



GAVI/13/067/sc

The Minister of Health
Ministry of Health and Social Services
Federal Ministry of Health
New Federal Secretariat Complex
PMB 83
Garki Abuja State
Nigeria

11th March 2013

Dear Minister,

Introduction to the new GAVI Partnership Framework Agreement

We are pleased to introduce you to the new Partnership Framework Agreement (PFA) for GAVI programmes. This is a key development in our legal arrangement with countries, to simplify and clarify the terms and conditions that apply to GAVI vaccine and cash-based support. We would like to work closely with you as we make this transition from the current grant arrangements to the new PFA.

The PFA will apply to future disbursements under existing and future immunisation programmes and to all unused funds and outstanding activities from past disbursements under existing immunisation programmes supported by GAVI.

The PFA is designed to improve the ease and efficiency for countries to understand the requirements of GAVI support, all in one clear and standardised document. We hope that you will be familiar with the content as most of the terms in the PFA have been taken from a variety of existing documents – such as application guidelines, application forms, annual progress reports, decision letters and aide memoires – and reflects GAVI practice in implementing the policies and board decisions.

We attach the PFA together with some frequently asked questions for your reading. It is made up of two main parts: firstly, the PFA between GAVI and the country, encompassing all GAVI vaccine and cash-based support, and secondly decision letters that will be used under the PFA for vaccine and for cash support (similar decision letters templates have been used in November 2012 for the Monitoring IRC outcome).

We would be grateful if you could sign two copies of the Partnership Framework Agreement and return both copies of the original to us at our address below by 1 June 2013. We will arrange for two copies of the original to be countersigned and one copy returned to you for your safekeeping.

GAVI Alliance

2 Chemin des Mines
1202 Geneva
Switzerland

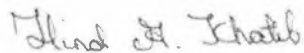
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It is important to us that you and your colleagues understand the new PFA and the related processes. To this end, we would be happy to set up a call to explain the document and respond to any questions or comments that you may have.. This discussion will also help inform how best to support you in the roll out of this new agreement and to work towards a deadline of 1 June 2013.

My colleague Par Eriksson (periksson@gavialliance.org) will be in contact shortly to discuss further arrangements.

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
 The GAVI Finance Unit

Agreement reference no.: NGA-01

**THE GAVI ALLIANCE
AND
THE FEDERAL REPUBLIC OF NIGERIA**

**PARTNERSHIP FRAMEWORK AGREEMENT
FOR
VACCINE AND/OR CASH SUPPORT**

days of its receipt by the Government, the Government shall be deemed to have accepted the Programme Terms as of the date of the notification as set out in the Decision Letter.

5. Disbursement Conditions

The approval and Disbursement of any vaccines and related supplies and/or funds by GAVI pursuant to this Agreement shall be subject to the Disbursement Conditions set out in Annex 2 being satisfied in relation to such approval and Disbursement.

6. Co-financing obligations

Where relevant, the Government shall fulfil all co-financing obligations applicable to the provision of funding by GAVI pursuant to this Agreement either by making the Co-Financing Payments (if self-procurement does not apply) or purchasing the required number of doses of vaccines set out in the relevant Decision Letter(s).

7. Programme documentation

7.1. Annexes

All Annexes attached to this Agreement (as modified from time to time under Clause 17.6 of this Agreement) shall form part of this Agreement, including the following:

- (a) Annex 1: Definitions and interpretation
- (b) Annex 2: Additional provisions related to Programmes
- (c) Annex 3: Transparency and Accountability Policy
- (d) Annex 4: Co-Financing Policy
- (e) Annex 5: Vaccine Introduction Grant Policy

7.2. Decision Letter

All provisions of this Agreement shall govern and apply to all Programme(s) and Decisions Letter(s) between the Parties, unless otherwise modified or stated in the relevant Decision Letter(s). Each Decision Letter shall form an integral part of and amend the provisions of this Agreement. Any changes to a Programme approved by GAVI shall be notified to the Country and such changes shall be reflected in a following Decision Letter.

7.3. GAVI policies and documents

The Government shall comply with all policies, guidelines and processes of GAVI that are relevant to the Programmes which shall form part of this Agreement. GAVI may issue additional Programme related policies, guidelines or processes that shall apply to this Agreement after the Effective Date in accordance with Clause 17.6 of this Agreement. All Programme related policies, guidelines and processes shall be available on GAVI's official website and/or sent to the Government.

7.4. Inconsistency between the documents

In the event of any inconsistency between this Agreement and any Annexes, the terms of the Annex shall govern. In the event of any inconsistency between this Agreement or any Annexes and a Decision Letter, the terms of the Decision Letter shall govern.

8. Representations

8.1 Representations by the Government

The Government represents to GAVI that:

- (a) Legal capacity and necessary power: The persons entering into this Agreement and any related documents have full power, authority and legal capacity to execute and deliver this Agreement and any related documents and to conduct the activities contemplated under the Programmes on behalf of the Government.
- (b) Compliance with laws: This Agreement constitutes a legal, valid and binding obligation of the Government, enforceable against it in accordance with its terms. The activities under the Programmes are operated in compliance with applicable laws.
- (c) No claims or investigations: There are no claims, investigations or proceedings in progress, pending or (to its knowledge) threatened against the Government, officials or individuals in charge of or working on the Programmes which, if determined adversely, would have a material adverse impact on the implementation of the Programmes.
- (d) Accuracy of information: All information that is provided to GAVI including, its applications, progress reports, any supporting documentation, and other related operational and financial information or reports, is accurate and correct as of the date of the provision of such information.
- (e) Absence of certain events: No actual or suspected breach of obligations by the Government under this Agreement has occurred and is continuing.

8.2 Representations repeated

The representations by the Government set out in Clause 8.1 shall be deemed to be repeated on the date of any Disbursement of supplies and funds under this Agreement by reference to the facts and circumstances then existing.

9. No Liability

The Country shall be solely responsible for any liability that may arise in connection with: (i) the implementation of any Programmes in the Country; and (ii) the use or distribution of vaccines and related supplies after title to such supplies has passed to the Country. Neither Party shall be responsible for any defect in vaccines and related supplies, which remain the responsibility of the relevant manufacturer. GAVI shall not be responsible for providing any additional funding to replace any vaccines and related supplies that are, or became, defective or disqualified for whatever reason.

THIS PARTNERSHIP FRAMEWORK AGREEMENT (this “**Agreement**”) is dated as of *9 January 2014* (the “**Effective Date**”) between:

- (1) **THE GAVI ALLIANCE**, an independent non-profit foundation within the meaning of Articles 80 to 89 of the Swiss Civil Code with a registered address at 2 Chemin des Mines, Geneva, 1202 (“**GAVI**”); and
- (2) **THE FEDERAL REPUBLIC OF NIGERIA** (the “**Country**”), as represented by the Federal Ministry of Health and Social Services and the Ministry of Finance (the “**Government**”),

(each, a “**Party**” and, together, the “**Parties**”).

INTRODUCTION:

(i) GAVI supports countries to introduce new vaccines and expand the reach of immunisation services. The Government is committed to and considers immunisation to be a core component in its national health plan. GAVI seeks to align its support behind such national immunisation and health plans.

(ii) From time to time, the Government may be invited to submit an application to GAVI requesting it to provide vaccine and/or cash support for its immunisation activities and strengthening of its health systems. If the Government submits an application, GAVI will review and may indicate its intention to support the programme set out in such application by endorsing a multi-year budget for the entire programme and, subject to funding availability and satisfactory performance by the Country, approve one or more amounts of support for such programme for its duration.

(iii) The Parties are entering into this Agreement to set out the terms and conditions that will govern all current and future programmes as described in this Agreement.

(iv) Each time GAVI approves an initial amount of support under a multi-year budget of a programme, GAVI will set out the programme terms in a decision letter prior to the start of the programme. Such programme terms set out in the decision letter will be updated upon each subsequent approval (and any subsequent amendments) of an amount of support under the programme.

IT IS AGREED as follows:

1. Definitions and interpretation

All defined terms used in this Agreement (including the Annexes and Decision Letters) are set out in Annex 1, unless otherwise defined or stated in this Agreement.

2. Purpose of this Agreement

This Agreement sets out the terms and conditions that apply to all current and future Programmes undertaken by the Government and funded by GAVI during the term of this Agreement.

3. Programme Budget

GAVI may from time to time endorse a Programme Budget for a Programme for its Programme Duration. Such endorsement of a Programme Budget is only an indication of GAVI's intention to make available such amount to support the Programme during the Programme Duration and is also subject to funding availability. Such endorsement of Programme Budget does not constitute an obligation, liability or commitment of GAVI to make available any amount to the Country.

4. Annual Amounts

4.1. Annual Amounts

Subject to funding availability and satisfactory performance by the Country, GAVI may approve one or more Annual Amounts under the Programme Budget annually or on a periodic basis during the Programme Duration to fund a Programme. Following approval of an initial Annual Amount under a Programme, GAVI shall prepare and send a Decision Letter to the Country representative(s) setting out the Programme Terms of such Programme. Following each approval of a subsequent Annual Amount under such Programme, GAVI shall issue a further Decision Letter reflecting the Programme Terms and send that Decision Letter to the Country.

4.2. Adjustments to Annual Amounts

GAVI shall use its reasonable endeavours to make available support to the Government according to the amounts and timing notified to the Government in a Decision Letter. However, GAVI reserves the right to adjust the amount and timing of any Disbursement of support and/or to Disburse an amount that is different from the amount stated in the Decision Letter following the delivery to the Government of the Decision Letter. This may occur as a result of various reasons, including, without limitation, changes in the needs of the Country, prequalification status of the vaccines and vaccine prices in the global market, vaccine supply availability, underlying assumptions made by GAVI when determining the Annual Amount, funding availability and oversupply or undersupply of vaccines to the Country. Following such adjustment, GAVI shall notify the Government of such changes as soon as possible.

4.3. Notification of Decision Letter

GAVI shall send each Decision Letter of a Programme to the Government after approval by GAVI of the Annual Amount(s). Unless the Government notifies GAVI of any disagreements with the Decision Letter within thirty (30) calendar

10. Insurance

Unless otherwise agreed with GAVI, the Government shall maintain, where available at a reasonable cost, all risk property insurance on the Programme assets (including vaccines and vaccine related supplies) and comprehensive general liability insurance with financially sound and reputable insurance companies. The insurance coverage shall be consistent with that held by similar entities engaged in comparable activities.

11. Indemnity

Subject to Clause 9 of this Agreement, the Country shall defend and indemnify GAVI and its present and former officers, directors, employees and agents, and hold it and them harmless from and against any losses, costs, claims, expenses, liabilities, demands, damages and fees incurred by it and them (including reasonable fees of counsel) arising from any claim, action or dispute brought in connection with the Programmes or the supply of vaccines and related supplies of the provision of funding under this Agreement.

12. Duration

This Agreement shall remain effective until all Programmes have expired under it and the Country is no longer receiving GAVI support, or earlier, if GAVI terminates this Agreement by written notice to the Government, such termination being effective as from the date set out in the notice from GAVI.

