



GAVI/13/593/cw/sc

The Minister of Health
Ministry of Health
P.O. Box 30016
Nairobi
Kenya

21 October 2013

Dear Minister,

Annual Progress Report submitted by Kenya

I am writing in relation to Kenya's Annual Progress Report (APR) which was submitted to the GAVI Secretariat in May 2013.

Following a meeting of the GAVI Independent Review Committee (IRC) from 15 to 26 July 2013 to consider your APR, I am pleased to inform you that the GAVI Alliance has approved Kenya for GAVI support as specified in the appendices to this letter.

Please note that there are outstanding financial clarifications to be provided, as specified in section 14 of Appendix C, and failure to provide these financial clarifications may result in GAVI withholding further disbursements.

The appendices include the following important information:

- Appendix A: Description of approved GAVI support to Kenya
- Appendix B: Financial and programmatic information per type of support
- Appendix C: A summary of the IRC Report
- Appendix D: The terms and conditions of GAVI Alliance support

The same appendices are also used in the Partnership Framework Agreement (PFA) – a new simplified arrangement that we are working to agree with your officials – that will replace this 'decision letter' format.

The following table summarises the outcome for each type of GAVI support for Kenya:

| Type of support | Appendix | Approved for 2014 |
|--------------------|----------|-------------------|
| NVS – Pneumococcal | B-1 | US\$21,298,500 |
| NVS – Pentavalent | B-2 | US\$4,284,000 |
| NVS – Yellow Fever | B-3 | US\$31,000 |

Please do not hesitate to contact my colleague Charlie Whetham (cwhetham@gavialliance.org) if you have any questions or concerns.

Yours sincerely,

Hind Khatib-Othman
Managing Director, Country Programmes

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

Description of GAVI support to Kenya (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 Country’s Annual Progress Report (APR); and
- The APR as approved by the 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.

GAVI is not 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

In accordance with the GAVI Co-financing Policy, the Country has agreed to make the required contribution to co-financing vaccine doses as indicated in Appendix B. Item number 14 of Appendix B summarises the budget and the quantity of supply that will be procured with country’s funds in the corresponding timeframe. The total co-financing amount indicates costs for the vaccines, related injection safety devices (only applicable to intermediate and graduating countries) and freight.

Countries may select to co-finance through UNICEF Supply Division, PAHO’s Revolving Fund, or self-procure their co-financing requirement following their own procedures, except for the Pneumococcal vaccine that needs to be procured through UNICEF.

If the purchase of the co-financed supply is carried out through UNICEF or PAHO, the payment is to be made to UNICEF or PAHO (whichever is applicable) as agreed in the Procurement Services Memorandum of Understanding between UNICEF or PAHO (whichever is applicable) and the country, and not to the GAVI Alliance. Please keep in contact with UNICEF or PAHO (whichever is applicable) to understand the availability of the relevant vaccine(s) and to prepare the schedule of deliveries.

The total co-financing amount expressed in item number 14 of Appendix B does not contain costs and fees of the relevant Procurement Agency, such as contingency buffer and handling fees.

Information on these extra costs and fees will be provided by the relevant Procurement Agency as part of the cost estimate to be requested by the country. UNICEF/PAHO will share

information with GAVI on the status of purchase of the co-financed supply. In accordance with the GAVI Co-financing Policy (<http://www.gavialliance.org/about/governance/programme-policies/co-financing/>), the co-financing contribution is payable annually to UNICEF/PAHO.

If the purchase of the co-financed supply is carried out by the Government, following its own procurement procedures and not procuring from UNICEF Supply Division or PAHO's Revolving Fund, the Government must submit to GAVI satisfactory evidence that it has purchased its co-financed portion of the vaccines and related supplies, including by submitting purchase orders, invoices, and receipts to GAVI. GAVI encourages that countries self-procuring co-financed products (i.e. auto-disable syringes and syringe and needle disposal boxes) ensure that products appear on the applicable WHO list of pre-qualified products or, for syringe and needle disposal boxes, that they have obtained a certificate of quality issued by a relevant national authority.

