



ETHIOPIA – HEALTH SYSTEMS STRENGTHENING CASH SUPPORT
This Decision Letter sets out the Programme Terms of a Programme.

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| 1. Country: Ethiopia |
| 2. Grant number: 1215-ETH-10d-Y |
| 3. Date of Decision Letter: 26 March 2014 |
| 4. Date of the Partnership Framework Agreement: 23 July 2013 |
| 5. Programme Title: Health Systems Strengthening (HSS) |
| <p>6. HSS terms:</p> <p>The ultimate aim of HSS support is to ensure increased and sustained immunisation coverage through addressing health systems barriers in Country, as specified in:</p> <ul style="list-style-type: none"> • The relevant GAVI HSS guidelines – please contact your CRO at mdugue@gavialliance.org for the guidelines. • The relevant GAVI HSS application form - please contact your CRO at mdugue@gavialliance.org for the form. • Country’s approved grant proposal and any responses to the HSS IRC’s request for clarifications. <p>The HSS cash support shall be subject to GAVI’s performance-based funding (PBF). Under this, the HSS support will be split into two payments: the programmed payment (based on implementation of the approved HSS grant) and the performance-based payment (based on improvements in immunisation outcomes). This means that in the first year, Country will receive 100% of the approved ceiling, or programme budget if different (the initial Annual Amount), as an upfront investment. After the first year, countries will receive 80% of the ceiling, or programme budget if different, based on implementation of the grant, and additional payments will be based on performance on immunisation outcome indicators. Note that countries whose total grant budget would fall below US\$3 million are exempt from this 80% rule.</p> <p>Country will have the opportunity to receive payments beyond the programme budget amount, for exceptional performance on the same immunisation outcomes. The maximum programmed payment plus performance payment may be up to 150% of the country ceiling.</p> <p>Given that Country’s DTP3 coverage was below 90% in 2011 based on WHO/UNICEF estimates, Country will be rewarded for improving coverage with:</p> <ul style="list-style-type: none"> • \$30 per additional child immunized with DTP3, if DTP3 coverage increases and • \$30 per additional child immunized with first dose of measles containing vaccine, if measles coverage increases. <p>The performance payments under the performance-based funding shall be used solely for activities to be implemented in the country’s health sector.</p> |
| 7. Programme Duration ¹ : 2012 to 2015 |

¹ This is the entire duration of the programme.

8. Programme Budget (indicative) subject to the terms of the Partnership Framework Agreement:

Note that with PBF, annual disbursements may be more or less than these endorsed amounts after the first year (see section 6 above).

| | 2012 | 2013 | 2014 | 2015 | Total ² |
|-------------------------|-----------|------------|------------|-----------|--------------------|
| Programme Budget (US\$) | 6,255,481 | 32,352,293 | 15,730,254 | 7,072,654 | 61,410,682 |

9. Indicative Annual Amounts (indicative) subject to the terms of the Partnership Framework Agreement:

The following disbursements are subject to the conditions set out in sections 6, 10, 11 and 12:

| Programme Year | 2013 | Total ³ |
|----------------------|------------|--------------------|
| Annual Amount (US\$) | 32,352,293 | 32,352,293 |

10. Financial Clarifications: The Country shall provide the following clarifications to GAVI⁴:

If the bank account information most recently provided to GAVI has changed or changes prior to disbursement, the country will need to complete a bank account information form. Please contact gavihss@gavialliance.org for the form.

11. Documents to be delivered for future HSS cash disbursements:

The Country shall deliver the following documents by the specified due dates as part of the conditions for approval and disbursements of the future Annual Amounts.

| Reports, documents and other deliverables | Due dates |
|--|--|
| - MDG fund quarterly financial and activity reports | Within 45 days of the end of each quarter of the EFY |
| - Consolidated HSDP annual performance report | At least one week before the ARM |
| - Annual Comprehensive Plan - JRM report - Minutes of the JCF and the JCCC meetings - External financial audit report of the MDG PFs, Auditor General management letter and response from the FMOH, MDG PF procurement audit reports | 15 October 2014 or as agreed with the GAVI Alliance |
| Interim unaudited financial reports. Unless stated otherwise in the existing Aide Memoire between GAVI and the Country, the Country shall deliver interim unaudited financial reports on the HSS cash support no later than 45 days after the end of each 6-month reporting period (15 February for the period covering 1 July – 31 December and 15 August for the period covering 1 January – 30 June). Failure to submit timely reports may affect future funding. | 15 August 2014 and 15 February 2015 |
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² This is the total amount endorsed by GAVI for the entire duration of the programme. This should be equal to the total of all sums in the table.

³ This is the amount approved by GAVI.

⁴ Failure to provide the financial clarifications requested may result in GAVI withholding further disbursements

12. Other conditions: The following terms and conditions shall apply to HSS support.

Cash disbursed under HSS support may not be used to meet GAVI's requirements to co-finance vaccine purchases.

In case the Country wishes to alter the disbursement schedule over the course of the HSS programme, this must be highlighted and justified in the APR and will be subject to GAVI approval. It is essential that Country's Health Sector Coordination Committee (or its equivalent) be involved with this process both in its technical process function and its support during implementation and monitoring of the HSS programme proposal. Utilisation of GAVI support stated in this letter will be subject to performance monitoring.

Signed by,
On behalf of the GAVI Alliance



Hind Khatib-Othman
Managing Director, Country Programmes

Date: 26 March 2014