

PD - ABC - 244

ISN 69763

MSCI

Medical Service  
Corporation International

August 15, 1990

Ms. Laura K. McGhee  
Agreement Officer  
USAID/El Salvador  
c/o American Embassy  
25 Avenida Norte #1230  
San Salvador, El Salvador  
Central America

Dear Ms. McGhee:

Re: Cooperative Agreement #519-0367  
Maternal Health and Child Survival  
Amendment No. 1

This is to acknowledge receipt of the Amendment for the referenced Cooperative Agreement. Enclosed is the original and five (5) copies of the Amendment.

Although we have signed the Agreement, we respectfully request approval to add a quarter-time training/grants manager to our home office support staff. Since our scope of work includes the responsibility for advising and facilitating in the development and implementation of subgrants and providing appropriate educational and training resources, we feel this is justification for adding this key position to our backstop team. The position can be added at no additional cost to the Agreement.

Thank you for your consideration. We look forward to participating in this very important activity.

Sincerely,

  
Cynthia Turner  
Senior Vice President

CT/cb

cc: Richard Thornton  
Director, HPN

AUG 27 1990  
2:31 PM  
MTP.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
UNITED STATES OF AMERICA A. I. D. MISSION  
TO EL SALVADOR  
C/O AMERICAN EMBASSY.  
SAN SALVADOR, EL SALVADOR, C. A.

July 27, 1990

Mr. George Contis  
President  
Medical Service Corporation International  
1716 Wilson Boulevard  
Arlington VA 22209

Subject: Cooperative Agreement No. 519-0367-A-00-0186-00  
(Maternal Health/Child Survival)  
Amendment No. 1

Dear Mr. Contis:

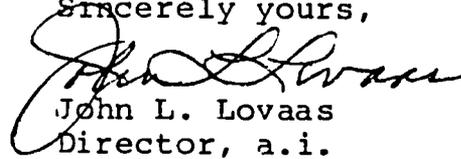
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act 1977 (P.L. 95-224), the Agency for International Development (hereinafter referred to as "A.I.D." or Grantor") hereby amends the subject Cooperative Agreement to grant to Medical Service Corporation International (hereinafter referred to as "MSCI" or Recipient"), the sum of three million, seven hundred seventy-two thousand United States dollars (U.S.\$3,772,000) and to add the implementation phase of the Maternal/Health Child Survival Project.

Amendment No. 1 to this Cooperative Agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending July 31, 1997. The total cost of this program is estimated to be twenty five million, forty three thousand, three hundred thirty five United States dollars (U.S.\$25,043,335), of which a total of \$3,815,335 has been obligated, including this amendment.

This additional obligation of funds is made on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment I, entitled the "Schedule"; Attachment II, entitled "Program Description"; and Attachment III, entitled "Standard Provisions"; which have been revised to include the implementation phase as shown attached hereto and all of which have been agreed to by your organization.

Please sign the original and six (6) copies of this letter to acknowledge receipt of this amendment, and return the original and five (5) copies to USAID/El Salvador, Office of Projects.

Sincerely yours,

  
John L. Lovaas  
Director, a.i.

  
Laura K. McGhee  
Agreement Officer

**Attachments:**

- I. Schedule
- II. Program Description
- III. Standard Provisions

ACKNOWLEDGED:

Medical Service Corporation, International

By :   
Title: President  
Date : August 15, 1990

FISCAL DATA

Appropriation	:72-1101021	72-11X1021.8
Budget Plan Code	:LDHA-90-25519-KG13	LDHX90-25519-KG13
Amount	:\$ 3,650,000	\$ 122,000
Project Number	:519-0367	
Total Estimated Amount	:\$25,043,335	
Total This Obligation	:\$ 3,772,000	
Total Obligated to Date	:\$ 3,815,335	
Funding Source	:USAID/El Salvador/Health	

SCHEDULE

I. Authority, Purpose and Program Description

The purpose of this Cooperative Agreement is to design and implement the PVO Maternal Health Child Survival Project (519-0367) to expand community based maternal health/child survival services through a two phased collaborative effort involving the Recipient, USAID/El Salvador and local Salvadoran PVOs. The program is more fully described in Attachment No. II entitled "Program Description."

II. Funds Obligated, Payment, Estimated Cost and Cost Sharing

1. A.I.D. hereby obligates the amount of \$3,772,000, for a total obligation to date of \$3,815,335, for purposes of this Cooperative Agreement. Funds obligated hereunder are available from the date of this letter through the period of the Agreement for program expenditures as set forth in the Financial Plan contained herein. The total estimated amount of the A.I.D. contribution to this agreement is \$25,043,335, which will encompass a period from the effective date of this Agreement until July 31, 1997.

2. Payment shall be made to the Recipient in accordance with the procedures set forth in the Standard Provision entitled "Payment - Periodic Advance," contained in Attachment No. III, entitled Standard Provisions for U.S. Non-Governmental Grantees.

3. The Recipient will submit to A.I.D. a cash needs projections by month for the initial 90 day period following the effective date of this amendment and three SF-1034 forms, one requesting an advance for each of the three months. A.I.D. will advance these funds prior to the beginning of each monthly period.

4. Throughout the period of the Agreement, the Recipient will be advanced funds for each succeeding 30 day period based upon projections of cash needs, liquidations of prior advances and received cash on hand. Additional funds will be advanced to the Recipient for succeeding 30 day periods based upon timely submission of monthly reports to A.I.D. of actual disbursements and updated projections of cash needs.

5. Ten days after the end of each month beginning with August 31, 1990, the Recipient shall submit a report of actual disbursements made in accordance with the Standard Provisions. At the same time, the Recipient shall submit an updated cash needs projection showing funds needs for the second month of the succeeding 30 day period. This report shall reflect funds already advanced for the first month and already requested for the second month of this 60 day period.

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6. Approximately 5 days before the beginning of the second month, A.I.D. will advance the net amount of cash required for the Recipient's operations for the current 30 day period.

