

Korea DPR VACCINE SUPPORT

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

1. Country: Korea DPR				
2. Grant Number: 1215-PRK-04a-X				
3. Date of Decision Letter: 21 October 2013				
4. Date of the Partnership Framework Agreement: 3 June 2013				
5. Programme Title: New Vaccine Support				
6. Vaccine type: Pentavalent				
7. Requested product presentation and formulation of vaccine: DTP-HepB-Hib, 1 dose(s) per vial, LIQUID				
8. Programme Duration¹: 2012-2015				
9. Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement):				
	2012-2013	2014	2015	Total ²
Programme Budget (US\$)	US\$4,703,271 ³	US\$3,226,500	US\$1,990,500	US\$9,920,271
10. Vaccine Introduction Grant: Not applicable				
11. Indicative Annual Amounts (subject to the terms of the Partnership Framework Agreement):⁴ The Annual Amount for 2014 has been amended.				
Type of supplies to be purchased with GAVI funds in each year	2012-2013	2014		
Number of Pentavalent vaccines doses	-	1,522,300		
Number of AD syringes	-	1,844,200		
Number of re-constitution syringes	-	-		
Number of safety boxes	-	20,475		
Annual Amounts (US\$)	US\$4,703,271 ⁵	US\$3,226,500		

¹ This is the entire duration of the programme.

² This is the total amount endorsed by GAVI for the entire duration of the programme. This should be equal to the total of all sums in the table.

³ This is the consolidated amount for all previous years.

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

⁵ This is the consolidated amount for all previously approved years.

Procurement agency: UNICEF. The Country shall release its Co-Financing Payments each year to UNICEF.

12. Self-procurement: Not applicable.

13. Co-financing obligations: Reference code: 1215-PRK-04a-X-C According to the Co-Financing Policy, the Country falls within the group Low Income. The following table summarises the Co-Financing Payment(s) and quantity of supply that will be procured with such funds in the relevant year.

Type of supplies to be purchased with Country funds in each year	2014	2015
Number of vaccine doses	164,700	102,200
Number of AD syringes	-	-
Number of re-constitution syringes	-	-
Number of safety boxes	-	-
Value of vaccine doses (US\$)	US\$320,927	-
Total Co-Financing Payments (US\$) (including freight)	US\$337,500	US\$209,000

14. Operational support for campaigns: Not applicable

15. Additional documents to be delivered for future disbursements: Annual Progress Report 2013 is due by 15 May 2014

16. Financial Clarifications: Not applicable

17. Other conditions: Not applicable

Signed by,
On behalf of the GAVI Alliance



Hind Khatib-Othman
Managing Director, Country Programmes
21 October 2013

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

1. Country: Korea DPR										
2. Grant number: 0713-PRK-10a-Y										
3. Date of Decision Letter: 21 October 2013										
4. Date of the Partnership Framework Agreement: Not applicable										
5. Programme Title: Health Systems Strengthening (HSS)										
6. HSS terms: The ultimate aim of HSS support is to ensure increased and sustained immunisation coverage through addressing health systems barriers in Country, as specified in: • The relevant GAVI HSS guidelines – please contact your CRO at rkumar@gavialliance.com for the guidelines. • The relevant GAVI HSS application form - please contact your CRO at rkumar@gavialliance.com for the form. • Country's approved grant proposal and any responses to the HSS IRC's request for clarifications. Any disbursements under GAVI's HSS cash support will only be made if the following requirements are satisfied: • GAVI funding being available; • Submission of satisfactory Annual Progress Reports (APRs) by the Country; • Approval of the recommendation by an Independent Review Committee (IRC) for continued support by GAVI after the second year; • Compliance with any TAP requirements pursuant to the TAP Policy and under any Aide Memoire concluded between GAVI and the Country; • Compliance with GAVI's standard terms and conditions (attached in Appendix [D] or as set out in the PFA); and • Compliance with the then-current GAVI requirements relating to financial statements and external audits, including the requirements set out for annual external audit applicable to all GAVI cash grants as set out in GAVI's grant terms and conditions.										
7. Programme Duration⁶: 2007-2013										
8. Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement, if applicable): <table border="1"> <thead> <tr> <th></th> <th>2007-2011</th> <th>2012</th> <th>2013</th> <th>Total⁷</th> </tr> </thead> <tbody> <tr> <td>Programme Budget (US\$)</td> <td>US\$2,785,500</td> <td>US\$1,026,000</td> <td>US\$548,500</td> <td>US\$4,360,000</td> </tr> </tbody> </table>		2007-2011	2012	2013	Total ⁷	Programme Budget (US\$)	US\$2,785,500	US\$1,026,000	US\$548,500	US\$4,360,000
	2007-2011	2012	2013	Total ⁷						
Programme Budget (US\$)	US\$2,785,500	US\$1,026,000	US\$548,500	US\$4,360,000						

