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A.I.D. PROJECT NUMBER 388-0071

FAMILY PLANNING AND HEALTH SERVICES PROJECT

Loan and Grant Agreements

FM/LMD (if Loan)

FM/PAFD

FM/CAD

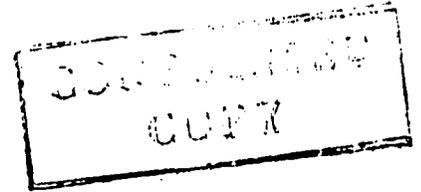
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PROJECT GRANT AGREEMENT

Between

THE PEOPLE'S REPUBLIC OF BANGLADESH

and

THE UNITED STATES OF AMERICA

for the

FAMILY PLANNING AND HEALTH SERVICES PROJECT

DATED: AUGUST 31, 1987

USAID/DAKA,  
BANGLADESH

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PROJECT NO. 388-0071

FAMILY PLANNING AND HEALTH SERVICES

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FAMILY PLANNING & HEALTH SERVICES PROJECT GRANT AGREEMENT

ACRONYMS AND KEY TERMS

A.I.D./W	Agency for International Development/Washington
AVSC	Association for Voluntary Surgical Contraception
BAVS	Bangladesh Association for Voluntary Sterilization
BDG	Government of Bangladesh
BFRP	Bangladesh Fertility Research Project
BKBBN	Indonesia Family Planning Coordinating Board
CBD	Community-Based Distribution
CC	Clinical Contraception
CPR	Contraceptive Prevalence Rate
CPS	Contraceptive Prevalence Survey
CWFP	Concerned Women for Family Planning
EPI	Expanded Programme of Immunization
FHI	Family Health International
FP	Family Planning
FPA	Family Planning Assistant
FPAB	Family Planning Association of Bangladesh
FPGST	Family Planning /Clinical Surveillance Team
FPHS	Family Planning and Health Services
FPHS	Family Planning and Health Services
FPIA	Family Planning International Assistance
FPMT	Family Planning Management Training
FPS	Family Planning Services
FPSTC	Family Planning Services and Training Center
FWA	Family Welfare Assistant
FWV	Family Welfare Visitor
FY	Financial Year or Fiscal Year
HA	Health Assistant
ICDDR,B	International Centre for Diarrhoeal Disease Research, Bangladesh
IEC	Information, Education, and Communication
IEM	Information, Education and Motivation
IG	Inspector General
ISTI	Institute for Science and Technology Inc.
JSI	John Snow, Inc.
L&S	Logistics and Supply
L/C	Letter of Credit
L/Com	Letter of Commitment
MA	Medical Assistant
MCH	Maternal and Child Health
MIS	Management Information System
MOHFP	Ministry of Health and Family Planning
MSH	Management Sciences for Health
NBR	National Board of Revenue
NGO	Non-Governmental Organization
NIPORT	National Institute for Population Research and Training
NOC	Non-Objection Certificate
OR	Operations Research
ORS	Oral Rehydration Salts
ORT	Oral Rehydration Therapy
PACD	Project Assistance Completion Date
PCS	Population Communications Services
PDEU	The Population Development and Evaluation Unit
PF	The Pathfinder Fund
PIACT	Program for the Introduction and Adoption of Contraceptive Technology
PIL	Project Implementation Letter
PIO	Project Implementation Order
PSI	Population Services International
ROR	Right of Refusal
SBP	Safe Birth Practices
SDK	Safe Delivery Kit
SFWV	Senior Family Welfare Visitor
SMP	Family Planning Social Marketing Project
TA	Technical Assistance
TAF	The Asia Foundation
TBA	Traditional Birth Attendant
TFYP	Third Five Year Plan
TRRT	Technical Resources, Research and Training
UFPO	Upazila Family Planning Officer
UHFPO	Upazila Health and Family Planning Officer
UNFPA	United Nations Fund for Population Activities
URC	University Research Corporation
USAID	U.S. Agency for International Development
VS	Voluntary Sterilization

PROJECT GRANT AGREEMENT

Dated: August 31, 1967

Between

The People's Republic of Bangladesh ("Grantee" or "BDG")

And

The United States of America, acting through the Agency for International Development ("A.I.D." or "USAID")

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project.

The Project, which is further described in Annex 1, constitutes assistance to the Bangladesh family planning and maternal child health program, and will improve the coverage and quality of family planning and maternal and child health services by supporting both Bangladesh Government (BDG) and NGO (Non-Government Organization) components of the national family planning and health program through information, education and communication services, clinical and community-based family planning and health services, training and local-level grants, commodities and logistic support, construction, research and monitoring, social marketing, oral rehydration, immunizations and other related components.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.3, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project through this Project Grant Agreement will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant.

To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Twenty-Nine Million Six Hundred Ninety Thousand United States Dollars (U.S. \$29,690,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 3.1, and local currency costs, as defined in Section 3.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the local currency equivalent of Ten million Five hundred thousand United States Dollars (U.S. \$10,500,000) (approximately twelve percent (12%) of total estimated Project costs), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The Project Assistance Completion Date ("PACD"), which is September 30, 1994, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times, reduce the amount of

the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. Disbursement Other Than Technical and Management Assistance or the Family Planning Services and Training Center (FPSTC). Prior to any disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, for any purposes other than technical or management assistance or the FPSTC, the Grantee will, except as A.I.D. may otherwise agree, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

A statement of the names of the persons holding or acting in the office of the Grantee specified in Section 3.3, and of any additional representatives, together with a specimen signature of each person specified in such statement.

If the Grantee has not provided the names and specimen signatures of such additional representatives within six months from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

SECTION 4.2. Disbursement For Voluntary Surgical Contraception.

Prior to any disbursement under the Grant, or the issuance of any documentation under this Agreement pursuant to which disbursement will be made, for commodities or services related to voluntary surgical contraception, the Grantee will, except as A.I.D. may agree otherwise in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A comprehensive plan for a sterilization surveillance system; and

(b) A standardized informed consent form which shall be completed by all acceptors of such voluntary surgical contraception financed in whole or part by A.I.D. funds, and which may not be modified during the life of this agreement without the prior written approval of the Grantee and A.I.D.

SECTION 4.3. Disbursement For Construction of I.C.F.P. Headquarters Building.