III. Substantial Involvement Understandings

The USAID Mission will oversee all Project activities through close coordination with the Recipient and the Project Advisory Committee (PAC). Primary USAID responsibility for Project management will rest with the USAID/ES Project Manager. The Project Manager will report to the Chief of the Health, Population, and Nutrition Office, or his designate. The HPN Procurement Specialist will assist with commodity procurements. The USAID Mission, through regular contact with the Recipient, will provide policy guidance and direction in such areas as the approval of PVO proposals and the geographical distribution, service focus and technical capabilities of PVO services supported by the Project. The role of the USAID Mission will include standard oversight and project management responsibilities. These functions will include, but not be limited to:

- a) Oversight of all the activities of the Recipient;
- b) Coordination of Project activities with other Mission health projects, specifically the Family Health Services Project, the Public Services Improvement Project, and the Health Systems Support Project;
- c) Participation in field visits to PVO implementation sites, at Mission discretion;
- d) Review of PVO and Recipient narrative reports, statistical reports, and financial statements;
- e) Participation in meetings of the Project Advisory Committee when appropriate; providing final approval of PVO proposals and guidance on their overall geographical distribution, philosophical and service focus and technical capabilities mix;
- f) Review of the results of internal and external audits of PVO projects and the Recipient;
- g) Review of the results of technical evaluations of PVO projects;
- h) Participation in annual PVO conferences and periodic training seminars;

- i) Approval of project staffing levels and of all U.S. and third country advisors and consultants and issuance of necessary clearance cables;
- j) Contracting for Project Management staff with Project funds as identified in Section D.1 of Attachment No. 2; and
- k) Oversight and participation in mid-term and final evaluations of the Maternal Health and Child Survival Project.

IV. Period of Agreement

The period of this cooperative agreement is from the effective date through July 31, 1997 unless subsequently amended by mutual agreement of the Recipient and A.I.D.

V. Reports and Evaluations

1. Project Status Reports The Recipient will submit to A.I.D. quarterly status reports which will provide a narrative detail of project activities and accomplishments based on the Recipient's field visits, meetings, project evaluations and the quarterly reports submitted by the participating PVOs.

2. Financial Reports The financial reporting requirements are set forth in the Standard Provision entitled "Payment - Periodic Advance" and in Paragraph III above. The financial reports shall be submitted to the Office of the Controller, USAID/El Salvador on a monthly basis within ten (10) days after the end of each month.

3. Evaluation Two Project evaluations will be conducted. The first will be a mid-term evaluation which will take place in 1993, three years after Project start-up. The final evaluation will take place at the end of the Project in 1997, approximately in the last two months of the Project. Other Project assessments may also be conducted at more frequent intervals to provide important information for course correction during Project implementation. These evaluations will be contracted by A.I.D. using Project funds.

VI. Negotiated Overhead Rates

Pursuant to the Standard Provisions of the Cooperative Agreement entitled "Negotiated Indirect Cost Rates-Provisional," a rate or rates shall be established for each of the Recipient's accounting period during the term of the Cooperative Agreement. Payments for allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base(s) set forth below:

<u>Type</u>	<u>Rate</u>	<u>Period</u>	<u>Base</u>
Overhead	65%	1/1/88 until amended	Salaries & wages excluding vacation, holiday and sick pay.
G & A	18%	1/1/88 until amended	Total cost excluding G&A and equipment.

VII. Financial Plan

	<u>7/31/90 - 10/31/90</u>	<u>11/01/90 - 7/31/97</u>	<u>Total</u>
1. TRAINING	314,828	1,326,777	1,641,605
2. T.A.	889,121	4,232,597	5,121,718
3. COMMODITIES	1,099,302	7,274,286	8,373,588
4. PERSONNEL	172,725	830,764	1,003,489
5. PROG. ADMIN.	676,074	3,156,860	3,832,934
6. AUDIT	55,000	805,000	860,000
7. CONTINGENCIES/ INFLATION	564,950	3,601,716	4,166,666
	<hr/>	<hr/>	<hr/>
SUB-TOTAL	\$3,772,000	\$21,228,000	\$25,000,000
8. DESIGN ACTIVITIES	43,335*		<hr/> 43,335
TOTAL AID CONTRIBUTION			<hr/> \$25,043,335
PVO CONTRIBUTIONS	\$ 833,333	7,500,000	8,333,333
TOTAL PROJECT	\$4,643,668	\$28,728,000	\$33,376,668

\* OBLIGATED UNDER ORIGINAL COOPERATIVE AGREEMENT AND EXPENDED FOR DESIGN ACTIVITIES WHICH WERE CONCLUDED PRIOR TO JULY 31, 1990.

This represents the overall Financial Plan for the design and implementation of the Program. The detailed financial plan by year including counterpart contribution is set forth on the following pages.

TABLE III (ILLUSTRATIVE)  
SUMMARY OF PROJECTED EXPENDITURES BY SOURCE AND YEAR  
MATERNAL HEALTH/CHILD SURVIVAL PROJECT  
Project No. 519-0367  
(US Dollars)

Category	Year 1		Year 2		Year 3		Year 4	
	AID	PVO's	AID	PVO's	AID	PVO's	AID	PVO's
	I. Maternal/Child Survival Health Service Delivery							
1. TRAINING	106,148		106,148		106,148		106,148	
2. TECHNICAL ASSISTANCE	347,087		347,087		347,087		347,087	
3. COMMODITIES	131,000	120,721	1,218,000	283,321	1,398,000	411,571	1,553,501	431,571
4. PERSONNEL	26,075	355,294	53,075	594,694	80,075	893,944	116,075	893,944
5. PROGRAM ADMIN.	273,781		273,781		273,781		273,781	
6. EVALUATIONS & AUDITS			55,000		105,000		55,000	
SUBTOTAL	884,091	476,015	2,053,091	878,015	2,310,091	1,305,515	2,451,592	1,325,515
II. Institutional Development of PVO's								
1. TRAINING	116,795		116,795		116,795		116,795	
2. TECHNICAL ASSISTANCE	261,992		261,992		261,992		261,992	
3. COMMODITIES	264,730		330,979		398,394		49,619	
4. PERSONNEL	30,875		38,075		47,075		47,075	
5. PROGRAM ADMIN.	164,269		164,269		164,269		164,269	
6. EVALUATIONS & AUDITS			33,000		63,000		33,000	
SUBTOTAL	838,661		945,110		1,051,525		672,750	
III. Coordination Policy Develop. & Research								
1. TRAINING	11,572		11,572		11,572		11,572	
2. TECHNICAL ASSISTANCE	122,595		122,595		122,595		122,595	
3. COMMODITIES	89,000		5,334		5,334		5,334	
4. PERSONNEL	26,075		26,075		26,075		26,075	
5. PROGRAM ADMIN.	109,512		109,512		109,512		109,512	
6. EVALUATIONS & AUDITS			22,000		42,000		22,000	
SUBTOTAL	358,754		297,088		317,088		297,088	
TOTAL	2,081,506	476,015	3,295,289	878,015	3,678,704	1,305,515	3,421,430	1,325,515
Inflation and Contingencies	416,301	95,203	659,058	175,603	735,741	261,103	684,286	265,103
GRAND TOTAL	2,497,807	571,218	3,954,347	1,053,618	4,414,445	1,566,618	4,105,716	1,590,618

