

PD-ABE-992

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete Amendment Number	DOCUMENT CODE 3
2. COUNTRY/ENTITY SWAZILAND	3. PROJECT NUMBER 645-0237	
4. BUREAU/OFFICE AFRICA	5. PROJECT TITLE (maximum, 40 characters) FAMILY PLANNING ENDOWMENT (FLAS)	

6. PROJECT ASSISTANCE COMPLETION DATE (PACT) MM DD YY 09 30 95	7. ESTIMATED DATE OF OBLIGATION (Under 'B' below, enter 1, 2, 3, or 4) A. Initial FY 92 B. Quarter 4 C. Final FY
--	--

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 91			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total		1,681	1,681		1,681	1,681
(Grant)	()	()	()	()	()	()
(Loan)	()	()	()	()	()	()
Other U.S. 1.						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS		1,681	1,681		1,681	1,681

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)						1,681		1,681	
(2)									
(3)									
(4)									
TOTALS									

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)	11. SECONDARY PURPOSE CODE
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)	
A. Code	
B. Amount	

13. PROJECT PURPOSE (maximum 480 characters)

TO ASSIST THE FAMILY LIFE ASSOCIATION OF SWAZILAND (FLAS) TO SUSTAIN THE PROVISION OF IMPROVED AND/OR EXPANDED FAMILY PLANNING SERVICES.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify)
--	--

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

A REVIEW OF THE FINANCING METHODS SELECTED FOR IMPLEMENTATION OF THIS PROJECT ARE INCLUDED IN THIS PROPOSAL, AND ALL THE METHODS SELECTED ARE IN COMPLIANCE WITH CURRENT AGENCY POLICY. I HAVE REVIEWED THE METHODS OF IMPLEMENTATION AND FINANCING OF THIS PROJECT AND FIND THEM SATISFACTORY.

Elizabeth Palmer
LIZ PALMER, ACTING CONTROLLER

17. APPROVED BY	Signature <i>Charles Brooks</i> Title CHARLES BROOKS ACTING DIRECTOR	Date Signed MM DD YY 09 29 92	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 10 08 92
-----------------	--	-------------------------------------	---

PROJECT AUTHORIZATION

Cooperating Country: Swaziland
Project Title: Family Planning Endowment (FLAS)
Project Number: 645-0237

1. Pursuant to Section 496 of the Foreign Assistance Act of 1961, as amended, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (applicable pursuant to P.L. 102-145, as amended by P.L. 102-266, the Continuing Resolution for FY 1992), and Africa Bureau Delegation of Authority (DOA) No. 551, as amended, I hereby authorize the Family Planning Endowment (FLAS) project (Project) for the Kingdom of Swaziland, involving planned obligations of not to exceed One Million Six Hundred and Eighty One Thousand United States Dollars (\$1,681,000) in grant funds from the Development Fund for Africa (DFA), over a one-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. Except as A.I.D. may otherwise agree in writing, the planned life of the Project is three years from the date of initial obligation.

2. The purpose of the Project is to assist the Family Life Association of Swaziland (FLAS) to sustain the provision of improved and/or expanded family planning services. To this end, the Project will capitalize an endowment for FLAS. FLAS will invest the endowment principal and use the income from these investments to improve the quality of its current family planning activities, initiate new activities, or both, in accordance with the goals set forth in its long-term strategic plan. All Project funds will be provided to FLAS to establish the endowment pursuant to the terms of a grant to FLAS.

3. The Grant Agreement with FLAS, which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority, shall be subject to the following essential terms, conditions and covenants, together with such other terms, conditions and covenants as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Suppliers

The source and origin of commodities and the nationality of suppliers of commodities and services financed under the Project shall be in accordance with DOA No. 551, Section 5F. Accordingly, commodities financed by A.I.D. under the Project shall have their source and origin in Swaziland, the United States or any other country included in A.I.D.

Geographic Code 935, except as A.I.D. may otherwise agree in writing. Except for ocean shipping or as A.I.D. may otherwise agree in writing, the suppliers of commodities or services shall have Swaziland, the United States or any other country included in A.I.D. Geographic Code 935 as their place of nationality. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on a flag vessel of the United States. Procurement of commodities and services shall be from the U.S. to the maximum practicable extent, except as A.I.D. may otherwise agree in writing. A.I.D. may apply the foregoing source/origin/nationality rules to procurement financed with income from the endowment established under the Project.

b. Covenants

The Grant Agreement with FLAS shall contain, in substance, the following special covenants, in addition to any standard covenants deemed appropriate: Except as A.I.D. may otherwise agree in writing,

(i) During the life of the Project endowment principal shall be invested only in Swaziland securities;

(ii) During the life of the Project A.I.D. approval will be required prior to investment of endowment principal, and independent, licensed financial advisors must be consulted prior to investment in any investment other than bank certificates of deposit or comparable fixed interest instruments;

(iii) Endowment principal will not be invested in any firm engaged in the manufacture or sale of military or police equipment, including weapons, explosives and surveillance equipment; abortion services or abortion-related equipment; weather-modification equipment; or alcoholic beverages, tobacco products, or gambling equipment or services, unless the sale of such products or services is incidental to the sale of other products or services;

(iv) Endowment principal may not be used for any purpose other than investment;

(v) Endowment principal and endowment income (unless reinvested as principal) will be kept in separate accounts and separately accounted for;

(vi) Endowment income will be used by FLAS for purposes of direct and demonstrable relevance to family planning in Swaziland, and during the life of the Project activities to be supported with endowment income shall be subject to A.I.D. approval;

(vii) A.I.D. may dissolve the endowment at any time if evidence exists that either the endowment principal or endowment income are being abused or mismanaged, or that

endowment income is no longer being used to support family planning in Swaziland;

(viii) After the end of the Project, FLAS may dissolve the endowment and use the endowment principal for family planning activities only with the prior written consent of A.I.D.; and

(ix) FLAS will ensure that the following requirements remain in effect after the end of the Project: (a) that the endowment principal continues to be invested in appropriate investments, (b) that endowment income is used for activities directly related to family planning (excluding abortion), and (c) that A.I.D. receives audited annual reports on endowment investments and the use of endowment income, and accomplishments and problems related to such uses.

Charles Brooks

Charles Brooks
Acting Director
USAID/Swaziland
September 29, 1992

Clearances: Jay Anderson, RHDO	<u> </u>	Date <u>9/29/92</u>
Jack Royer, PROG	<u> </u>	Date <u>9/29/92</u>
Edward Baker, PDO/PEO	<u> </u>	Date <u>9/29</u>
Elizabeth Palmer, A/CONT	<u> </u>	Date <u>9/29/92</u>
Michael Kenyon, RCO	<u> </u>	Date <u>29/9/92</u>

TCR
DRAFT:TCR:JAL:09/28/92:TR025-GEN NO.5:

ACTION MEMORANDUM FOR THE ACTING DIRECTOR, USAID SWAZILAND

FROM: Edward Baker, PD/PEO

SUBJECT: Family Planning Endowment (FLAS) Project,
(645-0237)

PROBLEM: Pursuant to Africa Bureau Delegation of Authority 551, as revised, you are requested to approve the attached proposal for the subject project and authorize the Family Planning Endowment (FLAS) Project with life-of-project funding of one million six hundred and eighty one thousand United States Dollars (\$1,681,000) in grant funds from the Development Fund for Africa. \$1.681 million will be obligated in FY 92.

DISCUSSION:

A. Background:

The recipient of the grant, the Family Life Association of Swaziland (FLAS), is an NGO duly registered with the Swaziland Council of NGOs and with AID. Family planning has been FLAS's principal activity since the Association's founding in 1979. As such, FLAS currently accounts for an estimated 30% of Swaziland's couple-years of protection. FLAS's three clinics currently provide family planning services, sexually-transmitted-disease counselling and treatment, pregnancy testing, Pap smears, and, less frequently, adolescent-sexuality and infertility counselling.

FLAS has worked with Swaziland's Parliamentary Commission on Population as an advocate for national population policy and contributes to public awareness of family planning and related issues through its three weekly radio broadcasts and through lectures and discussions with various community groups.

The organization also promotes informed, responsible sexual behavior among teenagers through Family Life Education in secondary schools; has initiated a small Community Based Distribution Program in five rural communities; and is working with rural women's groups in a pilot program, counselling them on dealing with personal and family problems, including family planning.

In 1989, FLAS initiated and is now successfully implementing the AID-funded Family Health Services (FHS) Project which seeks to improve the quality of FLAS's clinical services; set up family planning programs in large industries; expand and improve information, education and communication activities related to family planning; and improve research and evaluation capability.

B. Project Development:

The need for a dependable source of working capital to sustain an improved and/or expanded program at FLAS has been apparent to FLAS for some time and was the basis for development of the proposal. The proposal was developed in close collaboration with USAID, which funded a study by the local office of Price Waterhouse to examine the contribution which an endowment might make to FLAS's program. The advice of the AID Regional Legal Advisor and, Regional Contract Officer were particularly important in assuring that such an endowment was acceptable under AID regulations and legislation.

C. Overview of the Project: The Purpose of the project is to assist FLAS to sustain the provision of improved and/or expanded family planning services. This purpose is in concert with the Mission's population strategy of reducing the population growth rate in Swaziland by increasing contraceptive prevalence by increasing the availability of and the demand for family planning services. To this end, the project will capitalize an endowment for FLAS. FLAS will invest the endowment principal and use the income from these investments over the long term to improve the quality of its current family planning (FP) activities, initiate new activities, or both, in accordance with the goals set forth in FLAS's long-term strategic plan, recently completed with assistance from USAID consultants. During the life-of-project, USAID will work with FLAS to select activities to be supported with endowment income, monitor their implementation, and evaluate their results.

