



PD/KAI-638
AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES AID MISSION TO PERU

C/O AMERICAN EMBASSY

LIMA, 1 PERU

TELEPHONE: 286200

CABLE: USAID/LIMA

August 15, 1986

Mr. Daniel F. Pellegron
Executive Director
The Pathfinder Fund
1330 Boylston Street
Chestnut Hill (Boston),
Massachusetts 02167

Subject: Cooperative Agreement No. 527-0269-A-00-6753-00

Dear Mr. Pellegron:

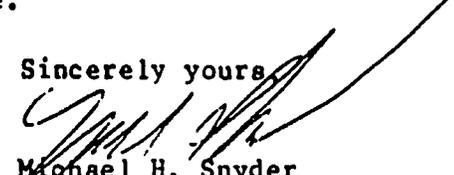
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Pathfinder Fund (hereby referred to as recipient) the sum of \$10,055,000 to provide support for a program to implement the Private Sector Family Planning Project as described in the Schedule of this agreement and the Attachment 2, entitled "Program Description".

This agreement is effective and obligation is made as of the date of this letter shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending September 30, 1986.

This agreement is made with the Pathfinder Fund, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled the Schedule, Attachment 2, entitled "Program Description", and Attachment 3 entitled "Standard Provisions", which have been agreed to by your organization.

Please sign the original and seven (7) copies of the letter to acknowledge your receipt of the agreement, and return the original and six (6) copies to this office.

Sincerely yours


Michael H. Snyder
Agreement Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

The Pathfinder Fund

BY: Daniel E. Pellegron

Title: Executive Director

Date: 8-25-86



FISCAL DATA

Appropriation : 72-1161021

Budget Plan Code : LDAA-86-25527-BG13

PIO/T No. : 527-0269-3-60031

Project No. : 527-0269

Total Estimated Amount: \$10,055,000

Total Obligated Amount: \$1,511,000

Funding Source: AID/W USAID X

SCHEDULE

A. Purpose of Agreement

The purpose of this Agreement is to provide support for the recipient's program to implement the Peru, Private Sector Family Planning Project as more specifically described in Attachment 2 to this Agreement entitled "Program Description".

B. Period of Agreement

1. The effective date of this Agreement is October 1, 1986. The expiration date of this Agreement is September 30, 1991.

2. Funds obligated hereunder are available for program expenditures for the estimated period October 1, 1986 to July 31, 1987 as shown in the Financial Plan below.

C. Amount of Agreement and Payment

1. The total estimated amount of this Agreement for the period shown in B.1. above is \$10,055,000.

2. AID hereby obligates the amount of \$1,511,000 for program expenditures during the period set forth in B.2. above and as shown in the Budget below.

3. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3 Optional Standard Provision No.1, entitled "Payment-Letter of Credit."

4. Additional funds up to the amount of the agreement shown in C.1 above may be obligated by AID subject to the availability of funds, and to the requirements of the Standard Provision of the Agreement, entitled "Revision of Agreement Budget".

D. Budget

The following is the Budget for this Agreement, including local cost financing items, if authorized. Revisions to this Budget shall be made in accordance with Standard Provision of this Agreement, entitled "Revision of Budget".

Cost Element	Obligated Amount-		Estimated Additional		Total Estimated	
	From 10/1/86 To 7/31/87		From 8/1/87 To 9/30/91		From 10/1/86 To 9/30/91	
	US\$	Local Currency	US\$	Local Currency	US\$	Local Currency
1. Personnel	311,707	49,211	1,762,556	278,262	2,074,263	327,473
2. Project Administration	16,141	31,564	91,273	178,482	107,414	210,046
3. Travel	42,317	13,362	239,286	75,558	281,603	88,920
4. Sub-grants	15,027	616,868	84,973	3,488,092	100,000	4,104,960
5. Indirect Costs	414,803	-0-	2,345,518	-0-	2,760,321	-0-
Subtotal	799,995	711,005	4,523,606	4,020,394	5,323,601	4,731,399
Total \$	1,511,000		\$8,544,000		\$10,055,000	

E. Reporting

The Recipient will submit to the USAID project coordinator not less than 30 days following completion of the reporting period 6-monthly project status reports in five copies in English. The reports shall indicate success/failure in meeting objectives within the annual plans, the reasons for any failures as well as recommendation to resolve outstanding problems, and describe all research and policy activities undertaken. Specifically is shall report the number of new and continuing users by agency, method and location the amount of funds obligated and expended by Agency and intotal.

Each report will include incremental and cumulative data. Special project reports will also be prepared and submitted as required by USAID. An end of project report shall be due not more than 60 days after the PACD.