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).

Country Co-financing: GAVI must receive proof of country co-payment from the Country 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: 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 immunization 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). The APR 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 will also contain information on country's compliance with the co-financing arrangements outlined in this letter. APRs 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 and availability of funds.

KENYA – PNEUMOCOCCAL VACCINE SUPPORT
This Decision Letter sets out the Programme Terms of a Programme

| | | | | |
|--|------------------------------|----------------|----------------|--------------------|
| 1. Country: Kenya | | | | |
| 2. Grant Number: 1115-KEN-12b-X | | | | |
| 3. Date of Decision Letter : 21 October 2013 | | | | |
| 4. Date of the Partnership Framework Agreement: N/A (not signed yet) | | | | |
| 5. Programme Title: New Vaccine Support | | | | |
| 6. Vaccine type: Pneumococcal | | | | |
| 7. Requested product presentation and formulation of vaccine: Pneumococcal (PCV10), 2 dose(s) per vial , LIQUID | | | | |
| 8. Programme Duration¹: 2010-2015 | | | | |
| 9. Programme Budget (indicative) : | | | | |
| | 2010-2013 | 2014 | 2015 | Total ² |
| Programme Budget (US\$) | US\$113,914,816 ³ | US\$21,298,500 | US\$23,776,500 | US\$158,989,816 |
| 10. Vaccine Introduction Grant: N/A | | | | |
| 11. Indicative Annual Amounts : | | | | |
| Type of supplies to be purchased with GAVI funds in each year | 2010-2013 | 2014 | | |
| Number of Pneumococcal vaccines doses | | 4,130,500 | | |
| Number of AD syringes | | 4,329,800 | | |
| Number of safety boxes | | - | | |
| Annual Amounts (US\$) | US\$113,914,816 ⁴ | US\$21,298,500 | | |
| 12. Procurement agency: UNICEF. The Country shall release its Co-Financing Payments each year to UNICEF. | | | | |
| 13. Self-procurement: N/A | | | | |

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 consolidated amount for all previous years.

⁴ This is the consolidated amount for all previously approved years.

14. Co-financing obligations: Reference code: 1115-KEN-12b-X-C - According to the Co-Financing Policy, the Country falls within the group Low Income. The following table summarises the Co-Financing Payment(s) and quantity of supply that will be procured with such funds in the relevant year.

| Type of supplies to be purchased with Country funds in each year | 2014 | 2015 |
|--|-------------|-------------|
| Number of vaccine doses | 250,800 | 270,200 |
| Value of vaccine doses (US\$) | US\$850,715 | |
| Total Co-Financing Payments (US\$) (including freight) | US\$876,500 | US\$932,500 |

15. Operational support for campaigns: N/A

| | 2014 | 2015 |
|---------------------|------|------|
| Grant amount (US\$) | | |

16. Additional documents to be delivered for future disbursements:

| Reports, documents and other deliverables | Due dates |
|---|-------------|
| Annual Progress Report | 15 May 2014 |

17. Financial Clarifications: The Country shall provide the clarifications stated in the IRC report attached as appendix C to GAVI*.

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

18. Other conditions: N/A

Signed by,



On behalf of the GAVI Alliance

Hind Khatib-Othman

Managing Director, Country Programmes

21 October 2014

KENYA – PENTAVALENT VACCINE SUPPORT
This Decision Letter sets out the Programme Terms of a Programme

