



GAVI/13/638/ap/rk

The Minister of Health  
Ministry of Health  
Palacio das Reparticoes,  
Building 3 - P.O.Box No 374  
Dili  
Timor-Leste

15 November 2013

Dear Minister,

***Annual Progress Report submitted by Timor Leste***

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

In July 2013 your APR was reviewed by the GAVI Independent Review Committee (IRC) which recommended "Approval with Clarifications" of your APR. We have since received your response to the programmatic clarifications, that were deemed satisfactory, and consequently are pleased to inform you that the GAVI Alliance has approved Timor Leste for GAVI support as specified in the Appendices to this letter.

The Appendices includes the following important information:

Appendix A: Description of approved GAVI support to Timor Leste

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

We would like to highlight that Timor Leste received a Partnership Framework Agreement in February 2013. To date, we have not received the signatures of the Ministry of Health and Ministry of Finance on the Partnership Framework Agreement. Please be advised that the GAVI Alliance will no longer disburse subsequent tranches of HSS funds until the Partnership Framework Agreement has been signed between the GAVI Alliance and Timor Leste.

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

Type of support	Appendix	Approved for 2014
Pentavalent	B	US\$56,000



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

Yours sincerely,

A handwritten signature in black ink that reads "Hind A. Khatib". The signature is written in a cursive, flowing style.

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



## Appendix A

### Description of GAVI support to *Timor Leste* (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 can not 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.

**Timor-Leste VACCINE SUPPORT**

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

<b>1. Country:</b> Timor-Leste				
<b>2. Grant Number:</b> 1215-TLS-04c-X				
<b>3. Date of Decision Letter:</b> 15 November 2013				
<b>4. Date of the Partnership Framework Agreement:</b> Not applicable				
<b>5. Programme Title:</b> New Vaccine Support				
<b>6. Vaccine type:</b> Pentavalent				
<b>7. Requested product presentation and formulation of vaccine:</b> DTP-HepB-Hib, 10 dose(s) per vial, LIQUID				
<b>8. Programme Duration<sup>1</sup>:</b> 2012-2015				
<b>9. Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement):</b>				
	2012-2013	2014	2015	Total <sup>2</sup>
Programme Budget	US\$692,737 <sup>3</sup>	US\$56,000	US\$145,500	US\$894,237
<b>10. Vaccine Introduction Grant:</b> Not applicable.				
<b>11. Indicative Annual Amounts (subject to the terms of the Partnership Framework Agreement):<sup>4</sup></b> The Annual Amount for 2014 has been amended.				
Type of supplies to be purchased with GAVI funds in each year	2012-2013	2014		
Number of Pentavalent vaccines doses			31,500	
Number of AD syringes			9,500	
Number of re-constitution syringes				
Number of safety boxes			125	
Annual Amounts (US\$)	US\$692,737 <sup>5</sup>	US\$56,000		

<sup>1</sup> This is the entire duration of the programme.

<sup>2</sup> 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.

<sup>3</sup> This is the consolidated amount for all previous years.

<sup>4</sup> This is the amount that GAVI has approved. Please amend the indicative Annual Amounts from previous years if that changes subsequently.

<sup>5</sup> This is the consolidated amount for all previously approved years.

<b>12. Procurement agency:</b> UNICEF. The Country shall release its Co-Financing Payments each year to UNICEF.		
<b>13. Self-procurement:</b> Not applicable.		
<b>14. Co-financing obligations: Reference code:</b> 1215-TLS-04c-X-C According to the Co-Financing Policy, the Country falls within the group Graduating. 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	19,500	79,000
Number of AD syringes	5,800	-
Number of re-constitution syringes	-	-
Number of safety boxes	75	-
Value of vaccine doses (US\$)	US\$30,224	-
Total Co-Financing Payments (US\$) (including freight)	US\$34,000	US\$142,000
<b>15. Operational support for campaigns:</b> Not applicable		
<b>16. Additional documents to be delivered for future disbursements:</b>		
Reports, documents and other deliverables	Due dates	
Annual Progress Report	15 May 2014	
<b>17. Financial Clarifications:</b> Not applicable		
<b>18. Other conditions:</b> Not applicable		

Signed by,



**On behalf of the GAVI Alliance**  
 Hind Khatib-Othman  
 Managing Director, Country Programmes  
 15 November 2013



**Type of report: Annual Progress Report**  
**Country: Timor-Leste**  
**Reporting period: 2012**  
**Date reviewed: July 2013**

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**1. Background Information**

Surviving Infants (2012): JRF 38,915

DTP3 coverage (2012):