13. Anti-corruption

The Government shall ensure that any practice that is or could be construed as an illegal or corrupt practice in the Country shall not occur in connection with any Programmes. The Government shall not, and shall ensure that its employees, representatives, agents, beneficiaries, or any other person working for or on its behalf shall not offer, give, receive or solicit, directly or indirectly, gratuities, favours, gifts or anything else of value or benefit: (i) in connection with any procurement process related to any Programmes; (ii) to influence the action of any person in relation to endorsement or approval of funding under this Agreement; (iii) to influence improperly the activities relating to the implementation of any Programmes; or (iv) to influence the selection of vaccines from a particular vaccine manufacturer. The Government shall require any entities with which it enters into any sub-grant agreements to impose similar obligations on sub-grantees.

14. Anti-terrorism and money laundering

The Government shall ensure that no funds are used: (i) to support or promote violence, war or the suppression of the general populace of any country, aid terrorists or terrorist activities, conduct money laundering activities or fund organisations or individuals associated with terrorism or that are involved in

money-laundering activities; or (ii) to pay persons or entities, or import goods, if such payment or import, to the Government's knowledge or belief, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, including under United Nations Security Council Resolution 1373 and related resolutions. The Government shall require any entities with which it enters into any sub-grant agreements to impose similar obligations on such sub-grantees. If during the course of this Agreement, the Government discovers any link whatsoever between Programmes and/or funds provided by GAVI under this Agreement with any organisations or individuals associated with terrorism, it shall inform GAVI in writing immediately.

15. Taxes

The GAVI funds provided under this Agreement shall not be used to pay any taxes, customs, duties, toll or other charges imposed on the importation of vaccines and related supplies. The Government shall use its reasonable efforts to set up appropriate mechanism to exempt from duties and taxes all purchases made locally and internationally with GAVI funds.

16. GAVI Intellectual Property Rights

GAVI shall remain the exclusive owner of all Intellectual Property Rights of GAVI, to the extent they are relevant to the arrangements contemplated by this Agreement in existence at the Effective Date. GAVI hereby licenses to the Government free of charge and on a non-exclusive, worldwide basis such of such Intellectual Property Rights belonging to GAVI as are necessary to enable the Government to implement or operate the Programmes, or to use the name or any stylised representations of GAVI. Upon termination of this Agreement, this licence will automatically terminate without any further action on the part of GAVI and the Government shall immediately cease using such Intellectual Property Rights.

17. General provisions

17.1. Interpretation of provisions in this Agreement

The terms of this Agreement shall be interpreted and applied in accordance with their true meaning and intended effect independently of any system of national law, whether federal or state law.

17.2. Settlement of disputes

Any dispute, controversy or claim ("**Dispute**") between the Parties arising out of or in connection with this Agreement or any Decision Letter that is not settled amicably within a period of four (4) weeks from the date when the Dispute is first notified to the other Party, shall be submitted to arbitration at the request of either Party. The arbitration shall be conducted in accordance with the then-current rules of the United Nations Commission of International Trade Law ("**UNCITRAL Arbitration rules**"). For any Dispute for which the amount at issue is

US\$100,000 or less, there shall be one arbitrator appointed by GAVI. For any Dispute for which the amount at issue is greater than US\$100,000 GAVI and the Government shall each appoint one arbitrator, and the two arbitrators so appointed shall jointly appoint a third arbitrator who shall be the chairperson. If either Party fails to appoint an arbitrator, the appointing authority shall instead be the President of the Swiss Arbitration Association. The arbitration proceedings shall take place in Geneva and shall be conducted in English. The Parties agree to be bound by any arbitration award, as the final adjudication of any Dispute.

17.3. No waiver of privileges and immunities

Nothing contained in or relating to this Agreement shall be deemed a waiver, express or implied, of any of the privileges and immunities of GAVI and no provision of this Agreement shall be interpreted or applied in a manner, or to an extent, inconsistent with those privileges and immunities.

17.4. Survival

Clauses 5, 6, 9, 11, 13, 14, 16 and 17 shall survive the expiry or termination of this Agreement.

17.5. Entire agreement

This Agreement (and all Annexes) and Decision Letter(s) represent the entire agreement between the Parties with respect to the subject matter of this Agreement and supersede all prior communications, understandings and agreements between the Parties with respect to such subject matter, whether oral or written.

17.6. Modification of this Agreement

No modification of this Agreement (except for the Annexes and Decision Letters attached to this Agreement) shall be valid except in writing and signed by the Parties. GAVI may add or delete Annexes or modify the terms in the Annexes to this Agreement and such additions, deletions and modifications shall apply to the Government as of the date of notification to it of such changes. If the Government does not agree with any of the changes proposed by GAVI in the Annexes, it shall notify GAVI of any disagreements within thirty (30) calendar days of notice of such changes. Notwithstanding Clause 17.2, if the Parties fail to resolve any disagreements under this Clause within a reasonable period of time, either Party shall have the right to terminate this Agreement.

17.7. Successors and assignments

This Agreement shall be binding on the successors and assigns of each Party and the Agreement shall be deemed to include the Party's successors and assigns. However, no assignment or transfer by the Government of its rights or obligations under this Agreement shall be effective without the prior written consent of GAVI.

17.8. Signing authorities

Where requested by GAVI, the Government shall provide satisfactory evidence of the authority of the persons authorised to sign this Agreement.

17.9. Counterparts

This Agreement may be executed in one or more counterparts, which shall have the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

17.10. Exclusion of Third Party Rights

Unless expressly stated to the contrary, no part of this Agreement shall create any rights in favour of any third party that is not a Party to this Agreement which shall impose any obligation on, or be enforceable against GAVI.

In witness whereof, the duly authorised representatives of the Parties have entered into this Agreement as of the Effective Date.

On behalf of the GAVI Alliance

GAVI ALLIANCE

By (Sign):

Name (Print): *Hind A. Khatib*

Title: *Hind Khatib-Othman*
Managing Director
Country Programmes
GAVI Alliance

Date: *09-01-2014*

On behalf of The Federal Republic of Nigeria

THE FEDERAL MINISTER OF HEALTH

By (Sign): *Buchi Chukwu*

Name (Print): *C.O. ONYEBUCHI CHUKWU*

Title: Federal Minister of Health and Social Services

Date: *09.12.2013*

THE MINISTER OF FINANCE

By (Sign): *Ngoh*

Name (Print):

Title: Minister of Finance

Date: *12.12.2013*

ANNEX 1

Definitions and interpretation

1. Definitions

The following terms (and any variation thereof) shall have the meanings set out below in this Agreement:

Annual Amount	means, in respect of each Programme, an estimated annual amount approved by GAVI under such Programme;
Annual Progress Report	means, in respect of each Programme, an annual report of the Country stating the progress made towards achieving the objectives of the Programme in the previous year, submitted by the Government to GAVI;
Co-Financing Payment	means, in respect of each Programme, an amount payable in accordance with the Co-Financing Policy by the Government towards the costs of the vaccines and related supplies under its co-financing obligations, excluding handling fees, freight charges and buffer charges;
Co-Financing Policy	means the co-financing policy of GAVI attached as Annex 3 (as amended from time to time);
Decision Letter	means, in respect of each Programme, a letter containing the latest Programme Terms, in a form provided by GAVI;
Disbursement	means: (i) a payment of cash to a Procurement Agency by GAVI for the procurement of vaccines and related supplies by such Procurement Agency for the benefit of the Country (ii) a payment of cash to the Government for the procurement of vaccines and related supplies through its own procurement agency; or (iii) a payment of cash to the Government to carry out activities under its cash based Programmes and " Disburse " and " Disbursed " shall be construed accordingly;
Disbursement Condition	means, in respect of each Disbursement under a Programme, a condition that has to be satisfied by the Country prior to such Disbursement set out in Annex 2 and anywhere else in this Agreement;

Entities	shall have the meaning given to it is paragraph 6 of Annex 2 to this Agreement;
Financial Management Requirements	means financial risk mitigation requirements and measures agreed between the Parties pursuant to the TAP Policy attached as an annex to this Agreement
Intellectual Property Rights	means trademarks, service marks, domain names, logos, trade or business names, copyrights, rights in data and databases, know-how, and confidential information in any part of the world;
Misuse	shall have the meaning given to it is paragraph 20 of Annex 2 to this Agreement;
PAHO	means the Pan American Health Organization;
Procurement Agency	shall have the meaning given to it in paragraph 9 of Annex 2 to this Agreement;
Programme	means an entire programme relating to (i) the provision of a type of vaccine and related supplies; or (ii) cash support, which is endorsed by GAVI;
Programme Activities	means, in respect of each Programme, the activities described in the Country's application and any subsequent amendments (including in the relevant Annual Progress Reports) to the Programme (if any) approved by GAVI;
Programme Budget	means, in respect of each Programme, a total amount of an estimated multi-year budget endorsed by GAVI under such Programme;
Programme Documents	shall have the meaning given to it in paragraph 22.2 of Annex 2 to this Agreement;
Programme Duration	means the entire duration of a Programme;
Programme Terms	means, in relation to each Programme, the terms and conditions of such Programme as set out in this Agreement and the relevant Decision Letter ;
Sub-Grantees	shall have the meaning given to it in paragraph 5 of Annex 2 to this Agreement;
TAP Policy	means the Transparency and Accountability Policy of GAVI attached as Annex 4 (as amended from time to time);

UNICEF	means the United Nations Children's Fund;
Vaccine Introduction Grant	means an amount provided by GAVI to support the activities involved in the introduction of a new vaccine in the Country; and
Vaccine Introduction Grant Policy	means the Vaccine Introduction Grants and Operational Support Policy of GAVI attached as Annex 5 (as amended from time to time);
WHO	means the World Health Organization.

2. Interpretation

For the purpose of this Agreement, “this Agreement”, where the context requires, shall include all the Annexes and Decision Letters.

ANNEX 2

Additional provisions related to Programmes

Section A: General Terms

1. Disbursement Conditions

In relation to each approval and Disbursement under a Programme, the following Disbursement Conditions shall apply:

- (a) Sufficient funding: GAVI has determined that it has sufficient funds to make the Disbursement at the relevant time;
- (b) Satisfactory performance: GAVI is satisfied that the Country has performed its obligations under this Agreement and Decision Letters;
- (c) Guidelines and policies: the Government has complied with requirements set out in GAVI's guidelines and policies available in forms of applications, progress reports, other templates and on GAVI's official website, in a manner satisfactory to GAVI;
- (d) Clarifications and elaborations: the Government has submitted any clarifications as requested by GAVI in the relevant Decision Letter(s) of the Programme in relation to its application and Annual Progress Reports, in a timely manner and satisfactory to GAVI;
- (e) Co-financing: where the Government is required to make Co-Financing Payments, the Government has satisfied its co-financing obligations for the prior calendar years under the Programme in accordance with this Agreement, the Co-Financing Policy and the relevant Decision Letter(s);
- (f) Documents: the Government has submitted to GAVI all documents or information, including audit reports, records or accounts required under this Agreement (including the Annexes) and otherwise as requested by GAVI from time to time in relevant Decision Letter(s) or through other communication, in a timely manner and satisfactory to GAVI;
- (g) No breach: GAVI is satisfied that suspension or termination, including as a result of Misuse, of any Programme will not have a negative impact on the implementation of the relevant Programme;
- (h) TAP Policy: (for cash Disbursed by GAVI for any Programme) the Government has complied with the then-current requirements under the TAP Policy and Financial Management Requirements (if agreed) as set out in an annex to this Agreement;
- (i) Financial statements and external audits: (for cash Disbursed by GAVI for any Programme) the Government has complied with the then-current requirements of GAVI relating to monitoring and evaluation, the provision of financial statements and the performance of external audits; and
- (j) Other conditions: the Government has satisfied all other conditions set out in the relevant Decision Letter(s) and other parts of this Agreement.