| | | | | |
|---|------------------------------|---------------|---------------|--------------------|
| 1. Country: Kenya | | | | |
| 2. Grant Number: 0715-KEN-04c-X | | | | |
| 3. Date of Decision Letter : 21 October 2013 | | | | |
| 4. Date of the Partnership Framework Agreement: N/A (not signed yet) | | | | |
| 5. Programme Title: New Vaccine Support | | | | |
| 6. Vaccine type: Pentavalent | | | | |
| 7. Requested product presentation and formulation of vaccine: DTP-HepB-Hib, 10 dose(s) per vial, LIQUID | | | | |
| 8. Programme Duration⁵: 2001-2015 | | | | |
| 9. Programme Budget (indicative) : | | | | |
| | 2001-2013 | 2014 | 2015 | Total ⁶ |
| Programme Budget (US\$) | US\$149,074,303 ⁷ | US\$4,284,000 | US\$7,897,500 | US\$161,255,803 |
| 10. Vaccine Introduction Grant: N/A | | | | |
| 11. Indicative Annual Amounts : | | | | |
| Type of supplies to be purchased with GAVI funds in each year | 2001-2013 | 2014 | | |
| Number of Pentavalent vaccines doses | | | 2,033,600 | |
| Number of AD syringes | | | 2,290,200 | |
| Number of safety boxes | | | - | |
| Annual Amounts (US\$) | US\$149,074,303 ⁸ | | US\$4,284,000 | |
| 12. Procurement agency: UNICEF. The Country shall release its Co-Financing Payments each year to UNICEF. | | | | |
| 13. Self-procurement: N/A | | | | |

⁵ This is the entire duration of the programme.

⁶ 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.

⁷ This is the consolidated amount for all previous years.

⁸ This is the consolidated amount for all previously approved years.

14. Co-financing obligations: Reference code: 0715-KEN-04c-X-C - According to the Co-Financing Policy, the Country falls within the group Low Income. The following table summarises the Co-Financing Payment(s) and quantity of supply that will be procured with such funds in the relevant year.

| Type of supplies to be purchased with Country funds in each year | 2014 | 2015 |
|--|---------------|---------------|
| Number of vaccine doses | 493,500 | 912,900 |
| Value of vaccine doses (US\$) | US\$961,479 | |
| Total Co-Financing Payments (US\$) (including freight) | US\$1,011,000 | US\$1,865,000 |

15. Operational support for campaigns: N/A

| | 2014 | 2015 |
|---------------------|------|------|
| Grant amount (US\$) | | |

16. Additional documents to be delivered for future disbursements:

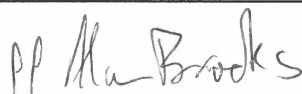
| Reports, documents and other deliverables | Due dates |
|---|-------------|
| Annual Progress Report | 15 May 2014 |

17. Financial Clarifications: The Country shall provide the clarifications stated in the IRC report attached as appendix C to GAVI*.

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

18. Other conditions: N/A

Signed by,



On behalf of the GAVI Alliance

Hind Khatib-Othman

Managing Director, Country Programmes

21 October 2014

KENYA – YELLOW FEVER VACCINE SUPPORT
This Decision Letter sets out the Programme Terms of a Programme

| | | | | |
|---|---------------------------|------------|------------|---------------------|
| 1. Country: Kenya | | | | |
| 2. Grant Number: 0715-KEN-06b-X | | | | |
| 3. Date of Decision Letter : 21 October 2013 | | | | |
| 4. Date of the Partnership Framework Agreement: N/A (not signed yet) | | | | |
| 5. Programme Title: New Vaccine Support | | | | |
| 6. Vaccine type: Yellow Fever | | | | |
| 7. Requested product presentation and formulation of vaccine: Yellow Fever, 10 dose(s) per vial, LYOPHILISED | | | | |
| 8. Programme Duration⁹: 2001-2015 | | | | |
| 9. Programme Budget (indicative) : | | | | |
| | 2001-2013 | 2014 | 2015 | Total ¹⁰ |
| Programme Budget (US\$) | US\$370,614 ¹¹ | US\$31,000 | US\$40,000 | US\$441,614 |
| 10. Vaccine Introduction Grant: N/A | | | | |
| 11. Indicative Annual Amounts : | | | | |
| Type of supplies to be purchased with GAVI funds in each year | 2001-2013 | 2014 | | |
| Number of Yellow Fever vaccines doses | | | 27,600 | |
| Number of AD syringes | | | 30,600 | |
| Number of re-constitution syringes | | | 5,800 | |
| Number of safety boxes | | | - | |
| Annual Amounts (US\$) | US\$370,614 ¹² | US\$31,000 | | |
| 12. Procurement agency: UNICEF. The Country shall release its Co-Financing Payments each year to UNICEF. | | | | |
| 13. Self-procurement: N/A | | | | |

⁹ This is the entire duration of the programme.

