



Gavi/14/515/mk/dg/hk

28 October, 2014

Dear Minister,

Decision Letter: Request for 2015 Renewal of Gavi support for Health System Strengthening (HSS) cash support

I am writing in relation to India’s request for renewal of Health System Strengthening (HSS) cash support which was reviewed by the Gavi Alliance High Level Review Panel (HLRP) on 23-25 July 2014. I am now pleased to inform you that the Gavi Alliance approved India for HSS cash support as specified in the Appendices to this letter.

The HLRP replaces the monitoring Independent Review Committee in making recommendations to Gavi’s Chief Executive Officer on the renewal of Gavi support for existing grants. This change is part of Gavi’s new grant application, monitoring and review system, which is designed to lower transaction costs for countries, ensure closer coordination with countries’ planning cycles, better align New Vaccines Support (NVS) and HSS support, and improve fiduciary oversight. The Review Panel, composed of Alliance partners, is designed to increase the accountability of the Alliance, and to streamline the review processes. The Panel will meet several times a year to enable alignment with countries’ budgetary and planning cycles.

The Joint Appraisal conducted by Gavi has noted the following recommended and agreed upon areas for action. We encourage you to work to ensure these points are adequately addressed. We request that you review the table below and provide us feedback on the suggested actions and timeframe to address the comments. I would be happy to have a discussion on these comments at your earliest convenience should this be required:

Comment	Suggested Action	Timeframe
Inform Gavi Secretariat about Immunization Action Group (IAG) endorsement of revised HSS grant objectives and budget re-alignment in accordance with Gavi Alliance guidelines for re-programming submission for HSS grants (2013).	<i>Provide minutes of relevant IAG meeting to the Gavi Secretariat</i>	Already accomplished.
Action Points as defined in the Joint Appraisal Report 1) Section 3 (Governance)	<i>Implement as agreed upon</i>	With immediate effect and ongoing activities

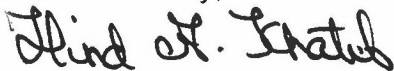
<p>regarding the strengthening of the IAG</p> <p>2) Section 6 (Data Quality) regarding the Monitoring and Evaluation follow-up and evaluation of the HSS grant</p> <p>3) Section 10 (Financial Management) regarding the negotiations of the PFA and the strengthening of programmatic and financial reporting of the HSS grant</p>		
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We would like to highlight that India received a Partnership Framework Agreement (PFA) in February 2013. To date, we have not received the signatures of the Ministry of Health and Ministry of Finance on the PFA. Please be advised that Gavi will need to receive the signed PFA before any funding and support to India can be continued.

Please do not hesitate to contact my colleague Dirk Gehl at dgehl@gavi.org if you have any questions or concerns.

The Appendices includes the following important information:
Appendix A: Description of approved Gavi support to India
Appendix B: Financial and programmatic information per type of support
Appendix C: Joint Appraisal Report
Appendix D: The terms and conditions of Gavi Alliance support.

Yours sincerely,



Hind Khatib-Othman
Managing Director, Country Programmes

cc: The EPI Manager
 WHO Country Representative
 UNICEF Country Representative
 WHO HQ
 UNICEF Programme Division

Description of Gavi support to *India* (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 India's proposal application; and
- The final proposal as approved by 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 cannot be paid for using Gavi funds.

The Country shall be solely responsible for any liability that may arise in connection with: (i) the implementation of any programmes in the Country; and (ii) the use or distribution of vaccines and related supplies after title to such supplies has passed to the Country. Gavi shall not be responsible for providing any additional funding to replace any vaccines and related supplies that are, or became, defective or disqualified for whatever reason.

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).

