

PD-ARBH-351
85536

REGIONAL FAMILY PLANNING
PROJECT PAPER SUPPLEMENT NO. 1

USAID/FIJI
879-0019

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input checked="" type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____ DOCUMENT CODE 3
2. COUNTRY/ENTITY SOUTH PACIFIC REGIONAL	3. PROJECT NUMBER 879-0019	
4. BUREAU/OFFICE RDO/SP	5. PROJECT TITLE (maximum 40 characters) SOUTH PACIFIC REGIONAL FAMILY PLANNING	
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DN YY 03 31 97	7. ESTIMATED DATE OF OBLIGATION (Under 'B' below, enter 1, 2, 3, or 4) A. Initial FY <u>90</u> D. Quarter <input type="checkbox"/> C. Final FY <u>97</u>	

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 90			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(400)	()	(400)	()	()	(4.800)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country	*See Append. E					
Other Donor(s)	See Append. E					
TOTALS	400		400			4,800

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) PH	5440	460		2,086		2,600		4,800	
(2)									
(3)									
(4)									
TOTALS				2,086		2,600		4,800	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 440 420	11. SECONDARY PURPOSE CODES 460				
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)					
A. Code	BWN	PVOU	PVOB	TNG	
B. Amount	100%		100%	30%	

13. PROJECT PURPOSE (maximum 480 characters)

To increase promotion of family planning and birth spacing in the South Pacific.

14. SCHEDULED EVALUATIONS Interim: MM YY MM YY Final: MM YY 07 95 - - 07 97	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input checked="" type="checkbox"/> Other (Specify) 879
--	---

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

Clearances: David H. Calder, Chief O/HRN *[Signature]*
 Charles J. Crane, Controller *[Signature]*
 Nick Mariani, Program *[Signature]*
 Ralph M. Singleton, PDA *[Signature]*

The Controller has reviewed and concurs with the methods of implementation and financing in this project. *[Signature]* Crane, Controller

17. APPROVED BY Larry T. Armstrong Regional Director	Signature: <i>[Signature]</i> Title: Regional Director	Date Signed: MM DD YY 08 18 97	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
---	---	---	--

PROJECT PAPER SUPPLEMENT NO. 1

SOUTH PACIFIC REGIONAL FAMILY PLANNING

879-0019

RDO/SP

Dated: 8/16/93

- b'

TABLE OF CONTENTS

Action Memorandum for the Regional Director.....

Project Authorization - Amendment Number One.....

Acronyms.....

I. Background.....

II. Progress Under Phase I.....

III. Results of Mid-Term Evaluation.....

IV. Phase II - Project Description.....

 A. Institutional Development.....

 B. Country Activities.....

 C. Complementary Family Planning Activities.....

 D. Goal and Purpose.....

 E. End-of-Project Status.....

 F. Outputs.....

 G. Inputs.....

V. Implementation Plan.....

 A. Major Implementing Actions.....

 1. Cooperative Grant Agreement and other Agreements.....

 a. Pathfinder International.....

 b. Direct Agreement with SPAFH.....

 c. Agreements with other Intermediaries.....

 2. Annual Workplans.....

 3. Registration of SPAFH as an International Organization.....

 4. SPAFH Country Agreements.....

 B. Implementation Schedule (Major Actions).....

VI. Financial Plan and Audit.....

VII. Monitoring and Evaluation Plans.....

 A. Monitoring.....

 B. Evaluation.....

VII. Annexes

- A. Amended Log Frame.....
- B. Issues
- C. DOA Cable.....
- D. Summary of SPAFH Accomplishments.....
- E. Financial Analysis.....



ACTION MEMORANDUM FOR THE REGIONAL DIRECTOR

FROM: David H. Calder, Chief O/HPN *DHC*
DATE: August 16, 1993
SUBJECT: Project Authorization Amendment and Project Paper Supplement, South Pacific Regional Family Planning Project (RFPP) (879-0019)

I. Action Requested: Your approval of the attached RFPP Project Authorization Amendment and Project Paper Supplement is requested to:

- (i) initiate Phase II of the Project as planned in the original Project Authorization of 1990;
- (ii) slightly modify the project outputs, inputs, and anticipated achievements in light of progress made under Phase I and recommendations of the Mid-Term Evaluation, completed in December 1992;
- (iii) extend the PACD from September 30, 1993 to March 31, 1997; and
- (iv) increase the project's authorized LOP total budget from \$2.2 to \$4.8 million.

II. Justification to the Congress : All notification actions have been completed as per State cable 134413, dated May 4, 1993.

III. Authority: State cable 240503 dated August 7, 1993, re delegated to you the authority (under A.I.D. Handbook 5, Delegation of Authority No. 652, Sec. 2D) to amend the project authorization to add additional funds and extend the life of the project.

IV. Recommendation: That you sign the Project Authorization Amendment No.1 (attachment 1) and Project Paper Supplement face sheet (attachment 2).

Attachments :

- 1. Project Authorization Amendment No.1
- 2. Project Paper Supplement

mm Draft: NMariani: PROG/DCalder *we*: HPNO: 8/16/93: RFPPAMEN. D: AF

Clearance: RSingleton: PDA *H* _____ Date: 8/16/93

CCrane: CONT: *C/Clan* _____ Date: 8/17/93

PROJECT AUTHORIZATION AMENDMENT NUMBER ONE

Name of Country: South Pacific Regional
Name of Project: South-Pacific Regional Family Planning
Project (RFPP)
Number of Project: 879-0019

1. Pursuant to sections 104(b) of the Foreign Assistance Act of 1961, as amended, the Regional Family Planning Project (RFPP) was authorized on July 18, 1990. The Project Authorization is hereby amended as follows:

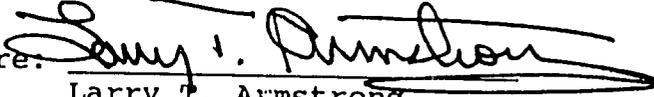
A. Paragraph 1 is deleted in its entirety and replaced with the following:

"Pursuant to Sections 104(b) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the South Pacific Regional Family Planning Project (the "Project") for the South Pacific Region and certain non-governmental organizations in the United States and the South Pacific Region ("NGOs") involving planned obligations of an amount not to exceed Four Million and Eight Hundred Thousand United States Dollars (\$4,800,000) in grant funds over a six and one-half-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to assist in financing foreign exchange costs and for obligations incurred, prior to this amendment, of local currency costs of the Project. The planned life of project is approximately six and one-half years from the date of initial obligation, until March 31, 1997."

B. Paragraph 4 is amended by limiting the source and origin of commodities and nationality of suppliers of services financed by obligations incurred after the date of this amendment to the United States (A.I.D. Geographic Code 000) except as A.I.D. may otherwise agree to in writing.

2. All other conditions and covenants contained in the project authorization remain in full force and effect.

Signature: _____


Larry T. Armstrong
Regional Director
USAID/RDO/SP

Date: _____

8/18/93

- iv -

Draft: NMariani: PROG; DCalder: HPNO: 08/16/93 Date: 8/17/93
Clearance: RSingleton: PDA: *[Signature]*
CCrane: CONT: *[Signature]* Date: 8/17/93

Acronyms

A.I.D. or AID	Agency for International Development
AID/W	Agency for International Development, Washington, D.C. Headquarters
AIDAB	Australian International Development Assistance Bureau
AVSC	Association for Voluntary Surgical Contraception
CA	Cooperative Agreement
EXCEL	Expanding Country Efforts at all Levels
FSP	Foundation for the Peoples of the South Pacific
JHPIEGO	Johns Hopkins Program for International Education in Reproductive Health
LOP	Life of Project
NORPLANT	A Sub-dermal Implant Contraceptive
Pathfinder	Pathfinder International (formerly Pathfinder Fund)
PIO/T	Project Implementation Order/Technical Assistance
RCO/Manila	AID's Regional Contracts Office in Manila
RDO/SP	AID Regional Development Office for the South Pacific, Suva, Fiji
RFPP	(South Pacific) Regional Family Planning Project
SEATS	Family Planning Service Expansion and Technical Support (AID/W central project)
SPAFH	South Pacific Alliance for Family Health
SOMARC	Social Marketing for Change Project (AID/W central project)
USAID/RDO/SP	United States Agency for International Development/Regional Development Office/South Pacific
USG	United States Government
USPSC	United States Personal Services Contract or Contractor
VSC	Voluntary Surgical Contraception

I. Background

At a 1985 meeting of various international and bilateral donors interested in population matters, the consensus was that (a) the practice of flying in expatriate short-term experts wasn't working very well, and (b) the region needed its own organization staffed with islanders to be a channel for aid donors. This led to RDO/SP funding and promoting the establishment of the South Pacific Alliance for Family Health (SPAFH) in 1986. SPAFH became operational in January 1987 to promote population and family planning (FP) activities in the ten countries served by RDO/SP. Its Board of Directors is composed of senior government health officials of the ten countries RDO/SP serves in the region.

In the early years, SPAFH was funded mainly by "fallout" funds (\$1.2 million through September 1989) funnelled through a cooperative agreement with the Foundation for the Peoples of the South Pacific (FSP). In the summer of 1989 the Regional Family Planning Project was designed by a team provided by the Pathfinder Fund (name subsequently changed to Pathfinder International). When AID/W did not promptly authorize the project, RDO/SP made a "bridge" cooperative agreement (\$215 thousand) with Pathfinder in September 1989 to provide funds for SPAFH's operating costs until the project was authorized.

The Regional Family Planning Project (RFPP) was finally authorized in July 1990 for \$2.2 million to be obligated over a three year period. Most project inputs during Phase I were provided through a cooperative agreement with Pathfinder to SPAFH. This arrangement, wherein Pathfinder provided inputs either through its own staff or through sub-contracts, was established because SPAFH was not eligible to receive grants directly from A.I.D.

The Project Assistance Completion Date (PACD) for the project is September 30, 1993. The cooperative agreement with Pathfinder for Phase I was signed on August 31, 1990.

The goal of the RFP project, as originally authorized, was "to reduce the economic burden of rapid population growth and improve maternal and child health in the region." The purpose was "to increase promotion of family planning and birth spacing in the South Pacific."

In order to accomplish the above, the project aimed at strengthening SPAFH's institutional capacities and enabling it to support indigenous (national and local) population/family planning (FP) programs with emphasis on policy, IEC and services delivery. The project was to have both a regional and a national

focus, and be implemented in two distinct phases. Phase I was to concentrate primarily on strengthening SPAFH (regional) but was also to include some activities to promote and support national efforts. Near the end of Phase I, a formal evaluation was to be undertaken to assess whether (a) SPAFH had made sufficient progress to become registered with A.I.D. as an indigenous NGO, thereby being eligible to receive grants directly from A.I.D., and (b) the project can continue into Phase II as planned. Phase II was planned to focus more on national FP activities with a reduced level of inputs directed toward SPAFH capacity-building.