F. Local Cost Financing

Local Cost Financing is authorized under this agreement not to exceed \$4,731,399.

G. Establishment of Overhead Rate

Pursuant to the General Provision of this Agreement entitled "Negotiated Indirect Cost Rates-Provisional", a rate or rates shall be established for each of the Recipient's accounting periods during the term of the agreement. Pending establishment of final overhead rates for the initial period, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base(s) which are set forth below:

Type of Rate	Rate(s)	Base	Period (FR/TO)
Provisional	29.6%	Total Direct Costs excluding commodities, contraceptives and freight	August 20, 1986 Until amended

H. Title to Property

Title to all property financed under this agreement shall vest in the Recipient.

I. Authorized Geographical Code

The authorized geographical code for procurement of goods and services under this grant is 000.

PROGRAM DESCRIPTION
Attachment A

Purpose of Cooperative Agreement

The purpose of this agreement is to assist 15 to 20 Peruvian Private Voluntary Organizations (PVOs) participating in USAID Peru's Private Sector Family Planning Project (527-0269) to strengthen their institutional capacity to deliver family planning services via the private sector, influence and strengthen family planning and population policy, and foster cooperation among the PVOs to develop a private sector identity and Peruvian Coordinating Agency.

The Prime Recipient will carry out the project activities described below as more fully described in their application dated July 1986 as modified by their telex dated August 13, 1986, and Additional Understandings Memo dated August 15, 1986.

I. BACKGROUND

Stagnant economic and social development in Peru since the mid-70s have been exacerbated by a population that has doubled to 19.2 million since 1961 and continues to increase at an annual growth rate of 2.5 percent. At this rate, it will double again to 38.4 million in only another 28 years; by 2013. This high population growth rate contributes to the already serious social problems of high inflation, high unemployment and underemployment, widespread malnourishment, high infant mortality, limited access to health care, insufficient and inadequate housing, limited access to potable water and electricity, limited educational opportunities, and a large proportion of the population in dependent age groups.

Though there is a high level of acceptance of the concept of family planning and services, a 1981 national Contraceptive Prevalence Survey (CPS) reports of the 2.8 million women in union of fertile age (MWFA), only 530,000, or 19%, use modern, effective family planning methods. Ninety-one percent of the remaining 2.27 million women wish to either space their births or cease childbearing. Such a high level of unmet demand for modern family planning services, in light of the unfavorable demographic and development trends in Peru, cannot be ignored.

The ability of both the public and private sectors (via private voluntary organizations or PVOs) to provide sufficient family planning education, training, CBD, and clinical services, has been hampered by two problems; the first being the historically sporadic development of the various PVOs and the lack of coordination between them and with public sector services. Secondly, the development of population policy while including some reasonable provisions, such as affirming the rights of the individual to freely determine family size and access to services, has not included demographic goals or means of implementation. Policy research, development and promotion activities between the different agencies have also suffered a lack of coordination and subsequently have not had the greatest impact possible.

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The objective of the project is to help provide additional family planning services to meet the unmet demand in Peru. This will be accomplished through TA and training to PVOs and the National Population Council (CNP) to develop institutional capacities to improve and expand coordination, service delivery and the needed support services such as staff training, etc., improve financial status via more cost effective management, and strengthen policy.

The participating Peruvian agencies include but are not limited to:

1. Asociación para el Desarrollo e Integración de la Mujer (ADIM)
 2. Apoyo a Programas de Población (APROPO)
 3. Asociación de Profesionales para la Promoción de la Salud Materno Infantil (APROSAMI)
 4. Asociación de Trabajo Laico Familiar (ATLF)
 5. Centro Nor-Peruano de Capacitación y Promoción Familiar (CENPROF)
 6. Federación Nacional de Cooperativas Agrarias Azucareras Peruanas (FENDECAAP)
 7. Instituto Peruano de Paternidad Responsable (INPPARES)
 8. Instituto Marcelino
 9. Programa de Fertilidad Humana Hospital Arzobispo Loayza (PFH)
 10. Proyecto Planificación Familiar de los Pueblos Jóvenes (PLANIFAM)
 11. Promoción de Labores Educativas y Asistenciales en Favor de la Salud (PRO-FAMILIA)
 12. Servicio Médico Materno Infantil San Alfonso (SMISSA)
 13. Asociación Multidisciplinaria de Investigación y Docencia en Población (AMIDEP)
 14. Instituto Andino de Estudios en Población y Desarrollo (INANDEP)
 15. Consejo Nacional de Población (CNP)
- In addition, two agencies currently in the planning stages may be included:
1. Centro de Capacitación de Capacitadores (CCC)
 2. Instituto de Estudios en Población (IEP)



The Project also allows for the possible creation of other new agencies.

