

PD- AAT-985

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

PERU

PROJECT PAPER

PRIVATE SECTOR FAMILY PLANNING

AID/LAC/P-291

Project Number: 527-0269

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input checked="" type="checkbox"/> A = Add C = Change D = Delete	Amendment Number _____	DOCUMENT CODE 3
COUNTRY/ENTITY PERU		3. PROJECT NUMBER 527-0269		
BUREAU/OFFICE LATIN AMERICA AND CARIBBEAN		5. PROJECT TITLE (maximum 40 characters) PRIVATE SECTOR FAMILY PLANNING		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 05 28 92		7. ESTIMATED DATE OF OBLIGATION (Under "B:" below, enter 1, 2, 3, or 4) A. Initial FY 86 B. Quarter 3 C. Final FY 91		

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 86			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	700	1,000	1,700	5,491	7,509	13,000
(Grant)	(700)	(1,000)	(1,700)	(5,491)	(7,509)	(13,000)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country					5,756	5,756
Other Donor(s)		850	850			
TOTALS	700	1,850	2,550	5,491	13,265	18,756

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) POP	444	440				1,700		13,000	
(2)									
(3)									
(4)									
TOTALS						1,700		13,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 460 420 450 410	11. SECONDARY PURPOSE CODE 420
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12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)							
A. Code	BWW	RPOP	COOP	INTR	PART	PVOU	TNG
B. Amount	4,950	1,004	100	870	3,682	1,129	671

13. PROJECT PURPOSE (maximum 480 characters)
 TO: 1) Expand and improve the capability of Peruvian private family planning agencies to increase cost-effective contraceptive coverage; 2) strengthen their capacity and the Consejo Nacional de Población to improve and strengthen population policy in Peru; and 3) strengthen coordination among the private sector agencies at least partly via the creation of a Peruvian Coordinating Agency

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 09 89 09 91	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature JOHN A. SANBRATLO	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 08 01 96
	Title MISSION DIRECTOR	

PROJECT AUTHORIZATION

Name of Country: Peru
Name of Project: Private Sector Family Planning
Number of Project: 527-0629

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Private Sector Family Planning Project ("Project") for Peru involving planned obligations of not to exceed Thirteen Million United States Dollars (\$13,000,000) in grant funds ("Grant") over a six (6) year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is seventy-two months from the date of initial obligation.

2. The Project consists of assistance to sixteen Peruvian private family planning institutions and the National Population Council to strengthen their institutional capacity to increase contraceptive coverage, further improve and strengthen population policy in Peru, and create a Peruvian Coordinating Agency for the private sector.

3. The Project Agreements, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services (Grant)

Commodities financed by A.I.D. under the Grant shall have their source and origin in Peru or in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping the suppliers of commodities or services financed under the Grant shall have Peru or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursements under the Cooperative Agreement

Prior to any disbursement or to the issuance by A.I.D. of commitment documents under the Cooperative Agreement pursuant to which disbursement will be made to finance any activities of a Participating Agency during each year of the Project, including the first year, the Prime Recipient shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., the current, annual Operational Plan for

Family Planning for such Participating Agency, including but not limited to a description and schedule of the activities to be carried out, user targets, performance criteria and a budget for such year.

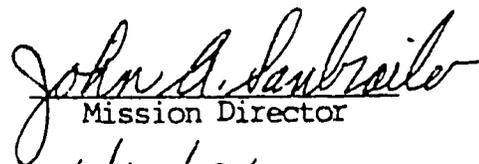
c. Conditions Precedent to Disbursements Under the Grant for the National Population Council

Prior to any disbursement or to the issuance by A.I.D. of any commitment documents under the Grant Agreement to which disbursement will be made to finance any Grant activities during each year of the Project, including the first year, the National Population Council shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., the current, annual Operational Plan for Family Planning, including but not limited to a description of, schedule and budget for its population policy, research and coordination activities to be carried out in such year.

d. Covenants

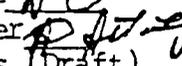
(1) The required language reflecting A.I.D.'s policy and procedures on both abortion and sterilization will be included in Project Agreements.

(2) The Prime Recipient shall covenant that, except as A.I.D. may otherwise agree in writing, it will participate in an evaluation of the Project.


Mission Director
6/12/86
Date

Drafted by: DAAadams/Revised 5/2/86
Revised: Adams/Doe Telcon 5/22/86
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PRIVATE SECTOR FAMILY PLANNING PROJECT

PROJECT NUMBER 527-0269

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- Exhibit B: Statutory Checklist
- Exhibit C: Project Authorization
- Exhibit D: Environmental Threshold Decision
- Exhibit E: PID Guidance Cable
- Exhibit F: Request for Assistance
- Exhibit G: Family Planning Assistance Policy Clauses

ANNEX II: TECHNICAL EXHIBITS

- Exhibit A: Logical Framework
- Exhibit B: Response to PID Guidance Cable
- Exhibit C: USAID/Peru Project Paper Issues and Response
- Exhibit D: Detailed List of Commodities for Private Sector Family Planning Agencies
- Exhibit E: Detailed Budget
- Exhibit F: Detailed Institutional Analysis of Private Sector Family Planning Agencies by Development Associates, Inc. *
- Exhibit G: Ley de Política Nacional de Población, Decreto Legislativo No. 346**

* Not published with this Project Paper. Copies on file in USAID/Peru, Population Division.

** Not published with this Project Paper. Copies on file in USAID/Peru, Population Division and the Consejo Nacional de Población (CNP).

LIST OF ABBREVIATIONS AND ACRONYMS

ADIFAM	ASOCIACION PARA EL DESARROLLO INTEGRAL DE LA FAMILIA
ADIM	ASOCIACION PARA EL DESARROLLO E INTEGRACION DE LA MUJER
AID/W	AGENCY FOR INTERNATIONAL DEVELOPMENT/WASHINGTON
AMIDEP	ASOCIACION MULTIDISCIPLINARIA DE INVESTIGACION Y DOCENCIA EN POBLACION
APPF	ASOCIACION PERUANA DE PROTECCION DE LA FAMILIA
APRA	ALIANZA POPULAR REVOLUCIONARIA AMERICANA
APROPO	APOYO A PROGRAMAS DE POBLACION
APROSAMI	ASOCIACION DE PROFESIONALES PARA LA PROMOCION DE LA SALUD MATERNO INFANTIL
ATLF	ASOCIACION DE TRABAJO LAICO FAMILIAR
AVS	ASSOCIATION FOR VOLUNTARY STERILIZATION
BANK L/COM	BANK LETTER OF CREDIT
CARE	COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE
CBD	COMMUNITY-BASED DISTRIBUTION
CCC	CENTRO DE CAPACITACION DE CAPACITADORES
CDSS	COUNTRY DEVELOPMENT STRATEGY STATEMENT
CEDPA	CENTER FOR DEVELOPMENT AND POPULATION ACTIVITIES
CEFPA	CENTER FOR FAMILY PLANNING ACTIVITIES
CENPROF	CENTRO NOR-PERUANO DE CAPACITACION Y PROMOCION FAMILIAR (TRUJILLO)
CEPD	CENTER FOR POPULATION AND DEVELOPMENT STUDIES
CFM	CHRISTIAN FAMILY MOVEMENT
CIDA	CANADIAN INTERNATIONAL DEVELOPMENT AGENCY
CIP	CENTRO DE INVESTIGACION DE POBLACION (CUZCO)
CLACSO	CENTRO LATINO AMERICANO DE CIENCIAS SOCIALES
CNP	CONSEJO NACIONAL DE POBLACION
CORDES	CORPORACION DEPARTAMENTAL DE DESARROLLO
CPS	CONTRACEPTIVE PREVALENCE SURVEY
CEU	COST PER USER
CRS	CONTRACEPTIVE RETAIL SALES
CJM	CONTRACEPTIVE SOCIAL MARKETING
CYP	COUPLE YEAR PROTECTION
DOCPAL	DOCUMENTACION SOBRE LA POBLACION DE AMERICA LATINA
EOPS	END OF PROJECT STATUS
FAF	FAMILY OF THE AMERICAS FOUNDATION
FAO	FOOD AND AGRICULTURE ORGANIZATION (UNITED NATIONS)
FENDECAAP	FEDERACION NACIONAL DE COOPERATIVAS AGRARIAS AZUCARERAS DEL PERU
FHI	FAMILY HEALTH INTERNATIONAL
FIFO	FIRST IN-FIRST OUT
FPIA	FAMILY PLANNING INTERNATIONAL ASSISTANCE
FX	FOREIGN EXCHANGE
FY	FISCAL YEAR
G&A	GENERAL AND ADMINISTRATIVE
GNP	GROSS NATIONAL PRODUCT

GOP	GOVERNMENT OF PERU
HB	HANDBOOK
HMO	HEALTH MAINTENANCE ORGANIZATION
IDRC	INTERNATIONAL DEVELOPMENT AND RESEARCH CENTER (CANADA)
IEC	INFORMATION, EDUCATION AND COMMUNICATION
IEE	INITIAL ENVIRONMENTAL EXAMINATION
IEP	INSTITUTO DE ESTUDIOS EN POBLACION
INADE	INSTITUTO NACIONAL DE DESARROLLO
INADUR	INSTITUTO NACIONAL DE DESARROLLO URBANO
INANDEP	INSTITUTO ANDINO DE ESTUDIOS EN POBLACION Y DESARROLLO
INE	INSTITUTO NACIONAL DE ESTADISTICAS
INPPARES	INSTITUTO PERUANO DE PATERNIDAD RESPONSABLE
IPAVS	INTERNATIONAL PROJECT OF THE ASSOCIATION FOR VOLUNTARY STERILIZATION
IPPF	INTERNATIONAL PLANNED PARENTHOOD FEDERATION
IPSS	INSTITUTO PERUANO DE SEGURIDAD SOCIAL
IQC	INDEFINITE QUANTITY CONTRACT
IUD	INTRA-UTERINE DEVICE
JHPIEGO	JOHNS HOPKINS PROGRAM FOR INTERNATIONAL EDUCATION OF GYNECOLOGISTS AND OBSTETRICIANS
KAP	KNOWLEDGE, ATTITUDE, PRACTICE
LAC	LATIN AMERICA AND CARIBBEAN
LC	LOCAL COSTS
LOP	LIFE OF PROJECT
MALC	METROPOLITAN AREA LIMA-CALLAO
MCH	MATERNAL CHILD HEALTH
MJA	MINISTRY OF AGRICULTURE
MOD	MINISTRY OF DEFENSE
MOE	MINISTRY OF EDUCATION
MOH	MINISTRY OF HEALTH
MOL	MINISTRY OF LABOR
MWFA	WOMEN IN UNION OF FERTILE AGE
NFP	NATURAL FAMILY PLANNING
OB-GYN	OBSTETRICIAN-GYNECOLOGIST
PAC	PARAMEDICAL, AUXILIARY AND COMMUNITY (WORKERS)
PACT	PRIVATE AGENCIES COOPERATING TOGETHER
PAHO	PAN AMERICAN HEALTH ORGANIZATION
PALF	PROGRAMA APOSTOLICO LAICO FAMILIAR
PCA	PERUVIAN COORDINATING AGENCY
PFH	PROGRAMA DE FERTILIDAD HUMANA - HOSPITAL ARZOBISPO LOAYZA
PID	PROJECT IDENTIFICATION DOCUMENT
PIO/C	PROJECT IMPLEMENTATION ORDER/COMMODITIES
PIO/P	PROJECT IMPLEMENTATION ORDER/PARTICIPANT
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES
PIPOM	POPULATION INFORMATION FOR POLICY MAKERS
PLANIFAM	PROYECTO PLANIFICACION FAMILIAR DE LOS PUEBLOS JOVENES (CUZCO)

PP	PROJECT PAPER
PRO-FAMILIA	PROMOCION DE LABORES EDUCATIVAS Y ASISTENCIALES EN FAVOR DE LA SALUD
PROMIC	PROYECTO MATERNO INFANTIL (CUZCO)
PSC	PERSONAL SERVICES CONTRACT
PVO	PRIVATE VOLUNTARY ORGANIZATION
PY	PROJECT YEAR
RFAA	REQUEST FOR APPLICATIONS FOR ASSISTANCE
SMMISA	SERVICIO MEDICO MATERNO INFANTIL SAN ALFONSO
SI/POP/CPSD	BUREAU OF SCIENCE AND TECHNOLOGY/OFFICE OF POPULATION/ CONTRACEPTIVE PROCUREMENT SERVICES DIVISION
TA	TECHNICAL ASSISTANCE
TOT	TRAINING OF TRAINERS
UNFPA	UNITED NATIONS FUND FOR POPULATION ACTIVITIES
UPCH	UNIVERSIDAD PERUANA CAYETANO HEREDIA
VSC	VOLUNTARY SURGICAL CONTRACEPTION
WHO	WORLD HEALTH ORGANIZATION
WID	WOMEN IN DEVELOPMENT

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11

I. SUMMARY AND RECOMMENDATIONS

A. Facesheet

B. Recommendations

It is recommended that a grant be authorized in the amount of \$13,000,000 for family planning private sector improvement in Peru. Preferably grant funds will be obligated three ways: (1) a Cooperative Agreement with an institution, the "Prime Recipient", who will administer and manage project components to achieve determined goals by entering into sub-agreements with at least 16 identified family planning private sector agencies and an as yet unknown number of agencies that may be identified in the future; (2) an agreement with the Consejo Nacional de Poblacion (CNP) will be signed directly with USAID/Lima; and (3) a contract with the USAID Project Coordinator will also be signed directly with USAID/Lima. The agreements may include technical assistance (TA), training, commodities, and/or subgrants.

C. 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) reported of the 2.8 million women in union of fertile age (MWFAs), 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. Therefore, the problem of high population growth rates needs to be addressed by providing improved and expanded family planning services to fill the unmet demand.

Although problems related to population growth were first identified as a result of the census as early as 1940, no action was taken by the Government of Peru (GOP) until 1964 when it opened the Center for Population and Development Studies (CEPD) with outside funding. Small private sector family planning agencies also began forming and offering services in the 1960s. However, the military government stopped nearly all such programs in the private sector and prevented a previous GOP agreement signed with the Pan American Health Organization (PAHO), which would have added family planning to maternal and child health (MCH) services, from being implemented. The first Population Policy Law was not passed until 1976, with a National Population

Council (CNP) formed, finally, in 1980 to implement it. The private sector agencies reemerged after the 1976 law was passed and in 1979, the Ministry of Health (MOH) agreed to a pilot family planning project that went nationwide in 1981. The 1976 National Population Policy Law was revised and the new version passed in 1985, reaffirming the rights of the individual to freely determine family size and access to services. However, like its predecessor, it has no demographic goals and no real means of implementation. It does, however, strengthen the role of the CNP in coordination and supervision of all family planning activities in both public and private sectors. Policy research, development, and promotion activities have not been coordinated by the agencies, and have subsequently not had the greatest impact possible. Despite the passage of the new Population Policy Law, MOH based family planning services and the growing strength of the private sector agencies, a great deal obviously remains to be done in order to meet the needs of the unserved.

Various policy, administrative, financial and cultural constraints have hampered more rapid expansion of family planning services in the private sector, including the uncoordinated and fractionalized approach by the private sector agencies to policy research, formulation, and promotion. A general limited administrative capability and lack of coordination between agencies, and financial constraints, such as insufficient budgets and an inability to generate funds, have also limited service delivery. Several cultural constraints, such as the opposition from the Catholic Church, have also presented some barriers.

To meet the long-range objective of a 1.9% growth rate by the year 2000, USAID plans to assist programs in the public, commercial, and private sectors. In the first five-year phase of the long term strategy, it stresses increased utilization of the private sector, institution building to expand service delivery, policy dialogue and improvement, increased efficiency in the use of available resources, and increased self-sufficiency in both the public and private sectors, and promotion of programmatic activities that address these constraints.

D. Project Rationale and Strategy

This project focuses on the private sector to enhance and expand family planning activities, reasonable in terms of policy because it supports and promotes the various recommendations adopted by the 1984 International Conference on Population which the GOP signed. It is also consistent with the 1985 Population Policy Law of Peru, and it supports the new GOP and MOH view that the private sector is an important component of health delivery and should be more utilized. This project will also help develop the private sector's ability to determine and promote population policy as it relates to the private sector. Because the public sector is currently operating inefficiently and has limited ability to utilize its resources, and because the private sector offers a greater capacity to utilize funds more efficiently to expand services, it is logical to focus funding efforts on the private sector at this time. The need for increased intrasectoral coordination is

well recognized by the individual private sector agencies, and this project provides the means and opportunity to improve cooperation via the formation of a Peruvian Coordinating Agency (PCA).

Based on this rationale, the project strategy is comprised of the following:

1. Increase institutional development through TA and training to promote program and service expansion to reach more acceptors.
2. Develop the ability of the private sector to determine its policy needs and effectively research and articulate them to the GOP.
3. Foster cooperation and coordination between the private sector agencies to learn to best utilize existing resources and foster increased financial independence for the sector through income generation training.

E. 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 cost-effective 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 consists of the three following inter-related components:

1. Family Planning Services Component

The 12 private sector service agencies and one training institute identified for support through this project will provide services to 400,000 additional new users over the life of project (LOP) and all continuing users.^{1/} TA and training as well as operational support, will be provided to help establish new service delivery sites, upgrading of current sites, increased number of better trained personnel, better promotion of services via coordinated information, education and communication (IEC) campaigns, and improved program administration in order to expand services.

2. 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,

^{1/} See footnote, page 34.

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 two research agencies who will become more involved in policy development.

3. Private Sector Family Planning Coordination Component

To facilitate coordination, the formation of the PCA will begin early in the project and will work with the Prime Recipient to develop yearly coordinated work plans with all participating agencies and serve as an advisor to the Prime Recipient on project issues. In addition, the strengthened role of the CNP as coordinator between the public and private sector will also contribute to the overall coordinating efforts.

F. Summary Financial Plan

	<u>AID GRANT</u>	<u>COUNTERPART CONTRIBUTION</u>		<u>TOTAL</u>
		<u>PARTICIPATING AGENCIES</u>	<u>GOP</u>	
I. PROJECT ADMINISTRATION	\$ 1,554			\$ 1,554
II. TRAINING and TA	1,671			1,671
III. COMMODITIES	1,637			1,637
IV. OTHER COSTS	6,400	4,505	728	11,633
V. CONTINGENCIES & INFLATION	<u>1,738</u>	<u>450</u>	<u>73</u>	<u>2,261</u>
PROJECT TOTAL	\$13,000	\$4,955	\$801	\$18,756

G. Project Issues

Several issues were raised during the DAEC review held April 5, 1985 in AID/W as described in the PID cable. The Mission's response to these issues appear throughout the PP and in Annex II, Exhibit B. During the Mission intensive review, additional issues were raised and resolved during the final review April 24, 1986. They are addressed throughout the PP and in Annex II, Exhibit C.

H. Summary Findings

The Project Development Committee has reviewed all aspects of the proposed Private Sector Family Planning Project and concluded that the project is institutionally, financially, economically, technically, socially and environmentally sound and consistent with the development objective of Peru's new administration's population policies and with the Mission's population strategy.

II. BACKGROUND

A. Country Setting

Since the mid-1970s, economic and social development in Peru have stagnated, and future prospects for improvement are poor unless adverse population trends can be reversed. The present population of 19.2 million has nearly doubled in the years since the 1961 census, with a current annual growth rate of 2.5 percent. As a consequence, the total fertility rate is approximately 5.2 children per women. A disproportionately large part of the population is under 14 years of age and therefore dependent on the relatively small numbers of the economically productive. Population growth in the cities is further increased by migration from rural to urban areas, where social services and economic opportunities cannot keep pace with the needs. In 1961, less than 50% of the population lived in urban areas. During the following 20 years, it rose to 65%. The rapid population growth and urban migration have both contributed to, and resulted from, stagnant economic growth and limited social services availability.

Peru experienced a period of rapid economic growth from 1950-1970. The gross national product (GNP) nearly tripled in real terms and per capita income increased by 62%. However, since the mid-1970's the pace of economic growth has stagnated and the inflation rate until 1985 averaged over 50% per year. Domestic production of manufactured articles and staple food crops declined during this period. As a consequence, increasing amounts of scarce foreign exchange earnings have been diverted from productive purposes to finance imports of food and other products for immediate consumption to satisfy the rapidly-growing population. High inflation has caused real wages and salaries to decrease by 50% since 1973, resulting in significantly reduced purchasing power. Additionally, the depressed economic conditions, the high migration to Lima and other urban areas caused by a depressed agricultural sector, and the high proportion of youth in the population attempting to enter the labor market, all contribute to the widespread unemployment and underemployment which now affects over 60% of the economically active population.

Sufficient basic goods and social services to sustain even a minimal standard of living for a large proportion of the population are not available from either the private or public sector. Peru is one of only three Latin American countries whose average food consumption per person is less than 90% of the Food and Agricultural Organization (FAO) standard; it is estimated that 38% of all children under five are chronically malnourished. Although education for ages 6-14 is available to 84% of the population, drop out rates exceed 50% in the first three grades. Housing is insufficient and inadequate. Less than one-half of the urban population has access to potable water and only 30% of the population has access to electricity. Excessive fertility means mothers and children have high morbidity and mortality rates. With 101 infant deaths per 1,000 live births, Peru has the third highest national infant mortality rate in the Western Hemisphere, surpassed only by

Haiti and Bolivia. Within Peru, the infant mortality rate ranges from a low of 54 in the Department of Callao to 142 in the Department of Huancavelica. Only an estimated 40% of the population has access to health services provided by the Ministry of Health (MOH), and 30% of the population are completely without access to MOH services. Sustained high population growth will continue to strain the capability of Peruvian institutions to provide basic goods and economic and social services.

Despite the gradual decline in the population growth rate that has occurred since the late 1960's (from 2.9% to the current 2.5%), substantial additional inputs will be required to continue and accelerate this trend. The downward trend in population growth and fertility rates is largely explained by the enormous rural to urban migration. Urban areas have historically had lower fertility rates due to economic considerations, as well as greater access to health care, and more recently, to family planning services. With the current 2.5% growth rate, the population of Peru will double from 19.2 million to 38.4 million in only 28 years, or by the year 2013. If current trends continue, estimates indicate the growth rate will decrease slightly and level off between 2.3% and 2.4%. The net impact would be to extend the doubling time of the population by only 3 to 6 years, with the population doubling in 31 to 34 years instead of the current 28 years. Clearly, this extra 3 to 6 years will not significantly relieve the population pressure affecting economic and social development in Peru.

However, it must be recognized that, for several reasons, even the current modest downward trends in population growth will be difficult to maintain unless a substantially increased effort is made in providing family planning services. The first reason is the difficulty that is almost universally encountered in reaching beyond the "initial acceptors", (women who, because of slightly higher levels of education or other personal circumstances are more open to the idea of planning their families) to the "secondary" and even "tertiary" acceptors (women who, for any number of reasons ranging from religious beliefs to an inability to understand either the concept of family planning or the techniques for successful contraceptive use, do not use them). Second, it will be difficult to maintain current trends in Peru because family planning services are much easier to provide and programs are easier to administer when they are based in the larger cities, especially Lima. Therefore extra efforts will need to be made to extend programs and services to the rural areas and hard-to-reach acceptors. Third, an anticipated decrease in the high Peruvian infant mortality rate will actually increase the growth rate. As health programs in oral rehydration and immunizations designed to decrease infant mortality become increasingly successful, the cohort of living children increases rapidly, thereby increasing the population growth rate. While clearly the efforts which have been made to improve the health status of Peru are necessary and positive, and should continue to be a priority national and international concern, the resultant increased population growth rate will increase the need for greater efforts in family planning.

In spite of the persistent high rate of population growth, a 1981 nationwide survey concludes that there is also a high level of acceptance of the concept of family planning and actual services. Projections from this "1981 Contraceptive Prevalence Survey" (CPS) estimate that of the 2.8 million women in union of fertile age (MFWA), only 530,000 women, or 19%, use modern, effective family planning methods. Ninety-one percent of the remaining 2.27 million women who do not use any family planning method or who use traditional, less effective means, also wish to either space their births(21%) or cease childbearing (70%). 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. Therefore, the problem of high population growth rates should be addressed by providing improved and expanded family planning services to fulfill the unmet demand.

B. Population Policy and Family Planning Activities

1. Historical Activities

Although concern over demographic problems in Peru can be traced back to the early 1940's when Dr. Arca Parro, founder of Peruvian demography and director of the 1940 census, identified problems related to the rate of population growth and internal migration, national concern with other social and economic issues took precedence over population problems in the 1950's. In the 1960's concern with the magnitude of the population problem increased, but the government did not develop an explicit population policy. However, because it was believed that a more equal distribution of the population would compensate for the high birth rate, the government focused its efforts on redistribution to less populated areas.

In 1964 the Center for Population and Development Studies (CEPD) was founded by the Government of Peru (GOP) and funded by USAID/Peru for the purpose of promoting research and training personnel in population. A number of small private family planning programs also began in the mid-1960's; primarily in the Lima area under CEPD auspices. One of these groups was a Church-sponsored effort in collaboration with the Christian Family Movement (CFM). The Peruvian Association for Family Protection (APPF), an affiliate of the International Planned Parenthood Federation (IPPF), was also established in 1967.

In 1968, an agreement was signed by the GOP and Pan American Health Organization (PAHO) to integrate a maternal and child health and family planning program into public health facilities and hospitals. During the same year, however, the pro-natalist military government took power before it could be implemented. ^{1/} During the next six years, government policies toward family planning/population activities became increasingly restrictive and in

^{1/} The military government was in office from October 1968 to July 1980, when a democratic government was elected.

1973, the government closed the eight clinics of APPE and later confiscated its property. The only programs to escape government closure were those supported by Catholic authorities: Asociación para el Desarrollo Integral de la Familia (ADIFAM) and Programa Apostólico Laico Familiar (PALF) and the Programa de Fertilidad Humana - Hospital Arzobispo Loayza (PFH) and the Instituto Marcelino.

In 1970, the "Comisión Horizontal de Población y Ocupación" was established to recommend a population and employment policy for the 1971-1975 development plan. The plan contained only one explicit demographic objective: reduce the disequilibrium in the distribution of the population. The plan did contain other policies, such as employment and education, that could indirectly have an impact on fertility.

The Peruvian position at the 1974 World Population Conference and at the 1975 Latin American Meeting on Population was to continue to reject efforts to quantify fertility reduction goals as well as to reject foreign assistance in this matter. The GOP later stated that it did not plan to include family planning services in national development plans for 1970-1980. However, during this time, several private institutions were allowed to continue their services, and the sale of contraceptives was allowed.

After taking office in 1976, President Morales Bermudez appointed a commission to suggest guidelines for a proposed population policy. In August of that year, the GOP established "Guidelines for a Population Policy" as part of its 1975-1978 national development plan, revising the previous pro-natalist position. The national population policy, proclaimed by Supreme Decree, had three distinct objectives: 1) to attain a level of population growth resulting from family size that is freely determined by the individual; 2) to significantly reduce infant and maternal morbidity and mortality to improve the quality of life; and 3) to better distribute the population geographically. The "Guidelines for a Population Policy" specifically stated:

"Although the government has not...set quantitative targets, it considers that fertility--and population growth--will reach an acceptable level as a result of combined governmental and individual efforts...The government will provide educational services and contraceptives, but only as a means of facilitating free and responsible parenthood, and not with a view towards decreasing individual or aggregate levels of national fertility."

Although it is significant that Peru was among the first Latin American countries to proclaim a positive family planning policy, the policy unfortunately lacked a specific population growth rate, demographic goals, and the plans for the creation of the mechanisms and financial resources necessary for its implementation. The GOP, did, however, begin to create public sector

family planning service delivery, primarily through the MOH. And independent of GOP efforts, substantial development of private sector family planning agencies has occurred.

In 1979, the GOP and USAID/Peru agreed to a pilot family planning program in one MOH health region, Sur Medio. The acceptance by the MOH of the need to include family planning in its primary health system, and the initiation of the Sur Medio project, led to the signing of another project agreement in 1981, the "Integrated Health and Family Planning Project" to provide family planning services and contraceptives to 19 health regions, and support public sector policy and research via the CNP and other organizations. The Sur Medio project was expanded to include a second region, Arequipa. Additionally, USAID/Peru is funding an innovative, nation-wide, mass media campaign through the MOH to promote family planning under the "Integrated Health and Family Planning" project.

Private sector program initiatives have greatly expanded in recent years, much of it through funding from the international intermediary agencies with AID support. Primary among these are: Centro Medico Carmen de la Legua (APROSAMI) and (PFH) which receive their primary funding through Family Planning International Assistance (FPIA); and Programa de Labores Educativas y Asistenciales en Favor de la Salud (PRO-FAMILIA), Proyecto de Pueblos Jovenes/Cuzco (PLANIFAM), and Servicio Medico Materno Infantil San Alfonso (SMMISA), which are or have been funded by Pathfinder. A number of the private sector agencies have also received, or are receiving, direct support from USAID/Peru through the "Integrated Health and Family Planning Project". For example, Asociación Multidisciplinaria de Investigación y Docencia en Población (AMIDEP), PRO-FAMILIA, Federación Nacional de Cooperativas Agrarias Azucareras del Peru (FENDECAAP), and Asociación de Trabajo Laico Familiar (ATLF), all receive USAID support under this project. AMIDEP is a research and policy agency, and the other three are service delivery organizations. In addition, USAID also supports the new Contraceptive Social Marketing (CSM) project through Apoyo a Programas de Población (APROPO) under an amendment to the same "Integrated Health and Family Planning Project." By providing direct financial support, USAID has played a major role in recent years in developing the family planning program in Peru and assisting both the public and private sectors to more effectively provide family planning services.

The GOP did not take action to promote its 1976 Population Policy until 1980 when it formed the National Population Council (CNP) with USAID support. The CNP is composed of a governing board with representatives from each of the major ministries, the National Planning Institute, the university system, the medical society, and the Catholic Church. Although created to oversee all population related matters, the CNP has greatly focused on the public sector. It has devoted most of its energies to supporting the MOH's delivery of family planning services and the Ministry of Education's (MOE) program for including family planning and sex education in the educational curriculum. In an effort to create more general public support

for population programs, the ONP has sponsored a massive poster campaign, held public seminars, encouraged the inclusion of numerous favorable articles in the national press, and published various articles and books that explain the demographic problems of Peru.

GOP involvement in the population issue continued with its official delegation attending the 1984 United Nations Conference on Population in Mexico City. It agreed to the recommendations of the participating nations which recognized that family planning is an essential component of development in which both public and private sectors must play a role in addressing demographic, health and social issues.

2. Current Activities

a. Policy

Most recently, on July 6, 1985, in the final month of the government of President Belaunde, a parliamentary commission on population and development formed in January of that year, passed a new population policy law, Legislative Degree No. 346. Among other related matters, it guarantees individuals the right to determine the number of children they have. It also gives priority to "responsible parenthood", and it promotes and insures the "free", well-informed and responsible decision of individuals and couples regarding the number and spacing of their children, providing them with the education and health services which contribute to the stability and solidarity of the family and improving the quality of their life. Although the new law also lacks reference to a specific population growth rate and demographic goals as did its predecessor, as well as the means to implement the law, its intent to educate Peruvians about population problems is clearly stated. Population education will seek to "form positive attitudes towards responsible parenthood, the essence and value of sexuality and an understanding of the cause and effect of population dynamics on the development of the country." It will include training, socio-demographic environment and resources, sex education and responsible parenthood. "Teachers and high level personnel will be trained at educational centers and universities and programs will be developed for youths and adults. In conjunction with the educational activities, mass media activities, including development of educational radio and television programs on population problems and the environment as well as research on the effects of population on the quality of life are included.

The recently-elected Alianza Popular Revolucionaria Americana (APRA) government has expressed a keen interest in these issues: several of the party leaders have been active in private sector family planning and population issues for many years, were involved in the writing of the new Population Policy Law and are committed to implementing it. Communications with the new GOP and new MOH contain promises of continued strong support for family planning. However, the support will not be in the format of public statements. In fact, the new Minister has not yet and will probably not make statements publicly either for or against family planning.

The support will continue to be action oriented in the form of services offered by the MOH and behind the scenes activities to create an environment in which services can be freely offered. The GOP commitment to health, including the role of family planning, is further evidenced by the increased health budget for 1986; 7.1% of the total GOP budget compared to 3.9% in former years.

The new law also designates the CNP as responsible for coordinating and supervising public and private sector population activities in Peru. Although the extent of coordination and supervision is not yet defined, there are clear indications that the new government is interested in reaching a broader population with service delivery programs, such as plans to decentralize health services and to coordinate intersectoral health activities. In connection with the latter, the Minister recently acknowledged the important contribution of the private sector to the delivery of health services when he stated that health service delivery was not provided by the public sector alone. He has also placed the CNP under his direct supervision. Thus, as the coordinating body for all population activities, the CNP can play a vital role in identifying resources and activities both of GOP ministries and private agencies and enterprises, and linking them in order to reach a broader population.

In the private sector, policy initiatives have been undertaken by three agencies. The Instituto Andino de Estudios en Población y Desarrollo (INANDEP), for example, has conducted regional socio-demographic studies, collaborated with the CNP in demographic analyses, and participated in the Parliamentary Commission on Population. AMIDEP recently initiated activities to begin to address private sector policy development and implementation issues, promoted the private sector as a key element in solving the population problem by featuring national and regional seminars, produces a quarterly newsletter, conducts meetings and seminars with the leadership of political parties, publishes books and articles, and supports applied demographic research. The Instituto Peruano de Paternidad Responsable (INPPARES), an IPPF affiliate, has recently taken a role in population policy development through the Population Information for Policy Makers (PIPOM) Project, sponsored by IPPF and funded by AID/W. It conducted educational and promotional activities for political and opinion leaders at the national, provincial and local levels. Through its Board of Directors, some of whom are prominent political leaders, INPPARES continues to maintain close ties with high level government officials.

The lack of sufficient involvement in policy development by other private sector agencies and the limited nature of INANDEP's, AMIDEP's and INPPARES's activities have inhibited the ability of the private sector entities to: a) adequately meet their need for information; b) better understand and reach consensus on major family planning issues; c) improve their capability to articulate interests and positions on major policy issues; and d) develop needed policy dialogue with the GOP.

b. Introduction to Types of Family Planning Delivery Systems

Family planning programs in the Latin American and Caribbean region are characterized by various distinct modes of service delivery. Each delivery mode provides contraceptives in a context which is increasingly more sophisticated in its ability to deal with individual user problems and in terms of support services which it provides. The first mode of delivery and least expensive in terms of cost per user is contraceptive social marketing (CSM). This type of program targets those contraceptive users who utilize pharmacies or small local stores to obtain their family planning needs at a reduced or subsidized price with a minimum of costly support services to the user. The second mode of delivery is community-based distribution (CBD) which is characterized by the deployment of promoters/distributors to deliver family planning methods to the "hard to reach" marginal urban or rural contraceptive users. The cost of such projects varies and depend on the site and conditions of the program. This mode of delivery is characterized by a network of CBD supervisors, and CBD promoters/distributors who carry out the program through community motivation, contraceptive supply, and medical referral for reproductive health associated problems. The last and most expensive mode of delivery is clinic-based services, which includes a series of reproductive health support services. Usually, clinics receive the above mentioned CSM and CBD program referrals. They provide a full range of contraceptive supplies and services and are administered by specialized health professionals like Ob/Gyn doctors, paramedical and auxiliary personnel. All three of the service delivery modes, CSM, CBD, and clinic-based services, are required in any balanced national family planning program to provide low-cost, complete and appropriate service support to all socio-economic classes.

c. Peruvian Public Sector Program

In Peru, the public sector program provides primarily clinic-based family planning services via the MOH, the Peruvian Institute of Social Security (IPSS), the Armed Forces, and the Beneficencias. The MOH provides these services in coordination with its health services in 19 health regions, 17 of which are supported by the USAID "Integrated Health and Family Planning Project" (No. 527-0230). USAID contraceptives are supplied to all health regions and hospital areas. Family planning services and supplies are offered at 19 regional and 62 area hospitals, as well as 510 health centers and 1,500 health posts. Present estimates indicate 151,000 MWFA, or 5.4% of MWFA, receive services via the MOH, as indicated in Table 1 below. The IPSS provides health services in 6 regional hospitals, 2 national hospitals, 11 hospital zones, 30 clinics, 68 health posts, and 124 factories and cooperatives. Under the same USAID project, the IPSS receives support for its family planning program in 8 hospitals, 15 clinics, and 6 health posts and serves approximately 5,500 MWFA. The Armed Forces and the Beneficencias (without USAID support) serve approximately 16,000 users. Together these three public sector agencies served 172,500 MWFA, or 33% of the total estimated users of modern contraceptives in the country in 1984. However,

Table 1. NUMBER AND PERCENT OF MODERN METHOD USERS IN PERU IN 1981 BY SOURCE OF SERVICES.^{1/}

Source of Services Modern Methods	No. of Users of Modern Methods	% of 2.8 Million MWFA Who Use Modern Methods ^{2/}	% of 530,000 MWFA Who Use Modern Methods
1. Public Sector			
a. MOH	151,000	5.4 %	29 %
b. IPSS	5,500	.1 %	1 %
c. Armed Forces and <u>Beneficencias</u> ^{3/}	<u>16,000</u>	<u>.6 %</u>	<u>3 %</u>
SUBTOTAL PUBLIC SECTOR	172,500	6.1 %	33 %
2. Private Sector ^{4/}			
a. Non-profit Private Sector (PVOs)	130,000	4.6 %	25 %
b. For-Profit Private Sector	<u>227,500</u>	<u>8.3 %</u>	<u>42 %</u>
SUBTOTAL PRIVATE SECTOR	357,500	12.9 %	67 %
TOTAL	530,000	19.0 %	100 %

^{1/} These figures are based on the most recent information available; the "1981 Contraceptive Prevalence Survey (CPS)". Although it is believed an increase has occurred, it cannot be documented until the 1986 CPS is completed. Preliminary findings are expected by late 1986. The numbers of users for the Contraceptive Social Marketing project are not included as clients are not yet being served.

^{2/} Of the remaining 2,270,000 MWFA who do not use a modern method, 70% wish to cease childbearing altogether and an additional 21% wish to space the births of their future children. In addition to the 530,000 MWFA who use modern methods, another 672,000 use less effective traditional folk and rhythm methods.