This PP Supplement lays out Phase II of the project. Changes to the original PP are modest, reflecting realities of project implementation to date as well as recommendations made in the project's mid-term evaluation, conducted in November-December 1992.

II. Progress under Phase I

There have been many strong, positive accomplishments in Phase I of the RFPP. Given that at the commencement of the Project SPAFH had to deal with the following disadvantageous realities, the accomplishments are especially impressive:

- SPAFH was very young, only about 3 years old;
- it was sparsely staffed; its officers were inexperienced for their new roles;
- personnel, budgeting, financial management, and administrative systems were primitive;
- AID had been its only donor;
- its Board of Directors was inexperienced in the issues of starting up this form of regional, non-government organization;
- it had no marketing expertise;
- it had almost no "track record" with which to sell itself to potential donors or to collaborating government and non-government FP organizations;
- most of its staff were generalists, rather than experienced FP/population/health people;

- its HQ was located in Tonga, which, along with some advantages, had commensurate disadvantages of access to some countries in the region and to many of the most active organizations in the region;
- some other organizations felt threatened by the idea of a new organization like SPAFH; and
- indigenous government and non-government FP organizations were inexperienced in conceptualizing, planning and running FP projects; there was little political will for proactive programming for population and family planning; and essentially all FP/population donor programs were dominated by UNFPA-WHO on the larger scale, and IPPF (International Planned Parenthood Federation) on the smaller scale.

It must be understood, also, that RFPP and SPAFH were further disadvantaged in that the financial resources planned to be committed by AID/W to the project were substantially reduced for FY 1990 and FY 1991 (\$1.2 million provided versus \$1.7 million planned). Thus, the project was compromised by cuts in Pathfinder's institutional development support; deprived of an experienced expatriate, resident advisor planned for the first two years (which generally is considered necessary in projects of this type); and hampered by reduced resources for training and in-country sub-grants. The AID/W decision to authorize only Phase I, with Phase II dependent upon an evaluation and upon AID/W funding (and possibly changed programming priorities at the time of completion of Phase I) made for a clouded planning horizon.

Nonetheless, in spite of the tenuous condition of SPAFH and the RFPP at the start, by the time the mid-term evaluation was conducted in November-December 1992 (9-months before the end of Phase I) SPAFH had already achieved the following:

- it had increased its staff to nine professionals (one secretary-general, five project officers, one accountant, one assistant accountant, one administrative officer) plus clerical and support personnel (from four in 1990);
- the professional qualifications of the staff had risen steadily, now including physicians and a PhD, for example, and many have excellent prior experience in FP/health work; SPAFH's solicitations for new staff now are eliciting large numbers of applicants from a much broader pool of candidates;

- personnel, budgeting, accounting, and administrative systems had steadily evolved and become standardized and codified (there are still weaknesses in these systems, but a good foundation has been set);
- SPAFH had won grants from several other donors, including UNFPA, AIDAB, ODA, and some small foundations; the AIDAB grant (albeit largely facilitated by RDO/SP) is particularly important in that it is multi-year and is valued at more than \$2.4 million -- the first expression of substantial, tangible support from a donor other than AID;
- SPAFH's Board had been reasonably stable in composition, and its skills have been improving steadily; the Board's Executive Committee has been heavily involved in decision-making for the organization;
- with the assistance of a Population Fellow from a central AID program, SPAFH developed early skills in marketing its ideas, skills and experience to potential donors. These skills are not yet highly developed, but good progress is evident by the increasing interest donors are taking in SPAFH;
- in its progress toward achieving the benchmarks of Phase I, and in other activities funded from non-AID sources, SPAFH achieved a track record of regional training activities, and of in-country activities, such as training and sub-grants for projects of several kinds (lists of these activities are included as Annex D);
- officers have traveled from their base in Tonga to all countries in the region to market SPAFH, to learn about opportunities and other on-going programs, to solicit grant proposals from government and NGO organizations, and to help implement and monitor in-country activities (SPAFH still has a long way to go in increasing awareness in the region about its capabilities and resources, and in capitalizing on opportunities for sub-grant projects, so this will necessarily be a focus in Phase II);
- SPAFH has followed an excellent strategy regarding those organizations potentially hostile to it, i.e., those which may feel competitive to SPAFH. By inviting them to all SPAFH training and other events, offering to support their worthy activities, and always presenting itself as a colleague rather than competitor, SPAFH has succeeded in reducing resistance substantially;

- although SPAFH had not achieved its priority objective of registration as an NGO in Tonga (this is not the fault of SPAFH, but rather that Tonga has no applicable registration laws and has not acted in substance to provide SPAFH documentation that will provide the same status), it has achieved "country agreements" (similar to MOUs) with eight of the ten member countries;

- the Government of PNG had spontaneously contributed funds to SPAFH for core support, in recognition of SPAFH's assistance to PNG's population programs, and the Board had discussed the possibility of voluntary contributions from the governments of other member countries;

- SPAFH had survived intact a major turn-over of its senior staff -- a turn-over that tested the organization's stability and resilience. Over a relatively short period of time, the Secretary-General, the Senior Project Officer, two other Project Officers, and the Accountant left SPAFH. While the loss of important senior staff certainly complicated operations for SPAFH, it should be noted that each of these "graduates" of SPAFH had moved on to positions of greater prominence than they held prior to joining SPAFH, including positions as UN regional program director for women's programs, Vice-Chancellor of the University of PNG, and director of the Solomon Islands Family Planning Association. In such positions around the region, these officials are in excellent positions to apply with skill and influence all that they have learned about FP/population/health issues and programming from their SPAFH experience.

Pathfinder International has been the "intermediary" organization for SPAFH throughout Phase I, and, in fact, served a similar function for about one year before the RFPP was authorized and begun. The Pathfinder system for providing operating funds to SPAFH in a timely way has functioned well; SPAFH never has had to operate without funds that Pathfinder had promised to provide. The technical assistance provided by Pathfinder has been very popular among SPAFH staff. Aside from the short-term TA that comes with routine Pathfinder monitoring, significant assistance has been provided with TA for training, contraceptive technology updates, and accounting systems. It appears that TA for information systems has been less effective.

As mentioned earlier, Pathfinder has operated under significant disadvantage because of limits on funds for population projects imposed by AID/W during the first years. A long-term resident advisor could not be provided, thereby putting major strain on Pathfinder to try from Boston to keep on top of and influence events unfolding in the Tonga headquarters and around the region.

To complicate matters, the experienced program manager assigned by Pathfinder to the RFPP resigned unexpectedly; with his departure went tremendous experience and an excellent relationship with SPAFH staff. His replacement is a committed, energetic Pathfinder officer, but the lack of continuity has had a cost, as such transitions usually do.

Because of funding limits, Pathfinder has not been able to provide enough TA and training to SPAFH in the skills required in the field to recognize and capitalize on FP/population opportunities. These are skills hard to transfer in workshops or even one-on-one in headquarters; the best way would have been for Pathfinder advisors to travel to the field with individual SPAFH Project Officers and work on sub-projects and skill development in the field setting.

In 1992 SPAFH reached a major milestone, the creation of a new, multi-year, multi-country, multi-donor SPAFH "project" named EXCEL. AIDAB, the Government of Australia's major aid organization, pledged up to A\$3.6 million (more than US\$2.4 million) for EXCEL, and the AID/W projects SEATS and SOMARC pledged significant new commitments of funding and guiding technical assistance. The EXCEL project focuses on two major new initiatives for SPAFH in four of the region's countries: social marketing of contraceptives, and enhancement of quality and coverage of family planning services at multiple clinics. The commitment by AIDAB is its first major family planning commitment in the South Pacific region, and is a tremendous opportunity for SPAFH to prove itself to AIDAB, the region's largest bilateral donor. The relationships with SOMARC and SEATS are unparalleled opportunities for the SPAFH staff to learn how to professionally implement those types of programs, and, thereby, to acquire the skills to market in the future to the region's countries and to the donors.

In general, SPAFH and Pathfinder have kept within the planned budget. However, there has been a tendency to underspend the budget line item for country grants, and instead to overspend on operating costs. This requires special attention in Phase II.

III. Results of Mid-term Evaluation

Prior to the project's formal start in late 1990, AID/W directed that authorization for Phase II of RFPP should occur only after an evaluation was performed on project performance in Phase I. Therefore, in November-December 1992 a comprehensive external evaluation was performed by the RD/Population's "POPTech" Project, a mechanism commonly used and respected for AID-supported population project evaluation. The final report was issued in March 1993 and widely circulated in AID/W.

The evaluation focussed on project performance in terms of benchmarks established for Phase I, and strategies for Phase II. Following is a summary of progress made toward those benchmarks.

- (1) SPAFH's operational capability will have been improved sufficiently that it can be registered as an indigenous PVO/NGO and eligible to receive direct grants from AID.

Progress: described above.

- (2) At least two countries (in addition to the Solomon Islands) will have established national population policies.

Progress: PNG, the largest country in the region, formally issued an excellent population policy. There has been movement forward on population policy development in Vanuatu and Western Samoa; the major impediment in both countries is an innate cultural conservatism that causes reluctance to discuss publicly matters of family planning. However, progress is being made: Vanuatu is addressing population policy issues under the guise of developing a broader, "family health" policy; and Western Samoa under the guise of "environmental protection policy."

- (3) SPAFH will have the capability to analyze demographic data bases in population policy formulation.

Progress: SPAFH has not developed high capabilities in demographic analysis, because it has been beyond the professional capabilities of SPAFH staff. However, this is not a problem, because the region has other centers that do this (SPC, UNFPA, USP). This will no longer be a SPAFH priority in Phase II.

- (4) SPAFH will have assisted at least three countries to establish national guidelines and country strategies for family planning service delivery and social marketing.

Progress: SPAFH has assisted at least six countries to analyze strengths and weaknesses in their FP service delivery systems, and helped several establish or upgrade standards. The SEATS component of the new EXCEL program/project specifically addresses these program issues. The social marketing objectives are new, and are to be accomplished in the SOMARC component of the EXCEL project.

- (5) SPAFH will have established ongoing and up-to-date contraceptive usage and inventory information for the countries in which it will support strategy development and population policy activities.

Progress: SPAFH conducted contraceptive logistics analyses in several priority countries, and provided recommendations to the governments. The evaluation suggested that this is not a fruitful area for SPAFH energies in the near term, so it will not be emphasized in Phase II.

