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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

PROJECT PAPER

PRIVATE VOLUNTARY ORGANIZATIONS FOR HEALTH

INDIA

386-0469

AUGUST 1981

UNCLASSIFIED

PROJECT AUTHORIZATION

INDIA

Private Voluntary Organi-
zations for Health Project
Project No. 386-0469

Pursuant to Sections 612 and 104 of the Foreign Assistance Act of 1961, as amended (the "Act"), I hereby authorize the Private Voluntary Organizations for Health Project (the "Project") for India (the "Cooperating Country"), involving planned obligations of not to exceed Twenty Million United States Dollars (\$20,000,000) equivalent in Special Foreign Currency in grant funds over a six year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing local currency costs of the Project.

The Project consists of assistance to the Cooperating Country in expanding and improving basic and special preventive health, family planning, and nutrition services with emphasis on expanding such services to the rural communities by strengthening the private and voluntary sector.

The Grant will assist in financing subgrants to a number of private institutions (approximately 10-15) to enhance their capacity to deliver the above-noted services. The Cooperating Country will contribute \$6.7 million equivalent in local currency for Project activities.

The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

1. Conditions Precedent to Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) A copy of the Cooperating Country notification establishing a Grants Committee and a Secretariat in the Ministry of Health to administer this Grant;

(2) A statement showing the functions and responsibilities of the Grants Committee and the Secretariat, including a staffing plan and cost estimates therefor to cover the life of the project; and

(3) A list of names and designations of officials constituting the Grants Committee and a similar list for the key officials of the Secretariat.

2. Covenants

Except as A.I.D. may otherwise agree in writing, the Cooperating Country will:

(1) Ensure that no portion of grant proceeds will be attributed to motivation fees to any person for family planning or attributed to sterilization or abortion-related costs;

(2) Ensure that all family planning services, including sterilization will be provided on a strictly voluntary basis.

Signature

M. Peter McPherson
M. Peter McPherson
Administrator

August 25, 1981
Date

Clearances:

Jon D. Holstine, AA/ASIA
Larry Smucker, A/AA/PPC
John R. Bolton, GC

| Date | Initial |
|---------------|-----------------|
| <i>14/81</i> | <i>JS</i> |
| <i>14/81</i> | <i>LS-17-81</i> |
| <i>KCC 10</i> | <i>8-19-81</i> |

GC/Asia:HEMorris:hp:8/5/81
Ext. 28092

2. COUNTRY/ENTITY
INDIA

3. PROJECT NUMBER
386-0469

4. BUREAU/OFFICE
ASIA 04

5. PROJECT TITLE (maximum 40 characters)
Priv. Voluntary Organizations for Health

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
 MM DD YY
09 30 87

7. ESTIMATED DATE OF OBLIGATION
 (Under 'B' below, enter 1, 2, 3, or 4)
 A. Initial FY **81** B. Quarter **4** C. Final FY **81**

8. COSTS (\$000 OR EQUIVALENT SI = Rs. 8. 50)

| A. FUNDING SOURCE | FIRST FY 1981 | | | LIFE OF PROJECT | | |
|------------------------|---------------|---------------|---------------|-----------------|---------------|---------------|
| | B. FX | C. L/C | D. Total | E. FX | F. L/C | G. Total |
| AID Appropriated Total | | | | | | |
| (Grant) SFCA | () | (20,000) | (20,000) | () | (20,000) | (20,000) |
| (Loan) | () | (-) | (-) | () | (-) | (-) |
| Other U.S. | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| Host Country | | 6,700 | 6,700 | | 6,700 | 6,700 |
| Other Donor(s) | | | | | | |
| TOTALS | | 26,700 | 26,700 | | 26,700 | 26,700 |

9. SCHEDULE OF AID FUNDING (\$000)

| A. APPROPRIATION | B. PRIMARY PURPOSE CODE | C. PRIMARY TECH. CODE | | D. OBLIGATIONS TO DATE | | E. AMOUNT APPROVED THIS ACTION | | F. LIFE OF PROJECT | |
|------------------|-------------------------|-----------------------|---------|------------------------|----------|--------------------------------|----------|--------------------|----------|
| | | 1. Grant | 2. Loan | 1. Grant | 2. Loan | 1. Grant | 2. Loan | 1. Grant | 2. Loan |
| (1) SFCA | B533 | | | 0 | 0 | 20,000 | 0 | 20,000 | 0 |
| (2) | | | | | | | | | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | 0 | 0 | 20,000 | 0 | 20,000 | 0 |

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
 440 450 350 510 550 560

11. SECONDARY PURPOSE CODE
 533

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

| A. Code | BR | BU | DEL | NUTR | PVON |
|-----------|--------|----|-----|------|------|
| B. Amount | 21,400 | | | | |

13. PROJECT PURPOSE (maximum 480 characters)
 To expand and improve basic and special preventive health, family planning, and nutrition services for the poor by strengthening the private and voluntary sector.

14. SCHEDULED EVALUATIONS
 Interim MM YY **06 83** MM YY **06 85** Final MM YY **06 87**

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

* Formerly titled as Private Institutions Rural Health Support.

17. APPROVED BY
 Signature: **Priscilla M. Boughton**
 Title: **Priscilla M. Boughton**
Director, AID/New Delhi

Date Signed
 MM DD YY
07 24 81

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY
07 24 81

PROJECT PAPER

PRIVATE VOLUNTARY ORGANIZATIONS
FOR HEALTH PROJECT

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ATTACHMENTS

- A. PID Approval Cable
- B. 611(e) Certification
- C. Draft Project Authorization
- D. Draft Project Description for Grant Agreement
- E. Statutory Checklists - 5C(1), 5C(2) and 5C(3)
- F. Logical Framework
- G. Letter of Request

Annexes I and II referred to in the text, are in a separate volume held in ASIA/PD and USAID.

- ANNEX III. Prior AID Assistance to PVO's in India for Health, Family Planning and Nutrition.
- ANNEX IV. Draft Application for Sub-Grant.
- ANNEX V. Sub-Grant Standard Requirements and Letter of Understanding.

CURRENCY EQUIVALENTS

Currency Unit = Rupees (Rs.)
U.S. 1 = Rs. 8.00
Rs. 1 = U.S. \$0.125

WEIGHTS AND MEASURES

1 kilometer (km) = 0.62 miles
1 meter (m) = 3.28 feet
1 hectare (ha) = 2.47 acres
1 kilogram (kg) = 2.20 pounds
1 metric ton (MT) = 2,204 pounds

INDIAN FISCAL YEAR

April 1 - March 31

ABBREVIATIONS AND ACRONYMS

AID, AID/W - United States Agency for International Development, AID, Washington
CBR - Crude Birth Rate
CDR - Crude Death Rate
GOI - Government of India
MCH - Maternal Child Health
MOHFW - Ministry of Health and Family Welfare
PID - Project Identification Document
PVO - Private Voluntary Organization
USAID - AID Mission in New Delhi

PART I - SUMMARY AND RECOMMENDATIONS

A. GRANTEE AND IMPLEMENTING AGENCY

The Grantee will be the President of India. The implementing Agency will be the Ministry of Health and Family Welfare (MOHFW).

B. GRANT

The Grant amount is \$20 million equivalent in U.S. owned Indian Rupees under Special Foreign Currency Appropriation.

C. PURPOSE

The purpose of the Grant is to expand and improve basic and special preventive health, family planning, and nutrition services for the poor by strengthening the private and voluntary sector.

D. THE PROJECT

The Project will assist the Government of India (GOI) in its efforts to encourage private and voluntary organizations to undertake greater responsibility for improving the health and family planning status of India's poor population. Project outputs will be approximately 10-15 subgrants to private and voluntary organizations. Each subgrant will have outputs that will result in expanded and improved basic and special preventive services. Project inputs include technical and/or management skills of Indian institutions and Indian professionals. AID's financial input will be the equivalent of \$20 million from a Special Foreign Currency Appropriation. There will be a six year disbursement period.

E. DISCUSSION OF PROJECT ISSUES

The principal issues raised in the PID were: (1) confirmation that interest and potential exists among the private institutions to develop eligible subgrant proposals in the magnitude projected; (2) the further definition of criteria established for subgrants; (3) how to ensure that programs will be continued after the grant has been phased out; and (4) how to arrange administrative procedures for grant funds to be released so that there is least possible delay but adequate review and monitoring. AID/W raised no issues in its approval of the PID on August 27, 1979. The status of project issues is as follows:

(1) USAID site visits to private and voluntary organizations, visits by private and voluntary organizations to the Government of India officials involved in assistance to the voluntary sector and to the USAID office confirm intense interest by a number of suitable organizations in developing subgrants. In addition, USAID and the GOI have agreed to limit the number of subgrants to 10-15. (See Part III : A and Annex 1.)

(2) Further criteria have been developed for subgrants including institutional eligibility criteria, selection criteria, an application process, a review and selection process, and a monitoring and evaluation process. (See Part IV : A.)

(3) Maximizing the chances that programs begun with subgrant funds will be continued in the post-grant period will be accomplished by: (a) requiring a statement from the subgrantee about post-grant program sustainability in the application itself; (b) including post-grant program sustainability as a selection criterion; (c) site visiting of applicants before subgrant awards which will include a technical and a financial analysis to review post-grant program sustainability; and (d) requiring a 25% contribution by the subgrantees. (See Part IV : A and IV : C.)

(4) Grant funds will be released through an advance and replenishment arrangement with the Ministry of Health and Family Welfare of the GOI which will have accounts in its name from which to make disbursements for subgrantees and for administrative expenses. (See Part IV : A.)

F. BENEFICIARIES

This Project will benefit the rural and urban poor. However, precise quantification of the number of beneficiaries is not possible as subgrants have not yet been given.

G. STATUTORY CRITERIA

The Grant meets all applicable statutory criteria. A negative environmental determination was made at the time of PID approval.

H. RECOMMENDATION

The Project is technically, financially and socially sound and a grant of \$20 million equivalent from a Special Foreign Currency Appropriation should be approved for the Project to be disbursed within six years from the date of the Project Agreement between the Government of the United States of America and the Government of India.