^{3/} These include charity hospitals, which are quasi-governmental but financed via lotteries.

^{4/} The non-profit private sector is comprised of Private Voluntary Organizations (PVOs), and the for-profit private sector is comprised of pharmacies and other such retail outlets.

these 172,500 users served by the public sector represent only 6.1% of the total 2.8 million MWFA.

d. Peruvian Private Sector Program

Peruvian family planning programs in the non-profit private sector have provided couples with safe, modern contraception and a range of support services. These programs are characterized by three basic modes of delivery: a) CBD; b) clinic-based programs; and c) CSM which has been developed for the first time in Peru under AID auspices, but not yet fully implemented. The CBD type program takes many different forms in Peru, and is a growing modality for the provision of contraceptives in the country. There are a number of programs which distribute contraceptives through community promoters in the pueblos jovenes of Lima, as well as in a few areas in the provinces. In addition, promoters provide other information on reproductive and maternal child health (MCH) and make medical referrals to local clinics. The clinic-based family planning programs presently provide most of the contraceptive coverage in the private sector agency programs in Peru. The clinics not only provide necessary contraceptive services, but often provide a number of other MCH-related services for their clients. With clinical back-up, one of the private sector agencies also promotes natural family planning (NFP) methods. Finally, the USAID-financed CSM program has been approved and implementation begun. It will soon provide contraceptive coverage through distributional pharmacies and other retail outlets. In addition, other private sector agencies provide research and informational services for the general public, government and opinion leaders. These organizations serve as an important non-governmental information resource, improve the policy dialogue in Peru concerning population matters, and help improve the level of public knowledge and support for family planning.

The 1985 institutional analysis of the family planning non-profit private sector included a review of 16 agencies, of which 10 currently offer clinic and/or CBD services, one offers IEC only and one is preparing to launch a CSM project. Undoubtedly, there are other private agencies, cooperatives and institutions, etc., providing family planning services that were not examined in the analysis. Although fragmented and uncoordinated, these agencies have supplied contraceptives to approximately 130,000 MWFA, or 25% of total estimated users in 1984. However, the 130,000 women served by the non-profit private sector represent only 4.6% of the total 2.8 million MWFA. Most of these programs are geographically concentrated in Lima and the coastal metropolitan centers of the country. In addition, two of the organizations offer only information, education and communication (IEC) services, two specialize in training family planning workers and medical personnel, and two are research institutes, and one is a policy agency. (See "Institutional Analysis of Private Sector Family Planning Agencies" by Development Associates, for a full description of these institutions and their family planning activities).

In summary, as shown in Table 1, the public sector, by serving 172,500 MWFA, provides 6.1% of the family planning need of the 2.8 million MWFA compared to the non-profit private sector family planning agencies which meet an additional 4.6% of that need. An additional 8.3% is met through for-profit private sector sources, such as pharmacies. The remaining 2,270,000 MWFA who currently do not use modern contraceptive methods, most of whom either want to space births or cease childbearing, represent a large, unattended target group for family planning programs in Peru. 1/

e. Peruvian Program Funding Sources

Both the public and private sector family planning programs receive some funds from international donors other than AID. The United Nations Fund for Population Activities (UNFPA), using PAHO as its implementing agency for its MCH and family planning projects, is the only other major external institution besides AID which supports public sector population programs. 2/ Most of the private sector family planning agencies either receive USAID/Peru assistance directly through the "Integrated Health and Family Planning Project", or AID/W assistance through international cooperating agencies, such as Pathfinder, FPIA, Johns Hopkins Program for International Education of Gynecologists and Obstetricians (JHPIEGO), International Project of the Association for Voluntary Sterilization (IPAVS), Population Council, Family of the Americas Foundation (FAF), and Family Health International (FHI). Three other institutions, IPPF, the Population Crisis Committee, and Church World Services, also support family planning services, using private non-AID funds. These last three organizations, combined with the UNFPA, contribute less than 40% of the annual support provided by AID. Clearly, AID is the major contributor to family planning in Peru.

During the past few years the U.S. Congress has sharply increased funding for population activities. Most of these funds have been directed towards AID/W world-wide or regional contracts, with private organizations and universities receiving contracts and cooperative agreements to provide funding and technical assistance (TA) to specific projects such as those working in social marketing, natural family planning, private enterprise development, management information systems, IEC campaigns, etc. In addition, private firms such as Development Associates, The Futures Groups, Westinghouse Health Systems, John Snow Associates and others have secured contracts to provide TA and occasionally funding support directly to family planning organizations.

1/ "Private Sector" throughout the remainder of the Project Paper (PP) refers to the non-profit private sector; i.e.; the PVOs.

2/ The World Bank's \$33.5 million health loan included a limited amount for family planning, but the loan has not yet disbursed sufficient funds to enable the four project health regions to provide any effective family planning services. The MOH is threatening to cancel the loan as of October 1985.

These AID/W centrally funded contracts represent sources of potentially significant funding and TA for Peru's private sector family planning agencies. The new Private Sector Family Planning Project should assist the agencies to gain a large share of these funds because of their increased capacity to effectively use this assistance. As the clearinghouse, the Prime Recipient with the assistance of the to-be-created Peruvian Coordinating Agency (PCA), will be able to guide these U.S. contractors towards local family planning organizations that are most suited to the purposes and requirements of the various funding sources, thus maximizing the utilization of resources.

C. Constraints to Population Activities in Peru

A variety of constraints - policy, administrative and managerial, financial, socio-cultural and attitudinal issues - negatively affect the ability of both the public and the private sectors to adequately address the problem of rapid population growth and capacity for delivery of family planning services.

1. Policy Constraints

Population policy constraints which impact on this project include the process of conducting research and analysis as it relates to the private sector and policy formulation and promotion to the GOP. Another issue is the general implementation of the new National Population Policy Law as well as the role it assigns to the CNP in supervising all public and private sector population activities.

The policy research and analysis process for population is fragmented and uncoordinated. It is primarily handled by three research organizations, including the CNP which focuses on the public sector and INANDEP and AMIDEP both focusing on private sector concerns. Their activities are conducted almost exclusively of each other with almost no mutual planning or cooperation. The lack of coordination and the fact that each body pursues its own interest, points of view, and has somewhat differing professional capabilities, has led to duplication and gaps in research coverage, a less effective use of resources, and therefore, less impact than should have been possible. A related issue is whether the role of the CNP to work towards policy improvement at the highest levels of government should be improved and in what way. Although the new GOP and MOH have indicated this is the appropriate role for CNP, the details have not been resolved.

The problems just described in the research process relate directly and negatively to the ability of the private sector to formulate policy needs, supported by timely and appropriate research findings, and to promote them to the GOP. In addition to the two research organizations which have been involved in policy promotion, INPPARES, a service agency, has also played a role. However, the process can be characterized as uncoordinated, fragmented and dominated by ad hoc responses to a wide array of economic

and social problems. There is presently no mechanism available to the private sector, or to the GOP, that provides timely expert technical support on private sector policy issues to assure policy discussions are based on sound analytic reasoning. As a result, population policies relating to private sector concerns, such as reduced or eliminated tariffs for contraceptives, streamlined importation, tax incentives for donations to non-profit organizations, the marketing and sales of contraceptives, and required prescriptions for the distribution of oral contraceptives, are too often based on incomplete information, unsound analysis and short-term political interests. Poor data and the lack of sound analysis weaken the policy dialogue process between the private and public sectors, and prevent the private sector voice from reaching the GOP.

The new National Population Policy Law, while it reemphasizes the right of the individual to freely choose family size and the right of access to health services for a better life, does not provide a mechanism for implementation. Additionally, because it lacks clear demographic goals, its strength as a population law is clearly weakened. The implementation of the law may be further affected by the fact it was passed by the outgoing government in its final days. Even though it was developed and passed with multipartisan support, the new government could decide to alter it.

The new law clearly assigns the role of coordinator and supervisor of all private and public sector population activities to the CNP. Although the CNP chose not to emphasize collaboration with the private sector in the past, the new government has already indicated this will change. The new GOP, MOH and CNP recognize the value of the role of the private sector in the expanded provision of family planning services.

The project will address these issues through supporting a variety of activities which will help improve the policy dialogue process as well as contribute to implementation of the new law. During its initial phase, the project will help develop a coordinated and comprehensive research plan and a policy formulation and promotion strategy. Policy dialogue between the private and public sectors will be enhanced to facilitate the implementation of the new law and continued improvement of other policy issues. The project also promotes the coordination and cooperation not only among the private sector agencies, but also with the CNP as a policy coordinator.

2. Administrative and Managerial Constraints

The public sector has been engaged in the delivery of family planning services since 1981 with assistance through the USAID funded project, "Integrated Health and Family Planning." The IPSS, through this project, provides family planning services for registered public and private sector salaried employees, and the MOH mandate is to provide integrated health care, including family planning, to 70% of the population. However, despite this mandate, its expansive infrastructure and large quantities of bilateral funds

and technical assistance, the MOH has been able to extend family planning services to only 5.4% of MWFA. Its efforts have been thwarted by public sector labor disputes, long delays in patient processing, weak logistic systems, as well as inadequate and ineffective staff and program supervision, and lack of program commitment, all of which affect the quality and range of family planning coverage. A new USAID supported health sector program will add additional funds to strengthen the MOH's capacity to provide family planning services through its health services delivery system. Therefore, though improvements are being and will be made within the public health system, any such effort must be long-term and will require continuous and dedicated support.

Because of the private sector agencies' earlier experience with rapid, extreme shifts in the GOP's attitude on the population question and family planning activities, the family planning agencies reemerged after the 1976 population policy declaration in the form of small, individual, fragmented, and low-profile institutions, and have remained so. Although the achievements of these individual agencies are notable, as a group they have not begun to meet the need for independent, professional family planning services. While there is a vast range in the levels of management and administrative capabilities among the institutions, as well as an uneven capability in any given institution in the various management areas, the existing agencies are generally characterized by a lack of clear goal-setting and planning, weak logistics (procurement, distribution and storage), inadequate use of statistics, and limited administrative capability. In addition, there is little cooperation between agencies, little knowledge of each other's activities, a high degree of competition for funding, and limited cooperation with the public sector. Coordinating efforts have had little effect. For example, a Secretaría de Coordinación was formed in 1982, held approximately ten meetings of agency directors and government officials, and was disbanded in 1983 because of participants' inability to agree on meeting agendas and action plans. More recent attempts by APROPO to host private sector coordinating meetings have met with only slightly greater success. However, APROPO, INPPARES, and PRO-FAMILIA meet regularly to discuss possible areas of coordination and collaboration.

These fundamental management and structural problems in the public and private sectors are not only constraints to the expansion of family planning services in Peru, but also prevent the existing programs and agencies from achieving their full potential effectiveness. In fact, nine years after the first national population policy declaration, the private sector agencies still tend to be small, undertrained and underfinanced, with inadequate management and limited coverage, reaching only 4.6% of MWFA.

This project addresses the administrative and managerial constraints by providing a comprehensive program to all agencies of training and technical assistance in the areas which are key to the improvement and expansion of private sector programs, including management, planning and evaluation, coordination and logistics. In addition, it will create a PCA to

address the issues of coordination of the private sector agencies, general leadership to the private sector, and cooperation with the public sector.

3. Financial Constraints

Although the GOP issued first in 1976 and again in 1985, a population policy statement implicitly favoring smaller families, financial support from the GOP for these activities in both the public and private spheres is severely limited. According to a recent Mission-funded study by Management Sciences for Health (1983), over 90 percent of the MOH budget supports salaries and fixed operating costs. Almost all of the funds to finance public sector programs, including family planning services and contraceptives, are supplied by the international donor community, with USAID as the major source of funding via the "Integrated Health and Family Planning Project." The private sector programs receive no financial support from the GOP, and like the public sector, receive most of their financial support from international intermediary agencies.

Only limited attempts have been made by the private sector agencies to generate local funds which would make them less dependent on international intermediary sources. The fees charged to clients for services and/or contraceptives are quite low and will most likely remain so, given the financial situation of the clients. A small amount of income is realized by some private institutions which operate parallel health care and lab services on a user-fee basis, such as vaccinations, pre- and post-natal care, general gynecological care, and pediatric services. In most cases, this supplies only a small percentage of the total funding needs. However, the Instituto Marcelino's family planning services are self-supporting from the user fees charged to a primarily middle class clientel, and APROSAMI generates 30% of its total budget primarily from user fees. Other local sources of income include the sale of printing services (INPPARES), contracts for research with pharmaceutical companies (Instituto Marcelino), tuition for training in areas of particular professional interest (INPPARES), and the sale of handicraft items made by members of mother's clubs (PRO FAMILIA). Unfortunately, the level of income from most of these sources (with the exception of pharmaceutical research) does not even recover costs incurred in conducting the income generating activity. Fund raising also has been only minimally attempted and moderately successful. Peruvian tax laws do not generally reward contributions to private, non-profit institutions, and recent changes in the tax code have further restricted deductions for donations. Only one institution, PRO-FAMILIA, has received any significant amount from its fundraising efforts. Four major pharmaceutical companies provide considerable support for PRO-FAMILIA clinics. In general, domestic funding support is an area which needs to be further explored and developed.

Other funding problems include the funding decisions by the international intermediary agencies which have not always been well-coordinated to utilize the monies most effectively. With limited worldwide budgets, there will be fewer available funds from these sources at a

time when there is a greater need to increase the capacity of the private sector program in Peru. In addition, because of the time limits which some international cooperating intermediaries place on their grant support, some of the private agencies that are now receiving support from these sources will probably not continue to do so in the next few years. If there is to be a significant increase in family planning services, additional funding for both public and private family planning programs is needed, along with the expanded administrative capacity to absorb and utilize those funds.

To offset the uncertainties of funding from these sources, the private sector must develop a strategy to lower its operating costs through more efficient operation and management practices, develop means for the intermediary agencies to more effectively and efficiently make funding decisions, and develop strategies to raise funds through other income-generating mechanisms. This project addresses the existing funding constraints by providing direct operational support, commodities, training and technical financial assistance in cost-effective management and income-generation, and coordination of funding from international cooperating agencies.

4. Socio-Cultural Constraints

According to the "1981 Contraceptive Prevalence Survey," 70% of MWFA do not want any more children and an additional 21% wish to space their births. Despite this demand for family planning services, some groups and individuals exist who are either unwilling to accept modern methods of family planning, or whose attitudes interfere with promotion of such methods. For example, in the northern regions of Peru where the traditional Spanish culture is strongest, depressed economic conditions dictate a subservient role for women, isolating them from the mainstream and reinforcing their dependent status. Although awareness of family planning is relatively high, acceptance is lower than in the southern altiplano, where women share more equitably in the generation and distribution of family income. The limiting factors in the southern sierra are the lack of resources to develop appropriate family planning messages and material which use the native languages and the low literacy rate in the target population.

Many physicians believe that they are the only health professionals qualified to adequately promote and distribute contraceptives. In conflict with this attitude is the current official MOH position which has declared that nurses, nurse-midwives and "promoters" should be trained to educate the population about family planning and to promote all methods, as well as distribute condoms and orals. According to the MOH's norms, it is also acceptable for trained nurse-midwives to insert intra-uterine devices (IUDs). In some cases, however, physicians have interfered with the application of these norms, and not all non-physician health professionals trained in family planning are, in fact, allowed to deliver such services. This uneven application of MOH norms has interfered with the effective distribution of contraceptives, particularly for those who cannot afford physicians services. Clearly, a concerted effort is needed to develop

physician support for distribution of family planning services by other appropriately trained health professionals. Exacerbating the problem is the disproportionate concentration of physicians in urban centers (70% of all physicians are in Lima, while only 27% of the population lives in Lima) which has negatively affected contraceptive distribution in rural areas. This general situation exists despite the fact that most private sector programs (including those with CBD components) are directed by physicians, and the leadership of the Colegio Médico has a rather liberal attitude regarding the delivery of family planning services. It is unclear what the MOH under new leadership will do to foster its policy on this matter and generate a higher level of physician compliance.

The Catholic Church is often cited in Peru as a constraint to family planning. While official Church policy from Rome disapproves of all artificial family planning methods and approves only natural methods, the Church hierarchy and membership the world over are divided on this issue. Peruvian society also shares this difference of opinion. For example, one of the earliest family planning programs in Peru was sponsored by the Christian Family Movement (CFM) with Catholic Church approval and utilized the pill for birth spacing. A second example of the divided opinion is the fact that a noted priest was a major participant in writing Peru's 1976 Population Policy, and served as CNP advisor in writing the updated 1985 Population Policy Law. A second priest served as the legal church representative to the CNP in the writing of the new 1985 law. Various priests and nuns allow the distribution of contraceptives in their health clinics. In addition, the Peruvian Catholic Church has not taken any noticeable steps to stop the family planning program. Even the recent February 1985 visit to Peru by the Pope did not cause any serious attacks on family planning by the local Church officials.

Outside the Church hierarchy, the Catholic membership also differs in opinion and action. Forty-one percent of the 2.8 million MWFA use some form of family planning; nearly half of these use modern methods. It may safely be assumed that the majority of these women are Catholic. Whether or not the Church will attempt to prevent an expanded program in the future cannot be predicted. Nonetheless, the Church's position is a significant point to be considered in family planning program development.

This project addresses sociocultural constraints by assisting family planning agencies to develop and implement culturally appropriate materials and programs including NFP methods, to provide information and training to all levels of professional and paraprofessional health workers to involve them in the family planning service delivery system, to generate physician support, and to deal effectively with groups and institutions which do not currently support family planning programs.

D. USAID Short and Long-Term Population Strategy

USAID/Peru population strategy must necessarily complement its overall development strategy as exemplified by the approved 1984 Mission Country Development Strategy Statement (CDSS), which in turn must reflect AID/W policy and priority areas. The USAID/Peru population strategy is to help lower the current high population growth rate of 2.5% to 2.2% in 1990 and to 1.9% by the year 2000. This population strategy directly addresses and complements the CDSS which stated rapid population growth "is a serious impediment to development" in Peru. One of the three components of the long-term USAID/Peru strategy discussed in the CDSS is to expand the efficiency and coverage of social services, including family planning, to low income rural and urban populations as an effective means to increase the real income and living standards of the poor. The negative impact of continued high population growth on economic and social development are clearly recognized and addressed by these overall development and population strategies. These strategies are fully consistent with the priorities of the AID Latin American and Caribbean (LAC) strategy incorporating policy dialogue and policy reform, institutional development, and increased private sector collaboration.

The long-range objective of 1.9% growth rate by 2000 cannot be achieved without a substantial expansion of all three program sectors: public, commercial and private. 1/ The preliminary targets for this expansion are outlined in Table 2. To meet this long range objective, USAID/Peru is developing a long-term, 15-year strategy. The first five-year phase of the strategy will be carried out through three program components: public, commercial and private with emphasis on the for-profit and non-profit private sector. During the first phase, the public sector family planning needs and activities will be addressed through FY 1986 under the "Integrated Health and Family Planning Project." They will subsequently be addressed through a new project under development, based upon the findings of the Health Sector Analysis and the on-going policy dialogue with the new GOP. The needs of the for-profit private sector are addressed via the development and support of a

1/ The importance of expanding USAID/Peru family planning support to include non-governmental and private sector agencies was presented in an AID/W worldwide cable (STATE 066308), dated March 6, 1985, which stated that expansion of support to these organizations will provide greater opportunities to promote acceptance of family planning on a voluntary and better informed basis, the basic premise of all AID family planning assistance. Examples of types of agencies referenced in the cable to participate directly in this project, are private sector agencies (PVOs) and cooperatives. This new project could also include, via sub-grants, private health insurance plans, Health Maintenance Organizations (HMOs), cooperatives, and clinics operated by industries which could provide family planning services but currently do not.

TABLE 2. THE NUMBER OF MODERN CONTRACEPTIVE USERS BY SOURCE, ESTIMATED 1985 AND PROJECTED NUMBER OF WOMEN IN UNION IN FERTILE AGE (15-49) AND PROJECTED UNMET NEED (000s).

	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
1. Public Sector (MOH, IPSS, Armed Services and Beneficencias)	172	200	250	350
2. Contraceptive Social Marketing (CSM)	0	250	350	450
3. Non-Profit Private Sector (PVOs)	130	380	650	850
4. For-Profit Private Sector and Other Sources <u>1/</u>	228	300	350	450
Total Modern Contraceptive Users	530	1,130	1,600	2,100
Total Women in Union	2,800	3,300	3,800	4,400
Unmet Need	2,270	2,170	2,200	2,300

Contraceptive Social Marketing (CSM) project already approved for 1985-1989, which is in the process of being implemented and plans to initiate sales in the near future. The non-profit private sector needs and activities are addressed by the new project for the years 1986-1991, outlined in this Project Paper. The commercial sector will continue without USAID input.

The first phase of the USAID/Peru population strategy will stress increased utilization of the private sector with more emphasis on the more cost-effective CBD approach but including appropriate clinical back up, institution building to expand service delivery, policy dialogue and improvement, increased efficiency in the use of available resources, and increased financial self-sufficiency in both the public and private sector. The first phase addresses the policy constraints just discussed through strengthening the ability of both the private and public sectors to determine policy needs, conduct needed research and effectively present it to inform and educate the GOP. The ONP will also be supported as an integral component in policy development as it affects the private sector. Administrative and managerial constraints are confronted by the strategy's basic emphasis on institutional development, both as individual agencies and as members of the broader public and private sectors as well as development of increased cooperation and coordination via the PCA. Funding constraints are answered by the strategy's recognition of the need in the immediate future to

1/ Table 2 presents user targets for the CSM project funded by USAID separately from the rest of the non-profit private sector.

increase efficiency to better utilize available resources, as well as the need to develop increased long-term financial self-sufficiency via the development of income generating activities. Socio-cultural and attitudinal constraints are addressed in a variety of ways, including emphasis on a broad range of delivery systems (clinical, CBD, CSM) to meet the cultural and social needs of a wider range of users, and continued support of NFP to meet concerns of the Catholic Church.

The emphasis of the second and third phases of the long-term strategy is to: 1) continue institution building with the now established PCA in the private sector and with the MOH in the public sector to develop and increase financial self-sufficiency and absorptive capacity to utilize more resources; 2) continue to support effective policy dialogue and development to remove policy obstacles to private sector growth; and 3) continue coordination between the public and private sectors. This emphasis will help enable Peru to provide sufficient services to achieve the goal of a 1.9% population growth rate by the year 2000. To be successful, the long-term strategy must remain flexible and recognize and respond to various constraints that work to inhibit program development.

E. Project Rationale and Strategy

This project recognizes that enhancing the capabilities of family planning service providers and increasing political support for strong and effective population policy are key contributors to improved health and economic growth in developing countries, particularly for the poor.

Historically, efforts by the GOP and international cooperating agencies to develop, coordinate and expand the family planning program in Peru have focused predominately on the public sector institutions, primarily via the MOH, but also the IPSS and the Armed Forces and Beneficencias. However, various characteristics of the public sector restrict the impact of the program and prevent it from meeting the total family planning demand of Peru. The problems include a weak economy overall that limits government revenue and consequently constrains GOP funding of the MOH and IPSS programs. However, even if sufficient funding were available from both GOP and international intermediary agencies to provide services to all those in need, it would not be feasible to channel all the funds through the public sector as it does not yet have the institutional capability, adequate public administration skills, or effective distribution and logistics systems in place to provide all the needed coverage for those families requesting services. The infrastructure of the MOH and the IPSS is constricted by bureaucratic processes and also is limited to the style of service delivery primarily to clinic based services. In addition, because the public sector has traditionally served primarily the very poor, it does not appeal to other divergent, less indigent, family planning user groups which could be served via the private sector. Faced with these limitations and the tremendous size of the unmet family planning need in Peru, the public sector cannot be expected to serve the total national need of the poor for such services; private sector capacity must and can be increased.

It is appropriate that the new project focus on the private sector for the following reasons:

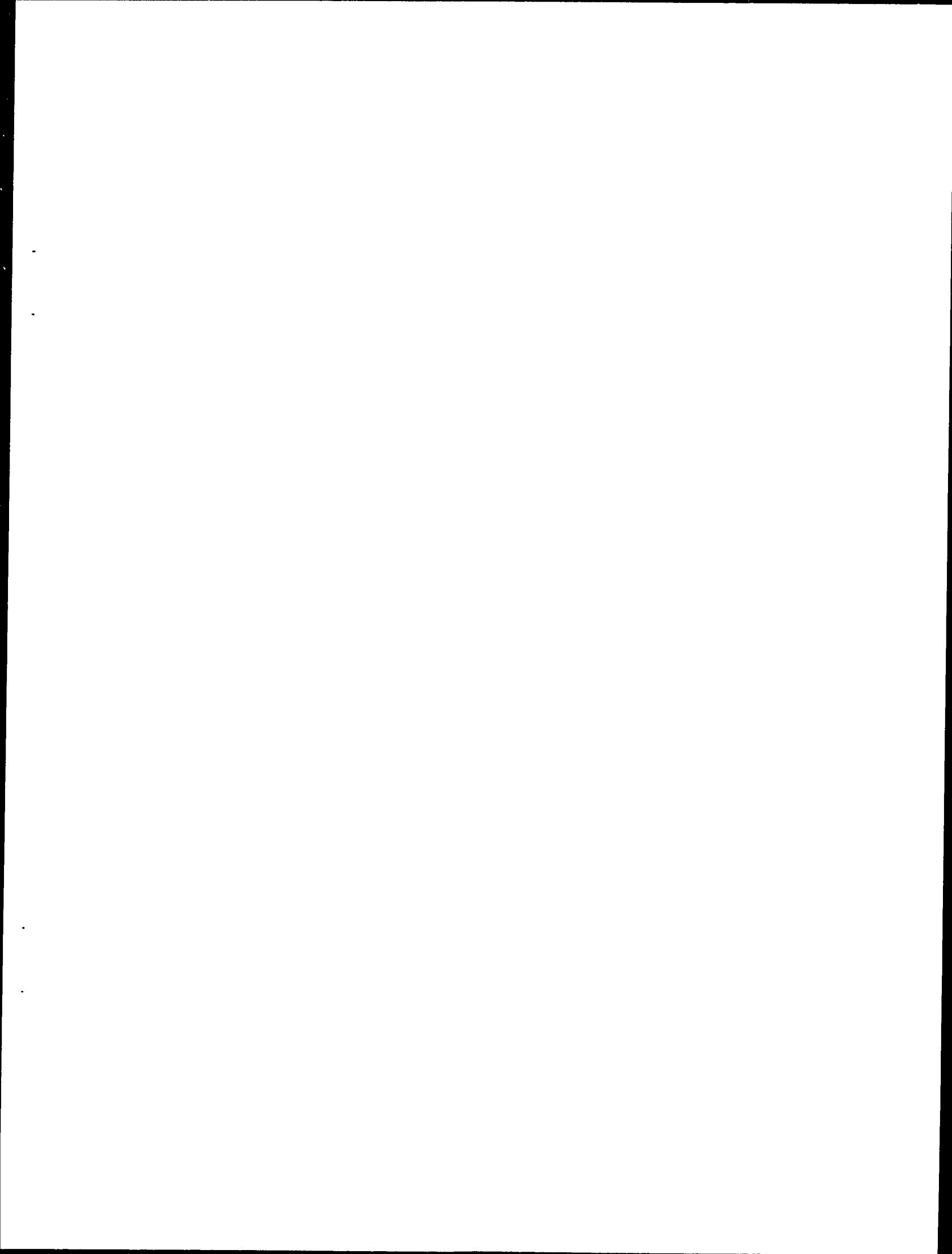
Relative to service delivery, expansion of the private sector via the wide variety of agencies will help ensure that geographic coverage will be increased in under- and unserved areas and the mix of services and contraceptives will promote a free and informed choice among acceptors. 1/ Expansion of the private sector might also include the creation of new agencies, systems or activities which can be accomplished faster as it is unencumbered by government bureaucracy and is more flexible and creative.

In terms of population policy, it supports, exemplifies and promotes the spirit of various recommendations adopted by the 1984 International Conference on Population which was attended by an official GOP delegation who signed the conference agreement. 2/ The project is also supportive of and consistent with the New Peruvian Population Policy Law, passed in July 1985. The new law reaffirms the right of the individual to freely determine family size and to have access to services. The MOH under the new GOP recognizes the value of the private sector in service delivery and is encouraging its use. The new project also reflects USAID/Perú support and use of the private sector to stress cost efficiency, improved management and local income generation; consistent with AID LAC policy. And finally, a focus on private sector policy initiatives will encourage and facilitate policy dialogue between the public and private sectors on population policies and laws that must be improved or created.

In terms of coordination of family planning activities, the project supports and encourages cooperation and joint planning between the private sector agencies; a need that is recognized by these agencies but has received only limited attention. Increased coordination between the private and public sector is also encouraged via project support to the CNP, legally charged by the new population law with the responsibility to supervise and coordinate all population activities. Improved use of current resources, a reduction in duplication of effort and competition, an improved ability to determine and

1/ See STATE 066308, dated March 6, 1985, to all USAID Missions which stresses the issue of free and informed choice.

2/ Recommendations from the 1984 International Conference on Population that relate directly to this project include the following: (1) continuing the strong role for non-governmental organizations in family planning service delivery; (2) increased support to the management of family planning programs and training of its personnel; (3) increased support to the development and implementation of population policy; (4) increased availability of contraceptives to all couples and individuals to assist them to freely determine family size; (5) increased research and data collection, processing and analysis; and (6) promotion of birth spacing to increase child survival rates.



coordination skills to utilize existing resources more efficiently, expand services, develop income generation skills to move towards increased financial independence, develop analytic skills, and foster positive policy dialogue and changes as it relates to the family planning private sector.

G. Relationship to Other Donor Activities

Most of the Peruvian private sector family planning organizations have been or are recipients of international funds from various sources, including USAID, AID/W, FHI, UNFPA, FPIA, The Population Council, The Pathfinder Fund, PAHO, etc. The forthcoming project will be expected to complement rather than supplant such funding, and to help create a situation where all family planning funds can be more effectively and efficiently allocated. This will be accomplished through the Prime Recipient and the PCA, which will serve as a source of information on agency programs to the international cooperating intermediaries and provide them with optimal guidance for the most effective and coordinated placement of their funds.

III. DETAILED PROJECT DESCRIPTION

A. Project Goal and Purpose

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 cost-effective contraceptive coverage; (2) to strengthen the capacity of these same agencies and the CNP to influence, improve and strengthen population policy in Peru particularly 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 private sector family planning agencies.

B. End-of-Project Status

The three project components of the project are interrelated and all are needed to create a strong and coordinated family planning private sector capable of meeting the expressed family planning needs of the Peruvian population. Specifically, the conditions which will exist at the end of the project include:

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 16 identified 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.

C. Project Components and Activities

The project components as illustrated in Tables 3 and 4, are:

<u>Component 1:</u>	Family Planning Services:	\$6,483,000
<u>Component 2:</u>	Population Policy:	\$2,057,000
<u>Component 3:</u>	Family Planning Private Sector Coordination:	\$870,000 <u>1/</u>

1. Family Planning Services Component: \$6,483,000

Many women do not use family planning methods because they do not know about them or they are unavailable. More than half the population resides in urban areas where the level of knowledge and use is higher than in rural areas. Clearly, tremendous efforts in the public, private and commercial sectors must be expanded to meet this need for services in both rural and urban areas. Within the private sector, a wide variety of family planning service agencies exist which could participate in this needed expansion of family planning services. An illustrative list of these agencies and their five-year objectives are presented on pages 32-34.

1/ The cost of the three components total \$9,410,000 plus \$1,852,000 project management costs and \$1,738,000 contingencies and inflation equals \$13,000,000.

TABLE 3. TOTAL PROJECT COSTS BY PROJECT COMPONENTS AND OBLIGATIONS (US\$000).

	OBLIGATIONS					Total
	Prime Recipient	Consejo Nacional de Población (CNP)	Project Coordinator (PSC)	Audit & Eval. Firms	AID/W ST/POP	
PROJECT MANAGEMENT COSTS						
I. Family Planning Services						
1. Prime Recipient	610	—	—	—	—	610
2. Training & TA	1,273	—	—	—	—	1,273
3. Commodities	207	—	—	—	—	207
4. Contraceptives	—	—	—	—	1,250	1,250
5. Sub-grants	3,143	—	—	—	—	3,143
Sub Total	5,233	—	—	—	1,250	6,483
II. Policy & Research						
1. Prime Recipient	271	—	—	—	—	271
2. Training & TA	327	—	—	—	—	327
3. Commodities	30	—	—	—	—	30
4. Sub-grants	779	650	—	—	—	1,427
Sub Total	1,407	650	—	—	—	2,057
III. Coordination						
1. Prime Recipient	79	—	—	—	—	79
2. Training & TA	71	—	—	—	—	71
3. Commodities	44	—	—	—	—	44
4. P.C.A.	235	—	—	—	—	235
5. Sub-grants	241	200	—	—	—	441
Sub Total	670	200	—	—	—	870
PROJECT MANAGEMENT COSTS						
1. USAID Project Coordinator	—	—	425	—	—	425
2. Prime Recipient	169	—	—	—	—	169
3. Commodities ^{1/}	106	—	—	—	—	106
4. Sub-grants	732	150	—	—	—	882
Evaluation & Audit	—	—	—	270	—	270
Sub-total	1,007	150	425	270	—	1,852
Project Cost Sub-total	8,317	1,000	425	270	1,250	11,262
6. Contingencies & Inflation ^{2/}	1,120	102	107	63	346	1,738
AID TOTAL PROJECT COST	11,410	1,100	490	270	1,250	13,000

^{1/} Includes 8% procurement fee.

^{2/} Inflation is calculated at 5% of US\$ only, and contingency at 10% of all project costs.

TABLE 4. SUMMARY TOTAL COSTS BY PROJECT COMPONENTS AND OBLIGATIONS (US\$000).

	OBLIGATIONS					Total
	Prime Recipient	CNP	Project Coordinator (PSC)	Audit & Eval. Firms	AID/W ST/POP	
<u>PROJECT COMPONENTS</u>						
I. Family Planning Services	5,233	--	--	--	1,250	6,483
II. Policy & Research	1,407	650	--	--	--	2,057
III. Coordination	1,670	200	--	--	--	870
<u>PROJECT MANAGEMENT COSTS</u>						
Subtotal	1,007	150	425	270	--	1,852
Project Cost Subtotal	8,317	1,000	425	270	1,250	11,262
Contingencies & Inflation	--	--	--	--	--	1,738
AID TOTAL PROJECT COST						13,000

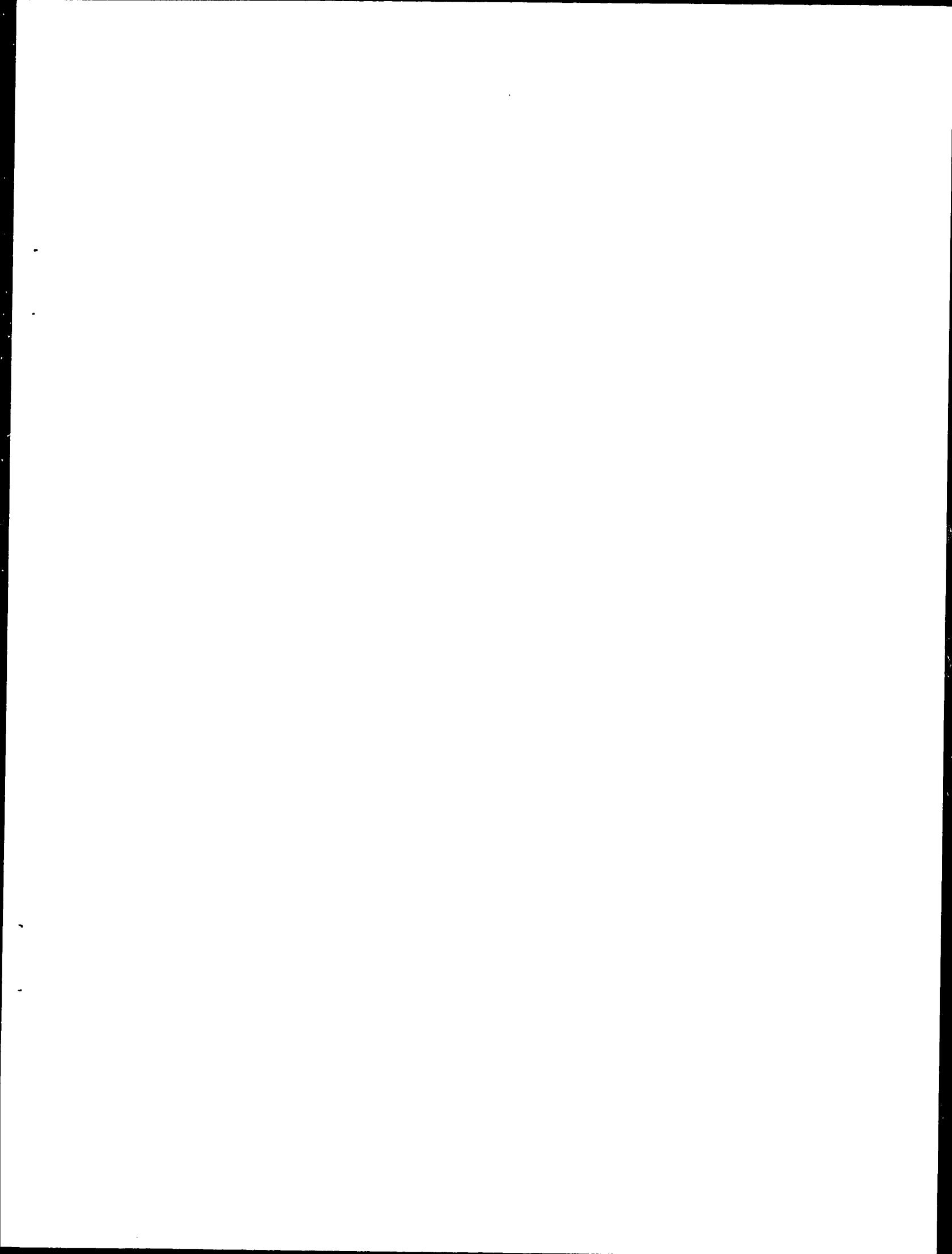
a. Agencies

Asociación Para el Desarrollo e Integración de la Mujer (ADIM): A women-in-development organization, ADIM currently assists low income women with business training, small business loans, and family planning information. It plans to open CBD projects with clinical support in the pueblos jovenes in Northern Lima and two provinces.