At the end-of-project, FLAS will have demonstrated the ability to responsibly invest the endowment principal and to use endowment income to improve and/or expand the provision of family planning services.

D. Mission ECPR Review:

A meeting of the Executive Committee for Project Review (ECPR) was held on September 18, 1992 to review a draft proposal. The issues raised and the manner in which they were addressed are summarized below:

1. The draft investment strategy for the endowment included real estate. The Project Development/Private Enterprise Office representatives opined that such an investment is management intensive, illiquid, and risky as an income generating tactic in a thin market such as in Swaziland. It was proposed and approved by the Committee that real estate investments not be allowed during the life-of-project. After that time, FLAS, with the assistance of a professional investment councillor, would be free to make such an investment. The rationale was that FLAS should not be foreclosed altogether from investing in real estate should

5'

a suitable real estate investment come to their attention after the project is over.

2. It was suggested that FLAS provide USAID with assurance of core funding from IPPF, or elsewhere, to ensure that FLAS activities would, during the life-of-project, continue as envisioned in the proposal. The AID funded endowment income is only estimated to cover 25% of FLAS's budget over at least a ten-year period, assuming reinvestment of a portion of the endowment income. Such assurance has been obtained (and is attached to the final proposal submitted by FLAS.)

3. The proposal suggested that the USAID Project Manager have the responsibility for approval of FLAS's investment plans and strategies. The ECPR Committee changed this approval to the USAID Director or the Director's designee.

4. Other ECPR comments included editorial changes which have been incorporated into the final proposal.

E. Other Issues:

1. Technical Issues The proposal is technically sound. Analysis of the project's technical components, economic feasibility and social analysis as well as a detailed budget are included in the proposal.

2. Non-competitive Award of Grant to FLAS Because FLAS is a PVO registered with A.I.D. and this is a Mission-funded grant for FLAS's field program and FLAS institutional strengthening, the requirement for competition is considered to be met under HB 13, 2B 2e.

3. Status of FLAS/Grantworthiness FLAS is a duly registered PVO with the Swaziland Council of NGOs and with USAID. Based on the Mission's previous and current experience with FLAS under its FHS cooperative agreement, the Mission has concluded that FLAS continues to be grantworthy, possessing the requisite technical, management, procurement, and financial management capacity to manage this grant program.

4. Procurement: The principal of the endowment may only be used for investments in Swaziland during the life of the project. While the earnings from the investments may be used for project activities, no AID Geographic Code source and origin code is required, since the earnings are program income rather than direct AID supplied funds. However, the ECPR Committee has agreed that Geographic Code 935 be specified for procurement with funds generated from the endowment to avoid possible use of the funds in AID Geographic Code countries not acceptable to AID. Because the grant is DFA-funded, no source/origin/nationality waivers are required.

5. Program Income Issues: As indicated above, endowment income should be considered to be program income rather than appropriated funds. In accordance with HB 13, 1J, and OMB Circular A-110, such income will be used by FLAS to further eligible program objectives, i.e. family planning activities approved by USAID. Although the entire range of AID rules and regulations applicable to appropriated funds may not apply to program income, the standard grant provisions concerning procurement, including source/origin/nationality rules as discussed above, will be applied to endowment income used for project purposes during the life of the project. Similarly, annual FLAS audits will cover use of such program income even though the standard grant provisions concerning audits generally apply only to appropriated funds received under the grant.

HB 13, 1J, and OMB Circular A-110 do not restrict use of program income received after a project is over. However, USAID will in fact continue to receive reports and restrict the use of endowment income to activities directly related to family planning (excluding abortion), after the project is over, to ensure that the endowment continues to be effectively used for its intended purpose.

Finally, the interest-bearing endowment account will be part of FLAS's endowment portfolio, and thus deposits made into this account will have been applied to project purposes upon such deposit. Therefore, interest earned on this account will be endowment income, i.e. program income, rather than interest earned on an advance, and may be retained by FLAS rather than returned to the U.S. Treasury.

6. Covenants The attached Project Authorization contains various covenants concerning establishment of the endowment, investment of endowment principal, use of endowment income, and dissolution of the endowment. Such covenants will be included in the grant to FLAS.

7. Initial Environmental Examination: A Categorical Exclusion was approved by the AFR Bureau Environmental Officer on September 14, 1992 and clearance was obtained for this action from GC/AFR on September 15, 1992.

8. Mission Management of the Project The Family Planning Endowment Project will be managed by a project manager designated by the Office Director, Health, Population, and Nutrition Office.

9. Government of Swaziland Approval: The Minister of Health endorsed this project by signing an endorsement letter on September 16, 1992. The letter will be filed in the subject project files.

10. Contribution The endowment is expected to cover approximately 25% of project costs. The other major donor to FLAS, IPPF anticipates continued support to FLAS during and after the project. This support, at a minimum, is expected to cover FLAS's core cost, well over 25% of project costs.

11. Drug-Free Work Place and Lobbying Certifications These certifications are included in the grant and will be signed by FLAS during the signing of the grant agreement.

12. Initial Obligation. A single FY 92 obligation of \$1,681,000 is planned for the Family Planning Endowment project. A funding allowance has been received. The CN has expired.

13. Endowment Authority Section 571 of the FY1991 Appropriations Act (applicable pursuant to the FY 1992 Continuing Resolution) permits A.I.D. to establish PVO endowments with DFA funds. Through a May 13, 1992 memo from RLA Riedler to Mary Alice Kleinjan, GC/AFR and her reply dated May 19, the applicability of this authority to the present project was confirmed.

AUTHORITY

Under Africa Bureau Delegation of Authority 551, revised, you, as Acting Director of a Schedule A post, have the authority to authorize new projects with LOP funding up to \$20 million where the Life-of Project does not exceed ten years.

RECOMMENDATION:

It is recommended that you approve and authorize the Family Planning Endowment (FLAS) project (645-0237) by signing this Action Memorandum, the attached Project Authorization and the Project Data Sheet.

APPROVED Charles E. Brooker

DISAPPROVED _____

DATE September 29, 1992

Attachments:

1. Project Authorization
2. Project Data Sheet and Project Proposal
3. Statutory Checklist

8

Drafted: E. Baker PD/PE 9/25/92

Clearances:	JAnderson/HPN <u>draft</u>	Date <u>9/29/92</u>
	JRoyer/PROG <u>draft</u>	Date <u>9/29/92</u>
	TRiedler/RLA <u>TR</u>	Date <u>9/29/92</u>
	LPalmer/ACONT <u>EP</u>	Date <u>9/29/92</u>
	MKenyon/RCO <u>MR</u>	Date <u>29/9/92</u>

PROPOSAL TO ESTABLISH AN ENDOWMENT FOR THE FAMILY LIFE
ASSOCIATION OF SWAZILAND

Project Title: Family Planning Endowment

Project Location: Manzini, Mbabane, Malkerns and elsewhere
in Swaziland

PVO Name and Location: The Family Life Association of Swaziland
Box 1051
Manzini, Swaziland

Contact Person: Mrs. Khetsiwe Dlamini
Executive Director

Date of Submission: September 28, 1992

Project Duration: Three years

Funding Requested: \$1,681,000

A. Project Purpose, Beneficiaries and Summary Description

1. Purpose. The project will assist the Family Life Association of Swaziland (FLAS) to sustain the provision of improved and/or expanded family planning services.

2. Beneficiaries. FLAS currently provides contraception to approximately 5,400 couples per year¹. Family planning is effective in reducing both fertility and maternal and child mortality. The nation as a whole benefits from the former in that resources at the national and family level are not continually eroded by an expanding population. Women and children benefit particularly from the latter in terms of better health and increased longevity.

In addition, FP has been seen, from its earliest days, as a major factor in the emancipation of women. By freeing women from the burden of constant pregnancy and child rearing, FP enables them to exert greater control over their lives and engage, if they so choose, in a variety of activities which enhance their personal lives and the welfare of society at large. In Swaziland, these

¹ In 1991, FLAS distributed contraceptives sufficient to protect 5,446 couples for one year.

activities include participation in a variety of income-generating programs which are becoming increasingly available for women in rural areas. This income is frequently used for school fees, food and clothing to the benefit of the entire household.

3. Summary Description. The project will capitalize an endowment for FLAS. FLAS would invest the endowment principal and use the income from these investments over the long term to improve the quality of its current family planning (FP) activities, initiate new activities, or both, in accordance with the goals set forth in FLAS's long-term strategic plan (see B.1 below). During the life of the project, USAID will work with FLAS to select activities to be supported with endowment income, monitor their implementation and evaluate their results.

At the end of the project, FLAS will have demonstrated the ability to responsibly invest the endowment principal and to use endowment income to improve and/or expand the provision of family planning services.

B. Project Background

1. Description of FLAS. FLAS is an NGO duly registered with the Swaziland Council of NGOs and with USAID. The Association was founded in 1979 to supplement the Ministry of Health (MOH) in promoting healthy family life and child spacing. (The term family life was preferred instead of family planning for cultural and political reasons and to encompass ancillary activities.) By 1983, FLAS was operating three family planning clinics in Mbabane, Manzini and in Malkerns. In light of this growth, the MOH ceded its membership in the International Planned Parenthood Federation (IPPF) to FLAS in 1984.