PART II - PROJECT BACKGROUND & DETAILED DESCRIPTION

A. BACKGROUND

1. Demographic, Fertility and Health Situation

Provisional results of the 1981 Census of India indicate the total population of India to be 683.6 million, as of March 1, 1981. Revised estimates will probably add 1.5 million more after the late tallies are in; also, the enumeration undercount is variously estimated to be between 1.5 and 2.5 percent. The decennial growth rate from April, 1971 to March 1, 1981 (119 months) appears to be 24.75 percent, essentially equal to the previous decadal (120 months) growth rate of 24.80 percent. The average annual compound growth rate over the decade was about 2.26 percent.

The Crude Birth Rate (CBR) is probably about 35 per thousand inhabitants per year and the Crude Death Rate (CDR) is about 13. While death rates as a whole have been declining, the rural infant mortality rates (IMR) have not changed greatly in the last twenty years and remains about 130/1000 live births. It appears that rural CDR exceeds urban CDR by 65% and that rural IMR exceeds urban IMR by 74%. Both birth and death rates vary considerably by state, with the central region states of Uttar Pradesh, Bihar, and Madhya Pradesh having high birth and death rates and Kerala having the lowest.

About 80% of the Indian population is rural, living in over 575,000 villages. The rate of urbanization is low -- less than 2% per decade. Forty-one percent of the population is below the age of 15. USAID projections show an expected range of population from 900 million to 1000 million by the year 2001.

2. History of the Project

The initial GOI/USAID thinking on this project was occasioned by a large grant made by AID in 1977 to Saint John's Hospital and Medical College in Bangalore. The current project is intended to "balance" the large amount of aid given to one particular denomination (St. John's) by giving subgrants to a variety of groups working in the private and voluntary sector throughout the country. Funds would be open to a large number of institutions which would apply for grants only after the project was designed

and approved by both GOI and USAID. In order to make funds available to one and all, specific institutions to receive grants would not be identified during the design period. It was with this understanding by both governments that discussions were held concerning the project from 1977 onwards.

3. The Role of Voluntary Organizations and the Private Sector in Delivery of Health, Family Planning, and Nutrition Services in India

Voluntary organizations and private practitioners represent a major asset in India for the promotion of health, nutrition and family planning awareness and services. In 1974, there were estimated to be over 400 non-government organizations engaged in health and family planning activities¹. Hospitals in the voluntary sector are by and large found in towns and cities and are mostly run by Christian missions. Although these are found all over the country, they are concentrated in the South where Christian missionary activity has been the strongest over the years. Most of these hospitals have some sort of rural extension outreach programs, primarily for curative services. There are also hospitals, dispensaries and clinics set up by philanthropic trusts and foundations, and these are also predominantly found in urban and semi-urban areas. They tend to be uni-purpose, (e.g., maternity hospitals), are often limited in their geographical area of operation, and have few rural extension programs (except for occasional eye and immunization camps). The voluntary organizations provide about 50% of small town and rural hospital beds.

Over 2,000 family planning centers are being operated by non-governmental organizations. Most of these clinics are located in large cities and towns and cater primarily to the urban population. At present, only a few have rural outreach programs of any kind or are engaged in family planning promotion or motivation.

1. Mankekar, Kamla; Voluntary Effort in Family Planning: A Brief History, Abhinav, New Delhi, 1974

Voluntary organizations are well respected for quality services, a caring attitude, and their commitment to the poor. They have often been leaders in innovative programming. Some of the voluntary organizations are quite large and have branches in various parts of the country. Some well known organizations are Rama-krishna Mission, The Family Planning Association of India, the Nutrition Foundation of India, Voluntary Health Association of India, Christian Medical Association of India, and Indian Hospital Association.

In addition to voluntary organizations, there are now about 120,000 practitioners of allopathic ("western scientific") medicine in the private sector (mostly in urban and semi-urban areas) and over 600,000 private practitioners following indigenous systems of medicine (ayurveds, unani, homeopaths, naturopaths, and siddha) who mostly practice in the rural areas. Indigenous practitioners are of two types: one is formally trained in an institution, registered by government, and usually practices full time. The others are trained informally by preceptors, not registered by government, practice part-time and usually charge minimal fees. The GOI is supporting training in these systems of medicine in order to institutionalize such training and maintain minimum standards. Both types of these practitioners constitute a large reservoir of untapped potential for improving basic health, nutrition and family planning services. Some estimates are that, in small towns and rural areas, the government-sponsored system provides about 20% of non-hospital services, the organized voluntary sector 20%, and private sector (allopathic plus traditional) about 60%.

Both allopathic and indigenous systems of medicine are represented at the national and state levels by professional associations such as the Indian Medical Association, the All-India Ayurvedic Congress, and the Unani Tibbia Conference.

4. GOI Policies Involving Voluntary Organizations in Health, Family Planning, and Nutrition

The GOI/MOHFW issued a policy statement in 1970 affirming the role of voluntary agencies in making family planning a "people's movement" and a "mass programme". The National Population Policy of June 1977 specifically mentions the crucial role of voluntary organizations for the success of the family planning pro-

gram, and this approach has been repeatedly emphasized in resolutions and recommendations of the central council of Health and Family Welfare, the apex policy making body in the Ministry of Health & Family Welfare.

The draft National Health Policy of 1978 also calls for greater involvement of the non-governmental sector in expanded delivery of health care services. In March, 1980, a working group on the role of voluntary organizations in achieving the goal of health for all by 2000 A.D. was constituted by the Ministry of Health & Family Welfare. The committee considered the functions which could be assigned to voluntary organizations to complement the work of government-sponsored health and family planning delivery systems. Steps for improving the relationship between the Government and voluntary sector were also discussed. These recommendations are being incorporated into a final report due to be published soon. It will lay out a plan for private sector cooperation and should lead to more extensive cooperation between private voluntary agencies and the Government.

Little mention is made in the recently published (March, 1981) Sixth Five-Year Plan of the role of indigenous voluntary agencies in achieving GOI health or nutrition goals by 1985 and beyond. Some emphasis, however, was placed in the Sixth Plan on the involvement of these organizations and groups in family planning motivation and service delivery.

5. The Current GOI Grant-in-Aid Program

The GOI/MOHFW is currently administering a Grant-in-Aid program. A separate Non-Governmental Organizations Division has been in existence in the Ministry for the last several years to administer these grants. This unit is headed by the Deputy Secretary, and is supported by an Under-Secretary and section staff. In addition, a Grants Committee also has been in existence which screens and approves applications for grants under various schemes.

Following broadly are current schemes for grants to voluntary organizations:

1. Grants to organizations for tuberculosis, leprosy, and other public health problems.

2. Financial assistance to voluntary organizations for setting up new hospitals/dispensaries in/for rural areas (this is commonly known as the "1/3" scheme because the voluntary organization contributes 1/3, the central government 1/3, and the state government 1/3 for non-recurrent expenditures, and the voluntary organization pays recurrent expenditures).
3. Grants for promotion of voluntary blood donations.
4. Grants to private under-graduate allopathic medical colleges and to private under-graduate colleges training practitioners in Indian systems of medicines for improvement in the standards of instruction.
5. Grants to private voluntary organizations for activities promoting family planning, including family planning services, training of family planning workers, motivational campaigns, and innovative and experimental projects.

The budget allocations of the Central government for the Grant-in-Aid Program of the Ministry of Health and Family Welfare for the last seven years is shown below. The states also have small and variable Grant-in-Aid Programs.

Government of India, Ministry of Health & Family Welfare Budget for Grants to Voluntary Organizations During Indian Financial Years (April 1 to March 31)

| | |
|-----------|----------------|
| 1974 - 75 | US \$ 622,375 |
| 1975 - 76 | US \$ 468,750 |
| 1976 - 77 | US \$ 602,625 |
| 1977 - 78 | US \$ 560,250 |
| 1978 - 79 | US \$ 776,500 |
| 1979 - 80 | US \$1,062,250 |
| 1980 - 81 | US \$ 624,625 |

Annex II provides extensive excerpts from the MOHFW's grant guideline book, Central Aid for Health and Family Planning to Voluntary Organizations. The objectives, application procedures, and criteria budget and accounting, and reporting features of this existing system are shown there in considerable detail.

6. Linkage of Project to AID Development Strategy

USAID/India goals for the health, population and nutrition sector, shared by the GOI, are to assist the Government of India to reduce fertility in the population and to reduce mortality, particularly in the 0-5 year age group. To accomplish these goals, USAID/India assistance is focused on the expansion and improvement of rural services so that the rural, underserved people have increased access to basic services of improved quality. As such, USAID/India presently is supporting expanded and improved health and family planning services to 13 districts in five states through a \$40 million grant for the public sector. USAID also is in the last year of a \$38 million commodity assistance loan to the GOI for the reduction of malaria. This project clearly fits the USAID strategy and complements the other projects by strengthening and expanding the role of private and voluntary organizations, particularly in rural, underserved areas. The project also fits clearly within the Asia Bureau Strategy for Health, Population & Nutrition.

7. Other Donor Assistance to Voluntary Organizations involved in health, family planning, and nutrition in India

Other bilateral donor agencies are involved in the voluntary health sector in India including Canadian, Swedish, and Danish International Development Agencies (CIDA, SIDA, and DANIDA, respectively). Although these governments operate mostly on a bilateral basis in the health field, they also channel assistance to their own respective non-Governmental agencies which in turn operate health programs and projects in India. For example, CIDA works through Canadian PVO's and provides funding for hospital construction, public health programs drug subsidies, transport, and salary support.

Many voluntary organizations receiving external funding have a religious affiliation mostly with United States and Western European churches. The American Council of Voluntary Agencies for Foreign Service lists 104 U.S. organizations, representing almost all denominations which provide developmental assistance and material aid in India². Out of the total, there are 73 with medical

2. TAICH Country Report, India, American Council of Voluntary Agencies for Foreign Service Inc. March, 1979

and public health, nutrition and/or population and family planning programs. These PVO's, with a few major exceptions, tend to work at just one or two sites in rural areas and have modest budgets. The three exceptions are Catholic Relief Services, Church World Service and Lutheran World Relief. Each of these PVO's have a large number of developmental projects all over India. All three import U.S. medical equipment and supplies for Mission clinics and hospitals, provide food for Maternal and Child Health (MCH) programs, and support limited community health programs. Secular foreign PVO's active in this sector are less numerous, but include CARE (U.S.), Oxfam (U.K.), Novid (Netherlands) and Save the Children's Fund.

8. Previous AID Assistance to Voluntary Organizations involved in Health, Family Planning and Nutrition in India

USAID has contributed about Rs.250 million (US \$30 million), to assist the construction and equipping of eight leading private sector medical institutions in India. In addition, in the late 1960's and early 1970's, USAID provided about Rs. 3.2 million (US \$260,000) to support family planning activities in the private sector. More details may be found in Annex III.

