

PDBBM 832

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AMENDMENT NUMBER SEVEN

To the

PROJECT GRANT AGREEMENT

Between The

REPUBLIC OF KENYA

and the

UNITED STATES OF AMERICA

acting through the

AGENCY FOR INTERNATIONAL DEVELOPMENT

FOR

FAMILY PLANNING SERVICES AND SUPPORT PROJECT

A.I.D. Project No. 615-0232

Date: August 22, 1988

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THE PROJECT GRANT AGREEMENT dated the 23rd day of September 1985, as amended, for the Family Planning Services and Support Project, between the REPUBLIC OF KENYA ("The Cooperating Country") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D."), is hereby further amended on this 22nd day of August, 1988, to increase the amount of the contributions to the Project by the Parties and to make other changes, as follows:

1. ARTICLE 3: "FINANCING," SECTIONS 3.1 and 3.2 are deleted in their entirety and replaced with the following:

"SECTION 3.1 The Grant.

To assist the Cooperating Country to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Cooperating Country under the terms of this Agreement not to exceed Twenty Four Million One Hundred Eleven Thousand United States ("U.S.") Dollars (\$24,111,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project. A.I.D.'s total anticipated level of financing over the planned seven years of this project is Forty Six Million Two Hundred Thousand U.S. Dollars (\$46,200,000).

SECTION 3.2 Cooperating Country Resources for the Project.

(a) The Cooperating Country agrees to provide for the Project adequate funds, in addition to the Grant, and other resources required to carry out the Project effectively and in a timely manner.

(b) The Cooperating Country's contribution to the Project will be provided as required over the life of the Project. The contribution of the Cooperating Country for the period ending June 30, 1989 will be no less than the equivalent of Fourteen Million Eight Hundred Twenty Three Thousand U.S. Dollars (\$14,823,000). The Cooperating Country's planned total contribution to the Project will be no less than the equivalent of Sixty-Three Million Seven Hundred Thirty Thousand U.S. Dollars (\$63,730,000)."

2. ARTICLE 4, "Conditions Precedent to Disbursement," SECTION 4.2, regarding "Disbursement for Subsidized Commercial (Social) Marketing Activities" is deleted in its entirety.

3. ARTICLE 5, Special Covenants, is amended to include the following sections:

"SECTION 5.10. KEPI Measles Vaccine Procurement.

The Cooperating Country agrees, except as the parties may otherwise agree in writing, to furnish to A.I.D. a time-phased plan by August 1991 for gradually assuming full financial responsibility for KEPI measles vaccine procurement, with the Government of Kenya's initial contribution starting in March 1993.

SECTION 5.11. KEPI Direct Costs

The Cooperating Country will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. by October 31 of each Project year evidence that the Government of Kenya has met its annual budget for direct costs (i.e., local recurring costs, equipment replacement costs and investments) as reflected in the KEPI Medium-Term Plan for the preceding project year."

4. Annex I, "Amplified Project Description" is amended and language is added as shown in attachment one hereto.

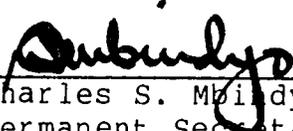
5. Attachment No. 1 of Annex 1, "PROJECT FINANCIAL PLAN", is deleted in its entirety and replaced by attachment two hereto.

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

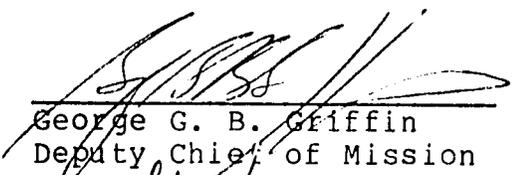
FOR THE REPUBLIC OF KENYA

FOR UNITED STATES OF AMERICA

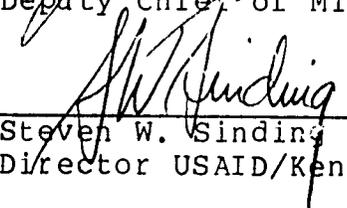
BY:



Charles S. Mwindyo
Permanent Secretary
Ministry of Finance



George G. B. Griffin
Deputy Chief of Mission



Steven W. Sinding
Director USAID/Kenya

Family Planning Services/Support
Grant Agreement No. 7
Attachment One

ANNEX 1

AMPLIFIED PROJECT DESCRIPTION

1. Section II. "PROJECT ELEMENTS," is amended as follows:

a. Page 1, paragraph 1, is amended to increase the number of areas of assistance in the project from "nine" to "ten" to which A.I.D. and the Cooperating Country will contribute to meet immediate needs.

b. In Section A, "SERVICE DELIVERY", "(d) Subsidized Commercial (Social) Marketing (SCM)", paragraphs three and four are deleted in their entirety and replaced with the following language:

"Under U.S. Government standard competitive procurement procedures, A.I.D. will directly procure the services of a commercial firm with the capacity for marketing, distributing and advertising certain contraceptives throughout the country. This entity will be responsible for developing annual marketing plans, a management information system, carrying out or subcontracting for marketing activities, coordinating field promotion, product distribution, public relations, budget and financial reporting.