TABLE III (Cont.)  
SUMMARY OF PROJECTED EXPENDITURES BY SOURCE AND YEAR  
MATERNAL HEALTH/CHILD SURVIVAL PROJECT  
Project No. 519-0367  
(US Dollars)

Category	Year 5		Year 6		Year 7		TOTAL	
	AID	PVO's	AID	PVO's	AID	PVO's	AID	PVO's
Maternal/Child Survival Health Service Delivery								
1. TRAINING	106,148		106,148		106,148		743,036	
2. TECHNICAL ASSISTANCE	347,087		347,087		347,087		2,429,609	
3. COMMODITIES	973,501	351,571	897,501	283,171	188,501	201,407	6,360,004	2,083,333
4. PERSONNEL	107,075	893,944	89,075	734,344	61,989	494,947	533,439	4,861,111
5. PROGRAM ADMIN.	273,781		273,781		273,781		1,916,467	
6. EVALUATIONS & AUDITS	55,000		55,000		165,000		430,000	
SUBTOTAL	1,862,592	1,245,515	1,768,592	1,017,515	1,082,506	696,354	12,412,555	6,944,444
II. Institutional Development: of PVO's								
1. TRAINING	116,795		116,795		116,795		817,565	
2. TECHNICAL ASSISTANCE	261,992		261,992		261,992		1,833,944	
3. COMMODITIES	189,619		269,619		329,620		1,832,580	
4. PERSONNEL	47,075		42,275		35,075		287,525	
5. PROGRAM ADMIN.	164,269		164,269		164,269		1,149,683	
6. EVALUATIONS & AUDITS	33,000		33,000		63,000		258,000	
SUBTOTAL	812,750		887,950		970,751		6,179,497	
III. Coordination Policy Develop. & Research								
1. TRAINING	11,572		11,572		11,572		81,004	
2. TECHNICAL ASSISTANCE	122,595		122,595		122,595		858,165	
3. COMMODITIES	5,334		65,334		5,334		181,004	
4. PERSONNEL	26,075		26,075		26,075		182,525	
5. PROGRAM ADMIN.	109,512		109,512		109,512		766,584	
6. EVALUATIONS & AUDITS	22,000		22,000		42,000		172,000	
SUBTOTAL	297,088		357,088		317,088		2,241,292	
TOTAL	2,972,430	1,245,515	3,013,630	1,017,515	2,370,345	696,354	20,833,334	6,944,444
Inflation and Contingencies	594,486	249,103	602,726	203,503	474,068	139,271	4,166,666	1,388,889
	3,566,916	1,494,618	3,616,356	1,221,018	2,844,413	835,625	25,000,000	8,333,333

DETAILED COST ESTIMATE BY LINE ITEM  
 MATERNAL HEALTH/CHILD SURVIVAL PROJECT  
 Project No. 519-0367  
 (US Dollars)

LINE ITEMS	AMOUNT	PERCENTAGE
<b>1. TRAINING</b>		
46 PH U.S./Third Country	273,602	
2,498 PH Local	1,368,003	
SUBTOTAL	1,641,605	6.6%
<b>2. TECHNICAL ASSISTANCE</b>		
273 PH Long Term US/TCH	3,399,998	
588 PH Long Term Local	890,820	
42 PH Short Term US/TCH	735,000	
112 PH Short Term Local	95,900	
SUBTOTAL	5,121,718	20.5%
<b>3. COMMODITIES</b>		
79 Vehicles @ \$20,000	1,580,000	
16 Motorcycles @ \$1,700	27,200	
Office Equipment	278,462	
Educational and Audiovisual Aids	113,925	
Pharmaceuticals	2,100,000	
Medical Equipment/Supplies	49,000	
Water and Sanitation Equipment	2,725,000	
Building Materials	1,500,000	
SUBTOTAL	8,373,587	33.5%
<b>4. PERSONNEL</b>		
3,306 PH Local Hire	1,003,489	4.0%
<b>5. PROGRAM ADMINISTRATION/ MISCELLANEOUS OPERATING COSTS</b>		
Rent	672,000	
Office Supplies	24,500	
Travel/Transportation/Per Diem	409,920	
U.S. Project Support	1,550,514	
Miscellaneous Local Costs/Contracts	1,176,000	
SUBTOTAL	3,832,934	15.3%
<b>6. EVALUATIONS AND AUDITS</b>		
	860,000	3.4%
TOTAL	20,833,333	
<b>7. INFLATION AND CONTINGENCIES</b>		
	4,166,667	16.7%
GRAND TOTAL	25,000,000	100.0%

VIII. Special Provisions

1. Audits and Inspections - The Recipient will engage a U.S. CPA firm, or an affiliate of a U.S. CPA firm, to carry-out an annual audit of the Recipient's financial statements and use of A.I.D. Grant funds. The annual audits of the Recipient's programs worldwide may be used to satisfy this requirement. A RIG-supervised non-federal audit will be conducted upon expiration of this cooperative agreement.

2. Authorized Geographic Code for procurement of goods and services under this agreement is 000 (U.S.) and the Central American Common Market (CACM).