2. Decision Letters

2.1. Form of Decision Letter

Each Decision Letter shall set out the Programme Terms of a single Programme, the form of which will be provided by GAVI from time to time.

2.2. Amendments to Decision Letters and Programmes

GAVI may amend the amount and duration of support to be provided under a Programme, including the Programme Budget, Annual Amount, Co-Financing Payment and Programme Duration, and the Programme Activities of a Programme and will reflect such amendments in a following Decision Letter. The Government may also request any significant changes to the Programme Terms by notifying GAVI in its Annual Progress Report of such proposed changes which shall be considered by GAVI in accordance with its guidelines.

3. Application of Agreement to all Programmes

3.1. Existing and future Programmes

The terms and conditions of this Agreement (including the Annexes) and the relevant Decision Letter(s) shall apply to all future disbursements to be made after the Effective Date of this Agreement under existing and future Programmes being undertaken by the Government at the Effective Date of this Agreement as well as afterwards during the term of this Agreement.

3.2. Pre-existing Programmes

In relation to disbursements that were made prior to the Effective Date under Programmes that are in progress at the Effective Date of this Agreement, this Agreement shall apply to:

- (a) all activities to be undertaken by the Government after the Effective Date of this Agreement; and
- (b) all amounts of funding and supplies that have been Disbursed but have not been used or committed to be used as at the Effective Date of this Agreement.

For the avoidance of doubt, all future application of funding and vaccines under such existing Programmes will only be used and all future funding to be provided will only be Disbursed in accordance with the terms and conditions of this Agreement.

Any terms and conditions applicable to any past disbursements under existing Programmes that are inconsistent with the terms in this Agreement as set out above are hereby varied by mutual agreement between the Parties as of the Effective Date.

3.3. Transition Arrangements for Monitoring and Reporting

Notwithstanding the above, any additional monitoring and reporting obligations contained in this Agreement (including the Annexes and the relevant Decision

Letter(s)) shall only apply with effect from the beginning of the next reporting period after the Effective Date of this Agreement.

4. Civil Society Organisations

In addition to the Government, GAVI may award grants to other entities either through the Government or directly to entities for activities such as to strengthen coordination and civil society representation and implement health systems strengthening programmes in the Country. The Government shall cooperate as appropriate with such other entities to realise the benefits of all GAVI supported programmes in the Country from time to time, including civil society organisations.

5. Sub-Grantees

The Government may provide GAVI funds to other entities to carry out the GAVI supported programmes under this Agreement (the “**Sub-Grantees**”). If the Government provides GAVI funds to Sub-Grantees, the Government acknowledges and agrees that providing GAVI funds to Sub-Grantees does not relieve the Government of its obligations and liabilities under this Agreement or from the obligation to ensure that GAVI funds are used only for the purposes envisaged by this Agreement and not otherwise, and that such funds are not Misused. The Government is responsible for the acts and omissions of its Sub-Grantees in relation to the GAVI supported programmes as if they were the acts and omissions of the Government. The Government shall ensure that the Sub-Grantees comply with this Agreement (including the Annexes and the relevant Decision Letter(s)), in particular, under Section C of this Annex and GAVI policies and guidelines relating to use and management of GAVI funds.

6. Country information and data

In order to allow GAVI to make informed decisions related to the Country’s health systems, supply chain (including cold chain) and GAVI’s activities, GAVI needs to have access to Country related information and data that could be relevant to GAVI’s assessment of applications and monitoring of Programmes and progress. To facilitate this, the Government hereby agrees and consents to the sharing by GAVI’s partners (including WHO, UNICEF, PAHO), bilateral donors, the Country’s Auditor General, external auditors and other entities that conduct coverage surveys and cold chain assessments (the “**Entities**”) any of the Government’s documents, reports, statements, data and information (including confidential information and data), such as evidence related to co-financing payments and vaccine arrival reports, as well as the Entities’ analyses and reports generated from or containing country information and data (including Post Introduction Evaluations and Effective Vaccine Management Assessments, improvement plans and all related documents).

Section B: Vaccine and cash support

7. Vaccine support

GAVI may approve funding for the purchase of vaccines and related supplies for immunisation programmes of the Country under its New and Underused Vaccines (NVS) programme and/or such other programmes as GAVI may support from time to time.

8. Vaccine Introduction Grant

GAVI may provide Vaccine Introduction Grant(s) under a Programme to the Country in accordance with the Vaccine Introduction Grant Policy. GAVI's funding is not intended to cover all costs related to introduction of a new vaccine in the Country. GAVI shall provide such funding on the understanding that any costs related to introduction of a new vaccine in the Country not met by GAVI shall be met by the Government. GAVI shall notify the Government of the amount of the Vaccine Introduction Grant in the relevant Decision Letter of a Programme. The Government shall report on the use of the Vaccine Introduction Grant(s) in the relevant Annual Progress Report(s).

9. Procurement through an agency

The following provisions shall apply where UNICEF (acting as the Procurement Agency for GAVI and Government's procurement agent), PAHO or another agency acts as the procurement agency for GAVI for procuring and delivering vaccines and related supplies under a Programme (the "**Procurement Agency**"):

- (a) GAVI shall Disburse the relevant funding to the designated Procurement Agency;
- (b) for the purchase of the co-financed supplies, the Country shall pay any Co-Financing Payments directly to the designated Procurement Agency as agreed in any Procurement Services Memorandum of Understanding between them;
- (c) the Procurement Agency shall conduct the procurement of vaccines and related supplies supported by GAVI according to the Procurement Agency's rules and any relevant agreement concerning such procurement;
- (d) the Country shall receive such supplies directly from the Procurement Agency;
- (e) the Country agrees to the Procurement Agency sharing information with GAVI on the status of purchase of the co-financed portion of the vaccines and related supplies;
- (f) the Country shall keep in contact with the Procurement Agency to understand the availability of the supplies and eventually to prepare the schedule of their deliveries; and
- (g) GAVI shall not be held responsible for any consequences arising from the delay in procurement or delivery of vaccines and related supplies to the Country.

10. Self-procurement

10.1. Cash in lieu of supplies

GAVI may approve the provision of cash in lieu of vaccines and related supplies to allow the Government to procure such supplies through their own procurement agency (“**Cash In Lieu of Supplies**”). The Annual Amount for such Cash In Lieu of Supplies shall be based on the equivalent value to the UNICEF weighted average or estimated prices for such vaccines. Such Annual Amounts shall be notified to the Government in the relevant Decision Letter.

10.2. Self-procurement mechanism

Prior to Disbursement of Annual Amounts for Cash In Lieu of Supplies, GAVI shall conduct a review of the procurement mechanism proposed by the Country in its application to assess whether it satisfies generally acceptable procurement standards and to provide recommendations on minimum reporting requirements and improvements (if needed). The Government shall ensure that the vaccines and related supplies are purchased as soon as possible as stated in this Agreement and Decision Letter(s).

10.3. Difference between negotiated and estimated prices

If the Government’s negotiated price with the suppliers is higher than the UNICEF weighted average or estimated price, the Government shall pay the difference in order to purchase sufficient vaccines to reach the target population associated with the Programme. If the negotiated price is lower than the UNICEF weighted average or estimated price, the Government may use the excess funds in immunisation programmes and shall report the use of such funds to GAVI in the relevant Annual Progress Report.

10.4. Co-financing

Where the Co-Financing Policy applies to the Country and the Government procures its own vaccines, it shall also comply with its co-financing obligations. 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 invoices or receipts to GAVI.

10.5. Self-procurement vaccine criteria

The Government shall only procure vaccines that: (i) are from the WHO pre-qualified list of vaccines; or (ii) in the case of locally-produced vaccines purchased directly from the manufacturer, are licensed by the relevant National Regulatory Authority which has been assessed as functional by WHO.

11. Operational costs for campaigns

For certain types of vaccines, GAVI may provide additional funding to support the operational costs for campaigns in the Country related to such vaccines in accordance with the Vaccine Introduction Grant Policy, which support shall be

Disbursed in cash to the Government, WHO and/or UNICEF. Such funding shall be used and applied to fund the Programme Activities and the information on the amount of support will be communicated to the Government in a Decision Letter. GAVI's funding is not intended to cover all operational costs for campaigns. GAVI shall provide such funding on the understanding that any operational costs for campaigns not met by GAVI shall be met by the Government. The Government shall report on the use of the funding for operational costs in the relevant Annual Progress Report(s).

12. Safety of injections

The principles of the WHO-UNICEF-UNFPA joint statement on safety of injections (WHO/V&B/99.25) shall apply to all immunisation services under the Programme(s).

13. Other charges and fees

The Co-Financing Payments set out in a Decision Letter indicate the Country's contribution towards the costs for the vaccines and related injection safety devices only. The Country should be aware that the Co-Financing Payments do not include the 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.

14. Cash support

GAVI may approve funding for Programmes that contribute to the strengthening of the capacity of integrated health systems to deliver immunisation in the Country, including by contributing to the resolving of the major constraints to deliver immunisation, increasing equity in access to services and strengthening civil society engagement in the health sector and/or such other programmes as GAVI may support from time to time. If the Government receives any performance based funding from GAVI, the Parties will agree on the performance indicators, means of measurement and monitoring process for such Programme which will be attached as an annex to the relevant Decision Letter.

Section C: Management and use of GAVI funds and supplies

15. Financial Management Requirements

The Government shall comply with the terms and implement the measures set out in the Financial Management Requirements by the timelines set out in therein (if applicable).

The Government and GAVI have agreed an aide memoire with an effective date of 7 august 2012 (attached as an annex to this Agreement) in relation to GAVI's

funds pursuant to the TAP Policy which shall form part of the Financial Management Requirements under this Agreement.

16. Monitoring and reporting

The Government's use of GAVI's vaccine and cash support is subject to strict performance monitoring. GAVI seeks to use the Government reports and existing country-level mechanisms to monitor performance. The Government shall monitor and report on the use of vaccines and related supplies and the funds provided by GAVI stating the progress made towards achieving the objectives of the Programme(s) during the preceding year by submitting the Annual Progress Report(s). The Government shall also share their internal management reports on the use of funds on a quarterly or periodic basis with GAVI. The Government shall also submit all documents and reports that are required to be submitted as part of the Annual Progress Reports and country applications. For certain cash support, GAVI shall monitor and review annually the progress made in the Country towards the funded objectives of the Programme(s) by participating in the annual health sector review through existing country-level mechanisms. The Government shall submit all documents relevant to annual health sector reviews as requested by GAVI.

