

ETHIOPIA Support for Health Systems Strengthening

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

1. Country: Ethiopia
2. Programme payment grant number: 1620-ETH-10a-Y
3. Date of Decision Letter: 26 September 2016
4. Date of the Partnership Framework Agreement: 23 July 2013
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 Tito Rwamushaija at trwamushaija@gavi.org for the guidelines. • The relevant Gavi HSS application form - please contact Tito Rwamushaija at trwamushaija@gavi.org for the form. • Country's approved grant proposal and any responses to the HSS independent review committee (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; • Reporting on programmatic and financial performance by the Country, in accordance with applicable Gavi processes; • Approval of the recommendation by a high level Alliance review panel (HLRP) for continued support by Gavi after the second year; • 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; • Compliance with Gavi's standard terms and conditions (attached in Appendix [D] or as set out in the Partnership Framework Agreement (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. • The signed Joint Financing arrangement
<p>7. 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 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.

8. Programme duration¹: 2016 to 2020

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

	2016	2017	2018	2019	2020	Total ²
Programme Budget (US\$)	19,190,000	15,350,000	15,350,000	15,350,000	15,350,000	80,590,000
Performance payment	Not applicable					

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	2016	2017
Annual Amount (\$US)	US\$19,190,000	US\$15,350,000
Performance payment (\$US)	Not applicable	

11. Outstanding comments/clarifications: The Country shall provide the following clarifications to Gavi³: Not applicable

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.

³ Failure to provide the comments/clarifications requested may result in Gavi withholding further disbursements

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
SDG Fund quarterly financial and activity reports	Within 45 days of the end of each quarter of the EFY
Consolidated HSTP annual performance report	At least one week before the ARM
<ul style="list-style-type: none"> Annual Comprehensive Plan 	Prior to the start of each EFY
<ul style="list-style-type: none"> JRM report Minutes of the JCF and the JCCC meetings 	Within 30 days of the finalisation of the reports/meetings
<ul style="list-style-type: none"> External financial audit report of the SDG PF, Auditor General management letter and response from the FMOH, SDG PF procurement audit reports 	Within 6 months of EFY year end
In order to receive a disbursement for the second approved year of the HSS grant (YEAR 2), Country shall provide Gavi with a request for disbursement, which shall include the most recent interim unaudited financial report.	As necessary
In accordance with applicable Gavi processes, Country shall report on programmatic and financial performance on all aspects including PBF.	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

13. Other conditions: The following terms and conditions shall apply to HSS support.

- a. For the duration of the HSS grant, Ethiopia will continue the dialogue with Gavi relating to tracking data improvements including but not limited to:
 - Ethiopia will submit the SARA reports within 30 days of the finalisation of the report; and
 - The SARA protocol and questionnaires will be shared with Gavi prior to commencement of the next SARA.
- b. Cash disbursed under HSS support may not be used to meet Gavi's requirements to co-finance vaccine purchases.
- c. 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 for the form.

Signed by,



On behalf of Gavi

Hind Khatib-Othman

Managing Director, Country Programmes

26 September 2016