- (6) SPAFH will liaise with other regional and international NGOs such as SPC, UNFPA, and ILO.

Progress: This "benchmark" was added only last year on the initiative of the Board of Directors. Ongoing liaison has been consistent and productive thereafter.

The mid-term evaluation conducted by POPTECH praised the conceptual basis for SPAFH in the South Pacific region milieu, and it advocates strongly that AID continue support for a Phase II, which is a logical continuation of current activities, based on the experience of the past 2 1/2 years. The most important specific recommendations from the evaluation are:

- (1) AID should provide Phase II funding for continuing institutional support.

Response: Phase II provides funds for this purpose.

- (2) AID should provide Phase II funding for continuing SPAFH programming support.

Response: Phase II provides increased level of funds for this purpose.

- (3) SPAFH should increase the level of its services to individual countries, reducing the proportion of regional activities.

Response: SPAFH's strategic plan calls for this shift in emphasis.

(4) SPAFH should aggressively seek greater participation by the smaller countries, offering assistance as needed in project design and proposal development.

Response: SPAFH plans to do so, but constraining factors include-administrative costs of working with smaller countries with fewer beneficiaries.

(5) SPAFH's programming emphases in Phase II should flow from its strategic plan and from the needs as expressed by its member countries.

Response: SPAFH is finalizing a strategic plan and will be using it in future operations.

In addition, the evaluation agreed with RDO/SP's conclusion that SPAFH has not yet achieved the institutional strength that would permit direct funding from AID. An "intermediary" FP organization (such as Pathfinder) still is necessary for perhaps two additional years for assistance for institutional development in financial management, management information systems, activity design and monitoring, marketing and revenue generation, and general management skill development.

IV. Phase II - Project Description

Phase II will proceed largely as envisioned in the original Project Paper, with a few changes based on the lessons learned during Phase I, recommendations made in the evaluation, and the evolving programming environment in the South Pacific region since the Project was designed in 1989.

Phase II components will be the following:

(1) continuing institutional development of SPAFH, leading to operating independence;

(2) greater emphasis on SPAFH's assistance activities in the countries of the region, as opposed to SPAFH internal activities and regionalized activities; and

(3) some additional, priority FP initiatives in the SP region, done outside of the SPAFH mechanism, which SPAFH is not yet capable of managing.

A. Institutional Development

SPAFH has not yet become fully capable and self-sufficient in: (a) financial management and accounting; (b) management information systems;--and (c) marketing to potential donors. What is more, SPAFH has not yet achieved formal registration in Tonga or any other member nation as an NGO/PVO, and has not achieved "country agreements" with all its member countries. Related to the above, SPAFH has not yet achieved registration with AID/W as an NGO eligible to receive funds directly from AID.

The most efficient mechanism to achieve the above is a continuing association with an experienced U.S. FP "intermediary," for a period of two more years, by which time SPAFH should have achieved capability for operating independently, and registration qualifying it to receive AID funds directly.

SPAFH has established multi-year cooperation agreements with several major organizations/programs: SOMARC, SEATS, and AIDAB, all collaborating in the EXCEL Project. These associations will be of great assistance in expanding SPAFH's competence, skills, and marketable track record.

The technical staffs of the SOMARC and SEATS organizations will continue to train SPAFH to technically and managerially handle social marketing programs and FP services enhancement, and it is hoped that an experienced resident advisor furnished to SPAFH by AIDAB will transfer overall management and fund-raising skills.

With the intention of achieving greater self-sufficiency, Phase II will shift the AID emphasis from core funding of nearly the total home office costs to an emphasis on the principles and practices of establishing, charging, and operating the home office on an "overhead costs" system, with revenue for overhead costs built into the separate FP/population activities which SPAFH performs for donors.

During the first two years of Phase II, SPAFH will be required, with Pathfinder assistance as necessary, to calculate the direct and indirect costs to SPAFH of all of their country grant activities, training programs, etc. Calculating these costs realistically is a prerequisite for establishing a viable, cost-recovery, overhead system, which is the objective. SPAFH may choose to apply these calculated overhead charges in some/all of the grants it

secures from other donors during this period. Understanding the true costs of SPAFH's various operations also will be invaluable in making cost effective decisions by SPAFH management, and in helping the Board members understand the true costs of the SPAFH activities in the members' respective countries.

After two years (by September 1995), SPAFH will have achieved registration with AID/W and will be able to receive AID funds directly. At this stage of Phase II, it no longer will be necessary for AID to provide core funding for SPAFH's operations. Instead, over approximately the final 18 months the project will grant funds to SPAFH for specific FP/population activities only, and for each such activity awarded to SPAFH, SPAFH will receive funds for an appropriate overhead as well as direct costs. The 12-18 month agreement with SPAFH will cover these activities and the terms for managing them, and will also serve as the obligating document for the RFPP funds involved. This is the situation in which SPAFH will have to operate successfully in order to survive as an independent institution, so it must move in this direction as soon as possible. It is anticipated that during the final six months of Phase II, few or no new activities will be initiated; this will be a period for SPAFH to complete all the activities funded in the three prior years of Phase II, so that all funds are expended and accounted for by the end of the project.

To assist SPAFH in identifying in-country NGOs with the interest and potential capabilities to generate and implement population/family planning activities, a cooperative agreement is envisioned as part of Phase II with a U.S. NGO long-experienced in NGO work in this region. Late in Phase I, the Foundation for the Peoples of the South Pacific (FSP) received from the project a small cooperative agreement and began this work holding training workshops for NGOs in three countries (Vanuatu, Kiribati and Solomon Islands). It is anticipated that similar activities may be expanded in Phase II.

B. Country Activities

A guiding principle in the development of SPAFH is: **there is no good reason for SPAFH to exist, and to be funded, aside from the sum of its FP/population activities aiding organizations in the member countries.** Related to that sum of activities should be the provision of funds for SPAFH's legitimate overhead costs.

SPAFH was created in order to meet unmet demand for FP/population program assistance in the member countries. The recognized unmet demand largely centers on smaller, quick-reacting, project assistance, of the kind not provided well by the bureaucratically restricted programming of the dominant large, multi-lateral donor in population/FP. It was intended that SPAFH would develop its procedures to become the collaborating organization of choice in this smaller, yet substantial, "niche market."

Some progress has been made in identifying, processing, supporting, and evaluating these small, in-country activities. However, SPAFH still hasn't reached its potential for creativity, project conceptualization, speedy processing, and realization of small, high impact activities in the member countries. None of the parties involved want to see the creation of another ponderous, bureaucratic, headquarters-oriented organization.

Because most of the member countries in SPAFH are small, it is not likely that these member countries ever will grant to SPAFH donations or "membership dues" sufficient to cover more than a very small percentage of operating costs. And SPAFH should be striving for independence from donors for recurrent, core costs, when the AID assistance for core costs ceases. Therefore, to assure its survival, SPAFH will have to hasten its evolution into an organization that can compete for donor funds for a large number of FP/population projects around the region, with either single-country or regional focus.

C. Complementary FP Activities Taking Advantage of Opportunities in the Region

Awareness of the importance of population issues and a willingness to address them through government and NGO means are recent developments in the South Pacific region. Family planning services have been available only for a few years, in very limited locations, in some of the countries; in the more "advanced" countries, what services that have existed can be described as largely "provider-oriented" and very passive in nature. Social marketing of contraceptives did not exist in the region until initiated in PNG in 1991 by the AID-funded SOMARC project. Subdermal contraceptives are not available; IUD services are poorly developed; and VSC is infrequently done, and with poor quality control standards. Little effective IEC has been done because of reticence to deal openly with matters of reproductive health.

The creation and development of SPAFH are very important milestones in the early evolution of population and family planning programming in the region. But SPAFH can only barely make a dent in the great needs for awareness, behavior change and services. Hence, other programming opportunities should be watched for and seized. Based on RDO/SP's experience around the region, we have concluded also that there are some important opportunities for FP program development that SPAFH is not yet able to handle. As specific examples, opportunities exist for upgrading the policies, availability, marketing, and program standards for voluntary surgical contraception (VSC), and for the introduction of sub-dermal implant contraceptives (e.g., Norplant).

In the countries with relatively accessible health services infrastructure, relatively educated and socially mobile women, but with still high fertility (Fiji, the Polynesian countries, and Tarawa, the major population center in Kiribati), the opportunities for rapidly increasing usage of VSC and Norplant are very great. In the countries at the other end of the spectrum, with poor infrastructure, women with sharply restricted access to education and other social opportunities, and extremely high fertility (and mortality) levels, there are advantages in developing VSC services early in these nascent health systems, so these services can grow commensurately with the health services infrastructures, rather than trying to patch them on 20 years from now. Absolute numbers of acceptors of VSC will not be high in this latter situation, but the earlier that safe VSC services are made available, the shorter the time until the public becomes comfortable with the concept and use of such service opportunities.

During Phase II, RDO/SP will directly manage these activities, making certain that they are complementary and not competitive with the SPAFH program. To the degree that SPAFH professional staff can be made available to collaborate with these other organizations, and even be trained by them, they will be included. It is anticipated that such collaboration will be negotiated with organizations and programs such as: AVSC, JHPIEGO, SOMARC (The Futures Group), SEATS (or its successor central project).

RDO/SP will enter into separate agreements with each of these other family planning "intermediary" organizations. The nature of the agreements probably will be of the cooperative agreement type, each covering a series of activities in countries judged to be capable of and receptive to each activity.

It is anticipated that these additional, complementary FP initiatives undertaken through RFPP will stimulate many new programming avenues in the region to be pursued over the next decade, by indigenous organizations such as SPAFH and by concerned donor organizations. The relatively, modest contributions through RFPP will not be able to solve the problems in the region, but rather to raise the issues, analyze them, lay out agendas for addressing them, and taking the logical first programming steps. Should AID desire to remain active in this region in population/FP after the RFPP, then the information and experience gained through these pioneering initiatives will serve to guide our future programming. In our absence, indigenous and other donor organizations will be significantly advantaged by the early work of these initiatives. Even after the pioneering efforts of RFPP, we will barely have begun to scratch the surface of the population/FP programming needs and opportunities in the South Pacific.

D. Goal & Purpose:

The Goal and Purpose for the project remain unchanged from Phase I and are repeated below. EOPs are slightly augmented due to the increased inputs and outputs provided in Phase II.

The project's goal is to reduce the economic burden of rapid population growth and improve maternal and child health.

The project's purpose is to increase promotion of family planning and birth spacing in the South Pacific.