FLAS believes that a balance between population, natural resources and productivity is a necessary condition of human happiness, prosperity and peace; that people have the right to decide the number and spacing of their children; and that the necessary information and means to attain desired family size should be available to all. It seeks to achieve the well-being of individuals, families and the nation by promoting and facilitating planned parenthood.

FLAS recently completed, with USAID assistance, a strategic planning exercise which sets forth eight goals for the Association in the 1990s:

- To become a national technical-assistance resource for developing, implementing and evaluating family planning programs;

- To achieve greater sustainability through an increased and diversified resource base;
- To advocate, at the national level, socio-economic policies favorable to the acceptance of family planning;
- To provide and promote information and education related to family planning as well as high-quality family planning services;
- To increase the provision of family planning information and services to disadvantaged persons through demonstration projects and in collaboration with other organizations;
- To provide first-line information on STDs and AIDS and referral for further counselling;
- To incorporate family planning into programs undertaken by other agencies to improve the status of women, especially young, rural women; and
- To improve FLAS's overall managerial and technical capabilities.

FLAS is governed by a nine-person Executive Committee (board), including a representative of the Ministry of Health, elected bi-annually by the Association's approximately 200 members. The board sets FLAS policy and oversees the implementation of FLAS's programs. Day-to-day management of these programs is the responsibility of an Association Management Team composed of the Executive Director, Program Director and the heads of FLAS's five departments: Research and Evaluation; Information, Education and Communication (IE&C); Clinic Service Delivery; Industry Programs; and Finance and Administration.

FLAS's program goals are to increase contraceptive prevalence and to decrease the incidence of STDs and AIDS. These goals are pursued by a total of forty dedicated and enthusiastic employees working in FLAS's three clinics and at its headquarters in Manzini.

2. FLAS's Prior Experience in Family Planning. Family planning has been FLAS's principal activity since the Association's founding 11 years ago. FLAS's three urban clinics accounted for about 14% of Swaziland's contraceptive prevalence in 1988, probably reflecting a higher receptivity to FP in urban areas and FLAS's reputation as Swaziland's premier FP provider. In 1989, the country's top 2 clinics, in terms of couple-years of protection (CYP) distributed, were FLAS clinics, and FLAS's third clinic ranked eighth. FLAS currently accounts for an estimated 30% of Swaziland's CYP, largely as a result of a relatively high

number of IUD insertions. FLAS clinics currently provide family planning services, STD counselling and treatment, pregnancy tests, pap smears, and, less frequently, adolescent-sexuality and infertility counselling. Additionally, treatment for childhood illnesses is offered at Manzini, and preventive and curative child-health services are offered at Malkerns.

FLAS has worked with Swaziland's Parliamentary Commission on Population as an advocate for and contributor to a draft national population policy and contributes to public awareness of Family planning and related issues through its three weekly radio broadcasts.

Since 1984, FLAS has promoted informed, responsible sexual behaviour among teenagers through Family Life Education (FLE) in secondary schools. FLAS provided FLE lectures in 27 schools (5 to 10 lectures per school) in 1991, and is currently attempting to transfer primary responsibility for this program to the Ministry of Education, with the Association continuing to act as technical advisor. To this end, FLAS has recently drafted an FLE curriculum for use by teachers. FLAS also provides FLE to various community groups: 61 lectures to 29 groups in 1991.

FLAS initiated a small Community Based Distribution (CBD) Program in two rural communities in 1986. The program currently serves five communities, including two refugee camps. This program was designed to demonstrate the effectiveness of utilizing trained local women to distribute condoms and foams and to refer clients to clinics for other methods, in the hope that this approach will be replicated by the MOH on a larger scale. The program has recently initiated the resupply of oral contraceptives to women previously screened by a nurse.

FLAS has recently initiated a pilot project in which one FLAS staff member works with 128 rural women between the ages of 13 to 30 from in and around Sitegi. These women are participating in income-generation activities conducted by other organizations. FLAS counsels them on how to deal with a variety of personal and family problems, including the use of FP to enhance their personal well being as well as that of their families.

In 1989, FLAS began to implement the USAID-funded Family Health Services (FHS) Project (645-0228), which ends in December 1993. FHS seeks to improve the quality of FLAS's clinical services; strengthen evaluation and monitoring capability; launch pilot family-planning programs in large industries; and expand and improve information, education and communication (IE&C) activities related to family planning. This assistance has been a significant impetus to FLAS's ongoing transition to a more sophisticated, professional organization desirous of a wider, more effective role in reducing fertility and increasing family welfare. Progress is summarized below.

Service Delivery. FLAS has secured regularly scheduled medical back-up at its three clinics to improve its nurses' skills in dealing with clients who would otherwise require referral to a physician. Clinic management has been improved through the revision of the client filing system. Clinic-service protocols and service standards have been revised, all clinics have been renovated, and additional clinical equipment and reference materials have been purchased. FLAS seeks to provide high quality services as a model for other agencies, and, nursing students undertake clinical practica in family planning at FLAS clinics.

Due to resource constraints, FLAS clinics are staffed at minimal levels, with very little depth to cover for staff absent due to illness, training, leave, etc. Staff are totally insufficient for expanding FLAS's clinical services.

Research and Evaluation. FLAS has established a Research and Evaluation Unit (REU) which produces monthly, quarterly and semi-annual reports of good quality on services provided in FLAS clinics. The design and implementation of several original research studies has, however, required outside technical assistance, due to lack of research-design and analytical experience in the REU and the demands of a strenuous R&E/monitoring agenda on its 2.5-person staff.

IE&C. Mass-media communications (especially radio) provide a highly effective means of influencing popular opinion about family planning. The effective implementation of a carefully crafted communications strategy would allow FLAS to attain a national impact far in excess of the Association's relatively small size. In 1990 a consultant assisted the Unit to design and conduct the most comprehensive study of attitudes related to family planning ever done in Swaziland, and periodic technical assistance continues to help the Unit implement an IE&C plan based on that research. However, the IE&C activities being undertaken under FHS (and activities which FLAS would like to pursue in the future) are considerably more sophisticated than previous undertakings, and their implementation has proved more difficult than anticipated. Continued development of the IE&C Unit remains a priority in order to institutionalize the capability to design and conduct qualitative research; design, pretest, produce and use various IE&C materials; and evaluate the impact of IE&C activities.

Industry Program. Started in October 1991, FLAS's industry program is now providing family planning and STD/AIDS services at four large and five small industrial sites (against an original target of only three large sites). Coordinators, supervisors and industry-based distributors have been selected and trained. Contraceptive distribution and community education have been initiated, and financial and in-kind support from the industries

has been obtained. The Industry Program offers a package of services which include clinical services and training for service providers; information on STDs, AIDS and FP; promotion of contraception and distribution of non-prescriptive methods by peer educators; and program monitoring and evaluation. This expansion of FP programs using the staff of private industries with existing medical departments is another example of FLAS's potential to exercise an effect on contraceptive prevalence disproportionate to its size.

FLAS's 11 years of involvement with family planning and its recent implementation of the FHS Project attest to an organization committed to family planning and increasingly capable of pursuing more ambitious undertakings. The principal challenges facing the association in the 1990s are the continued improvement of its technical and managerial capabilities and the acquisition of resources which will permit FLAS to solve the problems noted above and to play and sustain a wider role in FP.

3. Other Organizations Active in Family Planning. FP services in Swaziland are provided primarily through four institutions: the Ministry of Health, religious missions, private industries, and FLAS.

The Ministry of Health (MOH) is by far the largest of these institutions, with a considerable infrastructure of fixed facilities and outreach sites, which provide limited curative and preventive care. Over the past decade, the MOH has devoted increased attention to public health, particularly to primary care and child survival. The MOH views FP as an important component of primary care. However, given the MOH's necessary concern for a full range of primary, secondary and tertiary health services, it does not devote the same relative priority to FP as FLAS.

Missionary health facilities are supported mostly by the Nazarene and Catholic churches, plus a few other Protestant denominations. There is, however, little difference between these facilities, which operate under MOH norms and supervision in addition to substantial financial "subventions" from Government, and MOH facilities, except that Catholic facilities do not provide FP.

Industrial facilities are limited primarily to large industries with several thousand employees each and substantial medical departments serving company towns and workers' villages. While preventive services, including FP, have traditionally not received the same attention as curative care, large companies are increasingly interested in family planning, motivated largely by FLAS (above).

In addition, many medium-sized industries, primarily in light manufacturing, are served by a private health-maintenance organization, Occupational Health Services (OHS) which provides pre-paid health care to workers and their families at small company clinics and at its own large clinic: about 54 firms and 60,000 persons in total, mostly in the Mbabane-Manzini corridor. Although the emphasis is on curative care, a full range of family-planning services is available.

IPPF is the principal source of core operating support for FLAS and, with USAID, has been the principal supplier of contraceptives for the MOH and FLAS. IPPF support to FLAS is currently E736,485 (\$263,000 at the current exchange rate) per year and is expected to increase at about 5%/year.

The only other family-planning donor of consequence in Swaziland is UNFPA which, with a technical advisor from IPPF, has provided clinical training and follow-up in family planning for MOH nurse midwives. UNFPA has also sponsored workshops on FP for local leaders. UNFPA's next program of assistance is currently under consideration by the GOS. UNFPA is interested in the development of population policy, empowerment of women, MCH services, IE&C, and demography and statistics. UNFPA assistance has traditionally been provided to the Government; FLAS has never received assistance from UNFPA.

Although UNICEF, the World Health Organization, and Britain's Overseas Development Agency assist the MOH with various health-related initiatives, principally related to maternal and child health, AIDS, and the upgrading of secondary and tertiary levels of care, neither these nor any other donors provide any significant assistance in family planning.