17. Monitoring and evaluation

GAVI has the right to conduct independent monitoring, evaluation, impact assessment, studies and research of relevant Programme(s) with or without engaging any third party. The Government shall facilitate such process (a) by ensuring that GAVI and any authorised representatives or agents shall have access at all times to relevant personnel, documents and facilities; and (b) by providing necessary approvals and assistance with logistics. The Government shall also cooperate with GAVI to provide information reasonably requested by GAVI to conduct monitoring, evaluation, impact assessment, studies and research related to the Programmes after the Country no longer receives GAVI support.

18. GAVI's use of information

Where GAVI has obtained or created information pursuant to this Agreement including without limitation information obtained or created pursuant to paragraphs 6, 16 and/or 17 of this Annex 2, GAVI may disclose or publish such information to such third parties as may be deemed by GAVI as having a need to know such information where such information relates to the performance of a Programme and/or, in the opinion of GAVI, the operation of GAVI's objectives from time to time.

19. Management and use of funds

In respect of all GAVI provided funds, the Government shall comply with GAVI requirements on the use and management of cash, including the following:

- (a) the Government shall use the cash solely to fund Programme Activities;
- (b) the Government shall ensure that the funds are prudently managed in accordance with the TAP Policy and Financial Management Requirements;
- (c) in the case of cash in lieu of supplies, funds shall be used to purchase the vaccines in accordance with the self-procurement mechanism set out in the Country's application as reviewed and approved by GAVI and managed in accordance with all guidelines, procedures, standards, reporting requirements and recommendations (if any) on self-procurement mechanisms and in accordance with this Agreement and the relevant Decision Letter(s); and
- (d) the Government shall not apply any cash received from GAVI to satisfy its co-financing obligations.

20. Misuse of funds and supplies

20.1. Misuse of funds and supplies

In respect of all funds and vaccines and related supplies provided to the Government under the Programme(s), the Government shall comply with obligations and requirements on the use of such funds and supplies, including the following:

- (a) the Government shall use the funds and vaccines and related supplies received from GAVI under a Programme for the sole purpose of carrying out the Programme Activities of such Programme;
- (b) the Government shall ensure that there is no misuse or waste of, or corrupt, illegal or fraudulent activities involving the funds and vaccines and related supplies; and
- (c) the Government shall ensure that all expenses relating to the use or application of funds are properly evidenced with supporting documentation sufficient to permit GAVI to verify such expenses.

If the Government fails to comply with any of the above, such event shall be a "**Misuse**" (and "**Misused**" shall be construed accordingly).

20.2. GAVI determines Misuse

GAVI shall have the right in its absolute discretion but acting reasonably to determine whether GAVI's funds have been used solely to fund the Programme Activities or whether they have been Misused (in full or in part).

20.3. Notification by the Government

The Government shall immediately inform GAVI when it becomes aware of any potential or actual Misuse in connection with any Programmes.

21. Programme assets

After a Programme expires, any assets bought by the Country using GAVI funds during a Programme shall continue to be used by the Country in accordance with the original Programme Activities and/or immunisation activities in the Country.

22. Investigations

22.1. GAVI's right to conduct investigations and audits

GAVI may conduct an investigation and/or audit at any time in a Country through its own authorised representatives or agents to investigate the use of GAVI provided funds, to verify financial management systems of the Government as required under the TAP Policy, and to conduct an external audit pursuant to paragraph 24 below.

22.2. Process for investigation and audit

The Government and all its relevant personnel shall cooperate fully with GAVI and its authorised representatives or agents in relation to any GAVI investigation and/or audit and ensure that GAVI and its authorised representatives or agents, have access at all times to:

- (a) books, records, statements, electronic files or other documentation related to the Programme(s) held by the Government or by any other entities (the "Programme Documents");
- (b) all relevant personnel of the Government; and
- (c) the premises or facilities of the Government where the Programme Documents are held or activities under the Programme(s) are carried out.

The Government shall also provide a safe working environment for, and ensure the personal safety of, those carrying out the investigations and audits. The Government shall use its best endeavours to pursue any individuals or entities involved in illegal or unlawful activities in accordance with the laws of the Country and inform GAVI on the outcome of any cases.

22.3. Costs of investigation

If there is any material Misuse, GAVI reserves the right to be reimbursed by the Government for up to 100% of the reasonable costs incurred in the investigation

by GAVI to be determined on a case-by-case basis depending on the facts and circumstances relating to such Misuse.

23. Records and expenditures

The Government shall maintain accurate and separate accounts and records of each of the Programmes prepared in accordance with internationally recognised standards that are sufficient to establish and verify accurately the costs and expenditures under the Programmes. The Government shall maintain such accounts and records and any other supporting documents evidencing expenses made with GAVI's funds according to the Country's fiscal requirements for a minimum of five (5) years after the completion of a Programme. In the event where GAVI provided funds are pooled with other sources of funding, accounts and records will equally be maintained for the pooled funds.

24. External audits

Unless otherwise specified, the Government shall submit to GAVI audit reports of the accounts holding the GAVI provided funds within one year of the close of each financial year. In order to produce such audit reports, GAVI may, at its option, jointly with the Government be involved in: (i) selecting one or more external auditors; and (ii) determining their terms of reference. In addition, GAVI reserves the right to commission an external audit of the accounts by an independent audit firm at any time, including after a Programme has expired, at its own cost. The external audit report should be compliant with the latest version of international auditing standards of the International Auditing and Assurance Standards Board (IAS).

25. Disbursements of funds

25.1. Bank accounts

The following provisions shall apply to the funds Disbursed to the Government:

- (a) funds in the possession of the Government shall remain, to the extent practicable, in an interest-bearing bank account at a reasonable commercial rate available in the Country until they are used for the Programme(s);
- (b) funds are deposited in a reputable bank in the Country which is fully compliant with all applicable local and international banking standards and regulations, including capital adequacy requirements;
- (c) the Government shall carry out all necessary due diligence on the designated bank account to ensure that it complies with (a) and (b) above;
- (d) the Government shall provide the details of a bank account satisfying the above requirements in the name of the Government into which funds are normally held;
- (e) GAVI shall reserve its right to request any changes to the bank and bank account to be used by the Government; and
- (f) at all times, funds are held in cash and may be withdrawn at any time, in full, upon demand.

25.2. Interest

Any interest on the funds Disbursed by GAVI to the Government shall be accounted for and used solely for Programme purposes.

25.3. Loss of funds

The Government shall be responsible for any loss of funds held at the bank for whatever reason, including insolvency of the bank or mismanagement of funds at the bank and shall replenish such lost funds as soon as possible after the event.

26. Currency

Any Disbursement of funds to the Government by GAVI shall be in US dollars or any other currency as approved by GAVI.

27. Excess funds and/or supplies

If the Government has any excess funds and/or supplies that have not been used by the Government during the Programme Duration for a Programme, it shall return such funds and/or supplies to GAVI in accordance with paragraph 29 of this Annex.

28. Suspension or termination

28.1. Events of suspension

GAVI may suspend, in whole or in part, its funding to one or more Programmes to the Country if:

- (a) (for vaccine support) the Country has not fulfilled its co-financing obligations under the Co-Financing Policy, this Agreement and the relevant Decision Letter(s);
- (b) there is any suspected or actual Misuse in connection to a Programme;
- (c) the Government has failed to perform any of its obligations under this Agreement and any Decision Letters;
- (d) any representation made by the Government proves to have been incorrect or misleading; and
- (e) GAVI has determined that a situation has arisen which makes it improbable that the Programme(s) can be carried out successfully.

28.2. Effect of suspension

Such suspension shall continue until: (i) GAVI is satisfied that the reason for the suspension no longer exists; or (ii) GAVI decides to terminate this Agreement in accordance with paragraph 28.4 of this Annex. Any portion of this Agreement or a Programme not suspended shall remain in full force and effect. Any funds previously provided by GAVI to the Government shall not be accessed or used by the Government during any period of suspension.

28.3. Default due to Co-Financing Payments

During the period in which the Programmes have been suspended under paragraph 28.1(a) above, the Country shall not be eligible to submit applications to GAVI for new vaccines requiring Co-Financing Payments and shall cooperate fully with GAVI to work towards complying with its obligations under the Co-Financing Policy.

28.4. Events of termination

GAVI may terminate, in whole or in part, this Agreement or one or more Programmes to the Country if:

- (a) there is an actual Misuse in connection with a Programme and the Government has failed to take timely and appropriate action to address such Misuse to the satisfaction of GAVI;
- (b) the Government has materially failed to perform any of its obligations under this Agreement and any Decision Letters;
- (c) any representation made by the Government proves to have been incorrect or misleading in any material respect; and
- (d) GAVI has determined acting reasonably that a situation has arisen which makes it improbable that the Programme(s) can be carried out successfully.

28.5. Effect of termination

Any portion of this Agreement or Programme(s) that is not terminated shall remain in full force and effect.

29. Return of funds

29.1. Events for returning funds

Notwithstanding the availability or exercise of any other remedies under this Agreement, GAVI may require the Government to return to GAVI any funds in the currency in which they were Disbursed by GAVI or, in the case of vaccines that are subject to Misuse, require the Government to take any appropriate remedial action under a Programme in any of the following circumstances:

- (a) GAVI has Disbursed an amount to the Government in error;
- (b) there has been a Misuse;
- (c) this Agreement or a Programme has been terminated or suspended; or
- (d) the Government has funds that it has not used within the relevant Programme Duration.

29.2. Method for returning funds

The Government shall return such funds, unless otherwise decided by GAVI, in US dollars within sixty (60) days after the Government receives the request for return of funds from GAVI, and shall pay such funds to the account as notified by GAVI.

30. Equal access to immunisation

The Country shall endeavour to progressively carry out its Programme(s) under the principles and objectives of GAVI's Gender Policy (as updated from time to time) in order to promote gender equality in immunisation and related health services. The GAVI's Gender Policy shall be available on the official website of GAVI. The Country shall provide all relevant information and data on gender-related matters on immunisation as part of its monitoring and reporting obligations as requested by GAVI. The services supported and promoted by GAVI should be free from any influence of caste, creed, sexual orientation, faith, geographical factor, political affiliation and political gain.

31. Survival

Paragraphs 16 to 25 and, 27 to 29 of this Annex shall survive the termination or expiry of this Agreement.

32. Notices

32.1. Notices

Any notice or communication to be given, or Decision Letter or other document to be sent under this Agreement shall be in writing and delivered by registered mail, facsimile transmission or electronic mail, or by using electronic medium in accordance with the instructions provided by GAVI.

32.2. Contact details

The Government shall provide its contact details in its Country applications and upon request by GAVI and shall be responsible for informing GAVI of any changes to its contact details.

