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USAID Project No 492-0473

AMENDMENT NO 8

TO THE

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

REPUBLIC OF THE PHILIPPINES

AND THE

UNITED STATES OF AMERICA

FOR THE

AIDS SURVEILLANCE AND EDUCATION PROGRAM

Dated September 28, 1999

AIDS SURVEILLANCE AND EDUCATION PROGRAM
AMENDMENT NO 8 TO STRATEGIC OBJECTIVE GRANT AGREEMENT
NO 492-0473

THIS AMENDMENT NO 8, entered into this 28th day of September 1999, between the REPUBLIC OF THE PHILIPPINES (the "Grantee") and the UNITED STATES OF AMERICA, acting through the United States Agency for International Development ("U S A I D ")

WITNESSETH THAT

WHEREAS the Grantee and U S A I D (hereinafter the "Parties") entered into Project Grant Agreement No 492-0473 (the "Agreement") on September 15, 1992, whereby U S A I D agreed to provide an initial increment of \$650,000 in Grant funds for the AIDS Surveillance and Education Program" (the "Program"),

WHEREAS through previous amendments to the Agreement, the amount of Grant funds was increased to \$14,300,000,

WHEREAS U S A I D desires to increase further the amount of Grant funds by \$3,800,000, and

WHEREAS the Parties further agree to add selected infectious diseases of major public health importance to the program and revise the set of indicators and benchmarks for measuring progress toward achievement of Program Objective and

Intermediate Result

NOW THEREFORE, the Parties agree to amend the Agreement as follows

1 Article 2 is amended in its entirety to read as follows

Article 2 The Strategic Objective and Results

Section 2 1 The Objective and Intermediate Results

The Program Objective of this Agreement is to reduce the threat of Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) and other selected infectious diseases in the Philippines This Program Objective will be achieved through the establishment of sentinel and behavioral surveillance systems to monitor HIV seroprevalence among high risk groups, conduct information/education/communication (IEC) activities on sexually transmitted diseases (STDs) and HIV/AIDS and other infectious diseases, generation of surveillance information on the major infectious diseases and associated control issues, and institutionalization of the use of surveillance information by LGUs for decision-making, planning and budgeting

The program will address the consequences of the Asian Financial Crisis through targeted social safety net activities to be undertaken under the Accelerated Economic Recovery in Asia Initiative Activities will be geared towards building the capacity of local government personnel to monitor occurrence of infectious diseases

In order to meet the Program Objective, the Parties agree to work together to achieve the following Intermediate Results (IR)

IR 1 Rapid Increase in HIV/AIDS Prevented

IR 2 The Capacity to Identify and Reduce the Threat of Leading Infectious Diseases Strengthened

Within the limits of this definition of the Program Objective and Intermediate Result, the Parties will from time to time agree on a set of Benchmarks for measuring progress in Annex 1 to this Agreement Annex 1 may be changed by written agreement of the authorized representatives of the Parties designated in Section 6 2 without formal amendment of this Agreement

Section 2 2 Performance Indicators Performance indicators allow the Parties to verify progress towards the Objective and Intermediate Results over agreed upon

periods of time, so that the Parties can make necessary adjustments in the Benchmarks and Activities described in Annex 1. The indicators the Parties will use to measure progress towards the Objective and Intermediate Results are specified in Annex 1.

Section 2.3 Measuring Progress The Parties agree to cooperate fully in determining the degree to which targets are being achieved, and to assess whether the indicators are providing positive indications of progress and to make available all relevant information to these ends, as more fully described in Annex 1 and Implementation Letters and to jointly determine if changes or adjustments to targets or indicators are advisable.

Section 2.4 Annex 1 (Amplified Description) Within the limits of the above definition of the Strategic Objective in Section 2.1, Annex 1 may be changed by written agreement of the authorized representatives of the Parties designated in Section 6.2 without formal amendment of this Agreement.

