

**Nepal**
**VACCINE SUPPORT**

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

<b>1. Country: Nepal</b>				
<b>2. Grant Number: 1416-NPL-12b-X</b>				
<b>3. Date of Decision Letter: 15 September 2014</b>				
<b>4. Date of the Partnership Framework Agreement: 22 August 2014</b>				
<b>5. Programme Title: NVS, Pneumococcal Routine</b>				
<b>6. Vaccine type: Pneumococcal</b>				
<b>7. Requested product presentation and formulation of vaccine: Pneumococcal (PCV10), 2 dose(s) per vial , LIQUID</b>				
<b>8. Programme Duration<sup>1</sup>: 2014 - 2016</b>				
<b>9. Programme Budget (indicative) (subject to the terms of the Partnership Framework Agreement):</b>				
	2014	2015	2016	Total <sup>2</sup>
Programme Budget (US\$)	US\$2,281,000 <sup>3</sup>	US\$13,628,000	US\$9,454,500	US\$25,363,500
<b>10. Vaccine Introduction Grant: US\$551,000. This amount was disbursed in February 2014.</b>				

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

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

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

**11. Indicative Annual Amounts (subject to the terms of the Partnership Framework**

**Agreement):**<sup>4</sup> This decision letter is a revision of the decision letter NPL-2013.04(xaxx) P.

The 2014 amount has been amended from US\$5,259,000 to US\$2,281,000.

Type of supplies to be purchased with GAVI funds in each year	2014	2015
Number of Pneumococcal vaccines doses	421,200	2,532,000
Number of AD syringes	452,800	2,713,600
Number of re-constitution syringes		
Number of safety boxes	5,000	29,850
Annual Amounts (US\$)	US\$2,281,000 <sup>5</sup>	US\$13,628,000

**12. Procurement agency:** UNICEF.

**13. Self-procurement:** Not applicable.

**14. Co-financing obligations: Reference code: 1416-NPL-12b-X-C.** According to the Co-Financing Policy, the Country falls within the Low Income group.

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	2016	2017
Number of vaccine doses	26,000	155,200	132,400	
Number of AD syringes				
Number of re-constitution syringes				
Number of safety boxes				
Value of vaccine doses (US\$)	US\$86,878	US\$521,953	US\$444,068	
Total Co-	US\$89,500	US\$537,500	US\$457,500	

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

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



Financing Payments (US\$) (including freight)				
<b>15. Operational support for campaigns:</b> Not applicable				
<b>16. Additional documents to be delivered for future disbursements:</b> Not applicable				
Reports, documents and other deliverables			To be agreed with the GAVI Secretariat	
<b>17. Financial Clarifications:</b> Not Applicable.				
<b>18. Other conditions:</b> Not applicable.				

Signed by,

A handwritten signature in blue ink, which appears to read "Hind Khatib-Othman".

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

15 September 2014

## Joint Appraisal 2014 Nepal

### 1. Brief Description of Process

A country mission was carried out in first week of May 2014 with multiple objectives. This opportunity of the country visit was used to gather the information required for completion of the appraisal process after receipt of APR documents later in May 2014. In-country WHO and UNICEF were part of several meetings with Government officials to review the progress in Nepal as reflected in the JRF available at that point of time and key issues. The draft appraisal report was shared with in-country WHO and UNICEF for further inputs and with a request to flag any other key issues.

As a pool partner for GAVI HSS support, the review for this window was completed way back in February 2014 as part of joint annual review by all development partners. This practice has been adopted by GAVI for last three years for HSS funding to Nepal without any need for the country to provide additional documentation or reports.

### 2. Achievements and Constraints

Nepal has been a high performing country, as illustrated in the Cover Note graph. The country estimated DPT-HepB-Hib3 coverage for year 2013 is 93%. This aligns well with 91.4% as estimated by the DHS in year 2011. Measles first dose coverage is reported as 88%. A MICS by UNICEF is in progress in Nepal and the report is expected by September this year. The cover note graph also shows good consistency between the country estimated coverage and WHO-UNICEF estimates.

Immunization coverage across districts has been consistently high. Only one out 75 districts had coverage of less than 50% and another 6 districts had coverage less than 80% in year 2013 (source: Joint Reporting Form, 2013). Nepal has been free of Polio since August 2010 which also underscores its being a high coverage country.

The country does not collect or analyse routine data by gender. DHS in 2011 did not show any difference between the boys and the girl, being 92.1% and 91.3% respectively. The equity issue is monitored across geography (hard to reach mountain areas), ethnicity and wealth quintiles in country's annual report under the Nepal Health Sector Programme II. These groups are monitored as in the overall monitoring for the Nepal Health Sector Programme II. Mothers' education showed a direct correlation with immunization coverage, being 78% among infants of mothers with no education as compared with 92% in other children.

Nepal's progress on health indicators including immunization is generally considered excellent.