Apoyo a Programas de Población (APROPO): Primarily responsible for a CSM project, APROPO also plans to participate in educating and motivating private sector opinion leaders to support and work in family planning.

Asociación de Profesionales para la Promoción de la Salud Materno Infantil (APROSAMI): Clinic based with an extensive CBD project, this agency plans to expand coverage in its current service area as well as initiate CBD projects in four northern provinces.

Asociación de Trabajo Laico Familiar (ATLF): A church approved family planning organization which emphasizes natural methods, ATLF



promoters and supervisors, trainers, and other family planning workers. 1/

b. Outputs

The first project component, increasing availability of family planning services through the private sector, will have five outputs. In order to achieve the most important output, namely 400,000 additional contraceptive users over the life of project (LOP) in the private sector, several other outputs must also be achieved: improved management systems; increased number of trained personnel; increased availability of culturally appropriate family planning information; and increased number of clinical and CBD service sites and improved existing sites.

Under the output of improved management systems, all 16 private sector agencies currently identified and the CNP will: (1) develop annual and multi-year objectives and work plans; (2) improve their accounting systems to include all essential components; (3) develop and use evaluation plans, and (4) utilize a comprehensive logistical support system. In addition, the service delivery agencies will help develop and use a standardized statistical data collection and reporting system.

The output of increased number of trained personnel in Lima and rural areas will include the following additional numbers: (1) 650 medical personnel including doctors, nurses, midwives, and nursing and medical students; (2) 1,000 non-medical service delivery personnel, including social workers, CBD supervisors and promoters, as well as trainers; (3) 200 managers, administrators, support personnel and Board members, and (4) 90% of active CBD supervisors and promoters will receive refresher training once per year. Not only the amount, but the quality of training must also be improved. Minimum training requirements for various types of staff will be developed and applied.

The culturally appropriate IEC information output will be made available through a coordinated campaign, conducted by the private sector agencies and the CNP, for both urban and rural areas that will include radio, TV, posters, brochures, newspapers, periodicals and public talks to special groups such as youth, mothers clubs, factory and mine workers, farmers, cooperative trade associations, etc. The campaign will include the development of improved printed educational and promotional materials in languages and styles understood by the general public and clients. Better

1/ In addition to these 12 private sector family planning service delivery agencies and the new training institute, two private sector research institutes, AMIDEP and INANDEP, and the population research institute IEP, still in the planning stages, are also included in this project. And finally, inclusion of the public sector agency, the CNP, makes a minimum total of 17 agencies in the project. It is necessary to include the CNP in what is otherwise a totally private sector group because it is legally the coordinating body for all private and public sector family planning activities. AMIDEP, INANDEP, IEP and the CNP are described later. New, yet to be identified or created agencies, may also be assisted through the project.

trained IEC personnel will help create and implement the campaign. In addition, four sex education projects for young people will be developed and used, and 10 seminars offered to the public.

The final output, increased CBD and clinical service delivery sites, will include 65 additional clinical sites (most of which are already existing health facilities that do not yet include family planning services) and 40 new CBD sites in both Lima and the provinces. In addition, 90% of existing clinical and CBD service delivery sites will improve and expand services in order to increase the number of users.

c. Inputs

All of the identified agencies would be able to receive TA and training under this project beginning in the first year. Various commodities, in the form of equipment, supplies, and/or contraceptives to supplement other sources could also be available during project year (PY) 1. Depending on performance levels achieved under pre-specified criteria, the agencies might next receive additional equipment, supplies, contraceptives, and/or sub-grants beginning in PY 2 or 3. An illustrative list of the possible TA, training, and commodity inputs to this component follows. A detailed commodity list for each agency appears in Annex II, Exhibit D.

i. Technical Assistance and Training: \$1,273,000

TA and training opportunities from Peruvian, third country and US sources will be made available in-country as much as possible through the Prime Recipient. To help minimize costs, and more importantly, foster idea-sharing and cooperation among the 16 private sector agencies and the ONP, TA and training will be provided to the agencies as a group, rather than separately. Because of the need to foster cooperation and networking that could lead to expanded implementation of family planning services, the training courses and seminars presented in Peru will also include space for other health and related professionals who might, but do not yet, deliver family planning services. Where excellent training is available outside Peru, appropriate personnel will be sent with the expectation (and necessary subsequent assistance) for those returning persons to share their experiences through seminars with other Peruvian family planning organizations and their staff.

The provision of TA is a continuous activity through the life of the project, although TA inputs will be more frequent and intensive in the project's earlier years. TA will be provided ad hoc and unscheduled by the Prime Recipient staff in their numerous contacts with participating agencies' staffs during the life of project (LOP). Both TA and training will also be provided by the Prime Recipient staff in more formal sessions. TA is also linked closely to the training workshops and seminars to be provided by short-term consultants. Each such training session will be followed up by on-site TA at the participating agencies to assist with the proper application of the skills and knowledge taught. Optimal use will be made of the consultant experts invited as lecturers in the workshops and

seminars to provide such follow-up TA.

An illustrative list of TA and training topics and the number of recipients is presented in the following Table 3. Many of these courses, specifically those covering financial management, logistical support, micro-computer use, training curriculum development, and training of trainers could include the use of identified host country experts along with non-Peruvian consultants.

ii. Commodities: \$207,000

The various equipment and supplies needed by the service delivery agencies, excluding contraceptives, could be made available to all private sector agencies and the CNP as early as PY 1, and nearly all of the commodities should be delivered by the end of PY 2 at the latest. They could include:

- office furniture and equipment: desks, chairs, typewriters, calculators, mimeograph machines, copiers, offset printing press;
- audiovisual equipment: slide and film projectors and screens, cassette recorders, Betamaxes, TVs, overhead projectors, educational films and slides, cameras;
- vehicles;
- computer equipment: hardware and software;
- medical equipment and furniture: minilap kits, gloves, IUD insertion; kits, specula, autoclaves, gyn tables, lights

iii. Contraceptive Commodities: \$1,250,000

The Project will finance the establishment of a contraceptive logistics system that guarantees an uninterrupted flow of contraceptive supplies: INPPARES, for example, has proposed a project to import, warehouse and distribute contraceptive commodities to private sector family planning agencies. The arrangements could be made with INPPARES to do so for those agencies relying on this project for their contraceptive supply needs. Due to the current available sources of contraceptives, few will be needed in PY 1 and 2, but the need will greatly increase in PY 3, 4 and 5.

The projected cost of the contraceptives over the LOP is illustrated in Table 6. While these estimates are based somewhat on the expected increased number of users, it is not possible to illustrate a direct relationship for several reasons. First, the Project contraceptives will only supplement those already available from other sources, will not necessarily be distributed to all agencies participating in the project, and will also be used to supply continuing users who became users prior to this project. The

TABLE 5. ILLUSTRATIVE LIST OF TA/TRAINING TOPICS UNDER PROJECT COMPONENT ONE, NUMBER OF RECIPIENTS FOR LOP AND LOCATION.

TOPIC	NO. RECIPIENTS
<u>IN PERU</u>	
1. Board of Directors Training	200 Board Members
2. Management/Administration including Personnel Management	20 Agency Administrators
3. Financial Management	20 Agency Administrators
4. Financial Management including Accounting and Budgeting	20 Agency Accountants
5. Program Planning and Evaluation	40 Agency Administrators & Directors
6. Income Generation	200 Board Members
7. Data Collection, User Statistics, and Reporting Systems	40 Agency Administrators & Directors
8. Data Collection and Reporting Systems	50 Program Managers, Agency Administrators or Directors
9. Logistical Support for Service and Research	300 Trainers and CBD Supervisors
10. Micro Computer Use in Family Planning and Research	30 Agency Representatives
11. IEC Materials Development	40 Agency Representatives
12. Development of Training Curriculum and Training Materials for Non-Medical Personnel	40 IEC Personnel and Agency Representatives
13. Training of Trainers	100 Trainers and IEC Personnel
14. Development of Training Curriculum and Training Materials for Medical Personnel	20 Trainers
15. Contraceptive Technology and Natural Family Planning Update	100 Trainers and Medical Personnel
16. Policy Formulation	200 Agency Representatives
	100 Board Members, Agency Directors and Administrators
TOTAL:	1,520
<u>OUTSIDE PERU</u>	
17. Successful CBD Programs (Observation)	2 Agency Directors and/or Board Members
18. Women's Project Promotion (Observation)	2 Agency Directors and/or Board Members
19. IEC Staff Training, including Communication	8 IEC Personnel
20. Adolescent Programs	4 IEC Personnel
21. Successful Coop FP Programs (Observation)	4 Agency Directors & Administrators and/or Board Members
22. Master Program of Training	10 Trainers
TOTAL:	30

TABLE 6. VALUE IN DOLLARS OF CONTRACEPTIVE COMMODITIES
NEEDED BY PROJECT YEAR.

PROJECT YEAR	PROJECTED COST
1	\$67,000
2	90,000
3	208,000
4	340,000
5	545,000
Total	\$1,250,000

Project training and TA provided to the agencies to strengthen existing systems will also contribute to the increased number of users. And finally, a number of contraceptives are always needed at various points in the logistics system, including storage, to maintain the distribution system.

iv. Sub-grants: \$3,143,000

Sub-grants for project activities, including operational, training, IEC and service delivery costs, vary for each individual agency depending, among other factors, on performance levels and other funding sources. Approximately \$3,143,000 will be provided LOP to existing agencies and an undetermined amount from the contingency line item to new initiatives. Because many of the agencies in the project will be able to maintain continued funding from other sources, and because the emphasis in PY 1 is on training and TA, sub-grants will be kept to a minimum during PY 1 and not all identified agencies will necessarily receive sub-grants. Continued funding depends on achieving pre-set performance criteria determined for each individual agency. In addition to sub-grants under this project, every effort will be made to assist the agencies to effectively present funding proposals to other international cooperating intermediaries, direct them to related AID/W centrally funded projects for other sources of financial support, and develop income generating skills.

2. Population Policy Component: \$2,057,000

The second project component is strengthening the population policy as it relates to the family planning private sector. Population policy and law in Peru are problematic for several reasons. One is that they do not address a wide variety of issues that negatively impact the private sector. Secondly, although the new Population Policy Law gives more emphasis to private sector involvement and individual rights to access to family planning, it does not include clear provisions for implementation and enforcement, nor does it include demographic goals.

However, before the research and policy agencies can expect to have the needed impact on policy issues, institution building must occur as with the service delivery agencies. TA and training will be provided to strengthen the administration, financial management, data processing and research skills, educational skills and financial status of the organization. With these skills strengthened, the private sector agencies will then be able to develop their ability to identify their policy needs and priorities and conduct needed research. Additionally, the agencies will improve their ability to translate the research findings in an appropriate manner to inform and educate Peruvian opinion leaders, policy makers and government officials to encourage population policy dialogue, promote improvements in the law, and effectively implement the new Population Policy Law. The Prime Recipient will work closely with the CNP and the agencies to help develop their skills to effectively present the issues to the GOP. Legal and policy issues which have an impact on the private sector, and which must be addressed include the prohibition of advertising of contraceptives, distribution of contraceptives by non-medical personnel, tax incentives for donations to private agencies, exoneration of import taxes on contraceptives, required prescriptions for orals, elimination of dual registration procedures for non-profit agencies (which currently must complete those required for both commercial, for-profit agencies and the MOH).

A list of the policy and research agencies and their five year objectives are presented below.

a. Agencies

Asociación Multidisciplinaria de Investigación y Docencia en Población (AMIDEP): An agency that promotes and publishes family planning and demographic research, AMIDEP plans to continue supporting research, and strengthen its publication and education activities to increase awareness of population problems and influence policy.

Instituto de Estudios en Población (IEP): A new population research institute at Cayetano Heredia still in the planning stages, IEP plans to support general family planning research and develop educational materials on family planning and population to influence policy.

Instituto Andino de Estudios en Población y Desarrollo (INANDEP): A family planning and demographic research institute, INANDEP plans to stress improved presentation of research findings to influence policy, and new research to develop educational materials culturally appropriate to the various groups in Peru.

Consejo Nacional de Población (CNP): The official agency under the MOH to coordinate all public and private sector family planning activities, the CNP plans to actively implement the new Population Policy Law, and continue research and policy development activities.

b. Outputs

Two primary outputs will occur within this component, the first being strengthened institutional capabilities, including enhanced research capability in three agencies: AMIDEP, INANDEP, and the CNP. In each, additional staff will be trained in program planning, financial management and other general administration areas to provide the means to develop research capabilities. Microcomputer data analysis skills and current computer equipment and software will be augmented. These three agencies will coordinate their efforts among themselves and with service delivery agencies too develop a yearly research needs plan, including over the LOP, four research studies which specifically address policy concerns as they relate to the private sector and 10 operational research studies (some of which could relate to policy issues).^{1/} The research plan will be a direct outgrowth of the sector's efforts to jointly determine its policy needs and issues. In addition, the IEP will be considered for funding and support.

The second output of this component is an increased ability of the private sector to influence population policy. This ability will depend on a well-defined strategy for effectively educating government officials and parliamentarians about Peru's population problem and potential solutions. All three agencies will be responsible for developing the annual strategy and its implementation plan, coordinated by the PCA. The actual presentation of information to appropriate officials will involve all three agencies and will include personal contacts with legislators by influential staff and Board members acting as members of ad hoc committees designed for this purpose, as well as more formal educational efforts via seminars and print, including a series of 10 seminars/conferences designed to reach influential leaders and parliamentarians in both Lima and the provinces. To assist with this effort, 25 books, monographs and studies will be published and made available, free of charge, to parliamentarians and political leaders as well as others who can influence population policy. A bulletin will also be published and distributed on a regular basis to 10,000 policy makers, legislators and others. As evidence of the private sector's increased ability to influence population policy, actual changes in the GOP population laws as it affects the private sector family planning agencies will occur.

c. Inputs

Like the service delivery agencies, AMIDEP, IEP, INANDEP

^{1/} The needs of the service delivery agencies require the assistance of the research agencies in conducting operational research, as well as direct policy research. Examples of the operations research topics include determination of site selection, optimal hours of operation, patient flow, determination of new potential providers, appropriate fee scales for services, public education approaches, patient education techniques, comparison of types of service delivery systems, degree and amount of promotor training, method mix, etc. Examples of policy research topics are reflective of the policy issues discussed in the preceding paragraph.

and the CNP, which are solely research and policy agencies, may also receive training and TA, equipment and supplies, and sub-grants to support research and policy activities. All inputs are available to all three agencies in PY 1, except that INANDEP may receive a sub-grant to begin in PY 2 and IEP in PY 3.

i. Technical Assistance and Training: \$327,000

TA and training will be made available to AMIDEP, INANDEP, IEP and the CNP to assist with institution building and development of research skills and educational capabilities. An illustrative list of TA and training topics for the three agencies are presented in following Table 7, all of which could be presented in Peru.

ii. Commodities: \$30,000

Equipment and supplies will be provided within the first two years of the project, including the following illustrative list:

- computer equipment: hardware and software
- office equipment: photocopiers, offset printer
- audiovisual equipment: overhead projectors, slide projectors, films, books, tape recorders, cameras

TABLE 7. ILLUSTRATIVE LIST OF TA/TRAINING TOPICS UNDER PROJECT COMPONENT TWO AND NUMBER OF RECIPIENTS FOR LOP.

TOPIC	NO. RECIPIENTS
1. Policy Formulation	50 Board Members, Agency Directors and Administrators
2. Data Analysis w/Micro Computers	20 Agency Representatives
3. Public Speaking/Educational Techniques	50 Board Members, agency Directors and Administrators
4. IEC Materials Development	10 Agency Representatives
5. Management/Administration including Personnel Management.	8 Agency Directors and Administrators
6. Financial Management including Accounting and Budgeting	6 Agency Directors and Administrators.
7. Program Planning and Evaluation	10 Agency Administrators and Directors
8. Income Generation	50 Board Members and Agency Directors
9. Board of Directors Training	30 Board Members
10. Contraceptive Technology and Natural Family Planning Update	24 Agency Staff
TOTAL:	208

iii. Sub-grants: \$1,427,000

Sub-grants for research and policy activities, including operational, research, seminars, and publication costs, could begin in PY1 for the CNP and AMIDEP, PY2 for INANDEP, and PY3 for IEP with continued funding depending on meeting pre-set performance criteria. Every effort will be made to assist these agencies generate income, secure funds from other intermediary cooperating agencies, and participate in AID/W centrally funded projects. Of these funds, \$1,000,000 over the LOP has been designated for the CNP for policy and research activities.

3. Family Planning Private Sector Coordination Component: \$870,000

The private sector to date has been characterized as a cluster of agencies with basically the same purpose, but with little intercommunication or cooperation. This lack has resulted in a generally inefficient use of resources and in duplication of services in some areas while others are un- or underserved.

a. Outputs

Two major outputs will occur in this project component; the first being the establishment of a PCA which will provide the leadership to create increased collaboration among the agencies. The PCA will initially be formed with the support of the Prime Recipient, and its General Assembly will represent all identified private sector agencies and the CNP. It will elect its own leadership and committees and eventually a smaller Board of Directors which will meet regularly and frequently. During the LOP, the PCA will work with the Prime Recipient and will produce and adhere to coordinated sector-wide annual work plans in service delivery, IEC, training, reporting, evaluation, research and policy promotion. These will result in, among other things, mutual training efforts, standardized clinical service protocols and norms, uniform statistical reporting systems, IEC materials, training manuals, stronger policy promotion, more widespread efficient service coverage, and coordinated funding activities. These activities will expand and improve over time as the General Assembly and Board of Directors develop various skills and strengths and finally hire permanent staff in PY 5 and 6. After the end of the project, the PCA will completely take over the leadership, coordination and assistance function of the Prime Recipient.

In addition, the overall collaboration within the private sector and between the public and private sectors will be increased because the CNP will be encouraged to provide a representative to the PCA, and the CNP will be encouraged to accept a private sector representative on its Board, and finally because the new Population Policy Law clearly assigns the CNP responsibility "to dictate the complementary required norms and to coordinate and supervise population activities in the private sector."

The second major output of this component will be the increased ability of the private sector to become more financially independent

through the PCA which will promote and guide the private sector in income generation and cost reduction activities. Efforts to improve the financial status of the private sector will include: 1) income generation training offered to the PCA and all participating agencies; 2) the exploration of fund raising activities including the broadening of Boards of Directors to incorporate persons able to participate in fund raising, researching the potential economic benefits of tax incentives for charitable contributions and possible efforts to affect current policy in this area 1/; 3) the increased sale of services such as family planning and health services, computer services, publications, printing services, training, etc.; 4) investigating the possible use of expanded volunteer services; 5) increased use of lower cost CBD and CSM style delivery services instead of clinical based ones; and 6) use of U.S. government excess property where feasible. The PCA will also work with the intermediary cooperating agencies to continue to fund activities in Peru that cannot be handled by the current project and to help determine the most effective awards of new funds.

b. Inputs

i. TA and Training: \$71,000

Following is an illustrative list of the TA and training topics that could be provided to the PCA.

1. Board of Directors Training
2. Management/Administration, including Personnel Management
3. Financial Management and Resource Use
4. Program Planning and Evaluation
5. Income Generation
6. Micro Computer Use in Family Planning Research
7. Contraceptive Technology and Natural Family Planning Update
8. Policy Formulation and Promotion.

In addition, observation tours of successful programs outside Peru might be utilized.

ii. Commodities: \$44,000

Following is an illustrative list of the equipment and supplies that might be provided the PCA in PY 5 after professional staff is hired:

- office equipment and supplies: desks, chairs, files, typewriters, calculators, mimeograph machines, copiers, audiovisual equipment and computer equipment (hardware and software)

1/ AID assistance in fund-raising activities is confined to TA and training.

iii. Sub-grants: \$441,000

Of the \$441,000, the CNP will receive approximately \$200,000 to promote and reinforce the linkages, communication, and cooperation between public and private sectors, and the private sector agencies will collectively receive \$241,000 for its coordination work. In addition to the \$441,000, the PCA will receive a subgrant for financing minimal operating expenses for PY 1-4, and the paid staff and expenses will be additionally funded in PY 5. LOP expenses for the PCA are approximately \$235,000.

D. Role of the Consejo Nacional de Población (CNP)

The legal position of the CNP under the Minister of Health, established by the new 1985 Population Policy Law, requires a more precise explanation of its role in relation to this Project. Although the CNP does not control any family planning funds or budget other than its own, nor does it have veto power over the activities of other public or private agencies, it was specifically mandated by the new law to coordinate all family planning and population activities in Peru, promote population policies, and encourage the public and private sector efforts to provide family planning IEC and services to all Peruvians who desire them.

As a first move to facilitate the intersectoral coordination, the CNP will be encouraged to join the PCA Advisory Committee and Board of Directors, and to accept a private sector representative on its Board of Directors in order to encourage the development of rapport, mutual trust, and an ability to see and utilize the advantages of joint planning and coordinated program efforts.

In order to enhance the intersectoral coordination and promote population policy, the CNP will receive support under this project specifically to: (1) participate in the yearly sector-wide planning activities conducted by the PCA to help determine policy issues, research requirements and the strategy to educate the GOP; (2) conduct research; publish and distribute the results according to the strategy to educate the GOP; (3) assist the other two research agencies to present their findings to influence policy; (4) continue as a co-sponsor of the RAPID program and conduct public meetings to foster its dissemination; (5) participate in an evaluation of both the public and private sectors to help determine areas and means of improving services and cooperation; (6) develop and implement a specific strategy and program to foster the needed cooperation; and (7) participate in IEC campaigns. The CNP will not play any role in direct service delivery.

Because of the pivotal role of the CNP and its mandated involvement in a wide range of activities, the Prime Recipient will closely coordinate all project activities with the CNP. Financial assistance to the CNP from the new project will be made directly by USAID/Peru rather than via the Prime Recipient because of logistical concerns and in order to foster and support the important relationship between the CNP and USAID/Peru.

IV. PROJECT ANALYSES

A. Institutional Analysis Summary

The institutional analysis in a summary format assesses all 14 existing private sector agencies and the CNP in management, financial and technical capabilities, including strengths, weaknesses, and sector wide recommendations. ^{1/} It concludes that while much improvement is needed in various areas, the private sector agencies do have the general management, financial and technical mechanisms in place to absorb the inputs of this project and carry it out. The specific recommendations listed at the end of this analysis were taken into account in development of the PP.

1. Management Analysis

This segment includes a review of the general management areas of institutional structure and procedures, personnel, inventory systems, planning and evaluation. In the first category, the following were assessed: boards of directors, legal status, procedures for authorization of expenditures, systems to check expenses against budgets before authorization, procedures for the control and use of petty cash, accounting and reporting of donor funds, purchase order systems, competitive bidding procedures, and procedures for receiving merchandise. Among the points reviewed in the personnel area were job descriptions, employment contracts (with salary deductions and deposits made promptly) and performance evaluation. The inventory systems studied included control factors for materials, and supplies and fixed assets. Finally, the institutions' capabilities for planning and evaluating their programs were examined.

Table 8, "Management Characteristics of Institutions Analyzed," summarizes the strengths and weaknesses of the agencies on 14 points to indicate the areas needing technical assistance and training. Five of these agencies are ranked "good" though they still need assistance in some areas, six only "adequate", two "poor" and one undetermined. None of the agencies have all 14 items in place.

The management style of the institutions varies: at one end of the spectrum is a formal organization composed of members who elect a Board of Directors which establishes policies, approves plans and budgets, makes major decisions in such areas as appointment of key personnel, approval of major purchases, and the initiation of new programs. The formal organization implements program activities through an executive director to whom is delegated carefully delineated authority. At the other end of the spectrum is the "one man show," usually headed by an energetic physician who founds,

^{1/} Two additional private sector institutes, still in the planning stages, were also included in the assessment as much as possible.

TABLE 8
MANAGEMENT CHARACTERISTICS OF INSTITUTIONS ANALYZED

MANAGEMENT CHARACTERISTICS	INSTITUTIONS														NUMBER OF INSTITUTIONS WITH FULLY IMPLEMENTED CHARACTERISTICS
	ADIM	APROPO	APROSMI	ATLF	CENPROF	FENDECAAP	INPPARES	I. MARCELINO	PFH	PLANIFAM	PRO-FAMILIA	SPMISA	AMIDEP	INANDEP	
1. Boards of Directors/Legal Status	Y	X	P	P	H	Y	P	P	P	N	P	P	Y	Y	4
2. Procedures for authorization of expenditures	Y	X	P	Y	P	N	Y	P	Y	P	Y	P	P	Y	6
3. Checking expenses against budget before authorization	Y	X	H	Y	Y	P	Y	P	Y	Y	Y	P	Y	Y	9
4. Control and use of petty cash	Y	X	P	Y	Y	P	Y	P	Y	P	Y	P	P	Y	7
5. Accounting and reporting of donor funds	Y	X	Y	Y	Y	X	Y	Y	Y	Y	Y	Y	Y	Y	12
6. Purchase order systems	Y	X	H	Y	N	N	Y	Y	Y	N	Y	N	N	Y	7
7. Competitive bidding procedures	Y	X	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	12
8. Procedures for receiving merchandise	Y	X	Y	Y	P	N	Y	Y	Y	P	Y	Y	Y	Y	10
9. Job description	Y	X	Y	Y	Y	N	Y	N	P	P	P	P	P	P	5
10. Employment contracts with salary deductions and deposits made promptly	Y	X	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	12
11. Performance evaluation systems	Y	X	P	P	N	N	Y	N	P	N	N	N	N	P	2
12. Adequate inventory controls for materials and supplies	Y	X	P	Y	P	N	Y	N	P	P	Y	Y	P	Y	6
13. Adequate inventory controls of fixed assets	P	X	Y	Y	N	N	Y	N	Y	H	Y	Y	Y	Y	8
14. Program planning and evaluation	P	X	P	P	P	P	P	P	P	P	P	P	P	P	0
TOTAL MANAGEMENT CHARACTERISTICS	12		6	11	6	1	12	5	9	4	10	6	7	11	

Management Characteristics Code
 Y = Fully implemented
 P = Partially implemented
 N = Not yet implemented
 X = Unable to verify

Rating of Management Characteristics Implemented by Institution
 10-14 points = Good
 5-9 points = Adequate
 0-4 points = Poor

directs, controls and nurtures a small-scale, clinic-based family planning service (in some cases, with limited CBD activities). INPPARES, ADIM, INANDEP, and AMIDEP are examples of the formalized organizations, while SMMISA, CENPROF and PLANIFAM do not have formal Boards of Directors and do not yet have legal status. However, the majority of the institutions studied lie along the spectrum between these two models, with varying degrees of sophistication in management.

The capability of the institutions to plan and manage their programs varies considerably. Some have had long experience in planning and use modern systems for management and reporting. In fulfillment of donor organization requirements for project proposals and reporting on funded projects, several have developed fairly sophisticated management mechanisms. For example, they have developed comprehensive plans, evaluated their programs, supported their services with a sustained supply of contraceptives, reported the type and quantity of service activities, and have extended service delivery through a coordinated outreach program. Several have achieved relatively cost effective services. On the other hand, some smaller clinic and CBD operations have neither the experience nor the present capability to report accurately on their current services. They lack a dependable supply line of contraceptives, fail to reach many clients, and appear to be unable to expand their services.

Current organizational linkages present an opportunity to establish more effective cooperative arrangements and to encourage pooling of resources for common support activities. These activities include planning, contracting, training, IEC, and pooling of contraceptive supplies. An example of this type of linkage is INPPARES, which has relationships with several other national organizations to which it provides commodities and equipment, including customs clearance, transportation and storage. Another example is the proposed subcontract between INANDEP and INPPARES which will result in policy briefs to acquaint parliamentarians and political leaders with summaries of the findings of INANDEP studies. However, coordination among the agencies is at best minimal due to a number of factors, including insufficient technical assistance from donors, competition among the family planning institutions, and faulty inter-agency communication.

2. Financial Analysis

The financial analysis reviews the existing systems, determines the adequacy of those systems, identifies strengths and weaknesses, includes data on the historic sources and levels of financial support, calculates approximate measures of institutional efficiency via cost per user (CPU), and includes sector-wide recommendations. The following were reviewed: books of original entry, journals and subsidiary records, financial statement preparations, reports, frequency of financial statements and expenses analysis, and frequency of bank accounts reconciliation.

Table 9, "Financial Characteristics of Institutions Analyzed," illustrates the degree to which the agencies implemented these

TABLE 9
FINANCIAL CHARACTERISTICS OF INSTITUTIONS ANALYZED

FINANCIAL CHARACTERISTICS	INSTITUTIONS															NUMBER OF INSTITUTIONS WITH FULLY IMPLEMENTED CHARACTERISTICS
	ADII	APROIC	APROSMI	ATLF	CENPROF	FEDECAAP	INPPARES	I. MARCELINO	PFH	PLANIFAH	PRO-FAMILIA	SMWISA	AMIDEP	INANDEP		
1. Books of original entry in place	Y	X	Y	Y	P	X	Y	Y	X	P	Y	Y	Y	Y	9	
2. Journals and subsidiary records part of accounting system	Y	X	Y	Y	P	X	Y	Y	X	P	Y	Y	Y	Y	9	
3. Financial statements/reports prepared regularly	Y	X	Y	P	Y	Y	Y	Y	P	Y	Y	Y	P	Y	10	
4. Budgeting systems in place	Y	X	Y	Y	Y	P	Y	Y	Y	Y	Y	Y	Y	Y	12	
5. Budgeting system used to control performance	Y	X	P	Y	P	N	Y	P	N	N	Y	P	Y	Y	6	
6. Financial statements and expenses analyzed regularly	Y	X	P	Y	Y	P	Y	P	P	Y	Y	Y	Y	Y	9	
7. Bank accounts reconciled regularly	Y	X	Y	Y	Y	X	Y	Y	X	P	Y	Y	Y	Y	10	
TOTAL IMPLEMENTED FINANCIAL CHARACTERISTICS	7		5	6	4	1	7	5	1	3	7	6	6	7		

Financial Characteristics Code
Y = Fully implemented
P = Partially implemented
N = Not yet implemented
X = Unable to verify

Rating of Financial Characteristics Implemented by Institution
6-7 points = Good
4-5 points = Adequate
0-3 points = Poor

factors. Half of the 14 agencies were ranked "good", three only "adequate", three "poor", and one undetermined. Four of the agencies had all seven items fully implemented. Most of the institutions analyzed share common areas of strength as seen in the table, such as a basic sense of accountability. Practically all institutions are able to account for funds, maintain receipts, report and control expenditures. Many are able to analyze, to some degree, cost per unit of output and to adjust operations to increase efficiency. The importance of income generation is widely perceived, but few agencies have specific goals for full or partial self-sufficiency. The fact that all of the institutions visited have administered funds from international donors undoubtedly provided the basis for these common strengths.

Some institutions have areas of particular strength or expertise. For example, INPPARES has well-developed skills in contracting and budgeting. Through its experiences with contracted clinics and physicians, this institution has the capability to expand its activities without capital investment in its own facilities. AMIDEP has demonstrated the ability to prepare budgets which take inflation into account (a common problem among other institutions). ADIM has sophisticated financial systems for a small institution and, more importantly, has demonstrated its ability to teach basic concepts of financial management to its clients. The depth and breadth of financial and accounting experience among its staff and Board of Directors indicated that these teaching skills could easily be adapted to higher level or more technical training courses. Instituto Marcelino has demonstrated that family planning services can be offered on a self-sustaining basis without external assistance. These institutional strengths could be used directly as training resources.

There were, however, common weaknesses found in several of the institutions. One general weakness was the lack of a basic understanding of management accounting; that is, use of accounting information as a management tool rather than as a fiscal necessity. For example, no institutions produced analytical reports that treated budget performance in more than a rudimentary manner. The lack of such reports deprives program managers of valuable information that can be used to spot trends, to reallocate resources on a timely basis, or to prepare budget modifications which take inflationary factors into account.

The inability to deal with inflation is another weakness. A number of institutions in this analysis receive grants in dollars, a practice which would seem beneficial but actually tends to disguise the problem. For example, paying salaries in US dollars (or at the exchange rate in effect at time of payment), a common practice among institutions with dollar budgets, provides salary increases above the inflation rate due to temporary strength in the dollar. Institutions such as APROSAMI and PFH provide only government-mandated salary increases and constantly suffer absolute decreases in purchasing power. Similar difficulties are experienced in other expense categories. Although a more flexible, responsive funding mechanism would help to alleviate this problem, the basic weakness of the institutions will persist

until skills are developed which allow the preparation and monitoring of realistic budgets. A budget such as this would reflect the high levels of inflation and currency fluctuations characteristic of the Peruvian economy.

Budgeting based upon discrete projects rather than upon the needs of the institution as a whole is another almost universal weakness. For example, financial and programmatic decisions are made in response to donor agencies' priorities. This deprives the institution of the ability to develop plans and budgets that reflect their own perceptions and the needs of their constituencies. While the priorities of the donor and those of the institution are, at times, the same, often they are not. In cases where funds are obtained from several donors for different programs, financial administration including salary comparability for equivalent positions, can produce disjointed programs, disgruntled employees and a disserved clientele.

There are some weaknesses which are less common among the agencies. Several institutions lack basic financial management systems and have minimal budgetary controls. Others suffer from underfinancing, at times encouraged by donor agency representatives seeking to control costs and minimize budget increases even when inflation creates real budget decreases. Thus, programs are left without sufficient resources to pay adequate salaries or, more importantly, to contract qualified financial management personnel. In addition, if the private sector project intends to support institutions with no previous experience in managing donated funds, intensive training and technical assistance will have to be provided. Since institutions such as these were not analyzed, no specific recommendations or needs assessments can be made in this area.

To illustrate the overall institutional capability of the agencies, a scattergram of implemented administrative and financial characteristics is presented in Chart 1.

The financial analysis must also address the cost efficiency or effectiveness of the service delivery agencies. It is possible to do so by calculating the number of users, the number of couple years protection (CYP), or the number of births averted. Each of these indicators have both advantages and disadvantages. For example, the gross number of users is a relatively easy number to extract from agency records, but it is much harder to distinguish between new and continuing users and it does not measure the various levels of effectiveness of the different contraceptive methods; both of which indicate the impact on population size. The latter two measures, however, CYP and births averted, are a much more accurate and useful indicator of the impact on population size, but are much more difficult and expensive to obtain. Measuring the cost of influencing each of these indicators can be used to help determine the cost efficiency or effectiveness of family planning service agencies.

For the purpose of this economic analysis, the only measure available was the CPU shown in Table 10 for 1982-1984 and projected for 1985

and 1990 (end of project). These figures were calculated by dividing the entire agency budget for that year by the agency's number of users for that year. Conclusions and comparisons between agencies must be made carefully because: 1) the agencies have differing abilities to keep records; 2) they offer different types of services, and clinical services are much more expensive than CBD services; 3) some of the service delivery agencies have significant research, policy, and/or training components which drive up costs; 4) the proportion and mix of methods varies greatly and some methods are much more expensive to purchase and deliver than others; 5) because the number of users does not reflect an impact on population size, the cost of the number of users cannot reflect the cost of its impact on the population size; 6) the level of quality of service varies greatly and is not related to CPU; 7) some of the agencies are newer than others and may have higher start-up costs; and 8) some still offer Maternal and Child Health (MCH) services which were, until recently, required by Peruvian law.

The detailed projections developed for each institution as part of the Institutional Analysis, support the aggregate projection of a declining CPU over the life of the project. The overall costs of the service delivery components of the project have been based on these projections, and resulting cost estimates are entirely reasonable.

Given the variety of institutions operating with project resources, Table 10 shows the 1984 CPUs (the last year for which complete data is available) range from a low of \$2.17 to a high of \$83.55 (ATLF). ATLF is the only agency providing natural family planning (NFP) which is an expensive method to deliver. The next highest cost agency is FENDECCAP (\$35.16) which may be explained by the fact that it is in a high cost initial start-up phase.

Excluding these two high-cost extremes, the remaining institutions can be grouped into two categories. The first (APROSAMI, CENPROF, Instituto Marcelino, PFH, and SMMISA) can be classified as low-cost service providers (\$2.17 to \$5.40 CPU). The second group (PROFAMILIA, PLANIFAM and INPPARES) falls into the medium range (\$8.38 to \$16.32 CPU). (ADIM, because it to date only provides IEC services, and APROPO, because it is not yet serving clients, and the purely research and policy institutions, are not included in this table.)

The projected 1985 CPUs in Table 10 show the CPU declining in all but three instances: APROSAMI, PROFAMILIA and SMMISA. The projected 1990 CPUs (end of project) also appear to decline for six agencies, but increase somewhat in four, with an overall Private Sector projected average CPU of \$5.04 in 1990 which is less than the average CPU for 1985. These cost figures are based only on the budget for the individual agencies, whereas the projected average CPU for 1990 in Table 11, \$6.58, is based on the family planning service component budget of the new project; of which the agencies' budgets are only a part.^{1/} The CPU on Table 11 more closely reflects reality.

^{1/} Table 20 illustrates the budget breakdown for the three project components, family planning services component, research and policy component, and coordination component compared to the total project budget.

TABLE 10. NUMBER OF USERS AND COST PER USER BY INSTITUTIONAL ESTIMATE FOR 1982-1990 (US\$).