¹⁰ 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.

¹¹ This is the consolidated amount for all previous years.

¹² This is the consolidated amount for all previously approved years.

14. Co-financing obligations: Reference code: 0715-KEN-06b-X-C - According to the Co-Financing Policy, the Country falls within the group Low Income. The following table summarises the Co-Financing Payment(s) and quantity of supply that will be procured with such funds in the relevant year.

| Type of supplies to be purchased with Country funds in each year | 2014 | 2015 |
|--|------------|------------|
| Number of vaccine doses | 25,200 | 29,900 |
| Value of vaccine doses (US\$) | US\$24,585 | |
| Total Co-Financing Payments (US\$) (including freight) | US\$26,500 | US\$32,500 |

15. Operational support for campaigns: N/A

| | 2014 | 2015 |
|---------------------|------|------|
| Grant amount (US\$) | | |

16. Additional documents to be delivered for future disbursements:

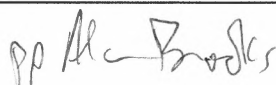
| Reports, documents and other deliverables | Due dates |
|---|-------------|
| Annual Progress Report | 15 May 2014 |

17. Financial Clarifications: The Country shall provide the clarifications stated in the IRC report attached as appendix C to GAVI*.

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

18. Other conditions: N/A

Signed by,



On behalf of the GAVI Alliance

Hind Khatib-Othman

Managing Director, Country Programmes

21 October 2013

Type of report: Annual Progress Report

Country: Kenya

Reporting period: 2012

Date reviewed: July 2013

1. Background Information

Surviving Infants (2012): 1,339,660

DTP3 coverage (2012):

- JRF Official Country Estimate:83%
- WHO/UNICEF Estimate: 83%

Table 1. NVS and INS Support

| NVS and INS support | Approval Period |
|----------------------------|------------------------|
| Yellow Fever | 2007-2015 |
| <i>DTP-HepB-Hib</i> | 2007-2015 |
| PCV10 | 2009-2015 |
| HPV | 2013-2014 |
| Rotavirus | 2014-2015 |
| INS | 2003- 2005 |

Table 2. Cash Support

| Cash support | Approval Period |
|---------------------|------------------------|
| ISS | 2001-2011 |
| HSS | 2007-2009 |

Support requested in 2014 for:

- DTP-HepB-Hib, 10 dose(s) per vial, LIQUID
- Pneumococcal (PCV10), 2 dose(s) per vial, LIQUID
- Yellow Fever, 10 dose(s) per vial, LYOPHILISED.

2. Composition and Functioning of Inter-agency Coordinating Committee (ICC) / Health Sector Coordinating Committee (HSCC)

Two ICC meetings were held in 2012. Six CSO's are represented. The APR submission was endorsed in May 2013. Participation at this meeting was limited to government, MCHIP (USAID), CHAI, and HENNET. WHO and UNICEF were not represented. UNICEF endorsed the minutes however.

The ICC expressed concern about the remaining life span of GAVI support and the need for the Government to significantly increase spending on the co-payment. The other concerns were raised about partner agencies preferring to spend more on campaigns than routine immunisation. The ICC also expressed concern about expediting the completion of the audit process of GAVI funds