B. DETAILED PROJECT DESCRIPTION

1. Goal

In accordance with the policies of both the Government of India (GOI) and USAID/India, this project seeks to reduce mortality and fertility among rural and urban poor in India. (The project gives priority to rural poor by allocating not less than 80% of project funds to improving and expanding services in rural, village and small town settings.)

2. Purpose:

To accomplish these goals, the project will have the following purpose:

Purpose

To expand and improve basic and special preventive health, family planning and nutrition services for the poor by strengthening the private and voluntary sector

For this project, basic health, family planning, and nutrition services refers to services required by the rural and urban poor for common and/or emergency health, family planning, and nutrition problems. For applicants planning to request a subgrant for basic health services, it is expected that services such as immunizations; care for pregnant women, care for common infectious disease conditions such as diarrhea, respiratory diseases, parasitosis, malaria, eye problems, and skin problems; and care for minor trauma and burns will be offered and most effective treatment methods employed (such as oral rehydration for diarrhea). For applicants planning to request a subgrant for basic family planning services, it is expected that a cafeteria of contraceptive methods will be offered and skills and approaches to the provision of such services improved. For applicants planning to request a subgrant for basic nutrition services it is expected that care for maternal and child malnutrition, anemia, and common vitamin and mineral deficiencies will be improved where these problems are common. Applicants planning integrated basic health, family planning and nutrition services are preferred.

For this project, special preventive services refers to those services that address problems which are common enough or severe enough to adversely affect the rural or urban poor at the community level. They include (a) those service programs that prevent the occurrence of a problem and (b) those service programs which, through early case detection and treatment, limit the severity or extent of a problem. Examples of special preventive services include leprosy, tuberculosis, blindness, deafness, and accident prevention and treatment programs. For applicants planning to request a subgrant for special preventive services, it is expected that the focus will be on prevention of the problem altogether as well as limitation of the severity or extent of the problem.

To expand services for the poor, subgrants will be limited to private voluntary organizations which are planning outreach ser-

vice delivery programs which are "community-oriented" and include surveillance for high risk families and individuals; individual counselling through home visits; and community-based group promotive/educational activities. Preference will be given to applicants whose plans emphasize both prevention of and care for problems. Services may be offered by trained villagers, paramedical workers, and/or medical (including "indigenous") practitioners.

To improve services for the poor, subgrant applicants with organized outreach delivery programs are encouraged to improve service quality by strengthening their technical support systems (such as training and communications) and their management support systems (such as planning operations management, and evaluation). Innovative activities and practical service-oriented research are especially encouraged and consultant assistance by Indian organizations may be included in subgrant applications.

To improve services for the poor, subgrants may be given to private voluntary organizations which are planning training programs that will improve skills of rural and small town private practitioners (both allopathic and indigenous) in basic health, family planning, and/or nutrition areas. In addition, subgrants may be given to private and voluntary organizations which are planning training programs in management of organized outreach delivery systems for basic or special preventive health, family planning, and/or nutrition service programs.

Subgrants, therefore, will strengthen voluntary organizations' participation in:

- a. organized outreach service delivery;
- b. initial and/or continuing education and training of indigenous practitioners, paramedical, and community volunteers and continuing education for medical doctors serving the rural or urban poor;
- c. management training in support of improved basic health, family planning, or nutrition services;
- d. innovative activities that test new approaches to service delivery; and

- e. information, communication and education programs directed at residents of poor communities.

Grant funds will not be used to pay for dental health services, mental health services, or salaries of medical specialists. Support for in-hospital (bedded) services is limited to emergency obstetric services and special care services for children 0-5 years of age in support of an expanded "community-oriented" outreach program; or beds needed to support a community oriented special preventive program. Support for hospital construction is limited to expansion of outpatient departments, obstetric departments, and pediatric departments and only when this construction is part of an organized program of expanded outreach to the community. This Grant will not pay for clinical "offices" for solo practitioners.

3. Outputs of this Project

The outputs of this project will be approximately ten to fifteen subgrants that fulfill the eligibility criteria for selection and implement their projects successfully over a six-year time span. In addition, as needed, the Project will fund an expanded "Secretariat" in the Ministry of Health and Family Welfare (MOHFW) that will administer these subgrants and enhance the ability of the MOHFW to aid voluntary organizations in the future. Each subgrant will have outputs that will result in expanded and improved basic and/or special preventive services.

4. Inputs

The project inputs are financial, technical, and managerial. The financial inputs are not less than \$26.7 million of which AID will contribute the equivalent of \$20 million in rupees. Not less than \$21.4 million (80%) will be used for improving and expanding services to the rural poor and up to \$4.8 million (18%) may be used for improving and expanding services to the urban poor. \$0.5 million (2%) will be reserved for administering and monitoring of the Project and for special evaluation studies. The technical and managerial inputs include the knowledge of the Committees, the Secretariat, the subgrantees and the consultants whose time and effort will assist in the planning, implementation, and evaluation of the subgrants.

PART III - PROJECT ANALYSIS

A. TECHNICAL ANALYSIS

1. Potential of Voluntary Organizations and the Private Sector to Improve and Expand basic and/or Preventive Health, Family Planning, and Nutrition Services in India

The Background Section of the Project Paper notes the extensive role played by both voluntary organizations and by private practitioners both in rural and small towns in India and in the cities (perhaps 80% of outpatient health care, 50% of hospital-based care and a significant, yet smaller proportion of family planning services). It described the perceived quality, caring attitude, and innovativeness displayed by some voluntary organizations and the variable quality and kinds of services offered by private practitioners.

Over the last 18 months, USAID professional staff made extensive field visits to voluntary organizations and discussed their activities and concerns. These visits revealed the following about voluntary organizations: (1) they have begun to develop from conventional hospital or clinic-oriented programs toward an interest in public health and preventive programs, community services, and outreach programs for the poor; (2) now they infrequently offer oral contraceptives, condoms, diaphragms, jellies, planned motivation campaigns, or community-based distribution of contraceptives but many are interested in doing so; (3) now they infrequently offer targeted "at risk" outreach programs for pregnant women and children, village-based health services using paramedical staff, health or nutrition education programs, or environmental improvement campaigns although many would be prepared to do so; (4) now they infrequently use oral rehydration salts or growth charts; (5) they are interested in innovative activities but lack funds to try new activities even though they have impressive field experience; (6) the quality of services they do offer is generally good. Based on these findings, USAID concludes that there is a great potential for voluntary organizations to expand their basic health, family planning, and nutrition services and/or special preventive programs to greatly enhance public health and fertility reduction in India.

USAID staff also visited several professional organizations who

represent both allopathic and indigenous systems of medicine and have visited with many rural practitioners. These visits revealed the following about the private practitioner system: (1) both allopathic and indigenous practitioners are concerned about keeping up with new knowledge in medicine and health and would be interested in continuing education about family planning, health, and nutrition topics; (2) indigenous practitioners use allopathic methods and medicines as well as indigenous ones; (3) both allopaths in private practice and indigenous practitioners infrequently offer oral contraceptives (although one group of indigenous practitioners who are licensed are allowed to do so), or condoms, or seriously counsel people about family planning; (4) rural allopaths infrequently offer IUD insertion, vaginal jellies, or diaphragms; (5) rural allopaths infrequently offer immunizations, high risk assessment of pregnant women or children, vitamin A blindness screening or use oral rehydration salts or growth charts; (6) indigenous practitioners infrequently, if at all, understand scientific concepts of birth control, pregnancy care, child growth and development, diarrhea care, food groups, vitamins, minerals, or nutritional requirements in pregnancy, lactation, or childhood; (7) indigenous practitioners are a powerful influence on the behavior of rural people about health and nutrition. Based on these findings, USAID concludes that private allopathic practitioners have a great potential to expand and improve the basic health, family planning, and nutrition services they offer particularly in rural India. USAID also concludes that indigenous practitioners have a great potential to improve the basic knowledge, attitudes and practices of rural people about family planning, health, and nutrition and that should be taught about all important basic public health and family planning problems so that they render the best advice for important problems and do not render harmful or wrong advice.

B. ADMINISTRATIVE ANALYSIS

1. Administrative Capabilities of Voluntary Organizations

Indian voluntary organizations will vary greatly in their capability to design projects which effectively meet Project technical and administrative requirements. Most of the larger, established organizations such as Ramakrishna Mission, Family Planning Association of India, and the Christian Medical Association of India, have considerable experience in proposal and project develop-

ment and prior experience in obtaining assistance from the GOI, state governments and, in some cases, from foreign donors. Most small voluntary agencies have very little experience in formal proposal development but these will not be likely candidates for sub-grants in any event due to the anticipated large size for subgrant awards. Even the large organizations will not be used to providing the specificity of detail usually required by USAID Project Papers. They generally will be unfamiliar with the goal-purpose-output-input style of planning preferred by USAID. As such, guidance through a detailed application for plus assistance in proposal writing will likely be necessary.

It is expected that the voluntary organizations selected will be generally able to manage their projects adequately, as they are all experienced in field activities and with implementation problems. During pre-selection site visits, the Secretariat and USAID staff will assess managerial capability and will focus attention on the proposed staffing plan to determine if enough additional technical and managerial staff are being planned to manage the planned expansion and improvement of activities.

Most Indian voluntary organizations will not be used to formal evaluation procedures, evaluation planning, and the concepts on which they are based. Therefore technical assistance in this regard is anticipated.

2. Administrative Capabilities of the GOI

As described in the Background section of the Project Paper, the GOI has an on-going Grant-in-Aid program and has administrative procedures that are generally satisfactory although the slow approval of grants is often mentioned as a constraint to the success of the program. Reasons for the slowness appear to include the following: (1) the clearance process where State government and Central government clearances and approvals from more than one ministry are required; (2) a large volume of small grants; and (3) a small administrative staff in the Ministry of Health and Family Welfare to administer the program. The GOI does not require the extensive documentation required by AID prior to selection, does not routinely conduct field monitoring, and does not generally require evaluations. This Grant will greatly increase the monetary value of the current GOI grant-in-aid program although the additional number of subgrants expected (10-15) is not large. The Grant will augment the current staff involved in the Grant-in-

aid Program (see Administrative Arrangements Section).