3. Local Cost Financing with U.S. Dollars is authorized for this agreement up to the total amount of the Agreement.

4. Drug-Free Workplace Requirements - The Recipient shall maintain a drug-free workplace in compliance with the certification provided to A.I.D. This certification will be provided to A.I.D. prior to the signing of this Agreement. Violations of the requirements to maintain a drug-free workplace may render the Grantee to this Grant, ineligible to receive further grant assistance and such other remedies as A.I.D. may consider appropriate. Violations include the failure to comply with the certification, presentation of a false certification, or evidence that such a number of employees have been convicted of violation of criminal drug statutes for acts occurring in the workplace as to indicate that the Grantee has failed to make a good faith effort to provide a drug-free workplace.

5. U.S. citizen employees of the Recipient, as well as the U.S. citizen employees of its sub-recipients and subcontractors, who are in El Salvador solely for the purpose of working under the Grant, may be granted access to the commissary operated by the American Employee Association in El Salvador (AEAES) in accordance with the policies of the Department of State and the U.S. Embassy to El Salvador.

6. Title to Property - Title to all property financed under this Agreement shall be vested as follows:

- Property purchased for the use of the Recipient in the management of this Project will be vested in the U.S. Government at the conclusion of the Project, unless otherwise agreed in writing by A.I.D.

- Property purchased for the use of PVOs assisted by the Project shall be vested in these sub-recipients. The requirements of the Standard Provision entitled "Title to and Use of Property (Grantee Title)" are applicable to this property, and shall be incorporated, as appropriate, in the sub-agreements.

IX. Standard Provisions

The Mandatory and Optional Standard Provisions for U.S. Nongovernmental Grantees contained at Attachment III hereof, are applicable to this cooperative agreement, with the exception of the provisions listed below:

- a) Payment - Letter of Credit
- b) Payment - Cost Reimbursement
- c) Patent Rights
- d) Publications
- e) Negotiated Indirect Costs Rates - Predetermined
- f) Care of Laboratory Animals
- g) Title to and Care of Property (U.S. Government Title)
- h) Title to and Care of Property (Cooperative Country Title)
- i) Cost Sharing (Matching)

.....END OF SCHEDULE:.....

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ATTACHMENT II

PROGRAM DESCRIPTION

A. GOAL AND PURPOSE OF THE ACTIVITY

The goal of the Maternal Health/Child Survival Project is to improve the health status of the rural and marginal urban population by increasing the percentage of this population which has access to adequate basic health services. Specifically, this Project will contribute to a reduction in child morbidity and mortality, maternal morbidity and mortality and a reduction of fertility rates in target communities.

The Project purpose is to expand community based maternal health-child survival (MHCS) services to those areas of El Salvador where such health services are weak or nonexistent. By the end of the Project, an estimated 350,000 individuals living in 350 of the country's poorest high-health-risk rural and marginal urban communities will have access to quality maternal health-child survival services, including, but not limited to immunization, prenatal care, family planning and basic curative care for common illnesses, such as ORS for diarrheal disease. These services will be provided by a network of 35 to 50 PVOs and partially or entirely supported by the communities served through cost sharing arrangements. As a result, these communities will have reduced births and reduced incidence of undernutrition, illness and death among women in fertile age and children under five.

The Project has a high risk focus in a double sense. Its participants will be those who are personally at risk, largely low-income women in fertile ages and children under five years of age, and who also live in communities located in high health risk areas, largely rural and marginal urban areas with inadequate health service coverage and poor health and nutritional status indices. By the end of the Project, from 35 to 50 PVOs will have participated and as a result, have stronger technical and administrative capabilities. Moreover, they will have expanded their base of financial and in-kind support, and thus, the sustainability of their programs. These will be chosen from the universe of at least 75 PVOs already providing maternal-child health services in El Salvador.

B. PROJECT ACTIVITIES

The Project is divided into three major categories of activities. The first category (Maternal Health/Child Survival Services Delivery at the community level) involves the provision of

material and financial support for MHCS preventive and curative care delivery by the PVOs in target communities. These activities include efforts to increase community participation in service delivery and develop sustainability mechanisms in the community. The second category (Institutional Development of PVOs) includes, inter alia, technical assistance and training for PVOs to strengthen, institutionalize, and expand their ability to deliver community services. The third category (Coordination, Policy Development, and Research) focuses on efforts to coordinate PVO activities with the MOH, other related USAID projects, other donors, and among the PVOs themselves; enhance policy development; and carry out limited operational research to improve PVO service delivery and policy development.

1. PROJECT CATEGORY I: Maternal Health/Child Survival Services

The Recipient will channel support to PVOs in the provision of a range of preventive and curative services in MHCS which are designed to impact directly and indirectly upon morbidity and mortality among at-risk populations. Given the differences in capacities and operational philosophies among PVOs, some will provide all of these services, while others will provide a limited number of services (preventive only, for example). The range of health interventions to be supported by the Project will include the following:

Preventive:

Community Health Education. Although many beliefs and practices in high risk communities are beneficial, some of the possible causes of maternal and child undernutrition, illness, and death are cultural beliefs and practices which are harmful. These include beliefs and practices about contraception, pregnancy, birth, care of the newborn, lactation and weaning, diet, hygiene, infectious disease, and the inability to recognize serious complications related to pregnancy and birth, infectious disease and undernutrition. The Recipient will assist PVOs in providing community education on these and other topics to both women and men in target communities. Simple growth monitoring of children (weight for age) will be used as an educational tool.

Traditional Birth Attendants. Much of the health care during pregnancy and birth in high risk groups is provided by traditional birth attendants (TBAs). Lack of information and harmful beliefs and practices among these practitioners are related to maternal mortality and neonatal deaths. These include inappropriate

treatment of complications during pregnancy, use of pharmaceuticals during birth causing fetal stress, practices contributing to neonatal tetanus, and inadequate treatment of postpartum complications and high risk neonates. The Recipient will assist PVOs in providing training to TBAs to improve their practices, and enable them to recognize risk and use referral where appropriate. It is expected that much of the training will be done cooperatively with the MOH, since it has considerable experience in this area.