3. Programme and Data Management

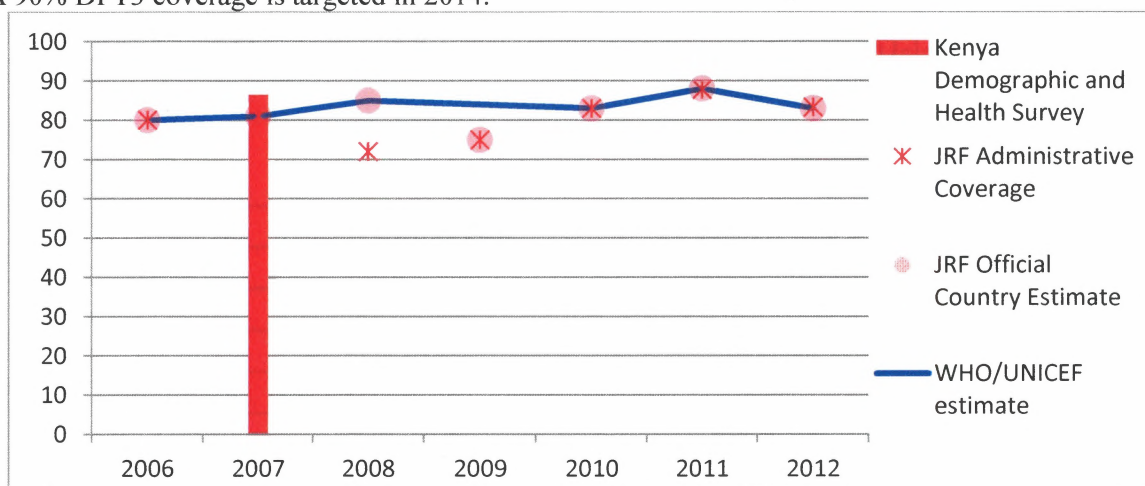
There are no changes in targets or wastage rates. There has been good correlation between official and WHO/UNICEF data for a number of years.

DPT3 coverage has reduced in 2012 by 5% from 2011 levels to 83%, which was the achievement level of 2010.

Coverage of all antigens other than BCG was lower than targeted in 2012. BCG performance was high due to intensified outreach activities and a national SIA following a period of stockouts. Low performance is attributed to a strike of nursing staff in Q4 of 2012.

Yellow Fever vaccine is only administered to infants in four high-risk counties within the country - (denominator=37,236). Against this denominator, the coverage in 2012 was 66% (numerator = 24,491)

A 90% DPT3 coverage is targeted in 2014.



Following the national measles SIA in 2012 a survey was conducted which included assessment of coverage for routine immunisation. It was found that 80% of children were fully immunised.

Data quality improvement interventions include the quarterly cleaning of DHIS data to ensure accuracy, quarterly supportive supervision, and production of a quarterly bulletin that is shared with districts and provinces and strengthen supportive supervision.

4. Gender and Equity Analysis

A survey of 2008-2009 (measuring the 2007 cohort) shows DTP3 coverage for girls at 89.8% and that of boys at 82.9%. The reason provided for this situation is that of a higher infant mortality for boys (65/1000LB) as compared to that of girls (53/1000 LB). No action has been taken to address this situation.

5. Immunisation Services Support (ISS)

31,149 fewer children were vaccinated with DPT3 in 2012. No reward is due. The ISS window closed in 2011. There were no activities and no ISS expenditures in 2012. ISS funds are not included in the health sector budget,

The APR states that \$52,684 is carried over to 2013 which includes an amount of \$32,667 reimbursed to the GAVI account from WHO (2009 loan). This does not reflect in ISS expenditures. The ISS financial summary table in the APR indicates that \$2,315,068 was carried over from 2011 and is carried over to 2013

In December 2012, a decision letter approved disbursement for ISS support of \$550,140 dependent upon financial clarifications of the various outstanding issues. The following TAP issues are pending:

- US\$ 2,315,068 reported as opening balance in the 2012 APR against US\$ 74,400 as closing balance in the revised version of 2011 APR submitted by the MoPHS in January 2013 (ref. Letter No MOPHS/ADM/2/1 dated 30th January 2013);
- No unaudited FS is provided by the country
- Programme accounts have never been audited since first disbursement date.

6. New and under-utilised Vaccines Support (NVS)

Penta:

UNICEF reports that the approved quantity of 4,890,400 doses was received in 2012 and the Co-financed quantity of 832,500 doses was postponed into 2013.