C. FINANCIAL AND ECONOMIC ANALYSIS

1. Financial Capabilities of Voluntary Organizations

A key issue concerns whether or not voluntary organizations can maintain acceptable financial accountability standards for subgrant funds. Since any project utilizing AID funds requires good financial management, the voluntary organizations under consideration for subgrants will be required to satisfy not only GOI financial accountability requirements, but also AID financial accountability requirements. USAID in collaboration with the GOI, will make such a determination during the selection process (see Administrative Arrangements Section).

Another financial issue is whether private institutions receiving these comparatively large subgrants will be able to sustain the expanded and improved services once AID funding is not available. For USAID concurrence, the subgrant requests must carefully discuss how they plan to finance recurrent costs both within the project life and in the immediate years after subgrant support has ceased. Financial tables by project year that document recurrent costs will assist in this determination.

2. Economic Analysis

The goals of this project are fertility reduction and mortality reduction. Each of these goals is important as an end in itself, in that reduced fertility and reduced mortality both contribute to an improved quality of life. Each of these goals is also important as a means to the achievement of other social and economic objectives. Reduced fertility and population growth are essential if India is going to be able to raise per capital incomes rapidly and meet the "minimum needs" targets established in the Sixth Five Year Plan (1980-85). Reduced mortality, particularly for infants, is probably a precondition for rapid declines in fertility, and contributes directly to increases in labor productivity. Moreover, the longer life experiences resulting from reduced mortality are likely to bring about changes in attitudes toward education and skill development and thus contribute importantly to human capital formation.

For a discussion of some of these relationships, see the economic analysis section of the Project Paper for the Integrated Rural Health and Population Project (USAID/India, August, 1980; 386-0468).

The expansion and improvement of health, family planning and nutrition services proposed under this project is likely to be a highly cost-effective means of promoting fertility and mortality reduction. First, the expansion and improvement of services will be based on existing organizations with an established record of effective provision of services. This will keep overhead costs of service expansion low. Second, the project will enable the private sector, which is already a very important component of India's overall health system, to provide more adequate services in those functional and geographic areas which can complement public sector services. Allowing the private and public sectors to build on their strengths in complementary fashion is probably more cost-effective than excessive expansion of either private or public sector activities. Third, the sub-projects financed under the project will emphasize basic and preventive services provided through facilities and staff which are appropriate to the problem at hand. Improved and expanded basic and special preventive services using village-level workers, mid-level workers, and physicians as teams to maximize access to services and having simple services rendered by least trained people and complex services rendered by more highly trained people is empirically cost-effective. Although a formal cost-effectiveness analysis will not be carried out as an aspect of the review of each of the sub-projects proposed, the informal cost-effectiveness criterion discussed above will be an integral part of the review process.

On the basis of these considerations, USAID believes that the project is economically sound as an investment in economic development and is a cost-effective means of working toward the goals of fertility and mortality reduction.

F. SOCIAL SOUNDNESS ANALYSIS

The private and voluntary health sector plays an important role in meeting the medical needs of rural and urban communities. Rural health behavior surveys have shown that a majority of sickness care services and expenditures are in the private and voluntary health sector. This tends to hold true for the poor as well as the middle and upper classes. Private and voluntary health organizations have a number of strengths which have made them popular and perhaps more importantly, trusted. These strengths include:

1. their small size, which renders them manageable and flexible in response to experience and local conditions;
2. their awareness of local felt needs and social obstacles. They have substantial knowledge/experience in dealing with the existing social structure of individual groups;
3. their sustained contact with the community they serve and therefore a reputation for continuity of care (workers are not subject to frequent transfers); and
4. their means to promote community participation, not only their ability to recruit appropriate personnel more readily, but also their ability to experiment with programs which make modest demands (organizational, financial work activity, etc.) on the community as a prerequisite to activity. They are in a position to foster community responsibility.

Cultural acceptability of rural health, family planning, and nutrition extension outreach projects in the private and voluntary sector has been tested and proven in numerous instances in rural India. Examples include the Jamkhed project in Maharashtra, Child In Need Institute in West Bengal, Tamil Nadu's Gandhigram Institute of Rural Health and Family Welfare, the Ludhiana (Punjab) Christian Medical College Community Health Project, and so forth. The GOI has encouraged these organizations in the past and is interested in their findings. In fact, there is no sense of competition or overlap between these two sectors as the needs are so great.

These types of projects and the usual clinical services offered in the private and voluntary sector have also successfully demonstrated the ability of this sector to attract and serve India's disadvantaged population. Although there are no utilization studies in the sector available, field visits have amply shown that the poor do indeed utilize these services. Thus, by increasing access to services, this project will also enhance social equity.

On the basis of the above analysis, USAID believes that the proposed services will reach the target group - the rural and urban poor - and that there are no major cultural obstacles to successful grant implementation.

PART IV - PROJECT IMPLEMENTATION PLAN

A. ADMINISTRATIVE ARRANGEMENTS

1. GOI Administrative Arrangements

The overall body responsible for this project will be the Special Grants Committee (hereafter called the Committee), to be established by a special GOI notification with function and authority as detailed in that notification. The Committee will be the approving body for all sub-grant awards; have overall monitoring and evaluation responsibility; and have overall financial responsibility for Grant funds. The Committee will be assisted by a Secretariat, an administrative body to be established within the Ministry of Health & Family Welfare, which will be directly responsible for administration of the project under the policy guidance of the Committee.

a. The Committee

The Committee will review and approve all subgrant awards, discuss the progress reports on each subgrantee prepared by the Secretariat and take action when required; and plan and supervise project and subgrant evaluation. The Committee will be chaired

by a senior representative of the Ministry of Health and Family Welfare empowered to sanction expenditures under this Grant. Other Committee members will include senior technical representatives of the Ministry, the internal financial advisor of the Ministry, and one or two outside members perhaps from the Planning Commission and/or the Department of Economic Affairs. The composition of the Committee should facilitate subgrant approvals and clearance processes by ensuring inter-ministerial coordination.

b. The Secretariat

A Secretariat will be constituted under the Committee to handle the routine administration of the project. A person with the rank of Deputy Secretary will serve as the Director of the Secretariat and shall be assisted by an appropriate staff augmented to ensure that timely action is taken on proposals and that adequate monitoring is done. The Secretariat will invite appropriate technical experts from the various departments of the Ministry to assist it in its work. For example, if the Secretariat is screening a training project proposed by a professional association of practitioners of a traditional system of medicine, the chief training officer of the Ministry and the Indigenous Systems of Medicine Advisor will be invited to give comments. Up to 75% of secretariat salaries, emoluments, office expenses, and necessary travel and per diem will be paid by project funds.

One of the Secretariat's first duties will be to develop special program announcements regarding the availability of funds under the grant using appropriate channels such as leading national and state news papers (multi-lingual), professional periodicals, and so forth. Announcements are to insure the widest possible dissemination of information about the program and will be repeated periodically, as necessary.

A second duty of the Secretariat will be to screen all applications and make recommendations to the Committee for approvals. It will undertake pre-selection site visits and will review personnel and financial records for each potential sub-grantee. The Secretariat may commission consultative technical assistance, at project expense, to assist worthy potential subgrantees meet subgrant design and evaluation planning.

A third duty of the Secretariat will be to monitor each approved subgrantee and regularly provide the Committee and USAID with grant

performance data. It will arrange mid-term and final evaluation reviews, site visits as required, and ensure that periodic audits are done. Finally, the Secretariat will ensure that all reasonable channels are utilized for the dissemination of useful information about program results.

2. USAID Administrative Arrangements

USAID/India's Office of Health, Population and Nutrition will have primary responsibility for project administration assisted by other USAID offices as required. One staff member will be designated USAID Project Manager and made responsible for liaison with the GOI/MOHFW. Resident USAID staff (U.S. and Indian professionals) with skills in various specialities will assist the Project Manager perform USAID's role in approval, monitoring, and evaluation.

3. Subgrantee Application Procedures

The application papers for the subgrant will contain an application form (see Annex IV for a copy of the form), a description of the grant, institutional eligibility criteria, main criteria on which selection will be based, and a description of the application process.

Grant Description

The grant description will include the goals and purposes of the grant and describe the Grant as stated in the Detailed Description of this Project Paper. It will state the time-bound nature of the subgrant and that the subgrant proposal will be evaluated during the review and selection process on its design; on its technical, administrative, financial, and social soundness; on its implementation plan; and on its evaluation plan. The grant description will clearly state that the subgrantee must contribute at least 25% of the project costs and must demonstrate its capability to sustain expanded and improved services after grant funds cease. The grant description will also state that the applicant will be required to submit a signed letter of understanding with the completed application form agreeing to meet standard AID requirements (see Annex V for a copy of this letter of understanding and the Standard Requirements) and a letter of recommendation from the State government in which it states that it has no objection to such a proposal.

Institutional Eligibility Criteria

In order to insure that the best qualified organizations are supported under the Grant, the GOI has developed institutional eligibility criteria. Only institutions meeting these criteria will be considered as potential subgrantees. The main criteria are:

- (a) institutions seeking assistance must be registered under the Indian Societies' Registration Act of 1860. (This act provides legal status to cooperative and voluntary agencies and imposes certain obligations on their part such as maintenance of accounts, audits, appointments of boards of directors, etc.);
- (b) institutions receiving assistance under this program may be of any religion, caste or creed but must be non-sectarian in their provision of health care services;
- (c) institutions must have a history of acceptable financial accountability in their operations to date.

Selection Criteria

The application papers for subgrants will include a list of items which have been developed by the GOI and USAID as criteria upon which selection is likely to be based. The main criteria are:

- (a) Subgrant project proposals must supplement or complement existing GOI plans and/or activities in health, population, and nutrition;
- (b) Subgrants project proposals must be consistent with the goals and purposes as stated in the grant description;
- (c) Subgrant project proposals must have clearly stated goals, purposes, and outputs; the methods to achieve them must be technically, administratively, financially, socially sound; the implementation plan must be reasonable; and an evaluation plan must be included;
- (d) Subgrant project proposals must describe how expanded and improved services will be sustained in the post-grant period;

- (e) Subgrant project proposals must include at least a 25% contribution from the applicant.
- (f) Subgrant project proposals planning to expand services into less well-served areas will be given preference over those planning to expand where services are better served.

Application Process

The completed application form will be sent to the Secretariat with necessary accompanying documents including a certified copy of the Certificate of Registration of the institution under the Societies' Registration Act, 1860; a letter of recommendation from the state government where the organization is headquartered; and the signed letter of understanding described previously.