Prior to any disbursement under the Grant, or the issuance of any documentation under this Agreement pursuant to which disbursement will be made, for construction of a national family planning program headquarters building, the Grantee will, except as A.I.D. may agree otherwise in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. :

(a) evidence that the BDG holds clear and unencumbered title to land for the building;

(b) BDG draft construction plans and specifications, and information on MOHFP and FP (Family Planning) Directorate staffing related to the building for A.I.D. review;

(c) a plan to study alternative ways to measure fieldworker performance (other than method-specific targets), such as area coverage or quality of care; and based on mutual acceptance of such a plan, evidence that the BDG has studied and field-tested such alternatives and has initiated implementation of the most appropriate alternatives for improving fieldworker performance in delivery of all methods of FP services; and

(d) a plan to study the current system of reimbursements to acceptors of and referral agents (helpers) for clinical family planning services and alternatives to that system; and, based on mutual acceptance of such a plan, evidence that the BDG has studied and field-tested the alternatives, compared the results with the existing system, and will implement the most appropriate system for enhancing clients' voluntary choice of and access to a wide range of FP services.

#### SECTION 4.4. Notification.

When A.I.D. has determined that the conditions precedent specified in Sections 4.1, 4.2 and 4.3 have been met, A.I.D. will promptly notify the Grantee.

### Article 5: Covenants

#### SECTION 5.1. Project Evaluation.

(a) The Parties agree to establish an evaluation program as part of the Project, as described more fully in Annex 1. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(1) evaluation of progress toward attainment of the objectives of the Project,

(2) identification and evaluation of problem areas of constraints which may inhibit such attainment,

(3) assessment of how such information may be used to help overcome such problems in this or other projects, and

(4) evaluation, to the degree feasible, of the overall development impact of the Project.

(c) National Family Planning Program Implementation Reviews. The BDG agrees to perform annual national family planning program implementation reviews, as more fully described in Annex 1.

SECTION 5.2. Covenants Regarding Voluntary Surgical Contraception and A.I.D. Population Policy.

(a) The Grantee BDG agrees to establish and continuously operate a sterilization surveillance system in accordance with the plan accepted by A.I.D. under Section 4.2(a) above and in a manner satisfactory to A.I.D. The BDG shall agree to establish and maintain systems that lead to verifiable improvements in the quality of sterilization services. The BDG agrees to USAID's full participation in drafting the terms of reference for the annual external reviews of the sterilization surveillance system, currently called the Family Planning Clinical Supervision Team (FPCST), in collaboration with the MOHFP and other donors, to USAID's participation in such annual reviews, and to continued USAID participation in the monthly FPCST meetings.

(b) None of the funds provided under the Grant, or goods or services financed thereby, may be used for, or in support of a program that includes, involuntary sterilization as a method of family planning, or coercion or financial incentives to any person to undergo sterilization. In this connection, the Grantee BDG agrees as follows:

(1) Informed consent to each sterilization procedure under this Project shall be documented by the standard form required under paragraph 4.2.(b) above properly executed by each person accepting sterilization services.

(2) No payments in cash or kind shall be made to any acceptor or provider of sterilization services under this Project unless such payment is made to acceptors for items of cost, such as surgical garments, medicines and dressings, wage loss, and transportation and food expenses, calculated for the Project on the basis of reasonable average cost; or to compensate medical staff and field workers for medical and support services provided by such personnel, and for transportation and food expenses calculated on the basis of reasonable average cost.

(3) Payments approved by A.I.D. shall not be increased without the prior written agreement of the BDG and A.I.D.

(c) None of the funds provided under the Grant, or goods or services financed thereby, may be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions, or to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary

sterilization as a means of family planning. All funds authorized by this agreement for government programs under this project shall be disbursed in reimbursement or in advances to segregated Grantee accounts, for approved expenditures, to ensure that none of these funds can be used to support abortions.

(d) None of the funds authorized for this Project may be used to support a program of awards for family planning activities by the Ministry of Health and Family Planning (MOHP), unless such a program, including a detailed implementation plan, is approved by A.I.D.

(e) All funds authorized for this Project shall be used in accordance with A.I.D.'s population assistance policy and current legislation; funds shall be provided under this Agreement only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services.

SECTION 5.3. Privileges and Immunities of Expatriate Consultants and Staff.

The BDG, including the National Board of Revenue (NBR), agrees that the terms of the 1974 Agreement on Economic, Technical and Related Assistance between the Bangladesh and U.S. Governments apply to this Project, and that all expatriate experts, consultants, contractors, and staff employed under this Family Planning and Health Services (FPHS) Project (No. 388-0071) or the predecessor Family Planning Services (FPS) Project (No. 388-0050) by USAID, MOHP, Social Marketing Project (SMP), NGOs, or other firms and organizations funded through or in connection with these Projects, shall be afforded the privileges, exemptions and immunities of privileged persons of the most privileged category under BDG regulations, (currently S.R.O. 88-L/85/906/Cus. and 89-L/85/807/Cus. dated 13 February 1985, as periodically revised, or successor regulations.) Many of the organizations employing such expatriates are included in the list stated in Section 5.4.

SECTION 5.4. Tax Exemption for All Project Goods.

(a) All commodities, supplies, materials, equipment, vehicles and other goods financed by U.S.A.I.D. and imported into Bangladesh after endorsement by the Ministry of Health and Family Planning (MOHP) for use in family planning and related programs by the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B), Bangladesh Fertility Research Project (BFRP), the Family Planning Services and Training Center (FPSTC), the Association for Voluntary Surgical Contraception (AVSC), The Pathfinder Fund (Pathfinder), Family Planning International Assistance (FPIA), The Asia Foundation (TAF), Population Services International/Social Marketing Project (PSI/SMP), the Family Planning Association of Bangladesh (FPAB), University Research Corporation (URC),

Family Planning Management Training (FPMT), Project of Management Sciences for Health (MSH), Population Communications Services (PCS) Project of Johns Hopkins University, the Population Council and any future family planning organization, such as John Snow, Inc. (JSI) and the RAPID III Project for assistance to the Planning Commission, as mentioned in this Agreement, or by their subgrantees or successor organizations, or other nongovernmental organizations approved by MOHFP, shall be exempt from all taxes, customs duties, fees or tariffs imposed under the laws of the People's Republic of Bangladesh.

(b) The BDG agrees that right of refusal (ROR) and non-objection certificate (NOC) procedures shall not be applicable to commodities and equipment financed and imported under this Grant for the Family Planning and Health Services Project under the current Import Policy Order.

SECTION 5.5. MOHFP, SLP and NGO Supplies.

USAID will provide family planning contraceptives and medical supplies to the MOHFP under this Project and, in turn, the MOHFP will provide these items to MOHFP and NGO FP and maternal and child health (MCH) projects funded under the Project. USAID will provide contraceptives and supplies directly to the SLP under the Project.

SECTION 5.6. Logistics System Improvement Plan.

The BDG will continue to develop and implement a plan acceptable to USAID to improve the procurement, storage, distribution, transport and monitoring of FP and MCH commodities financed under the Grant, which shall include periodic physical inventories of such commodities, technical assistance to improve the logistics system, and upgrading of the position of Upazila Storekeeper.

SECTION 5.7. MOHFP Staffing.