Water and Sanitation. When access to potable water is limited, families must conserve the little water they have; only small amounts are available for personal hygiene on a daily basis. This increases the risk of contracting and transmitting serious infectious diseases, particularly those causing diarrhea, vomiting and dehydration. The Recipient will improve access to potable water by assisting PVOs and participating communities with the equipment and technical assistance for the construction of ecologically sound water systems. The Recipient will coordinate with the Public Services Improvement Project for collaboration in the construction of water systems and assure that construction of systems will be accompanied by community education related to water.

Inadequate disposal of human waste is also a source of diarrheal infection. During the rainy season waste deposited in open areas is washed into the water, increasing the incidence of diarrheal disease throughout the country. Waste disposal is especially a problem in crowded marginal urban areas. The Recipient will assist PVOs with the equipment and technical assistance necessary for the construction of sanitation facilities. Construction of these systems will also be coordinated with the Public Services Improvement Project and accompanied by community education related to sanitation.

Medical-Technical Interventions. Both preventive and curative interventions will be supported by the Project. The Recipient will assist PVOs expand the provision of medical-technical interventions which prevent maternal and child morbidity and mortality through the expansion of clinic services, community education groups, and by developing a cadre of specially trained health promoters. Preventive interventions will include vaccinations against serious infectious diseases (measles, diphtheria, whooping cough, tetanus, polio and tuberculosis), oral rehydration therapy, Vitamin A capsules, and birth spacing methods (condoms and pills).

Curative:

Lack of access to adequate, comprehensive curative care is also an important cause of maternal and child morbidity and mortality. Access may be restricted by geographical factors, income-level, or weaknesses in delivery of services. Although the Project emphasis is primarily on prevention, the Recipient will also assist PVOs in extending curative services to communities where access is a problem. Curative services which will be provided include but are not limited to prenatal care, delivery of normal pregnancies, postpartum care, neonatal care, treatment of life-threatening infectious diseases especially diarrheal disease and respiratory infections, and treatment and referral of complications during pregnancy and the postpartum period.

Community participation in the design, implementation, and maintenance of health services will be an essential element for Project support and is essential for sustainability. The Recipient will help ensure such participation through working with participating PVOs to organize community committees and recruit community volunteers.

Cost Recovery:

The Recipient will work with the PVOs to encourage the communities that want water systems to share in the cost of the system: for example by providing labor and some materials, and will promote efforts to ensure that the community assumes responsibility for maintaining the system once it is in place. The Recipient will also work with PVOs to ensure that communities that want improved access to preventive or curative services are willing to assume a reasonable fee-for-service charge. Many PVOs already working in community health have a clearly defined method for figuring the cost of medicines and consultations among low income populations and charging for these services. The Recipient will provide technical support to PVOs to improve such systems, or where non-existent, to establish cost-recovery schemes.

Most support to PVOs will be in the form of technical assistance, training, and commodities. In some instances, however, the Recipient will also provide Project resources to PVOs for short-term financial support. The emphasis of the Project is on sustainable system development. However, some of the smaller PVOs will find service expansion difficult due to lack of personnel or office space. In these instances, the Recipient will provide Project funding to PVOs to support additional personnel for a

limited period of time or assist in building rental until the PVO's own resources can support the additional personnel and space. The Recipient may also make Project funds available to PVOs for one-time financial expenditures such as the costs of research, per diem during training sessions, and selected local costs including some commodities.

2. PROJECT CATEGORY II: Institutional Development of PVOs

This component is designed to assist the PVOs in achieving Project objectives efficiently. However, it will also contribute to improving overall PVO functioning and capabilities through provision of training and technical assistance on a limited basis to non-participating PVOs that are already delivering health services, but in areas not targeted by this Project.

The Recipient will provide guidance to participating PVOs in order for them to effectively serve community needs and to become a sustainable part of the health care system, by ensuring that the PVOs:

- a) develop a clear mission;
- b) carefully select and place staff - paid as well as volunteer;
- c) offer appropriate training for staff;
- d) create a disciplined management structure and standards for performance; and
- e) develop and operate by policies and procedures that encourage accountability for performance and results.

Each of the 75 PVOs which make up the universe of potential participants in this Project are unique. Their needs for technical assistance, training and other assistance vary. The institutional analysis conducted in development of this Project showed that most PVOs will need initial management training as a prerequisite to their implementation of Project activities, and ongoing training as their programs expand. Therefore, the Recipient will work with each PVO during its project proposal preparation to assess and define specific needs. Training areas for PVOs will include, but not be

limited to: project preparation, financial management, cost recovery, supply management (procurement, warehousing, distribution, inventory), monitoring, evaluation, and training of community health personnel. More individualized technical assistance will be provided in community participation, water and sanitation and financial management.

The purpose of the assistance the Recipient will provide to PVOs is to foster the institutional development of the PVOs themselves and to strengthen, expand, and diversify their maternal health and child survival services. The Recipient will carry out assessments of PVO management systems and capabilities, evaluate their training needs on all levels, and assess specific requirements and short-term needs for financial assistance. In addition to providing traditional management assistance, the Recipient will also serve as a catalyst for establishing cooperation and support by PVO and nonprofit organizations in the United States.

Various training methodologies will be employed by the Recipient to meet PVO needs. In some instances (project preparation), this will be done by Project staff. In other instances (financial, logistical, monitoring, evaluation, community health specialists), training will be contracted by the Recipient, using in-country expertise. The Recipient will fill other training needs (cost-recovery, community health trainers) by organizing national conferences and short seminars for information exchange. The Recipient may also provide Project funding for a short educational visit to a third country for the Community Health Trainers and Community Health Specialists. Training of health promoters and community education will be conducted by PVO staff.

Most support to the institutional development of PVOs will be in the form of technical assistance and training. However, selected commodity support, such as office equipment and computers, may also be provided by the Recipient to assist the PVOs in carrying out their community level service delivery activities discussed under Category I. Training may also be provided by the Recipient to PVOs to strengthen the management of PVO core staff.

3. **PROJECT CATEGORY III: Coordination, Policy Development & Research**

This category provides support to enhance inter-agency coordination and policy development: it also includes support for operational research to, inter alia, identify and replicate promising new approaches to service delivery.

