnership Framework Agreement: Yet to be signed									
5. Programme Title: NVS									
6. Vaccine type: Rotavirus									
7. Requested product presentation and formulation of vaccine: Rotavirus, 2 dose(s) schedule									
8. Programme Duration¹: 2014 -2015									
9. Programme Budget (indicative): GAVI may from time to time endorse a Programme Budget for a Programme for its Programme Duration. Such endorsement of a Programme Budget is only an indication of GAVI's intention to make available such amount to support the Programme during the Programme Duration and is also subject to funding availability. Such endorsement of Programme Budget does not constitute an obligation, liability or commitment of GAVI to make available any amount to the Country.									
<table border="1"> <thead> <tr> <th></th> <th>2014</th> <th>2015</th> <th>Total²</th> </tr> </thead> <tbody> <tr> <td>Programme Budget (US\$)</td> <td>US\$3,474,000</td> <td>US\$6,008,500</td> <td>US\$9,482,500</td> </tr> </tbody> </table>		2014	2015	Total ²	Programme Budget (US\$)	US\$3,474,000	US\$6,008,500	US\$9,482,500	
	2014	2015	Total ²						
Programme Budget (US\$)	US\$3,474,000	US\$6,008,500	US\$9,482,500						
10. Vaccine Introduction Grant: US\$1,218,500 payable in 2014.									
11. Indicative Annual Amounts:									
<table border="1"> <thead> <tr> <th>Type of supplies to be purchased with GAVI funds in each year</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Number of Rotavirus vaccines doses</td> <td>1,378,500</td> <td>2,385,000</td> </tr> <tr> <td>Annual Amounts (US\$)</td> <td>US\$3,474,000</td> <td>US\$6,008,500</td> </tr> </tbody> </table>	Type of supplies to be purchased with GAVI funds in each year	2014	2015	Number of Rotavirus vaccines doses	1,378,500	2,385,000	Annual Amounts (US\$)	US\$3,474,000	US\$6,008,500
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Annual Amounts (US\$)	US\$3,474,000	US\$6,008,500							
12. Procurement agency: UNICEF. The Country shall release its Co-Financing Payments each year to UNICEF.									
13. Self-procurement: N/A									

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.

14. Co-financing obligations: Reference code: 1415-KEN-13b-X-C According to the Co-Financing Policy, the Country falls within the Low Income 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	2014	2015
Number of vaccine doses	120,000	207,000
Value of vaccine doses (US\$)	US\$284,466	
Total Co-Financing Payments (US\$) (including freight)	US\$300,000	US\$518,500

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
Annual Progress Report	15 May 2015

17. Financial Clarifications: N/A

18. Other conditions: N/A

Signed by,
On behalf of the GAVI Alliance



Hind Khatib-Othman
Managing Director, Country Programmes
11 March 2014

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 co-financing contribution is payable annually to UNICEF/PAHO.

If the purchase of the co-financed supply is carried out by the Government, following its own procurement procedures and not procuring from UNICEF Supply Division or PAHO's Revolving Fund, the Government must submit to GAVI satisfactory evidence that it has purchased its co-financed portion of the vaccines and related supplies, including by submitting purchase orders, invoices, and receipts to GAVI. GAVI encourages that countries self-procuring co-financed products (i.e. auto-disable syringes and syringe and needle disposal boxes) ensure that products appear on the applicable WHO list of pre-qualified products or, for syringe and needle disposal boxes, that they have obtained a certificate of quality issued by a relevant national authority.

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 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 D).

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: Country's use of financial support for the introduction of new vaccinations with the vaccine(s) specified in Appendix B is subject to strict performance monitoring. The GAVI Alliance uses country systems for monitoring and auditing performance and other data sources including WHO/UNICEF immunization coverage estimates. As part of this process, National Authorities will be requested to monitor and report on the numbers of children immunised and on co-financing of the vaccine.

Country will report on the achievements and request support for the following year in the Annual Progress Report (APR). The APR must contain information on the number of children reported to have been vaccinated with DTP3 and 3 doses of pentavalent vaccine by age 12 months, based on district monthly reports reviewed by the Immunisation Coordination Committee (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. APRs endorsed by the ICC, should be sent to the GAVI Secretariat no later than 15 May every year. Continued funding beyond what is being approved in this letter is conditional upon receipt of satisfactory Annual Progress Reports and availability of funds.

Description of GAVI support to Kenya (the “Country”)

New Vaccines Support (NVS)

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

- The GAVI Alliance Guidelines governing Country’s Annual Progress Report (APR); and
- The APR as approved by the the Independent Review Committee (IRC), including any subsequent clarifications.

The vaccines provided will be used as the country has proposed. 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 the years indicated.

Any required taxes, customs, toll or other duties imposed on the importation of vaccines cannot be paid for using GAVI funds.

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 as indicated in Appendix B. Item number 14 of Appendix B summarises the budget and the quantity of supply that will be procured with country’s funds in the corresponding timeframe. The total co-financing amount indicates costs for the vaccines, related injection safety devices (only applicable to intermediate and graduating countries) and freight.

Countries may select to co-finance through UNICEF Supply Division, PAHO’s Revolving Fund, or self-procure their co-financing requirement following their own procedures, except for the Pneumococcal vaccine that needs to be procured through UNICEF.

If the purchase of the co-financed supply is carried out through UNICEF or PAHO, 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 or PAHO (whichever is applicable) to understand the availability of the relevant vaccine(s) and to prepare the schedule of deliveries.

The total co-financing amount expressed in item number 14 of Appendix B does not contain costs and fees of the relevant Procurement Agency, such as contingency buffer and handling fees.

Information on these extra costs and fees will be provided by the relevant Procurement Agency as part of the cost estimate to be requested by the country. UNICEF/PAHO will share

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.