32.3. Notification date

(a) Notification sent by GAVI

Any notice given or document sent by GAVI to the Government shall be deemed to have been received by the Government if sent by registered mail, electronic mail, facsimile transmission, on the date of delivery to the Country representative(s). If available, any notice given or document sent by GAVI to the Government via the electronic medium shall be deemed to have been received by the Government when received by it.

(b) Notification sent by Country

Any notice given or document sent by the Government to GAVI shall be deemed to have been received by GAVI if sent by registered mail, electronic mail, facsimile transmission, on the date of receipt by GAVI. If available, any notice given or document sent by the Government to GAVI via the electronic medium shall be deemed to have been received by GAVI when received by GAVI.

ANNEX 3

Transparency and Accountability Policy

1. Goal and scope of the policy

1.1. The goal of GAVI's Transparency and Accountability Policy is to ensure that all GAVI support provided in the form of cash transfers is used according to programme objectives as outlined in individual country proposals, and in accordance with best practice for financial management.

1.2. The policy governs the use of all GAVI cash transfers to countries for GAVI programmes including, but not limited to: 1) Health System Strengthening, 2) Immunisation Services Support, and 3) New Vaccines Support (for cash in lieu of supplies and lump-sum payments).

2. Principles of the Transparency and Accountability Policy

The policy will:

2.1. Rely and build on existing country capacity to the greatest extent possible, ensuring alignment with country systems.

2.2. Be consistent with the commitments of the Paris Declaration on Aid Effectiveness

2.3. Promote mutual accountability by encouraging assessments of progress in implementing GAVI support.

2.4. Apply a country-by-country approach to reduce fiduciary risks in a manner which is equitable and transparent.

2.5. Be based on a set of minimum standards for the management of GAVI cash funding:

- Funding should be used for purposes stated within a proposal;
- Funds must be managed in a transparent manner, and provide accurate and verifiable financial reports on a regular basis as specified by individual funding arrangements;
- Funds must be managed within accounts that meet national legal requirements for auditing, accounting and procurement.

3. Procedures

3.1. GAVI will strengthen its existing processes and mechanisms.

3.1.1. The GAVI Secretariat will incorporate an updated financial management section in country proposal guidelines and the annual progress report. The revised guidelines will establish minimum requirements for country financial

management and reporting. Revised proposal forms will require countries to indicate how they will comply with these provisions, and this will be monitored through the annual progress report.

3.1.2. GAVI Secretariat will ensure that the Independent Review Committee has appropriate expertise in country financial management.

3.1.3. The GAVI Secretariat will ensure that each Independent Review Committee team has the authority and appropriate tools to evaluate the financial management aspects of each proposal or report. GAVI will also extend the mandate of its Independent Review Committee to request clarification on the financial management sections, recommend additional financial management assessments, request independent external audits, and propose steps for bringing a country in full compliance with this policy.

3.2. In all current programmes, and in the future prior to the submission of a proposal, the GAVI Secretariat will evaluate the relative fiduciary risk in each country and, together with the government and in-country development partners, reach a consensus on the specific financing modality for GAVI support.

3.2.1. The GAVI Secretariat, working jointly with countries, will conduct a financial management assessment in all countries receiving GAVI cash transfers. This assessment will include both a review of existing financial assessments and discussions with government officials and partners. The assessment will: 1) provide GAVI with a baseline understanding of the level of fiduciary risk in each country, 2) help each country identify the most appropriate modality for channeling GAVI cash funds (consistent with the principles outlined in section 2 of this policy) that provides adequate fiduciary assurance, and 3) indicate what additional criteria and steps may be needed in each country to mitigate potential risks.

3.2.2. Following the financial management assessment, each eligible country will have identified its preferred funding modality to channel GAVI support that meets GAVI minimum standards for fiduciary accountability. If an eligible country already uses a joint financing mechanism to channel funds for its health sector, it is assumed that the government will select this joint financing mechanism as its preferred modality for GAVI support. If a country prefers not to use an existing joint financing mechanism, it must present a compelling case for doing so, and receive the endorsement of its Health Sector Coordinating Committee.

3.2.3. Once a country has selected its preferred funding modality and GAVI has conducted a financial management assessment, the country will be placed in one of three groups as follows:

- “Group I countries”: GAVI eligible countries that will channel and manage their GAVI cash transfers through existing joint financing mechanisms. Group I countries are assumed to represent the lowest level of fiduciary risk as they will

have established procedures for financial management, procurement and reporting, with consistent oversight and support from in-country development partners.

- “Group II countries”: These countries follow varying procedures when managing donor funds. Group II countries will pose varying levels of fiduciary risks. Together with countries and in-country partners, the GAVI Secretariat will determine the most appropriate financing mechanism (consistent with the principles outlined in section 2 of this policy).
- “Group III countries”: GAVI eligible countries in which there has been suspected or proven misuse of funds from GAVI cash transfers. The decision to include any single country in this category is subject to the judgment and discretion of GAVI management. Special procedures will be negotiated on a case-by-case basis.

3.2.4. GAVI, together with each implementing country government, will establish and agree upon minimum requirements for the specific financing modality selected to channel GAVI cash transfers. These requirements will be based upon each country’s respective grouping, as well as relative level of fiduciary risk as established by the financial management assessment.

- Group I: GAVI is likely to accept the existing financial reporting and auditing processes already in place for each joint financing mechanism.
- Group II: Requirements may vary widely from strengthened financial reporting to identification of a third party (either a “third party private provider” or a “transparency and accountability focal point”) to review and validate country financial reports. Actual requirements will be determined on a case-by-case basis.
- Group III: Requirements will likely include substantial oversight by a third party private provider and external auditing. Actual requirements will be determined on a case-by-case basis.

3.2.5. Country groupings will be reviewed and revised on a regular basis.

3.2.6. Each eligible country applying for or receiving GAVI cash transfers, regardless of grouping, will identify a single department or individual within the Ministry of Health to oversee compliance with this policy.

3.3. The GAVI Secretariat, with support from its partners and the Independent Review Committee, will monitor country compliance with the Transparency and Accountability Policy, including specific requirements for individual countries.

3.3.1. Countries will manage their GAVI cash transfers and provide financial reports in accordance with the terms of this policy as well as their individually agreed arrangements. Failure to comply with these requirements could result in a variety of measures including the suspension of funding.

3.3.2. The GAVI Secretariat will conduct follow-up financial management assessments on a biennial basis, at a minimum.

3.3.3. Countries in Group II may elect to channel GAVI funding through a joint financing mechanism at any time. Provided that GAVI accepts the terms implied by the mechanism, such a change would automatically move the country into Group I.

3.3.4. The GAVI Secretariat maintains the right to commission an external audit for any country at any time.

3.3.5. The GAVI Secretariat retains the authority to move any country into Group III, should it receive information suggesting that GAVI cash transfer funding has been misappropriated or misused, and this has been verified to the Secretariat's satisfaction. The GAVI Secretariat may, at its own discretion, suspend further cash transfers and begin the process to take corrective action. It will simultaneously inform and consult with the Chair of the GAVI Alliance Board.

4. Timeline for implementation and review

4.1. The policy will take effect as of 1 January 2009.

4.2. The GAVI Secretariat will begin to implement the policy on a phased basis, as determined by the policy implementation plan.

4.3. The GAVI Secretariat will report to the Alliance Board on the implementation of this policy on a yearly basis.

4.4. The Alliance Programme & Policy Committee of the Board shall review the policy after 6 full months of initial implementation. Thereafter, the Policy & Programme Committee will review the policy on a yearly basis.

ANNEX 4

Co-Financing Policy

1. Objectives

- 1.1. The overall objective of the co-financing policy is to put countries on a trajectory towards financial sustainability in order to prepare them for phasing out of GAVI support for new vaccines, recognising that the time frame for attaining financial sustainability will vary across countries.
- 1.2. The intermediate objective for countries with an extended time frame for achieving financial sustainability is to enhance country ownership of vaccine financing.

2. Scope

- 2.1. This policy covers country groupings for co-financing purposes, co-financing levels, the process for annual co-financing updates, and the mechanism for situations in which countries are in default on their co-financing.

3. Principles

- 3.1. All countries shall contribute to new vaccine support.
- 3.2. Co-financing should represent new and additional financing; countries should not use funds allocated for financing other vaccines.
- 3.3. This policy aims to assist countries with their long term planning.

4. Definitions

- 4.1. “GNI per capita atlas method”: Gross national income (GNI) is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. GNI per capita is GNI divided by mid-year population. GNI per capita in US dollars is converted using the World Bank Atlas method which smoothes exchange rate fluctuations by using a three year moving average, price-adjusted conversion factor.
- 4.2. “Co-financing”: GAVI-eligible countries and GAVI contribute to the costs of vaccines.
- 4.3. “Graduating country”: A country whose GNI per capita crossed the applicable eligibility threshold and that can no longer apply for new vaccine or cash-based programme support, but continues to receive support for Programmes that have been endorsed for GAVI funding when the country was still eligible.

4.4. “Graduated country”: A country whose GNI per capita has crossed the eligibility threshold and that can no longer apply for new vaccine or cash-based programme support from GAVI, and whose GAVI multi-year commitments for vaccines and/or cash-based programmes have ended.

4.5. “Graduation process”: The period of time after a country is no longer eligible to apply for GAVI support (and becomes a graduating country) until all GAVI support ends (and the country becomes a graduated country).

4.6. “Financial sustainability”: The ability of a country to mobilize and efficiently use domestic and supplementary external resources on a reliable basis to achieve current and future target levels of immunisation performance.

5. Country co-financing groups

5.1. Low Income group: Countries with GNI per capita at or below the World Bank low-income threshold. Co-financing obligation in 2012 and thereafter: 20 cents per dose (no annual increase).

5.2. Intermediate group: Countries with GNI per capita above the World Bank low-income threshold but below the GAVI eligibility threshold. Co-financing level in 2012: 20 cents per dose, or the amount per dose paid in 2011, whichever is higher. Thereafter, the co-financing amount per dose increases by 15% each year. For any new vaccine adoptions, the co-financing amount would start at 20 cents per dose, and increase by 15% annually. When countries in the future transition from the low income to the intermediate group, they would start at 20 cents per dose for vaccines, followed by 15% annual increases.

5.3. Graduating group: Countries with GNI per capita above the GAVI eligibility threshold, who are still receiving GAVI support. Starting in 2012, co-financing obligations shall increase over four years from rates paid in 2011 in order to reach 100% of the vaccine price in 2016, the year after GAVI support ends. For countries adopting a new vaccine in 2012 (and therefore with no history of co-financing payments for that vaccine), co-financing per dose would equal 20% of the projected 2016 vaccine price (projected price for GAVI countries, unless a set of price projections for GAVI graduates could be developed by the GAVI Alliance). Support for countries that enter the graduating group after 2012 would be phased out in the same manner and over the same number of years as support for countries that were ineligible in 2011.