(a) The BDG will: (i) fill all staff vacancies among sanctioned posts in the MOHFP at the central and field levels starting with the Supervision, Logistics/Supplies and Management Information System (MIS) Units, National Institute for Population Research and Training (NIPORT), and the Family Welfare Assistant (FWA) cadre, including filling the 10,000 new FWA positions, by the end of 1990; (ii) establish and fill two new positions within the Family Planning Directorate of the MOHFP for Assistant Directors for the Logistics Management Information System and for Logistics Training, by 1 April 1988.

(b) No later than early 1988, the MOHFP, in collaboration with other donors and USAID, will develop an analysis of job descriptions of and relationships among the FWA, health Assistant (HA) and other FP and health workers at the district and Upazila level and below, with the objective of rationalizing tasks among male and female fieldworkers, between

fieldworkers and their supervisors and among supervisory staff responsible for managing FP service delivery, and will commence a time-in-work study of FPA duties, as more fully described in Annex 1.

SECTION 5.8. Professional and Technical Training in FP and MCH.

(a) The BDG agrees to the provision of USA-based or third country training for BDG and other selected family planning and health organization staff under the FPHS Project based on a training plan to be developed by USAID in collaboration with MOHFP for each year of the 1987-91 period, and will expedite all necessary clearances for training abroad. USAID will provide funds under TRRT for training of government participants. USAID will provide separate funds for training of candidates and institutional development of SLP, NGOs and universities in agreements with the SLP and NGOs.

(b) The Grantee shall secure the return of all trainees to Bangladesh after completion of their training abroad, shall assure that such trainees are assigned to BDG or other positions in their respective parent organizations relevant to the training received, and shall utilize the BDG trainees in such positions according to BDG law and regulations. Further, for trainees trained in the U.S., the Grantee shall not issue any non-objection letters concerning waiver of the two year home country residency requirement applicable to immigrant, permanent residence, or H or L visas under Section 212(e) of the U.S. Immigration and Nationality Act, without the prior written consent of A.I.D. Participant training elements of this Project will be accomplished in accordance with the policies, allowances, guidance, and reporting requirements of A.I.D. Handbook 10 - Participant Training.

(c) The BDG will submit to USAID and will implement a comprehensive plan for in-country training of staff at all levels of the Logistics and Supply (L&S) Unit of the FP Directorate, MOHFP.

(d) Study Tours for Upazila Officials in Indonesia. The BDG will expeditiously select and clear for travel the elected and appointed Upazila officials to be sent to Indonesia on study tours at Indonesia Family Planning Coordinating Board (BKBBN), according to a plan, criteria and procedures agreed upon among the Bangladesh, Indonesian, and American Governments; and the BDG agrees that these Upazila officials and selected other BDG and NGO officials shall participate in follow-up workshops in Bangladesh.

SECTION 5.9. Operation of the Social Marketing Project and Non-Governmental Organization Components.

Consistent with the collaborative approach between public and private sectors in the delivery of FP and MCH services, and with

the concept of free client choice of method and provider, the BDG supports the continued operation of the Social Marketing Project and activities of Non-Governmental Organizations funded under this FPHS Project and the predecessor FPS Project during the life of this FPHS Project. The BDG agrees that FPHS Project funds for S&P and major NGOs listed in Section II C. of Annex 1 shall be obligated to these organizations by USAID-direct grants, cooperative agreements, and contracts, without further earmarking.

SECTION 5.10. Operations Research, Evaluation, Clinical Method Surveillance, and Technical and Management Assistance.

The BDG agrees that population/family planning/ICM operations research, periodic evaluations, clinical method surveillance, and technical and management assistance are essential elements of the FPHS Project which will enhance its effectiveness, and agrees to the research and evaluation activities described in Annex 1, including, but not limited to, contraceptive prevalence surveys; quarterly clinical method evaluations; clinical method surveillance by the Family Planning Clinical Supervision Team; family planning operations research, new contraceptive method research; technical and management assistance to the MOHFP (for commodity management, information, education, and communication, urban immunization, logistics, innovative ICH, and Upazila training); periodic inventories of contraceptives and medical supplies, personal services contractors and audits. USAID will execute Project Implementation Letters (PILs) and Project Implementation Orders (PIOs) for the Parties for utilization of funds for these purposes according to the budget in Annex 1, without further earmarking.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs.

Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services their nationality, in the United States or in Code 941 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods and services ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(d) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States or Bangladesh, except as A.I.D. may otherwise agree in writing.

SECTION 6.2. Local Currency Costs.

Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in

writing, their origin in Bangladesh ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7: Disbursements

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of Conditions Precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit (L/C) or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods and services.

(c) Banking charges incurred by the Grantee in connection with Letters of Commitment (L/Com) and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of Conditions Precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. with U.S. dollars by purchase, or from local currency already owned by the U.S. Government. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

SECTION 7.3. Other Forms of Disbursement.

Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange.

Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Bangladesh by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Bangladesh at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Bangladesh.

Article 8: Miscellaneous

SECTION 8.1. Investment Guaranty Project Approval.

Construction work to be financed under this Agreement is agreed to be a project approved by the Government of Bangladesh pursuant to the agreement between it and the United States of America on the subject of investment guaranties, and no further approval by the Government of Bangladesh will be required to permit the United States to issue investment guaranties under that agreement covering a contractor's investment in that Project.

SECTION 8.2. Communications.

Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail Address - Secretary  
External Resources Division  
Ministry of Finance  
Smer-e-Bangla Nagar  
Dhaka, Bangladesh.

Alternate Address  
for Cables - SETU, DHAKA, BANGLADESH

To Agency for International Development:

Mail Address - U.S.A.I.D. Mission/Bangladesh  
G.P.O. Box No. 2593  
Dhaka, Bangladesh.

Alternate Address  
for Cables - USAID, DHAKA, BANGLADESH.

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide USAID/Dhaka with a copy of each communication sent to A.I.D.

SECTION 8.3. Representatives.

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of Secretary or Joint Secretary of the External Resources Division, Ministry of Finance, and A.I.D. will be represented by the individual holding or acting in the Office of Director, U.S.A.I.D./Bangladesh, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description of the project in Annex 1.

The Secretary, the Additional Secretary, the Joint Secretary, the Deputy Chief, Planning Cell, and the Assistant Chief, Planning Cell of the MOFP Family Planning Wing, are designated as additional representatives of the Grantee under this Agreement, who may by written notice designate other such additional representatives. For assistance to the Planning Commission, the Deputy Chief, Population Section, is designated as an additional representative. The names of the additional representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.4. Standard Provisions Annex.

A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the People's Republic of Bangladesh and the United States of America, each acting through its duly authorized representative, have caused this Project Grant Agreement to be signed in their names and delivered as of the day and year written below.