4. The Review and Selection Process

Completed applications will be screened by the Secretariat for completeness, to determine whether the institutional criteria are met, and to determine if the proposal meets the goals and purposes as stated in the grant description. If so, the Secretariat will review the proposal more and place it on a priority list based on the selection criteria mentioned previously. Organizations having high priority proposals will be informed and joint appraisal made by the Secretariat and USAID on a mutually agreed basis to be spelled out in a Project Implementation Letter.

The joint appraisal report will be made available to the committee. The comments will include recommendations for unconditional approval, conditional approval or rejection. The Secretariat will forward proposals fit for unconditional clearance to the committee for final consideration and sub-grant authorization. Regarding the proposals which merit conditional clearance, the Secretariat will arrange to modify the proposals as necessary in consultation with the applicant and process the same for reappraisal. Those proposals which are recommended for rejection will not be put up before the committee.

The committee will meet at reasonable intervals. The committee will consider the proposals recommended for its approval and authorize sub-grants for proposals which it approves. Thereafter, the Secretariat will forward copies of the sub-grant authorization to USAID for release of funds. Institutions whose applications/proposals are recommended for rejection will be informed by the Secretariat.

Under the conditions described above, the time required between the sub-grant application and the approval/rejection should be reasonable. All sub-grants, utilizing the full amount of the grant, will be made by the end of the fourth project year.

5. The Monitoring and Evaluation Process

Routine monitoring of subgrantees will be done by the Secretariat and by USAID. Secretariat staff will visit each subgrantee at least every six months and preferably quarterly and will prepare a detailed narrative report indicating the progress made by the subgrantee in regard to its implementation plan to achieve project goals and purposes, and the adequacy of its financial accounts and records concerning the subgrant. These reports will be furnished to USAID. USAID will also perform routine monitoring of subgrantees and will prepare a written report on its observations which will be furnished to the Secretariat. The Sub-grantee will also prepare semi-annual and annual reports on progress and on expenditures which will be sent to the Secretariat and to USAID.

If a subgrantee does not appear to be progressing satisfactorily in its project, the Committee shall be informed. The Committee members may visit a subgrantee anytime but, if less than satisfactory progress is being made or if financial control is unsatisfactory, the Committee may request an independent assessment using project funds to that remedial assistance may be given if required. One or more Committee members are encouraged to visit each subgrantee not less than yearly.

There will be two evaluations of each subgrantee -- mid-project evaluation and an end-of-project evaluation.* The Secretariat will be responsible for formulating these evaluations on the advice of the Grant Committee. The Committee may suggest that the evaluation be conducted directly through the MOHFW or it may request a sub-contract with a semi-governmental or private sector organization. AID representatives will be invited to participate in these evaluations.

6. Grant Financial Arrangements

After the Project Agreement is executed and the Conditions Precedent provided therein relating to the first disbursement are satisfied, AID will release an advance to the GOI for an amount not to exceed the estimated initial start up expenses (administrative costs) for the first Project year. This will be deposited in a separate bank account (Account No. 1) in the name of MOHFW for the payment of the above expenses. AID will release a second advance to the GOI for advancing funds to the sub-projects, when one or more sub-grant proposals are approved by the GOI's Grant Committee and concurred by AID. This will be deposited in a

* The end-of-project evaluation will assess whether the purposes of the subgrant have been achieved and may consider assessing the impact of the project.

separate bank account (Account No.2) in the name of MOHFW. The amount of the second advance will not exceed the first six-month estimated expenditures of the approved sub-projects. The above advances will be replenished by AID on an imprest fund basis, quarterly or more often, if necessary, to the extent eligible expenditures are incurred by the GOI and sub-grantees in the implementation of the project.

From MOHFW's Bank Account No.2 as above. MOHFW will make an advance to the approved Subgrantee to cover six months expenses. This advance will be replenished by MOHFW against quarterly or semi-annual expenditure claims from the Sub-grantee until the unexpended balance in the sub-grant is equal to the advance amount. Thereafter, the expenditure reported by the Subgrantee in the expenditure claims will be applied against the outstanding advance. The Subgrantee will refund to MOHFW the advance amount which remains unexpended on the final completion date of the sub-project.

Each Subgrantee will submit to MOHFW and copy to AID, an annual statement of expenditures showing expenditures incurred in the various budget categories, certified by a Chartered Accountant jointly approved by AID and the GOI. Each Subgrantee will furnish semi-annually to MOHFW and copy to AID. progress reports showing the physical and financial progress, salient accomplishments, problems if any, and actions taken or planned to resolve them and plan of action for the next six months. The annual statement of expenditures will be submitted within 90 days after the end of the project year and the semi-annual reports will be submitted within 30 days after the end of the semi-annual period.

Any interest earned by the Grantee or Subgrantee on the Grant funds will be refunded to AID.

7. Audits

The Grantee is required to maintain separate bank accounts (described in the preceding section), and separate books and records for the grant which should be adequate to show (a) the receipt and use of goods and services acquired under the grant relating to the administration and monitoring of the project and the evaluation studies etc., (b) nature and extent of solicitation of prospective suppliers of goods and services required, the basis of award of contracts and orders, and (c) overall progress of the project.

These will be available for audit by AID. Similarly, each sub-grantee is required to maintain a separate bank account for the sub-project and separate books and records for the sub-project showing similar information as described in (a), (b) and (c) above. The subgrantee's books and records will be audited by a Chartered Accountant immediately after the completion of each project year of the subgrant. In addition, the sub-grantee's books and records will be available for inspection and audit by both GOI and AID.*

B. IMPLEMENTATION PLAN

Following the signing of the Grant Agreement, about ninety days will be required to meet the legal and administrative requirements before the project can begin. During that time, preparation of the announcements and development of the set of application papers in final form can be started by existing staff. The GOI will determine the number of additional staff required for the Secretariat and will consider candidates for the Director of the Secretariat. Appointments to the Secretariat and the formation of the Committee are likely to occur in the second ninety day period during which time the announcements will be published and some application papers will be requested and mailed. This time period will include the annual plan exercises of the Ministry of Health and Family Welfare for the next Indian Fiscal Year and additional staff positions for the Secretariat will be added to the Plan. (The Indian Fiscal Year is April 1 to March 31,) Additional Secretariat staff should be appointed early in the Indian Fiscal Year.

The implementation plan calls for approximately 10-15 subgrants, using the total funds of the AID grant, approved by the end of the fourth project year. Since the first year is heavily involved with start-up activities, the target for that year is to have three subgrant applications at the advanced stage of preparation, two of which should be approved by the end of the first project year. Following the first year, three or four subgrants should be approved each year.

C. EVALUATION PLAN

The main evaluation of the grant will be through the evaluations of the subgrantees mentioned in previous sections. In addition, an evaluation statement should be made about the satisfactoriness of administrative arrangements by which the project is managed. Following the disbursement period, an assessment should be made of how well the subgrantees are sustaining the activities begun in the subgrant period.

*The Chartered Accountant who will audit the subgrantee records will be jointly approved by USAID and the GOI; the auditor's fee will be paid out of project funds.

D.

Provisional Budget
(\$000 equivalent)
Project Years

| | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>Total</u> |
|--------------------|----------|----------|----------|----------|----------|----------|--------------|
| <u>Subprojects</u> | 1,179 | 3,406 | 4,978 | 6,550 | 6,943 | 3,144 | 26,200 |
| (AID) | | | | | | | (19,625) |
| (Host Country) | | | | | | | (6,575) |
| <u>Secretariat</u> | | | | | | | |
| Salaries of | | | | | | | |
| emoluments | 70 | 30 | 43 | 43 | 43 | 43 | 222 |
| Office expenses | 10 | 13 | 16 | 17 | 17 | 17 | 90 |
| Travel | 15 | 15 | 14 | 14 | 12 | 13 | 83 |
| Audit | 0 | 6 | 6 | 6 | 6 | 6 | 30 |
| Evaluation | 0 | 0 | 16 | 18 | 20 | 21 | 75 |
| Sub-total | 45 | 64 | 95 | 98 | 98 | 100 | 500 |
| (AID) | | | | | | | (375) |
| (Host Country) | | | | | | | (125) |
| TOTAL | 1,224 | 3,470 | 5,073 | 6,648 | 7,041 | 3,244 | 26,700 |
| (AID) | | | | | | | (20,000) |
| (Host Country) | | | | | | | (6,700) |

E. CONDITIONS AND COVENANTS

In addition to the standard Conditions Precedent to Disbursement, the Project Agreement will include the following Conditions Precedent and Covenants:

1. Conditions Precedent to Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

1. A copy of the Grantee notification establishing: (i) Grants Committee, and (ii) Secretariat;
2. A statement showing the functions and responsibilities of the Grants Committee and the Secretariat including a staffing plan and cost estimates therefore to cover the life of the project; and
3. List of names and designations of officials constituting the Grants Committee and the key officials of the Secretariat.

2. Covenants

Except as A.I.D. may otherwise agree in writing, the Grantee will:

1. Ensure that no portion of grant proceeds will be attributed to motivation fees to any person for family planning or attributed to sterilization or abortion-related costs.
2. Ensure that all family planning services, including sterilization, will be provided on a strictly voluntary basis.

42638 *Ch file*

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386-0469

ATTACHMENT A

Reply Due
8/30/79
ACTION

PRC-3

INFO:

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| PROGRAM DIVISION | |
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| | INFO. |
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TAGS:

SUBJECT: PRIVATE INSTITUTIONS FOR RURAL HEALTH SUPPORT
PID (386-0469)

REF: NEW DELHI 14 156

SUBJECT PID APPROVED BY AA/ASIA. CHRISTOPHER

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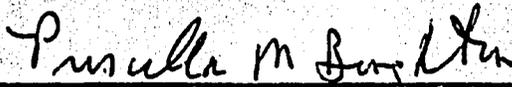
BEST AVAILABLE DOCUMENT

I N D I A

PRIVATE VOLUNTARY ORGANIZATIONS FOR HEALTH PROJECT

Certification Pursuant to Section 611 (e) of the Foreign Assistance Act of 1961, as amended.

I, Priscilla Boughton, principal officer of the U.S. Agency for International Development in India do hereby certify that in my judgment the Government of India has both the financial capacity and the human resources to carry out, utilize and maintain this project effectively. This judgment is based upon the analysis contained in the Project Paper, as well as the successful maintenance and utilization of projects in India previously financed or assisted by the United States.