E. End of Project Status:

Regional:

1. SPAFH is recognized within the region and by donors as a valuable source of support for national family planning activities for its member countries.
2. SPAFH has an active fund-raising program and receives funds and support from other donors to channel to the national and local family planning organizations.
3. SPAFH receives at least 40% of its operational costs from sources other than AID.

4. SPAFH provides technical assistance, training, funds and other support to national and local organizations (public and private) in policy, IEC, and services delivery.

5. Interest exists throughout the region in VSC and implant services.

National:

1. Policies: Four countries have official population policies and at least two others are actively working to establish policies.

2. Service Delivery: In all countries, service delivery to clients is functioning at more effective, efficient and enlarged coverage levels than at the start of the project. Ministries of Health provide more training to their personnel in all aspects of family planning service delivery; NGOs more active in FP promotion and service delivery; and social marketing of contraceptives introduced in at least four countries.

3. Complementary Family Planning Services: VSC and contraceptive implant services are readily available in at least four countries.

F. Outputs:

1. For institution building, SPAFH is strengthened as an effective and responsive regional family planning organization. Some indicators that this has been achieved include:

a. SPAFH has become registered with AID as an indigenous NGO and is receiving funds directly from AID;

b. SPAFH is receiving funds from non-AID sources;

c. SPAFH has effective financial controls installed;

d. SPAFH's staff's management and administrative skills have been improved;

e. SPAFH has a functioning program management and information system; and

f. SPAFH has established linkages with U.S. and international family planning and social service organizations.

2. For population policies, the efforts of SPAFH directed toward senior government decision makers and supporting technical staff should lead to the following outputs:

a. An awareness created throughout the region of the importance and need for effective population policies;

b. The capacity in at least six countries to establish population policies derived from improved data base, analytical skills, etc.

3. For service delivery enhancement, the project's efforts should lead to the following outputs:

a. At clinics assisted by the project, FP services will be more client-oriented, clinical standards will be higher, and patient satisfaction and utilization will be higher.

b. Commercial social marketing of contraceptives will have been initiated in at least three countries in addition to PNG. Social marketing of condoms will be completely independent of subsidies by the end of project in those countries; oral contraceptive marketing will be progressing toward elimination of all requirements for subsidies from governments or donors.

c. Standards for clinical FP services will be upgraded and standardized in at least four countries. Standards and curricula for FP provider training will be upgraded in at least four countries, and at least half of the FP clinic staff in each of these countries will have been trained/retrained under these improved standards.

4. For complementary family planning activities, VSC services will be upgraded in four countries in the region, and contraceptive implant services will be in the process of country acceptance or implementation in four countries.

G. Inputs:

1. Technical Assistance:

a. For SPAFH, Pathfinder International will focus the majority of its person months of short-term TA to SPAFH in the following fields: financial management; management systems; marketing, fund-raising, and liaison with other FP organizations; training skills; project design and monitoring.

b. For complementary family planning activities, the other intermediary FP organizations will provide the minimum TA necessary and commensurate with the specific implementation agenda agreed upon with RDO/SP and the region's governments and NGOs involved. This will vary greatly depending upon the nature of the activities: for example, TA requirements may be high for initiating a new technology such as Norplant, but TA requirements may be low for more routine activities such as making an inventory of VSC equipment available in the region. A guiding principle will be to use regional consultants whenever feasible, and, in fact, one of the duties of the intermediaries will be to identify and use local resource persons.

2. Training:

a. For SPAFH, Pathfinder International will arrange short-term training for the staff and Board of SPAFH, focussing on the management and training skills. It is anticipated that most of this training will be on-site, on the job training at SPAFH.

b. For complementary family planning activities, the other intermediaries will arrange short-term training specific to their activities, after completing training "needs analyses." Most training will be arranged in the region, although it is anticipated that a few officials will go outside the region, probably to Asian locations, for specific technical training not available in the region (e.g., Norplant, "no scalpel vasectomy," etc.). There will be an emphasis on "training of trainers" whenever practicable.

3. SPAFH Operations: For the first 24 months of Phase II, funds for SPAFH's operating costs will continue to be channelled to SPAFH through Pathfinder. These costs will continue to be for staff salaries and benefits (those not covered by funds from other donors, such as AIDAB, under the EXCEL project), office rent, supplies, travel, Board meetings, etc. Over the final 18 months of the project, SPAFH will receive project funds for operating costs only as "overhead" and "direct costs" for specific country grants and training agreed upon by SPAFH, RDO/SP and the host countries.

4. Commodities:

a. For SPAFH, it is not anticipated that commodities from the project will be needed during Phase II other than routine consumables and replacement of office vehicle and equipment which are at the end of their useful life spans.

b. For the complementary family planning activities, with the U.S. intermediaries, the provision of small amounts of commodities will be decided on a case-by-case basis. For example, VSC equipment needs analysis with AVSC may determine that laparoscopy equipment is a limiting factor for the training of personnel in some countries. In such a situation, for example, AVSC may procure small amounts of the necessary equipment through its channels, using project funds. The intermediaries will be responsible for adherence to AID procurement regulations.

5. Country Grants:

a. SPAFH will continue to be provided with funds for use in country grants, as this is the emphasis of Phase II. During the first 24 months of Phase II, approximately \$275,000 will be earmarked in the Pathfinder cooperative agreement budget for country grants, and may be spent only for that purpose. After 24 months, all project funds granted to SPAFH will be for country grants or specific training activities.

b. Complementary family planning activities of the other intermediary organizations will be for FP project and training activities in the region's countries. These activities may include country grants if suitable analysis of the baseline situation relevant to the specific activities (e.g., VSC policies, standards, state of training, equipment, etc.) should indicate the need for this type of input.

V. IMPLEMENTATION PLAN

A. Major Implementation Actions:

1. Cooperative Grant Agreements and other Agreements:

a. **Agreement with Pathfinder International:** Pathfinder has been collaborating with SPAFH on its institutional development, and its in-country sub-grants and its regional training activities, throughout Phase I. As explained above, it is in the project's interest, especially for institutional development, that Pathfinder continue its support for SPAFH for two more years, at which time its direct support no longer will be necessary. For the first 24 months of Phase II, the Cooperative Agreement with Pathfinder will be extended, and its responsibilities for financial oversight, training and other organizational development of SPAFH will be spelled out. A PIO/T prepared by RDO/SP will be forwarded to the Regional Contracting Officer in Manila to amend the agreement with Pathfinder to extend its services for the additional 24 month period. It had been anticipated in the original Project Paper (pg. 24) that Pathfinder's involvement with SPAFH would continue into Phase II for training and short-term TA; the only modification of the original plan is the continuation of Pathfinder's financial oversight for an additional period, due partially to difficulties in obtaining Government of Tonga registration of SPAFH formally as a PVO/NGO, which would make it possible for SPAFH to apply to AID for registration and eligibility to receive AID grants directly.

At the end of 24 months of Phase II, it will be decided by RDO/SP and SPAFH whether Pathfinder should have any further role regarding SPAFH's continuing institutional development.

b. **Direct Agreement(s) with SPAFH:** For the final 18 months of the project, RDO/SP will enter into one or more direct cooperative agreements with SPAFH for an agenda of country activities and training in the region. These agreements will be structured so that all activities supported with RFPP funding will be completed by the end of the project.

c. Agreements with Other Intermediaries for Complementary Family Planning Activities: RDO/SP will enter into agreements with several other U.S. FP intermediary organizations for a series of FP activities in the region (directly or through RCO/Manila or through AID/W, depending on the size and scope of the activities, and of the standard operating procedures of the organizations). It is anticipated that agreements may be negotiated with the following organizations (but not limited to these organizations): SOMARC (The Futures Group), JHPIEGO, AVSC, SEATS Project (or its successor project). With each such organization, RDO/SP will ascertain the capabilities and interests of the organization, and the funding available from their sources as well as the RFPP, and match those with the needs and opportunities in the region. In some cases, implementation plans will be drawn up directly at that stage; in other cases, especially for new activities in the region, the intermediary may have to perform "needs analyses" before we can negotiate implementation plans. Agreements should be in place by mid-1994.

2. Annual Work Plans: SPAFH will prepare annual workplans for each calendar year for activities supported by RFPP funds, and these workplans will have to be approved by RDO/SP, and by Pathfinder for the years that Pathfinder still is involved.

3. Registration of SPAFH as an International Organization Eligible to Receive AID Funds Directly: SPAFH must continue its efforts to achieve "registration" with AID/W as a PVO/NGO eligible to receive AID funds directly. Initial inquiries to AID/W already have been made by SPAFH, and this will be pursued further by all parties. To assist SPAFH achieve such recognition will be one of Pathfinder's responsibilities, also.

SPAFH is expected to submit an application for registration to RDO/SP, and, assuming Mission approval, registration will be provided pending formal confirmation of registration by FHA/PVC in AID/W. While consideration will be given to relocating SPAFH headquarters to a country able and willing to provide the type of registration SPAFH requires for registration with AID (see Annex B, Issue A.), relocation may not be absolutely necessary solely for

the registration with AID, given the circumstances of SPAFH's status with the Government of Tonga. In evaluating the eligibility of registration applicants, the AID office(s) making the decision "shall take into account local law and practices" (Handbook 3, App.4C-A, v.), and thus may consider the Government of Tonga's existing recognition of SPAFH's status sufficient to meet the registration criterion.

4. SPAFH Country Agreements: SPAFH already has achieved "country agreements" for collaborative activities with eight countries in the region, and it is vigorously pursuing such agreements with the remaining two. However, SPAFH has found that the lack of such agreements thus far has not hindered in-country activities in any country, probably because the SPAFH Board has a government representative from each country. Thereby SPAFH is perceived as "legitimate" in each of the ten countries.

B. Implementation Schedule (major actions):

<u>Date</u>	<u>Action</u>	<u>Agent</u>
Aug 93	Phase II authorized by Regional Director	RDO/SP
Aug 93	Cooperative Agreement Extension signed with Pathfinder	RCO/Manila
Nov 93	Discussions of region's FP programming needs begun with several U.S. FP intermediary NGOs	RDO/SP
June 94	All FY 94 funding available; initial agreements completed with U.S. intermediary organizations	RDO/SP
Jan 95	SPAFH registered with AID/W as international PVO/NGO eligible to receive AID funds directly	AID/W
July 95	Evaluation of progress of Phase II	RDO/SP
Aug 95	RDO enters into direct agreement with SPAFH for funding, reporting, country and training activities (with designated overhead costs included for core support)	RDO/SP
Sept 95	Cooperative Agreement ends with Pathfinder International	-
Jan 97	Final Evaluation	RDO/SP
Mar 97	Project completion	RDO/SP

VI. Financial Plan and Audit

The RFPP was originally authorized at \$2.2 million, of which \$2.0 million was obligated prior to FY 1993. The obligation plan assumes that SPAFH will be able to receive funds directly from A.I.D. in FY 1995. Because RFPP is a regional project without a Bilateral Project Agreement (PROAG), obligations are made through specific grants, cooperative agreements and direct contracts rather than via the PROAG mechanism. Therefore, the obligation plan has some small values, in later years that would not normally appear in a project paper.