THE PEOPLE'S REPUBLIC OF BANGLADESH

THE UNITED STATES OF AMERICA

BY:

BY:

Name: M. K. Anwar

Name: Priscilla M. Boughton

Title: Secretary  
External Resources Division  
Ministry of Finance

Title: Mission Director  
USAID/Bangladesh

Date: August 31, 1987

Date: August 31, 1987

FAMILY PLANNING & HEALTH SERVICES PROJECT GRANT AGREEMENT ANNEX 1

AMPLIFIED PROJECT DESCRIPTION

PROJECT NO. 388-U071 FAMILY PLANNING AND HEALTH SERVICES

ANNEX 1

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AMPLIFIED PROJECT DESCRIPTION

PROJECT NO. 388-0071 FAMILY PLANNING AND HEALTH SERVICES

ANNEX 1

PREFACE:

Elements of this Amplified Project Description may be changed by written agreement of the authorized representatives of the Parties designated in paragraph 1 of Section 8.3 of the Agreement, without formal amendment of the Agreement provided such changes are within the general scope of the Project as set forth in Section 2.1 of the Agreement.

I. PROJECT SUMMARY AND GOAL

The goal of this Family Planning and Health Services (FPHS) Project is to reduce current high levels of fertility and mortality that restrain the attainment of sustained development in Bangladesh. The purpose of the Project is to improve the coverage and quality of family planning and maternal and child health services in Bangladesh.

The FPHS Project has four components: (1) Support for Bangladesh Government (BDG) Family Planning (FP) Activities; (2) Maternal and Child Health (MCH) Activities; (3) Social Marketing and Non-Government Organization (NGO) FP Activities, and (4) Supply of Commodities.

USAID will obligate funds for support of BDG activities in FP and MCH through annual amendments of this Project Grant Agreement. Funds for NGOs and the Social Marketing Project (SMP) in FP/MCH will be obligated through Cooperative Agreements with international and national NGOs. USAID also provides commodities for the BDG, SMP and NGOs from A.I.D./Washington.

A. BANGLADESH GOVERNMENT OBJECTIVES

The BDG remains committed to reduction in the rate of population growth as its highest development priority through an effective public and private sector family planning and MCH program. The BDG program provides a wide range of contraceptive choice to married couples. The program is voluntary, and the BDG is firmly opposed to coercion or pressure on couples to accept or use any particular method of contraception.

In the 1985-90 Third Five Year Plan (TFYP), the BDG adopts the following goals for the year 1990: increasing overall national contraceptive prevalence to 40 percent (from 29.8 percent in 1985), reducing the birth rate to 31, the death rate to 13, and the population growth rate of 1.8 percent.

In addition a BDG MCH Task Force has developed a "National

following health goals for the year 1990 adopted by the Ministry of Health and Family Planning: reducing the infant mortality rate to 100 (per 1000 children under the age of 1 year) from an officially estimated 125 in 1985, the child mortality rate from 22 to 12 (per 1,000 children aged 1-4), the maternal mortality rate from 6 to 4 (per 1,000 births), and raising life expectancy from 50 to 54 years.

These goals are to be reached by implementing four intervention strategies; namely, Family Planning (FP); Expanded Programme of Immunization (EPI); Oral Rehydration Therapy (ORT); and Safe Birth Practices (SBP), with the following objectives established for EPI, ORT and SBP coverage.

1. 90 percent of the infant and child population provided with ORT services;
2. Basic immunization (DPT, measles, TB and polio) to 80 percent or more of all children;
3. 65 percent of the population covered with primary care health services and;
4. 50 percent of expectant mothers provided with ante-natal examinations and delivery by a trained birth attendant.

#### B. GOALS OF THIS PROJECT

Given the objectives of the BDG in the population and health sectors, the 1987-91 FPHS Project has two main goals:

- a. To assist Bangladesh in efforts to reduce fertility and the rate of population growth;
- b. To assist Bangladesh in reducing current high levels of infant, child and maternal morbidity and mortality associated with closely spaced and other high risk births, immunizable childhood diseases and dehydration due to diarrhea.

The FPHSP will increase the availability and use of modern contraception and promote the adoption of other effective MCH interventions (particularly early childhood and maternal immunization services, and oral rehydration therapy.) Pursuit of the dual goals of reduced fertility and lower mortality among children and mothers should encourage balanced demographic change at the household level; namely, fewer children will be born and more will survive to live productive lives, and avoidable maternal deaths will be reduced. These goals are discussed in greater detail in the Project Paper.

#### C. ROLE OF OTHER DONORS

Major funding for family planning is also provided by the World Bank and UNFPA. Other donors giving assistance to the BDG in

its family planning and ICH programs include the Asian Development Bank, several international NGOs, and other bilateral donors; namely, the United Kingdom, Canada, Norway, Sweden, Australia, Japan, Denmark, the Netherlands, and West Germany. UNICEF and WHO have provided substantial assistance in health.

## II. COMPONENTS OF THE PROJECT

### A. SUPPORT FOR GOVERNMENT FAMILY PLANNING (FP) ACTIVITIES

#### 1. INFORMATION, EDUCATION, AND COMMUNICATION (IEC) SERVICES

The MOHFP has requested USAID and UNFPA assistance to redesign and re-invigorate Information, Education and Motivation (IEM) Unit activities of the Family Planning Directorate.

USAID assistance will emphasize design of messages in FP/ICH that are targeted on specific practices and audience segments. Specifically, USAID will support audience research and audience segmentation; message development; creative use of a wider variety of communications channels; improved communications training; and wider dissemination of service provider, fieldworker, and client educational materials. USAID will also support operation of IEM mobile audio-visual units; folk singing troupes and other communication techniques for rural illiterates; design and distribution of bill boards, posters, refresher training materials, and user materials. In addition, national and local workshops on population and FP/ICH themes will be organized for newly-elected members of Parliament, community leaders, and other decision-makers.

#### 2. CLINICAL AND COMMUNITY-BASED FP FIELDWORKER MOBILITY

Senior Family Welfare Visitors (SFWs), Family Welfare Visitors (FWs), Family Planning Assistants (FPAs) and Medical Assistants (MAs) play a key role in providing technical support for Family Welfare Assistants (FWAs), Health Assistants (HAs) and Traditional Birth Attendants (TBAs). The ability of supervisors and fieldworkers to do their job is seriously constrained by lack of travel funds, a problem particularly acute during the monsoon when circuitous routes and costly forms of hired transport are needed. Under the FPIS Project, USAID will supplement present reimbursable monthly travel allowances of these MOHFP fieldworkers based on actual travel time delivering family planning service, subject to the development of a mutually acceptable accounting system.

The BDG may propose using a portion of this budget item to enhance worker mobility in other ways, such as to acquire transport on a hire-purchase basis, or to purchase bicycles and motorcycles for fieldworkers.