6. Timeline for implementation, grace period, and updates

6.1. Countries will be informed of the co-financing country grouping they are a part of for 2012 and the corresponding co-financing obligations for 2012 following the December 2010 GAVI Alliance Board meeting. These initial classifications will be done according to 2009 GNI per capita data, which were released by the World Bank in July 2010. The calendar year 2011 is a “grace year”

whereby countries are informed of their new co-financing group and prepare their budgets for the new obligation requirements for 2012.

6.2. Co-financing group thresholds will be updated annually according to the latest GNI p.c. data, which is released by the World Bank in July of each year. Co-financing country grouping updates will be made by September of each year. Countries will then be informed of any changes to their co-financing grouping and when those changes will take effect. Countries will have the following calendar year as a grace period to prepare their budgets following their change in co-financing grouping. The new co-financing obligations will take effect in the calendar year following the grace year.

7. Default mechanism

7.1. Co-financing payments in accordance with this policy are a condition to receive GAVI vaccine support. Fulfillment of the co-financing commitment is determined by the country's purchase of the number of doses set out in the GAVI Secretariat's "decision letter" to the country, or the corresponding dollar amount for vaccines (excluding handling fees, freight, and buffer charges). For self-procuring countries, compliance is defined by the purchase of the number of doses in the Secretariat's "decision letter" to the country.

7.2. A country enters into default when it has not fulfilled its co-financing commitment for a particular year by 31 December of that year.

7.3. Countries can apply for, but will not be approved for new vaccine support, when they are in default of their co-financing commitment.

7.4. If a country remains in default for more than one year, the GAVI Board may suspend support for the relevant vaccine until the co-financing arrears are paid in full.

7.5. There are exceptional circumstances that can prevent a country from fulfilling its co-financing commitments due to severe natural, economic, social, or political difficulties. In these cases, the GAVI Board may grant a grace period or exemption on a base-by-case basis.

8. Primary data sources

- GNI per capita (Atlas method) from World Bank classifications
- Definition of Low Income Country upper threshold from World Bank classification
- Eligibility threshold adjustment for annual inflation using World Bank deflators
- Reports from vaccine procurers on status of co-financing payments

9. Effective date and review of policy

9.1. This policy comes into effect as of 1 December 2010.

9.2. This policy will be reviewed and updated in 2014 or as and when required. Any amendments to this policy are subject to GAVI Alliance Board approval.

ANNEX 5

GAVI Vaccine Introduction Grant and Operational Support for Campaigns Policy

1. Objectives

1.1. GAVI Vaccine Introduction Grant: The aim of GAVI's vaccine introduction grant is to facilitate the timely and effective implementation of critical activities in the national vaccine introduction plan in advance of a new vaccine introduction.

1.2. GAVI Operational Support for Campaigns: The aim of GAVI's operational support for campaigns is to facilitate the timely and effective delivery of vaccines to the target population.

1.3. Both types of grants are one-time investments expected to cover a share of the pre-introduction activities and campaign operational costs, respectively, with the remainder being funded by the government and partners, if necessary. The government contribution aims to ensure country ownership of the new vaccine introduction and the campaign.

2. Scope

2.1. The introduction grant policy applies to first introductions of all vaccines supported by GAVI, including vaccines introduced on a routine basis following campaigns.

2.2. Pre-introduction activities that may be funded through the GAVI vaccine introduction grant may include but are not limited to health worker training, information, education and communication (IEC) and social mobilisation, microplanning, expansion or rehabilitation of some cold chain equipment and additional vehicles if needed, printing and purchase of materials (such as immunisation cards), technical assistance, and modifications to the surveillance systems. The government is encouraged to work with civil society organisations and other in-country partners to determine how these activities are best carried out.

2.3. In addition, for GAVI operational support for campaigns, the following types of expenses may also be included: volunteer incentives for vaccine delivery or monitoring, health workers and supervisor per diems, cold boxes and ice packs, transport, monitoring and evaluation and civil society organisation and/or volunteer incentives for social mobilisation.

2.4. The introduction costs covered by the GAVI grant are start-up investment costs, distinct from incremental recurrent costs resulting from the

addition of a new vaccine to the immunisation schedule that would occur year after year. This grant is not intended to cover such recurring delivery costs.

3. Operating guidelines

3.1. Application of the policy should be guided by GAVI's operating principle to support national priorities, integrated delivery, budget processes and decision-making, as well as by the following guidelines:

- Vaccine introduction grants and support for operational costs of campaigns can be used in a flexible manner by countries to cover the types of expenses mentioned above.
- The grants are intended to help cover initial start-up investment costs of introducing a new vaccine and for conducting the campaigns, but not as the sole source of funding for these costs.
- The grants should be made in a timely way ahead of first introductions and campaigns;
- The procedures and requirements related to these grants should be simple to understand and implement by countries;
- The grants are separate from other forms of cash support.
- The grants cannot be used to fund co-financing obligations or vaccines.

4. Funding Levels

4.1. Vaccine introduction grant for all GAVI supported vaccines delivered to infants on a routine basis: GAVI provides US\$0.80 per child in the birth cohort (based on 80% of estimated average per child introduction costs) for the year of introduction or a lump sum amount of \$100,000 whichever is higher.

4.2. Vaccine introduction grant for GAVI supported HPV vaccines delivered to adolescent girls on a routine basis: GAVI provides \$2.40 per girl in the country's target population (based on 80% of estimated average per girl introduction costs) for the year of introduction or a lump sum amount of \$100,000 whichever is higher.

4.3. Operational support for all GAVI supported vaccine campaigns: GAVI provides \$0.65 per individual in the country's target population (based on 80% of estimated average campaign operational costs) for the year of the campaign.

5. Phased vaccine introductions or campaigns

5.1. Countries that are approved for phased vaccine introductions or campaigns will receive grants corresponding to the size of the target population approved in that proposal. Subsequently approved proposals for further roll out of the vaccine or campaign would be eligible for an additional grant, the size of which would again correspond to the incremental target population.

6. Product switches

6.1. Countries can apply for an additional grant to facilitate transition to a new product for an existing antigen if it can show that at least two of the following criteria are met:

- The switch to a different product is requested by GAVI or its procurement partners
- The new product requires larger cold chain capacity and requires an expansion at country level.
- The new product represents a change in terms of administration and handling for health workers or other staff involved in the vaccine management and requires additional training because the product features are new to the country.

6.2. The size of the grant for product switches will correspond to one third of a full vaccine introduction grant (rounded to \$0.25 per child for infant vaccines and \$0.8 per girl for HPV vaccines).

7. Application, reporting and oversight

7.1. Countries apply for new vaccine introduction grants and operational support for campaigns as part of their normal application for vaccine support to GAVI.

7.2. Countries are requested to report on the use of the grants in their annual progress reports to GAVI.

7.3. The cash grants will be subject to fiduciary oversight measures: Introduction grants and operational support for vaccine campaigns of \$250,000 or more require mandatory audits when these funds are directly disbursed to countries. One quarter (25%) of the grants below \$250,000 will be selected at random for audit, which means that, countries are expected to maintain adequate books and records for these amounts.

8. Effective date and review of policy

8.1. This policy comes into effect as of 01 September 2012 and will apply to all new vaccine introductions and campaigns taking place after this date.

8.2. The grant funding levels as well as the financial management requirements will be reviewed every two years by the GAVI Secretariat in consultation with partners to take into account new evidence of actual costs of introductions and campaigns and to include vaccines that may be added to GAVI's portfolio in the future. The new levels and vaccines will be reflected in an updated policy.

8.3. A full review and update of the policy should take place in 2017.

ANNEX 6

Financial Management Requirements

The Parties have entered into an aide memoire with an effective date of 7 August 2012 as amended and updated from time to time which shall form part of the Financial Management Requirements.

Aide Memoire

Governing the Financial Management of GAVI Cash Grants in Nigeria
24 April 2012

1. The following Aide Memoire has been jointly agreed between the GAVI Alliance Secretariat (GAVI) in Geneva and the Government of Nigeria (GoN), represented by the Federal Ministry of Health (FMoH), the National Primary Healthcare Development Agency (NPHCDA) and the Federal Ministry of Finance (FMoF).
2. This Aide Memoire establishes the terms and procedures for financial management of Immunisation Services Support (ISS) and Health System Strengthening (HSS) approved by the GAVI Board as communicated to Nigeria in decision letters dated 27th of June 2001, and 18th of February 2008 respectively. Disbursements of ISS and HSS cash grants to Nigeria will resume upon fulfilment of all of the following requirements:
 1. Signature of this Aide Memoire;
 2. Provision of an acceptable report on the review of the basis and procedures for allocating GAVI ISS funds to States and Local Government Areas (paragraph 10 below); and
 3. Submission of copies of the external audit reports for both ISS and HSS for the years 2008, 2009 and 2010, management letters and responses from the NPHCDA addressing any audit findings to the ICC, PICC and the GAVI Secretariat (paragraph 30 below).
3. The GoN understands that failure to comply with the terms of this Aide Memoire may result in the suspension or termination of funding as set out in GAVI's Grant Terms and Conditions, included in Annex 1.

Background

4. The Federal Ministries of Health and Finance applied for GAVI HSS support for the 2008 - 2010 period. This was approved by the GAVI Board in February 2008 for a total grant of USD 44,704,000. USD 22,098,000 was disbursed in July 28, 2008 to the Federal Ministry of Health, Department of Health Planning, Research and Statistics leaving a balance of USD 22,606,000. The Federal Government of Nigeria has also received GAVI ISS investment phase support and GAVI ISS reward phase support of USD 13,950,000 and USD 16,687,000, respectively. These monies were transferred to the National Primary Health Care Development Agency (NPHCDA) - the designated agency for managing Immunisation Services in Nigeria.

A Financial Management Assessment (FMA) was initiated in August 2009 by a team comprising representatives from the GAVI Secretariat and a consultant financial management specialist. A follow up visit to Nigeria conducted in May 2011 by the GAVI Secretariat enabled it to understand the management arrangements for ISS and HSS funds and to agree the following financial management arrangements for GAVI cash grants to Nigeria.

Financial Management Arrangement for GAVI ISS and HSS Grants to Nigeria

Responsibility for managing GAVI funded programmes in Nigeria

5. Overall management of the GAVI ISS and HSS funded programmes in Nigeria is the responsibility of the NPHCDA with its own Executive Director and Management Board.
6. An Inter-Agency Coordinating Committee (ICC) has been established in Nigeria to coordinate the work of agencies and donors who are supporting immunisation and vaccination and oversee ISS funded activities. Similarly, a Project Implementation Coordination Committee (PICC) has also been established to oversee the GAVI HSS programme. The NPHCDA and the Health Partners Coordinating Committee shall review the operation of the ICC and the PICC to ensure that the arrangements are adequate and that meetings are held with the necessary frequency, and at least quarterly. The report of the outcome of this

review shall be sent to the GAVI Secretariat no later than 3 months from both parties signing this Aide Memoire.