Priscilla M. Boughton, Mission Director
USAID/India

7/24/81
Date

ATTACHMENT C

PROJECT AUTHORIZATION

INDIA

Private Voluntary Organi-
zations for Health Project
Project No. 386-0469

Pursuant to Sections 612 and 104 of the Foreign Assistance Act of 1961, as amended (the "Act"), I hereby authorize the Private Voluntary Organizations for Health Project (the "Project") for India (the "Cooperating Country"), involving planned obligations of not to exceed Twenty Million United States Dollars (\$20,000,000) equivalent in Special Foreign Currency in grant funds over a six year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing local currency costs of the Project.

The Project consists of assistance to the Cooperating Country in expanding and improving basic and special preventive health, family planning, and nutrition services with emphasis on expanding such services to the rural communities by strengthening the private and voluntary sector.

The Grant will assist in financing subgrants to a number of private institutions (approximately 10-15) to enhance their capacity to deliver the above-noted services. The Cooperating Country will contribute \$6.7 million equivalent in local currency for Project activities.

The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

1. Conditions Precedent to Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) A copy of the Cooperating Country notification establishing a Grants Committee and a Secretariat in the Ministry of Health to administer this Grant;

(2) A statement showing the functions and responsibilities of the Grants Committee and the Secretariat, including a staffing plan and cost estimates therefor to cover the life of the project; and

(3) A list of names and designations of officials constituting the Grants Committee and a similar list for the key officials of the Secretariat.

2. Covenants

Except as A.I.D. may otherwise agree in writing, the Cooperating Country will:

(1) Ensure that no portion of grant proceeds will be attributed to motivation fees to any person for family planning or attributed to sterilization or abortion-related costs;

(2) Ensure that all family planning services, including sterilization will be provided on a strictly voluntary basis.

| Clearances: | Date | Initial |
|--------------------------|-------|---------|
| Jon D. Holstine, AA/ASIA | _____ | _____ |
| Larry Smucker, A/AA/PPC | _____ | _____ |
| John R. Bolton, GC | _____ | _____ |

Signature _____
M. Peter McPherson
Administrator

Date

GC/Asia:HEMorris:hp:8/5/81
Ext 28092

Draft Project Description For Project Agreement

The purpose of the Project is to expand and improve basic and special preventive health, family planning and nutrition services for the poor by strengthening the private and voluntary sector. The project gives priority to the rural poor by allocating not less than 80% of project funds to expanding and improving services in rural and small town settings.

I. The Project

Basic health, family planning, and nutrition services refers to services required by the rural and urban poor for common and/or emergency health, family planning, and nutrition problems. Special preventive health, family planning, and nutrition services refers to those services that address problems which are common enough or severe enough to adversely affect the rural or urban poor at the community level.

Services for the poor will be expanded by subgrants to private voluntary organizations which are planning outreach service delivery programs which are "community-oriented" and include surveillance for high risk families and individuals; individual counselling through home visits; and community-based group promotive/educational activities.

Services for the poor will be improved by encouraging potential subgrantees planning outreach services to include plans for improving service quality in their subgrant applications, and by encouraging them to undertake innovative activities and practical service-oriented research programs. Services for the poor will also be improved by encouraging subgrants to private voluntary organizations which are planning training programs that will improve the skills of rural and small town practitioners (both allopathic and indigenous) in basic health, family planning, and/or nutrition areas and by encouraging subgrants to private and voluntary organizations which are planning training programs in management of organized outreach delivery systems for basic or

special preventive health, family planning, and/or nutrition service programs.

Grant funds will not be used to pay for dental health services, mental health services, or salaries of medical specialists. Support for in-hospital (bedded) services is limited to emergency obstetric services and special care services for children 0-5 years of age in support of an expanded "community-oriented" outreach program or beds needed to support a "community-oriented" special preventive program. Support for hospital construction is limited to expansion of outpatient departments, obstetric departments, and pediatric departments and only when this construction is part of an organized program of expanded outreach to the community. This Grant will not pay for clinical "offices" for solo practitioners.

The outputs of this project will be approximately ten to fifteen subgrants that fulfill the eligibility criteria for selection. Each subgrant will be limited to a six-year subproject assistance completion date.

II. Project Implementation

The Project will primarily be managed by the Ministry of Health and Family Welfare of the Government of India through a Special Grants Committee and a Secretariat and will be monitored by USAID.

1. The Special Grants Committee

The Ministry of Health and Family Welfare (MOHFW) will establish, by special notification, a Special Grants Committee (hereafter called the Committee) which will have overall responsibility for this project and will insure that all terms of the Project Agreement are fully met. The Committee will be chaired by a senior representative of the MOHFW empowered to sanction expenditures under this Grant. Other Committee members will include senior technical representatives of the MOHFW, the internal financial advisor of the MOHFW, and one or two outside members. The Committee will be the approving body for all subgrant awards; have overall monitoring and evaluation responsibility and have overall financial responsibility for Grant funds. The Committee will be assisted by a Secretariat, an administrative body

to be established within the MOHFW, which will be directly responsible for administration of the project under the policy guidance of the Committee.

2. The Secretariat

A Secretariat will be constituted under the Committee to administer the Grant. A person with the rank of Deputy Secretary will serve as the Director of the Secretariat and shall be assisted by an appropriate staff augmented if necessary to ensure that timely action is taken on proposals and that adequate monitoring of subgrants is done. The Secretariat will develop special program announcements regarding availability of funds under the Grant to insure the widest possible dissemination of information about the program; will screen all applications and make recommendations to the Committee for approvals; will monitor each approved subgrantee and provide the Committee and USAID with grant performance data; will arrange mid-term and final evaluation reviews and site visits as required; will ensure that periodic audits are done; and will use reasonable channels to disseminate useful information about program results.

3. Institutional Eligibility Criteria

Only institutions meeting the following criteria are eligible for subgrants: (1) Institutions must be registered under the Indian Societies' Registration Act of 1860; (2) Institutions must offer services to any person, regardless of religion, caste, or creed; (3) Institutions must have a history of acceptable financial accountability.

4. Selection Criteria

The following criteria will be used in selection: (1) Subgrant proposals must complement or supplement existing activities of the Government of India; (2) Subgrant proposals must be consistent with the goals and purposes as stated in the Project Paper, Part II, B; (3) Subgrant proposals must describe how activities begun with subgrant funds will be sustained in the post-grant period; (4) Subgrant proposals must include at least a 25% contribution from the applicant; and (5) subgrant proposals planning to expand services into less well-served areas will be given preference.

5. The Review and Selection Process

Completed applications will be screened by the Secretariat according to the institutional eligibility criteria and the selection criteria. Applications found suitable and of high priority will be so informed and site visits will be scheduled for further appraisal. Both the MOHFW and USAID will make site visits and prepare written comments which will be made available to the Committee. The comments will include recommendations for unconditional approval, conditional approval, or disapproval. If conditional approval is recommended, the comments will contain suggestions for changing the proposal to remove the conditions. The Committee will discuss the applications after receiving the written comments and approve or disapprove the subgrant request. Approved subgrants will be sent for formal USAID concurrence.

6. The Monitoring and Evaluation Process

Routine monitoring of subgrantees will be done by the Secretariat and by USAID. There will be two evaluations of each subgrantee -- a mid-project evaluation and an end-of-project evaluation. The Secretariat will be responsible for planning and implementing these evaluations on the advice of the Committee. USAID representatives will be invited to participate in these evaluations. The end-of-project evaluations will assess whether the purposes of the subgrant have been achieved and may consider assessing the impact of the project.

7. Implementation Plan and Schedule

By the end of the first project year, at least two subgrant will be approved. Following the first year, three or four subgrants should be approved each year. Except as AID may otherwise agree in writing, all sub-grants, utilizing the full amount of the grant, will be made by September 30, 1985.

III. Project Evaluations

The main evaluation of the grant will be through the evaluations of the subgrantees mentioned in II(6) of this Annex. Following disbursement, an assessment may be made of how well the subgrantees are sustaining the expanded or improved activities begun with subgrant funds.

5C(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 116. Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights?

Yes

2. FAA Sec. 481. Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the United States unlawfully?

No

3. FAA Sec. 620(b). If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement?

Yes

4. FAA Sec. 620(c). If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?

No

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

No

6. FAA Sec. 620(a), 620(f); FY 79 App. Act, Sec. 103, 114 and 506. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola?

No. No assistance will be permitted to these countries.

7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression?

AID is not aware of any such involvement.

8. FAA Sec. 620 (i). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property?

No

9. FAA Sec. 620(i). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason?

No

10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters:

No such actions have been taken against U.S. fishing activities in international waters.

a. has any deduction required by the Fishermen's Protective Act been made?

No

b. has complete denial of assistance been considered by AID Administrator?

No

11. FAA Sec. 620; FY 79 App. Act, Sec. 603.
(a) Is the government of the recipient country in default for more than 6 months on interest or principal of any AID loan to the country?
(b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds?

No

12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the

Yes, India spends a relatively small amount of its foreign exchange on military equipment. Latest available figures are an estimated \$300 million military imports or 4% of \$7.5 billion in total foreign exchange expenditures in FY 80. India propose to spend only 16% of its Central Government budget on defense in GO FY 80-81. India's military purchases include a variety of modern weapon systems bought primarily from U.K. and France.

A.12.

amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking Into Consideration" memo: "Yes, as reported in annual report on implementation of Sec. 620(s)." This report is prepared at time of approval by the Administrator of the Operational Year Budget and can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

No

14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget?

India is not in arrears regarding its U.N. obligations

15. FAA Sec. 620A, FY 79 App. Act, Sec. 607. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism?

No

16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA?

No

17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty?

Based upon information received from the State Department/Embassy the answer to both these questions is no.

B. FUNDING CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy?

Yes. These criteria are based on India's Five Year Development Plan Revised (1978-83) and are incorporated in country Development Strategy Statement (CDSS)

B.1.

b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor?

Yes

2. Economic Support Fund Country Criteria

a. FAA Sec. 5026. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights?

NA

b. FAA Sec. 513(b). Will assistance under the Southern Africa program be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests?

NA

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

NA

d. 79 App. Act. Sec. 113. Will assistance be provided for the purpose of aiding directly the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

NA

e. FAA Sec. 620B. Will security supporting assistance be furnished to Argentina after September 30, 1973?