4. History of Proposal Development. FLAS is almost entirely dependant on international donors for support. Currently, FLAS derives 58% of its budget from IPPF, 31% from USAID (through FHS), and 11% from local sources including fees for service, donations, and government grants. As above, core support from IPPF is not expected to increase to a level which would allow significant improvements or expansion of FLAS's activities, and USAID support under FHS, while valuable, is short-term in nature.

The Association has been considering ways to lessen its reliance on donor support for some time, and enhanced sustainability is one of FLAS's eight strategic goals (above). While means of increasing revenues through higher (and possibly new) user fees is to be studied under FHS, it is unlikely that revenue alone will significantly enhance FLAS's sustainability or permit a substantial improvement or expansion of its activities. FLAS also intends to explore the feasibility of cost-sharing arrangements in which Association would work with other NGOs to initiate new

FP activities (as FLAS is doing with private industries). However, FLAS requires increased core support to expand and sustain this cost-effective approach over the long term.

In consultations with USAID, Pathfinder International (FLAS's technical advisors under FHS) and others on this subject, it has been suggested that the provision of working capital to sustain an improved and/or expanded program at FLAS is a basic requirement. This proposal has been developed in close collaboration with USAID, which funded a study by the local office of Price Waterhouse to examine the contribution which an endowment might make to FLAS's programs.

C. Project Analysis

1. Economic Importance of Family Planning. The economic importance of reducing population growth is clear and well documented: the quality of life at both the family and national levels will not improve if economic growth is continually eroded by an ever-increasing population. With a population growth of 3.4% and average real GDP growth of 4%, Swaziland's per capita GDP is growing at only 0.6% per year. While the economy is relatively healthy, it is also vulnerable due to reliance on a few exports and an uncertain climate for continued foreign investment. If these and other underlying macroeconomic weaknesses become more pronounced, per capita GDP growth could easily decline or even become negative. Lower population growth would lessen reductions in per capita GDP in the face of declining economic growth and increase per capita GDP in an expanding economy.

Difficulty in providing social services (e.g. health care and education), housing, jobs, and infrastructure to a rapidly growing population, coupled with increasing pressure on natural resources (especially land), is prompting public leaders to call for more attention to FP. In his 1991 budget speech, the Minister of Finance noted that "... despite significant real growth in the economy..., the potential for increased individual welfare is limited by our high population growth rate. ... High population growth also poses a difficult challenge to public finance because resources which could otherwise be used to deepen our investment in human productivity are taken up in the effort simply to maintain current services." The current National Development Plan states that "given the small area of the country, the limited natural resources and the requirements of an increasing population in terms of social services and infrastructure, ... [population] projections call for increased efforts by all concerned to reduce population growth."

In addition to being the only practical means of reducing fertility, family planning is highly cost-effective. The commodity costs of one year of protection through oral contraception is

about \$1.20; four years of protection from an IUD costs about \$1. While the staff, clinics, etc. needed to provide these commodities add substantially to these costs, FLAS services are provided by nurses (not physicians), the lowest level of staff permitted to provide FP under current MOH policy. (If this policy were to change, the cost of service delivery could decline.)

2. Advantages of the Endowment Mechanism. An endowment has obvious long-term financial advantages over more traditional grants. An endowment should involve considerably less administrative overhead for USAID in that there will be no monthly advance and/or reimbursement vouchers to examine and process. In addition, this method of financing is much more cost effective. Not including administrative expenses, it would cost USAID \$2,353,400 to provide FLAS with \$235,340/year for 10 years under a traditional grant. However, the same amount could be provided over the same time period by investing a \$1,681,000 endowment at 14% (see below) - a savings of \$672,400. In addition to this savings, the \$1,681,000 principal would remain intact after 10 years and continue to earn interest to fund program activities.

FLAS will also benefit in that the endowment will provide the Association's only guaranteed source of funding. Although IPPF has funded most of FLAS's core costs since the Association's founding and this support will almost certainly continue, if IPPF funding were reduced, the endowment could be vital to maintaining FLAS's current activities. However, a far more likely use of endowment funds would be to compliment long-term funding from IPPF, enabling FLAS to undertake and sustain improved and/or expanded activities which would not be possible with IPPF support alone. The flexibility to use funds based on need, opportunities and the availability of other resources is an additional advantage of the endowment mechanism.

3. Financial Impact of the Endowment. Except for real estate, the highest rate of return currently available in Swaziland is from a fixed deposit account with the Swaziland Building Society, which has guaranteed 14% for the next five years with interest paid quarterly. Table 1 illustrates the effects of investing the endowment in this manner, including possible re-investment of all income earned for the first year of the endowment while future activities are being planned as the FHS project winds down.

In Example 1, interest in excess of 30% of FLAS operating costs would be re-invested as a hedge against inflation (i.e. endowment income would provide for a 30% increase in FLAS's budget or cover 30% of FLAS's budget). Under this example, interest alone could fund 30% of FLAS operating costs for seven years. In Example 2, investment income in excess of 25% of operating costs would be re-invested, and interest alone could fund 25% of operating costs

TABLE 1: ILLUSTRATIVE EFFECTS OF ENDOWMENT OF \$1.681 MILLION

EXAMPLE 1: ENDOWMENT INCOME COVERS 30% OF FLAS OPERATING COSTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Principal	4,706,800	4,942,152	5,172,653	5,382,625	5,563,192	5,703,039	5,788,365	5,802,836	5,726,333	5,535,319
Interest @ 14%	658,952	691,901	724,171	753,567	778,847	798,425	810,371	812,397	801,687	774,945
FLAS Operating Costs	1,412,000	1,538,000	1,714,000	1,910,000	2,130,000	2,377,000	2,653,000	2,963,000	3,309,000	3,706,080
30% of Operating Costs	423,600	461,400	514,200	573,000	639,000	713,100	795,900	888,900	992,700	1,111,824
Reinvested	235,352	230,501	209,971	180,567	139,847	85,325	14,471	(76,503)	(191,013)	(336,879)

EXAMPLE 2: ENDOWMENT INCOME COVERS 25% OF FLAS OPERATING COSTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Principal	4,706,800	5,012,752	5,330,037	5,647,742	5,960,926	6,262,956	6,545,520	6,798,643	7,009,703	7,163,811
Interest @ 14%	658,952	701,785	746,205	790,684	834,530	876,814	916,373	951,810	981,358	1,002,934
FLAS Operating Costs	1,412,000	1,538,000	1,714,000	1,910,000	2,130,000	2,377,000	2,653,000	2,963,000	3,309,000	3,706,080
25 % of Operating Costs	353,000	384,500	428,500	477,500	532,500	594,250	663,250	740,750	827,250	926,520
Reinvested	305,952	317,285	317,705	313,184	302,030	282,564	253,123	211,060	154,108	76,414

N.B. Operating costs projected by FLAS for years 1 and 2, at current 12% rate of salary increases thereafter.
 Figures from Price Waterhouse study.

for over 10 years. Funding an increasingly smaller portion of operating costs would allow interest to cover these costs for longer periods. Approximately 7% of operating costs could be funded at 14% interest indefinitely², but this would have only marginal effects on FLAS's operations.

Both of these examples are illustrative only. FLAS will, therefore, periodically monitor the actual inflation of its operating costs, the return on its investments and its program requirements and will plan its use of endowment income to strike a reasonable balance between re-investing and expending endowment income.

If in some years less than 25% of current operating costs are expended from endowment income with a correspondingly larger portion re-invested as principal, income could fund 25% of costs for more than 10 years. Increased user fees at FLAS clinics might also lessen the portion of operating expenses funded from the endowment, allowing for more substantial re-investment of income. If the endowment were eventually invested in more 'inflation-proof' vehicles such as real estate or, in the event of changing political circumstances and A.I.D. policy, privately issued South African securities, interest could fund a significant portion of operating costs indefinitely.

FLAS has recently compiled a preliminary estimate of the resources required for specific activities to attain the eight long-term strategic goals noted in B.1 above. While these estimates require further refinement, it is clear that resources substantially in excess of those likely to be available from IPPF will be required to fully attain all FLAS's goals. Following are illustrative examples of new activities which the endowment could fund to improve and expand FP activities, along with estimated 1994 costs. (Actual activities would be selected and planned in detail during preparation of the workplan noted in E.5 below.) Note that the estimated endowment income for 1994 is E353,000.

FLAS's most pressing needs in terms of recurring expenditures is for staff, and the Association's first priority is to retain the staff hired under FHS after that project ends in December 1993; the cost of these staff in 1994 is estimated to be E140,747. In addition, FLAS could hire two new clinic nurses: one to relieve serious under-staffing at FLAS's large Manzini clinic and another to fill in for staff at all three clinics when other nurses are away on training or leave, including sick and maternity leave. (This second nurse would also partially staff a planned mobile

² Given the estimated interest and inflation of FLAS's operating costs inherent in Table 1, funding 6.7% of current costs and re-investing all remaining interest would also result in a progressive, but very slow, increase in the percent of costs that could be covered indefinitely from endowment income.

unit described below.) These two additional nurses would cost an estimated E44,461 in 1994. An additional staff member for the Research and Evaluation Unit would cost E20,782, an additional nurse for expanded activities with industries and other private-sector organizations would cost E20,782, and expanded medical backup at FLAS clinics would cost E48,000. The increasing cost of 'second line' antibiotics increasingly required to combat Swaziland's high rates of STD infections (Manzini treats about 115 new STD patients a month) could cost E75,000 in 1994. The total estimated cost of the above for 1994 is E349,772.