⁶ This is the entire duration of the programme.

⁷ 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.

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	2007-2012	2013	Total ⁸
Annual Amount (\$US)	US\$3,811,500	US\$548,500	US\$4,360,000

10. Financial Clarifications: The Country shall provide the following clarifications to GAVI⁹:
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
Annual Progress Reports (APRs). The APRs shall provide detail on the progress against milestones and targets against baseline data for indicators identified in the proposal, as well as the PBF indicators as listed in section 6 above. The APRs should also include a financial report on the use of GAVI support for HSS (which could include a joint pooled funding arrangement report, if appropriate) .	15 May 2014 or as negotiated with Secretariat
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 February and 15 August
In order to receive a disbursement for the second approved year of the HSS grant (2014), Country shall provide GAVI with a request for disbursement, which shall include the most recent interim unaudited financial report.	As necessary

⁸ This is the amount approved by GAVI.

⁹ 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/HSFP 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/HSFP 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
21 October 2013

Type of report: Annual Progress Report
Country: Democratic People's Republic of Korea
Reporting period: 2012
Date reviewed: July 2013

1. Background Information

Surviving Infants (2012): JRF: 346,400 (UNDP: 347,896)

DTP3 coverage (2012):

- JRF Official Country Estimate: 96%
- WHO/UNICEF Estimate: 96%

Table 1. NVS and INS Support

NVS and INS support	Approval Period
HepB monovalent	2003-2008
DTP-HepB	2006-2012
DTP-HepB-Hib	2012-2015
Measles	2008-2012
INS	2002-2004

Table 2. Cash Support

Cash support	Approval Period
ISS	2003-2013
HSS	2007-2013

Table 3. Monitoring and Request

Window	Review 2012	Request 2014
DTP-HepB-Hib	Yes	Yes
HSS	Yes	Yes

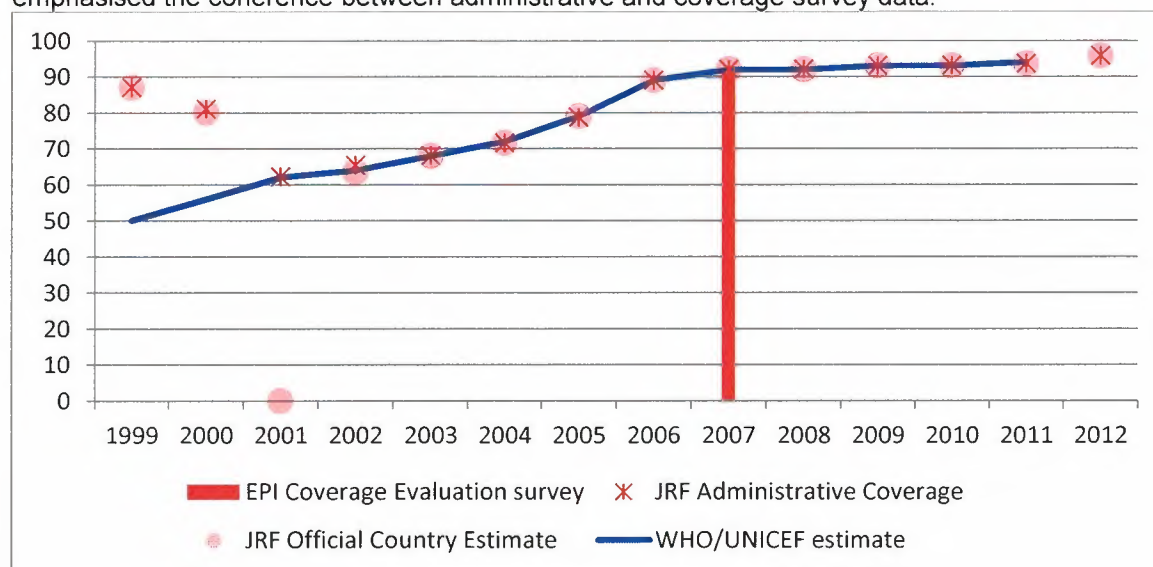
2. Composition and Functioning of Inter-agency Coordinating Committee (ICC) / Health Sector Coordinating Committee (HSCC)

