



GAVI/11/231/dlc

The Minister of Public Health  
Ministry of Public Health  
Vientiane  
Lao PDR

27 September 2011

Dear Minister,

***Lao PDR 2010 Annual Progress Report to the GAVI Alliance***

This letter relates to Lao PDR's Annual Progress Report 2010 (APR), which was submitted to the GAVI Secretariat in May-June 2011. The GAVI Alliance is pleased to inform you that Lao PDR has been approved for GAVI support as specified in Appendix A. The GAVI Executive Committee at its meeting on 26 September 2011 accepted the recommendations of the Monitoring Independent Review Committee (IRC) that reviewed Lao PDR's APR in July 2011. The summary of IRC report is provided in Appendix B. All GAVI support is subject to the availability of funding and the terms and conditions included in Appendix C of this letter.

***New Vaccines Support (NVS)***

Lao PDR has been approved for Pentavalent vaccine and related injection safety materials in the amount of US\$ 1,133,000 for 2012.

In addition, Lao PDR's request for extension of Pentavalent vaccine support until 2015 has been endorsed.

Lao PDR will co-finance the procurement of Pentavalent vaccine and related injection safety material in the amount of US\$ 93,500 for 2012 in accordance with the GAVI co-financing policy and the terms detailed in Appendix A.

***Health System Strengthening Support (HSS)***

The HSS support for Lao PDR has already been approved. Please refer to Decision Letter dated 2 September 2010 for more details.

***Immunisation Services Bridging Support (ISS)***

As per the ISS bridge mechanism approved by the GAVI Alliance Board on 7-8 July 2011, Lao PDR has met the criteria to be eligible for ISS bridge support, consisting of reward phase support only.

Lao PDR is not entitled to an ISS reward for its 2010 immunisation achievement based on the criteria detailed in Appendix A.

GAVI Alliance

2 chemin des Mines  
1202 Geneva  
Switzerland

Tel. +41 22 909 6500  
Fax +41 22 909 6555

[www.gavialliance.org](http://www.gavialliance.org)  
[info@gavialliance.org](mailto:info@gavialliance.org)

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

Yours sincerely,



Mercy Ahun  
Managing Director, Programme Delivery

Attachments:           Appendix A: GAVI support to Lao PDR  
                              Appendix B: Summary of IRC review report  
                              Appendix C: GAVI Alliance Terms and Conditions

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

## GAVI support to Lao PDR

### A. New Vaccines Support (NVS)

The GAVI Alliance has approved Lao PDR's request for supply of Pentavalent vaccine doses and related injection safety material in the amount of US\$ 1,133,000 which are estimated to be required for the 2012 immunization programme. In addition, Lao PDR's request for extension of Pentavalent vaccine support until 2015 has been endorsed.

Financing provided by GAVI for vaccines will be in accordance with:

- the GAVI Alliance Guidelines notified to Lao PDR 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.

Table 1 summarises the details of the approved GAVI support in 2012:

*Table 1: Details of GAVI support for Pentavalent vaccine in 2012 to Lao PDR (Ref N°1215-LAO-04a-X)*

Type of material to be supplied to the country	2012
Number of doses of DTP-HepB-Hib 1 dose/vial liquid	431,300
Number of AD syringes	455,900
Number of re-constitution syringes	0
Number of safety boxes	5,075
<b>Total support in US\$</b>	<b>1,133,000</b>

Lao PDR is responsible for paying any required taxes, customs, toll or other duties imposed on the importation of vaccines and related supplies.

Lao PDR is solely 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**

According to the revised GAVI co-financing policy approved in December 2010 by the GAVI Board, Lao PDR is within the low-income countries co-financing group and in the APR Lao PDR has agreed to co-finance US\$ 0.20 per dose of Pentavalent vaccine in 2012.