A means of expanding FLAS's services beyond its three clinics could be mobile clinics serving smaller towns (and possibly smaller industries) on a periodic basis. Two nurses in addition to the 'rotating' nurse noted above would be required (E44,461), as would vehicle operation and maintenance costs (E50,000). An expansion of women's development activities with strong family planning components, possibly linked to expanded CBD activity, would require two coordinators (E44,461) plus vehicle maintenance (E20,000). A new unit to train the staff of industries and other organizations collaborating with FLAS in matters related to FP would require four additional staff (E205,652). Total estimated cost in 1994: E294,754.

Assistance to the Ministry of Education to expand FLE activities to all of Swaziland's 153 secondary and high schools and 523 primary schools would require two additional Family Life Educators and additional office space (E40,400).

The estimated additional long-term, recurrent costs noted above total E684,926 for 1994, nearly twice the estimated endowment income less re-investment for that year. These estimates do not include costs of raising existing salaries in order to attract and retain more highly qualified middle management staff, an important constraint to FLAS's ability to improve the overall quality of some of its services.

In addition to these costs, FLAS has identified a variety of support costs which might be considered more short term in nature and which might be funded by future project assistance, if this were to become available from USAID or other sources. If this assistance were not available, endowment income could be used for these purposes.

Vehicles for the mobile clinics and expanded women's development activities could cost an estimated E240,000 in 1994 (these vehicles would be used over 5 years). In-service training for a variety of FLAS staff could total E150,000. Expansion of industry-based activities to additional industries and other private sector organizations could cost E750,000. The design and implementation of new Population and Development and Gender Awareness programs (primarily seminars and discussion groups) could cost

E95,000. Equipment and materials required for women's development and IE&C activities could cost E260,000. Replacement of existing vehicles could cost E90,000; replacement of various other existing equipment could total E53,000. Total: E1,638,000.

It is clear that all of the activities noted above cannot be funded under the endowment. However, it is equally clear that there is no shortage of alternatives to consider to improve or expand FLAS's FP activities and that a number of promising alternatives can be considered in formulating the workplan noted in E.5 below.

4. Socio-cultural Factors. As above, the immediate beneficiaries of FLAS's program are women of reproductive age. The 1988 USAID-supported Family Health Survey estimated that about 56% of women not currently using FP desired to do so. While the desired number of children was 4.2 for women (5.1 for men) the number actually born was 5.0.³ These data and other qualitative data gathered by FLAS under the FHS Project suggest a latent demand among women for FP, and smaller (perhaps negligible) demand among men. Thus FLAS is filling a genuine felt need among women.

In FLAS's experience, many women understand the benefits of FP: not being constantly pregnant, having healthier children; having more time for husbands, chores, private business; and more time and money to spend on children already born. A major obstacle to the wider use of family planning is not convincing women, but convincing men.

Swaziland is a highly traditional, conservative nation with strong pronatalist attitudes⁴. Although men are traditionally expected to provide for their families and treat their wives with respect, women are traditionally expected to be subservient to their husbands. Men have generally not been strong supporters of family planning, and it is common for women to claim that their husbands forbid them to use it (on the grounds of encouraging promiscuity or reducing sexual pleasure). However, development workshops for chiefs and other leaders (conducted by UNFPA and USAID) have lessened this opposition somewhat, a process which can be expected to continue with modernization and expanding opportunities for women. (In addition, a growing fear of AIDS is probably behind recent increases in condom utilization).

³ In rural areas, women desired 4.4 children, men 5.2. Rural TFR was estimated at 5.4, substantially higher than the family size desired by women, only slightly higher than that desired by men.

⁴ Birth spacing for approximately three years is also a traditional Swazi practice, albeit one that is breaking down with modernization.

Under the FHS Project, FLAS has documented a number of misconceptions relating to contraception among the general population. Research conducted under USAID's CCCD Project indicates that these misconceptions may play a significant role in male resistance to FP and that men may be more accepting of FP if these misconceptions can be dealt with. Men are currently a major target of FLAS's IE&C program.

Organized opposition to FP from religious leaders has not been a serious problem to date. A FLAS seminar for religious leaders held in 1990 ended with participants describing FP as a "necessary devil" - something less than enthusiastic support but also less than opposition. Although Swaziland seems to be undergoing a wave of evangelical/fundamentalist Christian revival, these groups have not made FP an issue to date.

Although the widespread introduction of 'new' ideas like family planning into any culture is bound to cause some stress as people confront practices at odds with traditional beliefs, it is not expected that any particular social groups will be adversely affected by FLAS's activities. In the future, Swaziland can expect to see a continuation of trends already evident: increased employment and economic power of women, diminished availability of arable land, rising costs of raising and educating children, increased urbanization, and a better-educated public - all factors that stimulate a desire for smaller families and the use of family planning.

In addition, modern-government leaders have been increasingly vocal on the need to contain population growth. While as little as four years ago, it was difficult to even discuss FP with government at all, high officials, including the Prime Minister, are now speaking out with increasing frequency on the need to reduce population growth. While the Monarchy, as the guardian of traditional Swazi values, may feel that it cannot publicly endorse FP, it seems nonetheless to be increasingly, albeit quietly, supportive of FP.

D. Other Considerations

1. Complementarity with Other Programs. FLAS views an endowment as highly complementary to the FHS project since long-term income is essential to institutionalize the gains being made under that project. FHS currently funds five staff who have been exposed to considerable amounts of technical assistance. Although these staff were supposed to be financed after FHS with income earned from the sale of FLAS services and from increased donations, it appears exceedingly unlikely that this will occur. Thus FLAS may lose these employees because it has no budget to pay them after FHS ends.

Likewise, as FLAS moves into more (and more sophisticated) programs in the future, its need for more (and more highly trained) staff will increase. This need is already evident in FLAS's IE&C and in Finance and Administration Departments. The effectiveness of future project assistance will be directly proportional to the quality of the FLAS staff to whom the assistance is provided. Although project assistance might be used to train staff and provide them with valuable experience, higher salaries will certainly be needed to attract more highly qualified staff to begin with and, especially, to retain them over the long term.

2. Potential for Widespread Application with Domestic Resources. Although it is studying means of raising revenues to cover at least part of its operating expenses, FLAS knows of no family planning organization in Africa that has been able to sustain itself by this means. While FLAS has applied to government for the past 11 consecutive years for a routine "subvention" to improve or expand its program, this has not been granted. Indeed the lack of domestic resources sufficient to appreciably enhance the Association's long-term effectiveness is the principal reason for this proposal.

3. Plans for Future Financial and Administrative Support. As in C.2 above, IPPF support for a basic core of FLAS's costs will in all likelihood continue. Thus the endowment is not essential to FLAS's continued existence, and the Association will probably continue to operate at some level without the endowment. However, the endowment will permit FLAS to undertake activities not otherwise possible, and the endowment mechanism provides a means of assuring that these activities can be sustained without continued USAID inputs.

E. Detailed Project Description

1. Creation of the Endowment. It is proposed that USAID create the endowment by depositing the local-currency equivalent of \$1.681 million into a separate, interest bearing account at a bank or similar financial institution (the endowment account). The Chairman of FLAS's board and its Executive Director will be the sole signatories to this account, and both their signatures will be required for all transactions involving the account. FLAS may subsequently leave these funds in the endowment account, or FLAS may transfer all or part of these funds to other investments as set forth in 2 below. The endowment account and all subsequent investments will constitute FLAS's endowment portfolio, the purpose of which will be to earn income which FLAS will use for family planning activities as set forth in 6 below. At

any given time, the assets in FLAS's endowment portfolio will constitute the endowment principal.

2. Types of Investments. The endowment principal will be invested to obtain the highest rate of return to FLAS consistent with the preservation of capital and with minimizing the need for active investment management by FLAS. FLAS will not make high-risk investments or other investments not likely to generate relatively predictable and consistent returns. FLAS will make no investment other than bank certificates of deposit (or comparable fixed-interest instruments) without prior advice by financial professionals and without securing professional expertise to manage such assets (see 5 below). During the life of the project, the endowment principal may be invested in Swazi securities, including bank certificates of deposit or comparable instruments. During the life of the project, the endowment will not be invested in real estate.

Endowment principal will not be invested in any firm engaged in the manufacture or sale of military or police equipment, including weapons, explosives and surveillance equipment; abortion services or abortion-related equipment; weather-modification equipment; or alcoholic beverages, tobacco products, or gambling equipment or services, unless the sale of such products or services is incidental to the sale of other products or services.

3. Endowment Income. Endowment income is defined as all interest and dividends derived from FLAS's endowment portfolio (including income from the endowment account itself), as well as any capital gains derived from the sale of any component of that portfolio. FLAS will ensure that all endowment income will be deposited directly to a separate, local bank account held by FLAS (the income account). FLAS may withdraw funds from the income account for program purposes as set forth in 6 below. All withdrawals from the income account will be by cheque, and FLAS will maintain records which indicate the nature of the transaction related to each such cheque.

Only funds from the income account will be used for program purposes. All funds associated with the endowment which are not in the income account will be considered as being in the endowment portfolio and will be utilized solely to earn income. The endowment portfolio will not be used to fund family planning activities or as collateral against any loan or other financial obligation which FLAS might incur.

4. Re-investment of Endowment Income. FLAS will periodically monitor the inflation of its operating costs, the return on its investments and its program requirements. FLAS will make every

effort to minimize depreciation of endowment principal by re-investing a portion of endowment income in the endowment portfolio so that a significant portion of FLAS's program activities are funded from endowment income for at least 10 years. (Table 1 illustrates how this can be done.) Once income is so re-invested, it will become part of the endowment portfolio and will not be used for family planning activities.