Three ICC meetings were held in 2012, during which a number of issues were debated. These included the nationwide launch of Penta; review of the implementation status of the Penta vaccine introduction plan; implementation of the one-off tetra campaign; issues raised by the GAVI mission in 2012; review of HSS fund utilisation and reprogramming of activities for 2012-2014. Discussion was also held on the implementation status of the EVM improvement plan. Overall EPI planning was considered, e.g. replacement of TT with Td vaccine. The ICC and Ministers of Health and Finance endorsed the 2012 APR. There is no CSO representation on the ICC.

3. Programme and Data Management

DPRK data indicate that it has been a stable, high performing country since 2003, with agreement between JRF administrative coverage, JRF official country estimates and WHO/UNICEF estimates.

DTP3 coverage has risen from 68% in 2003 to its current 96%. The 2008 EPI coverage survey emphasised the coherence between administrative and coverage survey data.



Computerisation of the EPI system is stated to have been in progress for several years. However, the APR describes continuous shortfalls in ensuring timeliness and accuracy in collection and reporting of routine immunisation data, due to the lack of an e-reporting system. This is considered a major data management issue. The ISS reward was partly used to upgrade the administrative data system at provincial level and in a number of urban districts. The introduction of Penta in 2012 entailed the revision of routine report forms and child immunisation cards; these have been distributed.

4. Gender and Equity Analysis

Sex-disaggregated data are reported as unavailable, whether from administrative data sources or from surveys. However, there is information on gender barriers and equity issues in the APR. In one of the ICC Meetings it was noted that, whilst EPI is one of the most successful public health programmes in DPRK, challenges persist in reaching unreached populations who are most vulnerable due to geographical inaccessibility in some provinces. A bottleneck analysis workshop was planned for May 2013 to consider gender and equity issues in five provinces where coverage is below the national FIC average of 88%. A report on findings and action planning should be provided in the 2013 APR.

4. Immunisation Services Support (ISS)

The country is not reporting on ISS for 2012. DPRK is not eligible for a reward as fewer children were vaccinated in 2012 than the previous high achievement.

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

2012 Penta performance

The vaccine was introduced in July 2012, hence the partial DTP3 coverage as shown in the APR: 32% reported for the year, at 110,500 infants. *Drop out is predicted at 3%.* A PIE is planned for January 2014.

Stock levels: DPRK's DL stated 1,003,200 doses, with 411,300 co-financed doses. The APR states 687,539 doses were stated under "Total doses for 2012 in Decision Letter", with the same amount stated as doses received in 2012. According to UNICEF's record, 987,600 doses were delivered in 2012 (including 52,400 co-financed doses). All penta delivered was in 1-dose vials. A nationwide field monitoring exercise was undertaken between August and October, to observe and record the Penta introduction.

2014 Penta vaccine request

APR and JRF figures for surviving infants are consistent. The target for the 1st and 3rd doses is increasing, by less than 5% for both doses. There is an increase in coverage of 3% between the 2012 achievement and the 2014 projection. Targets for 2014 is within GAVI limits and therefore approved by IRC

The APR states that 1,059,720 Penta doses will be required for 2014, of which the country will co-finance 9.3% (97,837 doses).

Wastage: the country considers there will be 1% wastage; it does not specify how this figure will be attained. No change has been requested in the 1-dose vial vaccine presentation.