**REGIONAL FAMILY PLANNING
PROJECT BUDGET
(US \$'000)**

	Previously Authorized	Current Addition	New Project Budget
1. Technical Assistance*	1,900	1,210	3,110
2. Audit & Evaluation	70	100	170
3. RDO/SP Monitoring	50	250	300
4. Other Regional FP Activities	40	630	670
5. Direct Grants to SPAFH	0	450	450
6. Contingency	140	(40)	100
TOTAL	2,200	2,600	4,800

*This line item includes all funds passed through Pathfinder to SPAFH for its operations, country grants, etc.

METHODS OF IMPLEMENTATION AND FINANCING

	METHOD OF:		RESPONSIBLE PARTY
	IMPLEMENTATION	FINANCING	
1. Technical Assistance	COOPERATIVE AGREEMENT	AGENCY LOC	RDO/SP
2. Audit & Evaluation	DIRECT CONTRACT	DIRECT PAY	RDO/SP
3. RDO/SP Monitoring	DIRECT CONTRACT	DIRECT PAY	RDO/SP
4. Other Regional FP Activities	VARIOUS (1)	VARIOUS (1)	RDO/SP
5. Direct Grants to SPAFH	GRANT/COOPERATIVE AGREEMENTS	ADVANCE	RDO/SP
6. Contingency	N/A	N/A	

(1) Other Regional Family Planning activities will be implemented by either cooperative agreements, grants or direct contracts, depending on which organization the activity is with. Predominantly, the activities will involve PVOs/NGOs, therefore either an Agency LOC or a periodic advance will be involved.

All methods of financing except the use of advances are preferred methods of financing. The use of the period advance method of financing is justified because SPAFH, as a regional organization, does not have the financial resources to incur costs and then seek reimbursement. Because of the time it takes to receive funds in the South Pacific, the Regional Director authorizes the use of ninety (90) day revolving advances to SPAFH, once RDO/SP grants directly with SPAFH, rather than through Pathfinder.

**OBLIGATION PLAN
(US \$'000)**

Prior Years	FY 93	FY 94	FY 95	FY 96	TOTAL
2,000	1,300	750	650	100	4,800

The FY 1994 obligations will be for RDO/SP monitoring and other regional family planning activities. The FY 1995 obligations represent additional regional family planning activities and grant(s) directly to SPAFH. The FY 1996 obligation represents the final evaluation to be conducted on RFPP. The evaluation is to begin in early FY 1997.

Local Currency Costs

The new "Buy America" policy which limits procurement to U.S. only also applies "in amending an authorization to increase life of project funding for an ongoing project." (paragraph 7, State 410442, December 5, 1990).

The policy states that while the usual waiver authority and rules for procurement source, origin and nationality remain in force, no specific local procurement waiver is required for the following items available only in the local economy: (a) utilities, (b) communications, (c) rental costs, (d) POL, (e) publications of the cooperating country, and (f) other commodities and services (and related expenses) that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country.

The application of the "Buy America" policy for HB 13 grants where the procurement element is over \$250,000 is the same as stated above (paragraph 12, State 410442 and HB 13, Chapter 4, standard provision 10 for local cost financing).

Nearly all the budget for the additional funding authorized by this PP supplement (\$2.6 million) will be for local costs. The term "local costs" as used in the regional projects includes costs incurred in any of the countries of the South Pacific served by RDO/SP. The following local costs for the budget line items will not require a waiver because they are permissible local procurement items:

1. Technical Assistance - \$1,210,000: Of the funds going into the cooperative agreement, \$593,300 is for SPAFH's operations (salaries of regional personnel, rental, travel within the region [no U.S. airline flies within the South Pacific region], utilities, etc. Another \$275,000 will be used by SPAFH for small grants to FP organizations within the region. A small portion of the Pathfinder TA costs may be spent in the South Pacific region also, mainly per diem and travel within the region, but the amount cannot be estimated at this time. This also would come under the exclusion. (see budget table in Annex E, page 2).

2. Audits and Evaluation - \$100,000: SPAFH's audit would be done by a local accounting firm and thus is an eligible local cost. A portion of the evaluation will also be eligible local costs (per diem, regional travel, use of a regional person).

3. RDO/SP Monitoring - \$250,000: The PSC is a regional person and all costs would be local costs under group f above.

4. Other Regional Family Planning Activities - \$630,000: Although the amount cannot be estimated at this time, a portion of the cooperative agreements for supplementary FP activities will be for eligible local costs (regional travel, locally hired personnel, etc.). An estimate of the amounts of local costs will be prepared during negotiations in 1994 with the implementing entities.

5. Direct Grants to SPAFH - \$450,000: These costs would all be local costs as they would be the same costs as described in 1 above.

Audit

Pathfinder, as a U.S. PVO, is required to have an annual audit conducted in compliance with OMB Circular A-132 guidance. Additionally, Pathfinder is required to have SPAFH, as a sub-recipient, audited in compliance with A-132 guidance. An amount for the 1994 audit is included in Pathfinder's budget.

Once registered with A.I.D. as an independent NGO and receiving funds directly from A.I.D., SPAFH will be responsible for contracting its own audits. In keeping with the plan of making SPAFH an independent NGO, SPAFH's 1995 budget, rather than Pathfinder's, includes an amount for SPAFH to contract for an independent audit to be conducted in accordance with OMB Circular A-132.

SPAFH has undergone two professional, external audits covering one and one-half years of the RFPP, and is soon to undergo another. In addition, Pathfinder performs regular financial oversight, and RDO/SP performs informal oversight by the Project Officer and the Controller's Office staff. In the latest audit of SPAFH, conducted in accordance with A-132 guidance, SPAFH received unqualified opinions in all areas addressed by the audit. Several management issues raised by the auditors are being addressed by SPAFH and Pathfinder. Although there have been some operational problems meeting modern accounting and financial management standards, in general SPAFH's financial management has been satisfactory. Some additional short-term assistance in accounting will be provided by Pathfinder in Phase II. The Mission is unaware of any major problems with the systems by which Pathfinder forwards funds to SPAFH. SPAFH has made consistent efforts to computerize its accounting systems, with only mixed success thus far, and SPAFH, with a high turnover of people in the Accountant position, has had to rely quite heavily on contracted assistance in its accounting and for training its accounting staff.

VII. Monitoring and Evaluation Plans

A. Monitoring:

The duties of the project's funded PSC project advisor will include monitoring this project as well as obtaining all A.I.D. approvals and preparing all A.I.D. project documents.

Monitoring/progress reporting requirements will be specified in the cooperative grant agreement with the Pathfinder Fund. Major monitoring actions of the project advisor will include:

1. meeting with the joint project coordinating committee;
2. reviewing Pathfinder/SPAFH progress reports;
3. reviewing Pathfinder financial reports; and
4. making regular field trips to Tonga and to the other SPAFH countries to review progress of country projects.

Monitoring should be concerned with such questions as:

1. Is the implementation of the annual work plan on schedule and within budget? If not, what corrective actions should be taken?
2. Is progress of project on schedule? If not, what are the problems and who needs to act to resolve them?
3. Are there unforeseen events or obstacles which are significantly retarding progress? If so, does the work plan or cooperative agreement need to be revised to reflect these?
4. If there are special successes or breakthroughs which merit recognition or consideration for replication elsewhere, are these being properly documented and communicated?

B. Evaluation:

During the first four months of Phase II, RDO/SP, in collaboration with SPAFH and Pathfinder, will develop benchmarks and performance indicators for the remaining period of LOP. A key resource document in the formulation of benchmarks will be the recently prepared SPAFH Long-range Strategic Plan.

Near the end of the Pathfinder CA (September 30, 1995), RDO/SP will make an internal evaluation of progress during Phase II. At that time it will be decided whether SPAFH has achieved the standards necessary to receive grant funds directly from RDO/SP, and whether it is appropriate to continue with the plan to provide all subsequent funds to SPAFH on a sub-project by sub-project basis, with legitimate overhead to support core costs.

Approximately three months before project completion, an external evaluation will be conducted. This evaluation will be managed by RDO/SP using Project funds. The evaluation will stress "lessons learned" from this unusual process of nurturing an international NGO for family planning, which may be valuable to RDO/SP and other organizations with similar efforts. The evaluation also will make recommendations to the Board and management of SPAFH as to how SPAFH can best continue its development and services.

ANNEX A.

LOGICAL FRAMEWORK

REGIONAL FAMILY PLANNING PROJECT

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATIONS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL:			
1. Reduce economic burden of rapid population growth.	- Population growth rate for region reduced.	- National population statistics	- Reduced birth rates will promote economic growth and improve maternal and child health
2. Improve maternal and child health	- IMR decreased. - Childbirth deaths decreased.		- Birth rates are reduced.

END OF PROJECT STATUS

PURPOSE:

Increase promotion of family planning and birth spacing	<u>Regional</u>		
	<ul style="list-style-type: none"> - SPAFH receiving increased funds from donors. - SPAFH providing increased technical support to FP organizations. - Interest exists for VSC and Implant 	<ul style="list-style-type: none"> - SPAFH records - SPAFH reports to AID - Evaluations 	<ul style="list-style-type: none"> - SPAFH reputation grows - SPAFH able to recruit qualified personnel. - Countries level of interest and activities in family planning increases.
	<u>National</u>		
	<ul style="list-style-type: none"> - 4 countries carrying out population policies. - 2 countries working to establish pop policies - national public and private FP organizations have increased FP service levels. - VSC and implants services are available in 4 countries. 	<ul style="list-style-type: none"> - Public records/ evaluations - Public records/ evaluations - Evaluation (Before-after data) - Evaluation 	<ul style="list-style-type: none"> - Govts feel FP an integral part of economic development

OUTPUTS:

SPAFH strengthened	<ul style="list-style-type: none"> - Registered with AID as NGO - Financial controls established - Management and admin systems functioning - MIS installed - Funds received from non-AID sources - Linkages to U.S. and int'l FP organizations established 	<ul style="list-style-type: none"> - SPAFH progress reports - Evaluations - Project Officer visits 	<ul style="list-style-type: none"> - Project funds sufficient to provide planned level of inputs - Other donors channel FP resources to region through SPAFH - Board of Directors continues its interest and involvement with SPAFH - Inputs are of sufficient magnitude to achieve outputs
--------------------	---	---	---

- National population policies promoted
 - Awareness of need for population policies created in region
 - Capabilities to create policies mobilized in 6 countries

- Family planning services delivery improved
 - National guidelines in 4 countries with standards of service created
 - Expanded national delivery systems for contraceptives, including contraceptive social marketing in 3 countries
 - VSC services upgraded in 4 countries, contraceptive implant services available in 4 countries

INPUTS:

- Commodities
 - Country grants
 - Project monitoring
 - Technical Assistance
 - SPAFH operation
 - Audits & evaluation
 - Training
- LOP total \$4.8 million
See PP budget for details
- RDO/SP Records
- Project authorized as designed and annual OYB adequate to provide funding as planned

ANNEX B.