### 3. TRAINING AND FINANCIAL SUPPORT FOR UPAZILA FP INITIATIVES

Over the next 5 years, additional UFPOs will be trained and, starting on a pilot basis, Upazila Teams will be sent to Indonesia for training. Composition of the teams will be discussed and agreed upon by the BDG and USAID.

About 200 UFPOs will be trained as individuals or members of Upazila Teams. 60 upazilas will eventually participate in this program. With 5 members on each team, about 300 Team members will be trained. In total, around 450 Upazila elected and appointed officials, UHFPOs, and UFPOs will be involved.

In Indonesia, participants will learn from the successes and failures of an effective family planning program in a Muslim country known for enthusiastic participation of elected and appointed local officials, active community involvement, and full participation of women.

One intended outcome of Indonesian training is the development of better working relationships among elected and appointed officials, all of whom will travel and learn together. Follow-up workshops in Bangladesh will emphasize lessons learned in Indonesia, with particular stress on planning for community involvement, IEC, couple registration, record-keeping, and supervision. Each Team will analyze population data from its own Upazila prior to developing Action Plans that will utilize FP Block Grants.

The FPMS Project may also make available modest Family Planning Block Grants to supplement limited family planning funding currently available to Upazila Parishads. These funds may be used to implement proposals developed by Upazila Teams and approved by Upazila Parishads.

### 4. NATIONAL FAMILY PLANNING HEADQUARTERS

The MOHFP has requested USAID funding for design and construction of a National FP Headquarters building large enough for all headquarters offices of the FP Directorate, and some Ministry personnel. The building will also supplement inadequate training space in Dhaka by adding classrooms, conference facilities, and a small auditorium. A population library will be established on the premises, for use by MOHFP employees, students researchers, and consultants. Conference facilities can be rented out, and proceeds used to maintain the building and pay utilities. The ground floor will have room for rental space that will offer a further source of income for recurrent costs.

USAID will support construction as a major contribution to orderly program management and coordination. USAID will contract with an Architecture and Engineering firm of U.S. or Code 941 nationality for all aspects of design, planning, and construction monitoring under A.I.D.-direct procurement procedures. Construction will be done by a Code 941 or Bangladeshi firm beginning in early FY 90, and is expected to be completed by FY 91.

5. RESEARCH, MONITORING, AND TRAINING

a. Contraceptive Prevalence/Mortality-Fertility Surveys

USAID has provided funds for National Contraceptive Prevalence Surveys (CPSs) in 1979, 1981, 1983, 1985, and 1987. The CPS is an essential instrument for assessing family planning performance in Bangladesh.

Contraceptive prevalence surveys will be carried out by an independent Bangladeshi research firm under direct contract to USAID. The contract for each CPS will be awarded competitively. The FPHS Project will continue to fund CPSs in 1989 and 1991, and will provide supplementary support to fertility and mortality studies. USAID will rely on A.I.D./W technical assistance projects to ensure that standard fertility/mortality and MCH survey modules are made available for implementation in Bangladesh. FPHS Project funding will also be provided for a series of mini-CPSs in areas where FP NGOs are active.

b. Clinical Services Monitoring--Quality of Care, Voluntarism, and Access

A comprehensive system for monitoring clinical program impact and compliance with BDG and donor policies for medical quality and voluntarism in sterilization and IUD services is already in place. It has two main components: data collection and analysis, and direct program surveillance. Key elements of the system are (1) a USAID-funded quarterly external evaluation survey of the national VS program, (2) an annual external evaluation of the IUD program and (3) the FPCST.

USAID will continue to monitor closely BDG compliance with A.I.D. Population Policy and quality of services through such mechanisms as quarterly and annual clinical method surveys and focus group interviews, attendance at FPCST monthly meetings, and USAID field visits.

An essential element of the VS/IUD monitoring system is the Family Planning Clinical Surveillance Team (FPCST), formerly the Voluntary Sterilization Surveillance Team. The FPCST monitors VS, IUD, and injectable services provided in both BDG and NGO clinics. Effective functioning of the FPCST will continue to be a USAID Condition Precedent for VS, IUD and MORPLANT reimbursements to the MOHFP for client, provider, helper or for fieldworker mobility payments

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In addition, two supervisory MOHFP cadres (the district level Medical Officer/Clinical Contraception (CC) and the Upazila level Medical Officer/MCH) have major responsibility for overseeing Voluntary Sterilization (VS), IUD and injectables service delivery and will receive project-funded travel allowances and refresher training. USAID will continue to employ one personal services contractor under the FPHS Project responsible for monitoring voluntarism and quality of clinical services.

c. Strengthening the Management Information System of the MOHFP Population Service Statistics Cell

The MOHFP Management Information System (MIS) at the Population Service Statistics Cell collects statistics on acceptance and use of contraception for BEG and NGO family planning programs. At present monthly reports are prepared and distributed on contraceptive acceptance data (by upazila and district) for both government and NGO programs; monthly inspection accounts of field visits by senior officers; monthly summaries of all FP Directorate activities; and a report to the President's Secretariat on clinical services, Upazila Health Complex construction, and service delivery activities.

The FPHS Project will provide technical assistance (TA) to the MOHFP to strengthen the capacity of the Population Service Statistics Cell. An important objective of this technical assistance will be to assist the MOHFP in assessing the effectiveness of supervisory systems in client outreach and quality of worker-client interactions. Technical assistance will be made available to the Population Service Statistics Cell through collaboration with the ICDDR,B MCH/FP Extension Project's long-term MIS Intern and other short-term consultants. This support will include assisting in the design and introduction of two new data systems: one for collection of management information in eight specially selected upazilas, and another in 40 urban wards. Special attention will be given to low-performing upazilas and wards.

ICDDR,B Extension Project researchers have developed an alternative system which encourages more frequent worker-client contact visits, and relies less upon method-specific and worker-specific targets for monitoring performance. This system has improved worker motivation and job performance in pilot areas. TA provided to the Population Service Statistics Cell under the FPHS Project by the Extension Project and the University Research Corporation, an A.I.D./W contractor, will assist in modifying the national MIS system by incorporating elements of the experimental system and by replacing method-specific targets with coverage of objectives and other measures which clearly reflect quality of care.

The World Bank will also provide support to the MIS for development and modification of the service statistics system, with particular attention given to incorporation of MCH services into the MIS reporting system. USAID assistance to the MIS unit will be carefully coordinated with World Bank support

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d. Strengthening Population Forecasting and Development Planning by the Planning Commission

The Population Development and Evaluation Unit (PDEU) of the Planning Commission is established to analyze population and health issues relevant to development planning in Bangladesh. The PDEU establishes national program objectives for population and health (including goals set in the TFYP), formulates national population policies, and coordinates planning of BDG and NGO implementation strategies in Bangladesh.