5. Management of the Endowment. Prior to USAID depositing funds into the endowment account, FLAS will amend its charter to (i) preclude FLAS from utilizing the endowment portfolio for other than investment purposes, (ii) ensure that at least one seat on FLAS's board is occupied by a person of established reputation in Swaziland's financial community, and (iii) formulate an investment plan noting how FLAS intends to invest the endowment principal and an estimate of the amount of endowment income that will be re-invested during the period covered by the plan. This amendment and investment plan will be approved in advance and in writing by USAID. FLAS will periodically review the investment plan and revise it as necessary. All revisions to the plan will be approved in advance and in writing by USAID.

Arrangements for managing the endowment will depend on the types of investments to be made. Investments in bank certificates of deposit or comparable fixed-interest instruments may be made by FLAS with the prior approval of its board and USAID. Investments in other securities will require the prior advice of independent, licensed financial advisors. During the life of the project, such advisors will be appointed only with the prior approval of USAID, whose prior approval will also be required for any investments in such securities. The members of FLAS's board will act in good faith and exercise reasonable care in investing endowment principal, and will avoid conflicts of interest in making investment decisions.

All transfers of all or part of the endowment principal among investments will be made only on FLAS's written instructions signed by the Chairman of its board and its Executive Director. These instructions will be approved in advance by USAID's Program Manager. When appropriate, professional financial advisors will be consulted prior to such transfers, as discussed above. FLAS will provide copies of all such instructions and all bank statements or similar documentation relating to such transfers to the USAID Project Manager. FLAS will provide USAID with documentary evidence sufficient to enable USAID to know where the full amount of the endowment principal is invested at any given time.

6. Uses of Endowment Income. FLAS intends to use the endowment indefinitely after the life of the project to support family planning activities which will inevitably evolve in response to

changing needs and resources which may become available from other sources. Therefore, it is proposed that the use of endowment income not be tied in advance to any specific program or activity. Rather, the project should initiate a process in which FLAS is enabled to assess opportunities and utilize resources where unmet needs are greatest and the likelihood of success is high.

However, endowment income will be used for purposes of direct and demonstrable relevance to family planning. These uses include, but are not necessarily limited to, rent, operation and maintenance of clinics where the principal services provided are for family planning (excluding abortion); purchase of such facilities; salaries for FLAS employees providing or managing family planning services, including education and counselling; the design, production and evaluation of promotional and educational materials and campaigns related to family planning, including salaries and costs of materials and media space; programs designed to raise the socio-economic status and educational levels of women, which include family planning components; collaboration with other organizations to incorporate family planning into their activities; and family-life education in schools.

FLAS will not use endowment income for activities with links to family planning which are less direct or tenuous. Such activities include the provision of other maternal and child health services or general reproductive-health services and equipment related primarily thereto. Although such activities may be conducted in FLAS facilities and by FLAS personnel supported by the endowment, the prime purpose of such facilities and staff must clearly be for family planning.

7. Monitoring, Evaluation and Audit. Prior to any use of endowment income during the life of the project, FLAS will consult with USAID on those activities it wishes to support and the results it wishes to achieve thereby. Those activities and results will be documented in a Workplan for Endowed Activities, which will be approved by USAID and reviewed monthly by FLAS and USAID. During the life of the project, FLAS will report in writing semi-annually (in March and September) to the USAID Project Manager on the progress of each activity in the workplan.

FLAS will arrange for an annual audit which specifies where the endowment principal is invested, its current value, the income received from the endowment, and how that income has been used. This audit may be conducted in the course of FLAS's normal annual audits. Funds may be withdrawn from endowment income (i.e. from the income account) to cover audit costs associated with the endowment. Copies of all audit reports will be provided to USAID. USAID will utilize funds separate from the endowment to conduct at its discretion non-federal audits of the use of

endowment principal and income during the project and after its completion.

USAID will also use funds separate from the endowment for a final evaluation of the project by external consultants. This evaluation will document the uses to which endowment income has been put, the successes and failures associated with those activities, and the extent to which these successes have contributed to a significant expansion or improvement in the provision and/or promotion of family planning by FLAS.

8. Dissolution of the Endowment. Although the endowment is expected to continue indefinitely, USAID may dissolve the endowment at any time if there is evidence that either the endowment principal or income are being abused or mismanaged or that endowment income is not being used to support family planning in Swaziland. In the event of such dissolution, FLAS shall liquidate all endowment-funded investments and shall return all liquidation proceeds, assets, other endowment principal, and unexpended endowment income to USAID. After the project is over, FLAS may dissolve the endowment and use the endowment principal for family planning activities only with the prior written consent of USAID.

9. Other Provisions. FLAS will ensure that the following requirements remain in effect after the end of the project, except as A.I.D. may otherwise agree in writing: (a) that the endowment principal continues to be invested in appropriate investments and managed per the terms of this grant, including the use of professional advisors for investments other than fixed-interest securities, except that A.I.D. approval will not be necessary prior to any investments; (b) that endowment income is used for activities directly related to family planning (excluding abortion); and (c) that A.I.D. receives audited annual reports on endowment investments and the use of endowment income, and accomplishments and problems related to such uses.

5C(2) - ASSISTANCE CHECKLIST

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

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

(a),(e),(f) - N/A; (b),(c), (d) - project involves establishing an endowment which will invest in Swaziland private sector, perhaps including Swaziland Building Society.

2. U.S. Private Trade and Investment (FAA Sec. 601(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

N/A

3. Congressional Notification

a. General requirement
(FY 1991 Appropriations Act Secs. 523 and 591; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the notification requirement has been waived because of substantial risk to human health or welfare)?

Yes

b. Notice of new account obligation (FY 1991 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

N/A

c. Cash transfers and nonproject sector assistance (FY 1991 Appropriations Act Sec. 575(b) (3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

N/A

4. Engineering and Financial Plans
(FAA Sec. 611(a)): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes

5. Legislative Action (FAA Sec. 611(a) (2)): If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a

N/A

250

reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

6. **Water Resources** (FAA Sec. 611(b); FY 1991 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

N/A

7. **Cash Transfer and Sector Assistance** (FY 1991 Appropriations Act Sec. 575(b)): Will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?

N/A

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

N/A

9. **Multiple Country Objectives** (FAA Sec. 601(a)): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry,

See 1 above

agriculture and commerce; and (f) strengthen free labor unions.

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

N/A

11. **Local Currencies**

a. **Recipient contributions** (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

N/A

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

No

c. **Separate Account** (FY 1991 Appropriations Act Sec. 575). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:

N/A

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

12. Trade Restrictions

a. **Surplus Commodities (FY 1991 Appropriations Act Sec. 521(a)):** If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N/A

b. **Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521(c)):** Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in

No

direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

13. **Tropical Forests (FY 1991 Appropriations Act Sec. 533(c) (3)):** Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

No

14. **PVO Assistance**

a. **Auditing and registration (FY 1991 Appropriations Act Sec. 537):** If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

Yes

b. **Funding sources (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"):** If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

N/A

14. **Project Agreement Documentation (State Authorization Sec. 139 (as interpreted by conference report)):** Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

N/A

16. **Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy):** Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic states, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

No-N/A

17. **Women in Development (FY 1991 Appropriations Act, Title II, under heading "Women in Development"):** Will assistance be designed so that the percentage of women participants will be demonstrably increased?

Yes

18. **Regional and Multilateral Assistance (FAA Sec. 209):** Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

No

35

19. Abortions (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No

b. Will any funds be used to lobby for abortion? No

20. Cooperatives (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? No

21. U.S.-Owned Foreign Currencies

a. Use of currencies (FAA Secs. 612(b), 636(h); FY 1991 Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. N/A

b. Release of currencies (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No

22. Procurement

a. Small business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? No - N/A

b. U.S. procurement (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? No - N/A

c. **Marine insurance (FAA Sec. 604(d)):** If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A

d. **Non-U.S. agricultural procurement (FAA Sec. 604(e)):** If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

e. **Construction or engineering services (FAA Sec. 604(g)):** Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) No

f. **Cargo preference shipping (FAA Sec. 603):** Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No

g. **Technical assistance (FAA Sec. 621(a)):** If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the N/A

fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

h. U.S. air carriers
(International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?

N/A

i. Termination for convenience of U.S. Government (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

N/A

j. Consulting services
(FY 1991 Appropriations Act Sec. 524): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

N/A

k. Metric conversion
(Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and

No - N/A

from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

1. **Competitive Selection Procedures** (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? No - N/A

23. Construction

a. **Capital project** (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A

b. **Construction contract** (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A

c. **Large projects**
Congressional approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress? N/A

24. **U.S. Audit Rights** (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

25. **Communist Assistance** (FAA Sec. 620(h)). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes

26. Narcotics

a. Cash reimbursements
(FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? **Yes**

b. Assistance to narcotics traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? **Yes**

27. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? **Yes**

28. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? **Yes**

29. CIA Activities (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? **Yes**

30. Motor Vehicles (FAA Sec. 636 (i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained. **Yes**

31. **Military Personnel (FY 1991 Appropriations Act Sec. 503):** Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes

32. **Payment of U.N. Assessments (FY 1991 Appropriations Act Sec. 505):** Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? Yes

33. **Multilateral Organization Lending (FY 1991 Appropriations Act Sec. 506):** Will assistance preclude use of financing to carry out provisions of FAA Section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes

34. **Export of Nuclear Resources (FY 1991 Appropriations Act Sec. 510):** Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? Yes

35. **Repression of Population (FY 1991 Appropriations Act Sec. 511):** Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes

36. **Publicity or Propaganda (FY 1991 Appropriations Act Sec. 516):** Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? No

37. **Marine Insurance** (FY 1991 Appropriations Act Sec. 563): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate?