NA

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual fund sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE?
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PRODUCT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FAA Sec. 653 (b); Sec. 653A. (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?

(a) SFC funds for this project are authorized under Sec. 612 of FAA. Project described in FY80 CP Main Vol., p. 93. At AID's request the Congress included the project in the FY 81 Continuing Resolution providing appropriation authority to AID. (b) Yes (SFCA)

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

✓ Yes

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

None

4. FAA Sec. 611(b); FY 79 App. Act Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

Not Applicable

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

Yes

6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

No

A.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

This project will foster private initiative.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

This project is not expected to foster private trade and investment abroad.

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

Subgrantees will contribute at least 25% of the total cost of the project. The project is fully funded by Indian Rupees owned by the U.S.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

Yes. The U.S.-owned Indian rupees are used for various USC agencies program and administrative support and for this project.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

12. FY 79 App. Act Sec. 608. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar, or competing commodity?

Not applicable

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 201a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained

The purpose of this project is to expand and improve basic and preventive services for the poor. The subgrantees are expected to use village people, a majority being women in these services. The goal of this project is improving the health and fertility status of the poor.

0.1.3.

basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107.
Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

(3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

(i) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development organizations;

(ii) to help alleviate energy problems;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

This project emphasizes low cost integrated health, family planning and nutrition services with particular emphasis on the needs of mothers and young children.

B.1.b.(4).

(v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. [107] Is appropriate effort placed on use of appropriate technology?

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

Yes

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to the Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

This is a six year Special Foreign Currency Appropriation Project. Justification to Congress has not been made.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government.

The project addresses the need for basic and special preventive health services in rural areas and will strengthen the development of private voluntary organizations in providing effective services to the poor.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase or productive capacities and self-sustaining economic growth?

By improving health status and lowering fertility, the project will increase the productive potential of the country.

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

Not applicable

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

Not applicable

B.

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

Not applicable

b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities?

Not applicable

5C(3) - STANDARD ITEM CHECKLIST

Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed?

No imports from the U.S. or any country are envisaged.

2. FAA Sec. 604(a). Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him?

All commodities will be procured locally within the country.

3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the United States on commodities financed?

NA*

4. FAA Sec. 604(e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity?

NA

5. FAA Sec. 605(a). Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items?

NA

6. FAA Sec. 603. (a) Compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates.

NA

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the

No technical assistance is envisaged under the Project.

*NA = Not applicable

A.7.

facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

Only air-travel within India is envisaged.

9. FY 79 App. Act Sec. 105. Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States?

NA

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

Construction of only small buildings are envisaged. Adequate capability exists within India for such construction.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

Yes

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the United States not exceed \$100 million?

NA

C. Other Restrictions

1. FAA Sec. 122 (e). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

NA

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

NA

3. FAA Sec. 620(h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist-bloc countries, contrary to the best interests of the United States?

Yes

4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, long-term lease, or exchange of motor vehicle manufactured outside the United States, or guaranty of such transaction?

Yes

C.

5. Will arrangements preclude use of financing:

- a. FAA Sec. 104(f). To pay for performance of abortions or to motivate or coerce persons to practice abortions, to pay for performance of involuntary sterilization, or to coerce or provide financial incentive to any person to undergo sterilization? Yes
- b. FAA Sec. 620(a). To compensate owners for expropriated nationalized property? Yes
- c. FAA Sec. 660. To finance police training or other law enforcement assistance, except for narcotics programs? Yes
- d. FAA Sec. 602. For CIA activities? Yes
- e. FY 79 App. Act Sec. 104. To pay pensions, etc., for military personnel? Yes
- f. FY 79 App. Act Sec. 106. To pay U.S. assessments? Yes
- g. FY 79 App. Act Sec. 107. To carry out provisions of TWA sections 107(d) and 107(h)? (Transfer of FAA funds to multilateral organizations for lending.) Yes
- h. FY 79 App. Act Sec. 112. To finance the export of nuclear equipment, fuel, or technology or to train foreign nations in nuclear fields? Yes
- i. FY 79 App. Act Sec. 601. To be used for publicity or propaganda purposes within United States not authorized by the Congress? Yes

BEST AVAILABLE DOCUMENT

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORKProject Title & Number: Private Voluntary Organizations for Health 386-0469Life of Project
From FY 81 to FY 87
Total U. S. Funding \$20 million in Special Foreign
Date Prepared: June 1981 Currency

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|--|--|--|--|
| <p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>To reduce mortality and fertility among rural and urban poor in India.</p> | <p>Measures of Goal Achievement: (A-2)</p> <p>Not to be measured.</p> | <p>(A-3)</p> <p>-</p> | <p>Assumptions for achieving goal targets: (A-4)</p> <p>-</p> |
| <p>Project Purpose: (B-1)</p> <p>To expand and improve basic and special preventive health, family planning, and nutrition services for the poor by strengthening the private and voluntary sector</p> | <p>Conditions that will indicate purpose has been achieved: End-of-Project status: (B-2)</p> <p>To be set for individual subgrants</p> | <p>(B-3)</p> <p>Variable</p> | <p>Assumptions for achieving purpose: (B-4)</p> <p>Dependence on individual subgrants</p> |
| <p>Project Outputs: (C-1)</p> <p>Subgrants to Indian private and voluntary organizations</p> | <p>Magnitude of Outputs: (C-2)</p> <p>Approximately 10-15</p> | <p>(C-3)</p> <p>Progress reports, site visits, and evaluations</p> | <p>Assumptions for achieving outputs: (C-4)</p> <p>Project management staff monitor adequately</p> |
| <p>Project Inputs: (D-1)</p> <p>Technical and managerial skill of project staff and financial input of rupee equivalent of \$26.7 million of which AID will contribute not more than equivalent of \$20 million in Special Foreign Currency. Appropriation of Indian Rupees.</p> | <p>Implementation Target (Type and Quantity) (D-2)</p> <p>Local costs only</p> | <p>(D-3)</p> <p>Not applicable</p> | <p>Assumptions for providing inputs: (D-4)</p> <p>The Project Agreement between the Government of India and the United States Government is signed and followed.</p> |

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ACTION AID-34
ACTION OFFICE ASST-02
INFO FVA-02 PPOE-01 PDPR-01 PPPP-03 PPEA-01 FM-02 ASSD-03
ASTP-01 ASST-01 STHE-01 PVC-03 RELO-01 MUST-01
/022 /A4 728

INFO OCT-01 NEA-07 OES-09 /052 W
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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC IMMEDIATE 1873

UNCLAS NEW DELHI 16241

AIDAC

R. O. 12065: N/A
SUBJECT: PRIVATE VOLUNTARY ORGANIZATIONS FOR HEALTH
PROJECT (386-0469) - GOI LETTER REQUEST

1. FOLLOWING IS EXACT TEXT OF GOI LETTER REQUEST FOR
ASSISTANCE FOR PRIVATE VOLUNTARY ORGANIZATIONS FOR
HEALTH PROJECT:

AUGUST 28, 1981

DEAR MRS. BOUGHTON,

PRIVATE VOLUNTARY ORGANIZATIONS
FOR HEALTH PROJECT

THE GOVERNMENT OF INDIA HEREBY REQUESTS A RUPEE
GRANT FROM THE GOVERNMENT OF THE UNITED STATES IN THE
AMOUNT OF THE EQUIVALENT OF U.S. DOLLARS 20 MILLION.
THIS SUM WILL BE USED TO FINANCE SUB-GRANTS, TO BE MADE
TO PRIVATE VOLUNTARY HEALTH ORGANIZATIONS, FOR THE
IMPLEMENTATION OF SUBPROJECTS DESIGNED TO EXPAND AND
IMPROVE BASIC AND SPECIAL PREVENTIVE HEALTH, FAMILY
PLANNING AND NUTRITION SERVICES FOR THE POOR, WITH
SPECIAL ATTENTION TO LESS WELL SERVED AREAS AND
DEPRIVED POPULATIONS.

IT IS ANTICIPATED THAT THE INDIAN CONTRIBUTION TO
THESE ACTIVITIES WILL AMOUNT TO 25 PERCENT OF TOTAL
PROJECT COSTS.

WE WOULD APPRECIATE YOUR EARLIEST CONSIDERATION OF
THIS REQUEST FOR ASSISTANCE.

YOURS SINCERELY,
SIGNED (PURSHOTTAM LAL)

BLOOD

BEST AVAILABLE DOCUMENT

Prior A.I.D. Assistance to Voluntary Organizations
involved in Health, Family Planning and Nutrition
Activities in India

1. With an aim to undertake expanded and innovative Family Planning activities in the non-governmental and voluntary sectors following institutions were provided Rs.2.2 million (approx. U.S. \$260,000):

- a. Christian Medical Association of India (CMAI)
Bangalore - Family Planning Project
- b. The Pathfinder Fund/India, New Delhi.
- c. Federation of Indian Chambers of Commerce
and Industry (FICCI), New Delhi.
- d. United Planters Association of South India (UPASI),
Cocnoor, Tamil Nadu.

2. In addition, USAID contributed approximately Rs.250 million (US \$30 million) to the following voluntary Health & Medical Institutions to assist the construction and equipping of leading private sector medical centers in the country:

| | | | |
|----|--|---|-------------------------------|
| a. | Holy Family Hospital, New Delhi | - | Rs. 9,879,780 |
| b. | Crieghton Freeman Hospital, Vrindaban (U.P.) | - | Rs. 6,248,000 |
| c. | Kasturba Health Society, Sevagram, Wardha (Maharashtra) | - | Rs. 20,000,000 |
| d. | Rajindra Memorial Research So- ciety for Medical Sciences, Patna (Bihar) | - | Rs. 5,000,000 |
| e. | Mercy Hospital, Jamshedpur (Bihar) | - | Rs. 1,440,000 |
| f. | Miraj Medical Center, Miraj, Sangli (Maharashtra) | - | Rs. 3,206,612 |
| g. | Christian Medical College, Ludhiana (Punjab) | - | Rs. 3,375,000 |
| h. | St. John's Medical College & Hospital, Bangalore (Karnataka) | - | Rs. 200,580,895 |
| | TOTAL | | <u>Rs. 249,730,287</u> |

(Approx. U.S. \$30 million)

DRAFT APPLICATION FORM FOR SUB-GRANT

(PRIVATE VOLUNTARY ORGANIZATIONS HEALTH SUPPORT PROJECT)

1. Application No. _____
2. Title of Project: _____
3. Site of Project: _____

ORGANIZATION INFORMATION

4. Applicant (organization/society applying for assistance)
Name & Mailing Address: _____

5. Please attach a certified copy of the organization/society certificate of registration (under Societies' Registration Act, 1860. or other Statute).
6. Please attach copy of the society's constitution, by-laws and information on membership of the society. Also include composition of Board of Management, its rights and its responsibilities.
7. Names and designations of the people who are authorized to operate funds of the institution

8. Objectives of the organization/society:

9. In what year and for what purpose was your organization established?

10. What are the present activities of your organization/society? How are the funds generated/collected to finance these activities?