The APR (Table 7.1) indicates 6,203,800 doses of DTP-HepB-Hib were received in 2012 rather than 5,722,654 awarded in the decision letter. The difference in DTP-HepB-Hib amounts is due to the delayed payment of co-financing in 2011 and receipt of vaccines in 2012. A clarification relating to this is requested.

Approx 8 months of Penta stocks were in hand at the end of 2012. This excess stock level is attributed to shipment of the co-financed allocations from 2011. The PIE of 2012 indicates adequate storage capacity at central level and substantial efforts to reinforce the cold chain.

Kenya switched from a 2 dose to 10-dose presentation in 2011. 10% wastage is projected.

Kenya fell short of its 2012 targets for Penta in 2012 by 12%. The target for 2014 has been reduced by 5% to 90%. This is still 7% greater than its 2012 achievement although 88% was achieved in 2011 for Penta.

Kenya should indicate measures which will enable this increase in performance to be achieved

Pneumo:

According to UNICEF's records 3,560,400 doses of PCV10 were delivered in 2012. 1,780,000 doses from the 2012 GAVI quantities were delivered in 2011 under PO 45119051. DL quantity was 5,641,700 including co-financing quantities. The APR states that 5,635,800 doses were received. A clarification related to this is requested.

Kenya has assumed a 10% wastage rate for a two-dose presentation as per GAVI guidelines and 4 months of stocks were in hand at the end of 2012.

Kenya fell short of its targets by 13% in 2012. Targets for 2014 have been scaled back by 5% to 90%. It is still considered optimistic, but achievable with commitment and good management practices.

Kenya should indicate measures that will enable this increase in performance to be achieved.

A post introduction evaluation was reported in May 2012 following introduction in February 2011.

Yellow Fever:

54,100 doses (42,100 GAVI & 12,000 Co financing) were approved in the Decision Letter. 60,200 doses were received. This quantity concurs with UNICEF records.

YF is only administered to targeted pockets of the population (2.625% or 37,200 of the population are targeted in 2014. Stock levels are reasonable. 78,147 doses are requested.

Wastage rates should be adjusted to comply with GAVI norms.

TAP issues relating to NVS are :

- Table 7.3.1 of the 2012 APR not provided/filed out

- No unaudited FS provided
- 2010/2011 audit report is overdue

HPV Demo:

Introduction of the HPV vaccine in the demonstration County is planned for 2013-2014. HPV is requested in the APR (Table 1.1). But tables 7.11 are not completed. HPV has already been approved for a 2 year period.

An EVM was being conducted in June and July 2013. The previous EVM was conducted in 2009 and the latest Improvement Plan status, dated August 2012, indicated that most recommendations are actioned. The programme is now focusing on reducing dropout rates and missed opportunities, replacing inadequate and aging cold chain equipment, and achieving its goals in the face of other competing child survival activities. Major CC procurement initiatives have taken place over the last 2 years. 75% of equipment is reported as functional

A cold chain inventory was conducted in 2010 prior to introduction of PCV 10, which showed the country to have adequate storage capacity. The assessment confirmed adequate storage capacity at the central store. Standard temperature monitoring charts are available and in use at facilities. Refrigerator temperatures are monitored daily.

7. Vaccine Co-financing, Financial Sustainability and Financial Management

2014 Co-financing group: low income. Kenya started mandatory co-financing of yellow fever and pentavalent vaccines in 2008 as well as pneumococcal vaccine in 2011.

Kenya is a good performer although it defaulted in 2010 but paid arrears the following year. It voluntarily co-financed higher amounts of pentavalent and yellow fever vaccines than the minimum required.

The government in 2012 provided a significant proportion of funds for immunisation expenditures in conjunction with GAVI support. Significant partner contributions were in the areas of cold chain and campaigns.

TAP Clarifications were provided by Kenya in January 2013 but a review of these concluded that until GAVI had received the outstanding audit reports, it was impossible to reach a conclusion on the other financial clarifications. The TAP, CRO and Team Leader visited Kenya in October 2012 and the CRO again in May 2013. The outstanding audits are being carried out now and are due to be completed by July/August 2013.