2 **Section 3.1 (a)** of the Agreement is hereby amended by deleting the phrase "not to exceed fourteen million three hundred thousand United States Dollars (US \$14,300,000)" and inserting in lieu thereof the phrase "not to exceed eighteen million one hundred thousand United States Dollars (US \$18,100,000) "

3 **Section 3.1 (b)** of the Agreement is hereby amended in its entirety to read as follows

(b) U S A I D 's total estimated contribution to achievement of the Strategic Objective and Intermediate Result is hereby increased from U S \$15,000,000 to U S \$20,000,000, which will be provided in increments. (In addition, approximately U S \$2,350,000 is expected to be made available from USAID/Washington Global Bureau projects outside of the Agreement, which will be provided in increments) Subsequent increments will be subject to availability of funds to U S A I D for this purpose, progress towards the Strategic Objective and Intermediate Result, and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed

4 Section 3 2 (b) of the Agreement is hereby amended in its entirety to read as follows

(b) The Grantee's estimated contribution over the life of the Program will not be less than the Peso equivalent of \$6,667,000 in cash and/or "in kind" In addition, \$722,000 (Pesos 20,802,000) shall be in cash expenditures to offset value-added, including E-VAT, charges on USAID-financed goods and services incurred during the remaining life of the agreement

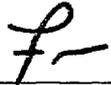
5 Article 4 of the Agreement is amended by deleting the phrase " The Completion Date is herewith extended from September 30, 1997 to September 30, 2000" and substituting therefor the phrase " The Completion Date is herewith extended from September 30, 2000 to September 30, 2002"

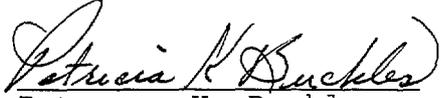
6 Annex 1 of the Agreement, including Attachment 1 (Financial Plan) and Attachment 2 (Special Objective Framework), is hereby deleted in its entirety and substituting therefor the new version Annex 1, including Attachments 1 and 2, attached hereto

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written

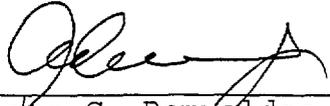
REPUBLIC OF THE PHILIPPINES

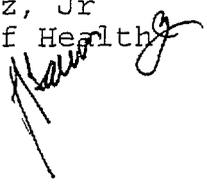
UNITED STATES OF AMERICA

By 
Felipe M Medalla
Director-General
National Economic and
Development Authority

By 
Patricia K Buckles
Mission Director
United States Agency for
International Development

WITNESSED BY

By 

Dr Alberto G Romualdez, Jr
Secretary, Department of Health 

ANNEX 1
AIDS SURVEILLANCE AND EDUCATION PROGRAM
AMPLIFIED PROGRAM DESCRIPTION

I INTRODUCTION

This Annex I to the Agreement between the Grantee and U S A I D for the prevention of an HIV/AIDS epidemic and the control of leading infectious diseases in the Philippines describes the activities to be undertaken and the results to be achieved with the funds obligated therein. Nothing in this Annex 1 shall be construed as amending any of the definitions or terms in the attached Agreement.

II BACKGROUND

The prevention and control of infectious diseases has long been a major public health goal in the Philippines. A broad array of public health interventions have been directed at reducing major life-threatening diseases and epidemics in the Philippines throughout the 20th century. Over the past several decades, significant improvements in public health have been achieved, reflected in such standard measures as reduced child morbidity and mortality, extended life expectancies, and containment of life-threatening epidemics and other public health problems. Two priority areas identified for the Special Objective are: a) preventing an explosive epidemic of HIV/AIDS, and b) controlling other leading infectious diseases in the Philippines (i.e., tuberculosis, malaria and dengue).

The Philippines has thus far escaped an explosive epidemic

of HIV/AIDS as has occurred in other countries. The National HIV Sentinel Surveillance System of the Department of Health (DOH) that is supported by the AIDS Surveillance and Education Program (ASEP) has been providing systematic early warning data of increases in HIV infection rates among groups considered to be at high risk for acquiring HIV infection (i.e., male and female commercial sex workers and their clients, male homosexuals, and injecting drug users). While the overall HIV seroprevalence rates among the high risk groups remain below the 3% "alarm" level, the existence of high rates of risky behavior as reported by the surveillance system indicates a major vulnerability toward increased HIV transmission unless timely preventive mechanisms are rapidly put in place. Experience from other countries indicates that once a rapid increase in the proportion of infected individuals is observed, the growth of the HIV/AIDS epidemic is logarithmic.

The Program addresses the above problem through the following

- 1) Establishment of Sentinel and Behavioral Surveillance systems that yield statistically reliable time series data on HIV prevalence among the target high-risk groups in a maximum of 8 sites. These surveillance systems will be used to track changes in HIV seropositivity and high-risk behaviors, monitor the HIV/AIDS epidemic in the Philippines, as well as to target interventions in the most cost-effective manner.