- JRF Official Country Estimate: 82%
- WHO/UNICEF Estimate: 67%

**Table 1. NVS and INS Support**

NVS and INS support	Approval Period
Pentavalent	2012-2015

**Table 2. Cash Support**

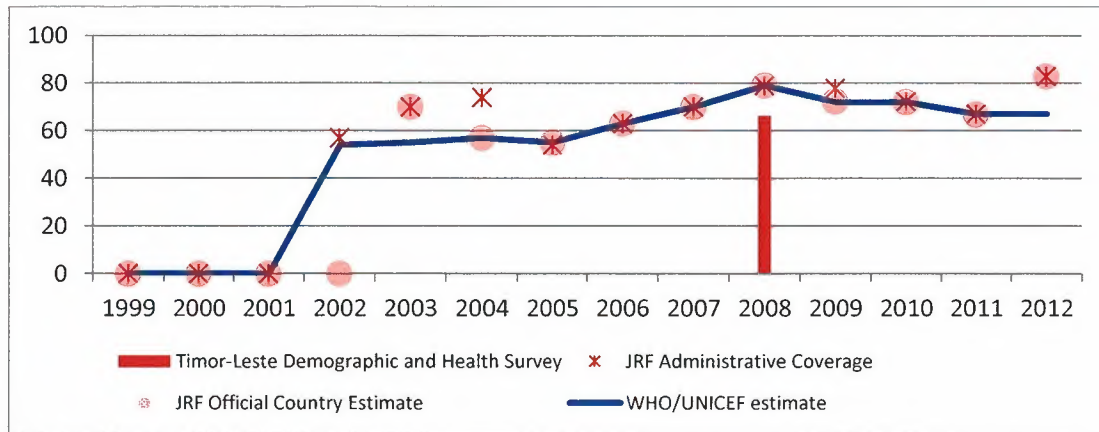
Cash support	Approval Period
HSS	2013-2017

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

The EPI Working Group functions as the ICC, has four CSO members, and met six times in 2012. The ICC member listed as signatory for the APR is from USAID. The committee met in May 2013 to discuss the HSS proposal status and related M&E framework and to endorse the APR. The committee emphasized that the Country should request WHO to conduct a PIE for Pentavalent in April 2014 and improve data management and wastage monitoring systems.

The HSCC appears to have active oversight of GAVI funded activities. Membership is comprised of MoH, WHO and UNICEF, and donors, with no CSO members, and is chaired by the Head of the MoH Planning Department. The HSCC met May 13 to carefully review and endorse the APR and discuss revision of the national EPI strategy and development of a vaccine safety plan policy by end of 2013.

### 3. Programme and Data Management



Overall, the coverage for all antigens in country increased compared to 2011, however Pentavalent 2012 targets approved by the GAVI Decision Letter were not met. Given that Pentavalent roll out began in October, this is understandable.

There has been a change the official denominator, which is now based on the 2010 population census.

#### Key achievements in 2012:

WHO – UNICEF supported MoH to conduct an MNTE Validation Survey in 3 districts in February – March 2012 to assess neonatal mortality rate. 1,385 live births were surveyed, yielding a crude birth rate (CBR) of 45 per 1000. Since no NT death was found during the survey, NT can be considered eliminated in the survey districts of Ermera, Ainaro and Manufahi and in Timor-Leste as a whole.

Mid-Level immunization managers at District and Sub district level were trained in routine immunization management.

A micro planning tool was developed with technical support from UNICEF and a micro planning exercise has since been conducted in 9 districts with technical support from IPL (USAID funded project), UNICEF and WHO.

The MoH introduced Pentavalent vaccine and conducted introduction activities including development of operational guidelines, training materials and communication materials, and training of trainers at national level, orientations at district and sub district level and social mobilization meetings at community level.

**Key challenges** reported were the election of a new government in August 2012, and unreached populations due to geographical barriers and scattered communities.

No information related to data assessments was provided in the APR. UNICEF and WHO are working closely with the HMIS department to develop a child tracking system using a RSF (Family Health Register) database. This database, which will utilize automatically generated due lists, will be piloted in one sub district (APR doesn't say when).

### 4. Gender and Equity Analysis

Sex disaggregated data is available for DTP3 coverage in the HMIS. 2012 data indicated the number of immunized boys as slightly higher than girls (16,340 boys – 83.7% and 15,804 girls – 81.6%) Data on gender related barriers is not collected. In terms of equity of coverage, 10 out of 13 districts remained below 80% coverage for DPT3 in 2010.



Based on HSS grant planning, the Country is focusing on hard to reach communities and is developing appropriate strategies, such as micro planning, to address these coverage inequities.

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

Timor-Leste is not reporting on ISS.

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

The Country is applying for continued support in the introduction of Pentavalent vaccine, which was launched in October 2012, Total doses received in 2012 were 201,500. The wastage rate was reported as 25% for 2012, and a balance of 141,460 penta doses was reported. The country is not requesting a change in vaccine presentation for Pentavalent (10 dose(s) per vial, LIQUID.