II. PROJECT DESCRIPTION

The goal of this project is to promote economic and social development in Peru through assisting in the lowering of the population growth rate of 2.5% in 1985 to 2.2% in 1990. The ultimate objective is to lower the growth rate to 1.9% by the year 2000. The purpose of this project is three-fold: 1) to expand and improve the capability of Peruvian private family planning agencies to increase contraceptive coverage; 2) to strengthen the capacity of these agencies and the CNP to influence, improve and strengthen population policy in Peru as it relates to the private sector; and 3) to strengthen coordination among the private sector agencies at least partly via the creation of a Peruvian Coordinating Agency (PCA) for the private sector agencies.

The Project purpose will be achieved through three components:

1. Increased Availability of Family Planning Services

Institution-building is a crucial prerequisite to increasing the availability of cost-effective services and information in order to provide services to more women. The ability of the private sector family planning agencies to develop and implement strategic plans in cooperation with other agencies, more efficiently utilize existing resources, develop and use improved management systems, and participate as members of the family planning private sector group will be strengthened through TA and training. As a result of the institutional development activities, the agencies will be able to increase the number and quality of trained medical and non-medical personnel, conduct coordinated IEC campaigns to educate the general population, increase the number of new clinical and CBD service delivery sites, as well as expand and improve current delivery sites in the most efficient and effective manner to increase the availability of family planning services.

2. Strengthened Population Policy Particularly as it Relates to Private Sector

The ability of the private sector to determine and assess its policy needs will be increased as well as its ability to conduct the research required to provide the necessary information. Its ability to present the findings effectively to the GOP, legislature and opinion leaders in order to change laws which currently hinder the family planning private sector, effectively implement the new Population Policy Law and create new laws as needed, will be strengthened.

3. Increased Coordination in Family Planning Private Sector

Collaboration among the private sector family planning institutions and the CNP will be increased through establishment of the PCA and their participation in its General Assembly, Board of Directors, and the CNP board of Directors. The PCA will be developed and cultivated throughout the project to culminate at the end of project in a "head" Peruvian agency recognized by the other private family planning agencies as the leader, coordinator and promotor of the entire family planning private sector. The sector-wide plans, developed annually under the leadership of the PCA, will coordinate individual agency's activities in the areas of service delivery, training, IEC, research, and policy actions. By the close of the project, the PCA will provide and coordinate TA and training activities from both national and international sources. It will also promote increasing financial self-reliance through improved planning and use of resources and training in income generation.

III. OVERVIEW OF PROJECT ACTIVITIES

A Family Planning Services Component

The private sector service agencies and training institute identified for support through this project will provide services to 400,000 new users as well as 345,000 continuing users. TA, training, and operational support, will be provided to help establish new service delivery sites, upgrade current sites, increase number of better trained personnel, improve promotion of services via coordinated information, education and communication (IEC) campaigns, and improve program administration in order to expand services.

B. Population Policy Component

For growth and expansion of the private sector programs to occur, the agencies must develop their abilities to identify policy needs and priorities, to inform and educate Peruvian leaders, policy makers and government officials, to encourage population policy dialogue, and to promote changes in the population law.

The private sector's ability to influence population policy will be increased by means of a well-defined strategy to be developed yearly. TA, training and operational support will be provided to the CNP and the research agencies to strengthen institutional capacity in policy development.

C. Private Sector Family Planning Coordination Component

To facilitate coordination, the Peruvian Coordinating Agency (PCA) will be formed to work with the Project Contractor to develop its ability to ultimately assume the leadership and coordination role of the private sector upon completion of the project. In addition, the role of the CNP as coordinator between the public and private sector will also be strengthened.

IV. ASSISTANCE REQUIREMENTS

The Prime Recipient will, in close collaboration with all identified Peruvian participating institutions, assist them to carry out the Project's components. It should be understood that maximum collaboration between institutions should be sought to ensure that the overall objectives of the Project are achieved. The Prime Recipient will assist the Peruvian institutions to identify and program all assistance under this agreement and will provide all such assistance in consideration of that assistance that it does not provide directly. It is expected that the Prime Recipient will execute agreements with each institution which will allow the participating institution to carry out and shoulder responsibility, wherever possible, for implementing the above activities.

In general, the Prime Recipient will have five broad sets of responsibilities.

