

Mr Shri Jagat Prakash Nadda
Union Minister
Ministry of Health & Family Welfare
155 - A, Nirman Bhavan
New Delhi - 110108
India

01 May 2018

Dear Minister,

Re: Gavi Support for Rotavirus Vaccine to India

We are writing in relation to the approved Rotavirus vaccine support.

Following Gavi's approval of India's application for Phase 3 expansion of Rotavirus vaccine, Gavi has now completed the tender process. Given that no vaccines were delivered to the country during 2017, the Rotavirus Decision Letter has been revised to reflect updated amounts for 2018 to 2020. We are pleased to share with you the revised letter, that replaces the Decision Letter of 25 July 2017.

We would also like to bring to your attention some information related to 1) the total amount committed by Gavi for this support, and 2) the implications of the recently introduced Goods and Services Tax (GST):

1. Committed amount for Rotavirus vaccine support

The initial Rotavirus vaccine support allocation within the \$500 million commitment for the period 2016 - 2021, as provided under Annex 6 of the Partnership Framework Agreement (PFA), was \$80 million. The reduced \$65 million commitment, reflected in the Decision Letter (line 9), is the result of a reallocation of \$8.5 million from the Rotavirus vaccine commodity support to technical support for the Measles Rubella Vaccine (MR) campaign, a \$5 million increase in the MR commodity support to meet the country's dose requirements, and potential accommodation of an outstanding request for additional health system strengthening support. Based on this committed amount and the price estimates for Rotavirus vaccine, the expected duration of support is from 2018 to 2020.

The budget reallocation from Rotavirus vaccine to MR support had followed a request from the Government of India. The funding was reallocated on the basis that firstly, there are savings from the Rotavirus vaccine tender and secondly, that the Government of India will meet any shortfall in funding for Phase 3 of the Rotavirus vaccine introduction from domestic funding, as set out in the letter to Gavi dated 24 May 2017.

2. GST implications

Gavi understands that, under the new GST, medicines supplied free of cost by international agencies such as UNICEF but not considered as “imports”, are currently not exempted from Integrated GST. In view of this, the estimated GST applicable to Rotavirus vaccine for the duration of support would amount to \$3.1 million (in addition to \$3.5 million on MR vaccine). If this amount is not waived or reimbursed, it will reduce the number of doses Gavi could provide to India in the final year of support, and the difference will have to be financed by the Government of India. We kindly request the Ministry of Health and Family Welfare and the Ministry of Finance to expedite resolution on the GST matter, for both Rotavirus and MR vaccines.

Finally, we note that the Gavi Board’s decision to provide support for India’s Rotavirus vaccine programme is subject to the provisions of Annex 6 of the PFA, in particular the commitments of the Government of India to fund additional costs required as well as scale-up of the programme, and to implement the programme as set out in the approved Performance Framework.

Please do not hesitate to contact the Senior Country Manager for India, Carol Szeto (cszeto@gavi.org), if you have any questions or concerns.

We remain at your disposal for any further enquiry.

Yours sincerely,



Hind Khatib-Othman
Managing Director, Country Programmes

Cc:
PS, The Minister of Health and Family Welfare (MoHFW)
PS, The Minister of Finance
Secretary, Ministry of Health and Family Welfare
Additional Secretary, MD NHM, Ministry of Health and Family Welfare
Joint Secretary (RCH), Ministry of Health and Family Welfare
Deputy Commissioners (Immunization and UIP); MoHFW
WHO Country Representative
UNICEF Country Representative
WHO HQ
UNICEF Programme Division
UNICEF Supply Division

India Support for Rotavirus Vaccine

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

1. Country: India				
2. Grant number: 1820-IND-13e-X				
3. Date of Decision Letter: 01 May 2018				
4. Date of the Partnership Framework Agreement: 12 June 2015				
5. Programme title: New Vaccine Support (NVS), Rotavirus Routine				
6. Vaccine type: Rotavirus				
7. Requested product presentation and formulation of vaccine: Rotavirus, 5 vial presentation, 3-dose schedule				
8. Programme duration¹: 2018 - 2020				
9. Programme Budget (indicative): (subject to the terms of the partnership framework agreement, if applicable)				
	2018	2019	2020	Total ²
Programme Budget (US\$)	US\$24,341,500	US\$31,602,500	US\$9,056,000	US\$65,000,000*
* Inclusive of an estimated GST amount of \$3.1 million, if the GST cannot be refunded or waived. This will reduce the scope of supported doses in the final year of support, to be communicated in subsequent Decision Letters.				
10. Vaccine introduction grant (in US\$): Not applicable				
11. Indicative Annual Amounts: (subject to the terms of the Partnership Framework Agreement, if applicable) ³				
Type of supplies to be purchased with Gavi funds in each year	2018	2019		
Number of Rotavirus vaccines doses	22,770,100	29,562,700		
Annual Amounts (US\$)	US\$24,341,500	US\$31,602,500		
12. Procurement agency: UNICEF				
13. Self-procurement: Not applicable				
14. Co-financing obligations: Not applicable				
15. Operational support for campaigns: 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 This is the amount that Gavi has approved.

16. Additional reporting requirements:

Country shall deliver the following documents by the specified due dates as part of the conditions to the approval and disbursements of the future annual amounts: Not applicable

Reports and other information	Due dates
To prepare for the annual procurement of vaccines, Country shall submit the following information in May each year: number of children to be vaccinated, vaccine stock levels including buffer stock, wastage rates, any proposed changes in presentation or minimum co-financing levels and vaccines received.	15 May 2019
In accordance with applicable Gavi processes, Country shall report on programmatic and financial performance.	To be agreed with Gavi Secretariat

17. Financial clarifications: Not applicable

18. Other conditions: Not applicable

Signed by,



On behalf of Gavi

Hind Khatib-Othman

Managing Director, Country Programmes

01 May 2018