The Recipient will work with all three PVO coordinating committees: the Inter-Sectoral Committee for Child Survival (CISI), the Coordinating Council for Private Institutions in Human Promotion in El Salvador (CIPHES), and the Corporation for Development and Social Promotion of El Salvador (CODEPROSES). The Recipient will also provide training to the MOH and PVO coordinating committees. The Recipient will make arrangements for the Director of the Office of International Cooperation (OIC) of the MOH to visit selected countries known to have a successful OIC, and OIC personnel will receive training in information collection and dissemination.

The OIC/MOH is the principal office for Recipient coordination with the MOH and is expected to play an important role as a PVO advocate and coordinating body within the public sector. A representative of this office will be a member of the Project Advisory Committee and also of CISI. As such, the OIC will act to promote MOH coordination with the PVOs. Examples of the types of coordination which the Recipient will foster between PVOs and the MOH include the accessing of Ministry training and educational materials by PVOs; joint training of personnel (especially health promoters and TBAs); PVO assistance with MOH services, including vaccination campaigns, malaria activities, and the reporting of epidemiological data; the possibility of coordination of pharmaceutical purchases; and coordination of all services and referrals at the local level. The Recipient will provide the OIC with the necessary office equipment, supplies, and vehicles to assist with its important coordination responsibilities.

The Recipient will provide CISI with technical support to help PVOs identify important areas for policy dialogue on issues related to private and public sector provision of health services to high risk populations, and raise these issues for discussion at appropriate levels of the government. Information for this task will be available from the results of operations research and Project implementation. Issues which may be explored include reducing duties on pharmaceuticals, the availability of generic drugs, formation of a national committee to collect and distribute appropriate pharmaceutical donations, etc. The Recipient will use project resources to finance seminars and meetings to develop these issues and facilitate public discussion and resolution.

The Recipient will also use Project resources to support a limited number of research activities. These activities are expected to be primarily operational research studies which will compare PVO efforts in areas such as cost-recovery at the community level and the use of health promoters in service delivery. The Recipient may also conduct some case studies in order to learn more about the causes of perinatal mortality in target populations.

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C. Implementation Schedule/Plan

The Recipient's activities during the first six month period will include locating and setting up an office, hiring personnel, establishing a warehouse and inventory systems, starting procurements, developing monitoring and proposal formats, and establishing working relationships with USAID and PVO coordinating committees. Once these activities are completed, the Recipient will begin to receive and/or develop proposals with PVOs.

During the second half of the first year, the Recipient will identify at least eight PVOs as initial candidates for Project assistance. Each group of implementing PVOs will be in the Project for an estimated five years. This five-year period is designed in the following manner: during the first year, the Recipient will train and strengthen PVOs as well as initiate service delivery, and the remaining years will be dedicated to service implementation, with follow-up TA and training as required. The final year will be a phasing-out period during which time Project funding will diminish gradually and program sustainability will be tested.

Identification of eligible PVOs will be accomplished by visiting the organizations, interviewing their personnel, and interviewing community members served by their programs. In order to receive assistance from the Project, PVO's will generally be required to meet the following eligibility criteria:

- a) Meet financial management and accounting requirements detailed in the Financial Plan below;
- b) Be non-sectarian and apolitical in the provision of maternal health and child survival services;
- c) Have a history of acceptable financial accountability in their operations, or, if problems of funds accountability have been experienced in the past, demonstrate that appropriate steps have been taken to rectify these problems;
- d) Have two years of health experience in El Salvador, or, lacking this experience, demonstrate adequate organizational capability to effectively and efficiently utilize Project assistance;

- e) Be willing to include in their concept of service delivery either or both preventive and curative services in MHCS to rural or marginal urban populations; and
- f) Be willing to test methods for sustaining the planned programmatic or geographic expansion of the Project.

The Recipient will give the highest priority for immediate Project assistance to PVOs that are already trained and ready to begin Project implementation and want to expand or extend services among high risk regions. Second priority for funding will be given to PVOs that need more training and technical assistance but are also willing to extend or expand services among high risk populations including high risk areas located in relatively low risk departments. The third priority will be given to those PVOs in well served areas whose proposal includes promising delivery strategies or innovative interventions. This last group will be extremely limited. The Recipient will not provide start-up costs to new PVOs interested in working in El Salvador. It will, however, consider their proposals for inclusion in the Project after the PVO has been functioning in the country for one year.

The Recipient will assist eligible PVOs interested in the Project to develop sub-project proposals. Actual community site selection and proposed activities will be made by the PVO according to its needs and capacities for expansion and potential sustainability. The sites and activities proposed, however, will be guided by the risk emphasis of the Project. PVO requests that may be considered for assistance will be those which:

- a) involve the nonsectarian and apolitical extension of services to high risk rural and marginal urban areas or the enhancement of services already being provided;
- b) demonstrate an understanding of the maternal health and child survival needs of target populations, especially those which address the most prevalent and serious health problems of the most vulnerable groups;
- c) stress those activities which fall within the range of maternal health and child survival interventions outlined in Category One above;
- d) focus on issues of severity (severe and/or compelling needs), magnitude (how many Salvadorans will benefit), and impact (the degree to which a need will be met);

- e) include mechanisms which maximize community engagement in the planning, implementation, and evaluation of program activities; and
- f) include provisions supporting partial or total program sustainability.

The Recipient will gradually incorporate additional PVOs, reaching maximum participation in the third Project year. This time line is based on a phasing-in of PVOs which will bring in eight PVOs the first year, twelve the second year, and fifteen the third year. More PVOs (up to 50) will be incorporated if available and if they meet established Project criteria.

The Recipient will serve as a development resource unit for private voluntary organizations. It will be a place where PVOs can bring their program ideas and obtain assistance in translating them into sound proposals suitable for funding. The Recipient will assist PVOs in identifying their technical assistance and training needs in areas such as: project planning and development, financial management, management information systems, technical interventions, logistics, monitoring and evaluation, and other areas identified by PVOs.