- assistance to the Peruvian private sector family planning institutions in the identification, programming and monitoring of technical assistance, training, funds management.
- management and coordination of technical assistance and procurement,
- procurement,
- provision of long and short-term technical assistance,
- creation and development of a Peruvian Coordinating Agency,
- evaluation and audit.

A. Assistance in Identification, Programming and Monitoring of Technical Assistance, Training, Fund Management, and Procurement to PVOs

The assistance requested will be provided to these institutions to help them carry out the components and activities in order to achieve the project purpose. This will consist of assisting these institutions to: detail their TA, training, and material needs over the life of the project; develop yearly operational plans for TA, training, and

commodity procurement; identify potential training programs, suitable TA and suppliers of educational and training materials; program inputs; and monitor outputs. These institutions have varied abilities to identify, program and follow-up on use of inputs. However, to assure their institutional development, assistance must be collaborative in order to permit them to take as much responsibility as possible for successful programming and delivery of these inputs.

B. Management and Coordination of Assistance

The recipient will be responsible for the identification, management and performance of all long and short-term technical assistance and training that it or its collaborators under sub-recipient agreements provide directly to the Project. In addition, it will coordinate any indigenous technical assistance contracted by the participating institutions and integrate assistance between Project activities. Peruvian institutions will coordinate closely with the Prime Recipient on the utilization of TA.

C. Procurement

The recipient will determine all commodity and contraceptive needs and be responsible for their ordering, release from customs, storage and distribution. The only exception is the order for contraceptives will be placed by USAID. Contraceptive and freight costs are covered by USAID.

D. Provision of Long and Short Term TA

The Prime Recipient will provide a Chief of Party, Management Advisor, Financial Advisor, and IEC/Training Advisor, all to reside in Peru within 60 days of signing the Cooperative Agreement for the remainder of the 5 year contract. They will provide long term TA directly to the participating agencies. Short term TA needs will be determined and satisfied.

E. Creation and Development of a Peruvian Coordinating Agency

The Prime Recipient will develop a Peruvian Coordinating Agency which will be responsible for the provision of the leadership and coordination to the private sector when the Project terminates. Its development will begin in Project Year Three with all PVOs as participating, voting members. The PCA will assume an advisory/learning role during Project Year 4, gradually assuming more responsibility by Project Year Five in preparation for assuming its leadership role of the private sector.

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F. Evaluation and Audit

In addition to its audit responsibilities under Standard Provision No.2, the recipient will continually audit the financial transaction of all subrecipients and ensure compliance with AID requirements and usual and customary financial practice. Grantee will fully cooperate with all U.S. Government audit and evaluation activities.

Following are the long term position descriptions:

1. Chief of Party/Management Specialist

This position is critical to the success of the project and maintenance of good relations with each participating private agency and the CNP with which the project may collaborate. He/She will be the primary representative of the Prime Recipient in-country, arriving within 45 days of the signed contract.

The management and technical responsibilities of the Chief of Party will include:

- o Sharing coordinating responsibilities with the USAID Project Coordinator for AID/W centrally funded project consultants and contractors;
- o Monitoring activities of the international cooperating agencies;
- o Ordering and importing commodities required by participating agencies;
- o Developing and negotiating sub-agreements with the participating private agencies;
- o Developing an in-country list of Peruvian TA resources;
- o Coordinating and managing TA and training needs;
- o Supervising all Project Contractor personnel working in Peru under the project;
- o Providing TA and guidance to the Advisory Committee formed to create the PCA, and later the Board of Directors;
- o Providing guidance to the PCA in developing a cohesive and unified private sector family planning program; providing technical assistance in management service delivery, IEC, training, research and policy development;

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- o Overseeing the administration of sub-agreement funds;
- o Facilitating collaboration between the participating agencies;
- o Monitoring project progress;
- o Coordinating closely with the CNP;
- o Communicating regularly with the AID Project Coordinator;
- o Providing appropriate information/guidance to the CNP regarding its activities and plans concerning the participating agencies;
- o Fulfilling all AID reporting requirements;
- o Complete arrangements for the 1991 Contraceptive Prevalence Survey that will begin at the EOP and will serve as the major portion of the final project evaluation, and participate in the other sections of the final evaluation; and
- o Other duties mutually agreed upon by USAID and Prime Recipient as required for successful program implementation.