Issues

A. Location of SPAFH Headquarters:

SPAFH was established originally in the Kingdom of Tonga for several practical reasons:

1. The Government there was receptive to the idea, and promised to provide registration as an international organization and as an NGO.
2. The Tongan Director of Health was a man of great vision and enthusiasm for an organization like SPAFH, and he contributed greatly in the inter-governmental work necessary for establishing SPAFH under the directorship of a Board constituted of high government health officials from all the member countries.
3. At its inception, SPAFH was felt to require organizational "nurturing" by an existing, experienced NGO, and FSP's branch in Tonga was selected to serve that function because of capable and interested FSP staff there.
4. There is an unwritten "equity" issue that most of the nations of the South Pacific would like to "share the wealth and status" of the regional organizations; e.g., each country would like to have its "share" of regional organizations headquartered there for the accompanying prestige, income and employment. Before SPAFH, Tonga did not have a regional organization of this sort with headquarters in that country.

However, after about seven years of SPAFH experience, there is a different equation of advantages vs. disadvantages for SPAFH to remain headquartered in Tonga.

Advantages:

- It already is located there and has achieved growth and some success. Relocation to another country would, inevitably, cause some temporary disruptions for the staff and the functioning of the organization.
- Some overhead costs (local staff salaries, rent) are relatively moderate in Tonga, as is cost of living and its effect/impact on professional staff salary levels.

- Government of Tonga seems comfortable to have SPAFH remain in Tonga.

Disadvantages:

- No major donor organization, or other regional organization of SPAFH's type, is headquartered in Tonga. SPAFH is, therefore, isolated from its sources of funding and from organizations with which it must collaborate closely, e.g., UNFPA, WHO, SPC, RDO/SP, etc.
- Tonga is not centrally located in the region, so travel to many of the countries is inconvenient and expensive.
- The pool of highly qualified local staff in Tonga is relatively small, compared with Fiji, for example.
- Government of Tonga has not yet seen fit to register SPAFH as an NGO, even after seven years, and there is no solid indication that Tonga is ready to put into place such procedures, which it does not now have. This is an especially important issue because one criteria for SPAFH's eligibility to be registered to receive AID funds directly is SPAFH's registration as an NGO in the country where its headquarters is located.
- Probably it would be easier to recruit highly trained professional staff from within the region to live in Fiji than in Tonga.

B. Registration of SPAFH in the region and with AID/W:

As discussed above, AID/W registration of NGOs as eligible to receive AID funds directly would normally require that SPAFH be registered "officially" as an NGO in its country of origin. Given that SPAFH is regional in scope and organization, probably AID/W will require that it be suitably registered in the country of its headquarters, which now is Tonga. However, Tonga has no formal registration procedures, nor has it shown any progress in establishing any after years of effort by SPAFH and RDO/SP, so SPAFH is in a quandary regarding this AID/W requirement.

RDO/SP and SPAFH will approach this problem in several ways:

32

- SPAFH will make application to AID/W with the documents it already has from Tonga which grant it permission to operate and duty free status. Perhaps this may be judged sufficient, considering the circumstances. -
- SPAFH will consider relocating its headquarters to a country which grants it registration, for that reason as well as the other reasons described above.
- SPAFH will pursue registration as an NGO in one or more other member countries. Perhaps registration in any of SPAFH's member countries will be sufficient for the AID/W eligibility process.

C. Potential for SPAFH to merge with another regional organization:

After some additional years of experience in operating SPAFH, the management, Board, and involved donors may want to consider whether SPAFH might be more stable over the long run if it merges with another regional organization, for example, SPC or SPREP. The membership of SPC and SPREP includes large donor countries such as USA, Australia and New Zealand, whereas the membership of SPAFH is limited to the ten developing countries served by RDO/SP. The major considerations probably would be: (1) economies of scale, especially for the functions of financial management, communications, data processing, etc.; (2) staff sharing, for example, trainers; (3) joint, shared projects/activities by the two organizations; and (4) a larger, more stable and predictable core funding base.

The core funding base is especially important. SPAFH receives voluntary contributions from time to time from a few of its member countries, but otherwise is entirely dependent on donor funding. This is unlikely to change, as the small member countries don't have a lot of funding available to pay assessments for additional regional organizations. The possible advantage of SPC, especially, is that its many member countries pay both annual, sizeable assessments which fund substantial core operating expenses and additional "extra-budgetary assistance" which is devoted largely to technical projects and activities. Given the current SPAFH situation, unless a donor (or donors) is willing to pay substantial "core costs" year after year, SPAFH will have to win a large number of grants year after year, with their overhead charges, in order to pay core costs of their headquarters operations.

33

ACTION: AID INFO: EXEC

VZCZCVA0670
OO RUEHVA
DE RUEHC #0503 2190412
ZNR UUUUU ZZH
O R 070412Z AUG 93
FM SECSTATE WASHDC
TO RUEHVA/AMEMBASSY SUVA IMMEDIATE 7688
INFO RUEHPM/AMEMBASSY PORT MORESBY 8034
BT
UNCLAS STATE 240503

LOC: 197-200 079
08 AUG 93 1855
CN: 04176
CHRG: AID
DIST: AID

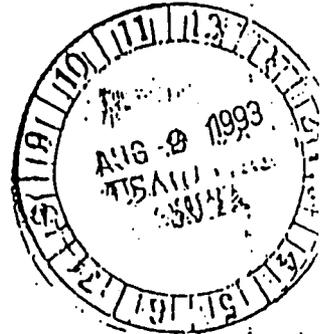
AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: SOUTH PACIFIC REGIONAL FAMILY PLANNING PROJECT
(879-0019) -- PROJECT AMENDMENT

REF: SUVA 01890



ACTION	INFO
DIR	<input checked="" type="checkbox"/>
ASST DIR	<input checked="" type="checkbox"/>
ADM	<input checked="" type="checkbox"/>
PRO	<input checked="" type="checkbox"/>
REG	<input type="checkbox"/>
TRG	<input type="checkbox"/>
DDO	<input type="checkbox"/>
RDA	<input type="checkbox"/>
EXEC	<input type="checkbox"/>
INFO	<input checked="" type="checkbox"/>
HT/CS	<input type="checkbox"/>
CGR	<input type="checkbox"/>
FILE	<input type="checkbox"/>
DUE DATE	8/10
ACTION TAKEN	

1. A-AA/ASIA AUTHORIZES RDO/SP TO PROCEED WITH THE AMENDMENT OF THE SOUTH PACIFIC REGIONAL FAMILY PLANNING PROJECT (RFPF); AND PROVIDES THE RDO/SP DIRECTOR AN AD HOC DELEGATION OF AUTHORITY TO AMEND THE SUBJECT PROJECT AUTHORIZATION FOR A TOTAL LOP FUNDING OF DOLS 4.8 MILLION.

2. AS PART OF THE AMENDMENT PROCESS, THE FOLLOWING ISSUES/CONCERNS SHOULD BE ADDRESSED:

A. THE BUREAU IS CONCERNED THAT CONTINUED FOCUS ON THE INSTITUTIONALIZATION OF THE SOUTH PACIFIC ALLIANCE FOR FAMILY HEALTH (SPAFH) LOSES VIEW OF PROJECT PURPOSE; I.E., TO INCREASE PROMOTION OF FAMILY PLANNING AND BIRTH SPACING IN THE SOUTH PACIFIC. THE EXTENT TO WHICH WE CONTINUE SUPPORTING DEVELOPMENT OF SPAFH'S INSTITUTIONAL CAPABILITY SHOULD BE DETERMINED BY THE ROLE SPAFH CAN PLAY IN DELIVERING IMPROVED AND EXPANDED SERVICES TO CLIENT COUNTRIES, FILLING UNMET NEEDS.

IT APPEARS THAT SPAFH CANNOT DO IT ALL; AND, THAT RDO/SP MUST RELY ON OTHER MEANS -- SUCH AS COOPERATIVE AGREEMENTS WITH SOMARC, AVSC, JHPIEGO AND FSP -- TO IMPLEMENT PRIORITY FAMILY PLANNING INITIATIVES. WE ASK THAT THE PP SUPPLEMENT GIVE A SHARPER PICTURE OF HOW OUR ASSISTANCE WILL BE PROGRAMMED TO ATTAIN FAMILY PLANNING OBJECTIVES IN THE REGION. WE ASK ALSO THAT THE PP AMENDMENT PRESENT SPAFH'S STRATEGIC PLAN. THE PLAN SHOULD IDENTIFY WHAT ROLE SPAFH CAN REASONABLY PLAY IN DELIVERING POPULATION ASSISTANCE IN THE REGION BASED ON SPAFH'S COMPARATIVE ADVANTAGE AND STRENGTHS IN RESPONDING TO FAMILY PLANNING NEEDS OF CLIENT COUNTRIES. SIMILARLY, THE ACTIVITIES OF THE FOUR A.I.D. FUNDED COOPERATORS NEEDS TO BE DESCRIBED

UNCLASSIFIED

STATE 240503

AND RELATED TO OVERALL PROJECT OBJECTIVES AND SPAFH AS AN INSTITUTION.

B. THE PROPOSED AMENDED PROJECT BUDGET IN REF, PARA 6 IS DOLS 1.6 MILLION HIGHER THAN THE ORIGINAL PP. THE PP AMENDMENT SHOULD EXPLAIN AND JUSTIFY THIS HIGHER LEVEL OF EXPENDITURE. OUR UNDERSTANDING IS THAT THE INCREASE IN PROJECT COSTS WILL RESULT FROM THE ADDITION OF THE RD/POP COOPERATORS AND THE EXTENDED LIFE OF THE PROJECT FROM FIVE TO SIX AND A HALF YEARS.

