



LESOTHO - HEALTH SYSTEMS STRENGTHENING CASH SUPPORT

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

1.	Country: Lesotho
2.	Grant number: 1417-LSO-10a-Y
3.	Date of Decision Letter: 12 September 2014
4.	Date of the Partnership Framework Agreement: 30 November 2012.
5.	Programme Title: Health Systems Strengthening (HSS)
6.	<p>HSS terms: 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 ksagar@gavialliance.org for the guidelines. • The relevant GAVI HSS application form - please contact your SCM at ksagar@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), 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 PFO requirements pursuant to the PFO Policy and under any Aide Memoire concluded between GAVI and the Country; • Compliance with GAVI’s standard terms and conditions 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>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> <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.</p> <p>Given that Country’s DTP3 coverage was at or above 90% at baseline* based on WHO/UNICEF estimates, Country will be rewarded for sustaining high coverage with:</p> <ul style="list-style-type: none"> • 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. <p>The performance payments under the performance-based funding shall be used solely for activities to be implemented in the country’s health sector.</p> <p><i>* The baseline is defined as the year prior to the first year of HSS grant implementation. For example, if a country begins grant implementation in February 2013, then their baseline is 2012. Even if a country begins grant implementation in December 2013, their</i></p>

baseline would still be 2012.

7. Programme Duration¹: 2014 to 2017

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

Note that with PBF, annual disbursements may be more or less than these endorsed amounts after the first year (see section 6 above).

	2014	2015	2016	2017	Total ²
Programme Budget (US\$)	791,168	638,665	639,360	637,942	2,707,135

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	2014	2015	Total ³
Annual Amount (\$US)	791,168	638,665	1,429,833

10. 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@gavialliance.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

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), 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, as well as the PBF indicators as listed in section 6 above. 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) and use of performance payments, which have been endorsed by the Health Sector Coordination Committee (HSCC) or its equivalent.	As agreed with the GAVI 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
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

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, 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.

On behalf of the GAVI Alliance



Hind Khatib-Othman
Managing Director, Country Programmes
12 September 2014