No - N/A

38. **Exchange for Prohibited Act** (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States Law?

No

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. **Agricultural Exports (Bumpers Amendment)** (FY 1991 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introductions, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

N/A

-42-

2. **Tied Aid Credits (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund"):** Will DA funds be used for tied aid credits?

No

3. **Appropriate Technology (FAA Sec. 107):** Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

No - N/A

4. **Indigenous Needs and Resources (FAA Sec. 281(b)):** Describe extent to which the activity recognizes the particular needs, desires, and capabilities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

The project targets high population growth, a major problem in Swaziland, by supporting the continued development of its only private family planning institution

5. **Economic Development (FAA Sec. 101(a)):** Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes

6. **Special Development Emphases (FAA Secs. 102(B), 113, 218(a)):** Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help

(a) N/A
(b) N/A
(c) N/A
(d) FLAS may work with other organizations to help improve the socio-economic status of women

42

efforts of developing countries;
(d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

7. **Recipient Country Contribution** (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the cost of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country?

No - N/A

8. **Benefit to Poor Majority** (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes

9. **Abortions** (FAA Sec. 104(f); FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 535):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

No

c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of

No

coercive abortion or involuntary sterilization?

d. Will funds be made available 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? Yes

e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? No

f. Are any of the funds to be used 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? No

g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization? No

10. Contract Awards (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? No - N/A

11. Disadvantaged Enterprise (FY 1991 Appropriations Act Sec. 567): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations None - N/A

45

which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

12. **Biological Diversity** (FAA Sec. 119(g): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

No

13. **Tropical Forests** (FAA Sec. 118; FY 1991 Appropriation Act Sec. 533(c)-(e) & (g)):

a. **A.I.D. Regulation 16:** Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

Yes

b. **Conservation:** Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management;

No - N/A

(4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

c. Forest degradation:

Will assistance be used for (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly

No

degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

d. **Sustainable forestry:** If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A

e. **Environmental impact statements:** Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?

Yes

14. **Energy (FY 1991 Appropriations Act Sec. 533(c)):** If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?

N/A

15. Sub-Saharan Africa Assistance

(FY 1991 Appropriations Act Sec. 562, adding a new FAA chapter 10. (FAA Sec. 496)): If assistance will come from the Sub-Saharan Africa DA account, is it: (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) to be used to promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector; (c) to be provided in a manner that takes into account, during the planning process, the local-level perspectives of the rural and urban poor, including women, through close consultation with African, United States and other NVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) to be implemented in a manner that requires local people, including women, to be closely consulted and involved, if the assistance has a local focus; (e) being used primarily to promote reform of critical sectoral economic policies, or to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities; and (f) to be provided in a manner that, if policy reforms are to be effected, contains provisions to protect vulnerable groups and the environment from possible negative consequences of the reforms?

(a) No

(b) No

(c) Yes - project supports a Swazi PVO in family planning area

(d) Yes

(e) Yes

(f) No

16. Debt-for-Nature Exchange

(FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will

N/A

support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote, (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.

17. Deobligation/Reobligation (FY 1991 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

18. Loans

a. Repayment capacity (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

N/A

b. Long-range plans (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

c. Interest rate (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

d. Exports to United States (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with

U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

19. Development Objectives
(FAA Secs. 102(a), 111, 113, 281(a)):
Extent to which activity will: (1) effectively involve the poor development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

See B 6 above

20. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A)

a. **Rural poor and small farmers:** If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural

N/A

poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

b. **Nutrition:** Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

N/A

c. **Food security:** Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

N/A

21. **Population and Health** (FAA Secs. 104(b) and (c): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular

FLAS provides family planning services to people too poor to utilize private physicians. Most clients are women. Services are provided primarily by nurses and nursing assistants at 3 FLAS clinics and 6 communities.

52

attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

22. **Education and Human Resources Development (FAA Sec. 105):** If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

N/A

23. **Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106):** If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

N/A

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

FLAS is a member of the International Planned Parenthood Federation

c. research into, and evaluation of, economic development processes and techniques;

N/A

d. reconstruction after natural or manmade disaster and programs of disaster preparedness;

N/A

e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

N/A

f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

N/A

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

1. Economic and Political Stability (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

2. Military Purposes (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes?

3. Commodity Grants/Separate Accounts (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? (For FY 1991, this provision is superseded by the separate account requirements of FY 1991 Appropriations Act Sec. 575(a), see Sec. 575(a) (5).)

4. Generation and Use of Local Currencies (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1991, this provision is superseded by the separate account requirements of FY 1991 Appropriations Act Sec. 575(a), see Sec. 575(a) (5).)

5. Cash Transfer Requirements (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 575(b)). If assistance is in the form of a cash transfer:

55

a. **Separate account:** Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds?

b. **Local currencies:** Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements?

c. **U.S. Government use of local currencies:** Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available?

d. **Congressional notice:** Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

30

ACTION: AIT INFO: AME/DCM

ADVANCE COPY
C. Brooks

LOC: 147 890
24 SEP 92 2612
ON: 30056
CHRG: AIE
TIST: AID

7ZCZCMB0127
PP RUEPVP
BT RUEFC 1104 2672135
ZNR 00000 000
2321357 SEP 92
FM SECSTATE WASHDC
TO AMEMBASSY MBABANE PRIORITY 4863
BT
UNCLAS STATE 311057

RECEIVED
1992-09-24
CONTROLLERS OFFICE

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FY 1992 SS2 ALLOWANCE FOR SWAZILAND

1 APPROPRIATION 72-112/31014, BUDGET PLAN CODE GS2-92-21645-KG13 (ALLOWANCE 291-50-645-0-69-21) INCREASE BY DOLLARS 91,000 FOR PROJEC 645-0204, YOUTH ENTERPRISE FOR SWAZILAND -FUNDS CANNOT BE OBLIGATED UNTIL MISSION HAS AUTHORIZED THE PROJECT. PLEASE SEND A COPY OF PROJECT DOCUMENTATION TO AFR/DP/PAB.

2. UNDING FOR PROJECT 645-0236, FAMILY PLANNING MATERNAL CHILD HEALTH IS REDUCED FROM DOLLARS 1,681,000 TO ZERO AND FUNDS DOLLARS 1,681,000 REALLOCATED TO PROJECT 645-0237, FAMILY LIFE ASSOCIATION OF SWAZILAND. FUNDS FOR 645-0237 CANNOT BE OBLIGATED UNTIL MISSION AUTHORIZED PROJECT AND MISSION IS ADVISED THE PERIOD HAS EXPIRED WITHOUT OBJECTION.

3. PLEASE NOTIFIED AFR/DP/PAB BY CABLE WHEN THE ABOVE FUNDS HAVE BEEN OBLIGATED.

4. ADVICE OF ALLOWANCE FOLLOWS. WISVER

BT
#1067

NNNN

!!!
We're street legal!

UNCLASSIFIED

STATE 311067

The Honorable Minister
 Dr. Frances Friedman
 Ministry of Health
 P. O. Box 5
 Mbabane, Swaziland

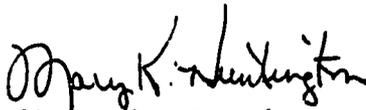
Dear Minister Friedman:

On July 2, Jay Anderson and I met with you and Dr. Qhing-Qhing Dlamini to discuss among other things the possibility of establishing an endowment this September for the Family Life Association of Swaziland (FLAS). As noted in my letter of September 1, 1992 and our telephone conversation of September 14, USAID is now proceeding along this path. This is to request your endorsement of the attached summary description of proposed endowment for FLAS.

Please indicate the Ministry of Health's endorsement of this action by signing both copies of this letter and returning one copy to USAID, P. O. Box 750, Mbabane, Swaziland, as soon as possible.

We appreciate your assistance in this matter. If the Ministry would like to discuss future collaboration please do not hesitate to get in touch with us.