For several years, PDEU activities were supported by UNFPA. USAID and Planning Commission officials are currently discussing possible support of the PDEU under the FPMS Project. Ties will be established between the PDEU and the RAPID-III project of the Office of Population, A.I.D./W. RAPID-III provides Third World Planning Ministries with technical assistance in population and development planning, including sector-specific planning techniques that incorporate information on population size, distribution and growth, appropriate microcomputer hardware, and in-country and US-based training in national and regional planning. FPMS Project funds will be used to provide necessary technical resources to strengthen PDEU data analysis, forecasting, strategy development, and planning activities.

e. Research on New Contraceptive Methods

Support for research on new contraceptive methods will be channelled through Family Health International (FHI) to its affiliate, the Bangladesh Fertility Research Program (BFRP), to carry out research on 1) the safety and effectiveness of presently-used and new contraceptive methods; 2) appropriate strategies for introduction of new contraceptive methods into the national program; and 3) opportunities for improving quality of care for existing clinical methods.

BFRP/FHI will collaborate closely with the Technical Review Committee of the MOHFP, medical societies and research institutes in Bangladesh and eminent Bangladeshi physicians and scientists. BFRP's main clinical research activity under the FPMS Project will be an expansion of ongoing NORPLANT trials. Support for an additional three year program will enable BFRP to further evaluate the safety, efficacy, and acceptability of NORPLANT.

f. Operations Research (OR) and Diagnostic Studies

USAID, with the concurrence of MOHFP, will collaborate with other institutions, and will commission additional OR and diagnostic studies critical for implementation and expansion of the Bangladesh Population and Family Planning Program, including the Matlab and MCH Extension Project. Several pilot projects in Bangladesh have demonstrated that access to a range of quality family planning services results in CPRs close to 50 percent. The FPMS Project will support OR efforts to field test cost effective modifications of current BDC and NGO program systems

A topic of major interest will be worker motivation based on quality of care criteria. Mechanisms will be tested to recognize and compensate workers and supervisors for providing improved services to a large number of couples; providing accurate information on all available methods; counseling in a sensitive, humane manner; and ensuring ready access to a broad range of contraceptive methods. Another important topic will be identification of constraints to even higher levels of modern contraceptive use in high performing areas.

9. Technical Resources, Research and Training - (TRRT) FP/MCH

This budget category will fund new activities proposed by the Bangladesh Government, as well as unanticipated consultancies, evaluations, and training opportunities for Government personnel.

A variety of training activities (short-term and long term; US-based, third country and in-country) in population, family planning, and MCH subjects will be supported under the TRRT budget line. Training opportunities will be made available to MOHFP and other BDG middle and senior managers and other selected family planning and health organizations. Training funded under TRRT will focus on development of planning, implementation, evaluation, and research skills, and will update knowledge in specific technical areas.

Funding from the TRRT-MCH account will support training in primary health care; health interventions such as immunization, diarrhoeal disease control and prevention of respiratory infections; and maternal and child nutrition.

The MOHFP and USAID will collaborate to develop a Training Plan for 1987-91. Requests for training, unanticipated consultancies, evaluations, research, or other special projects will be discussed and agreed between the MOHFP and USAID for funding under TRRT. TRRT funds will also be used to support major FPHS Project evaluations in 1988-89 and 1991, and special project assessments as required by the BDG and USAID.

6. FAMILY PLANNING SERVICES AND TRAINING CENTER (FPSTC)

FPSTC is a national organization formed by the BDG in 1978 to serve as Secretariat for the Family Planning Council of Voluntary Organizations. FPSTC, in turn, funds over 50 CBD subprojects. Organizational objectives of FPSTC include encouragement of coordination among NGOs and provision of technical assistance to local NGOs providing FP services. FPSTC also directly develops, funds, and monitors service projects in family planning, some of which also incorporate MCH and income generation activities.

Under the FPHS Project, USAID will continue to support the FP/MCH service delivery projects of FPSTC and new activities including development of streamlined management systems for

better project monitoring and evaluation; efforts to strengthen involvement of local opinion leaders in project development and management; and a training program for project managers and supervisors. In addition, FPSTC will expand its role in providing a forum for exchange of information and ideas between the BDG and NCOs, and among NCOs, on innovative model projects, service delivery strategies, and program evaluation.

B. OTHER MATERNAL CHILD HEALTH (MCH) ACTIVITIES

1. MUNICIPAL IMMUNIZATION PROGRAM

The BDG initiated an accelerated Expanded Program on Immunization (EPI) in 1985. The BDG is interested in expanding the program in Chittagong and Khulna in 1987, and in Dhaka and Rajshahi thereafter. The BDG and USAID have decided, with concurrence from UNICEF and WHO, that USAID will focus support from FY 87-91 on the large metropolitan areas of Dhaka, Chittagong, Khulna and Rajshahi (with an estimated 1987 total population of 8.8 million).

The Municipal Immunization sub-project of the FPMS Project conforms to the BDG's National EPI Action Plan. Targeted age groups include children under two years of age and women of child bearing age (15-45 years). The sub-project goal is to reduce infant and childhood morbidity and mortality from tuberculosis, diphtheria, pertussis, tetanus, polio, typhoid and measles. Sub-project purposes are: 1) to raise coverage levels for EPI vaccines so that significant, sustainable reductions in morbidity and mortality can be achieved in Dhaka, Chittagong, Khulna, and Rajshahi, and 2) develop and strengthen Municipal Corporation management capabilities and delivery infrastructure to the point where they can sustain an effective immunization program.

Inputs during the six year sub-project, as determined by the BDG and USAID, will include: technical assistance; local salaries; training; commodities sufficient to meet program requirements; limited facility improvements for offices, operating centers and vaccine delivery posts.

2. ORAL REHYDRATION THERAPY (ORT) THROUGH THE SOCIAL MARKETING PROJECT (SMP), INCLUDING VILLAGE DISTRIBUTORSHIPS

USAID provided support to SMP in 1985 for promotion of oral rehydration therapy both lalon-gur and oral rehydration salts (ORS), procurement of ORS from Bangladeshi manufacturers, and sales of ORS through the Social Marketing Project. Funds already committed to ORT-SMP will be supplemented to carry through FY 91.

Intended outcomes of ORT-SMP activities through 1991 are an increase in ORT treatment rates (from 20 percent in 1985 to 60 percent in 1991); improved case management of diarrhoeal

episodes; and greater availability of subsidized ORS sachets in retail shops throughout Bangladesh. SMP sales of packaged ORS are expected to rise from 7.5 million sachets in FY 85 to 20.5 million in FY 90. By FY 90, the SMP will be distributing ORS through 65,000 pharmacies and other retailers. SMP also successfully test-marketed Sare Delivery Kits (SDK) and will advertise and sell SDKs widely.

