



GAVI/13/695/ap/rk

The Minister of Health
Ministry of Health
Bhutan

10 December 2013

Dear Minister,

Annual Progress Report submitted by Bhutan

I am writing in relation to Bhutan's Annual Progress Report (APR) which was submitted to the GAVI Secretariat in September 2013.

Following a meeting of the GAVI Independent Review Committee (IRC) from 8 to 11 October 2013 to consider your APR, I am pleased to inform you that the GAVI Alliance has approved Bhutan for GAVI support as specified in the Appendices to this letter.

The Appendices includes the following important information:
Appendix A: Description of approved GAVI support to Bhutan
Appendix B: Financial and programmatic information per type of support
Appendix C: A summary of the IRC Report
Appendix D: The terms and conditions of GAVI Alliance support.

The same appendices are also used in the Partnership Framework Agreement (PFA) – a new simplified arrangement that we are working to agree with your colleagues – that will replace this 'decision letter' format.

The following table summarises the outcome for each type of GAVI support for Bhutan:

Type of support	Appendix	Approved for 2014
HSS	B	US\$ 41,000

Please do not hesitate to contact my colleague rkumar@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



Appendix A

Description of GAVI support to *Bhutan* (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 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 and related supplies can not 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 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.

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

1. Country: Bhutan								
2. Grant number: 0814-BTN-10a-Y								
3. Date of Decision Letter: 10 December 2013								
4. Date of the Partnership Framework Agreement: Not applicable								
5. Programme Title: Health Systems Strengthening (HSS)								
<p>6. 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 rkumar@gavialliance.org for the guidelines. • The relevant GAVI HSS application form - please contact your CRO at rkumar@gavialliance.org for the form. • Country's approved grant proposal and any responses to the HSS IRC's request for clarifications. <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"> • GAVI funding being available; • Submission of satisfactory Annual Progress Reports (APRs) by the Country; • Approval of the recommendation by an Independent Review Committee (IRC) for continued support by GAVI after the second year; • Compliance with any TAP requirements pursuant to the TAP Policy and under any Aide Memoire concluded between GAVI and the Country; • Compliance with GAVI's standard terms and conditions (attached in Appendix [D] or as set out in the PFA); and • 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. 								
7. Programme Duration¹: 2008 to 2014								
<p>8. Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement, if applicable):</p> <table border="1"> <thead> <tr> <th></th> <th>2008-2013</th> <th>2014</th> <th>Total²</th> </tr> </thead> <tbody> <tr> <td>Programme Budget (US\$)</td> <td>153,000</td> <td>41,000</td> <td>194,000</td> </tr> </tbody> </table>		2008-2013	2014	Total ²	Programme Budget (US\$)	153,000	41,000	194,000
	2008-2013	2014	Total ²					
Programme Budget (US\$)	153,000	41,000	194,000					

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	2008-2013	2014
Annual Amount (\$US)	153,000	41,000

10. Financial Clarifications: The Country shall provide the following clarifications to GAVI³:

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). The APRs shall provide detail on the progress against milestones and targets against baseline data for indicators identified in the proposal. The APRs 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).	15 May 2014 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

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.

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 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,

On behalf of the GAVI Alliance

Hind Khatib-Othman



Managing Director, Country Programmes

10 December 2013

³ Failure to provide the financial clarifications requested may result in GAVI withholding further disbursements

Type of report: Annual Progress Report (HSS)
Country: Bhutan
Reporting period: 2012
Date reviewed: Oct 2013

1. Background Information

Surviving Infants (2012): UNDP: 14,293; JRF: 13,628

DTP3 coverage (2012):

- JRF Official Country Estimate: 97%
- WHO/UNICEF Estimate: 97%

Table . Cash Support

Cash support	Approval Period
HSS	2008 – 2012

2. Health Systems Strengthening (HSS)

The country is requesting a new HSS tranche of \$41,000 for 2014 as part of a no-cost extension of an approved HSS grant for the years 2008-2012. This grant was originally extended to 2013 through a re-programming approval (with clarifications in Sep 2012). With delay in the overall project work plan, the work plan of 2009 will now be conducted in 2014, thus bringing end to the HSS under GAVI support. The overall goal of the HSS is to ensure sufficient capacity to supply adequate numbers of competent and motivated healthcare provider, who can provide the high quality primary health services needed to reduce maternal and child mortality.

With the change of priority in health sector, three new activities were proposed and implemented. The activities were:

1. Purchase of refrigerators
2. Training on vaccine evaluation for 3 registration committee members
3. Monitoring and supervision of cold chain system in the health facilities

Overall in 2012, \$27,296 HSS funds were spent, below the \$76,987 that were planned for the year. The HSCC endorsed 2012 HSS report on 20 September 2013.

The country has implemented most of the activities in 2012 and some have been shifted to 2013. The delay experienced was because the delay in releasing of HSS funds meant that the corresponding activities could not be incorporated in the annual work plan. In addition, the general and primary elections of Bhutan were held from June to July 2013, restricting the movement of the civil servants prior to and during elections, thus hindering the implementation of capacity building activities. However, the activities that did not required travelling were conducted and completed.



In addition, some of the activities that were planned for 2013 have already been implemented to a level of 100%. With the monitoring and supervision of the cold chain, the quality of vaccines storage has improved, in addition the health workers were also made aware of the importance of the proper maintenance of the cold chain

There are small changes in the activities planned for 2014 but these are minimal and are in line with program objective and further will not affect the M&E framework and key directions.

Planned activities for 2014 amount to \$40,500. Activities include sending faculty for training on educational technology and pedagogy and learning aid, staff training, training of village health workers and monitoring and supervision activities.

Still there is a small problem in the APR, as it is difficult to follow the changes in activities over time, through multiple tables presented there

3. Risks and mitigating factors

No risk related to HSS have been identified

4. Summary of 2012 APR Review

The APR 2012 of the HSS grant provides clear details of activities conducted and sound justification for the remaining activities to be conducted in 2014 as part of a no-cost extension request.

The IRC congratulates Bhutan for a clear presentation of the HSS APR and 2014 request, a comprehensive and updated M&E framework and the overall progress achieved in terms of vaccination coverage.

5. IRC Review Recommendations

- **HSS**

Approve 2014 request for a no-cost extension of \$41,000 as per request.

6. Clarification Required with Approved Funding

Short-term clarifications

N/A

7. Request Re-submission of APR HSS Section (if applicable)

N/A

8. Other issues

Not applicable



Appendix D

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.