This Grant will fund contraceptives for this element for all years of the Project. Small revenues may be generated from the sale of contraceptives which will be applied to cover local operating/marketing costs, salary incentives, and/or special activities approved by the Cooperating Country and A.I.D."

c. In Section A, "SERVICE DELIVERY", a subsection (f) is added as follows:

"(f) Child Survival

The Child Survival (C.S.) Component will support assistance to the Ministry of Health in the implementation of the National Control of Diarrheal Diseases (CDD) Program and the Kenya Expanded Program on Immunization (KEPI) and to Child Survival/Family Planning Training activities. This

component will strengthen the MOH's KEPI and CDD Management Units' capacities to manage and implement Child Survival activities.

For the CDD Program, the Grant will fund assistance in communications strategy development and implementation, support for operations research and disease surveillance, short-term technical assistance and CDD Management Unit staff training. For the KEPI program, it will fund procurement of measles vaccine as a priority requirement, along with focussed support for social mobilization and communications strategy development and implementation, operations research and disease surveillance activities, short-term technical assistance and KEPI Management Unit staff training. The Grant will also finance C.S./Family Planning training activities for public sector and Non-Governmental Organization (NGO) health professionals in the areas of planning and management, including in-country workshops and short-term U.S. based and other traineeships.

The following implementation and procurement procedures will be utilized under this component.

1. Measles Vaccine: Procurement will be done directly by A.I.D. through a Project Implementation Order/Commodities (PIO/C) that will be signed by the Ministry of Finance, authorizing procurement through UNIPAC based upon the quantities per year calculated by the KEPI Management Unit.
2. Support to KEPI: Services and support will be managed by Resources for Child Health (REACH) through a buy-in to this A.I.D. centrally-funded activity designed to improve Child Survival. A Project Implementation Order/Technical Services (PIO/T) will be signed by the Ministry of Finance for an initial two years of assistance from REACH for the management of the agreed upon activities.
3. Support to CDD: Services and support will continue to be managed by Primary Health Care Technology Support (PRITECH) through a buy-in to this A.I.D. centrally-funded activity designed to improve Child Survival. A Project Implementation Order/Technical Services (PIO/T) will be signed by the Ministry of Finance for four years of assistance from PRITECH for the management of the agreed upon activities.
4. Support to Child Survival and Family Planning Training Activities: A portion of the services and support will be managed by Family Planning Management Training (FPMT) through a buy-in to this A.I.D. centrally funded activity designed to improve management of integrated Family Planning and Child Survival programs. A Project

Implementation Order/Technical Services (PIO/T) will be signed by the Ministry of Finance for two years of assistance for the management of the agreed upon training activities. Project Implementation Orders/Participants (PIO/P's) will be prepared by A.I.D. upon receipt of a letter of request from the Ministry of Health to support short-term U.S. based and other traineeships."

2. In Section IV. "EVALUATION AND MONITORING," the date for the mid-term evaluation is amended from (1988) to (1989).

PROPOSED PROJECT FINANCIAL PLAN
(Source and Application of Funding)
(US DOLS 000)

PROJECT ELEMENTS	A.I.D.			G O K*			FUTURE YEARS ANTICIPATED		PROJECT TOTAL	
	<u>Total</u>	<u>This Amendment</u>	<u>Total To Date</u>	<u>Previous Total</u>	<u>This Amendment</u>	<u>Total to Date</u>	<u>A.I.D.</u>	<u>GOK</u>	<u>A.I.D.</u>	<u>GOK*</u>
1. Clinical Training and Support	4,720	0	4,720	6,480	0	6,480	5,279	8,167	9,999	14,647
2. Voluntary Surgical Contraception	3,150	0	3,150	653	0	653	4,648	1,151	7,798	1,804**
3. Community Bases Services	3,400	0	3,400	922	0	922	5,284	20,276	8,684	21,200
4. Subsidized Commercial Marketing	615	0	615	0	0	0	3,105	0	3,720	0
5. Ovulation Awareness	828	0	828	0	0	0	0	0	828	0
6. NCPD Administrative Strengthening	798	0	798	630	0	630	0	1,519	798	2,149
7. NCPD Policy, Planning and Evaluation	2,211	0	2,211	0	0	0	616	0	2,827	0
8. NCPD Information and Communication	2,640	0	2,640	0	0	0	1,191	0	3,831	0
9. NCPD Information, Planning and Reporting	4,250	0	4,250	6,038	0	6,038	0	9,435	4,250	15,473
10. Child Survival	0	1,389	1,389	0	0	0	1,811	7,457	3,200	7,457
11. Evaluation and Audit	0	0	0	0	0	0	155	0	155	0
12. Contingency/Inflation	110	0	110	100	0	100	0	900	110	1,000
Total	22,722	1,389	24,111	14,823	0	14,823	22,089	48,907	46,200	63,730

* Includes additional cash and attributable costs

** Does not include costs of renovating MOH facilities