7. The NPHCDA has created six zonal offices, which are supported by one or more Routine Immunizations (RI) Consultants financed by funds provided by GAVI. The NPHCDA shall within 3 months of both parties signing this Aide Memoire, provide to the GAVI Secretariat a detailed job description for the RI Consultants.
8. The NPHCDA shall organise quarterly review meetings with the relevant representatives of the NPHCDA that manage GAVI supported programmes, the accounts unit and the zonal coordinators (the 'monitoring team') to review the technical and financial aspects of the GAVI funds management. These shall be in addition to twice-yearly monitoring and evaluation visits by the 'monitoring team' to the states and randomly selected Local Government Areas (LGAs). Briefings and updates shall be made at the Zonal Review Meeting.

Planning, budgeting and coordination

9. Workplans and budgets for ISS and HSS activities for the year shall be prepared and submitted to the ICC and PICC, respectively, for review and approval prior to the start of the Nigerian financial year. The NPHCDA GAVI Coordinator shall share copies of these work plans which will indicate key activities, outputs, indicators and budgets with the GAVI Secretariat and inform the GAVI Secretariat when they have been endorsed by the ICC and PICC. For HSS, work plans and budgets will be based on the HSS proposal approved by the GAVI Board.
10. The NPHCDA shall undertake a review of the basis and procedures for allocating GAVI ISS funds to States and Local Government Areas. The GAVI Coordinator in the NPHCDA shall take the necessary steps to accelerate the disbursements of GAVI funds to the states. These shall be based on credible plans to utilize unspent cash balances currently in bank accounts in Nigeria. The arrangements for allocating funds are subject to ICC endorsement. The next disbursement of ISS funds is subject to the GAVI Secretariat receiving an acceptable report of such a review. Further disbursements of ISS and HSS funds to Nigeria will depend on the GAVI Secretariat receiving credible plans, monitoring of the same by the

ICC and PICC and reports (e.g. APRs) from the NPHCDA demonstrating that funds disbursed to sub-national level have been properly accounted for.

Disbursements to sub-national level (states and local governments)

11. The NPHCDA has developed guidelines governing the financial management of GAVI ISS funds disbursed to states which were reviewed by the FMA mission in August 2009 and DFID funded consultants. These guidelines shall be subject to review and approval by the Head of Internal Audit, NPHCDA to ascertain that these outline the appropriate level of internal financial controls and take into account any recommendations made in previous internal audit reports. The NPHCDA shall ensure that the guidelines are presented to, and approved at the next meeting of the ICC, within 3 months of both parties signing this Aide Memoire. The outcome of this review shall be noted in the minutes of the ICC which the NPHCDA shall share with the GAVI Secretariat.
12. The NPHCDA shall ensure that finance staff at state and local government level shall be trained on the Financial Guidelines once they have been finalized (see paragraph 11).
13. The NPHCDA shall distribute ISS rewards held at the federal level to all states and local government areas, if appropriate based on:
 - availability of funds;
 - production of approved routine immunisation plans;
 - proof that bank accounts for receiving and holding funds provided by GAVI, with approved signatories, have been opened;
 - satisfactory retirement of any previous GAVI ISS funds received by the state; and,
 - routine immunisation performance improvement.
14. States and Local Governments, scheduled to receive ISS funds, shall be requested to (re)open GAVI bank accounts in the bank used by their respective States and Local Government for receipt of other Development Partner Funds. Electronic bank transfers, from the NPHCDA to States and Local Governments, will be through these approved bank accounts. The States and Local Governments shall provide to the GAVI Coordinator in the NPHCDA copies of recent bank statements for any bank accounts with cash balances. Completion of this exercise shall be reported to the ICC and to the GAVI Secretariat.

15. The NPHCDA shall be responsible for printing and distribution of all requisite accounting books and forms to be used by the States and Local Governments that receive GAVI cash support.
16. To ensure appropriate separation of duties at State and Local Government level, GAVI funds shall be accounted for by an accountant and not the State and Local Government Immunisation Officers. In addition, the Accountant shall hold the cash book, cheque book and any petty cash balances. These measures shall be clearly reflected in the revised Financial Guidelines (see paragraph 11).
17. Cash books, bank reconciliations and financial statements (formats and reporting schedule to be agreed by the NPHCDA and sent to sub-national recipients of GAVI cash grants) will be maintained by Finance Officers at State and Local Government areas and further disbursements to these entities shall be dependent on up-to-date reporting to the Finance Department of the NPHCDA within 6 weeks of each period end. Copies of these financial statements will be forwarded to the States and Local Government Auditor-General's offices.

Accounting and financial reporting at national level

18. The EPI Manager in the NPHCDA is responsible for compilation of programme monitoring and financial monitoring for all disbursements to sub-national level and for central level expenditures, and for preparation of consolidated reports for the ICC, PICC and the GAVI Secretariat. The NPHCDA Finance Department shall maintain all financial records.
19. The NPHCDA shall maintain up-to-date cash books for each transaction for all national level expenditures and disbursements to sub-national entities along with fully reconciled bank accounts. Financial reporting shall be undertaken and submitted quarterly to the ICC, PICC and the GAVI Secretariat. Final year-end cash books, reconciliations and financial statements will be completed by the NPHCDA, signed by the Director of Finance and copied to the ICC, PICC and the GAVI Secretariat.
20. The NPHCDA Finance Department shall, within 3 months of both parties signing this Aide Memoire, complete financial statements for ISS for the years 2008, 2009 and 2010 and for

HSS a financial statement for 2010 and present them for external audit to an independent firm of auditors (paragraph 30 below).

21. The NPHCDA shall ensure that GAVI funded activities are adequately supervised and monitored and should consider using some of the ISS funds for monitoring and supervision at State and Local Government levels. These activities shall be implemented in close consultation with staff of WHO and UNICEF. This may include some training of relevant officials on financial management of GAVI funds and on improvements to quality of data on immunisation and vaccination.

Procurement and Construction

22. All procurement shall be undertaken by the Procurement Section of the NPHCDA. The FMA noted that a full assessment of the cold chain in Nigeria was to have been submitted to the meeting of the Core Group of the ICC in August 2009. This assessment, or any more up-to-date study, shall be presented to the ICC and used as the basis for procurement and delivery of the necessary equipment to sites at State and Local Government levels.
23. To support any cold chain related procurement, the FMoH, the NPHCDA and the GAVI Secretariat agree that UNICEF will appoint an officer to be a full member of the FMoH Tender Committee. No contract shall be awarded without endorsement by the UNICEF member of the Tender Committee.
24. The NPHCDA and FMoH shall also grant full access to information related to FMoH and NPHCDA procurement processes, completed using funds provided by GAVI, to the external auditors (paragraph 31 below) when auditing the financial statements for 2011/12.
25. For future construction and rehabilitation of health facilities to be undertaken using funds provided by GAVI, detailed plans and cost estimates for a prototype primary health care facility shall be developed nationally based on the documented terms for minimum healthcare facilities in Nigeria. Following that NPHCDA shall choose primary health care facilities in each state against this prototype and have them fully costed with plans to rehabilitate each of the relevant facilities. These steps shall be followed in any planned refurbishments of facilities in Nigeria undertaken by the NPHCDA using GAVI funds. Any future plans for the re-

furbishment of primary care facilities in each state shall be agreed nationally by the ICC or PICC, as appropriate, along with a report recommending the appointment of the contractor with their detailed costs.

26. All payments to the contractors shall be signed by the cheque signatories to the GAVI bank account in the NPHCDA.

Internal audit

27. The internal audit unit of the NPHCDA undertakes audits at both national and sub-national levels. It shall continue to undertake audits of disbursements to States and Local Government levels as part of its audit plan, including at least 1 visit to each State each year, taking a risk based approach. This audit plan shall be prepared in advance of the start of the financial year and shall be shared with the ICC and PICC prior to commencement of the audit programme.
28. NPHCDA internal audit shall provide, if appropriate, detailed recommendations in its reports to auditees and submit to the ICC and PICC all audit reports completed. The NPHCDA should consider making available ISS funds to meet some of the costs of sub-national audits by the Internal Auditor.

External audit

29. The NPHCDA shall, prior to the end of the next financial year (by March 2012) confirm in writing to the GAVI Secretariat that from 2011 onwards the external audit of NPHCDA annual accounts will include the funds provided by GAVI and administered by the Agency. Copies of the audit report of future external audits of cash grants shall be provided to the ICC, PICC and GAVI Secretariat within 6 months of the financial year end.
30. The NPHCDA Finance Department shall, within 3 months of signing this Aide Memoire, complete financial statements for the years 2008, 2009 and 2010 for both ISS and HSS and present them for external audit to an independent firm of auditors. The Terms of Reference for this external audit have been jointly agreed between the NPHCDA and the GAVI Secretariat, and the short-listing and selection of an auditor for this exercise will also be supported, where necessary, by the GAVI Secretariat. Costs associated with this audit are to be

met from existing ISS or HSS funds already disbursed to Nigeria. Further disbursements will remain on hold until the ICC, PICC and the GAVI Secretariat in Geneva receive copies of the external audit report, management letter and the NPHCDA has addressed any audit findings.

31. A special one-off audit of procurements (paragraph 24 above) undertaken by the NPHCDA and the FMOH (including IT and cold chain equipment procurements in line with specific objectives 4.2.4 and 4.2.5 of the HSS proposal), using GAVI funds, shall be conducted in 2012 and a copy of the audit report provided to the ICC, PICC and the GAVI Secretariat.

Use of commercial bank accounts for the management of GAVI HSS and ISS funds

32. The NPHCDA and FMOH currently maintain 6 bank accounts as follows: 2 national level Special Account in the name of the FMOH and NPHCDA GAVI ISS into which the GAVI Secretariat in Geneva disburses HSS and ISS funds to respectively; one USD accounts in the name of the NPHCDA (for HSS disbursements from the Special Account); and, two local currency (Naira) accounts into which USD are converted to meet local currency expenditures. A local currency account for lodgement of the Technical Assistance funds opened in the context of the HSS proposal development. Remaining funds in that account are currently used to service the PICC meetings. Details of these six bank accounts are provided below.
33. The Federal Government of Nigeria shall maintain GAVI HSS bank accounts with an approved bank. Transfers between, and disbursements from the above accounts will require the approval of the Health Partner Coordinating Committee on request of the PICC. The signatories to the account are the Executive Director and Director of Finance of the NPHCDA, Director of Health Planning, Research and Statistics Federal Ministry of Health, and either the WHO or UNICEF Country Representative.
34. The NPHCDA shall maintain a GAVI ISS bank account with a GoN approved bank. Transfers and disbursement from such account shall be subject to the approval of the ICC. Signatories to the account are the Executive Director and the Director of Finance of the NPHCDA, and the ICC selected partner (currently Rotary Polio Plus Chairman).