Monitoring and Annual Progress Reports or equivalent: 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 immunisation 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) or equivalent. The APR or equivalent 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 or equivalent will also contain information on country's compliance with the co-financing arrangements outlined in this letter. APRs or equivalent 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 or equivalent and availability of funds

This Decision Letter sets out the Programme Terms of a Programme

<p>1. Country: India</p>
<p>2. Programme Payment Grant number: 1316-IND-10d-Y</p> <p>Performance Payment Grant number:</p>
<p>3. Date of Decision Letter: 23 October 2014</p>
<p>4. Date of the Partnership Framework Agreement: Not yet signed</p>
<p>5. Programme Title: Health Systems Strengthening (HSS)</p>
<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 SCM at dgehl@gavi.org for the guidelines. • The relevant Gavi HSS application form - please contact your SCM at dgehl@gavi.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), or equivalent, by the Country; • Approval of the recommendation by a High Level Alliance Review Panel 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.
<p>7. Application of Performance Based Funding (PBF):</p> <p>Does PBF apply:</p> <p>YES <input type="checkbox"/></p> <p>NO <input checked="" type="checkbox"/></p> <p>If the answer is YES, please refer to section 8 outlining performance grant details.</p>
<p>8. (Gavi Performance Based Funding (NOT APPLICABLE TO HSS SUPPORT IN INDIA))</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-based payment (based on improvements in immunisation outcomes). This means that in the first year, Country will receive 100% of the approved ceiling, or programme budget if different (the initial Annual Amount), as an upfront investment. After the first year, countries will receive 80% of the ceiling, or programme budget if different, based on implementation of the grant, and additional payments will be based on performance on immunisation outcome indicators. Note that countries whose total grant budget would fall below US\$3 million are exempt from this 80% rule.</p>

Country will have the opportunity to receive payments beyond the programme budget amount, for exceptional performance on the same immunisation outcomes. The maximum programmed payment plus performance payment may be up to 150% of the country ceiling.

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

Gavi Calculation of Performance Payments for 2013 achievements – TOTALS:

Depending on whether the country's coverage is below 90% or at/above 90%, please delete one of these two following sections and table:

Given that Country's DTP3 coverage was **at or above 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 sustaining high coverage with:

- 20% of programme budget for maintaining DTP3 coverage at or above 90% and
- 20% of programme budget ensuring that 90% of districts have at or above 80% DTP3 coverage.

Countries with DTP3 coverage >= 90% at baseline					TOTAL Performance Payment to the country
Reported DTP3 coverage (WUENIC) at baseline*	DTP3 performance payment	Amount of DTP3 performance payment (US\$)	Geographic equity performance payment	Amount of Geographic equity performance payment (US\$)	
	Not applicable	0	Not applicable	0	0

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*	DTP3 performance payment	Amount of DTP3 performance payment (US\$)	MCV1 performance payment	Amount of MCV1 performance payment (US\$)	
	Not applicable	0	Not applicable	0	0

9. Programme Duration¹: 2013 to 2016**10. Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement, if applicable):**

	2013	2014	2015	2016	2017	Total ²
Programme Budget (US\$)	US\$27,290,000*	US\$0	US\$41,090,000	US\$38,620,000	-	US\$107,000,000
Performance payment	Not applicable		Not applicable	Not applicable	Gavi	0

**The history represents the approved support under the current HSS grant*

11. Annual Amounts (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	2014	2015	Total ³
Annual Amount (\$US)	0	41,090,000	41,090,000
Performance Payment (\$US)		Not applicable	

12. Financial Clarifications: The Country shall provide the following clarifications to Gavi⁴:

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.

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.

³ This is the amount approved by GAVI.

⁴ Failure to provide the financial clarifications requested may result in GAVI withholding further disbursements

13. 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) or equivalent. The APRs, or equivalent, shall provide detail on the progress against milestones and targets against baseline data for indicators identified in the proposal. The APRs, or equivalent, 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)	To be agreed with Gavi Secretariat
Interim unaudited financial reports. As per MoUs with WHO, UNICEF and UNDP the MoHFW will submit to Gavi unaudited financial reports on a quarterly basis (no later than 30 days after the reporting period). Audited and consolidated statements will be provided on an annual basis. Failure to submit timely reports may affect future funding.	30 th April, 31 st July, 31 st October, 31 st January 2015

14. 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.

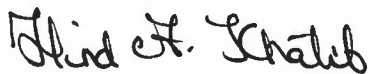
In case the Country wishes to alter the disbursement schedule over the course of the HSS programme, this must be highlighted and justified in the APR, or equivalent, and will be subject to Gavi approval. It is essential that Country's Health Sector Coordination Committee (or its equivalent) be involved 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.

15. Other conditions: The following terms and conditions shall apply to performance payments.

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 the Gavi Alliance

Hind Khatib-Othman

Managing Director, Country Programmes

28 October 2014

Appendix C

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.