After meeting with PVOs and exploring their ideas, needs, and priorities, staff of the Recipient will continue to work with the organizations, when necessary, in project development. The Recipient will screen PVO proposals and recommend approval or disapproval to the Project Advisory Committee, which will make the final determination. However, PVOs whose proposals are not approved may request technical assistance from the Recipient in improving and strengthening proposals and may then re-submit them for consideration by the Project Advisory Committee.

When a PVO's proposal is approved, and following a certification by the Recipient Organization that the PVO has adequate financial controls in place to ensure proper accountability and use of Project funds, a sub-agreement (SA) will be drafted between the Recipient and the participating PVO (sub-grantee) clearly defining the roles and responsibilities of each. In addition to containing sections of the formal proposal, the sub-agreement will include, as applicable: portions of the Standard Provision annex contained in the Grant Agreement between A.I.D. and the Recipient; language requiring that the participating PVO submit annual action plans, status and Project resource liquidation reports

on a regular basis; any conditions precedent to initial and subsequent disbursements of Project resources, which the Recipient feels may be necessary; a schedule for the provision of AID funded inputs (i.e., technical assistance, training and commodities); and a sub-project assistance completion date.

Simple reporting criteria with standardized outlines will be designed by the Recipient to facilitate proper reporting by the participant PVOs. The reporting formats will include identification of sub-project outputs and accomplishments and will contain a problems section to encourage the PVOs to identify problems and seek collaboration of the Recipient to resolve them in a timely manner. Use of standard proposal, sub-agreement and reporting formats will also provide documentation for monitoring and reporting as well as for Project evaluation and audit, and enable the Recipient to better handle the anticipated number of requests for assistance. In the case of the PVOs, establishment of strict uniform procedures will compel them to organize and follow systems which improve their administrative and organizational structure.

D. PROJECT MANAGEMENT AND KEY PERSONNEL

1. USAID Project Management The Project will be managed by a U.S. direct hire, assisted by a procurement specialist working 25% of his/her time on this Project, and a bilingual secretary. The procurement specialist and secretary will be contracted by A.I.D. directly, utilizing Project funds; the costs will be charged to Project Administration.
2. Project Advisory Committee The Recipient will establish a Project Advisory Committee in order to facilitate coordination and collaboration among the Project, PVOs, other key USAID Projects, and the MOH. This Committee will consist of the USAID Project Manager for this Project, a representative of the Recipient, a representative from the MOH's Office of International Coordination, the Project Managers of each of the three other USAID health projects, and a CISI representative (and the other two PVO coordinating committees if appropriate). The principal task of this Committee will be to advise the Recipient on Project implementation, and to review proposals for sub-grants and make recommendations for final approval. In the event that the recommendation by the PAC is not unanimous, final approval will be required by the AID Director or his designee.

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### 3. Key Project Personnel

In order to fulfill its role, the Recipient will receive Project support for staff both in the United States and in El Salvador. The Recipient's staff in El Salvador will include at least two expatriates: the Project Director and the Project Administrative Officer. The Project Director will function as Chief of Party and have overall responsibility for Project implementation. He/she will chair the Project Advisory Committee and will serve as the principal liaison between the Recipient, participating PVO's, USAID/ES, and the GOES. He/she will be responsible for setting Project policy and ensuring that Project activities conform to GOES and USAID health policy and strategy. The Project Administrative Officer will have overall responsibility for management information systems (financial and programmatic), commodity procurement, and logistics, including warehousing, inventory systems, distribution, and transportation. He will report to the Project Director and serve as Executive Secretary of the Project Advisory Committee. The Project Administrative Officer will also serve as Acting Chief of Party in the absence of the Project Director.

#### a. Project Director - General Description of Duties

The Project Director will function as Chief of Party and have overall responsibility for Project implementation. He/she will chair the Project Advisory Committee and will serve as the principal liaison between the Recipient, participating PVOs, USAID/ES, and the GOES. He/she will be responsible for overseeing the implementation of general policy established by the Project Advisory Committee and ensuring that Project activities conform to GOES and USAID health policy and strategy.

#### Specific Tasks

1. Chair the Project Advisory Committee, overseeing the implementation of general policy established by the Committee, and developing specific Project implementation guidelines;
2. Supervise the Project Administrative Officer and all employees of the Recipient;

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3. Act as liaison with private voluntary organizations, PVO coordinating groups (CISI, CIPHES), USAID/ES, the Recipient's U.S. headquarters, international donors, the Ministry of Health, and other GOES agencies; keeping up to date on health sector programs in El Salvador and keeping other agencies apprised of the MHCS Project activities;
4. Represent the Recipient at Project Advisory Committee meetings, donor committee meetings, health sector meetings, training seminars, and other events;
5. Oversee the development, implementation, monitoring, and evaluation of Project technical strategies and interventions; in particular, the implementation of strategies designed to generate and sustain active community participation in all Project phases;
6. Assist PVOs in the identification of sustainability strategies and monitor PVO efforts to achieve financial self reliance, including developing schemes for in-kind contributions, community participation, and user fees;
7. Participate in field visits to PVO implementation sites;
8. Identify, in a timely manner, problems and obstacles in the Project implementation process and suggest realistic solutions and alternatives to the problems identified;
9. Submit periodic reports to the AID Project Manager;
10. Review PVO and Recipient narrative reports, statistical reports, and financial statements;
11. Review the results of technical evaluations and financial audits of PVO projects and ensure that Recipient personnel monitor remedial actions suggested or required by evaluations and audits;
12. Participate in the mid-term and final evaluations of the Maternal Health and Child Survival Project; and
13. Carry out other duties and responsibilities as assigned by the Project Advisory Committee and the Recipient's U.S. headquarters.

b. Administrative Officer - General Description of Duties

The Administrative Officer will have overall responsibility for the Recipient's management information systems, financial management, commodity procurement, and logistics, including warehousing, inventory systems, and distribution. He/she will report to the Project Director and serve as Executive Secretary of the Project Advisory Committee. The Administrative Officer will also serve as Acting Chief of Party in the absence of the Project Director.