Funds are already available under the FPSP for establishment of a comprehensive monitoring and evaluation system for ORT-SMP, including an ORT-SMP Treatment Rate and Childhood Mortality Survey that will measure the effectiveness of ORT and assess national efforts in diarrhoeal disease control. This survey will be carried out in 1987 and repeated in 1991.

A major new ORT-SMP innovation during 1987-1991 will be development of a community-based sales distributorship system based on retail sales by rural women. Village saleswomen will sell special brands of SMP-ORS sachets emphasizing proper and effective use of ORS, including recommended nutritional practices. They will also distribute oral contraceptives and refer village women to clinics for other FP methods. Women who stock these SMP products in their homes will be able to supply their neighbors even in the rainy season, thus substantially improving access.

### 3. TRAINING AND INNOVATIVE MCH ACTIVITIES

USAID will set up a Training and Innovative MCH Activities Fund within the MCH Component to allow for training in MCH subjects. USAID will fund feasibility studies, or small-scale trials or pilot schemes, and will join with other donors to cover costs of expansion if warranted, subject to the availability of funds.

Through funding to PF, Swanirvar, a Bangladeshi self-help NGO, will expand FP/MCH education and services, including immunization referral services, from 12 Upazilas in 1987 to 48 Upazilas in Chittagong and Dhaka Division by 1991. USAID is considering additional support to cover further expansion to the remaining 89 Swanirvar Upazilas.

### C. FAMILY PLANNING SOCIAL MARKETING PROJECT AND NGO FAMILY PLANNING ACTIVITIES

The Social Marketing Project (SMP) has provided subsidized contraceptives (condoms and pills) through commercial outlets since 1975. Under the FPHS Project, USAID will continue to fund management and technical assistance to the SMP through a Cooperative Agreement with Population Services International (PSI); national personnel costs; transport, other equipment and supplies; and costs of research.

At present, six USAID-assisted Cooperating Agencies (national or international NGOs) in turn support scores of subprojects run by indigenous, local NGOs at sites throughout Bangladesh.

The FPFS Project will continue to provide support to NGOs through the six existing Cooperating Agencies, the Family Planning Association of Bangladesh (FPAB); Bangladesh Association for Voluntary Sterilization/ Association for Voluntary Surgical Contraception; Family Planning International Assistance (FPIA); the Pathfinder Fund (PF); and the Asia Foundation (TAF). USAID also considers the Family Planning Services and Training Center (FPSTC), discussed above in Section II.A.6 as informally one of the Cooperating Agencies, since the FPSTC funds CBD projects and encourages cooperation among the MOHFP and NGOs.

D. CONTRACEPTIVE COMMODITIES AND LOGISTICS

1. COMMODITY ASSISTANCE

With the exception of catgut and surgical apparel procured regionally or in Bangladesh, contraceptive commodities, including condoms, pills and IUDs, are procured by A.I.D./W and delivered to the MOHFP Central Warehouse or to SMP for distribution.

USAID has budgeted \$36.72 million for A.I.D./W procurement under the FPFS Project. Requirements for each commodity have been developed on the basis of current performance and anticipated improvements in service delivery by the MOHFP, NGOs, and the SMP over the 1987-91 period. USAID anticipates the need to supply NORPLANT and possibly injectables to MOHFP and NGO clinics from FY 90 (subject to approval of NORPLANT and/or injectables by the U.S. Food and Drug Administration and a decision by the Government of Bangladesh to introduce the method into the program).

2. USAID ASSISTANCE FOR THE LOGISTICS SYSTEM

Training curricula and audio-visual support equipment have already been procured or developed with FPSP funding. USAID will support expansion of this logistics training provided to District and Upazila officers.

Continuation of annual commodities inventories is essential for project monitoring. USAID will therefore provide funding for four additional annual surveys (1988-91). Other logistics studies, e.g., to test stocks of in-country contraceptives for durability, may also be undertaken with this funding.

Under the FPFS Project, USAID will work with the MOHFP to identify critical weaknesses in the supply chain and develop a National Commodities Transport Plan to strengthen the system at key levels and ensure adequate, timely re-supply of commodities to frontline fieldworkers.

Utilizing FPFS Project funding, USAID will continue to retain the contract services of an expatriate Logistics management Advisor (FY 88-91). In addition, USAID will contract for an

expatriate Logistics Training Advisor (FY 88-91) and a Bangladeshi Logistics Management Information Specialist (FY 88-92). Through design of new management systems and regular monitoring of commodity distribution and other assistance, the Logistics Advisory Team will provide vital services to MOHFP, USAID, and other donors.

USAID will request the MOHFP to create two more national posts; namely, an Assistant Director for the Logistics Management Information System and an Assistant Director for Logistics Training. USAID funds will be made available to provide salary support for these posts, and for storekeepers if mutually agreed, on a declining scale.

### III. IMPLEMENTATION, PROCUREMENT, AUDIT AND EVALUATION

#### A. IMPLEMENTATION AND PROCUREMENT

##### 1. PROJECT IMPLEMENTATION LETTERS

For several sub-components of the Bangladesh Government component of the Project, the details of implementation, as discusses herein, will be set forth in Project Implementation Letters (PILs) mutually agreed upon by the BDG and A.I.D. These portions of the Project include the design and construction of a MOHFP headquarters building, reimbursements for fieldworker mobility, the Family Planning Services and Training Center (FPSIC), assistance to the MOHFP Management Information System (MIS) and to the Population Development and Evaluation Unit (PDEU) of the Planning Commission, some funds for Technical Resources, Research and Training (TRRT), and some innovative MCH activities.

##### 2. SOURCE, ORIGIN AND NATIONALITY FOR A.I.D.-DIRECT CONTRACTS

A&E and construction contracts for design and construction of the MOHFP headquarters building will be awarded competitively to firms of Code 941 or Bangladeshi nationality under A.I.D.-direct contracting procedures. Other sub-components will also be carried out through direct A.I.D. contracts for goods or services of Bangladeshi or Code 941 source, origin and nationality, pursuant to Section 5.10.

##### 3. FUNCTIONAL INTEGRATION OF FAMILY PLANNING AND HEALTH

During the first quarter of 1988, the BDG and USAID will hold a joint review of the MOHFP's "Report of the Task Force on Family Planning Programme Performance and Sterilization for Improvement." This Review will analyze the Report's recommendations, decide which recommendations should be implemented, and agree upon a schedule for expeditious implementation of the recommendations. The BDG and USAID will focus special attention on those recommendations that concern

job descriptions and MOHFP directives on, and relationships among, the FWA, HA, UFPO and other Family Planning and health workers at the field level. In addition, the BDG agrees to study and field test the efficacy of FWA and HA job descriptions and MOHFP directives on work assignments. A study, employing such methodologies as time-in-work, shall be performed to determine how FWA participation in other than FP service delivery programs affects field-worker performance.