### 3. Governance

The governance processes in Nepal are dual. NHSP II manages the broad health sector program within the ambit of pooling partners (World Bank, DFID, DFAT from Australia, German KFW and GAVI) and is coordinated by The World Bank on behalf of the pool partners. The joint annual review process begins in November each year and culminates in a meeting with all partners in the last week of January of the following year. Throughout the rest of the year, there are four Joint Consultative Meetings (JCMs) between the Government and development partners.

GAVI support to EPI has the oversight by the ICC which had four meetings during 2013. Among the NGOs, Rotary International is an ICC member. In addition, Lions Clubs is an important partner to Government's initiatives on Measles-Rubella. It should be noted that NGOs are a vibrant constituency in Nepal, actively participating in a number of health programs and actively delivering services to the communities.

There is also a NITAG, called National Committee for Immunization Practices (NCIP), which provides technical inputs into the country's decision making process for EPI. An important decision of consequence to GAVI during 2013 related to a change of product for PCV from PCV13 to PCV10, citing limited cold chain space as the reason. Nepal is scheduled to introduce PCV in November 2014. The NITAG is

#### **4. Programme Management**

In Nepal, the EPI program is managed by the Child Health Division. An important element of the program, vaccine supplies and distribution, is managed by Logistics Management Division in coordination with CHD. The two divisions are headed by Directors reporting to The Director General and Secretary in the Ministry of Health and Population. Both offices are located in close vicinity, near the National Cold Chain Store. The National Store's location in centre of capital Kathmandu limits any bold plans to massively increase the Vaccine storage space at the national level. There is generally a high degree of continuity among senior managers in the Government.

The Health Sector Program is managed by the Policy Planning and International Cooperation Division at Ministry of Health and Population. As the current program is ending in July 2015, preparations are underway to develop the next Health Sector Program in Nepal.

Nepal has a reasonably decentralized system of service delivery with the districts taking direct responsibility for implementing the activities. A major initiative in Nepal has been establishing the birthing centres in all the PHCs. In between the National Government and the districts, there are five Regional managerial structures responsible for carrying out supervisory functions as well as logistics.

A community mobilization initiative worth noting in Nepal is 'declaration of a fully immunized village'. External partners carry out a validation before a village is declared as 'fully immunized'. This is celebrated in a highly visible ceremony where the key people are honoured. The major part of the funding at community levels is voluntarily contributed. So far 430 VDCs and 3 municipalities from 34 districts ( a of July 2014) across Nepal have declared fully immunized.

#### **5. Programme Delivery**

The last EVM was carried out in year 2011. At the time of the country mission, a UNICEF contracted Consultant was carrying out an inventory analysis of cold chain. We understand an EVM is also being carried out in August 2014.

The National Cold Chain Store was visited during the country mission. The stocks of Pentavalent vaccine roughly matched with a crude count of available stocks. As mentioned in Section 4, as the Store is located in a prime area of Kathmandu, further expansion of space would be constrained. It is densely packed and is part of the National Drug Store. Nepal's decision to change from PCV13 to 2 dose formulation of PCV10 due to limited space is a good pointer towards paucity of space. Nepal will soon be receiving supplies for IPV for launch in September 2014. As such it might be good for the Government to consider construction of a new and much bigger facility that could accommodate all new vaccines in coming years. The constrained space at present could create massive challenges during conduct of large scale campaigns.

#### **6. Data Quality**

Nepal presents a good example of data consistency and reliability. The cover note graph shows perfect alignment among country estimates, WHO-UNICEF estimates and coverage surveys. Another MICS is in progress in Nepal at present which underscores the importance of periodic surveys to validate immunization coverage by Nepal.

#### **7. Global Polio Eradication Initiative, if relevant**

Nepal together with SEAR countries has been certified to have declared Polio free with no case reported for more than three years. The country celebrated its success on polio with an event during the week of the country mission. It carries out a NID each year. Further, the same program

management and service delivery staff manages both RI activities and Polio related NIDs. The country successfully applied for GAVI support for routine introduction of one dose of IPV, to be launched on 17<sup>th</sup> September 2014. This will make Nepal the first ever GAVI eligible country to do so. Being a country with coverage in the 90's there is no district that is considered as high risk for Polio (only one district has a coverage of less than 50%). As such there are no issues relating to coordination between RI and Polio activities.

## **8. Health System Strengthening**

GAVI HSS funding is implemented through a pooled funding mechanism within the overall framework of National Health Sector Program II (NHSP II). The program is monitored through an annual process by all development partners under the aegis of Joint Annual Review (JAR) process. There is active participation by large number of CSOs in the process. In 2014 more than 300, including large number of NGOs, participated in the annual JAR workshop. The review this year highlighted the achievements on health related MDGs, and challenges relating to increase in allocation to the health sector, financial reporting and delayed audit. MDG4 is on track towards its goal of 2015. Procurement activities are falling behind due to institutional weakness in the Logistics Management Division. Based on the feedback from GAVI, UNICEF and WHO, allocations for cold chain investments have increased by almost four in the annual plan for 2014/15 compared to previous fiscal year.