Specific Tasks

1. Supervise Recipient personnel on a daily basis; oversee the development and administration of a complete personnel system, including the preparation and up to date maintenance of descriptions, annual personnel evaluations, personnel leave records, etc.
2. Serve as Executive Secretary of the Project Advisory Committee; preparing Committee agenda and minutes, with appropriate input from Committee members; take responsibility for timely scheduling of meetings and for notifying members of time and place.
3. Plan and organize the administrative and logistical aspects of the Annual PVO Health Conference.
4. Oversee Project procurements and the administration of Project logistical systems, including warehousing, inventory systems, and commodity distribution.
5. Supervise the design, use, and updating of a quarterly statistical report on PVO outputs; ensuring the timely consolidation of PVO statistical reports each quarter.
6. Supervise all aspects of financial management for the Recipient and participating PVOs; ensure compliance with all applicable USAID accounting and fiscal management procedures; and submit monthly financial reports to the Controller's Office of USAID/El Salvador.
7. Oversee the development and maintenance of a comprehensive data base of Project financial and program data; monitor the generation of reports by: PVO, department, health region, and on a national level.

8. Assist the USAID/ES Project Officer in the preparation of Project semi-annual reports.
9. Oversee contracted administrative services, such as customs, security, and moving services.
10. Assist the Project Director with representational and liaison functions, as required.
11. Assist the Project Director and PVOs in the identification of strategies for enhancing PVO financial sustainability.
12. Participate in field visits to PVO implementation sites.
13. Identify, in a timely manner, administrative and logistical problems in Project implementation and make suggestions to the Project Director for resolving the problems identified.
14. Supervise the preparation of the Recipient's narrative, statistical, and financial reports; reviewing PVO statistical reports and financial statements.
15. Review technical evaluations and financial audits of PVO projects and monitor the remedial actions instituted in response to evaluation and audit recommendations.
16. Participate in the mid-term and final evaluations of the Maternal Health and Child Survival Project.
17. Carry out other duties and responsibilities as assigned by the Project Director.

c. Other Personnel Requirements

Long term core positions in El Salvador may include the following: a Procurement/Logistics Officer, a Training Coordinator, Community Health Specialists, a Water-sanitation Engineer, a computer programmer, and support staff. The Recipient will, to the extent possible, procure these services through local contracts. The Recipient's U.S. home office support staff will include: a) 1/2 Time Procurement Specialist; b) 1/4 Time Project Manager; c) 1/2 Time Secretary/Administrative Assistant; and d) a Part Time Financial Analyst/Accountant.

## 2. Commodities and Logistical Arrangements

During the Project start-up period, the Recipient will of necessity use U.S. Embassy duty-free import privileges. However, the Recipient is expected to take steps to obtain duty-free privileges, and thereby relieve the U.S. Embassy of this task. In any case, the Recipient will be expected to assist in the preparation and actual transmittal of documentation for customs clearance, make other necessary logistical arrangements for transportation and safekeeping of goods, as well as be responsible for reimbursement, with Project funds, of any clearly identifiable costs incurred by the U.S. Embassy in obtaining the duty free entrance of Project goods.

The Recipient will be responsible for offshore procurement of all necessary Project commodities and services, except pharmaceuticals and other restricted goods, as well as the majority of locally procured goods and services. Such procurements will be made in conformance with applicable FAR and USAID regulations and procedures. Local procurements by PVOs will be limited. PVO staff lack experience with USAID procurement regulations and at times demonstrate weak planning and selection skills. PVO purchases will therefore be limited to local shelf items such as office supplies, educational materials and supplies, and limited medical supplies and equipment.

The Recipient will rent an office and central warehouse. If feasible, the warehouse will be procured through a lease-buy arrangement and donated to the Ministry of Health upon Project termination. The central warehouse will be nearby or adjacent to the office, if possible, thereby facilitating supervision and reducing security expenses. All orders will be inventoried for completeness and corrective actions taken when necessary. All warehouse storage bins and boxes will have labels indicating the contents and, when applicable, expiration dates. Commodities with expiration dates will be distributed strictly on a first-in, first-out basis. Cold room facilities will be available at the central warehouse.

A computerized warehouse and inventory control system will be developed by the Recipient's Administrative Officer in the first six months of Project implementation. Information on the distribution to PVOs of pharmaceuticals, equipment, materials, and supplies will

be entered into this central system. The inventory system is expected to record commercial name, generic name in Spanish, amount, preparation, cost, lot number, and expiration date for all pharmaceutical lots received. Site visits to PVOs by the Administrative Officer will include verification of computerized commodity distribution lists with actual commodities received.

Following is an illustrative list of the kinds of commodities which the Recipient will procure and distribute to PVOs over the life of the Project to support PVO program activities on the community level:

- \* Jeeps/Automobiles
- \* Motorcycles
- \* Biomedical Equipment
  - Microscopes
  - Autoclaves
  - Centrifuges
  - Blood Pressure Cuffs
  - Thermometers
  - Salter Scales
  - Clinic Scales
  - First Aid Kits
- \* Medical Supplies
- \* Water/San. Equipment
- \* Audio-visual Equipment
- \* Educational Materials
- \* Building Materials (for clinic/office renovation)
- \* Computer Equipment

E. FINANCIAL MONITORING, ACCOUNTABILITY AND AUDIT

Financial monitoring of Project revenues and expenditures will be done on a monthly basis through a series of reports which will be developed jointly by the Recipient and the USAID Project Officer. The Recipient will follow Standard A.I.D. disbursement procedures.

On a yearly basis, a complete financial audit will be conducted by external auditors. The audit will be contracted at the beginning or prior to the start of the fiscal year being audited, thereby allowing the auditors to perform such specified procedures as petty cash counts, observe physical inventory counts, monitor

payroll distributions, assess internal controls and accounting procedures, review accounting ledgers and documents for adequacy, and perform other tests deemed necessary. USAID will approve the statement of work before the Recipient contracts the external auditors and USAID, at its discretion, may supervise the audit and review draft reports. The contracted auditors will be affiliated with US CPA firms and will follow GAO standards.

At its discretion, USAID/El Salvador will contract additional financial management services, including the financial monitoring of the Recipient's transactions. At the end of the Project, a complete financial audit will be conducted. All audits will be conducted in accordance with US CPA and GAO standards. The Project will provide a total of \$660,000. for annual and final financial audits.

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