An EVM was conducted in October 2011 and the next is planned for August 2014. The overall conclusion of the EVM was that generally results were very positive with major advances made in the previous 3 years, including the rehabilitation and replacement of cold chain equipment, repair and maintenance of buildings and the acquisition of delivery vehicles at central and provincial levels. A number of recommendations were made for improvements at the five levels of management. The comprehensive EVM improvement plan addresses the EVM recommendations per each of the five levels of management, from central to ri-dong (service delivery) level. Due to limited storage facilities for vaccines at the ri clinic/ hospitals therefore the ICC directed that solar refrigerators be arranged to ensure establishment of proper cold chain facilities at the peripheral level. The last activities were scheduled to be completed by August 2013. The report on the actual implementation status of the EVM improvement plan shows that a number of activities have not yet begun, e.g. completion of the temperature monitoring study and procurement and installation of freeze monitors for facilities and stores at all levels.

DTP-HepB

The country transitioned to Pentavalent vaccine in 2012. The country procured 1,117,500 tetra doses in 2012, as against 687,539 doses as set out in the GAVI Decision Letter. The explanation provided in the APR is that additional tetra stocks were procured in anticipation of a delayed delivery of Penta. This delay did not happen; the additional tetra stock was administered through a campaign targeting children aged 3-5 years, on the advice of WHO-SEARO.

Measles

Measles (10-dose vial, lyophilised) was supported until 2012. There is no narrative report on 2012 activities provided in the APR. The UNICEF pre-assessment states that the GAVI Decision Letter provides for 496,500 doses, which tallies with UNICEF records. The APR indicates that the closing 2012/opening 2013 stock balance was 801,500 doses. The APR lists an assessment of the measles and maternal and neonatal elimination status as one of the priority activities for 2013.

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

The country is in the low income co-financing group, at USD 0.20 per dose. It began mandatory co-financing of Tetra in 2009, switching to Penta in 2012. It has previously underperformed; between 2009 and 2011 the country procured less than 50% of the co-financing requirements. In 2012 the country procured the total required under its co-financing arrangement. Concerns are valid regarding sustainability of immunisation financing, as no donors/partners other than GAVI, WHO and UNICEF are listed as specifically supporting immunisation services.

The APR states that the country is planning to mobilise funds from other sources/donors [unspecified] to support the co-financing of new vaccine introduction (PCV and Rota). Technical assistance has been sought from local WHO and UNICEF offices on this issue.

The country received a \$100,000 Vaccine Introduction Grant for Penta in 2012. Even though no external audit is required for the grant, a financial statement is provided, which shows 100% expenditure. The WHO portion was \$61,000 and UNICEF received the remainder. The major expense was technical training for vaccinators, at \$41,730. Other significant items included \$18,000 for fuel

coupons, while training and IEC materials' development accounted for \$20,000. There are no financial management issues reported by TAP for 2012.

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

The country has an injection safety plan. At the national and provincial levels sharps waste is disposed of through incineration, while pit burial and open burning are used at county and district levels. The APR states that no problems were encountered in 2012.

A major reported immunisation achievement for 2012 is the country-wide training that was carried out on AEFI surveillance, using standard WHO modules. The APR indicates the importance of continuing to strengthen AEFI reporting in 2013. Activities to support this will include revision and updating of AEFI surveillance guidelines and their distribution, as well as training workers to strengthen surveillance systems.

8. Health Systems Strengthening (HSS)

Situation of existing HSS grant

HSS funding was approved in 2007, with implementation starting in 2009. The total budget is \$4,361,00, of which \$2,785,500 was disbursed between 2009 and 2011 and \$1,026,000 was approved for 2012. Under a signed MOU with GAVI Alliance, the HSS funds are managed by WHO and UNICEF, in partnership with the Ministry of Health that implements activities.

The goal of the existing HSS is to promote sustainable gains in immunization coverage through targeted investments in health systems strengthening. Its objectives include: health management systems review and development; capacity building of health management system; service delivery support and health sector co-ordination.

Activities described for 2012/Q1 2013 are linked to the improvement of the immunisation programme. The APR provides a detailed summary of activities undertaken in 2012 and progress against baseline targets, which is overall highly positive. The HSS pre-assessment concludes that the 'HSS Monitoring Matrix shows impressive progress [with] excellent progress of indicators'.

Both the APR and the HSS pre-assessment note that a number of activities planned for 2012 have either not been completed or were postponed to 2013. The reasons given in the APR are lengthy processes linked to the signing of the MoU between the government and GAVI, which resulted in delayed release of the GAVI funding, the most recent tranche being paid in January 2013. In addition, it is also noted that due to the geopolitical situation and the sanctions imposed on DPRK, certain activities were delayed, e.g. those linked to international procurement for items such as cold chain equipment and the contracting of international technical assistance.