The wastage rate was reported as 25% for 2012, and a balance of 141,460 Pentavalent doses was reported.

A PIE is planned for April 2014. The country conducts no relevant sentinel surveillance.

The Country received a Vaccine Introduction Grant in 2012 and is carrying over US\$ 25,219. The ICC has the authority to decide how these funds will be used and reports an intention to use funds to continue to implement the EVM improvement plan and for community mobilization.

An EVM was carried out in October 2011, and next one is planned in 2014.

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

Timor-Leste is in the graduating Co-financing group for 2014. The Country began mandatory co-financing of Pentavalent vaccine in 2012 and has been a strong performer with timely payments. Its co-financing amount is well over .20 per dose. For 2014, the Country will co-finance all traditional vaccines and approximately 14% of New and Underutilised Vaccines.

No FMA was conducted in 2012, however it was done in 2013 (the Aide Memoire is not yet signed).

There are no outstanding TAP issues.

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

Timor-Leste does not now have an Injection Safety Plan, but it is to be developed by December 2013. The APR shows a complete list of AD syringes used for the different vaccines, which are completely funded by the Government budget.

Sharps are collected from service points and incinerated at Community Health Center and Hospital.

There is no mention of AEFI systems in the APR, but this is addressed in the new cMYP.

#### **9. Health Systems Strengthening (HSS)**

Timor-Leste was approved in November 2012 for new HSS cash support of US\$ 2,999,909 for the period 2013-2017.

The overall goal of the HSS grant is to reduce under 5 mortality through improved access to, and utilization of, immunization and related maternal and child health services in hard to reach or unreached areas.

The grant has 3 objectives:



- Strengthen district management systems to improve immunization and related MCH coverage and equity.
- Improve micro planning by introducing needs based planning system and extending integrated services to hard to reach or unreached populations.
- Strengthen community systems to increase demand for services and utilization of services, through community participation policy and strategies.

Expected outcomes are sustainable improvements in immunization and related MCH services for currently underserved or unreached populations. Targets include an increase in national DPT3 coverage from 66% to 95% by 2018; a decrease in the number of Districts that have DPT3 coverage less than 80% coverage from a baseline of 10 in 2010 to 0 by 2015; and an increase in the percentage of women receiving at least 4 ANC visits from 55% in 2010 to 80% in 2015.

Late last year, the IRC noted that the HSS grant's M&E framework it did not include any indicators that would permit tracking of progress in equity or disaggregation of indicators to permit analyses by sex, geography or other socio-economic stratifying factors, although this is the focus of the grant.

GAVI has since made detailed recommendations to the Country for indicators that will best measure grant performance. Although this IRC is not making HSS funding approvals, it encourages the country to provide a status update on progress in updating the M&E framework prior to grant implementation and a description of country plans to conduct routine DQAs for facility data and HMIS reporting.

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

Timor-Leste (East Timor) is not reporting on CSO (Type A & B) fund utilisation.

#### **11. Risks and mitigating factors**

There is some risk attendant with Timor-Leste's status as a graduating country, given the relative fragility of the Country's economic situation, and its challenges to date in meeting NVS targets. The presence of several International partners who are supporting components of the immunization program should provide a mitigating factor.

#### **12. Summary of 2012 APR Review**

Timor-Leste shows strong performance in co-financing and a gradual increase in achievements between 2011 and 2012. In spite of gradual progress in improving immunization coverage, the proportion of each birth cohort receiving the full schedule of childhood vaccinations seems to have stabilized at 60-70%.

The IRC strongly congratulates Timor-Leste on the MNTE Validation Survey results indicating elimination of tetanus, but also emphasizes that elimination is not eradication and therefore encourages on-going monitoring.

The ICC and HSCC committees both evidence strong involvement with and oversight for GAVI immunization support. The Country is to be commended for its capacity to assess challenges and design appropriate interventions and for its compliance with GAVI program and financial requirements, including EVM improvement and planning for the new HSS grant.

The IRC commends the focus on reaching the unreached and hard to reach populations in the new HSS grant, and encourages the country to provide a status update on progress in updating the M&E framework prior to grant implementation and a description of country plans to conduct routine DQAs for facility data and HMIS reporting.

#### **13. IRC Review Recommendations**



- **ISS** N/A
- **NVS** Pentavalent:  
Approve 2014 NVS support based, with targets adjusted according to GAVI rules
- **HSS** N/A (already approved)

**Clarifications:**

- 1) 2014 target should be adjusted to reflect no more than 10% increase above the number of children vaccinated in 2012.
- 2) Please clarify negative dropout rates between DTP1 and DTP3 in 2012, and the difference between JRF estimate of DTP3 administered doses as 32,144 and APR estimate of 35,145.



## Appendix D

### **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.