35. All funds provided by GAVI shall be deposited in interest bearing bank accounts. Any interest revenue generated from these funds will be credited into the account and accounted for as programme income.
36. In addition, by signing this Aide Memoire, the Federal Ministries of Finance and Health guarantee that any cash balances remaining at the end of each financial year are rolled over to subsequent financial years and made available to the NPHCDA to fund approved GAVI programmes in Nigeria.
37. The undersigned representatives of the Federal Government of Nigeria confirm that they accept responsibility for any loss of funds held at the bank for whatever reason, including insolvency of the bank or mismanagement of funds at the bank and will replenish such lost funds as soon as possible after the event.
38. Bank account details are as follows:

Special Account in name of FMoH (to receive HSS disbursements from GAVI):

Bank address: UBA PLC, USUMA STREET OFF GANA STREET
Branch: MAITAMA
Telephone: 2807000
Fax: 2620371
Account name: NPHCDA/GAVI-HSS DOMICILIARY A/C
Account number: 04970131000339
Telex:
SWIFT: UNAFNGLA

Special Account in name of NPHCDA (to receive ISS disbursements from GAVI)

Bank address: UNION BANK PLC AREA 3, GARKI, ABUJA
Branch: ABUJA MAIN
Telephone: 08038214912
Fax:
Account name: NPHCDA GAVI-ISS DOMICILIARY A/C
Account number: 0021475622

Telex:
SWIFT: UBNINGLA

Technical Assistance Fund Naira Account in name of FMoH

Bank address: UBA BANK PLC, USUMA STREET OFF GANA
STREET
Branch: MAITAMA
Telephone: 2807000
Fax
Account name: NPHCDA/GAVI-HSS NAIRA A/C
Account number: 0497004000082
Telex:
SWIFT:

HSS USD Account in name of NPHCDA

Bank address: UNION BANK PLC, AREA 3, GARKI ABUJA
Branch: ABUJA MAIN
Telephone: 08038214912
Fax
Account name: NPHCDA/GAVI-HSS DOMICILIARY A/C
Account number: 00213775588
Telex:
SWIFT: UBNINGLA

ISS Naira Account in name of NPHCDA

Bank address: UNION BANK PLC, AREA 3, GARKI ABUJA
Branch: ABUJA MAIN
Telephone: 08038214912
Fax
Account name: NPHCDA/GAVI-ISS NAIRA A/C
Account number: 0021582133
Telex:
SWIFT:

HSS Naira Account in name of NPHCDA

Bank address: UNION BANK PLC, AREA 3, GARKI ABUJA
Branch: ABUJA MAIN
Telephone: 08038214912
Fax
Account name: NPHCDA/GAVI-HSS NAIRA A/C
Account number: 0021584254
Telex:
SWIFT:

Compliance with GAVI's Grant Terms and Conditions

39. The NPHCDA and the FMoH are responsible for ensuring that all programme implementation and management is compliant with GAVI's standard Grant Terms and Conditions, provided in Annex 1 to this Aide Memoire.

This Aide Memoire is agreed by and between the parties, and is effective on the date of the last signature hereto:

On behalf of The GAVI Alliance Secretariat, Geneva

By: [Signature]

Title: CEO

Date: 27 July 2012

On behalf of the Federal Government of Nigeria - Federal Ministry of Finance

By: [Signature]

Title: CME-HM+

Date: 7th August 2012

On behalf of the Federal Government of Nigeria - Federal Ministry of Health

By: [Signature]

Title: HMH

Date: 6th August 2012

What activities and programmes does the Partnership Framework Agreement cover?

The Partnership Framework Agreement will apply to the following:

(1) Future disbursements:

The Partnership Framework Agreement will apply to all future disbursements of vaccines and/or cash that have not been made prior to signing the agreement under:

- a. future programmes (i.e. those new multi-year programmes potentially to be endorsed by GAVI in the future); and
- b. existing programmes (i.e. those programmes that have been previously endorsed).

(2) Past disbursements with outstanding funding and activities:

The Partnership Framework Agreement will apply to all disbursements of vaccines and/or cash that have been made prior to signing the agreement under existing programmes and are in progress. In relation to such existing programmes, the agreement will apply to:

- a. all activities to be carried by the country after the signing of the agreement.
- b. all amounts of funding and/or supplies that been disbursed but have not been used (or committed to be used) as at the signing of the agreement.

Any terms and conditions applicable to such existing programmes that are inconsistent with this paragraph are varied as of the signing date.

Despite the above, any additional monitoring and reporting obligations contained in the Partnership Framework Agreement will only apply from the beginning of the next reporting year after signing of the agreement.

(3) Past disbursements that have been completed

The Partnership Framework Agreement will not apply retroactively to the carrying out of any programme activities or any application and management of funding and/or supplies by the country in connection with programmes that have been completed prior to the signing of this agreement.

How is the Partnership Framework Agreement structured?

The Partnership Framework Agreement is divided into three sections:

- The first section is the main body of the agreement which consists of general terms that will govern all cash and vaccine programmes.
- The annexes form part of the main body of the agreement and contain terms relating to management and use of funding, the GAVI Co-Financing Policy, Transparency and Accountability Policy and Vaccine Introduction Grant and Operational Support for Campaigns Policy. Where applicable, the aide memoire (which will be known as the Financial Management Requirements under this new agreement) will also form part of the annexes.
- The Decision Letters form the third part. Each time GAVI approves a new funding for cash and/or vaccines, GAVI will send out a Decision Letter, which will form part of the agreement. Each Decision Letter will contain the latest programme terms (including amounts that have been disbursed) in respect of a programme, for example one for pneumococcal vaccines, one for rotavirus vaccines and one for HSFP. The new Decision Letter will include the latest terms of a programme, including all the approved amounts, doses of vaccines and co-financing payments.

Thus, unlike in the past, the country may receive multiple decision letters, each in relation to each approved programme. We hope that this new layout and structure will provide ease of access to

information on programme funding to countries. Please see a chart in the Annex outlining this structure.

How does the Partnership Framework Agreement impact on the existing aide memoires?

If your country has an existing aide memoire with GAVI, this will be attached to the Partnership Framework Agreement as Annex 6 and will be called the Financial Management Requirements going forward as stated in the agreement. In the future, GAVI and the country will finalise the terms of the Financial Management Requirements, and once agreed, these will be attached as an Annex to the Partnership Framework Agreement. GAVI and the country will not need to sign them separately as they will form part of the Partnership Framework Agreement.

Is it possible to receive support outside of the Partnership Framework Agreement?

All GAVI eligible countries receiving new funding will be required to enter into this Partnership Framework Agreement going forward. All future disbursements that have been approved by the GAVI Secretariat, GAVI Board of Directors or its Executive Committee will only be disbursed if the relevant country signs the Partnership Framework Agreement.

What are the next steps that the country has to take?

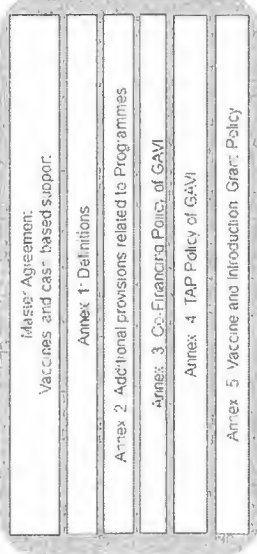
First of all, please send a copy of this Partnership Framework Agreement to the relevant departments and representatives (such as the Ministry of Health, Ministry of Finance and legal department) who are required to review and sign the document.

Next, please arrange with GAVI's country representative officer to arrange a call for discussion between GAVI and your country to have an initial discussion on the Partnership Framework Agreement as soon as possible.

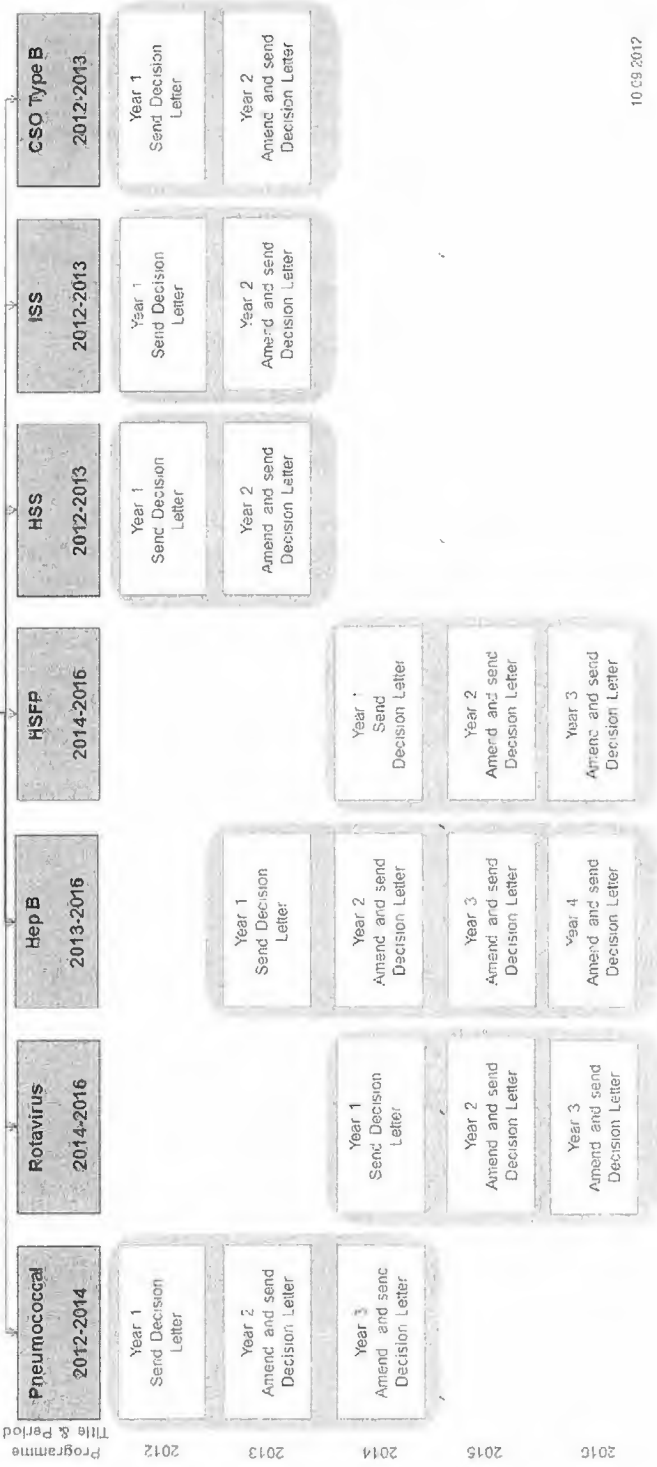
Finally, please specify the names of representatives who are authorised to sign the Partnership Framework Agreement on behalf of the Ministry of Health and Ministry of Finance. GAVI will need satisfactory evidence that those who are signing the agreement for such Ministries have the relevant authority to sign the Partnership Framework Agreement on behalf of such Ministries.

The country will be required to sign the Partnership Framework Agreement once by the Minister of Health and Minister of Finance on behalf of the government. The country will not have to co-sign any Decision Letter.

Grant Agreement Diagram



Annex 6: Financial Management Requirements



10/09/2012

Annex

Structure chart of the Partnership Framework Agreement¹

¹ This chart is an example only. It is not based on your country's programmes.