	1982		1983		1984		1985 (Projected)		1990 (Projected)	
	No. of Users	Cost per User	No. of Users	Cost per User	No. of Users	Cost per User	No. of Users	Cost per User	No. of Users	Cost per User
AFROSPMI	5,564	\$5.28	4,616	\$5.17	14,000	\$2.17	15,000	\$2.97	35,000	\$3.42
AILF	1,952	23.16	1,136	73.64	1,720	83.55	1,950	48.90	7,500	9.33
CENPROF	4,986	2.96	4,358	4.43	5,376	5.40	7,000	2.47	10,000	10.00
FENDECAAP	—	—	—	—	1,047	35.16	4,500	16.35	15,500	5.16
INPEAFES	11,446	28.29	9,501	34.11	52,750	10.10	70,000	4.72	192,000	1.30
INST. MARCELINO	21,546	7.64	19,963	5.93	18,231	5.27	19,000	2.77	29,000	2.50
EFH	11,256	4.50	10,300	3.73	15,562	2.58	11,000	1.71	11,500	6.95
ELANIFAM	797	18.88	1,536	9.43	1,997	16.32	2,500	4.40	4,000	6.25
PRO-FAMILIA	3,411	44.26	10,631	13.34	15,540	8.38	8,500	11.27	38,000	3.50
SMMISA	—	—	—	—	5,945	2.65	15,000	3.23	70,000	2.00
TOTAL USERS & AVERAGE COST PER USER	60,958	\$16.87	62,041	\$18.72	132,168	\$16.22	154,450	\$9.88	412,500	\$5.04

TABLE 11. NUMBER OF NEW AND CONTINUING USERS AND COST PER USER (CPU)
BY PROJECT YEAR (PY) FOR LOP.

	PY1	PY2	PY3	PY4	PY5	TOTAL
1. Current Project Users <u>a/</u>	65,000	32,500	17,300	10,000	6,500	
2. New and Continuing Users	30,000 <u>b/</u>	15,000 <u>c/</u> 50,000 <u>b/</u>	8,000 <u>c/</u> 26,500 <u>c/</u> 80,000 <u>b/</u>	4,600 <u>c/</u> 15,400 <u>c/</u> 46,500 <u>c/</u> 100,000 <u>b/</u>	3,000 <u>c/</u> 10,000 <u>c/</u> 30,200 <u>c/</u> 55,300 <u>c/</u> 140,000 <u>b/</u>	400,000 <u>b/</u> Total Users LOP.
3. Total New and Continuing Users	95,000	97,500	131,800	176,500	245,000	745,800 Total New and Continuing Users LOP
4. Project Budget <u>d/</u>	\$1,255,000	\$1,050,000	\$1,290,000	\$1,274,000	\$1,614,000	\$6,483,000
5. CPU	\$13.21	\$10.76	\$9.78	\$7.21	\$6.58	\$9.50 (Average Cost LOP)
6. Project Budget Plus Counterpart Contribution <u>e/</u>	\$1,955,000	\$1,750,000	\$1,990,000	\$1,974,000	\$2,314,000	\$9,983,000
7. CPU	\$20.57	\$17.94	\$15.09	\$11.18	\$9.44	\$14.84 (Average Cost LOP)

a/ The private sector (PVO) currently serves 130,000 users. Half of these users will receive services funded by this project beginning in PY 1.

b/ The number of new users each year is footnoted with "b"; those footnoted with "c" represent continuing users.

c/ Each year a certain percentage of new users discontinue use of family planning; and the others become "continuing users". The percentage of continuing users was estimated at 50% from PY 1 to PY 2; and 53%, 58% and 65% in each successive PY.

d/ The project budget is only that portion of the total \$13 million scheduled for the family planning service component, or \$6,483,000.

e/ Counterpart contribution for the family planning services component is \$3.5 million LOP.

(It should also be mentioned at this point, that a further complication will occur within the new project when the CPU and CYP data is gathered because many of the agencies will receive funding from other sources, and it will become difficult, if not impossible, to determine how many users are a result of only the new project funds compared to other funds.)

Table 11 illustrates the projected change in new and continuing users in the new family planning project. Each year the project will attract new users, projected at 30,000, 50,000, 80,000, 100,000, and 140,000 in project years (PY) 1, 2, 3, 4, and 5 respectively; for a total of 400,000 new users served by the end of the project. Each year, it is expected a certain percentage of the new users will continue and the others will drop out, so each year continuing users from previous years will be served as well as the new users. The continuation rates are 50% from PY 1 to PY 2; and 53%, 58% and 65% in each respective PY. By the end of the project, 745,800 new and continuing users will have been served. Table 11 also illustrates the projected budget and resulting CPU by project year.

Clearly the project must initially refine the CPU data for each agency as much as possible to determine a more accurate benchmark figure, develop better and more accurate record keeping systems, and allow for the analysis needed to measure changes in cost over time for the CPU and CYP for evaluation and planning purposes.

3. Technical Analysis

The technical analysis includes service delivery, IEC, training, research and policy development.

a. Service Delivery

Eleven experienced family planning service delivery institutions and an institution new to family planning, ADIM, were assessed. Table 12 summarizes all the service delivery activities, number of users, and current funding sources and amounts. Working under the umbrella of INPPARES, four experienced agencies, Clinica El Agustino, the Asociacion Pro Desarrollo Y Bienestar de la Familia in Ica, INPPARES in Ica, and Project Materno Infantil (PROMIC) in Cuzco, were assessed as a subcomponent of INPPARES. APROHO will provide CSM and IEC services only. Of the remaining service delivery agencies, six provide a combination of clinic and CBD programs (INPPARES, PRO-FAMILIA, APROSAMI, SMMISA, PLANIFAM, CENPROF); three are purely clinical services (Instituto Marcelino, FENDECAAP and PFH); and ATLF promotes natural family planning methods and orals at the community parish level.

In terms of service delivery, by far the largest provider is INPPARES, which reaches 52,750 users. The smallest provider is FENDECAAP, which reached only 1,047 users in 1984. Table 10 indicates that there has been an evident upward trend in service delivery for most agencies

TABLE 12
INVENTORY OF PRIVATE SECTOR SERVICE DELIVERY FAMILY PLANNING AGENCIES

NAME OF AGENCY	DESCRIPTION OF ACTIVITIES	LOCATIONS	NO. OF USERS 1984	CURRENT FUNDING SOURCES	AMOUNTS IN US \$
1. ADIH	Small business training, income generation activities for women's group and legal assistance.	Lima	2,621 ⁽¹⁾	PACT Generated Income	37,500 24,560
2. APROPO	Seminars and talks on family planning; dissemination of materials.	Lima	4,454 ⁽²⁾	AID FPIA	235,439 ⁽³⁾ 57,000 ⁽³⁾
3. APROSAHI	CBD Clinic with family planning and MCH; laproscopic surgery; distribution of PL-480 commodities; research on low dose oral contraceptives, sex education.	Lima, Callao	14,000	FPIA Generated Income	23,166 9,000
4. ATLF	Natural family planning counseling, clinics with generated reproductive health care; educational talks on natural family planning to community groups.	Lima, Callao, Ica, La Oroya and Huarmey	386 NFP 1,334 orals	AID FPII Generated Income	58,837 77,534 5,361
5. CENPROF	CBD, clinics with family planning	Trujillo	5,376	FPIA Generated Income	26,085 2,140
6. FENDECAAP	Medical services in hospitals, health centers, health posts, family planning services and laparoscopic surgery. Collaboration with MOH.	Lima, Lambayeque, La Libertad, Ancash and Arequipa	1,047	AID	48,559
7. IHPPARES	CBD clinics with family planning and MCH; public seminars; conferences for political leaders; operations research on service delivery models; distribution of contraceptives to collaborating physicians.	Lima, Arequipa, Cuzco, Chimbote, Chiclayo, Ica, Piura, Trujillo, Ventanilla and Lambayeque	52,750	IPPF Develop.Assoc. PIPOM-AID Generated Income	321,737 25,267 40,585 185,812
8. I.MARCELINO	Clinic; research with pharmaceutical companies, training for physicians.	Lima	18,231	Pathfinder Generated Income	46,435 49,730
9. PFH	Clinical family services.	Lima	15,562	FPIA	4,011
10. PLANIFAM	CBD, clinic	Cuzco	1,997	Pathfinder	12,615
11. PRO-FAMILIA	Clinics with family and MCH, CBD, mothers' clubs. planning	Lima and Canete	8,500 ⁽³⁾	Pathfinder AID Generated Income	2,243 ⁽³⁾ 60,000 ⁽³⁾ 46,786 ⁽³⁾
12. SMHISA	CBD, clinic with family planning and MCH; sex education; adolescent services.	Lima, Chimbote, Cajamarca, Trujillo, Piura, Canete, Chiclayo, Chancay and Pucusana	5,945	Pathfinder Generated Income	45,133 643

¹ January - August 1985.

² October 1984 - July 1985.

³ 1985.

from 1983 to 1984, the most notable being that of INPPARES and APPRO-SAMI, with the poorest performance on the part of Instituto Marcelino which actually showed a decline in numbers served.

The most clinically sophisticated programs are those of Instituto Marcelino and PFH. Also, these two programs draw their clients from all of Lima, well beyond their own neighborhoods. Most programs serve a low-income population and only Instituto Marcelino's clientele tends to be middle income.

As Table 13 shows, the methods provided by private sector programs during 1984 include 55,240 pill users (41.6%); 36,450 IUD users (27.4%); 30,024 condom users (22.6%); 6,699 spermicide users (4.8%), 2,863 injectable users (2.2%), 386 NFP clients (0.3%), 325 voluntary surgical contraception (VSC) users (0.2%), and 172 other methods (0.1%). There were no reported diaphragm users. Surgical methods are offered on a small scale by three agencies: PFH, which provided about 308, INPPARES, which performed 17 in 1984, and FENDECAAP with 257. INPPARES and APRO-SAMI have recently obtained funding to provide tubal ligation.^{1/} Only Instituto Marcelino provided injectables in significant numbers.

The issues of coverage, accessibility, coordination, range of services, reporting, planning, human resources and supplies, as related to family planning service delivery, were assessed. Although volume of services has increased, total coverage remains limited and does not begin to meet the real demand of the 2.8 million MWFA. Despite the total number of users reported in Table 10, due to the lack of reliable statistics, a more realistic estimate of new and continuing users in the private sector would be 130,000 MWFA, which represent only 4.6% of the population at risk.

In terms of accessibility, although geographic expansion has occurred, particularly to peri-urban districts, the area covered is very limited. Agencies operate mainly in Lima and with a higher concentration in the southern districts. Only the cities of Trujillo, Ica, and Cuzco have independent private sector agencies providing family planning services, while ATLF, FENDECAAP, INPPARES and PRO-FAMILIA have branches in 15 locations outside Lima.^{2/}

Coordination in service delivery among private sector agencies is practically non-existent. A negative result of this situation is

^{1/} MOH Resolution 0240-80-SA-DVM "Approved Norms and Protocols for High Risk Pregnancies", October 27, 1983. Sterilization is not legal, nor is it offered, as a family planning method under Peruvian law. It is legal, however, for those women who meet certain medical criteria that make additional pregnancies a high medical risk.

^{2/} Ancash, Arequipa, Cajamarca, Callao, Cañete, Chancay, Chiclayo, Chimbote, Huarney, La Libertad, Lambayeque, La Oroya, Piura, Pucusana and Ventanilla.

TABLE 13

NUMBER OF FAMILY PLANNING USERS BY AGENCY AND METHOD, 1984
IN DESCENDING ORDER OF USERS PER AGENCY

CONTRACEPTIVE METHODS	INPPARES	I. MARCELINO	PFH	PRO-FAMILIA	APOSANT	SWISA	CENPROF	PLANIFAM	ATLF	FENDECRAP	TOTAL	# OF USERS BY METHOD
1. PILLS	28,447	1,629	6,071	6,882	4,620	4,480	2,262	424		425	55,240	41.6
2. IUDs	7,068	13,798	9,183	3,036	560	170	497	421	1,334	392	36,450	27.4
3. CONDOMS	14,011			5,583	6,440	1,100	2,045	701		144	30,024	22.6
4. SPERMICIDES (foam, tablets, jelly)	3,133	35		39	2,380	187	494	451			6,699	4.8
5. INJECTABLES	94	2,769									2,863	2.2
6. NATURAL FAMILY PLANNING									386		386	0.3
7. SURGICAL	17		308								325	0.2
8. OTHER METHODS						8	78			86	172	0.1
TOTALS:	52,750	18,231	15,562	15,540	14,000	5,945	5,376	1,997	1,720	1,047	132,168	
PERCENT OF USERS:	39.9	13.8	11.8	11.8	10.6	4.5	4.0	1.5	1.3	0.8		100

duplication and competition for clients in certain areas, e.g., southern Lima and El Agustino. While some districts are served by up to three agencies, others remain without any services at all.

Most agencies provide a range of contraceptive methods, although very few offer surgical methods. The pill seems to be the preferred method of the providers but little effort has been made to ascertain the preferences of the users. Non-contraceptive services, such as Pap smears and gynecological exams, are offered by several agencies, but others make little attempt to provide such services and medical back-up to their users. Instituto Marcelino, PHF, PRO-FAMILIA, APROSAMI, SMMISA and INPPARES do provide adequate back-up services.

Reporting is problematic in that most agencies have an adequate system for patient registration, but none has a well-developed system of service statistics, making it very difficult to determine the real number of users, especially continuing users.

Planning skills are limited as agency administrators do not clearly identify their target population, nor do they set precise quantitative coverage goals. The number of activities and outputs are measured by a few administrators, but seldom are these numbers measured against planning levels.

Human resources are problematic because while most programs are managed by medical professionals (Ob - Gyn physicians), many have not been sufficiently trained as managers. Although several of the program directors have benefited from in-country and overseas training, lower-level personnel, particularly in the clinics, have not received sufficient in-service training in family planning program management and patient care. CBD staff at the field level (promoters) have received reasonably adequate training at several of the agencies (INPPARES, PRO-FAMILIA, and APROSAMI), but most coordinators and distributors do not seem to have had sufficient training to perform their work. In summary, the general capability of the personnel dedicated to service delivery can be qualified as medium to low. All projects lack sufficient middle management and supervisory personnel. Most clinical service delivery is provided by Ob-Gyn physicians. Only a few agencies (INPPARES, SMMISA) have clinics operated by nurses, despite the fact that many nurses are adequately trained in IUD insertion and other family planning services.

The lack of availability of contraceptive supplies has posed a problem to a number of agencies. These problems are associated with customs clearance, logistics management, delivery systems, and inventory control.

b. Information, Education and Communication (IEC)

All private sector agencies included in this study,

including the two research agencies, perform some kind of IEC activity. The level and volume of activity varies considerably, but in general IEC activities are very limited in scope and creativity. Table 14, "IEC Techniques and Resources," shows the activities performed and a quality ranking of each activity.

Orientation on family planning is done by most agencies through interviews with clients. The team did not observe this activity, so it is not possible to make assessments of the quality of these efforts. Discussions with the headquarters staff and field workers indicate the need for training in conducting an interview and responding to a client's concerns. Course syllabi of INPPARES, PRO-FAMILIA, and APROSAMI did show that this technique was taught to trainees but a limited amount of time was devoted to role playing or practice interviews.

Another common technique is the lecture given by a staff member to a group of clients in the clinic or in community centers. The team did observe a few lectures where it was evident that the group was too large, the discussion was limited, and the lecturer was unable to hold the attention of the audience.

Interviews and lectures usually lack illustrative audiovisual materials which would make the information being communicated more understandable. Practically all agencies lack suitable instructional materials such as flipcharts, flannelgraphs, etc. to complement their lectures. Very few agencies have produced sufficient printed materials to give to clients or prospective clients. The only agency with a well developed materials design and production capability (designing, writing and printing) is INPPARES.

A major deficiency is that materials are not routinely pre-tested before being used with clients. Such testing is not easy, but waste of effort can be avoided if simple evaluation and testing techniques are developed and utilized. Materials for the illiterate are even less available.

In the area of training the staff in IEC, only a few agencies have an IEC specialist staff. These include ATLF, APROSAMI, INPPARES, and PFH, which appointed staff for the IEC function. In the case of PFH, this function is assigned to a social worker. Only the first three have an IEC officer on their staff, and only at ATLF and INPPARES is the position at senior staff level.

Very few agencies have used the mass media to publicize their programs or to promote acceptance of family planning. PRO-FAMILIA, however, produced some radio spots and negotiated with a local radio station to broadcast them. Mass media promotion is a program area where the cooperation of all private sector agencies would be appropriate; it would not be rational or efficient for just one agency to assume this role.

Clients reached by the agencies are mostly either clinic patients, or CBD users or potential users. Some of the agencies are reaching out to professional groups, school children, university students and political leaders. Potential clients exist within groups that few or no agencies work with, e.g., males, youth groups, women's organizations, trade unions and corporation leaders. These groups may also be sources of support for the program. The "satisfied user" is a channel of communication that is not as widely used in Peru as it is in other Latin American countries. These users could be provided incentives to introduce friends to family planning. The definition and expansion of audiences and the communication channels to reach them should be a cooperative task of several agencies.

The policy development agencies (AMIDEP and INANDEP) are particularly weak in their IEC components. This is unfortunate, since useful and potentially persuasive data emerging from research are under utilized because they are not appropriately packaged and disseminated to target audiences, such as government and business leaders, opinion leaders, etc.

TABLE 14. IEC TECHNIQUES AND RESOURCES.

Agency	Interviews with clients	Lectures in clinic or community	A.V. aids training for staff	IEC mass media	Appointed IEC staff	Printed materials for clients or public
ADIM	Yes	Yes	A	No	No	P
APROPO	Yes	Yes	P	No	No	P
APROSAMI	Yes	Yes	P	P	Yes	P
ATLF	Yes	Yes	A	A	Yes	A
CENPROF	Yes	Yes	P	No	No	No
FENDECAAP	Yes	Yes	P	P	No	P
INPPARES	Yes	Yes	A	A	Yes	G
I. MARCELINO	Yes	No	P	No	No	No
PFH	Yes	Yes	P	A	Yes	No
PLANIFAM	Yes	Yes	P	No	No	No
PRO-FAMILIA	Yes	Yes	A	A	No	A
SMMISA	Yes	Yes	P	P	No	P
AMIDEP	NA	NA	P	No	No	A
INANDEP	NA	NA	P	No	No	A

Code: G: Good
 A: Adequate
 P: Poor
 Yes: Technique used or resource available
 No: Technique not used or resource not available.

c. Training

Several different strategies exist to provide training to medical, paramedical and auxiliary staff, administrative and supervisory personnel, and CBD workers. In no case is the present training satisfactory at all levels; in some cases it is considerably weaker than in others.

Formal training for medical personnel, primarily physicians, is offered by Instituto Marcelino and PFH. Training by these two institutions include courses on commonly-used contraceptive methods and on specialized procedures, such as mini-laparotomy and laparoscopy. In the courses offered by INPPARES, the contraceptive technology content is presented in the context of a demographic profile of Peru. Courses are designed to reach physicians in the private and public (including university) sector while several courses have been targeted at medical students. A limited number of the physicians and nurses who are providing services through the private agencies have received this training. Furthermore, several staff members interviewed have received clinical training through Johns Hopkins University JHPIEGO courses in Colombia and in the United States.

Training opportunities for administrative and supervisory personnel are minimal; most receive on-the-job training. A limited number of administrators and supervisors have attended regional or U.S. workshops focused on CBD programs. The need for more training and opportunities to exchange experiences with other program representatives was mentioned repeatedly.

The training offered to field workers is without doubt the best developed of the training areas reviewed. Virtually all agencies provide training, either on-the-job and/or through formal courses, to their CBD workers. However, there is great diversity in the length and quality of the courses. Initial training courses for field workers range from three to fifteen days in length.

CBD training methodologies range from the traditional lecture to participatory methods with case study discussions. They include a discussion of community-available contraceptive methods, goals of the agency, community development and local participation, and techniques of conducting household interviews. Although ATLF focuses on NFP methods in its CBD training, it also discusses other methods and offers oral contraceptives when health risks are involved. In their CBD activities, INPPARES, PRO-FAMILIA, and APROSAMI also include information on population awareness, communication and/or counselling skills, human sexuality and MCH. However, little attention is given to side-effects or risks of contraceptive methods.

General weaknesses in the area of CBD common to these agencies include: inadequate material support, i.e., handbooks, leaflets, slides, films, or materials for designing and making one's own materials; a lack of periodic refresher or in-service training for CBD field workers; lack

of transportation and supervision; and failure to expand the project by recruiting and training new field workers.

Table 15, "Training Characteristics of Institutions Analyzed," summarizes by institution categories of trainees, topics, frequency and length of training and comments, while Table 16, "Institutional Training Profile by Audiences," shows training provided to professional groups by the private agencies and identifies the gaps that will have to be closed under the upcoming project.

d. Research

The fourth area of the sector-wide technical analysis, research, is illustrated in Tables 17 and 18. Only three private sector agencies are relatively strong in the area of research: Instituto Marcelino in the biomedical and INANDEP and AMIDEP in the socio-demographic area. The efforts of the rest remain small in scale and in most cases are either incomplete or unpublished. It would not be appropriate to encourage service delivery agencies to enter into major research programs. However, it would be useful for them to develop a small-scale research capability that would allow them to assess the quality of their services, their acceptability by clients, and the impact of their program on the community. INPPARES's recently-initiated operations research, sponsored by The Population Council on various forms of service delivery, is a step in the right direction; more private sector agencies should be incorporated into this program.

In the field of socio-demographic research, INANDEP (directly) and AMIDEP (through sub-grants), are the leading organizations. INANDEP has a highly qualified staff and network of fifty university professors and researchers who have undertaken high quality research studies. However, their studies tend to be long-term and rather academic in nature to the neglect of short, action-oriented studies. INANDEP also has a well-developed computerized data-processing capability. It is willing to become involved in more operational, program support types of research and, in this regard, could become an important resource to the service delivery agencies. AMIDEP's role in promoting and funding population-related studies and disseminating their results is an important one, particularly with its interest in supporting research at provincial universities. A greater emphasis on action-oriented research would be useful to service delivery agencies.

Finally, it should be noted that the paucity of research in the private sector is not a reflection of the national situation. In fact, many have expressed the view that Peru is an "over-researched" country. However, while ample academic research in population studies has been conducted for several years, program-related research is lacking. Another overall lack is the dissemination of research findings in a format appropriate to the appropriate target audiences.

TABLE 15
TRAINING CHARACTERISTICS OF INSTITUTIONS ANALYZED

INSTITUTION	CATEGORY OF TRAINEES	TOPICS	FREQUENCY OR DURATION OF TRAINING	COMMENTS
1. ADIM	Women from <u>pueblos juvenes</u>	FP IEC, svcs. adv. and nurses, pers. income mgmt., purchasing, women's legal rights, role of women	Three times per month	Can be a resource in admin./financial training
2. APROPO	business/Industrial leaders (proposed)	UNKNOWN	UNKNOWN	Potential influence in business world
3. APROSAMI	Promoters, nurse-midwives, volunteers	Family planning, nutrition, community relations	Its promoters receive 3 month training	Strengths in integrated training of community workers
4. ATLF	Field personnel	NFP, reproduction physiology, family planning, communication skills	18 hour courses	Includes supervised community practice, can be a training resource in NFP
5. GENPROF	Physicians, nurses, midwives, social workers	Family planning, human sexuality, recordkeeping, patient statistics, commodity control	At least 4 courses per year	Provides training to FEMDECAAP
6. FEMDECAAP	Physicians, nurses social workers	Family planning, sex education, adolescent sex education	Two-day sessions	Has a potential for training other co-ops
7. INPPARES	Health professionals, social scientists, CBD distributors, teachers, students, social workers	Anatomy, contraceptive tech., population dynamics, fam. plng., human sexuality	10 to 130 hour courses	Operates a training center
8. I. MARCELINO	Health professionals exclusively	Contraceptive techniques	Four to five days	Substantial experience in trng. physicians, nurse-midwives
9. PFK	Medical and paramedical students and professionals, social workers	Anatomy, reproduction physiology, family planning, adolescent sex ed.	Minilaps last for 3 days, others are lectures	One of most experienced training institutions in clinical work, can be training resource
10. PLANIFAM	Volunteer distributors	Family planning service provision	Every three months (proposed)	Training system in process of development
11. PRO-FAMILIA	Mainly in-service to CBD workers	Population, human sexuality, fertility, family planning	12 hr. pre-service, 8 hour refresher courses	Has low drop-out of trainees
12. SIMISA	Supervisors and promoters	Population growth, anatomy, contraceptive methods, service delivery	Four-day courses, monthly meeting of supervisors as form of in-service trng	Has developed regular system for in-service training
13. CCC (proposed)	Administrators, officials, trainers (proposed)	Planning organization sex education (proposed)	Conducted during 5th and 6th months (proposed 1st year)	Organization is in planning stage
14. AMIDEP	Various sectors, academics, publics	Population, demography	Several seminars during the year	Mainly aimed at policy-makers
15. IEP (proposed)	Administrators, officials academics (proposed)	Demography, population and development issues, family plng. (proposed)	15 3-day workshops proposed for 1986	Organization is in planning stage
16. INADDEP	Government agencies, universities	Demography, manuals preparation	Ten seminars per year	Disseminates research findings
17. CNP	Teachers, pharmacists, health professionals, journalists, policy-makers	Sex and family life education, family planning, pop. policy	3-day seminars	Plans call for increasing training efforts

TABLE 16
 INSTITUTIONAL TRAINING PROFILE BY AUDIENCES

Institutions	PARAMEDICAL STAFF	CBD WORKERS	MEDICAL STAFF	COMMUNITY LEADERS	STUDENTS	SOCIAL WORKERS	ADMINISTRATORS	ACADEMICS	BUSINESS, INDUSTRIAL LEADERS	SCHOOL TEACHERS	JOURNALISTS	RELIGIOUS LEADERS	POLITICAL LEADERS	WOMEN'S GROUPS	PHARMACISTS	TRAINERS
1. ADIM		/	/		/	/								//		
2. APROPO								*							*	
3. APROSAM	//	//	/	/	/									/		
4. ATLF	/	/	/	/	/				/	//						
5. CENPROF	/	/	/	/	*											
6. FENDECAAP	/	/	/	/	/											
7. INPPARES	/	//	/	/	/	/			/	/	//	//				
8. I. MARCELINO	/		//	/			/									
9. PFH	/	/	//		/											
10. PLANIFAM	/	/														
11. PROFAMILIA	/	//						/								
12. SIMISA	/	/		/												
13. CCC							*								*	
14. ANIDEP				/	/	//	/		/	/	/	/				
15. IEP	*		*	*	*	*	*					*				
16. INANIDEP				/			/	/				/				
17. CNP	/		/	/	/	/	/	/	/	/		/	/	/	/	
More emphasis needed	N	N	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Code / = minor training activities // = major training activities * = proposed Y = yes N = no

TABLE 17. INVENTORY OF PRIVATE SECTOR FAMILY PLANNING TRAINING, RESEARCH AND POLICY AGENCIES.

Name of Agency	Description of Activities	Location of Activities	Current Funding Sources	Amounts in US\$
1. CCC (Proposed)	Training of family planning agency personnel having training responsibilities. Also training of program managers in training design and curriculum development, the evaluation of training programs and the development of training manuals and materials.	Lima	N/A	N/A
32. AMIDEP	Research on population and development; investigation of contraceptive acceptability; training on research methods in population; conferences for national leaders on population issues; publications.	Lima	AID FORD ONU Generated Income	80,000 75,000 24,750 11,360
3. INANDEP	Research on human reproduction, epidemiology and social demography; publications.	Lima	IDRC INADE FORD CNP CIPA AID/CARE	23,250 14,000 28,875 2,226 70 15,000
4. IEP (Proposed)	Research on social and demographic aspects of population; collaboration in graduate level training; provision of technical assistance to public and private institutions, publications.	Lima	N/A	N/A
5. CNP <u>1/</u>	Policy promotion in the public and private sectors through IEC, training and research; publications.	Lima	GOP AID UNFPA CIDA	550,000,000 <u>2/</u> 170,000 200,000 5,000

1/ CNP's budget amounts reported as of 10/85.

2/ Amount in soles.

TABLE 18. RESEARCH ACTIVITIES BY INSTITUTION.

<u>Agency</u>	<u>Subject</u>	<u>Status</u>
ADIM	Profiles of clients served to measure program impact	Ongoing
INPPARES	Operations research on CBD modalities	Starting
INSTITUTO MARCELINO	Several studies, mainly on contraceptive testing for laboratories	Ongoing
PFH	Opinion survey on acceptability of services	Never tabulated
PRO-FAMILIA	KAP survey in service delivery area	Being analyzed
SMMISA	Adolescent attitudes toward sexuality and family	Completed
AMIDEP	Not directly involved but supporting several studies of universities and institutions in biomedical and socio-demographic areas	Ongoing
INANDEP	Several studies on socio-demography and development	Ongoing

e. Policy Development

The private agencies included in the analysis anticipate little negative effect from the new population law on their present or planned family planning activities. While this may be the case, the agencies should also be cognizant of the extent to which their present and planned programs can be controlled and directed by the GOP. The new law is explicit in its designation of the CNP as the agency responsible for evaluating the implementation of all public and private sector population activities, for dictating the norms and handling the coordination and supervision of private sector family planning activities. The law is equally explicit in its designation of the MOH as the agency responsible for compliance with the regulations concerning the authorization and use of family planning methods offered not only by the health services but those of IPSS, the Armed Forces, the police and private institutions as well.

Thus, while the authority delegated to the CNP under the new law can certainly be of value in its efforts to disseminate information and to conduct research activities with the several already existing private agencies, that same authority may be used to direct the informational, educational and service delivery activities of all private sector family planning agencies, depending on the interpretation by the GOP. The CNP has an impressive record of information development and dissemination activities.

With few exceptions, the private sector institutions do not have a strategic or comprehensive plan for influencing population policy. However, individual proponents of a positive population policy in Peru have emerged from the private sector, or are still involved in the private sector, often in combination with public sector positions. For example, the President and Executive Secretary of the CNP, the Chairman of the Parliamentary Commission on Population, two members of this same commission, and several of the authors of the Peru Population Policy law are, or have been, active Board members of private sector agencies. Thus, these agencies may justly claim credit for major policy changes that have taken place in Peru in favor of population and family planning programs. They should be encouraged to work now for the implementation and institutionalization of the applicable provisions of the Population Policy Law.

Nonetheless, policy development actions have, for the most part, been limited to personal intervention by a few leading figures and not based on a concerted effort by the private sector agencies. INPPARES is the only agency that has drawn up a defined strategy and systematically worked to influence political leaders and other decision-makers. It was able to do this because INPPARES has attracted to its ranks a number of major political figures and has had funding from the IPPF Population Information for Policy Makers (PIPOM) project.

PRO-FAMILIA is a prime example of personal intervention in policy development with the persistent and laudable efforts of its director to educate the corporate leadership on the population and health problems of the country. Efforts like this deserve recognition, but it is also necessary to begin efforts to devise a more systematic strategy to reach various policy-making sectors.

AMIDEP has been involved in the dissemination of research results and implications through seminars and publications. Meetings held in Tarma in 1979 and 1985 have become milestones in the evolution of population policy in Peru. However, AMIDEP's seminars tend to be one-time events without a clearly defined follow-up system that ensures effectiveness and measures impact. Most of its publications with the exception of its Bulletin, are geared to an academic audience which unfortunately does not include many policy-makers.

INANDEP has been active in research, and the quality

of its work is evident. Particularly useful are its studies of regional demographic dynamics, especially in the Sierra and Amazonia. INANDEP staff is providing advisory services to the CNP and has been active in advising the Parliamentary Commission on Population. Like the other agencies, INANDEP does not have a defined strategy for disseminating the results of its studies to the audiences that may act upon the problems identified by the research.

The gap that exists between research and policy agencies and service delivery agencies is particularly evident when one considers that as a result of regional studies and meetings, local government officials have been motivated to request that services be provided in their areas. Unfortunately, the service delivery agencies have not been able to meet these requests. As a result of PIPOM activities, INPPARES signed eight cooperative agreements with municipal governments which it was then unable to fulfill because of lack of funds.

It appears that this is a propitious moment for the private sector to influence population policy in Peru. Major changes in political leadership have occurred both in the executive and legislative branches. The new congress is quite different from prior ones. Congressmen need to be approached; many of them are progressive, socially sensitive leaders but, for the most part, not knowledgeable of population issues. Several of the members of the Parliamentary Commission on Population lost their seats, and a new commission would be elected only if sufficient interest is fostered among members of the new congress.

With regard to regional governments, there is still a need to influence them to consider the population issue in a health and social development perspective. The work already done by AMIDEP, INANDEP, and INPPARES was a good beginning, but a more systematic approach is required. A strategic audience for this would be the 12 Corporaciones Regionales de Desarrollo (CORDES) which formulate regional development plans. INANDEP has already conducted studies for the CORDES of Arequipa and Puno on the demographic characteristics of the respective regions as they affect regional development.

Table 19 summarizes the policy activities of the private agencies and the CNP, the status of their strategy, and potential future contribution.

4. Recommendations

The following recommendations from the "Institutional Analysis of Private Sector Family Planning Agencies" are sector-wide and cut across individual institutional concerns. They were considered by the PP team and taken into account in the preparation of the final PP.

TABLE 19
POLICY ACTIVITIES OF AGENCIES

NAME OF AGENCY	AUDIENCES	PRESENT ACTIVITIES	STATUS OF STRATEGY	POTENTIAL CONTRIBUTION
1.ADIM	Women leaders, legislators	Informal discussions on women's rights and issues	Emerging	High with women leaders
2.APROPO	Business leaders	Recruitment of business leader; talks	None	Uncertain
3.APROSAMI	None	None	None	Low
4.ATLF	Local leaders, religious authorities	Talks, interviews, publications	Informally defined	High within Catholic
5.CENPROF	None	None	None	None
6.FENDECAAP	Cooperative leaders in agricultural sector, political leaders	Informal talks	Informally defined	High within cooperative movement
7.INPPARES	Elected officials, professional associations, local governments, community leaders	Courses, seminars, media interventions, publications	Informally defined	High
8.I. MARCELIHO	None	None	None	Low
9.PFH	None	None	None	Low
10.PLANIFAM	None	None	None	Low
11.PRO-FAMILIA	Business leaders	Talks	None	Uncertain
12.SMMISA	None	None	None	Low
13.CCC (proposed)	None	None	None	Low
14.AMIDEP	Political leaders, academics, local government officials	Seminars, conferences, courses, publications,	Informally defined	High
15.IEP (proposed)	Academics, government officials	None	Undefined	Uncertain
16.INANDEP	Elected officials, development planners	Technical advisory services, research	Undefined	High
17.CNP	Planning authorities, health, education, employment sectors; journalists, pharmacists	Seminars, publications, audiovisual presentations, policy promotion	Official policy	High

a. Management

- o Develop a standardized statistical, budgeting, accounting and financial reporting system which will meet AID requirements, and, to the extent possible, be compatible with the systems used by other donor agencies as well as meet with Peruvian government requirements.
- o Conduct in-depth management audits of participating institutions to identify training and technical assistance needs as well as to pinpoint specific measures necessary for compliance with project requirements. The project's supervision plan should include regular follow-up.
- o Prepare and conduct training in institutional strategic planning and budgeting.
- o Prepare and conduct training in the areas of income generation and self-sufficiency, resource management, as well as in cost/benefit analysis and cost effectiveness.
- o Provide legal counsel to participating institutions regarding basic legal requirements, registration as entities with tax-deductible status, legal aspects of family planning, etc. This assistance could be provided via periodic written orientations as well as by response to specific requests.
- o Develop a central mechanism to ensure timely availability of needed supplies of contraceptives and equipment for the agencies and assist them in instituting more effective stock control.
- o Train more supervisory and management personnel if services are expanded to ensure quality control and maintenance of standards.
- o Prepare and conduct training in a uniform service statistics system to be used in the planning and evaluation process.

b. Finance

- o Prepare and conduct training for mid-level staff

(financial assistants, secretary-bookkeepers, etc.), in basic project accounting and control systems.

- o Prepare and conduct training for mid- and upper-level staff (e.g. directors, administrators and accountants) in project accounting and its relationships to legally required accounting, local currency budgeting and budget analysis.
- o Conduct a national-level salary study which identifies salaries for major categories of family planning professional and support staff. Recommend an equitable salary policy to be adopted by the project and recommend its acceptance to other institutions and funding agencies.
- o Develop rational procedures for periodic budget adjustments which take inflation into account and recommend these procedures to funding agencies for incorporation into existing projects in Peru.
- o Adopt a policy of budgeting by and allocating funds to private agencies in US dollars to avoid frequent budget adjustments due to inflation and currency fluctuations.
- o Prepare and conduct training in income generation and self-sufficiency, resource management, as well as cost/benefit analysis and cost-effectiveness.
- o Following initial training, develop a Finance and Administration Manual for use by institutions participating in the project and by others.
- o Prepare and conduct training in proposal writing and development of grant applications to international donors.

c. Service Delivery

- o Encourage private sector agencies to expand the coverage of their service delivery, preferably through CBD programs. It would be of low cost-effectiveness to continue to support agencies with very low volume of service or high cost per user.

- o Give priority to agencies that are prepared to move into new, unserved geographical areas in Metropolitan Lima and, above all, in the provinces. This can be done by funding expansion of provincial programs of Lima-based agencies (INPPARES and PRO-FAMILIA), by supporting the strengthening of provincial programs, and by establishing new ones.
- o Encourage agencies not to overlook the provision of allied services related to reproductive health and not to compromise high quality control standards simply to meet numerical targets.
- o Increase the utilization of adequately trained paramedical personnel in service provision short of surgical procedures.
- o Develop a system to promote a reasonable degree of uniformity in user statistics in order to better establish the real contribution of the private sector in meeting the needs of their target population.
- o A centrally-located mechanism could assist in consolidating and processing the data provided by the agencies.
- o Establish, through the PCA, appropriate targets for program activities and outputs that will help agencies better plan their work and evaluate their impact.
- o Contract the design of a standardized statistical system and the data processing capabilities of INANDEP to serve other agencies in service statistics processing and in small scale operations research. INANDEP could conceivably become a central point for data processing of the private family planning sector.

d. IEC

- o Define, at an early stage, the promotional strategy to be used and the ways of implementing it in order to inform potential clients of service availability.
- o Strengthen the IEC capabilities of the staff of

most private family planning agencies by training and technical assistance in aspects such as low-cost audiovisual materials production, orientation techniques, and evaluation.