B. AUDIT

Provision has been made in the budget for non-federal audits of the BDG component to be coordinated by the A.I.D. Inspector General (IG). USAID will work with the IG to develop appropriate scopes of work to assure implementation of the planned audits. In addition, each NGO will be required to provide USAID with annual audited financial statements.

C. EVALUATION

1. THE FAMILY PLANNING AND HEALTH SERVICES PROJECT

FPHS Project will undertake several monitoring and evaluation activities. A major element of the FPHS Project Evaluation Plan will be quarterly and annual reviews of BDG, NGO and SMP program performance. BDG and NGO performance reports (provided monthly by the MIS Unit at the MOHFP) and various survey instruments will be utilized in preparing these reviews. Periodic monitoring activities will include (1) qualitative review of progress in attaining program objectives, (2) analysis of administrative and managerial efficiency, (3) assessment of cost effectiveness in program implementation and (4) appraisal of technical capabilities.

More comprehensive external evaluations of the FPHS Project will be conducted at the "mid-term" of the project (during 1989) and at least six months prior to the conclusion of the project. These in-depth evaluations will assess performance in relation to the purpose of the project, provide recommendations for the successful completion of the project and determine long-term "follow-on" needs for population and health assistance in Bangladesh.

The principal evaluation mechanism for the FPHS Project will be the measurement of levels and trends in fertility, morbidity, mortality, and contraceptive prevalence over the 1987-94 project period. During 1987, USAID plans to sponsor a contraceptive prevalence survey, with expanded fertility and mortality modules, and an ORT treatment rate and childhood mortality survey focusing on the use of oral rehydration therapy.

In 1989, another contraceptive prevalence survey will be undertaken to measure family planning performance at the mid-point of the FPHS Project implementation period. 1989 CPS estimates are scheduled to be available by mid-1990. This

survey should provide clear guidance as to whether FPHS Project prevalence objectives can be attained by the end of 1991.

The final evaluation of the FPHS Project will be conducted utilizing results from the 1991 contraceptive prevalence survey which, as in 1987, will be coupled with a national fertility and mortality survey measuring change in basic demographic parameters between 1987 and 1991. The ORT treatment rate and childhood mortality survey undertaken in 1987 will also be repeated in 1991 in order to assess progress in promoting effective knowledge and use of ORT, increasing ORT treatment rates and lowering morbidity and mortality levels in the under-five population.

2. NATIONAL FAMILY PLANNING PROGRAM IMPLEMENTATION REVIEWS

The Bangladesh Government (BDG) periodically reviews implementation of the national population program, at the highest level, through meetings of the National Council on Population chaired by the President. Under this project, with funding from the TRRT element of the budget, USAID proposes to make funds available to the Council to commission analyses of program implementation from distinguished population experts in Bangladesh. USAID further proposes to fund small, expert-group task forces on population implementation issues, to be convened by the Council, to advise the President, Council and other elements of the BDG on the status of population and FP implementation, and progress against Development goals

IV. FINANCIAL PLAN

The Financial Plan for the Project has two parts:

1. an Illustrative Summary of Planned Obligations for the entire Project, which includes funds to be obligated to the Bangladesh Government in this Agreement, funds to be obligated by A.I.D./Washington for procurement of family planning commodities, as well as funds to be obligated to major NGOs by USAID/Bangladesh in grants, cooperative agreements or contracts, subject to the availability of funds to A.I.D. for these purposes, and

2. an Illustrative Detailed Budget for all funds obligated to the Bangladesh Government in this Agreement. Changes may be made in this Illustrative Detailed Budget by written agreement (e.g., Project Implementation Letters) signed by the representatives of the Parties designated in paragraph 1 of Section 8.3 of the Agreement, without formal amendment of this Agreement.

A. ILLUSTRATIVE SUMMARY OF PLANNED OBLIGATIONS, 1987-92  
(US\$ millions)

1. Bangladesh Government		57
A. Family Planning (including MOHFP, FPSTC, NLG and Planning Commission)	45	
B. Maternal and Child Health (EPI and Innovative MCH)	<u>12</u>	
2. Family Planning Commodities - obligated by A.I.D./...		35
3. Social Marketing Project		31
A. Family Planning	16	
B. Child Survival - ORS	<u>15</u>	
4. NGOs - Family Planning (FPAB, BAVS/AVSC, FPPIA, Pathfinder, TAF, Matlab and MCH/FP Extension Project)		<u>52</u>
Total Planned Project Budget		US\$ 175 million

B. ILLUSTRATIVE DETAILED BUDGET SHOWING OBLIGATIONS TO THE  
BANGLADESH GOVERNMENT UNDER THIS AGREEMENT TO DATE:

<u>Budget Category</u>	<u>Amount in U.S. \$ Million</u>
<u>Family Planning:</u>	
1. Information, Education and Communication (IEC)	3.51
2. Fieldworker Mobility	5.68
3. Upazila Training and FP Initiatives	2.00
4. National Family Planning Headquarters Building	5.00
5. Research, Monitoring and Training:	2.67
a. Contraceptive Prevalence Surveys and Clinical Services Monitoring	1.38
b. Strengthening MIS and PDEU	0.36
c. Technical Resources, Research and Training (includes operations research and research new contraceptive methods)	0.43
d. Audits	0.50
6. Family Planning Services and Training Center (FPSTC)	2.44
7. Contraceptive Commodities and Logistics	0.80
8. Contingency	3.59
<u>Health and Child Survival:</u>	
9. Municipal Immunization	4.00
Total U.S. Dollar obligation to LDG:	<hr/> 29.69 Million

PROJECT GRANT AGREEMENT

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Project Grant Standard

Provisions Annex

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

Article B: General Covenants (Continued)

SECTION B.3. Utilization of Goods and Services.

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION B.4. Taxation.

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the territory of the Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION B.5. Reports, Records, Inspections, Audit. The Grantee will:

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

Article B: General Covenants (Continued)

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Grantee confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or cause A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments. The Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION B.8. Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums of marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

Article C: Procurement Provisions (Continued)

SECTION C.2. Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a)(2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

Article C: Procurement Provisions (Continued)

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Grantee may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval; or on a non-U.S. flag air carrier if a U.S. flag carrier is available (in accordance with criteria which may be contained in Project Implementation Letters) without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately-owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this sub-section must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be

Article C: Procurement Provisions (Continued)

financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in U.S. dollars or, as A.I.D. may agree in writing, in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacement will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government-owned Excess Property. The Grantee agrees that, wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination, Remedies.

SECTION D.1. Termination. Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

Article D: Termination, Remedies. (Continued)

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.