Yours sincerely,


 Mary K. Huntington
 Acting Director

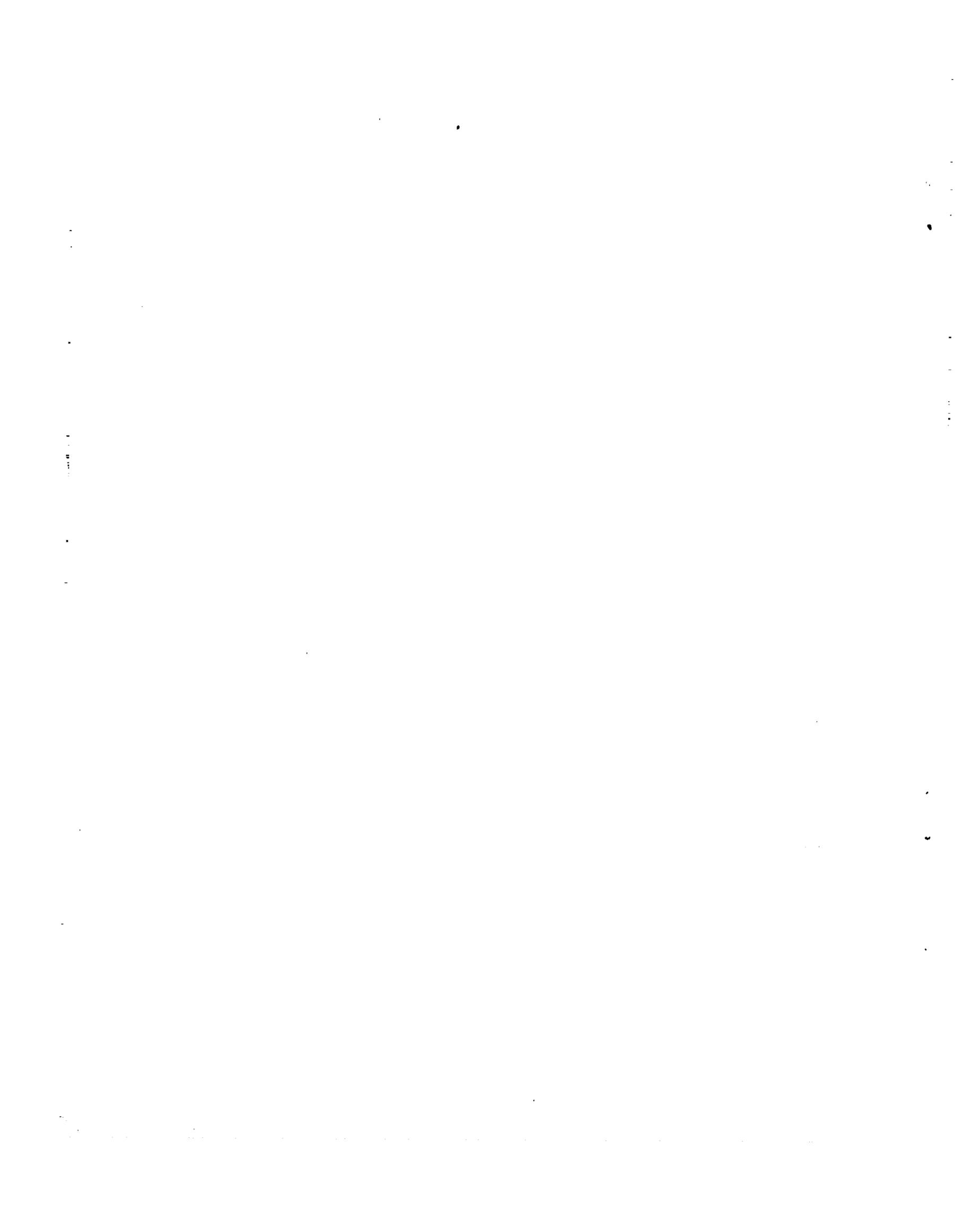
Attachment: a/s

Concurrence:


 Dr. F. Friedman, Minister for Health

Date: 16-09-92

cc: Phindile Mkhonta, Principle Secretary, Ministry of Planning



**International Planned Parenthood Federation
Africa Region - Nairobi**
P.O. Box: 30234, Tel: 720280/1/2, Fax: 726596, Cables: INFED Nairobi, Telex: 22703

TELECOPIER COVER PAGE

TO: MRS. K. DLAMINI, EXECUTIVE DIRECTOR-FLAS	FAX: 268-53191
ATTN: MR. J. ANDERSON, USAID - SWAZILAND	TEL:
CC: REGIONAL DIRECTOR, IPPFAR	
FROM: ALPHA DIALLO ASSISTANT REGIONAL DIRECTOR IPPFAR	DATE: 29 September 92
<i>Alpha Diallo</i>	NO. OF PAGES 1

M E S S A G E

The Family Life Association of Swaziland (FLAS) is a member of the International Planned Parenthood Federation Africa Region (IPPFAR).

IPPF has been providing financial and technical support to FLAS since it was established in 1979.

The IPPF will continue to provide financial, technical and material support to FLAS in the next 3 to 5 years.

IPPF welcomes support to FLAS from other agencies interested in the promotion and development of family welfare in Swaziland.

Regards

RECEIVED
1992-09-23

Chairman: Mr.M. Ekon, Vice-Chairman: Mr.R.T. Naik OBE, Treasurer: Mr. I. May-Parker
Chairman Emeritus: Mr.W.N. Wamalwa, Regional Director: Dr. R.B. Turkson

59

INITIAL ENVIRONMENTAL EXAMINATION
OR
CATEGORICAL EXCLUSION

Project Country: Swaziland
Project Title and Number: Family Planning Endowment
645-0237
Funding: FY 92 Development Fund
for Africa. \$1.681 million
IEE/CE Prepared by: Edward A. Baker/PD/PEO
9/11/92

Environmental Action Recommended:

Positive Determination: _____
Negative Determination: _____
or
Categorical Exclusion: _____X_____

This Project meets the criteria for Categorical Exclusion in accordance with Regulation 18, Section 218.2 (c) (2), (viii) and (xiii). It is excluded from further environmental review because:

1. The project will primarily support a local PVO family planning program under a grant to establish an endowment to provide budgetary support to a local PVO, the Family Life Association of Swaziland (FLAS), an affiliate of the International Planned Parenthood Federation (IPPF). The FLAS program only involves population and family planning services and is not designed to include activities directly affecting the environment, Section 218.2 (c) (2) (viii). A small amount of funds will be allocated for technical assistance for project evaluation and audit.

2. With respect to budgetary support, which will be provided under a grant to FLAS to be used to establish an endowment, AID's objective in providing such financing does not require knowledge of or control over the details of specific FLAS activities which may be carried out using endowment income. Section 218.2 (c) (2) (xiii).

Concurrence : [Signature]
AF/Bureau Environmental Officer

Date: 9/14/92

Clearance : [Signature]
GC/APR

Date: 9/15/92

Mission Clearance: Tim Riedler RLO: draft Date: 9/11/92
Joseph Anderson HPN: draft Date: 9/11/92

SUMMARY FAMILY PLANNING ENDOWMENT POV PROPOSAL

Initial Obligation: FY 92

LOP Funding: \$1,681

Grant Number: 645-237

Estimated PACD: September 30, 1995

Background: Given limited GOB enthusiasm for assigning a high priority to family planning (FP), the Family Life Association of Swaziland (FLAS), a local NGO affiliated with the International Planned Parenthood Federation (IPPF), has been Swaziland's principal FP advocate for 11 years. Its three clinics account for an estimated 30% of the couple years of protection provided nationwide. Under the Family Health Services Project (645-0228), USAID has helped FLAS improve its operations and expand services since 1989. Progress has been encouraging, and FLAS now seeks a larger role in FP. However, FLAS remains a small organization totally reliant on donor support (principally IPPF and USAID) and lacks the resources needed to sustain an improved and expanded program.

Purpose: To assist FLAS to sustain the provision of improved and expanded FP services.

Project Description: The project will capitalize an endowment for FLAS. FLAS will utilize endowment income to improve the quality of its current FP activities, initiate new activities or both, in accordance with the goals set forth in its long-term strategic plan, recently completed with USAID assistance. During the life of the project, USAID will help FLAS select those activities, monitor their implementation and evaluate their results to ensure that FLAS has effectively utilized the endowment to improve and expand the provision of FP services.

USAID will deposit the local-currency equivalent of \$1.611 million into a separate FLAS bank account. FLAS will, with USAID approval, invest these funds in bank certificates of deposits, real estate, Swazi securities, or other suitable investments in Swaziland. All endowment funds will be invested in Swaziland, and FLAS will secure the advice of local financial professionals prior to making these investments. All investment real estate will be managed by a local property manager. Income from these investments will be deposited into a separate account, from which they may be withdrawn for project purposes. The endowment principal will not be expended, and income will be re-invested as needed to preserve capital against inflation.

USAID may dissolve the endowment, with all principal and unexpended income returned to USAID, during the LOP if the principal or the income are being abused, poorly managed or ineffectively utilized.

Sustainability: The purpose of the grant is to sustain the provision of quality FP services by providing FLAS with a reliable source of long-term income.

Relationship to AID Strategy: Reduced population growth is one of three USAID strategic objectives. Institutions dedicated to the promotion and provision of family planning are instrumental to the attainment of this objective, and the long-term viability of FLAS is an important factor in lowering Swaziland's fertility, one of the world's highest.

Host Country and Other Donors: Although future opportunities for project assistance from USAID and, perhaps to a lesser extent, from UNFPA are not ruled out, neither are they certain. In any event, project assistance typically focuses on short-term activities, and neither the GOS nor other donors plan any assistance focused on the long-term sustainability of FLAS's programs.

Beneficiaries: Family planning is effective in reducing both fertility and maternal and child mortality. The nation as a whole benefits from the former in that resources at the national and family level are not continually eroded by an expanding population. Women and children benefit particularly from the latter in terms of better health and increased longevity.

Major Outputs: The endowment and the FP activities supported thereby. Since FLAS will use the endowment indefinitely to support activities which will inevitably change over the long term, the project will, from the start, be sufficiently flexible to allow FLAS to assess opportunities and utilize this resource accordingly. Instead of establishing short-term outputs, the project will set forth general areas of long-term interest, which are directly relevant to FP and for which endowment income may be used. These include support for the provision of family planning services, information and education activities to promote family planning, advocacy for family planning and the empowerment of women at the local and national levels, collaboration with other organizations to incorporate family planning into their activities, and family-life education in schools. FLAS will report annually to USAID on how the funds have been used and on the successes and problems experienced, and the use of endowment funds will be audited yearly, during FLAS's normal annual audits.

A.I.D. Inputs: \$1,611 in cash, converted into local currency.
 \$.050 for project evaluation
 \$.020 for non-federal audit
 Total \$1,681

62-