- o Assist all agencies to better define their beneficiary audiences and to formulate appropriate communication strategies to reach such audiences. Expand IEC efforts to less traditional audiences.
- o Assist research and policy agencies in presenting information in formats that are appropriate for dissemination to decision-makers and political leaders.
- o Explore the feasibility of centralizing materials design and production in one organization. Such an organization should have the capacity, both in technical and in personnel resources, to produce a sufficient quantity of high-quality materials.

e. Training

- o Expand the number of local courses for medical, administrative and supervisory personnel and provide opportunities for them to attend courses offered elsewhere. A sector-wide training strategy, including the needs of each individual agency, should be developed.
- o Develop a staff training plan which includes: 1) goals, targets, dates, and numbers for training trainers, physicians, nurses, social workers, CBD workers, administrators and other supervisory personnel; 2) criteria for selection; and (3) plans for evaluation and follow-up at the sector and agency level.
- o Develop follow-up plans for third country and US training which should include an institutional requirement for the individual trained to present a seminar or workshop based on the principal lessons learned within a specific period of time. The purpose of this workshop would be to disseminate new knowledge to others in the agency and the sector. This would expand the value of the training budget and limit the damage when an individual receives training and then, partly as

a result of that training, obtains other employment. The individual trained should have the support of an immediate supervisor and senior management of the agency to implement training activities.

- o Develop a plan, in addition to a professional staff-training plan as outlined above, for periodic interchange or review. This might be done through bi-monthly seminars (of two to four-hours length) which address topics of relevance to one specific group. The sessions should include didactic material and discussion of case study material derived from participants' individual work experience.
- o Develop a sector-wide mechanism for training CBD workers which sets minimum performance standards for promoters and distributors. This could include use of the same high quality educational materials by all trainees and the sharing of instructors, training facilities and training sessions, to result in greater cost-effectiveness and increased coordination among private agencies. Sector-wide standards would also help to ensure that CBD staff would not begin work without having completed the basic training requirements.
- o Develop standards for content of CBD staff-training which should include as a minimum:
 - coverage of the full range of family planning methods;
 - discussion of side-effects and relative risks for each method, expressed in simple concepts, comprehensible to women of the barrio or pueblo joven;
 - awareness of population growth and economic opportunity, again simply expressed;
 - community organization, including interviews, mapping location of users, and plans for recruitment;
 - counselling and communication skills;

- relationship of family planning to healthy family, e.g., preventive health for mothers and children, breastfeeding, child spacing, and immunizations; and
 - basic management and reporting of CBD activities.
- o Develop a sector-wide plan for bi-annual in-service training, including provisions for more frequent periodic supervision. (The impact of this recommendation may initially slow the recruitment of new CBD staff in some organizations and hence impede immediate program expansion, but provision of in-service training and improved supervision may stabilize and support the present CBD workers and may reduce substantially the current dropout rate of 40% annually in some agencies).
 - o Address the issue of transportation for participants, including the feasibility of a stipend to cover travel to training courses for CBD workers. Excessive transportation costs should be avoided by holding training sessions at locations near the participants' homes.
 - o Provide child care for workers attending training courses.

f. Research

- o Develop a sector-wide research plan, addressing the roles of service delivery and research institutions, to assure that needed data are collected and that appropriate information is disseminated.
- o Develop small-scale, program-oriented research capabilities of the agencies. The results could help them to better understand the preferences of their current and potential clients as well as to evaluate the quality and impact of their services.
- o Support INANDEP and AMIDEP in the design and conduct of short-term, action-oriented research that will assist agencies in devising more audience-relevant and culturally sensitive service delivery and IEC operations.

- o Assist research institutions in conducting surveys to assess service and information needs in currently unserved and underserved areas and to determine appropriate service delivery strategies.

f. Policy Development

- o Develop a policy strategy which includes identifying specific policy objectives and areas of policy focus; develop a research agenda to address policy needs, defining institutional roles and responsibilities; and prepare a work plan to address private sector needs and objectives.
- o Design and conduct "joint venture" policy activities between research/policy and service delivery agencies.
- o Prepare information packages for parliamentarians, preferably including regionalized information that will remind them of the problems of their electorates.
- o Conduct policy development activities with the CORDES to ensure the inclusion of population concerns and family planning activities in regional development plans.
- o Offer policy-related seminars on a regular basis and follow up by periodically supplying participants with informational and promotional material.
- o Pool agency resources to appeal for the implementation and institutionalization of the relevant provisions of the Population Policy Law as they affect the Peruvian private sector.

In conclusion, the analysis of the Peruvian private sector agencies indicates that collectively, the agencies are ready for a new stage in addressing the problem of population growth in Peru. The agencies are experienced in the major service delivery methods, and have begun to make inroads into such activities as mass media campaigns, various aspects of population and demographic research, staff training, and training and educating professionals, paraprofessionals, and lay people not associated with family planning, and most of these organizations are experienced fund managers. The analysis indicates, however, that serious sector-wide problems exist and must be addressed in order to satisfy the large unmet demand for services in Peru.

B. Financial Plan and Analysis

1. Introduction

The total cost of this project will be US\$18.756 million. The USAID contribution consists of US\$13.0 million grant which will be used for training and TA, commodities, and sub-grants to Peruvian family planning agencies and the CNP. The participating agencies will finance 30% of the total costs or US\$5.756 million, consisting of cash and in-kind contributions. Of this contribution approximately US\$.801 million will be provided by the GOP to the CNP and US\$4.955 million by private sector agencies.

2. Counterpart Contribution

The non-AID counterpart contribution consists of the following: 1) an estimated \$1,600,000 in non-AID funds to INPPARES for the LOP; 2) an estimated \$801,000 LOP from the GOP to the Consejo Nacional de Población; 3) an estimated \$100,000 LOP from the GOP to Hospital Loayza; and 4) an estimated \$1,200,000 LOP as generated income for a total of \$3,701,000 LOP. (It is expected that with the TA and training, generated income will comprise an even larger portion than this estimate by the EOP.) The remainder of the counterpart contribution is from the value placed on non-AID funded items such as the physical infra-structure of ADIM, and that of FENDECAAP's health system of 12 hospitals and 45 health posts, as well as the equipment, vehicles, physical plants and professional volunteer time of the other participating agencies.

The total counterpart contribution for the participating agencies is presented in Table 20. ^{1/} As illustrated, the required 25%

TABLE 20. PROJECTED COUNTERPART CONTRIBUTIONS BY YEAR. (US \$000).

YEAR	Participating Agencies	GOP	Total
1986	750	100	\$ 850
1987	825	125	950
1988	900	150	1,050
1989	975	175	1,150
1990	1,055	178	1,233
Contingencies	450	73	523
Total	\$4,955	\$801	\$5,756

^{1/} Only 15 agencies are included because IEP and CCC were in the planning stage at the time the project paper was written.

counterpart contribution to the project will be more than satisfied. However, as with all projections, the estimates are subject to variation. Therefore, to assure compliance with the counterpart contribution rule, the counterpart contribution will be examined during the two major project evaluations scheduled during the life of the project.

3. Financial Tables

Four summary tables are provided on the following pages. Table No. 21 summarizes Project costs by foreign exchange and local currency costs; Table No. 22 summarizes costs by project and fiscal year, and Table No. 23 summarizes USAID costs by project components. Table No. 24 shows the obligations and expenditures by fiscal year. Charts 2, 2a and 2b further illustrates the LOP budget distribution. Project costs are defined as anticipated obligations or commitments of funding through PIOs or contracts. Inflation was calculated on the basis of 5% of dollar costs only. A contingency factor of 10% was applied to all costs.

4. Recurrent Cost Analysis

Project recurrent costs are considered to be those incremental costs generated by the implementing organizations for continuing project activities after the end of the project. They include the cost of the PCA, and the costs of contraceptives and delivery of expanded family planning services as well as some residual training activities by the private family planning organizations. They do not include project inputs of technical assistance which are provided during the LOP and do not continue after project completion.

The recurrent costs shown in Table 25 represent final project year USAID funding levels. The recurrent cost for the PCA is the total \$110,000 required for continuing operations of a staff of 7 Peruvian employees plus office support costs. Recurrent cost estimates for expanded service delivery of the private family planning agencies was derived by taking the final year funding provided by USAID for contraceptive and sub-grants.

In order to estimate the impact of recurrent costs on the family planning agencies, the recurrent costs were compared with the total estimated annual budgets of the 16 family planning agencies and the CNP in end-of-project (EOP) year plus one, which are projected to total US\$2.777 million. As can be seen in Table 25 the recurrent costs of additional operating costs and contraceptives represent 93.3% and 19.6%, respectively, of the total estimated annual budgets of the private family planning agencies and the CNP in EOP year plus one. While the recurrent costs generated by the project are significant for the participating institutions, it is believed that they will be able to cover these recurrent costs through increased user fees and other income generation as well as funding from US and third country donors.

At present the private family planning agencies rely heavily on other US and third country donors for support. Upon completion of the

TABLE 21. TOTAL PROJECT COSTS BY FOREIGN EXCHANGE (FX) AND LOCAL CURRENCY (LC) (US\$000).

BUDGET ITEM	AID GRANT		USAID TOTAL	COUNTERPART CONTRIBUTION		
	FX	LC		PARTICIPATING AGENCIES	GOP	TOTAL
I. PROJECT ADMINISTRATION						
a) USAID Project Coordinator	425	—	425	—	—	—
b) Prime Recipient	624	505	1,129	—	—	—
Subtotal Assistance	1,049	505	1,554	—	—	1,554
II. TRAINING AND TECHNICAL ASSISTANCE						
a) Short-term	386	64	450	—	—	450
b) Long-term	1,221	—	1,221	—	—	1,221
Subtotal Assistance	1,607	64	1,671	—	—	1,671
III. COMMODITIES						
a) Project Contractor	—	27	27	—	—	—
b) Peruvian Coord. Agency	—	31	31	—	—	—
c) Subgrantees	300	—	300	—	—	—
Subtotal	300	58	358	—	—	—
Procurement Fee (8%)	29	—	29	—	—	—
d) Contraceptives	1,250	—	1,250	—	—	—
Subtotal All Commodities	1,579	58	1,637	—	—	1,637
IV. OTHER COSTS						
a) Peruvian Coord. Agency	—	235	235	—	—	—
b) Subgrants	—	5,895	5,895	4,505	728	—
c) Audit	—	70	70	—	—	—
d) Evaluation	200	—	200	—	—	—
Subtotal Other Costs	200	6,200	6,400	4,505	728	11,633
Subtotal Project Cost	4,435	6,827	11,262	4,505	728	16,495
e) Contingency & Inflation	1,056	682	1,738	450	73	2,261
TOTAL PROJECT COSTS	5,491	7,509	13,000	4,955	801	18,756

TABLE 22. TOTAL PROJECT COSTS BY FISCAL YEAR (US\$000).

BUDGET ITEM	FY 86 (PY1)	FY 87 (PY2)	FY 88 (PY3)	FY 89 (PY4)	FY 90 (PY5)	FY 91 (PY6)	TOTAL
I. PROJECT ADMINISTRATION							
a) USAID Project Coordinator	70	70	70	70	70	75	425
b) Prime Recipient	225	225	225	227	227		1,129
Subtotal Assistance	295	295	295	297	297	75	1,554
II. TRAINING AND TECHNICAL ASSISTANCE							
a) Short-term	200	160	40	30	20		450
b) Long-term	325	325	325	123	123		1,221
Subtotal Assistance	525	485	365	153	143		1,671
III. COMMODITIES							
a) Project Contractor	27	0	0	0	0		27
b) Peruvian Coord. Agency	0	0	0	31	0		31
c) Subgrantees	300	0	0	0	0		300
Subtotal	327	0	0	31	0		358
Procurement Fee (8%)	26	0	0	3	0		29
d) Contraceptives	67	90	208	340	545		1,250
Subtotal ALL Commodities	420	90	208	374	545		1,637
IV. OTHER COSTS							
a) Peruvian Coord. Agency	5	10	20	50	150		235
b) Subgrants	740	980	1,300	1,395	1,480		5,895
c) Audit	0	0	30	0	40		70
d) Evaluation	0	0	100	0	100		200
Subtotal Other Costs	745	990	1,450	1,445	1,770		6,400
Subtotal Project Cost	1,985	1,860	2,318	2,269	2,755	75	11,262
e) Contingency & Inflation	198	243	349	403	511	34	1,738
AID TOTAL PROJECT COSTS	2,183	2,103	2,667	2,672	3,266	109	13,000

CHART 2.

DISTRIBUTION OF TOTAL BUDGET FOR LOP BY PROJECT COMPONENTS

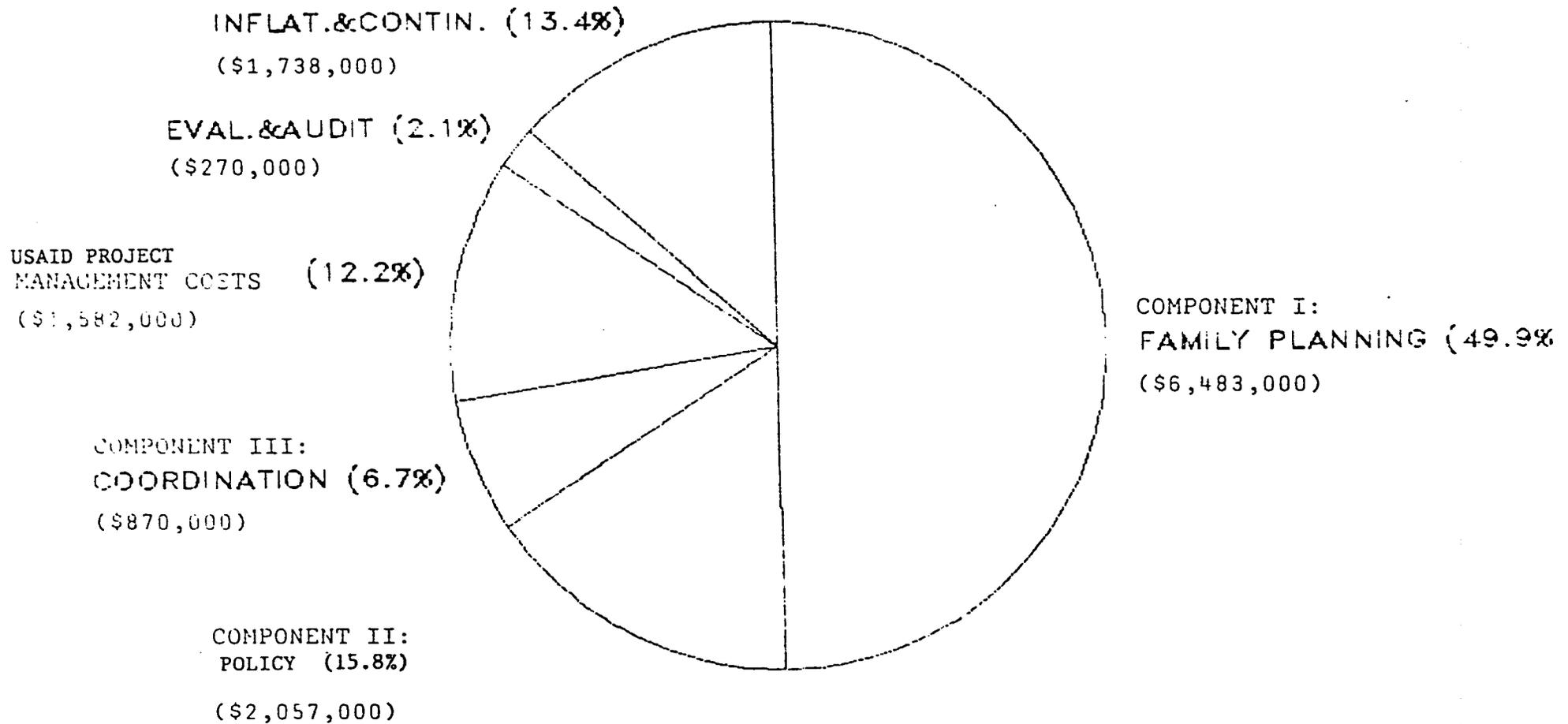


CHART 2A.

DISTRIBUTION OF TOTAL BUDGET FOR LOP

BY BUDGET LINE ITEMS.

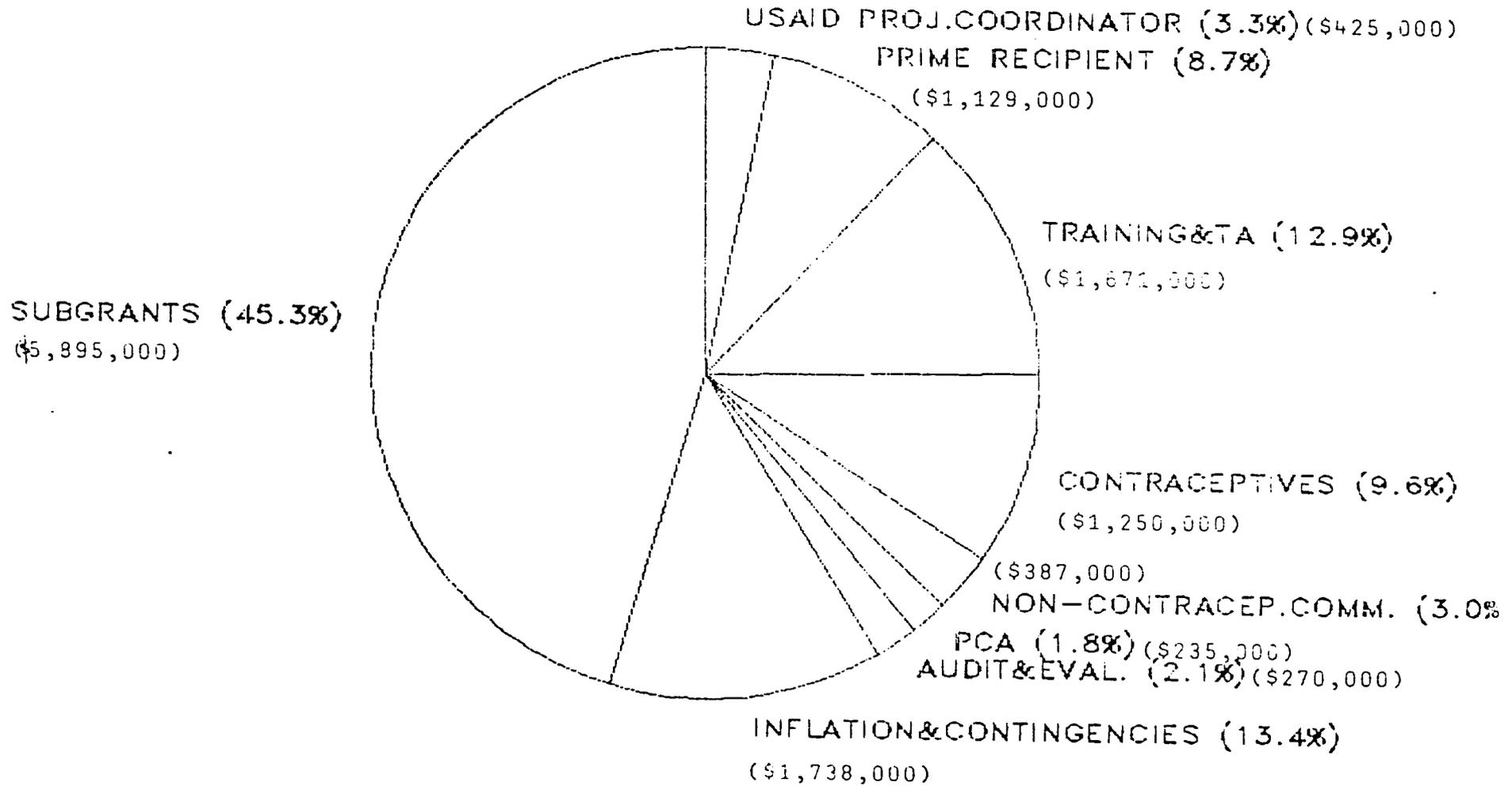
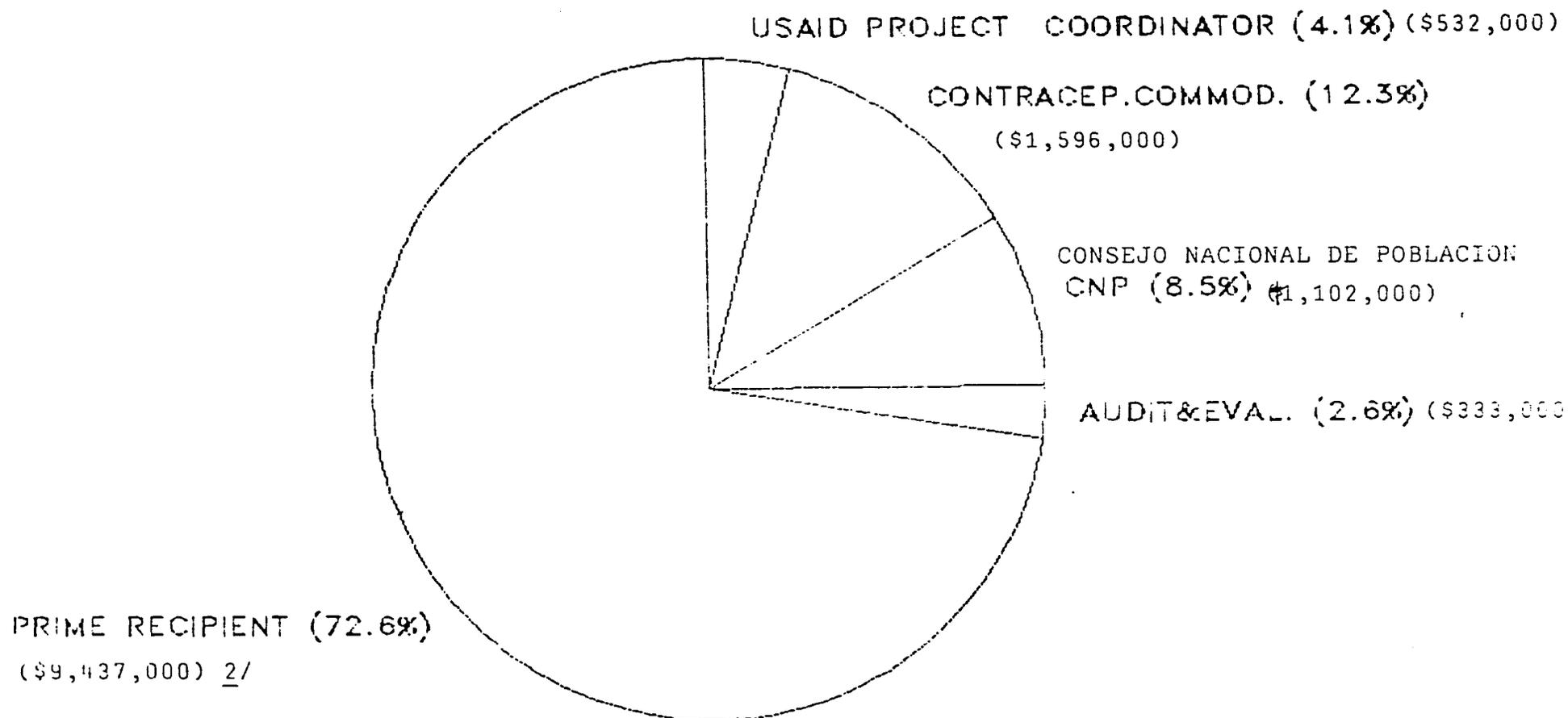


CHART 2B.
DISTRIBUTION OF TOTAL BUDGET FOR LOP
BY OBLIGATIONS 1/



1/ Figures include contingency and inflation.

2/ Includes Project Contractor staff, short and long term TA and training, non-contraceptives^{commodities}, Peruvian Coordinating Agency, and Subgrants.

TABLE 24. PROJECTION OF OBLIGATIONS AND EXPENDITURES BY FY
(US\$000) 1/.

	FY 86 (PY1)	FY 87 (PY2)	FY 88 (PY3)	FY 89 (PY4)	FY 90 (PY5)	FY 91 (PY6)	TOTAL
Initial Balance	0	17	214	347	675	0	0
Obligations	2,200	2,300	2,800	3,000	2,591	109	13,000
Expenditures	2,183	2,103	2,667	2,672	3,266	109	13,000
Balance	17	214	347	675	0	0	

project it is anticipated that there will exist in Peru strengthened support for family planning. This will enable private agencies to generate resources from Peruvian, as well as from US and third country institutions. Furthermore, it is anticipated that with the technical assistance provided during the LOP, the agencies will be able to generate a greater proportion of their revenues through user fees and other income generating techniques. Based on previous donor activity, it is reasonable to assume that U.S. and international cooperating agencies will provide funding, if needed, to support these additional costs.

TABLE 25. RECURRENT COSTS (US\$000).

Organization	Amount (US\$000)	As a Percentage of Estimated Annual Budget
1. Peruvian Coordinating Agency		
a) Operating Costs	110	100.0%
2. Private Family Planning Agencies and CNP		
a) Operating Costs	260	93.3%
b) Contraceptives	545	19.6%

1/ Includes contingency and inflation costs.

5. Project Financing Methods

Table 26 outlines the planned methods of implementation and financing for the project as required by Policy Statement No. 1 of the Agency's Payment Verification Policy. The planned methods of financing conform to the preferred methods established by AID policy. As implementation progresses and contracting action is taken, some change in method of financing may occur due to the profit/non-profit nature of the selected contractor or the FX/LC cost balance. Should the Letter of Credit method of financing be appropriate, it will be selected in lieu of direct payment. However, no circumstances are foreseen that would cause the use of the Bank L/Com or any other non-preferred method of financing. The implementation plan and financing methods have been reviewed and approved by the Mission Controller. The project design has focused on the two issues of reducing Mission logistic support for project implementation and assuring financial compliance (payment verification) for the use of AID funds. In terms of

TABLE 26. METHODS OF IMPLEMENTING AND FINANCING THE PROJECT (US\$000).

BUDGET ITEM	METHOD OF FINANCING	BUDGET ESTIMATE
<u>I. Project Administration</u>		1,554
Direct Institutional Contract	Direct Payment	
Direct Personal Services Contract	Direct Payment	
<u>II. Training and TA</u>		1,671
Direct Institutional Contract	Direct Payment	
<u>III. Commodities</u>		1,637
Direct Institutional Contract (non-contraceptive commodities)	Direct Payment	
AID/W Global Procurement (contraceptive commodities)	OYB Transfer	
<u>IV. Other Costs</u>		
a. Local Cost Financing, Sub-Grants & PCA		
Direct Institutional Contract	Direct Payment	6,130
b. Audit, Direct Contract	Direct Payment	70
c. Evaluation, Direct Contract	Direct Payment	200
d. Contingency & Inflation		1,738
AID TOTAL PROJECT COSTS		\$13,000

reducing Mission logistic support, the project could be implemented with as few as a half dozen USAID procurement actions. The reference to the "Institutional Contract" in Table 26 is to a planned single comprehensive contract to the Prime Recipient to provide TA, commodities and local cost financing support to the Peruvian private sector family planning agencies.

In regards to financial compliance, the project design and development included an in-depth study of the administrative and financial capacity of the existing organizations that will receive local cost financing to determine their capacity to properly control and account for USAID cash. While some needed improvements were identified, these were not serious and the organizations have previously successfully managed and accounted for external grants. However, the Mission's past implementation experience clearly indicates that accountability by local institutions can be high risk. In response to this perceived potential risk, the financial flows will be channeled through the Prime Recipient with a minimum of two professional financial positions in the contract team. These positions will be responsible for making regular visits to local institutions to evaluate internal controls and verify accountability of USAID funds on a current basis. The Mission plans to highlight and provide relative importance in the RFAA evaluation criteria to prospective contractors' plans to monitor local cost accountability.

C. Technical Analysis

The technical analysis of this project addresses the demand for family planning services, the contraceptive technology to be used, and the extent to which the planned methodology is feasible, especially with regard to service delivery, policy promotion, and the proposed Peruvian Coordinating Agency.

1. Demand for Family Planning Services

There is a high level of demand for family planning in Peru, as evidenced by the most recent CPS study which showed that 91% of MWFA wish to either space their births (21%) or cease childbearing (70%). Overall, 75% of women agree that family planning is important, 14% do not have an opinion, and only 11% do not believe in family planning. However, the demand for family planning is not currently being met. While 73% of the MWFA in the metropolitan area of Lima-Callao (MALC) do not want to have more children, 30% do not use any contraceptive method and 36% use only "traditional methods". In other urban areas, 74% do not want more children, but 41% do not use any method, and 34% use a traditional method. In rural areas, 75% do not want more children, but 70% do not use any method, and 23% use a traditional method.

During 1984, agencies of the GOP (including the MOH, the IPSS, and the Armed Forces health facilities and Beneficencias) served 172,500 MWFA, or 33% of the total estimated users of modern contraceptives; this amount represents 6.1% of the 2.8 million MWFA in the country. For-profit

private sector outlets account for another 8.3%. The private non-profit sector, consisting of agencies working mainly in Lima and a few other coastal cities, account for another 4.6%, or 130,000 women. Together, all family planning services delivered by all sources in Peru in 1984 served only 19% of the 2.8 million MWFA, leaving 2.27 million MWFA without access to family planning services. In addressing the problems related to rapid population growth and assisting Peruvian couples to plan the number and spacing of their children, this project will concentrate on improving the capabilities of the PVOs to expand family planning service delivery, while improving cost effectiveness, influencing population policy formulation, and developing a PCA.

2. Contraceptive Technology and Delivery

This project will rely primarily on the standard variety of non-permanent modern contraceptive methods: pills, IUDs, condoms, jellies, and foams. All but one of the service delivery institutions supported under this project will offer these methods: ATLF, which is primarily a natural family planning institution, will provide instruction on natural methods and, in some instances, will distribute oral contraceptives. APROSAMI and FENDECAAP also provide voluntary surgical contraception (VSC) to women who are in a medical high risk category. These methods are all well beyond the experimental stage, and their safety and effectiveness under a variety of conditions are known and depend on particular characteristics of the users with respect to age, health, parity, personality, user application, etc. While the theoretical effectiveness of contraceptive methods is known, failure resulting from the way a method is used is very difficult to ascertain. Careful education and counseling are essential to ensure correct usage. Numerous IEC activities will be conducted by the PVOs participating in the project. Continuation of effective use will depend, in part, on effective counseling efforts by clinical and other service personnel.

To ensure effective delivery of family planning services, special attention will be paid to improved supervision through the training and technical assistance to be provided under this project and in the subcontracts for service delivery.

3. Feasibility of Methodology

a. Service Delivery

The history of the Peruvian private agencies provides a positive background for a continuation and expansion of their work in the delivery of family planning information and services. For 12 service delivery organizations included in a recent survey (ADIM, APROPO, APROSAMI, ATLF, CENPROF, FENDECAAP, INPPARES, Instituto Marcelino, PRO-FAMILIA, PFH, PLANIFAM, and SMMISA), the total number of users of services were 60,958, 62,041, and 132,168, for the years 1982, 1983, and 1984, respectively. Six of these organizations, (INPPARES, PRO-FAMILIA, APROSAMI, SMMISA, PLANIFAM and CENPROF) provide a combination of clinic and CBD programs. Three of the organizations,

(I. Marcelino, FENDECAAP and PFH) are purely clinical programs. APROPO is developing a CSM project and other private sector activities. ADIM provides only IEC services to community women and family planning training to nurses to date. ATLF promotes natural family planning methods. This diversity in type of organization and the services they deliver represents a strong potential for expanding the total number of women served by family planning programs.

The diversity also points to issues in the private sector which will have to be addressed in order to improve and expand services and influence policies. The lack of communication among the organizations results in service overlap in many areas, unserved locales, untrained or under-trained personnel, and underutilized resources. Some of the organizations are sufficiently mature or strong enough in certain areas to provide technical assistance to others. However, for the most part, all of them require assistance with some or most of the following: personnel and financial systems, budgeting and inventory controls, program evaluation, cost effectiveness and CPU analysis, needs assessment, information dissemination, training methodologies, research agendas, policy development, program planning and income generation, among others.

b. Policy Influence

Family planning policy development in Peru has been largely an ad hoc process: no one organization or agency has emerged to assume leadership in this area, and none of the private agencies have developed actual strategies to influence policy. Important linkages have been made between some of the organizations and some government offices, largely because of the involvement of influential individuals in both. However, no national plan for involvement of the private sector agencies has resulted. At the level of the agencies themselves, a few attempts to coalesce plans concerning policy have also proved fruitless and the sector remains disarticulate, with each organization responsible only for its own activities.

However, this same history provides a base upon which to promote a better and broader national policy on population and family planning issues. Members of the CNP and several of the authors of the new Peruvian Population Policy Law are, or have been, board members or high-level staff of some of the private sector agencies. Some of the organizations' directors have been very active in policy outreach to business leaders and to the general public. A number of organizations have a history of publications and research which can also serve as an input into policymaking. Past meetings with local government officials have resulted in requests for services, attesting to the private agencies' potential in influencing leaders.

What is needed is a well-formulated strategic plan which can be shared by all interested agencies, and which can bring together the various sectors of Peruvian society. The recognition of the need for a coordinated effort by the private sector agencies at this juncture points to a definite possibility that such a plan can emerge.

c. Peruvian Coordinating Agency

The problems to be faced by this project range from the disarticulation of the private sector organizations to the uneven quality of operations among the organizations and the lack of a cohesive force. There are also problems in lack of organizational creativity, inadequately trained staff, and a lack of response to needy geographic areas. The work of organizations that are involved in research and policy development is not sufficiently supportive of service delivery agencies to help improve their work.

Some attempts have been made previously to coordinate certain elements of the private sector program. However, expected sector-wide efficiencies promoted through organizational cross-fertilization, meetings on common objectives and the shared use of technical resources have not evolved due to the dissimilarity of immediate purposes, scarce mutual resources, a strong sense of interinstitutional competition, and the absence of targets for individual and sectoral action, whether in terms of service areas, program needs, or policy development.

Because most of the present organizations are concentrated in Lima, have specific geographic concerns, and exercise limited influence on national leaders, the media and the public, a coordinating mechanism will be required to create and implement sectoral plans and strategies, assist with organizational development, and maintain an effective information system to guide further program activities. The coordinating system will itself emerge from the collective interests of the member organizations and provide the linkages between them, the GOP and other Peruvian spheres of influence. Again, given the current level of concern of private agency leaders for the need to coordinate their program efforts to increase efficiency and impact, it is anticipated that the proposed Peruvian Coordinating Agency will be successful.

D. Economic Analysis

This section demonstrates (1) the overall feasibility of the project, and (2) the rationale for providing support to private sector delivery systems vs. the public sector for the specific target groups covered under the project.

1. Project Feasibility

The Peruvian public and private sectors are currently unable to provide sufficient basic goods and social services to sustain even a minimal standard of living for a large proportion of the population. Food consumption is less than 90% of the FAO standard; housing is insufficient; educational levels are low; and potable water and electricity are inaccessible to most people. Any improvement in these quality-of-life indicators is made more difficult by continued rapid population growth. If the current trends

continue, it is estimated that the growth rate will decrease slightly from its current 2.5% and level off between 2.3% and 2.4%. At this rate, the population of Peru will double from 19.2 million in 1985 to 38.4 million by 2015.

The impact of this kind of population growth on demands for social and economic services is illustrated by the following estimates for the year 2006: ^{1/}

- o Primary school enrollment will increase from 3,396,000 in 1985 to 5,163,000.
- o Secondary school students will increase from 1,538,000 in 1985 to 2,408,000.
- o The number of societal dependents (0-14 and 65+ years of age) will increase from 8.7 million in 1985 to 13.2 million.
- o An additional 5.0 million jobs will be required to provide employment for a labor force of 11.6 million.
- o Housing and essential services will be required for an additional 12.6 million people.

Based on these "without-project" projections, a total of \$15.8 billion will be required over the next twenty years solely to maintain the current level of educational services for the growing school age populace. During the same period, \$110.3 billion will be required to support non-producing members of society, and some \$8.6 billion to provide new entrants into the population with basic housing and essential services. In other words, a total of \$132.5 billion will be needed only to provide educational services, support non-producing members of society, and house new Peruvians over the next twenty years should present population growth trends continue.

^{1/} Data extracted from Estimaciones y Proyecciones de Población, Boletín de Análisis Demográfico No. 25, 1983, published by the Instituto Nacional de Estadística (INE). Throughout this analysis, data for the "without-project" projections were based on the high-growth hypothesis in this publication, which closely parallels AID's population projections. The "with-project" projections are based on the low-growth population hypothesis, as summarized in Table 27. The fertility rates used in these two projection are:

<u>Year</u>	<u>High</u>	<u>Low</u>
1985-90	4.71	4.21
1990-95	4.35	3.54
1995-2000	4.00	3.00
2000-05	3.67	2.62

TABLE 27. POPULATION AS OF JUNE 30 EVERY YEAR BY AGE GROUPS: 1980-2005.