2. Management Specialist

The person in this position will work closely with the Chief of Party in developing and strengthening the management and financial capabilities of the participating private agencies, and will be provided by the Prime Recipient for the entire LOP:

The responsibilities of the Management Specialist will include:

- o Assisting the Chief of Party in implementing the project;
- o Providing TA to the participating agencies in setting up and implementing management systems, including personnel, legal, supervisory, procurement, inventory and logistical support;
- o Identifying management TA and training needs of the private agencies, and provide the necessary resources to meet those needs;
- o Assisting with the coordination of the participating agencies through the development of job descriptions, personnel evaluations, and staff development;

o Providing TA to the Advisory Committee in establishing sound management systems for the PCA;

o Coordinating with the Training/IEC Specialist the planning and implementation of in-country training activities that include management;

o Providing TA to the participating agencies in developing income generating skills and expanding their resource base capabilities;

o Providing TA to the participating agencies in developing more cost effective service delivery activities;

o Providing TA and follow-up to the participating agencies in project proposal development;

o Actively participating as a trainer or lecturer in in-country management training programs and board training;

o Assisting in the identification and training of any replacement;

o Participating in the mid-term and final evaluations; and

o Other duties mutually agreed upon by USAID and Prime Recipient as required for successful program implementation.

3. Financial Specialist

The person in this position will work closely with the Chief of Party in developing and strengthening the financial capabilities of the participating private agencies, and will be provided by the Prime Recipient for the entire LOP.

The responsibilities of the Financial Specialist will include:

o Assisting the Chief of Party in implementing the project;

o Providing TA to the participating agencies in setting up and implementing financial systems, including books of original entry, journals, financial statements and reports, budgeting systems and financial reconciliations;

o Identifying financial TA and training needs of the private agencies, and provide the necessary resources to meet those needs;

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o Assisting with the coordination of the participating agencies through the development of standardized project accounting systems;

o Providing TA to the Advisory Committee in establishing sound financial systems for the PCA;

o Coordinating with the Training/IEC Specialist the planning and implementation of in-country training activities that include finance;

o Providing TA to the participating agencies in developing income generating capabilities;

o Providing TA to the participating agencies in developing more cost effective service delivery activities;

o Assisting the participating agencies in understanding the application of computer technology to financial management and using it;

o Actively participating as a trainer or lecturer in in-country financial training programs and board training;

o Assisting in the identification and training of any replacement;

o Participating in the mid-term and final evaluations;

and

o Other mutually agreed upon by USAID and Prime Recipient duties as required for successful program implementation.

4. Training/IEC Specialist

The person in this position will work closely with the Chief of Party in developing and strengthening the IEC and training capabilities of the private agencies; and will be provided by the Prime Recipient for the entire LOP.

The responsibilities of the Training/IEC Specialist will include:

o Assisting the Chief of Party in implementing the project;

o Providing TA to the participating agencies in setting up and implementing IEC activities that will result in increased usage of family planning services, and training activities that will result in more skilled and knowledgeable agency personnel, including IEC campaigns and materials development;

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o Providing TA to the agencies involved in the publication and dissemination of studies or other materials designed to influence decision-making on population policy as it affects the private sector;

o Coordinating all family planning training activities in and out of Peru, including those of U.S., third country, and Peruvian training contractors;

o Developing an information resource center to contain data and information on family planning service delivery, policy development, institutional development and management;

o Assisting the PCA in developing capabilities in IEC and Training;

o Providing guidance to the PCA in developing and strengthening its Board of Directors and providing follow-up TA after Board of Directors Training programs;

o Assisting in the identification and training of any replacement;

o Participating in the mid-term and final evaluations;
and

o Other duties mutually agreed upon by USAID and Prime Recipient as required for successful program implementation.

V. IMPLEMENTATION

A. Relationship to USAID/Peru

1. On behalf of USAID/Peru the Private Sector Family Planning Project will be implemented under the responsibility of the Population Division of the Office of Health, Nutrition and Education. The Chief of the Population Division will be responsible for the successful and timely implementation of the project, assisted in these duties by a Project Coordinator, a personal services contractor to USAID.

2. The Prime Recipient will:

a. Prior to beginning each year's effort, obtain USAID approval of a detailed annual work plan for the prime recipient and all agencies including but not limited to:

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- i. objectives to be completed by project component and participating institution;
- ii. time phased listing of projected personnel in-country (long and short term);
- iii. projected training, research, service delivery and procurement activities;
- iv. planned project financing requirements under the cooperative agreement by project component, institution and type of activity;
- v. counterpart contributions required of Peruvian participating institutions; and
- vi. other key project implementation activities.
- vii. any project or activity not included in the annual plans will require Mission approval.

b. Prior to implementing programs with each participating institutions, obtain USAID approval of:

- i. all understandings including all subordinate agreements and/or contracts with these institutions;
- ii. all commodity purchases over \$7,500;
- iii. all trainees sent outside Peru for any type and length of training; and

c. Obtain AID written approval of all long term advisors prior to assignment.

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