The details of the joint annual review that concluded in January 2014 have been reflected in the Aide Memoire between the Government and development partners. It is available with GAMR documents. The current fiscal year of Nepal 2014/15 is last year of the NHSP II program. Preparations have already started to develop the NHSP III program. GAVI HSS program is ending in July 2014.

The last tranche of GAVI HSS support was approved by the IRC in April 2013. As GAVI follows a World Bank coordinated process for disbursement, the funds were not transferred before the advice was received in February 2014. The actual disbursement of \$5.7 million is still pending as the Government is yet to sign the Partnership Framework Agreement.

As Nepal is one of only two countries providing HSS support through pooled funding mechanism an evaluation of GAVI HSS support is being carried out in 2014. The evaluation will be carried by an organization selected through a competitive bidding process.

Nepal is preparing its application for a new grant for which the allocations have gone up by almost 60%. The HSS support by GAVI has an allocation of \$8.70 million in first year and \$6.96 million per year for next four years. This is in addition to performance based funding. Nepal plans to use the NHSP III mechanism of pooled funding for GAVI proposal. Nepal has informed GAVI that it would apply for new support by 15 September.

## **9. Use of non-HSS Cash Grants from GAVI**

The only cash grant during 2013 related to introduction grant for Rubella vaccine. In Nepal, all cash grants with exception of Health System Funding are managed through a single Bank account/reporting line in Ministry of Health and Population. There are no CSO grants in Nepal.

## **10. Financial Management (to be completed by PFO team)**

*Assess the quality of the country's financial management of GAVI's cash grants, including budgeting, oversight, and budget execution, reporting and auditing requirement compliance. Comment in particular on the country's progress in fulfilling the terms of GAVI's Partnership Framework Agreement (PFA) and Aide Memoire, and in resolving any outstanding financial management or reporting issues.*

*Reference might be made, amongst other criteria, to whether:*

- *Financial reports and audits are provided on time?*
- *There are outstanding financial clarifications to be provided to GAVI?*

## 11. NVS Targets

The targets for Pentavalent vaccine are on higher side for year 2015. Compared to year 2013 achievements, the targets for 2015 are 11% higher. Given the fact that fertility in Nepal has gone down (one key reason being a large number of migrants from Nepal working in Middle East), the numbers for 2015 need to be scrutinized. The expected target for 2014 is 2% higher than achieved in 2013. Further, Nepal would be launching the PCV in November 2014. The targets for PCV have been projected similar to ones for Pentavalent vaccine. The expected wastage rate is 15%, same as prescribed by GAVI as optimal for use of the 10 dose vial product. Post Introduction Evaluation report was not provided with APR documents.

As noted earlier, a change happened during the course of 2014 when the country decided to change PCV product – from 13 valent to 10 valent vaccine. The latter product is package as 2 dose vial without preservative. The country is carrying out the training and other preparatory activities at present to introduce the vaccine. Nepal is first GAVI eligible country to ask for a change from PCV13 to PCV10. Nepal also introduced Rubella vaccine from 2014 after completing a large MR campaign targeting all children 9 months to under 15 years of age in 2013.

IPV will be introduced in 2014. The target for IPV has been calculated by GAVI using the UN population data.

GAVI IRC has recommended approval of Nepal's applications for introduction of Measles-Rubella second dose and HPV demonstration project in two districts in first half of 2015. This means that the country will be introducing four new vaccines within a span of nine months (IPV, PCV, MR second dose and HPV)

## 12. EPI Financing and Sustainability

According to Annual Report for 2013, the country provided \$5.3 million for EPI out a total of \$14 million for the program. GAVI provided \$4.9 million with WHO and UNICEF providing other contributions. Government funds are used to procure traditional vaccines. Two points need to be noted: first, all contributions, both cash and in kind, are recorded on the Government records, and second, five development partners provide budget support to the Government as part NHSP II. Being the second poorest country from Asia, Nepal is far from GAVI graduation. It has a good and consistent record on country co-financing.

## 13. Renewal Recommendations

Topic	Recommendation
Pentavalent vaccine	Renewal as per calculations made by GAVI secretariat
Pneumococcal vaccine	Continuation as per original approval (PCV10) and communications from GAVI secretariat

## 14. Other Recommended Actions

Topic	Action Point	Responsible	Timeline
New Vaccine introductions in 2014	Follow through introduction of IPV on 17 <sup>th</sup> September 2014 and PCV in November 2014, synergizing activities such as training and communications	EPI, WHO, UNICEF	
EVM assessment in 2014	Complete EVM assessment in 2014 and implement Improvement plan from 2015 onwards	LMD, EPI, UNICEF, WHO	Sept 2014
c-MYP	Development of new c-MYP	EPI, Partners	2015
Financial clarifications	-Country to respond to the request dated Aug. 9, 2012 and to provide Closing financial audit for the stand alone HSS; -Country to provide 2013 financial audit for cash support programs, when ready; -Provide bank statements showing opening and closing balances for 2012.	MOH	Sept 2014