Low Population Growth Hypothesis: "With Project" Population Projections					
Age Groups	1985	1990	1995	2000	2005
TOTAL	19 657 817	22 107 560	24 555 599	26 915 969	29 180 698
0- 4	2 959 958	3 053 820	3 042 330	2 970 482	
5- 9	2 602 422	2 880 567	2 994 831	2 997 603	2 919 411
10-14	2 368 746	2 585 745	2 867 123	2 984 217	2 935 528
15-19	2 122 824	2 353 367	2 573 252	2 856 330	2 989 110
20-24	1 866 581	2 102 835	2 337 107	2 559 422	2 975 047
25-29	1 555 417	1 845 070	2 084 904	2 321 508	2 843 817
30-34	1 294 375	1 535 217	1 826 808	2 068 451	2 545 431
35-39	1 046 906	1 274 760	1 517 057	1 809 272	2 306 272
40-44	864 579	1 027 147	1 255 415	1 497 934	2 051 694
45-49	746 462	843 037	1 005 804	1 233 131	1 789 665
50-54	630 587	720 446	817 722	979 331	1 474 542
55-59	502 946	598 799	688 502	785 408	1 203 975
60-64	388 691	464 977	558 655	647 044	944 087
65-69	292 669	343 280	416 308	505 689	742 054
70-74	212 873	238 019	284 906	351 257	590 436
75-79	128 426	149 369	171 954	210 811	431 905
80-y+	73 354	91 104	112 922	138 078	173 109

High Population Growth Hypothesis: "Without Project" Population Projections					
Age Groups	1985	1990	1995	2000	2005
TOTAL	19 729 553	22 510 554	25 601 780	28 892 750	32 303 658
0- 4	3 031 695	3 387 001	3 692 279	3 912 057	4 079 787
5- 9	2 602 422	2 950 380	3 321 576	3 637 996	3 866 025
10-15	2 368 746	2 585 745	2 936 610	3 309 804	3 627 689
15-19	2 122 824	2 353 367	2 573 252	2 925 555	3 299 633
20-24	1 866 581	2 102 835	2 337 107	2 559 422	2 912 739
25-29	1 555 417	1 845 070	2 084 904	2 321 508	2 545 431
30-34	1 294 375	1 535 217	1 826 808	2 068 451	2 306 272
35-39	1 046 906	1 274 760	1 517 057	1 809 272	2 051 694
40-44	864 579	1 027 147	1 255 415	1 497 934	2 051 694
45-49	746 462	843 037	1 005 804	1 233 131	1 789 665
50-54	630 587	720 446	817 722	979 331	1 474 542
55-59	502 946	598 799	688 502	785 408	1 203 975
60-64	388 691	464 977	558 655	647 044	944 087
65-69	292 669	343 280	416 308	505 689	742 054
70-74	212 873	238 019	284 906	351 257	590 436
75-79	128 426	149 369	171 954	210 811	431 905
80-y+	73 354	91 104	112 922	138 078	173 109

A decrease in Peru's population growth rate will significantly reduce these investment demands. The greatest savings over the next twenty years will be in reduced support for dependent children. Based on 1984 national private consumption figures, it was estimated that an average of \$470 per dependent is spent annually in Peru. Since the majority of dependents are in the 0 to 14 age group, large savings will immediately be evident as the population growth rate slows. By the year 2006, there will be approximately 2.9 million fewer dependents in the "with-project" scenario compared to the "without-project" estimates. Over the twenty year period, this represents \$13.6 billion less in dependent support than in the "without-project" scenario.

In the education field, investments in constructing and equipping new schools, training and paying teachers, and providing other student services average approximately \$117 per student per year (based on Ministry of Education (MOE) budget). Should Peru's population growth rate follow the "with-project" scenario, some 14 million fewer children will require educational services, reducing the investment demand for educational services by \$1.64 billion.

Savings in housing and essential services will also be significant in the "with-project" option. An October 1984 study by the Instituto Nacional de Desarrollo Urbano (INADUR) indicates that a simple urban home in the coastal zone with basic services requires an investment of approximately \$685 per person. Using this conservative figure (costs in the sierra and selva are estimated to be greater), the 3.2 million lower increase in total population expected by 2006 due to the Project represents a decrease in investment demands for basic housing and essential services of \$2.2 billion.

Thus, in these three areas alone (support for dependents, education, housing and essential services), over the next twenty years the Project can reduce investment demands by a total of some \$17.4 billion, freeing this amount for other productive investments in the country.

Additional savings will also be immediately realized through the Project in the health field. Fewer expectant mothers will require services, fewer babies will be delivered, and fewer children will be in need of health care. In the longer run, decreases in population growth will also reduce investment demands in employment creation. Although these reductions, as well as those for housing and essential services, are significant and are of great importance, the benefits are far enough into the future that their discounted value is nominal for purposes of this analysis. Short-run savings in education and dependent support alone, however, are of such magnitude that the project can be demonstrated to be immediately economically feasible at a 10% discount rate as demonstrated in Table 28. ^{1/}

^{1/} The "discount rate" is the interest rate used to determine the present worth of a future value by discounting. This is done to reflect the concept of the time value of money; i.e., that values received earlier are worth more than values received later.

TABLE 28. COMPARATIVE COSTS OF EDUCATION AND SUPPORT OF DEPENDENTS WITH AND WITHOUT THE PROJECT, 1986-2006 (US\$000).

Year	Present Cost of Education and Support of Dependents		Project Benefits	Direct Project Costs	Net Benefits	Present Value Net Benefits (10%)
	w/o Project	w Project				
1986	4,773,265	4,717,265	56,000	3,009	52,991	52,991
1987	4,880,720	4,800,369	80,351	2,822	77,529	70,481
1988	4,989,228	4,884,590	104,638	3,207	101,431	83,827
1989	5,104,396	4,959,535	144,861	3,351	141,510	106,319
1990	5,222,213	5,027,480	194,733	3,847	190,886	130,378
1991	5,356,070	5,089,595	266,475	915	265,560	164,892
1992	5,486,523	5,150,540	335,983	915	335,068	189,137
1993	5,660,976	5,258,783	402,193	915	401,278	205,919
1994	5,972,120	5,319,675	472,445	915	471,530	219,972
1995	5,910,679	5,333,035	577,644	915	576,729	244,589
1996	6,019,518	5,363,130	656,388	915	655,473	252,713
1997	6,129,538	5,393,927	735,611	915	734,696	257,506
1998	6,238,377	5,424,841	813,536	915	812,621	258,926
1999	6,346,514	5,452,170	894,344	915	893,429	258,795
2000	6,478,183	5,480,914	997,269	915	996,354	262,371
2001	6,579,574	5,495,212	1,084,362	915	1'083,447	259,369
2002	6,685,082	5,508,744	1,176,338	915	1'175,423	255,806
2003	6,790,186	5,523,042	1,267,144	915	1'266,229	250,517
2004	6,898,109	5,536,691	1,361,418	915	1'360,503	244,698
2005	7,001,511	5,546,872	1,454,639	915	1'453,724	237,695
2006	7,703,807	5,556,053	2,147,754	915	2'146,839	319,114
TOTAL	\$126,046,589	\$110,822,463	\$15,224,126	30,876	15'193,250	4'326,015

2. Rationale for Supporting Private Sector Family Planning Delivery Systems vs. Public Sector Delivery Systems

The Project will support private sector family planning delivery systems, rather than public sector ones, as the vehicle for increasing contraceptive coverage among the low-income target group. While economic rationale (cost-effectiveness) for this strategy cannot be demonstrated to be compelling due to a lack of data, a variety of other rationale exists for supporting the private sector.

An attempt was made to review the cost-effectiveness of using the private sector, rather than the public sector, to increase contraceptive coverage among low-income target groups. Ideally this could be done by comparing costs per user for each delivery mode in each sector. Unfortunately, data availability in Peru makes it difficult to do this with

any degree of precision. Each sector has its own method of figuring costs, which renders comparisons meaningless.

In the public sector, family planning activities are integrated into health care programs. Separate budgets are not kept, operating costs are combined, and personnel carry out a variety of duties. Using data from the USAID-supported "Integrated Health and Family Planning Services Project"-No. 527-0230, S/. 1,162,334,000 was spent on family planning services between January and June 1984. During this same period, 135,313 persons were attended. This gives an average cost per visit of S/. 8,590 or approximately US\$3.00. This figure contains no administrative or overhead costs, no training costs, and no research costs, which would obviously increase the cost per visit. ^{1/}

In the private sector, data are also incomplete. Most private sector agencies do not separate costs at any level of detail. The most accurate data, which are representative of the family planning private sector in general, were collected for the recent Institutional Analysis. The number of users and cost-per-user (CPU) for each of the institutions surveyed is summarized in Table 10. Costs-per-user were calculated by dividing total expenditures by the number of users at each institution. By using a weighted average of the CPUs for the institutions surveyed, costs of delivering family planning services in the private sector can be approximated. As demonstrated in Table 10, costs have fallen from \$16.87/CPU in 1982 (8 institutions only) to an estimated \$9.88/CPU in 1985 (10 institutions).

Thus, we can derive approximations of service delivery costs in both the public and private sectors, but comparing the figures is difficult. Public sector figures refer to cost per visit, private sector figures to cost per user. Public sector costs include only those associated with direct service delivery; private sector costs include overhead, start-up costs, research, training, etc. Hence, based on the data available, it is not possible to assert that the Peruvian private sector is more cost-effective than the public sector in delivering family planning services, or vice versa.

While the cost-effectiveness argument cannot be used to support the decision to work through private sector delivery systems, other compelling reasons exist for doing so. First, although both public and private sector family planning delivery systems have the low income populace as their target group, to a certain extent, they still serve different clientele. The low income group in Peru is large, varied, and geographically dispersed. Within the group, preferences exist for different types of services, some of which are better met by the private sector, others by the public sector. Additionally, the presence of the private sector is stronger in certain regions of the country than that of the public sector. Public sector services do not always reach peripheral areas in which small, private

^{1/} The MOH does not keep data by individual users, but rather by individual visits to a health facility.

sector institutions can more easily operate. Thus, support to the private sector ensures that those who may not be reached by the public sector, either geographically or preferentially, will be provided with family planning services, hence expanding contraceptive coverage and encouraging broader acceptance of family planning services. Second, USAID is currently supporting public sector family planning services within the Ministry of Health via the "Integrated Health and Family Planning Services Project." Upon its termination, a new project with the MOH will have been prepared based on the findings of the Health Sector Analysis and ongoing dialogue with the GOP. By providing assistance to the private sector, USAID is further diversifying its portfolio and assisting viable groups whose services complement those of the ongoing public sector program. To date, the public sector has received substantially more funds for family planning than the private sector. Third, private sector family planning systems tend to be less encumbered by regulations and bureaucratic red tape than public sector systems. This means that the private sector can be more flexible and innovative, and thus reach more new users than the public sector. For these reasons, even though data limitations preclude demonstrating that the private sector is a more cost-effective means of delivering family planning services to low-income groups, a strong rationale exists for supporting private sector institutions in order to expand contraceptive coverage throughout Peru.

E. Social Analysis

As discussed earlier, this project will assist the private sector to provide family planning services to 400,000 new users and continuing users through the LOP. To achieve this, it will be necessary to develop innovative means of providing family planning information and services in appropriate ways to a socially and culturally diverse and geographically dispersed target population. In the following pages issues are discussed, such as: the sociocultural context in which the project will operate; the project beneficiaries; the characteristics of Peruvian private agencies that will implement the project; the participation of these agencies; and the project's anticipated impact.

1. Sociocultural Context

Peru, the fourth largest and fifth most populous country in Latin America, is characterized by extreme geographic and cultural variation. Its land area is approximately 1.28 million km², and its population in 1985 is estimated to be 19.2 million. It is divided into three clearly defined regions: (a) the coast, which includes 45% of the total population and 11% of the land; (b) the mountain region, with 44% of the population and 26% of the land; and (c) the jungle, with only 11% of the population but includes 63% of the land. Each region has its own ethnic groups and culture. A recent World Bank report indicates that, of the total population, almost half is classified as indigenous. Approximately 10% are of European (primarily Spanish) origin, with a small number of Asians. The remaining one-third are European/Indian mixture. According to this report, "the majority of the Indians (who live in

the mountain and jungle regions, but have also migrated to the cities in recent years) are deeply attached to their ancient cultural patterns and not fully integrated into the economic, social, and political life of the country." ^{1/} Peruvians of European and Asian origin live primarily in the coastal cities (mostly in Lima), where they dominate much of the political and commercial activity of the country.

Within each region, there also are substantial differences between the rural and urban areas. The "1981 Contraceptive Prevalence Survey" (CPS) identified rural-urban migration and rural-urban differences as among the key factors influencing population and family planning issues in Peru. It noted that the rapid growth of the urban population in the last three decades is due in large part to migration to the urban centers from the rural areas. It also points out that the Lima-Callao area (MALC), with a population in excess of 5 million, or approximately 27% of the population of the entire country, has been the recipient of a high percentage of the migrants from all three of the country's geographical regions. Clearly, the rapid influx of migrants to these areas results in high levels of demand for services, including family planning. The survey further describes certain differences between rural and urban areas, and between MALC and the rest of the country, which have clear implications for family planning programs. First, the urban population has much more access than the rural population to health, education, and basic services. This includes access to family planning services, which are heavily concentrated in Lima and a limited number of other urban centers. Second, the urban population, particularly in MALC, has many more sources of information than do residents of small towns and rural areas, including information related to family planning. Third, while rural areas have tended to maintain traditional values and standards of behavior, the cultural "dynamism" of the larger cities, primarily Lima-Callao, has resulted in a mixture of beliefs and conduct and therefore, in a relatively more open acceptance of family planning.

Strongly correlated with these differences are patterns of knowledge, attitudes, and practice regarding fertility and family planning. For example, the recent CPS indicates that the total fertility rate in MALC is 3.5, while in other urban areas it is 5.5, and in rural areas 8.1. Furthermore, women in rural areas begin their childbearing years earlier and continue them later than urban women. Rural-urban and MALC-other differences in knowledge of contraceptive methods are closely correlated with these differences in fertility. In Lima, 94% of women in fertile age know of at least one modern contraceptive method, compared to 78% in other cities and 50% in the rural areas. Differences in use of family planning methods also correspond with rural-urban and MALC-other residence. In Lima, 34% of women

^{1/} There is substantial variation among the Indian groups, however. Among the largest groups are the Quechuas and Aymaras, who live in the mountain region. The major groups in the jungle areas include the Campas, the Shipibo, and the Machiguengas, who have even less contact than the Andean Indians with mainstream Peruvian culture.

of fertile age use a contraceptive method, while 25% of those in other cities and only 15% in rural areas do so. In general, "rhythm" is the preferred contraceptive method, followed by oral contraceptives and the IUD. Of the women who are not currently using a contraceptive method, 38% in rural areas would prefer to use the rhythm method, compared to 36% in other cities and 27% in MALC. However, 33% of MALC women in union not currently using a method prefer the IUD, compared to 17% in other cities and 7% in rural areas. Twenty-four percent of non-using MALC women would prefer to use oral contraceptives, with 17% in other cities and 25% in rural areas preferring this method. A much higher percentage of women in rural areas who do not use a contraceptive method give lack of knowledge as their reason for not doing so, while a larger percentage of women in urban areas do not use them because they are not in union.

This information suggests that to achieve the breadth and depth of coverage required to meet the needs of such diverse groups, an innovative, adaptable, multi-institutional approach will be required. The CPS data indicate that "rhythm" is the preferred method. Certainly, natural methods must be included in this project, not only through ATLF but through the multi-method programs as well. While it is possible that the women using "rhythm" do so in response to religious beliefs, it is not clear that is the sole reason. It is also possible that women express this preference because they are unaware of any other methods, and that they use natural methods because they do not have access to other methods, it is essential that oral contraceptives and IUDs be among the primary methods included, with voluntary sterilization being made available for high risk women. Also these methods must be provided through service delivery channels that are both convenient and culturally acceptable. This concept is discussed in the following description of the target group and project beneficiaries.

2. Project Beneficiaries

In 1985, there are approximately 2.8 million women at risk in Peru. Of these, it is estimated that only about 19% or 530,000 women currently use a modern method of contraception: approximately 130,000 of these users, or 25%, are being served by the private sector programs. Through the efforts of this project, 250,000 additional MWFA will be receiving family planning services from the private sector in 1990. The services of this project will mainly concentrate on reaching low-income women of fertile age who live in marginal urban, periurban, and rural areas, and who do not receive services from the public sector and cannot afford to use the commercial sector. By improving Peruvian women's ability to control their fertility, it is expected that other areas of their lives will also improve, i.e., employment opportunities, health, education, and family life. In addition, this project will reach an even broader target group with family planning IEC programs. Most men and women aged 15-49 in Peru are in need of information to help them plan their families, to instruct them on family planning methods, and to inform them about service availability. Approximately six million persons make up the target group for information programs.

While it is clear that the low income women served by this project will benefit most directly and immediately, it is also clear their children and families will benefit from the improved opportunities to obtain health care, food, medical care, education, etc. The population at large will also benefit from the reduced population growth and its many and varied benefits to the environment and to social and economic development in Peru.

3. Peruvian Private Sector Agencies

The Peruvian private sector currently reaches approximately 130,000 women per year, or 4.6% of the women at risk. This project will expand the role of non-profit organizations involved in family planning service delivery, training, policy development and research activities. Given their flexibility, their ability to innovate and achieve economic cost-per-user ratios, and their diversity which can match the profiles and needs of a diverse population, the Peruvian private sector agencies can be a significant force in increasing family planning service quality and availability and in influencing family planning and population policy. Sixteen private agencies and the CNP were studied in depth to provide detailed information on their characteristics, capabilities, and program objectives. As indicated in the report of this study, some of the organizations are strong, sophisticated agencies which provide services to several thousand users, have some degree of influence on national policy, and could be an important technical resource for other smaller organizations. Other organizations are barely operational and depend heavily on the available time of a very few individuals to conduct program activities. The largest of the PVOs is INPPARES, which reached over 52,000 users in 1984. The smallest is FENDECAAP which reached just over 1,000 in 1984. Although most serve low income families, Instituto Marcelino, a clinical program, reaches middle income women. Most of the organizations operate in Lima, with some efforts in Trujillo, Cuzco and Ica and some other areas. CBD programs are operated by INPPARES, PRO-FAMILIA, APROSAMI, CENPROF and PLANIFAM. ATLF is mainly a NFP organization.

This range of methods offered, the attention given to IEC, the concern for community support, and the diversity of service delivery modalities indicate that the private sector agencies will be able to respond successfully to the needs of the target population when provided with the technical and financial assistance inherent in this project.

4. Participation

Private sector agency involvement in this project is expected to be high, based on the agencies' participation in the "Institutional Analysis of Private Sector Family Planning Agencies". All agencies but one were fully cooperative with the institutional survey requirements, which included a detailed interview protocol, numerous interviews, and a detailed multi-year work plan. All organizations contacted but one provided data on their income, available resources, range of activities, and administrative and operational needs. They have articulated needs across a broad spectrum and

are aware of the resources required to improve and expand operations. Most agencies have experience with international funding, and are familiar with the process of requesting and receiving technical assistance for program improvement.

A significant issue related to participation of the private sector agencies in this project is their willingness to become members of the PCA that is expected to evolve during the project and their active support of its role in coordinating private sector efforts. In the process of the institutional analysis, virtually all of the agencies surveyed expressed their concern for the need for inter-institutional coordination. At the same time, most are also acutely aware of the lack of results experienced in previous coordinating efforts. The directors of most of the private agencies have indicated that if they are permitted to participate in structuring the coordinating agency and in guiding its development, they will support its work.

In all, 11 organizations that are involved in service delivery programs directly are expected to participate in the project. In addition, 3 organizations which have a heavy research or policy development emphasis will also be expected to participate, with a fourth one to be considered for funding. There will be at least one training organization yet to be developed. The CNP will also figure centrally in the project. Finally, it is expected that some new organizations (an exact number is unknown) may possibly be created as a result of this project.

Men and women who desire to plan their families will be able to participate in increasing numbers once the private sector agencies' capabilities are enhanced. For low-income women at risk, organizations such as APROSAMI, CENPROF, INPPARES, PRO-FAMILIA and PLANIFAM will improve their mechanisms for community-based distribution of contraceptives and should increase the numbers of women involved in programs by an estimated 500,000 for the years 1986-1990. Projections for the Catholic Church-related ATLE during this period are estimated at an additional 30,000 women, especially those interested in natural family planning methods. Another 300,000 women will participate through other organizations such as Instituto Marcelino, PLANIFAM, FENDECAAP, SMMISA, ADIM, and PFH. An important feature of this project will be recruitment from among user populations for positions as community workers, instructors, and family planning promoters. In particular, participation is expected from individuals in areas previously either underserved or not served at all. Finally, the project expects to utilize community personnel, volunteers, word of mouth and mass media campaigns for spreading the benefits of program activities.

5. Impact

This project will have the range of impacts that are generally associated with the expanded availability of family planning services. The additional users who will be covered by this project (almost triple the number of current users by 1990) can be expected to experience health benefits in the following ways: a) through reduction of the incidence

of complications during pregnancies, b) through improved infant health, brought about by breast feeding made possible by increased spacing between pregnancies, and c) improved family nutrition in general, brought about through the birth of fewer children, which should also reduce the incidence of second and third-degree malnutrition in children.

It can also be anticipated that more families will be able to enjoy a higher standard of living due to having fewer children, and that fewer workers will be entering the work force by the year 2000. Overall, this means that crowding in low-income areas should be lessened and that many more children will be able to continue further in school and to obtain an improved type of academic/technical education. In addition, the role of women will be enhanced due to freedom from excessive and/or unwanted childbearing, which will enable women to participate more fully in the local economy, and to take advantage of available educational, training and work opportunities. Also, the beneficial effects of a lowered population growth rate on the opportunities for overall economic and social development is well documented, including its beneficial effects on the environment.

At another level, it is important to recognize that this project focuses its efforts on institutional development of family planning private sector agencies. It is through them that the beneficiaries will actually be served. Thus, the key to project success is assisting the private agencies to develop and institutionalize their capability to deliver services efficiently and cost effectively. This will be achieved through an intensive program of training and technical assistance provided through the Project Contractor and, as the project progresses, through the PCA. Similarly, they will be assisted in developing their capability to design and implement strategic policy-related activities. It is anticipated that their policy activities will influence the GOP's further refinement and implementation of population policies, including population issues in strategic planning in other sectors, its regulations regarding the importation and sale of contraceptives, its stance regarding particular contraceptive methods, and its approach to a range of legislative issues which affect the status of women. Another result of the institutional development which will take place under this project is that the private sector agencies will develop and implement cost effective, culturally appropriate service delivery approaches which can serve as models to other private sector as well as public sector programs. In addition, because the project will emphasize community-based service delivery, it can be anticipated that its success will have a positive influence on the acceptance of paraprofessional personnel, not only in family planning but in other areas of health and social services as well.

F. Environmental Analysis

An Initial Environmental Examination (IEE) was carried out during preparation of the PID and a Negative Determination was recommended by the Mission Director. The Environmental Threshold Decision was reviewed and the Negative Determination approved by the LAC Bureau's Environmental Advisor on March 29, 1985. A copy of the Environmental Threshold Decision is attached as Annex I, Exhibit D.

V. PROJECT IMPLEMENTATION PLANS

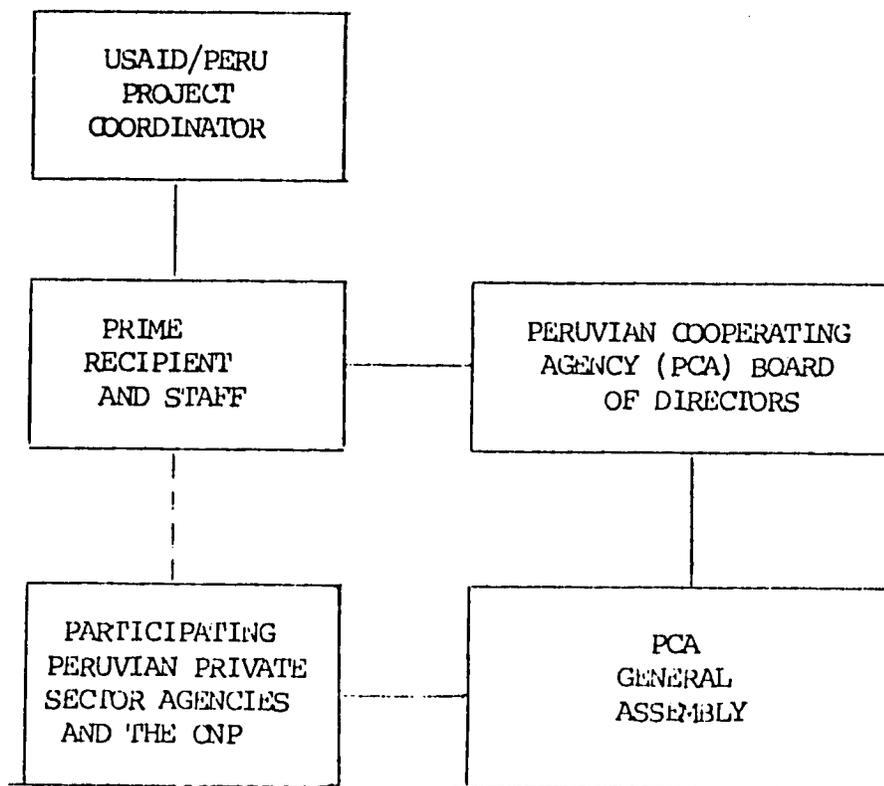
A. Administration

The anticipated organizational structure for implementing the project is depicted in the diagram below, illustrating basic lines of communication and responsibility.

1. Overview

USAID expects to obligate and largely implement the project through a five year Cooperative Agreement with a non-profit organization, hereafter referred to as the Prime Recipient. It is expected that a Prime Recipient will be selected and a Cooperative Agreement signed by September 30, 1986. Planned obligations to, up to but no more than 19, participating Peruvian private sector agencies will be channeled through such an agreement with funding provided by the end of the first quarter in FY 87 and subsequent FYs. USAID will sign separate obligating agreements with the CNP, the Project Coordinator, and with a company to perform the audits and evaluations, and will use a nonfunded PIO/C to purchase commodities via AID/W.

CHART 3. ORGANIZATIONAL STRUCTURE FOR PROJECT IMPLEMENTATION.



2. Prime Recipient

USAID/Peru will sign a Cooperative Agreement with a Prime Recipient which will obligate grant funds and establish the main project implementing relationship for USAID/Peru. The Prime Recipient will be selected by USAID/Peru based on proposals submitted in response to an RFAA by qualified and interested nonprofit organizations. The Chief of Party of the Prime Recipient Team will report directly to the Population Division, Office of HNE, USAID/Peru.

The major responsibilities of the Prime Recipient will be to:

- o Identify family planning agencies for funding and negotiate and sign sub-agreements;
- o Provide long and short-term training and TA to agencies in the project in order to achieve the goals of the project and which is responsive to the needs of the agencies;
- o Provide short-term training and TA to design and conduct training courses for representatives of the agencies;
- o Procure commodities needed by the Prime Recipient itself;
- o Insure adequate project planning and start-up of activities;
- o Oversee disbursement of funds for specific activities in-country (e.g., service delivery, IEC, training, research, conferences, and formation of the PCA);
- o Monitor all activities and evaluate project progress annually with the participating agencies and the PCA;
- o Promote the formation of the PCA; and
- o Participate in one major mid-term evaluation and financial audits as required by USAID, and complete preparations needed for the 1991 Contraceptive Prevalence Survey which will serve as a major portion of the final evaluation; and participate in the remaining segments of the final evaluation.

a. Prime Recipient Team

The Prime Recipient will field a four-person team to provide long-term technical assistance to the project. The team will be

comprised of a Chief of Party with a strong management background, a Management Specialist, a Financial Specialist and a Training/IEC Specialist.

i. Chief of Party

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 agreement.

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 Coordinating activities of the international cooperating agencies;
- o Planning, training, TA, commodity and other requirements with the 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 Prime Recipient 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;
- 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; and
- 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.

ii. 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.

will include:

The responsibilities of the Management Specialist

- 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 capabilities including expansion of resource base;
- 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; and
- o Participating in the mid-term and final evaluations.

iii. 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;
- 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 including expansion of resource base;
- 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; and
- o Participating in the mid-term and final evaluations.

iv. 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.

Specialist will include:

The responsibilities of the Training/IEC

- 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;
- 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 agencies in developing strategies, plans and curricula, course outlines and training manuals;
- 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; and
- o Participating in the mid-term and final evaluations.

b. Other Project Backstopping

The Prime Recipient will provide sufficient home office support to carry out its responsibilities.

3. Peruvian Coordinating Agency (PCA)

To consolidate the private sector and provide leadership in improving policy, research, management and service delivery as well as in collaborating with donors and with the public sector, a coordinating institution is needed. Based on interviews conducted during the institutional analysis, the Peruvian family planning institutions themselves recognize this need. However, no one institution, or group of institutions, has emerged to take on this role. Indeed, previous attempts at coordination initiated by one or another of the existing institutions, have failed partially because the other institutions did not want to be "coordinated" by a "competitor." It appears that a group, such as a federation in which all could participate equally, would be the most acceptable form of interinstitutional coordination. The creation of such an institution is, therefore, a high priority activity of this private sector project. The Prime Recipient, in addition to its role in providing TA, training and subgrants to the individual agencies and taking a lead role in coordinating the efforts of participating agencies, will address from the beginning of the project the need to develop this Peruvian Coordinating Agency (PCA). In fact, the development of the PCA will be among the Project Contractor's most vital responsibilities.

The specific objective will be to create the beginnings of the PCA in PY 1 with the formation of an Advisory Committee and transfer activities to the PCA paid staff in late PY 5 and PY 6, so that at the end of the six-year project the transition will be complete and the PCA will then provide the leadership services and necessary coordination to the private sector.

To achieve acceptance and effectiveness, the eventual structure and organization of the PCA will have to emerge from extensive discussions between the private sector institutions assisted by the staff of the Prime Recipient and other advisers.

The PCA will not become a functional entity with paid staff until early in PY 5. But a series of essential steps will be started as soon as feasible in PY 1 that will culminate in the creation of the PCA. The sequence of potential actions needed in creating the PCA is described below.

a. Advisory Committee Composition and Function

As soon as feasible during PY 1, the Prime Recipient will invite the 16 participating agencies and the CNP to discuss the formation of an Advisory Committee representing all private sector agencies and the CNP whose initial function would be to advise the Prime Recipient on matters of common concern and sector-wide planning. The Advisory Committee will decide

whether Committee membership should be broadened to include representatives-- and whether they should be voting or non-voting--from other Peruvian agencies such as the Peruvian Medical Association and the Nurse-Midwives, Nurses and Auxiliary Nurses Associations.

The Committee as a whole will elect a Chairperson who will appoint such sub-committees as:

- o Clinical Family Planning Service Norms
- o CBD Norms
- o Training
- o IEC
- o Policy Development
- o Research

These sub-committees would elect chairpersons and would meet at specified, regular intervals to discuss issues and recommend actions to be taken by the Prime Recipient. It must be clearly established beforehand that Committee and sub-committee recommendations are merely advisory and do not constitute binding directives.

A steering committee will likewise be constituted. Assisted by the Prime Recipient and professional legal advice, it will seek legal registration for the PCA, with bylaws that specify, among others, the entity's purpose, the composition and functions of the General Assembly and the Board of Directors, etc.

The Advisory Committee, once the legal requirements have been satisfied, would become the PCA General Assembly.

b. General Assembly

The General Assembly, still composed of representatives of the original 16 private agencies and the CNP, will meet at least once a year. It will elect a Board of Directors from among its members and might invite several prominent professionals or politicians who are interested in and/or familiar with population and family planning matters to join the General Assembly as non-voting Associate Members. One of them preferably should also be elected to serve on the Board of Directors, thus broadening its scope and adding a different background to the Board. Associate Members could also be from the pharmaceutical industry and retail distributors, the medical and nursing professions. General Assembly members would receive no salaries or honoraria.

c. Board of Directors

For maximum effectiveness, the Board of Directors should consist of about seven to nine members. The Board would elect its own chairperson. The Board would be assisted by standing committees representing areas such as those listed for the Advisory Committee, as well as liaison and public relations, membership, and resource development plus ad hoc committees

as needed, e.g., legal issues affecting member agencies' concerns.

Another important committee would be the Executive Committee which would meet at frequent intervals. It would prepare agendas and make arrangements for Board of Directors and General Assembly meetings and execute tasks assigned to it by the Board of Directors. During the first half of PY 5 it will be responsible for preparing the PCA as an operational unit by selecting and hiring paid staff.

The Project Contractor will maintain close relations with the members of the Board and the Committee chairpersons. Most importantly, the Project Contractor, as early during the project as feasible, will arrange training for the Board Members covering such matters as:

- o Board of Directors Training
- o Management/Administration, including Personnel Management
- o Financial Management
- o Program Planning and Evaluation
- o Income Generation
- o Contraceptive Technology Update
- o Policy Formulation and Promotion

The Project Contractor might also arrange well-designed observation programs in the U.S. and third countries for key Board Members to provide them with stimuli for new approaches to problems and have them visit replicable programs.

In PY 4 the Board, assisted by the Executive Committee, will write a proposal to the Project Contractor, applying for the funding of the PCA. Such funding would cover staff salaries, fringe benefits, and operational expenses, and commodities for PY 5 and PY 6.

d. PCA as an Operational Unit

During the first half of PY 4, the Board with the assistance of the Executive Committee, will begin preliminary actions to constitute the PCA as a working entity. As soon as the Prime Recipient has negotiated and signed the sub-grant, the Chairman of the Executive Committee will advertise and announce the opening for the initial PCA staff positions of:

- o Executive Director
- o Medical Director/Service Delivery Monitor
- o Training/IEC Coordinator
- o Policy/Research Coordinator
- o Management Officer
- o Finance Officer
- o Accountant

plus support staff consisting of an Administrative Assistant, two secretaries and a driver/messenger. Candidates for the professional positions will be interviewed by the Executive Committee which will recommend its choices to the Board of Directors who will make the final selection among the candidates. Of particular importance is the selection of the Executive Director as this person will be responsible for continuing the coordination and leadership activities of the private sector.

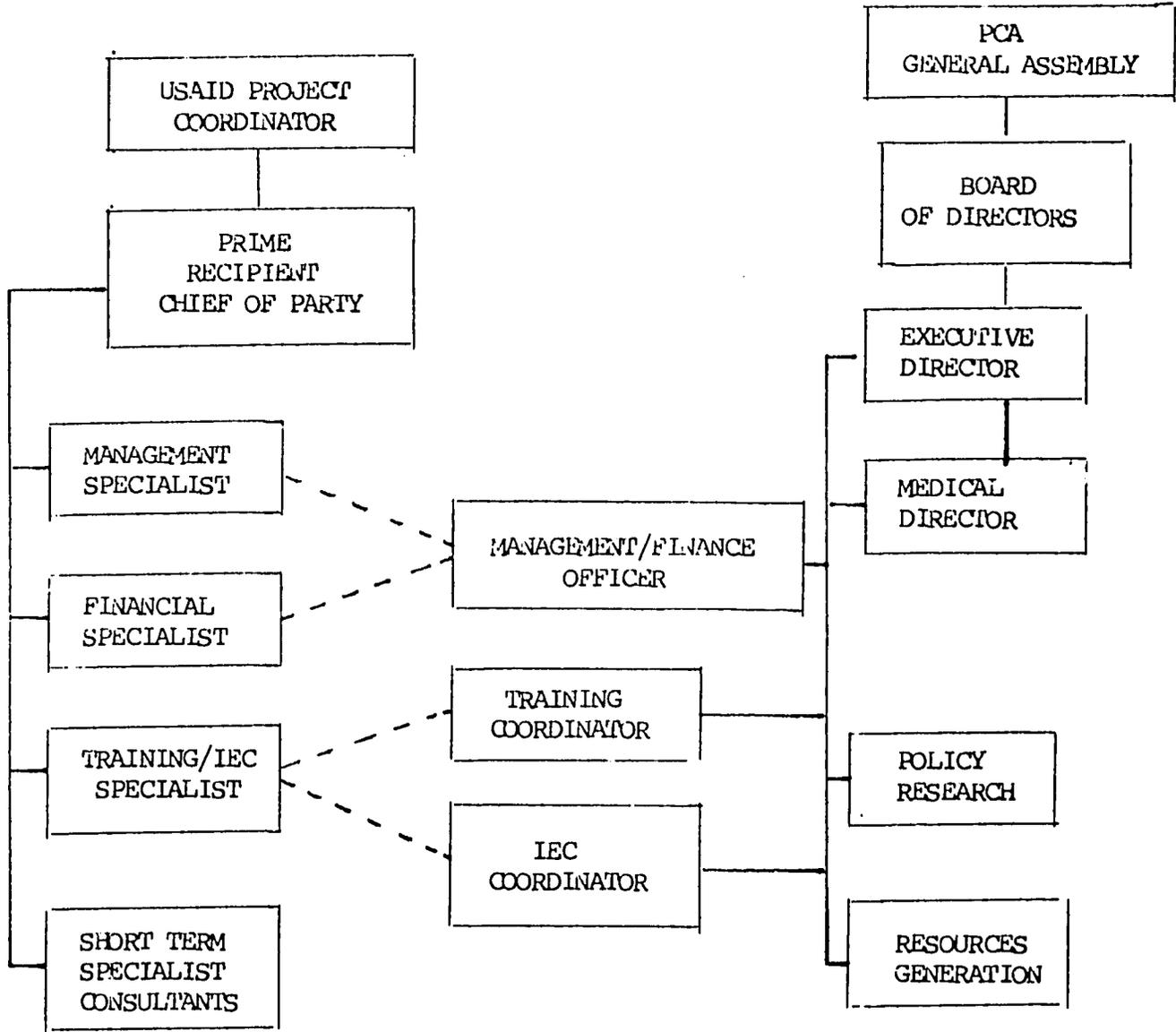
Through the end of the project, the Prime Recipient's staff will work closely with the PCA staff to prepare them to assume responsibilities and functions needed to carry on the leadership role of the PCA once the project is terminated. This will require intensive, one-to-one, on-the-job training and joint planning and implementation of actions. Thus, the Prime Recipient's Chief of Party will work throughout the remainder of the term of service with the PCA counterpart, the PCA Executive Director. The Prime Recipient's Management, Financial, and Training/IEC specialists will do likewise with their respective PCA counterparts.

PCA staff will increasingly participate in negotiations for operating support grants with the participating agencies, in monitoring, technical assistance, training and all financial transactions, to become fully familiar with and proficient in the operations and management of the entire project. This preparation will allow the PCA to assume full responsibility for coordination of the private sector after project termination.

The PCA, through its Board of Directors and staff, will mount a vigorous program of resources development and income generation, involving all participating private sector agencies so that the latter, as well as the PCA, become increasingly self-supporting. Ways of income generation may range from fee-for-service, sale of lab services and use of agencies' printing and computer facilities by commercial establishments, to tuition for training, and even the launching of business ventures unrelated to population/family planning. The PCA will receive a sub-grant in PY 5 to pay core staff. In addition, the PCA will be encouraged in PY 5 to begin writing grant proposals to international donors, including USAID/Peru, so that continuous funding of the PCA will be available.

The following organization chart illustrates the Project Contractor's and the PCA's organizational structures and the relationships between their staffs.

CHART 4. PRIME RECIPIENT AND PCA ORGANIZATION CHART



4. USAID Project Monitoring

The Peru Private Sector Family Planning Project will be monitored by the Population Division of the Office of Health, Education and Nutrition, USAID/Peru. With funds provided by this grant, USAID will hire, on a personal services contract (PSC), a Project Coordinator. The major responsibility of this Project Coordinator, under the direction of the Population Officer, will be to coordinate and monitor the Prime Recipient under the contract, insuring compliance with project objectives and AID procedures, maintain an ongoing USAID relationship, and monitor performance under the ONP agreement, help interpret AID regulations, review and prepare quarterly status reports, and review the annual work plans and activities requiring USAID approval.

