

Decision Letter

Nepal Health Systems Strengthening Programme

This Decision Letter forms part of the PFA and together with the PFA sets out the Programme Terms of the Programme. Any term used in this Decision Letter but not defined shall have the meaning given to such term in the PFA.

<p>1. Country: Nepal</p>
<p>2. Programme payment grant number: 1519-NPL-10a-Y</p>
<p>3. Date of Decision Letter: 09 August 2018</p>
<p>4. Date of the Partnership Framework Agreement (the "PFA"): 22 August 2016</p>
<p>5. Programme: Health Systems Strengthening (HSS)</p> <p>For further information about the Programme please refer to:</p> <ul style="list-style-type: none"> • Gavi HSS guidelines and HSS application form available by contacting your Gavi Senior Country Manager; • Country's approved grant proposal together with any responses to the HSS independent review committee (IRC's) request for clarifications.
<p>6. Access to funding and Performance based funding</p> <p>a) The Programme 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 Programme) and the performance payment (based on improvements in immunisation outcomes).</p> <p>Nepal 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 performance payment may total up to 150% of the country's year one annual amount (upfront investment).</p> <p><u>Performance payments for a given year will be made the following year, based on performance of the indicators listed and data verification.</u></p> <p>Given that Nepal'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, Nepal will be rewarded for improving coverage with:</p> <ul style="list-style-type: none"> • \$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.

Reported DTP3 coverage (WUENIC) at baseline (2016)*	Countries with DTP3 coverage < 90% at baseline				TOTAL Performance payment to the country
	Eligibility for DTP3 performance payment	Amount of DTP3 performance payment (US\$)	Eligibility for MCV1 performance payment	Amount of MCV1 performance payment (US\$)	
87%	Eligible	36,960*	Eligible	444,030*	480,990*

* These amounts are indicative and will only be confirmed following Gavi's approval through a new Decision Letter.

Should Nepal wish to request the full details of the calculation method leading to the TOTAL amount of the performance payment, please contact your Gavi Senior Country Manager.

7. Programme Duration: 2015 to 2019

8. Programme Budget: This is the amount of an estimated multi-year budget endorsed by Gavi under the Programme.
Note that with PBF, annual disbursements may be more or less than these endorsed amounts after the first year.

Programme Year	2015-2016	2017	2018	2019	Total
Programme Budget (US\$)	US\$ 15,660,000	US\$ 6,960,000	US\$ 6,960,000	US\$ 6,960,000	US\$ 36,540,000
Performance payment	Not eligible	Not applicable*	Not applicable	Not applicable	

* the Gavi approval of the performance payment amount for 2017, following the official data publication, will be shared with the Country in a new Decision Letter.

9. Annual Amounts: This is the estimated Annual Amount Gavi has approved to be disbursed under the Programme. The Country acknowledges that:
(a) a proportion of the Annual Amount may be disbursed directly to an agreed implementing agency, such as WHO and UNICEF, rather than to the Country; and
(b) each Annual Amount may be disbursed in a number of tranches at quarterly or six-monthly intervals.

Programme Year	2015-2016	2017
Annual Amount (US\$)	US\$15,660,000	US\$6,960,000
Performance payment (US\$)	Not eligible	Not applicable*

* the Gavi approval of the performance payment amount for 2017, following the official data publication, will be shared with the Country in a new Decision Letter.

10. Outstanding comments/clarifications: Not applicable

11. Documents to be delivered: Not applicable

12. Other conditions: The following terms and conditions shall apply to the Programme.

Any requested adjustments to the Annual Amounts 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 Programme. 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

09 August 2018