C. REGISTERING SPAFH AS A PVO SO THAT IT CAN RECEIVE A.I.D. FUNDS DIRECTLY IS A WORTHWHILE OBJECTIVE. BUT, JUST MOVING SPAFH CORE FUNDING FROM ONE A.I.D. SPIGOT TO ANOTHER IS NOT FINANCIAL SUSTAINABILITY. THE PLAN FOR PHASING-OUT PROJECT FUNDING OF SPAFH CORE OPERATING EXPENSES, AS OUTLINED IN REFTL, PARA 5(A), IS THE RIGHT OBJECTIVE. HOWEVER, WE BELIEVE THAT SUCH A PHASE-OUT SHOULD BEGIN EARLY IN PHASE II, AND SHOULD CALL FOR SPAFH TO OBTAIN INCREASINGLY MORE OF ITS OVERHEAD FROM PROJECT ACTIVITIES AS PHASE II EVOLVES.

4. PLEASE SEND APPROVED AMENDMENT PACKAGE TO ASIA/DR/PD, LINDA LEVINE, FOR OUR RECORDS.

WHARTON

BT

#0503

NNNN

UNCLASSIFIED

STATE 240503

ANNEX D.

**SUMMARY OF SPAFH ACCOMPLISHMENTS SINCE SEPTEMBER 1990
REGIONAL AND NATIONAL ACTIVITIES AND GRANTS**

A. REGIONAL ACTIVITIES

	<u>Date</u>	<u>Location</u>	<u>Cost</u>	<u>Attendees</u>
1.	June 1991	Fiji	32,002	5
<p><u>Contraceptive Technology Update Workshop</u></p> <p>Family Planning service providers were brought together to update their knowledge and skills, sharing experiences on the current and newly developed techniques in contraceptive technology.</p>				
2.	July 1991	Tonga	26,872	18
<p><u>Project Development Workshop</u></p> <p>Family Planning professionals involved in project development and fund raising were provided with skills in needs assessments and proposal writing.</p>				
3.	Sept 1991	Tonga	25,551	21
<p><u>Contraceptive Supply Management Workshop</u></p> <p>MCH/FP Coordinators, pharmacists, and Executive Directors from FP Associations and MOHs responsible for the management of contraceptives were trained to ensure adequate supplies, and movements of contraceptives to family planning service delivery points.</p>				
4.	August 1991	PNG Sol Is Vanuatu	56,053 (\$33,260 by SPAFH and \$22,793 by UNFPA)	11 (5 PNG) (3 Sol Is) (2 Vanuatu) (1 SPAFH staff)
<p><u>Indonesia Population Policy Tour</u></p> <p>The policy makers and planners in three selected countries of PNG, Solomon Island and Vanuatu had a tour to Indonesia.</p>				
5.	August 1992	Sol Is Vanuatu Fiji Tonga	28,321	20
<p><u>Social Marketing of Contraceptives and Family Planning Programme Management Strategies Workshop</u></p> <p>MCH/FP Coordinators, FPA Executive Directors, programme officers and family planning medical personnel and nurses participated in a workshop to identify the role of social marketing and marketing of contraceptives to promote family planning, and to improve their managerial skills.</p>				
6.	March 1993	Sol Is Vanuatu Fiji Tonga	18,594	12
<p><u>Training of Trainers on Social Marketing of Contraceptives</u></p> <p>MCH/FP Coordinators, Senior Nurses, Executive Directors of NGOs were trained by SOMARC to be trainers for the marketing of contraceptives, especially condoms.</p>				
7.	October 1991	Fiji	44,779	ex-students and current students
<p><u>Development of SPC/CETC Family Health Curriculum</u></p> <p>Ex-students and current students with the assistance of a Consultant reassessed and expanded the current family health/family planning curriculum at the Centre. (Funded by ODA/UK through FSP).</p>				
			----- TOTAL \$ 232,172 -----	

Handwritten mark

B. SUMMARY OF COUNTRY LEVEL ACTIVITIES

FIJI ISLANDS

1.	<u>Labasa Family Planning Workshop</u>	Feb 1991	MOH	2,037	17
	A one week workshop was conducted for the graduate nurses in Macuata Sub-Division, to update their knowledge and skills on recent advances in contraceptive technology needs.				
2.	<u>Expand the Role of Private Pharmacies in Family Planning Programmes in Fiji</u>	June 1991	Fiji	42,610	15
	Private pharmacies are assisted to promote family planning programmes by discussion of baseline survey, series of workshops, IEC materials and display boxes (funded by AIDAB).				
3.	<u>Contraceptive Supply Management Assessment</u>	Jan 1991	MOH	10,944 (for PNG, SI, Fiji)	
	An assessment was conducted and made recommendations on the contraceptive supply management.				
4.	<u>Service Delivery Assessment</u>	May 1991	MOH FPA	8,314 (for SI Vanuatu, Fiji Tonga)	
	An assessment was conducted and made recommendations on the family service delivery.				
5.	<u>Development of SOP Manuals/Guidelines</u>	March 1992	MOH	12,316 (SI, Vanuatu, Fiji, Tonga)	10
	Standard guidelines on family planning for service providers.				
6.	<u>Development of CSM Guidelines</u>	June 1992	MOH	3,000 (Fiji only)	8
	Guidelines on Contraceptive Supply Management (CSM) for the Ministry of Health.				
7.	<u>Family Planning Workshop for Youth in Labasa</u>	March 1992	Fiji	1,500	90
	90 youths attended a family planning workshop for an awareness programme.				
			TOTAL \$	80,721	140
				=====	===

MIUE

1.	<u>Training of Nurses in Contraceptive Technology</u>	July 1991	Health Dept.	307	18
	Nurses had an in-service training to update them on the knowledge and skills on current family planning contraceptives.				

51

PAPUA NEW GUINEA

1.	<u>Support for Waigani Seminar</u>	June 1991	UPNG	10,000	223
	A one week seminar provided a regional population database which facilitated future development planning, and the forum for the establishment of Population Policy programme.				
2.	<u>Launching Meeting for Population Seminar</u>	June 1991	Dept of Finance and Planning	1,000	Senior Permanent Ministers and other officials
	Senior permanent Ministers and other officials attended the small launching meeting for the new Population Policy. In this launching meeting, the PNG country agreement was signed by the SPAFH Secretary General and the Prime Minister.				
3.	<u>Contraceptive Supply Management Assessment</u>	Jan 1991	MOH	Ref Fiji	3
	An assessment was conducted and made recommendations on the contraceptive supply management.				
4.	<u>Population Policy Assessment</u>	Jan 1991	MOH	Ref Fiji	3
	An assessment was conducted and made recommendations for the country.				
				TOTAL	\$ 11,000

SOLOMON ISLANDS

1.	<u>Contraceptive Supply Management Assessment</u>	Jan 1991	MOH	Ref Fiji	3
	An assessment was conducted and made recommendations on the contraceptive supply management.				
2.	<u>Population Policy Assessment</u>	Jan 1991	MOH	Ref Fiji	3
	An assessment was conducted and made recommendations for the country.				
3.	<u>Service Delivery Assessment</u>	April 1991	MOH	8,314	2
	An assessment was conducted and made recommendations on the family planning service delivery.				
4.	<u>Development of SOP/CSM Manuals/Guidelines</u>	Feb 1992	MOH	Ref Fiji	
	Standard guidelines on family planning for service providers.				
5.	<u>Research on FP on Selected Communities</u>	Feb 1992		945	1
	A Research on family planning was conducted in the selected communities. The expense of this project was for the airfare only from Australia to the Solomon Islands.				
				TOTAL	\$ 9,259

50

TONGA

1.	<u>Development of IEC Materials</u> IEC materials including calendars, flipcharts and posters were produced in English and Tongan for use by the FPA.	June 1991	FPA	5,000	Members and motivators of FPA
2.	<u>IEC Materials for Resource Centre</u> SPAFH expanded the IEC resource centre with provision of materials from family planning agents in the region. These materials were distributed to MOH and family planning associations in the region. (Funded by Kirk Foundation/NZ)	March 1991	Tonga/ SPAFH	953	SPAFH, FPAs, and MOHs

				TOTAL \$ 5,953	
				=====	

TUVALU

1.	<u>Nurses' Workshop on CTU</u> Nurses from all islands attended an in-service training to review and upgrade their knowledge and skills on family planning and family health issues.	August 1991	MOH	3,204	8
----	---	-------------	-----	-------	---

VANUATU

1.	<u>Population Policy Seminar</u> A one day seminar was held for politicians, senior government officials and representatives of various non-governmental organizations to discuss the inter-relationship between population and development.	Dec 1990	National Planning Dept	1,119	145
2.	<u>Study Tour to the Solomon Islands</u> MCH/FP Counterpart had a tour to the Solomon Islands to obtain knowledge and skills on how to use family health education and services as a tool to secure healthy and fruitful pregnancies to reduce maternal and child morbidity and mortality rates.	June 1991	MOH	1,181	1
3.	<u>Development and Production of IEC Materials</u> IEC materials including posters, booklet on FP methods and T-shirts were produced.	Sept 1991	MOH	3,462	Women at child bearing age especially teenage and youth groups
4.	<u>Population Policy Assessment</u> An assessment was conducted and made recommendations in the country.	Jan 1991	MOH	Ref Fiji	3
5.	<u>Service Delivery Assessment</u> An assessment was conducted and made recommendations on the family service delivery.	May 1991	MOH/ FPA	Ref Fiji	2

6.	<u>Development of SOP/CSM Manuals/Guidelines</u>	Mar 1992	MOH/ FPA	Ref Fiji	

					TOTAL \$ 5,762
					=====

WESTERN SAMOA

1.	<u>Continuation of the Family Health IEC Project</u>	Jan 1991	Dept. of Health	4,000	Public
	Production and dissemination of materials including posters, pamphlets, billboard, calendar and radio spots were implemented.				
2.	<u>Population Policy Workshops</u>	May 1992	Family Health Assn.	7,531	Public
	A population policy working committee was established to organize and conduct series of workshops to obtain feedback on the draft population policy.				