No GAVI HSS funds have previously been included in the national health budget or activities reflected in the sector plan. However, the 'Medium Term Plan for the Development of the Health Sector in DPR Korea, 2010-2015', which was recently developed, does include GAVI funds as finances available to the country.

Fund disbursement

Total funds disbursed for HSS in 2012 were \$536,000, while expenditure totalled \$1,017,956, which included funds carried over from 2011. The WHO 2012 financial statement indicates a 2012 end-year balance of \$257,206, while that for UNICEF shows a balance of \$55,440. The total HSS budget carried over to 2013 is, therefore, \$313,646. No external audit was conducted for the HSS grant in 2012.

Analysis of 2012 APR, TAP recognises a mismatch between 2011 closing balance and 2012 opening balance (WHO). There is a discrepancy between 2012 expenditure as stated in the APR and 2012 expenditure based on the financial statements. There is a difference between fund receipt by WHO (\$ 259,235) and amount sent by GAVI. Even though, WHO had responded to the clarification, TAP notes that the 2012 WHO financial statement does not provide sufficient detail.

Other HSS donor partners, including the Global Fund are active in the country. There are concerns about the country's potential for sustaining HSS activities focused on immunisation services once GAVI funding ends. However, the country intends to make a proposal for HSS-PBF funding in September 2013.

Evaluation of request of next tranche of funding

The country is requesting a final tranche of \$548,500. The HSS pre-assessment notes that due to 'delays in processes' there is an extension to 2014. The request for the final tranche appears reasonable in terms of previous rates of expenditure and apparent absorptive capacity. The country is not re-programming. The intention is that the country will submit a new HSS (HSS-PBF) proposal in September 2013. The country funding request is recommended for approval.

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

Not applicable

10. Risks and mitigating factors

Risks: insufficient national resources to sustain gains made through HSS and immunisation interventions; too few international donor partners, due in part to the geopolitical situation.
Mitigation: Continued external support especially in health systems strengthening grants

Summary of 2012 APR Review

DPRK is a high performing country whose co-financing obligations were met in 2012. Pentavalent was introduced in 2012, with no serious incidence of AEFI. DTP3 coverage is reported as having gone beyond 95% for the first time in 2012. There is a comprehensive EVM Improvement Plan, with country acknowledgement of persistent challenges. The HSS programme is functioning well in occasionally challenging circumstances. The country is addressing the need to target the hard to reach populations and to seek to mitigate gender barriers.

11. IRC Review Recommendations

ISS: DPRK is not eligible for a reward as fewer children were vaccinated in 2012 than the previous high achievement.

NVS

Pentavalent: Approve 2014 NVS support based on country request target.

HSS

Approve country funding request of a total of USD548,500, with the disbursement subject to satisfactory clarifications as detailed in section 12.

12. Clarification Required with Approved Funding

Short-term clarifications

Financial clarifications/outstanding TAP issues

HSS

- WHO to clarify the discrepancy of \$112,445 between 2011 WHO HSS financial statement's closing balance (\$546,481) and 2012 WHO financial statement's opening balance (\$434,036)
- WHO to clarify the difference of \$18,146 between fund receipt by WHO (\$259,235) and the amount sent by GAVI (\$277,381) in August 2012
- WHO to provide a revised 2012 financial statement either by activity or by economic classification
- Country to clarify the difference of \$130,591 between 2012 expenditures in 2012 APR (\$1,148,587) and 2012 expenditures in 2012 financial statements (\$1,017,996).

13. Others

a) End of HSS Evaluation

The IRC strongly recommends that an end of HSS evaluation be done. Findings and lessons learned from the HSS evaluation should be used to revise or adapt the upcoming HSS-PBF proposal. A further recommendation is that the findings of the gender and equity/unreached bottleneck analysis be reported on in the 2013 APR and that relevant findings be used to develop the HSS-PBF proposal

b) EPI Coverage Survey

IRC recommends that because the last EPI survey was conducted in 2008, it would be relevant to conduct one in 2013-2014. This needs to be planned for in the next APR