11. What is your current staff strength?

| <u>Type of staff</u> | <u>Number Full-time</u> | <u>Number Part-time</u> | <u>Number Volunteers</u> |
|----------------------|-------------------------|-------------------------|--------------------------|
| Professional | _____ | _____ | _____ |
| Clerical | _____ | _____ | _____ |
| Others | _____ | _____ | _____ |

12. Please attach the income and income expenditure statement and balance sheet (audited) for last 5 years, or most recent years (up to 5 years).

BACKGROUND INFORMATION ON THE PROJECT AREA

| | <u>Name</u> | <u>Population</u> |
|----------------|-------------|-------------------|
| 13. Village(s) | _____ | _____ |
| Town(s) | _____ | _____ |
| District(s) | _____ | _____ |
| State(s) | _____ | _____ |

14. About what percentage of the population in the proposed project area(s) is rural?

15. What is the main occupation of the people in this area:

| <u>Occupation</u> | <u>Estimated proportion of the people involved</u> |
|-------------------|--|
| a. _____ | _____ |
| b. _____ | _____ |
| c. _____ | _____ |

16. Situation and need: What are the needs to be addressed by this project; what situations have given rise to these needs; how will the proposed project assist in resolving the causes of the problem(s)?

PROJECT INFORMATION

17. Is this a new project or part of an existing one?

18. Objectives of the project (state qualitatively and quantitatively what project hopes to do):

a. Intermediate and long-term goals

b. Immediate, short term purposes

19. Who will the project benefit and how? How many will benefit?
20. How many additional services are expected to be given as a result of this project?
21. How many additional people will be trained as a result of this project?
22. How many additional supporting systems will be improved or developed as a result of this project?
23. How many additional facilities will be constructed and equipped as a result of this project?
24. Describe in detail the proposed project and its activities (i.e., how will the additional funds produce the planned results)?

25. Was there any community participation in the design of this project? What community participation will there be in the implementation and financing of the project? If so, please describe.

26. Project Personnel Requirements: What are the additional personnel requirements for the project?

| <u>Designation</u> | <u>Experience Qualifications</u> | <u>Pay Scales</u> |
|--------------------|--------------------------------------|-----------------------|
|--------------------|--------------------------------------|-----------------------|

a.

b.

c.

d.

e.

27. How much will the overall project cost?

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FINANCIAL PLAN

28. Please describe, in detail, the financial plan of the project. In this connection, provide a detailed budget by cost categories as follows:

a. Capital cost:-

| | <u>Year</u> <u>One</u> | <u>Year</u> <u>Two</u> | <u>Year</u> <u>Three</u> | <u>Year</u> <u>Four</u> | <u>Year</u> <u>Five</u> | <u>Total</u> |
|----------------------|---------------------------|---------------------------|-----------------------------|----------------------------|----------------------------|--------------|
| (1) Building | | | | | | |
| (2) Equipment | | | | | | |
| (3) Transportation | | | | | | |
| (4) Others (specify) | | | | | | |
| Subtotal | | | | | | |

b. Recurring cost:

- (1) Salaries
 - (2) Transportation
 - (3) Supplies
 - (4) Others (specify)
- Subtotal

GRAND TOTAL

- 7
29. Please discuss in detail your plan to finance the expanded and improved services at the end of the proposed AID assistance.

IMPLEMENTATION PLAN

30. What is the duration of the Project?
31. When do you want to start?
32. Prepare a detailed yearly plan of activities proposed for the project. Describe, for each year, what activities will have been accomplished by the end of each year (how many additional services, how many additional trained staff, how many additional facilities and so forth).

EVALUATION PLAN

33. How will you determine the present situation in your projects (present health or family planning status, present quantity and quality of services and so forth)?

34. How will you know year-by-year if you are making progress?

35. How will you know if you have achieved your goals and purposes at the end of the project?

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Ministry of Health & Family Welfare
Nirman Bhavan
New Delhi. India

Letter of Understanding

This is to acknowledge that we have carefully reviewed the attached Standard Requirements and that in the event our project proposal is accepted by the Government of India (the Grantor) and the grant is awarded to us, we will comply with these Requirements.

Authorized Representative
of the Applicant

Date _____

Standard Requirements

1. Books and Records. Grantee shall maintain a separate set of accounts, and records covering all transactions relative to the performance of the Grant. All such records shall be maintained in accordance with generally accepted accounting principles. All books of accounts and records related to the Grant shall be subject to audit by the Grantor and the United States Agency for International Development (A.I.D.) and/or their duly authorized representatives at all reasonable times. Further, Grantee agrees that the Comptroller General of the United States of America or any of his duly authorized representatives shall, until the expiration of three (3) years after final payment under the Grant, have access to and the right to examine any directly pertinent books, documents, papers and records of the Grantee involving transactions relating to the Grant.

2. Procurement. The Grantee may contract for goods and services required to implement the Project provided such procurement is made on a competitive basis to the maximum extent practicable. However, before entering into any contracts for the construction of building or a facility costing Rs.1 million or above, the Grantee will obtain the approval in writing from A.I.D. through the Grantor.

3. Disbursements. This Grant shall be disbursed by the Grantor through reimbursement payments for approved project costs. The reimbursement voucher should contain:

a) Schedule of Expenditures

| <u>Budget Categories</u> 1 | <u>Amount Budgeted</u> 2 | <u>Reimbursement already claimed</u> 3 | <u>Reimbursement being claimed under this request</u> 4 | <u>Total Column 3&4</u> 5 |
|-------------------------------|-----------------------------|---|--|----------------------------------|
|-------------------------------|-----------------------------|---|--|----------------------------------|

Total

b) Certification

"This is to certify that all the supporting documents and records relating to the expenditures claimed under column 4 above are maintained by us in our office and these will be made available for inspection by the Grantor and/or A.I.D. representatives for all reasonable times".

4. Advance of Funds-Imprest Fund. Upon request by the Grantee, the Grantor may make an initial advance of an amount equal to the Grantee's six months estimated expenditures. Thereafter the Grantor will reimburse the Grantee on a quarterly/semi annual basis (or other agreed interval) an amount equal to the reported expenditures in order to replenish the advance fund on an imprest basis until such time as the total reimbursements effected, added to the initial advance equals to the amount of the Grant. Subsequently the vouchers for expenditures submitted by the Grantee will not be reimbursed and will be applied to liquidate the outstanding advance. Each voucher should show the outstanding advance. In the event the total amount of subsequent vouchers is insufficient to liquidate the amount of the outstanding advance, the Grantee will promptly refund the difference to the Grantor. The Grantee

shall ensure that all persons who exercise control over the Grant funds are adequately covered by fidelity bonds satisfactory to the Grantor.

5. Refunds. (a) To the extent the Grantee expends funds for items not approved under the Grant, it will promptly refund or pay to Grantor funds equal to such unauthorized expenditures.

(b) In the event the full amount of the Grant is not expended by Grantee during the period of the grant the difference between the amount of the Grant and the amount so expended shall be remitted by Grantee to Grantor.

6. Terminal Date for Disbursements. No disbursement under the Grant shall be made against vouchers received after the date specified in the Grant award or such other date as the Grantor may agree to in writing.

7. Annual Expenditure Statement and Project Progress Reports.
The Grantee will furnish to the Grantor and copy to AID, an annual statement of expenditures showing expenditures incurred under the various budget categories, and certified by a Chartered Accountant. The Grantee will furnish to the Grantor and copy to AID, semiannual progress reports showing the physical and financial progress of the project, salient accomplishments during the report period problems if any, in implementing the project and action taken or planned to resolve those problems and the plan of action for the next six months. The annual statement of expenditures will be furnished within 90 days after the end of the project year and the progress reports will be furnished within 30 days after the end of the semiannual period. The Grantor will suspend

payments to the Grantee if (a) the Grantee fails to furnish the annual certified statement of expenditures and the progress reports (as above) and/or (b) an inspection of the Grantee operation or a review of its progress reports indicates that the Grantee is (i) not implementing the project satisfactorily, (ii) not maintaining adequate records to account for the grant funds and/or (iii) not utilizing the Grant funds for the project purposes. If the corrective action recommended by the Grantor is not taken by the Grantee within a reasonable period, to the satisfaction of the Grantor, the Grant will be terminated.

8. Assignment. The Grant shall not be assigned by the Grantee to any third party except with the prior written approval of the Grantor and A.I.D.

9. Interest Income. Any interest earned by the Grantee on the Grant funds will be refunded to AID through the Grantor.

10. Termination. If any one or more of the following events shall occur:

- (1) Grantee shall fail to comply with any of the standard requirements listed herein;
- (2) Grantee utilizes the funds for purpose(s) other than those required for the completion of the Project;
- (3) The Project is, in the judgement of the Grantor unreasonably delayed;
- (4) Any representations made by the Grantee with respect to obtaining the Grant shall prove to have been untrue in any material respect;

then the Grantor may by thirty (30) days written notice to Grantee terminate the Grant. When Grantee receives such notice of termination, it shall take immediate action to minimize expenditures and obligations financed by this Grant and shall cancel such obligation wherever possible. No further reimbursement shall be made after such notice of termination and Grantee shall within thirty(30) days after the effective date of such termination repay to the Grantor all unexpended portions of the funds theretofore paid by the Grantor to Grantee which are not needed to meet the approved project costs pursuant to existing legally binding agreements. Should the funds theretofore paid by the Grantor to Grantee be insufficient to cover Grantee's obligations pursuant to the aforementioned legally binding agreements, Grantee may submit to the Grantor no later than thirty (30) days after the effective date of such termination, a written claim covering such obligations. Subject to the limitations contained in this para the Grantor shall determine the amounts to be paid to Grantee under such claim.