Additionally, the USAID Project Coordinator will plan and assist in implementing one major evaluation, for which grant funds are allocated, during the third year of the project as well as financial audits of the Prime Recipient and subgrant recipients. The Project Coordinator will work with the Chief of Party in the preparation of the 1991 Contraceptive Prevalence Survey to serve as the major portion of the final project evaluation, and the other remaining portions of the final evaluation. The Project Coordinator for the entire LOP will be a U.S. PSC with an educational and/or experiential background in program administration and family planning.

B. Implementation Plan

The following implementation plan has been designed in order to define resource needs and to describe resource levels. Requirements, resource levels, and timing are presented as an example of one way in which the Project could be implemented.

Technical Assistance and Training

Because of the wide range of needs among the various participating agencies a substantial amount of assistance will be required for improvements in the areas of: (a) administrative and financial systems; (b) service delivery; (c) IEC; (d) training; (e) research, and (f) policy development. Two hundred and forty person-months of long-term assistance are planned, of which 168 person-months are non-Peruvian and 72 person-months are Peruvian. It is expected the Chief of Party (non-Peruvian) will be available for 60 months and the other three non-Peruvian specialists for 36 months each, at which time they could be replaced with Peruvian specialists for 24 months each. All technical assistance will be financed and administered under the project contract. Table 29 presents an illustrative phasing of a TA and training plan.

a. Long-Term Advisors

- i. Chief of Party with a management background for 60 months;
- ii. Management Specialist for 60 months;
- iii. Finance Specialist for 60 months; and
- iv. Training/IEC Specialist for 60 months.

b. Short-term Consultants

Approximately 55 person-months of short-term, in-country assistance are planned, including 47 for the technical areas just named. Where feasible, Peruvian experts will be employed as short-term consultants. The majority of the technical short-term assistance will be to provide short-term training to approximately 1,700 fieldworkers, staff and Board Members of the participating agencies. (See Tables 5 and 7.) Because most of the training will be provided to several agencies at one time and because it encompasses so many topics, the division between the agencies

TABLE 29: PROPOSED PHASING OF LONG-TERM AND SHORT-TERM TECHNICAL ASSISTANCE.
(In person-months)

	PY 1	PY 2	PY 3	PY 4	PY 5	TOTAL
A. Long-term TA (Prime Recipient)						
1. Chief of Party	12	12	12	12	12	60
2. Management Specialist <u>a/</u>	12	12	12	12	12	60
3. Finance Specialist <u>a/</u>	12	12	12	12	12	60
4. Training/IEC Specialist <u>a/</u>	12	12	12	12	12	<u>60</u>
					TOTAL	240
B. Short-term TA and Training <u>b/</u>						
1. Evaluation <u>c/</u>			5			5
2. Audit <u>c/</u>		1		1	1	3
3. TA/Training in Peru: Specialists in Administration, Finance, Service Delivery, IEC, Training, Research and Policy.	14	14	14	3	2	47
4. Short-term Training out of Peru	2	4	2	2		<u>10</u>
					TOTAL	65

a/ The specialists for the first three years will probably be U.S. or third-country nationals. In order to facilitate the end-of-project-status (EOPS) of Peruvians in charge of the leadership of the private sector, the possibility of replacing these positions with Peruvian experts for PY 4 and PY 5 will be investigated.

b/ All short term TA and training will come from a mixture of Peruvian and non-Peruvian sources.

c/ The contractual arrangements for the audits and evaluation are the obligations of USAID/Peru.

for short-term training is not included in the following table. It is planned to use most of the short-term technical assistance during the first two years of the project, so as to initiate program changes and improvements, and research efforts, as early as possible in the project.

In addition to the short-term training in Peru, approximately 30 people will receive approximately 10 person-months training in the U.S. or in third countries. Training will include all topics just noted, as well as observation of successful projects outside Peru. All TA and training will be organized, financed, managed and administered under the project.

The 5 person/months for the mid-project evaluation, and 3 for the audits, will be contracted by USAID/Peru.

2. Commodities

Contraceptives will be procured by USAID through unfunded PIO/Cs but made available to participating agencies via the Prime Recipient. Other non-contraceptive commodities, such as equipment and supplies, will be procured by the Prime Recipient utilizing a firm specializing in procurement.

3. Gray Amendment

The Mission is fully cognizant of its responsibility to ensure that a fair share of project activities be carried out by minority and women-owned organizations. As it was necessary that the primary implementing agency be a registered PVO in Peru, Gray amendment organizations are not among the possible candidates. There are, however, subcontracting opportunities both in technical assistance and in commodity procurement under the cooperative agreement. The competitive request for applications shall encourage participants to fully utilize minorities and women in all subcontracting activities.

4. AID/W Centrally-Funded Projects

Various centrally funded projects from AID/W are now, or soon will be available which could potentially make significant contributions to the family planning private sector either as a "buy-in" through the new Peru project, or as a distinct effort outside the project but coordinated with it. The timing, duration and objectives of these centrally funded projects parallel the new Peru project and should be investigated and utilized where possible. The Prime Recipient in consultation with the USAID Project Coordinator will be responsible for investigating these possibilities and include them when possible and monitor their activities. Several of the potential projects and their relationship to this project are described below.

a. Natural Family Planning Project - No. 936-3040

This project could assist AILF conduct research to develop materials on NFP, and establish a resource center that other institutions could utilize. It could also utilize AILF as the NFP service source within the other private agencies' "cafeteria" of method; provide TA on the latest NFP technology, and provide complete or partial financial support for service delivery.

b. Population Policy Initiatives (PPI) Project

AMIDEP, INANDEP, the CNP and INPPARES could be assisted by this project in policy development through its assistance in all stages of the development process such as data collection, basic research, information dissemination, policy planning, formulation and reformulation. All four agencies will benefit from the dissemination of information component which offers assistance in the "preparation and distribution of population information and research in succinct and visually appealing format especially targeted to and easily understood by policy makers." Both AMIDEP and INANDEP would benefit from the program research component which offers assistance to improve research methodologies. It could offer TA to the CNP in planning, implementing population policy, assessing needs, formulating options, and evaluating effectiveness of policy implementation. The Parliamentary Commission on Population and certain public sector officials could also participate in activities offered by this project on population policy.

c. Family Planning Enterprise Project - No. 934-3034

Assistance in promoting the private enterprise approach to family planning is offered via this project. It addresses such problems as financial and human resources management, income generation, logistics and accounting, designing personnel time management, and incentive systems.

d. Interregional Population Project: Family Planning Management Training - No. 936-3039

Program leaders and upper and middle level managers are the targets of this project to receive training in planning, decision making and management issues, and materials and course development.

e. Population Communications Services Project - No. 936-3004.

This project, carried out by John Hopkins University, would assist and complement INANDEP's proposed research on culturally appropriate educational materials, including determining appropriate vocabulary, symbols and values related to reproduction within different socio-linguistic groups. The John Hopkins University specialist could assist in identifying information and educational needs, and utilizing findings to develop culturally sensitive mass media campaigns, materials and programs in direct support of service delivery. Activities could include marketing, audience surveys, design, implementation and assessment of IEC activities which could benefit all service agencies.

f. Family Planning Training for Paramedical, Auxiliary and Community (PAC) Personnel II - No. 932-3031

The problem of a lack of properly trained paramedical personnel (nurses, midwives, aides, promoters, and distributors) is addressed by this project. The purpose of PAC II is to develop the institutional

capability to design and execute effective family planning training programs for PAC, and includes assistance in conducting training programs, assessing results and incorporating findings into subsequent training courses. It concentrates on strengthening the skills of those personnel who train, manage or supervise other PAC. The CCC, whose purpose is to develop and strengthen the capacity of institutions to design, implement and evaluate PAC training activities, and INPPARES, which also has a training institute, are targeted to receive aid under this project.

g. Family Health and Demographic Studies - No. 936-3023

The 1981 CPS conducted in Peru under this AID/W project has provided the data to assist in the planning of the Peru Private Sector Family Planning Project. A follow-up CPS to be conducted in 1986 will provide updated information and provide the benchmark data for the new Peru family planning project. A second follow-up CPS will be requested under this AID/W project for the last year of the project (1991), coinciding with the previous five year intervals, to comprise the majority of the final evaluation.

h. Demographic Data for Development Project - No. 936-3000

Because statistical information is a major weakness in all of the participating organizations, all PVO's would benefit from this centrally funded project whose purpose is to strengthen the capacity of developing countries to process, evaluate and analyze demographic and family planning data and other social and economic data. Specifically, AMIDEP, INANDEP, and CNP would receive assistance, including a transfer of microcomputer technology, adaptation of existing software programs, and training.

i. Strategies for Improving Service Delivery (Operations Research) - No. 936-3030

The purpose of this project is to: 1) improve, through operations research, the quality, accessibility and cost effectiveness of family planning and MCH delivery systems in the developing world, and 2) to strengthen institutional capabilities to use operations research as a management tool to diagnose and solve service delivery problems. The project provides short and long-term TA and/or funding for design, implementation, and especially, evaluation of innovative service delivery systems. Although all service delivery agencies could benefit by this project, those who offer both family planning and MCH will derive the greatest benefit, i.e., APROSAMI and Pro-Familia. ATLF could also benefit by an evaluation of the acceptability and cost effectiveness of its natural family planning services.

4. Project Workplan and Timetable

The project will last six years, including six months

start-up, five years budgeted active operations for all items (except the Project Coordinator to be funded all six years) and six months EOP evaluation with a phase-out of the Prime Recipient and transfer to the PCA. The following is a detailed first year timetable and an overall project timetable.

a. First Year Timetable 1/

June 31, 1986	RFAA issued for Prime Recipient
June 1, 1986	Project Coordinator contract signed
May 31, 1986	PP signed and Project authorized
June 31, 1986	CNP grant signed
May 31, 1986	PIO/T for Project Coordinator Signed
May 31, 1986	PIO/T for Prime Recipient Signed
June 15, 1986	Proposals received
June 30, 1986	Technical review completed
Sept. 31, 1986	Long-term technical assistance Cooperative Agreement signed (i.e., Prime Recipient)
Oct. 15, 1986	Chief of Party in Field
Oct. 15, 1986	Management, Finance and Training/IEC specialists arrive in country
Oct. 15, 1986	Equipment, Supplies and Commodities for Project Contractor ordered
Nov. 30, 1986	Peruvian Staff hired for Project Contractor
Jan. 1, 1987	First year work plan, including training schedule, sub-grant mechanism, TA requirements and AID disbursement procedures approved by USAID
Jan. 30, 1987	First year sub-grants awarded
Jan. 30, 1987	Sub-grantee project US source commodities requested. Establish second year contraceptives needs. Order US source commodities.
March 1, 1987	Formation of PCA advisory committee
March 30, 1987	Training courses designed and initiated
April 1, 1987	Contraceptives ordered (Unfunded PIO/C issued by USAID/Peru)

b. PROJECT YEAR 2

Jan. 1, 1988	Second-year work plan submitted
Jan. 30, 1988	Second-year sub-grants awarded

1/ The timing of all events depend on the Peruvian status in relation to the 620 Q, Brooke-Alexander and 612 Amendments.

April 1, 1988	Second-year contraceptives ordered (Unfunded PIO/C issued)
Aug. 1988	Mission mini-review of Project Contractor progress conducted
c. <u>PROJECT YEAR 3</u>	
Jan. 1, 1989	Third-year work plan submitted
Jan. 30, 1989	Third-year sub-grants awarded
April 1, 1989	Third-year contraceptives ordered (Unfunded PIO/C issued)
Dec. 1989	Major USAID mid-project review conducted
d. <u>PROJECT YEAR 4</u>	
Jan. 1, 1990	Fourth-year work plan submitted
Jan. 10, 1990	Fourth-year sub-grants awarded
April 1, 1990	Fourth-year contraceptives ordered (Unfunded PIO/C issued)
e. <u>PROJECT YEAR 5</u>	
Jan. 1991	Hiring of PCA staff started
Jan. 1991	PCA submits major 5 year grant request
April 1991	Fifth-year contraceptives ordered (Unfunded PIO/C issued)
April 1991	Hiring of PCA staff completed
Jan. 1, 1991	Fifth-year work plan submitted
Jan. 30, 1991	Fifth-year sub-grants awarded
f. <u>PROJECT YEAR 6</u>	
Jan. 1992	PCA receives major 5 year grant request
Mar. 1992	1992 CPS begins
Oct. 1992	Project Contractor departs Peru
Oct. 1992	PCA takes over leadership of Private Sector
Jul. 1992	1992 CPS completed
Dec. 1992	Final USAID project review with CPS Report completed.

Table 30 presents the proposed summary plan to phase in TA and training, equipment and supplies, contraceptives, and sub-grants by individual agency for the LOP.

Table 30. PROPOSED PHASING OF TECHNICAL ASSISTANCE AND TRAINING, EQUIPMENT AND SUPPLIES, CONTRACEPTIVE COMMODITIES AND SUB-GRANTS BY AGENCY FOR LOP

	PY 1	PY 2	PY 3	PY4	PY5	PY6
1. <u>Project Contractor</u>						
a. Equipment and Supplies	-----					
b. Sub-grants						
2. <u>Peruvian Coordinating Agency</u>						
a. TA and Training	-----					
b. Equipment and Supplies					-----	
c. Sub-grants		-----				
3. <u>ADIM</u>						
a. TA and Training	-----					
b. Equipment and Supplies	-----					
c. Sub-grants						
d. Contraceptives			-----	-----	-----	
4. <u>APROFO</u>						
a. TA and Training	-----					
b. Equipment and Supplies	-----					
c. Sub-grants						
5. <u>APOSAMI</u>						
a. TA and Training	-----					
b. Equipment and Supplies	-----					
c. Sub-grants						
d. Contraceptives	-----	-----	-----	-----	-----	-----
6. <u>ATLF</u>						
a. TA and Training	-----					
b. Equipment and Supplies	-----					
c. Sub-grants	-----					
d. Contraceptives				-----	-----	-----
7. <u>CENPROF</u>						
a. TA and Training	-----					
b. Equipment and Supplies	-----					
c. Sub-grants						
d. Contraceptives	-----	-----	-----	-----	-----	-----
8. <u>FENDECAAP</u>						
a. TA and Training	-----					
b. Equipment and Supplies	-----					
c. Sub-grants	-----					
d. Contraceptives				-----	-----	-----

	PY 1	PY 2	PY 3	PY4	PY5	PY6
9. <u>INPPARES</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---
d. Contraceptives	---	---	---	---	---	---
10. <u>INSTITUTO MARCELINO</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---
d. Contraceptives	---	---	---	---	---	---
11. <u>PFH</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---
d. Contraceptives	---	---	---	---	---	---
12. <u>PLANIFAM</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---
d. Contraceptives	---	---	---	---	---	---
13. <u>PRO-FAMILIA</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---
d. Contraceptives	---	---	---	---	---	---
14. <u>SMISSA</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---
d. Contraceptives	---	---	---	---	---	---
15. <u>AMIDEP</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---
16. <u>INANDEP</u>						
a. TA and Training	---	---	---	---	---	---
b. Equipment and Supplies	---	---	---	---	---	---
c. Sub-grants	---	---	---	---	---	---

		PY 1	PY 2	PY 3	PY4	PY5	PY6
17.	<u>CCC</u>						
	a. TA and Training	---	---	---	---	---	
	b. Equipment and Supplies	---	---				
	c. Sub-grants	---	---				
18.	<u>IEP</u>						
	a. TA and Training	---	---	---	---	---	
	b. Equipment and Supplies	---	---				
	c. Sub-grants	---	---				
19.	<u>ONP</u>						
	a. TA and Training	---	---	---	---	---	
	b. Equipment and Supplies	---	---				
	c. Sub-grants	---	---				

C. Procurement Procedures and Plan

1. Source, Origin and Nationality

Commodities and services and their suppliers under the grant shall have their source, origin and nationality, from the United States, code 000, according to the AID Geographic Code Book. The Prime Recipient and the USAID Project Coordinator will assure that the requirements are adhered to.

2. Procurement of Technical Assistance, Training, and Project Administration

It is anticipated that a Cooperative Agreement will be utilized for the Prime Recipient because it is the acceptable mechanism to provide subgrants to the participating agencies and it is a mechanism that is inherently institutional building and strengthening, which is a major objective of the project. The procurement process for the Project will commence with issuing an invitation to submit a proposal via a RFAA to three non-profit agencies by June 31, 1986 and the Cooperative Agreement to be signed September 31, 1986. In order to address Grey Amendment concerns, the agencies submitting bids will be encouraged to use minority resources in both the bid development and project implementation.

Table 31 summarizes the procurement of TA and training. The USAID/Peru will procure a total of 240 person-months of long-term technical assistance in the form of the Prime Recipient via a Cooperative Agreement, 72 person-months of project coordination in the form of the USAID Project Coordinator via a PSC, and 8 person-months for evaluation and audits.

The Prime Recipient will be the major USAID procurement for this project as it will amount to approximately US\$ 10,055,000 of the

US\$ 13.0 million that USAID will disburse under the project. The Cooperative Agreement with the Prime Recipient will include funding for the procurement of long-term technical assistance to administer the contract and provide services to the participating agencies; short-term technical assistance for US and other experts to conduct training courses; funding for US and third country participant training; funding for US commodities purchases for the Prime Recipient, and subgrants to the participating agencies and the PCA. Specifically, the Prime Recipient will be required to procure 47 person-months of expertise to provide short-term training and follow-up TA to be given in Peru by Peruvian, third country and U.S. consultants. The Prime Recipient will also procure 10 person-months of participant training and arrange for all participant training, including travel, per diem and course fees or observation tours. Non-funded PIO/Ps will be used by USAID/Peru for these contract participants. Participant training will consist mainly of short-term, third country training in Colombia, Mexico, Central America, and Brazil in specific family planning and management areas, with a limited amount in the U.S. The Prime Recipient will also coordinate with USAID/Peru in the utilization of AID/W centrally funded projects.

TABLE 31. PROPOSED PROCUREMENT PLAN FOR TECHNICAL ASSISTANCE, TRAINING AND PROJECT ADMINISTRATION.

Assistance to be Procured	Person Months	Procurement Agent
1. USAID Project Coordinator	72	USAID/Peru
2. Prime Recipient		
a. Chief of Party	60	USAID/Peru
b. Training/IEC Specialist	60	USAID/Peru
c. Management Specialist	60	USAID/Peru
d. Finance Specialist	60	USAID/Peru
3. Short-term TA/Training		
a. US, Third Country, Peruvian (In Peru)	47	Prime Recipient
b. US, Third Country, (Out of Peru)	10	Prime Recipient
4. Evaluation and Audit		
a. Evaluators	5	USAID/Peru
b. Public Accountants	3	USAID/Peru
5. Centrally Funded AID/W Projects		
a. Short-term TA	36	USAID/Peru
b. Funding		Prime Recipient

3. Procurement of Commodities

Project funds will be provided to procure commodities for the Prime Recipient, the Peruvian Coordinating Agency (PCA), and subgrant

recipients, and where feasible, the use of U.S. government excess property will be explored. All commodities needed by the Prime Recipient, the PCA and the subgrant recipients, except commodities, will be procured by the Prime Recipient. The majority of commodities needed by the Prime Recipient and the participating agencies will be procured in PY 1. Commodities for the PCA will be procured early in PY 5 to coincide with the hiring of PCA staff in early PY 5. The procurement of contraceptives by USAID/Peru under the project will be done by the Contraceptive Procurement Services Division of the Population Office in the Science and Technology Bureau (ST/POP/CPSD) in AID/W. USAID/Peru will effect contraceptive procurement through issuance of unfunded PIO/Cs each year for the quantities of contraceptives needed for the following fiscal year. Table 32 illustrates the commodity procurement plan, and a suggested detailed list of commodities for the participating agencies is included in Annex II, Exhibit D.

TABLE 32. PROPOSED COMMODITY PROCUREMENT PLAN

Item	End User	Procurement Agent
1. Contraceptives	Subgrant Recipients' Clientele	AID/ST/POP/CPSD
2. Clinical Supplies/ Equipment	Subgrant Recipients	Prime Recipient
3. Office Supplies/ Equipment	Subgrant Recipients, PCA, Prime Recipient	Prime Recipient
4. Audio Visual Equipment	Subgrant Recipients, PCA	Prime Recipient
5. Vehicles	Subgrant Recipients, Prime Recipient	Prime Recipient

D. Disbursement Procedures

No deviation from established AID disbursement procedures for contracts is anticipated. The Prime Recipient will establish disbursement procedures for local currency costs in consultation with the USAID controller and in accordance with contract requirements.

E. Sub-Grant Mechanism

None of the participating private sector service providers will be able to implement their proposed expanded programs without direct operating support. Based on the findings and recommendations of the Institutional Analysis and USAID/Peru modifications, a total of \$740,000 of operating support is needed in PY 1, of which 52% is earmarked for service delivery by five agencies through sub-grants as shown in Table 33

illustrating subgrants by agency for PY 1. Table 34 shows the total subgrant for all agencies for PY 1 - PY 5 by project components. Table 35 illustrates the suggested schedule of subgrants by agency and by project year. These amounts can only be estimated as receipt depends on achieving pre-determined performance criteria and the improved ability to generate income. In addition to the existing agencies, it is possible that new agencies may be developed and funded under this project should circumstances warrant it and prove cost-effective; or existing agencies new to USAID may be funded. Funds for this possibility are in the contingency line item and cannot be determined at this point.

During PY 1, a comprehensive grant application and review system will be developed, subject to USAID approval, and installed by the Prime Recipient. This system will be designed to clearly state the Project's goal and objectives, and will establish clear procedures for submitting and assessing grant applications, and for monitoring and evaluating activities supported with grant funds.

The grant application and review system should reflect the need for two sets of criteria: initial baseline criteria for new agencies or those new to USAID which have never received USAID assistance and performance criteria for those agencies which have already been recipients of USAID grants.

The initial baseline criteria might include application documentation and the general requirements similar to those described in HB 13 including: 1) background information on the applicant; 2) personnel policies; 3) travel policies; 4) proof of appropriate control and accounting for all funds; 5) the ability to prepare work plans and goals; 6) meet workplan schedules; 7) manage, monitor, and evaluate project activities and prepare progress reports; 8) sufficient family planning technical experience; 9) registration with USAID/Peru as a PVO according to HB4, Chapter 3; and 10) proof of registration as a PVO with the GOP.

The performance criteria could include, at a minimum; 1) realistic work plans; 2) improved management systems; 3) improved financial system; 4) increased client load; 5) improved efficiency of service delivery; 6) improved staff capability; 7) better in-house training; 8) improved IEC capability; 9) increased income generation capacity; 10) improved ability to effect policy; 11) improved evaluation

TABLE 33. SUBGRANT PROJECTIONS FOR PROJECT YEAR ONE (PY 1)
BY PROJECT COMPONENTS AND AGENCY (US\$000). ^{1/}

	PROJECT COMPONENTS						Project Management Costs	Total
	Component I: FAMILY PLANNING SERVICES (FP (Services)(Training)		Component II: RESEARCH POLICY (IEC) (Research) (Policy)		Component III: Coordination (Coordination)			
ADIM	—	—	—	—	—	—	—	—
AEROFO	—	—	—	—	—	—	—	—
AEROSAMI	—	—	—	—	—	—	—	—
ATLF	24	5	12	—	—	2	7	50
CENROF	—	—	—	—	—	—	—	—
FENDECAAP	20	5	7	—	—	2	6	40
INPEARES	84	26	40	10	—	10	30	200
I. MARCELINO	—	—	—	—	—	—	—	—
IFH	6	24	2	—	—	2	6	40
ELANIFEM	—	—	—	—	—	—	—	—
PROFAMILIA	44	—	4	—	—	3	9	60
SMISA	—	—	—	—	—	—	—	—
CCC	—	40	—	—	—	3	7	50
AMIDEP	—	—	—	40	40	5	15	100
IEP	—	—	—	—	—	—	—	—
INANDEP	—	—	—	—	—	—	—	—
CNP	—	—	—	50	80	40	30	200
TOTAL:	178	100	65	100	120	67	110	740
Per Cent of Total	25%	13%	9%	13%	16%	9%	15%	100%

^{1/} USAID has met extensively with the selected participating institutions, discussing the objectives, concepts, and possible activities of the project. General amounts of assistance, including commodities and project support funds, for the first year, along with detailed workplans, have been submitted to USAID for consideration. General estimates for PY 2 - PY 6 were also included. USAID reviewed the submissions and made a decision regarding first year subgrant recipients and amounts as shown in this table. Subsequent years funding of participating agencies will depend on several factors, including the amount of funds available, sub-grantees' performance in prior years, quality of submissions, and work plans for following years.

TABLE 34. SUBGRANT PROJECTIONS FOR LOP BY PROJECT COMPONENTS AND PY (US\$000)

PROJECT YEAR	PROJECT COMPONENTS						Project Management Costs	Total
	Component I: FAMILY PLANNING SERVICES (FP (Services) (Training) (IEC)			Component II: RESEARCH POLICY (Research) (Policy)		Component III: Coordination (Coordination)		
FY 1	178	100	65	100	120	67	110	740
FY 2	251	138	95	131	143	78	144	980
FY 3	377	199	130	152	153	95	194	1,300
FY 4	414	222	137	158	155	98	211	1,395
FY 5	448	245	144	161	156	103	223	1,480
TOTAL	1,668	904	571	702	727	441	882	5,895
Per Cent of Total	29%	16%	10%	11%	12%	7%	15%	100%

TABLE 35. SUBGRANT PROJECTIONS FOR LOP BY AGENCY AND PROJECT YEAR (US\$000).

	PY1	PY2	PY3	PY4	PY5	TOTAL
ADIM	--	--	50	60	70	180
APROPO	--	20	20	20	20	80
APROSAMI	--	60	80	100	120	360
ATLF	50	70	70	70	70	330
CENPROF	--	--	25	30	30	85
FENDECAAP	40	50	60	70	80	300
INPPARES	200	250	250	250	250	1,200
MARCELINO	--	--	--	--	--	--
PFH	40	50	60	70	80	300
PLANIFAM	--	--	25	25	25	75
PROFAMILIA	60	70	80	90	100	400
SMMISA	--	--	120	130	140	390
CCC	50	60	70	80	90	350
AMIDEP	100	100	100	100	100	500
IEP	--	--	35	40	40	115
INANDEP	--	50	55	60	65	230
CNP	200	200	200	200	200	1,000
TOTAL	740	980	1,300	1,395	1,480	5,895

systems; 12) improved data recording and use systems; and 13) lowered cost per user. ^{1/}

The Prime Recipient will expand and develop the suggested two types of criteria in detail to be approved by USAID. The degree to which each criteria is applied to each agency's individual current status will be determined by the Prime Recipient and approved by USAID.

^{1/} In order for limited funding to be used as effectively as possible, a variety of criteria have been suggested and will be further developed by the Prime Recipient for determining how funding will be allocated to private sector family planning institutions during the LOP. Cost per user (CPU) is one factor that must be considered. When selecting agencies for subgrants, however, those with the lowest cost per user are not necessarily the only ones that should be considered. Because a wide range of family planning needs exist within any given target group, a variety of contraceptives and family planning delivery modes have been developed. Each method and each type of contraceptive has a different cost structure. Clinic-based services tend to have a higher CPU than QSD services which, in turn, have a higher CPU than GSM services. Yet, all three of these service delivery modes are needed in a national program if all groups within the target population are to be reached. Additionally, new organizations with high start-up costs, groups expanding their programs, organizations undertaking major training programs, or groups making other major investments such as IEC materials development or research, will experience higher costs for short periods.

In order to ensure that cost-effective family planning services are delivered to the Project's target groups, the Project must first determine what combination of the three service delivery modes will be needed and most effectively supported. Only those groups providing similar services can be compared for relative cost-effectiveness. Factors which must be taken into account when making this comparison include:

- amount spent on overhead and personnel;
- cost of different services and supplies;
- amount spent on training and research;
- geographic coverage (which will affect transport and delivery costs); and
- length of experience of group delivering services (new groups tend to have higher CPUs as start-up costs are high).

These concerns, combined with the other measurement criteria, will allow the Prime Recipient to determine which private sector family planning institutions will receive Project support. An analysis of project activities will assist the institutions to assess their cost structure and streamline their programs so that the type(s) of service(s) offered by the group will become as cost-effective as possible. Annual cost targets will be set for each group and the ability to meet these targets will be considered as part of the overall evaluation of each institution. (End of footnote).

The Prime Recipient will activate a monitoring system once a grant has been awarded to insure compliance with grant-conditions. The Prime Recipient will periodically monitor whether and to what degree of satisfaction the stated benchmarks and objectives have been reached. Agencies showing satisfactory progress will be eligible for renewed funding. Those falling short of satisfactory performance after 12-18 months will probably not receive continued assistance. The clear intention of this design is to allow the agencies an initial opportunity to meet pre-specified performance criteria, then eliminate funding to those who cannot do so in order to provide services efficiently and cost effectively. USAID must agree if and when an agency is discontinued.

Because this project is not intended to replace current existing sources of funding, and because PY 1 will emphasize project planning, TA and training to foster improved performance and sector readiness for expanded program activities in PY 2-6, first year grants will be restricted to those agencies whose other funding sources are running out. Before receipt of these first grants, agencies will agree to meet specific criteria, achievement of which will determine renewed or expanded grants in PY 2 - PY 5. Those agencies which have other continued sources of funding will not receive grants until PY 2 or 3; the award of which depends on agency specific goals determined and achieved in PY 1. Renewal and expansion of the grants in PY 3 - PY 5 will again depend on achievement of agency specific performance criteria, as already explained. Subgrants will be given to the agencies incrementally during the year, with built-in compliance standards and safeguards, such as satisfactory progress and financial reports. This process applies to existing agencies and new initiatives by agencies yet to be determined or developed.

Over the life of this project 48% of total project funds will be disbursed to the participating agencies through the sub-grant mechanism. The Prime Recipient will negotiate and sign sub-agreements with each participating agency, based on the agencies' detailed proposals and in compliance with provisions of AID Handbook 13. The proposals will be prepared in accordance with a proposal development guide, including objectives stated in measurable terms, specific activities to be implemented, a timetable, an evaluation plan and a detailed budget. These components will be reviewed and incorporated in the sub-agreement, along with a reporting and incremental payment schedule. After USAID approval for subgrants over \$15,000, the document will be submitted for signature. Proposal preparation will be aided by workshops and TA from the Prime Recipient staff.

F. Evaluation Plan

Evaluation of the project will occur at two levels: one at the project level performed by USAID, and the other at the institutional level performed mainly by the Prime Recipient.

Project level evaluations funded by the project will occur twice during the life of the project: in 1988 as a mid-project evaluation and at the EOP in 1991. The mid-project evaluation will be formative in nature and will

primarily focus on process issues, i.e., whether activities are being implemented according to plan, how activities are being implemented, if problems are being resolved, and the extent to which mid-course corrections are called for. The Prime Recipient will also be evaluated on its performance in promoting expansion of service delivery, furthering policy development concerning the private sector, and improved sector coordination, including the formation of a PCA. It will require approximately 5 person-months.

The second project level evaluation is the 1991 EOP evaluation, which will include a Contraceptive Prevalence Survey (CPS) to be funded with AID/W central funds. The CPS will be designed to compare with and complement the 1986 CPS funded from the same source, and scheduled to coincide with the start of this new project to provide benchmark data. The 1991 EOP evaluation will also include other components. One of the last responsibilities of the outgoing Chief of Party of the Project Contractor will be to complete the arrangements for the 1991 CPS.

The institutional level evaluations performed by the Prime Recipient will focus on participating agency performance indicators which will be submitted with grant requests to the Prime Recipient. These evaluations will also look at whether the subgrantee is fulfilling grant conditions, is meeting previously specified objectives, and is generally on target. This second level evaluation will be useful in defining continuing training and technical assistance needs of participating institutions, for assessing the institutions' status of organizational development, and measuring the level of increased services.

G. USAID Approvals and Negotiating Status

1. USAID Approvals

Specific USAID approvals required under the grant are as follows: 1) all sub-grants to Peruvian family planning agencies over \$15,000; 2) annual and multi-year work plans for the Prime Recipient and each of the participating agencies; 3) all commodity purchases over \$5,000; 4) all trainees sent outside Peru for any type and length of training; 5) all expenditures of any amount of the "contingency" line item in the budget; and 6) initial baseline and performance criteria for all participating agencies required for the sub-grants.

2. Negotiating Status

USAID has met extensively with the selected participating institutions, discussing the objectives, concepts, and possible activities of the project. General amounts of assistance, including both commodities and project support funds, for the first year along with detailed work plans and performance targets have been submitted to USAID for consideration. General estimates for PY 2 - PY 6 were also included.

USAID has reviewed the submissions and has made a tentative decision regarding first year subgrant recipients and amounts. Subsequent years' funding of participating agencies will depend on several factors, including the amount of funds available, sub-grantees' performance in prior years, quality of submissions, and work plans for following years.

H. Family Planning Assistance Policy Clauses

The AID regulation stating that no project funds may be committed for any abortion related activities by any grantee, subgrantee or subsubgrantee will be rigidly adhered to. In addition, the clauses concerning abortion in grants with foreign non-governmental organizations will be included in all grant agreements with all participating agencies. (See Annex I, Exhibit G).

CERTIFICATION PURSUANT TO SECTION 611(e) OF
THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

I, John A. Sanbrailo, the principal officer of the Agency for International Development in Peru, having taken into account, among other factors, the maintenance and utilization of projects in Peru previously financed or assisted by the United States, do hereby certify that in my judgment Peru has both the financial capability and human resources capability to effectively maintain and utilize the proposed Project: PRIVATE SECTOR FAMILY PLANNING PROJECT.

6/12/86
Date

John A. Sanbrailo

John A. Sanbrailo
Director
USAID/Peru

STATUTORY CHECKLIST FOR FY 86

5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELEGIBILITY

1. FAA Sec. 481(h)(1); FY 86 Continuing Resolution Sec 527. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substance (as listed in the schedule in Section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully? No.

2. FAA Sec. 481(h)(4). Has the President determined that the recipient country has not taken adequate steps to prevent (a) the processing, in whole or in part, in such country of narcotic and psychotropic drugs or other controlled substances, (b) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and (c) the use of such country as a refuge for illegal drug traffickers? No.

3. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No.

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4. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.
5. FAA Sec. 620(a), 620(f), 620(D), FY 1986 Continuing Resolution Secs. 512. Is recipient country a Communist country? If so, has the President determined that assistance to the country is important to the national interests of the United States? Will assistance be provided to Angola, Cambodia, Cuba, Iraq, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan without a certification? No.
6. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property? No.
7. FAA Sec. 620(1). Has the country failed to enter into an agreement with OPIC? Yes.
8. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? No.
- (b) If so, has any deduction required by the Fishermen's Protective Act been made?

9. FAA Sec. 620(q); FY 1986 Continuing Resolution Sec. 518.

(a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds?

(a) No.
(b) No.

The GOP made sufficient payment to the U.S. Government on April 14, 1986 to cure the defaults for purposes of both statutes.

10. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

Not applicable.

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

No.

12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.)

Peru is in arrears on its payment of U.N. obligations. This was taken into account in the Administrator's FY86 Taking Into Consideration Memorandum.

13. FAA Sec. 620A. Has the government of the recipient country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? No.
14. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? No.
15. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No.
16. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No.
17. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported illegally (or attempted to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device? No.

18. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)
- Yes, however this has been taken into account in the Administrator's 1986 Taking Into Consideration Memorandum.
19. FY 1986 Continuing Resolution Sec. 541.
- Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?
- No. Peru does not include abortion in any form, voluntary or involuntary, in any of its population and family planning programs.
- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?
- No.
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?
- No.
20. FY 1986 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined as supporting or participating in the management of a program of coercive abortion or involuntary sterilization?
- No.
- If assistance is from the population functional account, are any of the funds to be made available to family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services?
- No.

21. FY 1986 Continuing Resolution Sec. 529. No.
Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?
22. FY 1986 Continuing Resolution Sec. 513. No
Has the duly elected Head of Government of the country been deposed by military coup or decree?

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No such determination has been made.

2. Economic Support Fund Country Criteria.

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

Not applicable.

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B.1 applies to all projects funded with Development Assistance loans, and B.3 applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

A Congressional Notification for the Project was sent on May 30, 1986 and expires on June 15, 1986.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes.
(b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No further legislative action is required to implement any activity under this Project.

4. FAA Sec. 611(b); FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S. C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.)

The Project is not a water or water-related land resource project.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has the Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?
- Not applicable.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.
- The Project is not susceptible to execution as part of a regional or multilateral project.
7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
- (a) None.
(b) The project is designed to increase the ability and initiative of the Peruvian private sector agencies to become more financially self-sufficient while increasing services.
(c) Cooperatives are included in the Project as potential new family planning service delivery sites.
(d) None.
(e) None.
(f) None.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
- The project will encourage private U.S. participation in the foreign assistance program by utilizing U.S. technical assistance, financing and management skills as well as procurement of specific commodities.
9. FAA Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
- The participating agencies will contribute the equivalent of U.S. \$5,756,000 to meet the costs of carrying out this Project.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
12. FY 1986 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? Not applicable; the Project does not involve the production of any export commodity.
13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests? An IEE has been carried out for this Project and a negative determination has been made.
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? Not applicable.
15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? No.

16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

Economic or socially disadvantaged enterprises have been involved on the overall project design. Attempts will be made to secure involvement of private organizations which meet the Sec. 310 criteria during implementation either through contracts or sub-contracts for technical assistance.

B. FUNDING CRITERIA FOR PROJECT

i. Development Assistance Project Criteria

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

(a) The Project goal is to increase the capability of the private sector family planning agencies to increase contraceptive coverage, strengthen population policy and develop a new Peruvian coordinating agency for the private sector. The services are for the poor and low income. The ability to control one's fertility and avoid unwanted pregnancies will contribute to the overall improved economic status of the poor.

(b) Cooperatives that already exist and provide health services will be included as family planning service sites and will receive appropriate training, TA and funding.

(c) The Project will utilize Peruvian experts where possible for TA and training

and the development of new institutions.