- 2) Information, education and communication (IEC)

activities will be undertaken in a maximum of 8 sites to encourage desired attitudinal and behavioral changes among the target groups at risk in order to reduce HIV/AIDS transmission

Despite considerable efforts over the past decades, infectious diseases continue to pose serious threats to public health. Malaria infection rates among the general population are as high as 85 percent in the most malaria-prone areas, while rates of 40 to 60 percent are widespread throughout the country. Dengue has become a growing threat with annual outbreaks resulting in an increasing number of deaths. The Philippines currently has the highest tuberculosis rates in the Asia-Pacific region and the fourth highest in the world.

Antimicrobial resistance is also becoming increasingly important in the Philippines. Drug-resistant strains of tuberculosis are now a serious public health problem. Over-prescription and inappropriate use of standard, frontline drug therapies are, in fact, contributing to the spread of resistant strains. Drug resistant strains of shigellae, gonorrhoea, salmonella, and other enteric pathogens have also been identified.

The Program addresses the above problems through the following:

- 1) Establishment of an epidemiological surveillance system capable of generating timely and accurate information which is used by policy makers and LGU managers to guide their action for leading infectious diseases.

2) Strengthening the capacity of health workers to manage and, where possible, prevent selected infectious diseases

III FUNDING

The Financial Plan attached forms part of this Annex 1. As with any other portion of this Annex 1, it may be amended by written agreement of the authorized representatives of the Parties designated in Section 6.2 without formal amendment of the Agreement, if such changes do not cause (1) USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or (2) the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement.

The Grantee contribution includes support by the DOH, local government units (LGUs), and participating non-government organizations (NGOs) for maintenance and operating expenditures for HIV/AIDS and other infectious disease surveillance and preventive and control activities. In addition, the Grantee or participating LGU or NGOs, as appropriate, will provide funds for the international travel costs of personnel sent for training and workshops outside the Philippines. Cash expenditures of at least \$722,000 shall be used to offset expanded value added taxes charged on grant-financed goods and services.

IV RESULTS TO BE ACHIEVED

The Program Objective and Intermediate Results are defined in Section 2.1 of the Agreement. The performance indicators for

the Program Objective and Intermediate Result, as contained in the attached Special Objective Framework (Attachment 2), to be achieved by the Completion Date specified in Article 4 are as follows

Overall Objective The Indicators for achieving the Program Objective are

- 1 HIV seroprevalence remains below 1 0% in the general population in 2002
- 2 Tuberculosis sputum positive cases in integrated programs that are cured increases to 85% in 2002
- 3 Fatalities among children from Dengue Hemorrhagic Fever decreases to <2% in 2002
- 4 Malaria cure rates of at least 85% will be attained in participating targeted areas increased to 85% in 2002

Intermediate Result 1 The Indicators for achieving Intermediate Result 1 are

- A Increase in knowledge about STD/HIV prevention among High Risk Groups (HRGs)
- B-1 Increase in proportion of HRGs who report condom use during the last sexual intercourse at risk
- B-2 Decrease in sharing of injection equipment by IDUs
- B-3 Increase in cleaning injection equipment by IDUs

The units the Parties will use to measure progress towards the Indicators for the Intermediate Result 1 will be

A By 2002, percent of HRGs who are able to identify at least three correct ways to protect themselves from STD/HIV infection are

- registered female commercial sex workers > 79%
- free-lance female commercial sex workers > 75%
- men who have sex with men > 88%
- injecting drug users > 73%

B-1 By 2002, percent of HRGs who report condom use during the last sexual intercourse at risk are

- registered female commercial sex workers > 92%
- free-lance female commercial sex workers > 75%
- men who have sex with men > 61%
- injecting drug users > 54%

B-2 By 2002, proportion of injecting drug users who report sharing injection equipment is < 40%

B-3 By 2002, proportion of IDUs who report cleaning injection equipment is >65%

Intermediate Result 2 The Indicators for achieving Intermediate Result 2 is institutional capacity at all regional units and targeted LGUs for surveillance, communications, and control-prevention programs is established

The units the Parties will use to measure progress towards the Indicators for the Intermediate Result 2 will be indices

consisting of benchmarks and standards for regional/local epidemiology support units and laboratory capacities and performance