					TOTAL \$ 11,531
					=====

Summary
Regional
Countries

\$ 232,172	65%
127,737	35%

TOTAL 359,909	

Financed by AID's RFPP
Financed by other donors

215,514	60%
144,395	40%

359,909	

GRANTS IN 1993 AS PER 1993 WORK PROGRAMME
(FINAL YEAR OF PHASE I)

(a) Funded through USAID COOPERATIVE AGREEMENT

	NO.	VALUE (\$)
Cook Islands	1	2,000
Fiji	3	11,000
Kiribati	2	8,000
Niue	1	1,500
Papua New Guinea	2	6,000
Solomon Islands	3	6,000
Tonga	2	4,500
Tuvalu	1	1,500
Vanuatu	3	12,000
Western Samoa	2	5,000
	20	57,500

(b) Funded through PROJECT EXCEL

	SEATS	TOTAL
Fiji	11	48,400
Solomon Is.	8	53,500
Vanuatu	6	49,900
Tonga	9	49,500
	34	201,300

The following table estimates the small grant situation that is evolving for 1993

	USAID COOPERATIVE AGMT PROJ. PHASE I	PROJECT EXCEL	TOTAL
Average no. of grants/ country/year for 9/1/90 - 6/30/92	0.68	-	0.68
Average no. of grants/ country expected in 1993	2.0	8.5 (4 countries)	N/A
Total value of grants per year for all countries 9/1/90 - 6/30/92	36,600	-	36,600
Total value of grants expected in 1993	57,500	201,300	258,800

4/2

ANNEX E

FINANCIAL ANALYSIS

A concern the Mission has is that for the first two years of Phase II SPAFH continues to have a low ratio of services delivered (country grants) to administrative costs. However, the picture for SPAFH as a whole improves dramatically when the EXCEL project, financed by AIDAB, SOMARC and SEATS, figures are included. Figures 1 and 2 show the comparison. The work that Pathfinder will perform in Phase II on allocating overhead costs will be extremely important if A.I.D. does not want to continue providing the lion's share of SPAFH's administrative cost.

The original project included estimates of what the countries would be contributing toward the country grants, thus showing the total cost of the country grant projects. However, over the past 3 years SPAFH has included only cash contributions, completely ignoring in-kind contributions. Thus, there is no estimate of country contributions for Phase II, simply because RDO/SP and SPAFH do not have recent in-kind trends to estimate what in-kind contributions will be for Phase II. Any estimate included in this Project Paper supplement would be simply a guess, without sound foundation. Pathfinder has been informed of the lack of estimating and monitoring of in-kind contributions. Part of Pathfinder's amended cooperative agreement calls for re-introducing the estimating and monitoring of in-kind contributions.

In the original Project Paper the overall budget included an line item for other donors' contributions. This line item has not been retained for the supplement. Simply because other donors are using SPAFH to conduct their regional family planning is not sufficient reason to state that the donors are supporting our project. SPAFH definitely needs to estimate and seek such contributions. However, including such estimates as other donor contributions to this project is inappropriate.

SUMMARY BUDGET FOR COOPERATIVE AGREEMENT

	1994	1995	TOTAL
SALARIES + FRINGES	144,900	128,200	273,100
ADMINISTRATIVE COSTS	73,300	77,000	150,300
COMMODITIES	34,000	5,000	39,000
TRAVEL	56,500	44,400	100,900
AUDIT/EVALUATION	<u>0</u>	<u>30,000</u>	<u>30,000</u>
SPAFH OPERATIONS SUBTOTAL:	308,700	284,600	593,300
COUNTRY GRANTS	132,000	143,000	275,000
PATHFINDER TA	70,000	55,000	125,000
PATHFINDER OVERHEAD	<u>114,000</u>	<u>106,700</u>	<u>220,700</u>
TOTAL	624,700	589,300	1,214,000
	=====	=====	=====

Notes:

1. Annual inflation rate is assumed to be 2.5%.
2. FY 95 budget assumes that the EXCEL Project will pay for more administrative costs (salaries and travel) than it did in FY 94.
3. Pathfinder TA includes \$35,000 for home office support.

44

SPAFH BUDGET 1994-95 (USAID COMPONENT)

	1994	1995	TOTAL
SALARIES:			
SG	30,800	31,600	62,400
ACCT	18,500	14,200	32,700
ADMIN OFF	8,200	8,400	16,600
SECRETARY	4,400	4,500	8,900
DRIVER/HANDYMAN	3,400	3,500	6,900
PO1	20,700	15,900	36,600
PO2	19,400	14,900	34,300
PO3	18,500	14,200	32,700
OVERTIME	1,000	1,000	2,000
SUBTOTAL	124,900	108,200	233,100
OTHER BENEFITS:			
RELOCATION ALLOW	2,000	2,000	4,000
REPATRIATION/CONTIGENCY	8,000	8,000	16,000
STAFF HEALTH/TVL INSURANCE	5,000	5,000	10,000
HOUSING ALLOW	5,000	5,000	10,000
REP ALLOW	0	0	
SUBTOTAL	20,000	20,000	40,000
OFFICE OVERHEAD:			
POSTAGE	900	1,000	1,900
COURIER SERVICES	200	300	500
DUES/SUBS/BOOKS	600	700	1,300
PRINT/PUBLICATION	3,100	3,400	6,500
INSURANCE	1,200	1,300	2,500
RENT	7,300	8,000	15,300
TELECOMMUNICATIONS	10,600	11,600	22,200
UTILITIES	4,000	4,400	8,400
OFFICE SUPPLIES	4,000	4,400	8,400
BANK CHARGES	1,700	1,800	3,500
EXCH GAIN/LOSS	2,000	2,000	4,000
TRANSPORTATION COST	700	700	1,400
RECRUITMENT COST	2,000	2,100	4,100
REPAIR & MAINT-OFF	1,000	1,000	2,000
REPAIR&MAINT-EQUIP/FUN/VEH	2,000	2,200	4,200
EQUIPMENT RENTAL	300	300	600
STAFF TRAINING (MIS, ETC)	1,000	1,000	2,000
BOARD MEETINGS/ANNUAL REPORT	25,000	25,000	50,000
LEGAL/PROF FEES	1,000	1,000	2,000
TECHNICAL ASSIST	3,100	3,200	6,300
ADP SOFTWARE	600	600	1,200
OTHERS-OFF	1,000	1,000	2,000
SUBTOTAL	73,300	77,000	150,300
CAPITAL EXPENSES:			
OFFICE EQUIPMENT	2,000	2,000	4,000
FURNITURE&FIXTURES	2,000	2,000	4,000
ADP HARDWARE	10,000	1,000	11,000
VEHICLE	20,000	0	20,000
SUBTOTAL	34,000	5,000	39,000
TRAVEL:			
SG	15,000	12,000	27,000
PO1	8,000	6,000	14,000
PO2	8,000	6,000	14,000
PO3	12,000	9,000	21,000
PO4	8,500	8,400	16,900
OTHER STAFF-TRAINING	5,000	3,000	8,000
SUBTOTAL	56,500	44,400	100,900
AUDIT/EVALUATION		30,000	30,000
TOTAL	308,700	284,600	593,300
TOTAL EXCLUDING TVL	252,200	240,200	492,400

45

TOTAL BUDGET FOR SPAFH 1994-95

AID FINANCIAL YEAR

(US\$000)

1994

1995

	1994			1995		
	AID	EXCEL	TOTAL	AID	EXCEL	TOTAL
1. SPAFH Operations	309	180	489	284	141	425
2. Country Grants	135	464	599	145	345	490
3. Technical Assistance	181	100	281	160	105	265
Total	625	744	1,369	589	591	1,180

Note:

1. EXCEL component consists of AIDAB, SEATS & SOMARC.

2. EXCEL figures are based on budget figures obtained from SPAFH.

Figure 1

A.I.D.'s Phase II costs, FY 94-95

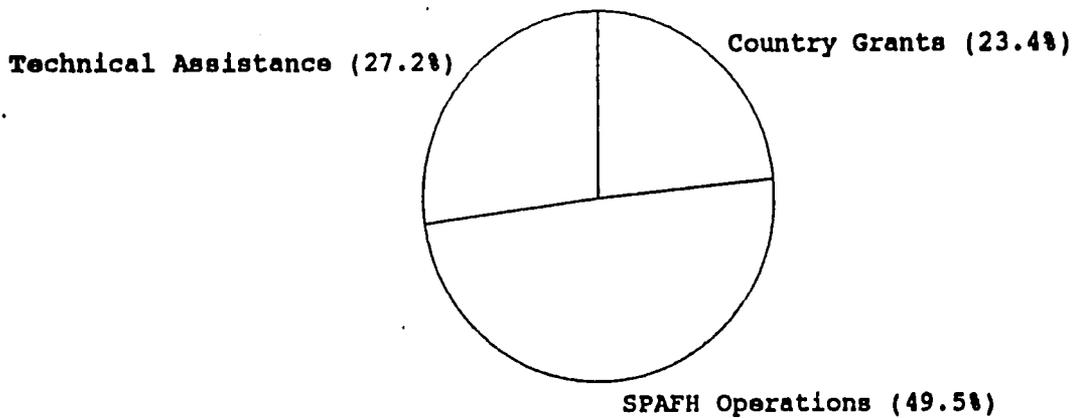
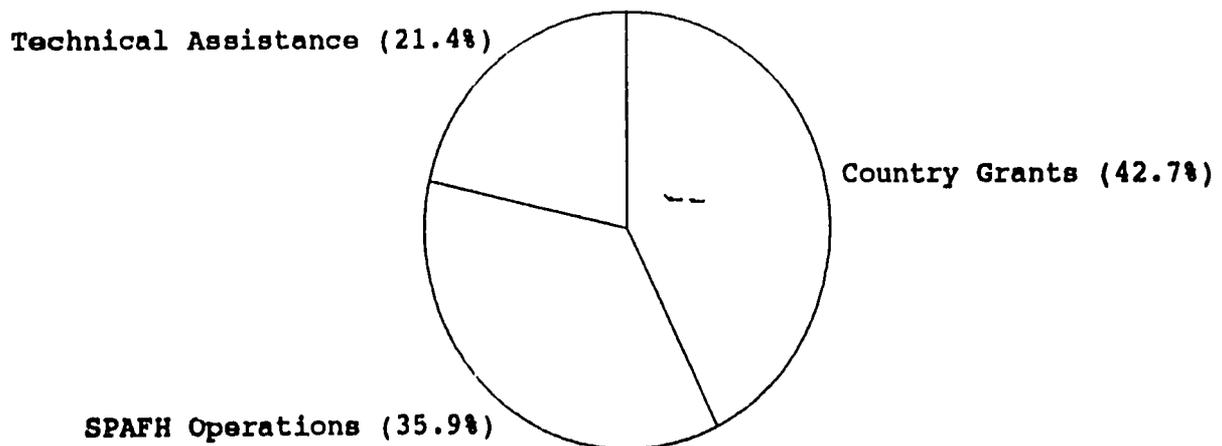


Figure 2

SPAFH'S Total costs, FY 94-95



4/6