Table 2 summarises the budget and the quantity of supply that will be procured with Lao PDR's funds in 2012:

Table 2: Lao PDR's co-financing budget for Pentavalent vaccine in 2012 (Ref N°1215-LAO-04a-X-C )

Type of material to be procured by the country	2012
Number of doses of DTP-HepB-Hib 1 dose/vial liquid	35,600 doses with a total of US\$ 87,932
Number of AD syringes	37,600
Number of re-constitution syringes	0
Number of safety boxes	425
<b>Total co-financed in US\$</b>	<b>93,500</b>

The total co-financing amount expressed in table 2 indicates Lao PDR's contribution towards the costs for the vaccines and related injection safety devices. 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 by UNICEF as part of the cost estimate to be requested by the country.

For the purchase of the co-financed supply detailed in Table 2 Lao PDR will pay to UNICEF as agreed in the Procurement Services Memorandum of Understanding between UNICEF and the country, and not to the GAVI Alliance. Lao PDR will keep in contact with UNICEF Supply Division to understand the availability of vaccine and to prepare the schedule of deliveries. UNICEF will share information with GAVI on the status of purchase of the co-financed supply.

## **B. Immunisation Services Support (ISS)**

Lao PDR is not entitled to ISS reward for 2010 achievement of the immunisation programme, because in 2010 fewer children (N = 123,153) were vaccinated than original target approved in 2002 (N =173,075).

### **Lao PDR must comply with the following requirements in order to receive further GAVI support:**

Transparency and Accountability (TAP). Lao PDR must comply with any TAP requirements and the requirements under any Aide Memoire concluded between GAVI and the country.

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

Grant Terms and Conditions: Lao PDR must comply with GAVI's standard grant terms and conditions as amended from time to time.

Country Co-financing GAVI must receive proof of country co-payment from Lao PDR 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: Lao PDR's use of financial support for the introduction of new vaccinations with Pentavalent vaccine is subject to strict performance monitoring.

Lao PDR will report on the achievements and the required support for the following year 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 Lao PDR's compliance with the co-financing arrangements outlined in this letter.

Please note the following conditions must be met for future reporting:

- The APR must be signed by the Ministers of Health and Finance, and endorsed by members of the HSCC and/or ICC
- Minutes of all HSCC and ICC meetings held during the reporting year must be attached with the APR;
- Minutes of HSCC/ICC meeting that explicitly discuss and endorse the APR submission must be attached.
- Financial statements must be attached 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,
- Audit reports must be submitted 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.

Lao PDR is urged to continue to work closely with their HSCC and/or ICC and local partners including Civil Society Organisations (CSOs). For the APR 2011 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 before the 15 May 2012.

**Type of report: Annual Progress Report**

**Reporting period: 2010**

**Date reviewed: July 2011**

---

## **1. Summary of 2010 APR Review:**

The Immunization program of Lao PDR is stable and slowly improving, and has achieved immunization coverage with DTP3 of 74%. The NIP seems to be realistic about the achievements and limitations of their program. Lao PDR should be congratulated for a very well written and comprehensive cMYP for 2012-2015. However, the plan reveals a system dependent on outreach which is difficult to improve. In addition the program is heavily donor dependent with very low government investment, and the system is constrained by cold chain and logistics that will need investment and improvement before fixed immunization and introduction of new vaccines will be possible. The donor base is relatively small and therefore much more investment in the immunization system by the central government is critical. Lao PDR should also be commended for reaching about 14,000 additional children with Pentavalent vaccine in 2010 compared to 2009, although it is still lower than the target set up in the original approved ISS proposal.

## **2. IRC Review Recommendations on Country Near-term Funding Request**

- **ISS**

Lao PDR does not qualify for ISS reward under ISS Bridging support.

- **NVS**

**Vaccine:** Pentavalent

Approval of 2012 Pentavalent support, with the target adjusted in accordance with GAVI rules. In addition, the IRC endorses the Pentavalent support until 2015 based on the new cMYP.

**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 Lao PDR'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 Lao PDR'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.