V ACTIVITIES

To achieve the Intermediate Results specified above, the illustrative series of activities listed below have been identified to be financed under this Agreement. Grant funds will be provided for technical assistance, supplies, IEC materials, training, research, and sub-grants with local NGOs to support the activities discussed below

- 1) The National HIV/AIDS Sentinel Surveillance System is utilized by the DOH to monitor HIV prevalence and risk behavior among target groups
- 2) A network of NGOs, GOs and private commercial sector groups deliver IEC services to STD/HIV/AIDS target audiences
- 3) LGUs and NGOs manage effective STD/HIV/AIDS prevention and control program in their cities/municipalities
- 4) Infectious Disease Consortium supports national infectious disease surveillance system
- 5) Conduct applied training programs on using an infectious disease surveillance system
- 6) Surveillance information used by LGUs to respond to threats of infectious diseases
- 7) Key infectious disease management programs strengthened
- 8) IEC/behaviour change campaigns related to prevention of

infectious diseases conducted

VI ROLES AND RESPONSIBILITIES OF THE PARTIES

The Office of Public Health Services (OPHS), Philippines Department of Health (DOH), will be the focal point for collaboration with the U S A I D in the implementation of the program. The DOH's STD/HIV/AIDS Unit is responsible for the day-to-day management of the National AIDS and STD Prevention and Control Program (NASPCP) which includes coordination of NGO education activities implemented under the cooperative agreement with the Program for Appropriate Technology in Health (PATH). The DOH's Health Intelligence Service (HIS)/Field Epidemiology Training Program (FETP) is responsible for overseeing HIV/AIDS surveillance activities.

The DOH will establish an Infectious Disease Consortium (IDC) composed of representatives from DOH agencies, academic institutions and local government units involved in the surveillance, prevention and control of infectious diseases. Among the members of the consortium are the Health Intelligence Service/Field Epidemiology Training Program (FETP), the Research Institute for Tropical Medicine (RITM) and the University of the Philippines (UP) Clinical Epidemiology Unit (CEU). The IDC will formulate infectious disease prevention and control objectives, strategies and activities to accomplish program objectives. The IDC will collaborate and make appropriate arrangements with LGUs that agree to participate in the program. Implementation of

specific activities shall be undertaken by members of the consortium or by other collaborating agencies, e g local government units, NGOs

U S A I D 's Special Objective team (Sp O team) for the Program will be closely involved in planning and monitoring S O activities The Sp O team will also review and approve work plans of the IDC, approve plans for and participate in conducting periodic project assessments, upon request of the IDC, facilitate specified project activities adopted by the IDC, and approve visits by foreign consultants

VII MONITORING, EVALUATION AND AUDITS

The Sp O team shall decide the need and timing of an evaluative activity, in consultation with the DOH and other partners and customers, as well as senior management of USAID/Philippines Evaluation scopes of work and implementation will be done collaboratively by the DOH and the Sp O team

Financial audits of the activities will be conducted in accordance with standard procedures in Annex 2 of this Agreement

In addition, there may be periodic "performance audits" of the Program Indicators to measure progress in achieving the Program Objective

With respect to subrecipients receiving funds directly from U S A I D under the Agreement, such as direct U S A I D contractors or direct U S A I D NGO grantees, in lieu of an

audit plan provided under subsection (e) of Section B5 in Annex 2, the U S A I D agreement with these entities will contain appropriate audit requirements (including audit thresholds) for these funds and funding for such audits from Agreement funds where appropriate

The Grantee will maintain books and records under this Agreement, including books and records concerning its contribution under the Agreement, in accordance with generally accepted accounting procedures prevailing in the Philippines

VIII SPECIAL CONSIDERATIONS

Contracting and the award of assistance instruments (i.e., grants, cooperative agreements) will follow U S A I D procurement procedures and other contracting requirements U S A I D will issue Modified Acquisition and Assistance Request Documents (MAARDs), with GOP concurrence, for the technical assistance for the Department of Health, and for monitoring and evaluation services Funds from the Program may also be used directly by U S A I D for evaluation and audit purposes

All participant training under the Project shall be conducted in accordance with Chapter 253 of the Automated Directives System, as amended from time to time

The authorized Geographic Code for the Program is the United States and the Philippines, except as U S A I D may otherwise agree in writing However the local procurement of goods and services is subject to U S A I D rules and regulations governing

local currency procurement, and may require special approval from
U S A I D