8. Injection Safety Support (INS) and Adverse Events Following Immunisation Systems

The EPI programme does not have written guidelines available separately on Adverse Events Following Immunization (AEFI) but AEFI reporting forms are available in all health facilities, and AEFI was included in the training on PCV 10

However there is no protocol or guidelines for management and reporting of AEFI, and there appears to be inadequate monitoring and reporting of AEFI cases even though the forms were available at all levels. It was also found in the PIE that health staff had inadequate knowledge on AEFI.

There is a dedicated vaccine pharmaco-vigilance committee in place. Sharps are deposited in safety boxes at the facility level are disposed of through burning and burying - usually in the facility grounds while urban areas which contribute about 5% of injection waste has this destroyed through incineration

9. Health Systems Strengthening (HSS)

Kenya is not reporting on the HSS window. The following audit issues remain:

- Table 9.1.3a and Table 9.1.3b of 2012 APR not provided/filed out
- No unaudited FS provided
- 2010/2011 audit report still overdue

10. Civil Society Organization Type A/Type B (CSO)

NA

11. Risks and mitigating factors

Kenya has been confronted by delays in clearance of vaccine shipments for an extended period. In 2012 responsibilities were outsourced to a private sector courier service. The problem is apparently resolved but the sustainability of this approach is questionable.

Kenya has met its co-financing obligations but payments are invariably late. It funds traditional vaccines and many other operational costs. GAVI supports almost 80% of total program costs however.

A labor dispute (nurses strike in 2012) disrupted the program. There may be a risk of this occurrence.

12. Summary of 2012 APR Review

Audit related issues are pending for HSS, ISS and NVS windows. Audits are scheduled to be completed in Aug/Sept 2013

Kenya fell short of its 2012 targets for Penta and Pneumo in 2012 by 12% and 13% respectively. The target for 2014 has been reduced by 5% to 90%. This is still 7-8% greater than its 2012 achievement although 88% was achieved in 2011 for Penta. It is however projecting only a 10% wastage rate with a 10 dose presentation of Penta.

Kenya shifted to 10 dose from a 2 dose presentation of Pentavalent vaccine in 2011. Wastage rates need to be adjusted.

13. IRC Review Recommendations

- ISS: NA
- NVS

Penta:

Approve 2014 NVS support, with the target as requested by country

Pneumo:

Approve 2014 NVS support, with the target as requested by country

Yellow Fever:

Approve 2014 NVS support, with the as requested by country

- HSS: NA

14. Clarification Required with Approved Funding

Short-term clarifications

(a) Programmatic clarifications

NA

(b) Financial clarifications/outstanding TAP issues

HSS

- Country requested to provide audit reports for the period 2010/2011
- Country requested to provide Table 9.1.3a and Table 9.1.3b of 2011 and 2012 APR

ISS

- Country requested to prepare and submit a revised section of 2012 APR (Table 6.1) showing opening balance and closing balance.
- Country requested to submit the unaudited financial statements for the periods 2008/2009 to 2011/2012 prepared by the MoPHS and to avail them to the office of Auditor General for audit.
- Country requested to submit the audited financial statements covering the periods from 2008/2009 to 2011/2012.
-

NVS

- Country requested to prepare and submit Table 7.3.1 of 2012 APR
- Country requested to submit unaudited FS showing 2012 opening and closing balance
- Country requested to submit overdue audit report for FY 2010/2011

Mid-term/long-term clarifications (if applicable)

Other issues

Measures, which will enable the increase in performance from 2012 levels, should be defined

The supply discrepancies of Pentavalent and PCV10 vaccine in 2012 should be resolved.

Once ISS audit issues are resolved (Audit reports), a clear plan for the utilisation of the \$550,800 ISS tranche should be provided.

Results of the EVM scheduled for 2013 including improvement plan which provides clear indications of schedule and budgets for improvements should be provided.

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.