(d) The Project by definition will help improve the status of women as it provides the means to determine their fertility and thus, in part, control their economic situation.

(e) This Project will not have a regional impact.

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

Yes.

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

The Project includes the use of management technologies appropriate to the Peruvian family planning private sector.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Peru will provide \$801,000 to the National Population Council, plus the use of its facilities and professional staff.

e. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

The Project will contribute to a lowered population growth rate, help reduce excessive demands on the GOP for education, health, food, medical housing and other social services: freing

those funds for investment in development activities.

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

The Project will include institutional building activities of various private sector family planning agencies who by definition serve the poor. The institutional building activities will enable these agencies to more efficiently serve a larger audience of the poor.

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The Project design responds directly to the assessed needs and desires of 16 private sector agencies and their clientele from an extensive institutional analysis. Every effort will be made to employ Peruvian experts where possible to provide the short and long-term TA and training.

2. Development Assistance Project Criteria
(Loans Only)

- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. Not applicable.
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? Not applicable.

3. Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA? Not applicable.
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? Not applicable.
- c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues non-proliferation policies consistent with those of the United States? Not applicable.
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? Not applicable.

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes.

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes.

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Peru does not discriminate against marine insurance companies.

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) Not applicable.

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international Not applicable.

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markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries?

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes.
8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes.
9. FY 1985 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes, all U.S. direct contracts will contain a termination for convenience of the U.S. clause.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? This is not a capital project.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? Not applicable.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? Not applicable.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? This project is wholly grant funded.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? Not applicable.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.
4. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526: (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide Yes.

financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

- b. FAA Sec. 488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated? Yes.
- c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes.
- d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
- e. FAA Sec. 662. For CIA activities? Yes.
- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes.
- g. FY 1986 Continuing Resolution, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes.
- h. FY 1986 Continuing Resolution, Sec. 505. To pay U.N. assessments arrearages or dues? Yes.
- i. FY 1986 Continuing Resolution, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes.

- j. FY 1986 Continuing Resolution, Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes.
- k. FY 1986 Continuing Resolution, Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes.
- l. FY 1986 Continuing Resolution, Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.

PROJECT AUTHORIZATION

Name of Country: Peru
Name of Project: Private Sector Family Planning
Number of Project: 527-0629

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Private Sector Family Planning Project ("Project") for Peru involving planned obligations of not to exceed Thirteen Million United States Dollars (\$13,000,000) in grant funds ("Grant") over a six (6) year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is seventy-two months from the date of initial obligation.

2. The Project consists of assistance to sixteen Peruvian private family planning institutions and the National Population Council to strengthen their institutional capacity to increase contraceptive coverage, further improve and strengthen population policy in Peru, and create a Peruvian Coordinating Agency for the private sector.

3. The Project Agreements, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Services (Grant)

Commodities financed by A.I.D. under the Grant shall have their source and origin in Peru or in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping the suppliers of commodities or services financed under the Grant shall have Peru or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

b. Conditions Precedent to Disbursements under the Cooperative Agreement

Prior to any disbursement or to the issuance by A.I.D. of commitment documents under the Cooperative Agreement pursuant to which disbursement will be made to finance any activities of a Participating Agency during each year of the Project, including the first year, the Prime Recipient shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., the current, annual Operational Plan for

1991

Family Planning for such Participating Agency, including but not limited to a description and schedule of the activities to be carried out, user targets, performance criteria and a budget for such year.

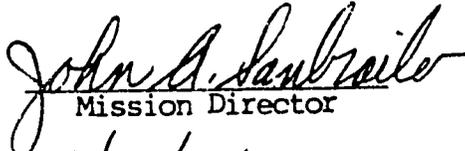
c. Conditions Precedent to Disbursements Under the Grant for the National Population Council

Prior to any disbursement or to the issuance by A.I.D. of any commitment documents under the Grant Agreement to which disbursement will be made to finance any Grant activities during each year of the Project, including the first year, the National Population Council shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., the current, annual Operational Plan for Family Planning, including but not limited to a description of, schedule and budget for its population policy, research and coordination activities to be carried out in such year.

d. Covenants

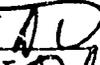
(1) The required language reflecting A.I.D.'s policy and procedures on both abortion and sterilization will be included in Project Agreements.

(2) The Prime Recipient shall covenant that, except as A.I.D. may otherwise agree in writing, it will participate in an evaluation of the Project.


Mission Director
6/12/86
Date

Drafted by: DAAdams/Revised 5/2/86
Revised: Adams/Doe Telcon 5/22/86
Revised: Adams/Doe Telcon 6/2/86
Revised: Davidson/Doe 6/5/86

Clearances:

POP: ADanart 
HNE: NParker 
RLA: DAAdams (Draft)
DR: MJohnson (Draft)
PROG: WRhoads (Draft)
CONT: RABonnaffon (Draft)

LAC/DR-IEE-85-32

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Peru

Project Title and Number : Private Sector Family Planning
: 527-0269

Funding : \$11 million (G)

Life of Project : 5 years (FY'85-'89)

IEE Prepared by : USAID/Lima

Recommended Threshold Decision : Negative Determination

Bureau Threshold Decision : Concur with Recommendation

Comments :

Copy to : John Sanbrailo, Director
USAID/Lima

Copy to : Eric Zallman, LAC/DR

Copy to : IEE File

Marea E. Hatzios Date March 29, 1985

Marea E. Hatzios
Deputy Environmental Officer
Bureau for Latin America
and the Caribbean

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STATE 337455

ANNEX I
EXHIBIT D
PAGE 2 OF 2

ACTION: AID-2 INFO AMB DCM CHRON

VZCZCPEC155
RR RUEHPE
DE RUEHC #7455 3061307
ZNR UUUUU ZZB
R 021307Z NOV 85
FM SECSTATE WASHDC
TO AMEMBASSY LIMA 4311
BT
UNCLAS STATE 337455

RECEIVED

LOC: DISK 403 286
04 NOV 85 1433
CN: 10996
CHRG: AID
DIST: AID

AIDAC BRENDA DOE/POP

ACTION: POP (FILS)

INFO: HNE —
DR
CD
D
DD

E.O. 12356: N/A
TAGS: N/A
SUBJECT: IEE APPROVAL FOR PRIVATE SECTOR FAMILY
PLANNING PROJECT NO. 527-0269

REFERENCE: LETTER FROM BRENDA DOE TO JIM HESTER 10/29/85

1. IEE FOR SUBJECT PROJECT WAS REVIEWED AND MISSION
RECOMMENDATION FOR A NEGATIVE DETERMINATION APPROVED BY
LAC DEPUTY ENVIRONMENTAL OFFICER MAREA HATZIOLOS, ON
MARCH 29, 1985. COPY OF THE APPROVED IEE SHOULD HAVE
BEEN SENT TO MISSION SHORTLY THEREAFTER.

2. A SECOND COPY OF THE APPROVED IEE FOR PROJECT
527-0269 HAS BEEN POUCHED TO MISSION. MISSION SHOULD
PROCEED WITH PP DESIGN/APPROVAL FOR THIS PROJECT BASED
ON A NEGATIVE THRESHOLD DETERMINATION FROM LAC/DR
ENVIRONMENTAL OFFICE. WHITEHEAD

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STATE 337455

Ann Date 11/8

ACTION COPY	
ACTION TAKEN:	<i>NAN</i>
DATE:	<i>11/4/85</i>
	<i>B. Doe</i>

ACTION: AIL-2 INFO AMP DCM CERON

VZCZCFIO418
PP RUEHPE
DE RUEHC #6413/01 1240545
ZNR UUUUU ZZE
P 042542Z MAY 85
FM SECSTATE WASHDC
TO AMEMBASSY LIMA PRIORITY 1529
BT
UNCLAS STATE 135413

10C: DIS: 181 257
26 MAY 85 1442
CN: 42696
CHRG: AID
DIST: AID

AIDAC

ACTION: POP (FILS)
INFO: HNE
PROG
DR
CD
PS
D
DD

E.O. 12356: N/A

TAGS:

SUBJECT: PRIVATE SECTOR FAMILY PLANNING PROJECT (527-0269)

REF.: (A) STATE 74750, (B) STATE 84400.

1. THE DAEC REVIEWED AND APPROVED SUBJECT PID ON APRIL 5, 1985. GUIDANCE TO ASSIST USAID IN PREPARATION OF THE PF FOLLOWS.

2. INCREASED FINANCIAL INDEPENDENCE OF PRIVATE SECTOR FAMILY PLANNING AGENCIES. IT WAS RECOGNIZED THAT EVEN IN THE BEST OF CIRCUMSTANCES, NONE OF THE FAMILY PLANNING AGENCIES WOULD BE LIKELY TO COVER THEIR COSTS FROM SERVICE CHARGES. INDEED, ATTEMPTING TO DO SO MIGHT LIMIT THEIR CLIENTELE UNNECESSARILY AND WORK AGAINST ACHIEVEMENT OF THE PROJECT PURPOSE. THE PID IDENTIFIES DECREASED RELIANCE ON INTERNAL FUNDING OVER TIME AS A MAJOR OBJECTIVE OF THE PROJECT. LAC AGREES WITH THE DESIRABILITY OF PURSUING THIS OBJECTIVE, AND SUGGESTS THAT THE PROJECT DESIGN EMPHASIZE ACTIVITIES AIMED AT STRENGTHENING THE RESOURCE MOBILIZATION ACTIVITIES OF THE PRIVATE FAMILY PLANNING AGENCIES AND DECREASING THEIR COSTS. TO ACCOMPLISH THIS OBJECTIVE, IT IS SUGGESTED THAT THE FEASIBILITY OF INCLUDING THE FOLLOWING ACTIVITIES BE THOROUGHLY EXPLORED:

A. DOMESTIC FUND RAISING. IT WAS RECOGNIZED THAT AS AN AUSTERITY MEASURE THE GOP RECENTLY ELIMINATED A MAJOR INCENTIVE TO PRIVATE DONATIONS - THE DEDUCTIBILITY OF CONTRIBUTIONS TO SUCH ORGANIZATIONS FOR INCOME TAX PURPOSES. IT WAS SUGGESTED THAT THE NATIONAL POPULATION COUNCIL (NPP) TAKE UP THIS POLICY ISSUE WITH THE GOP AND ATTEMPT TO RESTORE THIS INCENTIVE. CAREFUL STUDY BY AMIDEF OR THE OTHER RESEARCH ORGANIZATIONS COULD BE UNDERTAKEN TO EXAMINE WHETHER THE TAX LOSS WOULD BE MORE THAN OFFSET BY DECREASED NEED FOR PUBLIC EXPENDITURES IN PROVIDING FAMILY PLANNING SERVICES.

WHETHER OR NOT THE TAX DEDUCTIBILITY IS RESTORED, A MAJOR EFFORT SHOULD BE UNDERTAKEN TO ESTABLISH AN ONGOING FUND RAISING SYSTEM. THE PROJECT FUNDED TECHNICAL ASSISTANCE TEAM SHOULD INCLUDE A FUND RAISING EXPERT WHO WOULD TRAIN A FULL TIME FUND RAISER ON THE STAFF OF THE PERUVIAN

COORDINATING INSTITUTION IN TECHNIQUES THAT HAVE PROVEN SUCCESSFUL ELSEWHERE IN DEVELOPING COUNTRIES. IT WAS SUGGESTED THAT EFFORTS TO INDUCE INFLUENTIAL AND WELL-KNOWN PERUVIANS TO DEDICATE THEIR TIME AND ENERGIES TO THE EFFORT SHOULD BE ATTEMPTED. A RECENT SUCCESSFUL PRIVATE EFFORT IN TURKEY WAS MENTIONED AS WORTHY OF REPLICATION. IT MAY BE DESIRABLE FOR THE PERUVIAN COORDINATING AGENCY, AND PERHAPS THE INDIVIDUAL SERVICE DELIVERY AGENCIES TO SEEK BROADER REPRESENTATION ON THEIR BOARDS OF DIRECTORS OF INDIVIDUALS WITH COMMITMENT TO FAMILY PLANNING AND ACCESS TO THE WEALTHIEST AND MOST INFLUENTIAL SECTORS OF THE SOCIETY. OTHER FORMS OF RECOGNITION MAY PROVE DESIRABLE.

E. SALE OF SERVICES. IT WAS SUGGESTED THAT THE SERVICE DELIVERY AGENCIES CONSIDER ESTABLISHING PROFIT MAKING BUSINESSES, SUCH AS MEDICAL LABS, AND OUT-PATIENT CLINICS, TO PROVIDE SERVICES NEEDED BY CLIENTS. THE PROCEEDS COULD BE USED TO FINANCE THE FAMILY PLANNING SERVICES. AS WELL, INDIVIDUAL SERVICE DELIVERY AGENCIES AND THE PERUVIAN COORDINATING AGENCY COULD PROVIDE ON A FEE BASIS SPECIALIZED SERVICES WHICH THEY AND OTHER AGENCIES NEED. SUCH SERVICES COULD INCLUDE TRAINING; IEC PROGRAMS; MANAGEMENT SERVICES, SUCH AS COMPUTERIZED BOOKKEEPING AND CLIENT TRACKING SYSTEMS; AND SPECIALIZED DIAGNOSTIC OR SERVICE FACILITIES WHICH WOULD NOT BE FINANCIALLY FEASIBLE IF UNDERTAKEN BY EACH INDIVIDUAL AGENCY.

C. COST REDUCTIONS. LOWER COST INPUTS, IN-KIND CONTRIBUTIONS, AND USE OF EXISTING NETWORKS COULD HELP TO REDUCE OPERATING COSTS. IN THIS CONNECTION, IT WAS SUGGESTED THAT SPECIAL EFFORTS BE MADE TO ATTRACT

VOLUNTEER ASSISTANCE FROM INDIVIDUALS AND SOCIAL AND BUSINESS GROUPS; CONSIDERATION BE GIVEN TO USE OF U.S. GOVERNMENT EXCESS PROPERTY WHERE SUITABLE; AND DEVELOPMENT, NOT ONLY OF COMMUNITY BASED DELIVERY (CBD) SYSTEMS INSTEAD OF CLINIC BASED SYSTEMS, BUT ALSO OF CONTRACEPTIVE SOCIAL MARKETING (CSM) STYLE DELIVERY SYSTEMS THROUGH EXISTING DISTRIBUTION SYSTEMS SUCH AS KIOSKS AND STREET VENDERS (IN ADDITION TO THE CURRENT CSM PROJECT).

3. CRITERIA FOR GRANT AWARDS. THE PID PROPOSES TO HAVE TECHNICAL ASSISTANCE AND FUNDING FOR SERVICE DELIVERY MADE TO THOSE AGENCIES WHICH DEMONSTRATE ACCEPTABLE QUALITY OF SERVICES AND MEET PRE-SET PERFORMANCE CRITERIA. ONLY TECHNICAL ASSISTANCE WOULD BE PROVIDED TO AGENCIES THAT DON'T MEET THE CRITERIA AT THE OUTSET TO HELP THEM ACHIEVE ACCEPTABLE LEVELS OF EFFICIENCY. WHILE THIS APPROACH IS CONCEPTUALLY SOUND, ITS IMPLEMENTATION EARLY IN THE PROJECT COULD LEAD TO SOME AGENCIES BECOMING DISCOURAGED

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AND SEEKING TO GO IT ALONE, WHICH MAY NOT BE IN THE BEST LONG-TERM INTEREST OF THE PROJECT. TO THE EXTENT THAT THE PRIVATE AGENCIES NOW PROVIDE SLIGHTLY DIFFERENT SERVICES, HAVE SLIGHTLY DIFFERENT CLIENTELE, AND USE DIFFERENT BOOKKEEPING SYSTEMS, COMPARISONS AGAINST PRE-SET CRITERIA MAY NOT BE POSSIBLE OR TOTALLY EQUITABLE. IT WAS SUGGESTED THAT THE MISSION CONSIDER PROVIDING FULL ASSISTANCE (TA PLUS GRANTS) TO ALL SERVICE DELIVERY AGENCIES AT THE OUTSET. THE STRENGTHS AND WEAKNESSES OF EACH AGENCY COULD BE ASSESSED, AND CRITERIA FOR IMPROVEMENT AGREED TO. CONTINUATION OF FUNDING WOULD THEN BE BASED ON IMPROVED PERFORMANCE. AS AGENCY PERFORMANCE IMPROVES AND AS THE TECHNICAL BASIS FOR COMPARABLE EVALUATION OF EACH AGENCY'S PERFORMANCE AGAINST PRE-SET CRITERIA IS DEVELOPED (WITH THE AID OF THE TECHNICAL ASSISTANCE ORGANIZATION), THE APPROACH PROPOSED IN THE PID COULD BE PHASED IN LATER IN THE PROJECT. THE FEASIBILITY OF DEVELOPING INCENTIVES TO ENCOURAGE THE AGENCIES TO STRIVE TO ACHIEVE ACCEPTABLE LEVELS OF PERFORMANCE SHOULD BE EXPLORED AND INSTITUTED IF POSSIBLE.

4. MANAGEMENT FOCUS. FIVE OR SIX OF THE PRIVATE AGENCIES IDENTIFIED SO FAR ARE HANDLING THOUSANDS OF CLIENTS, AND THE REMAINDER ARE MORE AKIN TO MOM AND POP OPERATIONS. THEY ARE ALL RUN BY UNUSUALLY DEDICATED INDIVIDUALS, MOST OF WHOM HAVE MEDICAL TRAINING. IT WAS RECOGNIZED THAT RAPID EXPANSION OF SERVICE DELIVERY OPERATIONS WOULD PLACE A GREAT DEAL OF STRESS ON THE AGENCIES' WEAK MANAGEMENT CAPABILITY. THE TECHNICAL ASSISTANCE SHOULD BE DESIGNED TO EMPHASIZE DEVELOPMENT OF THEIR MANAGEMENT CAPABILITY. IT MAY BE ADVISABLE TO HAVE THE PERUVIAN INSTITUTION THAT WILL BE DEVELOPED THROUGH THE PROJECT PROVIDE/SELL CORE SERVICES THAT WOULD BE MORE EFFICIENTLY AVAILABLE FROM A CENTRAL SOURCE. SUCH SERVICES WOULD INCLUDE PROPOSAL WRITING, MANAGEMENT SERVICES, RECORD KEEPING, COMPUTER SERVICES, OPERATIONS RESEARCH AND LOGISTICS MANAGEMENT. IN ADDITION, ENCOURAGEMENT SHOULD BE GIVEN TO SMALLER AGENCIES TO MERGE OPERATIONS WHERE THIS WOULD IMPROVE THEIR CHANCES FOR SURVIVAL, HELP TO ACHIEVE ACCEPTABLE OPERATIONAL EFFICIENCY, AND/OR IMPROVE THE DISTRIBUTION OF SERVICES. SERVICES AVAILABLE UNDER A REGIONAL PROJECT COULD BE USED TO COMPLEMENT PROJECT FUNDED TA IN THE AREAS OF IMPROVED FINANCIAL ACCOUNTING AND MANAGEMENT, AND INSTALLATION OF INTERNATIONALLY RECOGNIZED ACCOUNTING DEFINITIONS AND PRACTICES.

5. PROCUREMENT PLAN. THE FP MUST INCLUDE A COMMODITY PROCUREMENT PLAN.

6. CONTRACTOR. THE DESIGN AND COMPLEXITY OF THE PROJECT MAKES IT UNLIKELY THAT ANY ONE CONTRACTOR COULD PROVIDE ALL SERVICES REQUIRED WITHOUT SUBCONTRACTING. TO FACILITATE CONTRACT NEGOTIATIONS, IT IS SUGGESTED THAT MISSION REQUEST INFORMATION FROM BIDDERS ON WHAT COMPONENTS WOULD BE SUBCONTRACTED AND QUALIFICATIONS OF THE SUBCONTRACTORS. IT WOULD BE ADVISABLE TO HAVE SOME OF THE

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PERUVIAN PRIVATE SECTOR FAMILY PLANNING AGENCIES ASSIST IN THE CONTRACTOR SELECTION PROCESS.

7. RESEARCH AND EDUCATION ACTIVITY. THE NEED FOR THE SERVICES OF THREE RESEARCH INSTITUTIONS AND HOW TO ENSURE THAT THE BEST SERVICES ARE OBTAINED FOR LEGITIMATE RESEARCH NEEDS WERE DISCUSSED. IT WAS CONCLUDED THAT THE RESEARCH INSTITUTIONS SHOULD NOT BE PLACED IN THE POSITION OF EITHER DETERMINING THE AGENDA NOR SELECTING WHO WILL CARRY OUT RESEARCH TASKS. FURTHERMORE, IF MORE THAN ONE INSTITUTION WILL BE USED, SPECIAL EFFORTS WILL BE NEEDED TO ENSURE THAT THEY COORDINATE THEIR EFFORTS AND NOT DUPLICATE THE WORK. THE PP SHOULD INCLUDE A DESCRIPTION OF THE RESEARCH AGENDA, CRITERIA FOR DETERMINING WHO WILL CARRY IT OUT, AND HOW THE EFFORTS OF THE INSTITUTIONS WILL BE COORDINATED SO AS TO AVOID DUPLICATION.

8. ECONOMIC ANALYSIS. THE ECONOMIC ANALYSIS SHOULD DEMONSTRATE: 1) THE OVERALL FEASIBILITY OF THE PROJECT; 2) THAT THE PRIVATE SECTOR IS A MORE COST-EFFECTIVE DELIVERY SYSTEM THAN THE GOVERNMENT SECTOR FOR THE PROJECT'S TARGET GROUP; AND 3) THAT ONCE THE VARIOUS AGENCIES HAVE RECEIVED GRANT AND TA ASSISTANCE AND HAVE HAD THE OPPORTUNITY TO IMPROVE (SEE PARA. 3), THE CRITERIA

USED TO APPROVE FURTHER GRANT AND TA FUNDING FOR PRIVATE SECTOR ORGANIZATIONS ENSURE THAT THE SERVICES ARE DELIVERED AT LEAST COST TO SPECIFIC CLIENT GROUPS.

9. FAMILY PLANNING ASSISTANCE POLICY. THE PP MUST INCLUDE APPROPRIATE STATEMENT(S) ASSERTING THAT NO PROJECT FUNDS CAN BE COMMITTED FOR ABORTION RELATED ACTIVITIES. IN ADDITION, THE MISSION IS REMINDED OF THE PROPOSED CLAUSES TRANSMITTED REF (A), FOR INCLUSION IN AGREEMENTS WITH FOREIGN NGOS, WHICH PROHIBIT ANY A.I.D. FUNDING FOR OR THROUGH ORGANIZATIONS WHICH PROMOTE ABORTION. MISSION SHOULD PROVIDE REPORTING CABLE PRIOR TO EXECUTION OF AGREEMENTS WITH ANY ORGANIZATION, PER REFTELS.

10. OTHER CONCERNS AND CLARIFICATIONS. DURING TEL REVIEW

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PROCESS, MISSION REPRESENTATIVES ALSO CLARIFIED AND/OR AGREED TO THE FOLLOWING:

- A) THE PROJECTED NUMBER OF BENEFICIARIES IN THE PP WILL REFLECT SERVICE DELIVERY PLANS OF THE PERUVIAN FAMILY PLANNING AGENCIES EXPECTED TO PARTICIPATE IN THE PROJECT.
- B) A FIDUCIARY FIRM IS BEING CONTRACTED FOR MAJOR TASKS IN PP DEVELOPMENT, AND THE CONTRACTING DURING PROJECT IMPLEMENTATION WILL BE FULLY RESPONSIVE TO GRAY AMENDMENT CONCERNS.
- C) THE PP WILL CONTAIN AN APPROPRIATE DESCRIPTION OF THE SCOPE OF THE PROCESS AND OBJECTIVE EVALUATIONS.
- D) DURING THE DESIGN OF THE PP, IN CONSULTATION WITH SUT/POB STAFF, THE MISSION WILL CONSIDER AND USE "BUY-INS" WHERE POSSIBLE, WITH APPROPRIATE CENTRALLY FUNDED PROJECTS.

11. DETAILED FIRST YEAR IMPLEMENTATION PLAN. MISSION IS ADVISED THAT LAC/DB WILL NOW BE REVIEWING THE IMPLEMENTATION PROGRESS OF NEWLY AUTHORIZED PROJECTS AS PART OF THE SEMI-ANNUAL PIPELINE REVIEW. TO PERMIT INFORMED DISCUSSION, PLEASE INCLUDE DETAILED FIRST YEAR IMPLEMENTATION PLAN IN PP, AND INCLUDE QUARTERLY REPORT DISCUSSION OF ACHIEVEMENT OF EACH PLANNED ACTIVITY.

12. PROJECT APPROVAL AUTHORITY. THE MISSION DIRECTOR, USAID/PTM IS HEREBY DELEGATED AUTHORITY TO APPROVE THE PP AND AUTHORIZE THE PROJECT. DAN

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MINISTERIO DE SALUD

ANNEA I
EXHIBIT F
PAGE 1 OF 1

THIS LETTER CONFIRMS THE VERBAL REQUEST OF THE GOVERNMENT OF PERU FOR THE PRIVATE SECTOR FAMILY PLANNING PROJECT. THE PROJECT HAD BEEN DISCUSSED AND AGREED UPON MONTHS IN ADVANCE OF THE ACTUAL EXECUTION OF THIS LETTER WHICH WAS UNAVOIDABLY DELAYED. THERE HAVE ALSO BEEN EXTENSIVE DISCUSSIONS WITH THE PVOs WHO HAVE CONTINUOUSLY REQUESTED EXPANDED ASSISTANCE FOR THEIR FAMILY PLANNING PROJECTS.

Lima, 4 de julio de 1986

SA-SCM No.- 1023-86

Señor

JOHN A. SANBRAILO

Director

Agencia para el Desarrollo Internacional AID

PRESENTE.-

Estimado Dr. Sanbrailo:

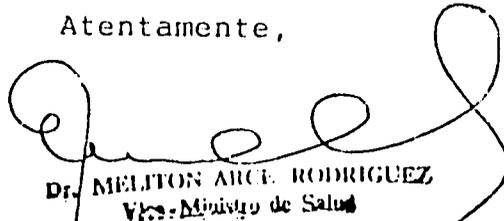
Por encargo del señor Ministro, y en razón de haberse tratado este asunto a nivel de este Despacho me es grato referirme a la presentación verbal que se me hizo y al resumen escrito que describe el Proyecto que AID propone, para financiar al Consejo Nacional de Población y diversas organizaciones de planificación familiar del sector privado en el Perú..

He revisado la información recibida y estoy de acuerdo con esta propuesta. Ciertamente, este Proyecto que está dirigido a fortalecer las organizaciones de planificación familiar del sector privado con apoyo financiero y ayuda técnica, complementa nuestros esfuerzos en el sector público.

Igualmente, apoyo las funciones de coordinación, promoción y mejoramiento de la situación actual de los programas de planificación familiar en el sector privado, que se le asignan al Consejo Nacional de Población, Además concuerdo con las metas y objetivos del proyecto de planificación familiar del sector privado.

Es propicia la ocasión para saludarlo.

Atentamente,



Dr. MELITON ARCE RODRIGUEZ
Vice-Ministro de Salud

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ACTION: AID-2 INFO AMP DCM CHFON

VZCZCPE0217
PP RUEHPE
DE RUEHC #7622/01 242224E
ZNR UUUUU ZZH
P 202110Z AUG 84 ZEX
FM SECSTATE WASHDC
TO AID WORLDWIDE PRIORITY
INFO RUEHAB/AMEMBASSY ABIDJAN PRIORITY 7003
RUEHNR/AMEMBASSY NAIROBI 288E
BT
UNCLAS STATE 257622

LOC: DISK 2 237
29 AUG 84 2245
CN: 02211
CERG: AIL
DIST: AID

AIDAC ABIDJAN FOR REDSO/WA, NAIROBI FOR REDSO/ESAID

E.O. 12356: N/A

TAGS:

SUBJECT: POPULATION: U.S. POPULATION ASSISTANCE POLICY

1. U.S. POPULATION ASSISTANCE POLICY WAS FORMALLY PRESENTED BY AMBASSADOR BUCKLEY AND ADMINISTRATOR MCPHERSON IN JOINT STATEMENTS DURING THE INTERNATIONAL CONFERENCE ON POPULATION, HELD IN MEXICO CITY, AUGUST 6-14. THIS CABLE SUMMARIZES THE NEW POLICY FOCUS AND THE PRINCIPAL IMPLICATIONS FOR A.I.D. POPULATION PROGRAMS.

ACTION: POP (FILES)
INFO: PROG
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2. THE BASIC POLICY OBJECTIVE OF POPULATION ASSISTANCE IS QUOTE THE BETTERMENT OF THE HUMAN CONDITION - IMPROVING THE QUALITY OF LIFE OF MOTHERS AND CHILDREN, OF FAMILIES, AND OF COMMUNITIES FOR GENERATIONS TO COME. END QUOTE. THIS IS ACHIEVED PRINCIPALLY THROUGH FAMILY PLANNING ASSISTANCE THAT EMBODIES VOLUNTARISM AND INFORMED CHOICE.

3. A.I.D. REMAINS COMMITTED TO CONTINUED AND INCREASED SUPPORT FOR VOLUNTARY FAMILY PLANNING PROGRAMS IN DEVELOPING COUNTRIES. VOLUNTARY PROGRAMS ENHANCE PARENTAL FREEDOM TO CHOOSE FREELY THE NUMBER AND SPACING OF CHILDREN, TO PROVIDE CRITICALLY IMPORTANT HEALTH BENEFITS FOR MOTHERS AND YOUNG CHILDREN, AND TO

MAKE AVAILABLE A HUMANE AND WIDELY DESIRED ALTERNATIVE TO ABORTION. UNDER THIS ADMINISTRATION, POPULATION ASSISTANCE HAS INCREASED BY 30 PERCENT. AN ADDITIONAL INCREASE FOR FY 1985 HAS BEEN REQUESTED, RAISING TOTAL POPULATION ASSISTANCE TO DOLLARS 250 MILLION.

4. A.I.D. POPULATION ASSISTANCE IS PROVIDED IN HARMONY WITH A WORLD CONSENSUS THAT ECONOMIC DEVELOPMENT AND POPULATION POLICIES ARE MUTUALLY REINFORCING. A.I.D. WILL SUPPORT BOTH POPULATION AND DEVELOPMENT INITIATIVES. POPULATION PROGRAMS SPEED THE PROCESS OF DEVELOPMENT, AND DEVELOPMENT HASTENS FERTILITY DECLINE. POPULATION PROGRAMS ARE A KEY BUILDING BLOCK OF EFFECTIVE DEVELOPMENT PROGRAMS.

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5. A.I.D. IS COMMITTED TO MARKET-ORIENTED DEVELOPMENT POLICIES THAT ENGAGE PRIVATE SECTOR RESOURCES TO ADVANCE DEVELOPMENT AND POPULATION OBJECTIVES. A.I.D. ENCOURAGES HOST COUNTRY POLICIES THAT UTILIZE THE INITIATIVE OF INDIVIDUALS AND PRIVATE SECTOR ORGANIZATIONS TO PROMOTE DEVELOPMENT. PRIVATE NON-PROFIT AS WELL AS PROFIT-ORIENTED VENTURES ARE VALUABLE PARTS OF AN EFFECTIVE STRATEGY TO MAKE FAMILY PLANNING SERVICES WIDELY AVAILABLE.

6. A.I.D. IS COMMITTED TO EFFECTIVE RESTRICTIONS THAT WILL PREVENT THE USE OF U.S. FUNDS TO SUPPORT ABORTION AS A MEANS OF FAMILY PLANNING. THE POLICY STATEMENT RELATES THESE RESTRICTIONS TO COUNTRY PROGRAMS, NONGOVERNMENTAL ORGANIZATIONS, AND UNFPA WITH THE FOLLOWING LANGUAGE. QUOTE. WHEN DEALING WITH NATIONS WHICH SUPPORT ABORTION WITH FUNDS NOT PROVIDED BY THE UNITED STATES GOVERNMENT, THE UNITED STATES WILL CONTRIBUTE TO SUCH NATIONS THROUGH SEGREGATED ACCOUNTS WHICH CANNOT BE USED FOR ABORTION. MOREOVER, THE UNITED STATES WILL NO LONGER CONTRIBUTE TO SEPARATE NONGOVERNMENTAL ORGANIZATIONS WHICH PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN OTHER NATIONS. WITH REGARD TO THE UNITED NATIONS FUND FOR POPULATION ACTIVITIES (UNFPA), THE U.S. WILL INSIST THAT NO PART OF ITS CONTRIBUTION BE USED FOR ABORTION. THE U.S. WILL ALSO CALL FOR CONCRETE ASSURANCES THAT THE UNFPA IS NOT ENGAGED IN, OR DOES NOT PROVIDE FUNDING FOR, ABORTION OR COERCIVE FAMILY PLANNING PROGRAMS. END QUOTE. THESE REQUIREMENTS WILL BE IMPLEMENTED IN ACCORDANCE WITH GUIDANCE CONSISTENT WITH U.S. LAW, TO BE FURNISHED BY A.I.D. FYI: UNFPA HAS SINCE PROVIDED THE REQUESTED ASSURANCES FOR FY 1984 AND THE REMAINDER OF

A.I.D.'S DOLLARS 35 MILLION CONTRIBUTION FOR 1984 HAS BEEN TRANSFERRED TO THE FUND.

7. THE FOLLOWING CLAUSES GENERALLY WILL BE INCLUDED IN NEW ASSISTANCE AGREEMENTS, IN ADDITION TO THE LANGUAGE THAT CURRENTLY IMPLEMENTS THE HELMS AMENDMENT: (A) FOR NONGOVERNMENTAL ORGANIZATIONS: QUOTE. THE GRANTEE AGREES THAT, DURING THE TERM OF THIS GRANT, IT WILL NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D. RECIPIENT COUNTRIES. THIS COVENANT SHALL BE CONSTRUED IN A MANNER CONSISTENT WITH THE CONSTITUTION AND LAWS OF THE UNITED STATES. IT SHALL BE IMPLEMENTED IN ACCORDANCE WITH GUIDANCE TO BE FURNISHED BY A.I.D. END QUOTE.

(B) FOR LOANS OR GRANTS TO GOVERNMENTS: QUOTE. THE BORROWER/GRANTEE AGREES THAT FUNDING PROVIDED BY A.I.D.

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ANNEX I
EXHIBIT G
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FOR THIS PROJECT SHALL BE DISBURSED IN REIMBURSEMENT FOR
COSTS INCURRED, OR IN ADVANCES TO SEGREGATED ACCOUNTS,
TO ENSURE THAT NONE OF THE FUNDS FURNISHED BY A.I.D. FOR
THE PROJECT CAN BE USED TO SUPPORT ABORTION. END
QUOTE. SHULTZ

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ANNEX I
EXHIBIT G
PAGE 4 OF 28

ACTION: AIE-P INFO DCM C/POL

VZCZCP10229
RR RUEHPC
DE RUEHC #2126 3041637
ZNR UUUUU ZZH
R 321537Z OCT 84 ZEX
FM SACSTATE WASHDC
TO AID WORLDWIDE
BT
UNCLAS STATE 322126

LOG: DIA 74 322
31 OCT 84 1643
CN: 22824
ORIG: AID
DIST: AID

ACTION: POP (FILS)
INFO: HNE
DR
PROG
RLA
D
DD
CONT

AITAC, FROM AA/PPC

E.O. 12756: N/A

TAGS:

SUBJECT: POPULATION: U.S. POPULATION ASSISTANCE POLICY

REF: STATE 257622

1. FIELD POSTS ARE NOT TO EXECUTE NEW GRANT OF COOPERATIVE AGREEMENTS WITH NONGOVERNMENTAL ORGANIZATIONS PROVIDING SUPPORT FOR THEIR FAMILY PLANNING PROGRAMS UNTIL OBTAINING CLEARANCE FROM AID/. THIS DOES NOT REPEAL NOR APPLY TO NONDISCRETIONARY ACTIONS SUCH AS PROVIDING INCREMENTAL OBLIGATIONS OF FUNDS TO EXISTING AGREEMENTS WHERE FUTURE FUNDING WAS COMMITTED SUBJECT ONLY TO AVAILABILITY OF FUNDS.

2. IN ORDER TO FACILITATE OBTAINING CLEARANCE, PLEASE PROVIDE THE FOLLOWING INFORMATION BY CABLE DIRECTED TO AA/PPC AND GC:

A. NAME OF GRANTEE.

B. PLACE OF INCORPORATION OR ORGANIZATION.

C. PROPOSED AMOUNT OF THE GRANT.

D. NUMBER OF THE GRANT AND THE ACTIVITIES OF THE GRANTEE IN COUNTRY.

E. OTHER FUNDS PROVIDED TO THE PROPOSED GRANTEE.

F. ADDITIONAL INFO WITH THE GRANT WIDE PROGRAM.

G. PLEASE APPRECIATE YOUR EFFORTS IN PROVIDING THIS INFORMATION. IF ANY INFORMATION IS CHANGED, PLEASE ADVISE THE AITAC AND GC BY CABLE DIRECTED TO AA/PPC AND GC.

ACTION: AID INFO AME DCM CEPON

VZCZCPE0214
RE RUEBPE
DE RUEBEC #4759/P1 P720044
ZNE UUUUU 22H
R 130039Z MAR 85 ZEX
FM SECSTATE WASHDC
TO AID WORLDWIDE
BT
UNCLAS STATE P74759

LOC: # 121 421
13 MAR 85 1212
CN: 33574
CERG: AID
DIST: AID

13 MAR 1985

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ACTION: POP (FIL S)
INFO: MNE
PROG
DR
CD
D
DD

AIDAC

I.O. 12356: N/A

TAGS:

SUBJECT: FAMILY PLANNING ASSISTANCE POLICY PROPOSED
CLAUSES FOR GRANTS AND COOPERATIVE AGREEMENTS WITH
UNITED STATES NONGOVERNMENTAL ORGANIZATIONS

REFS: A) STATE 017184; B) STATE 322126

1. PARAGRAPH 3 OF THIS MESSAGE CONTAINS PROPOSED
CLAUSES FOR IMPLEMENTATION OF THE NEW POPULATION
ASSISTANCE POLICY IN FAMILY PLANNING GRANTS AND
COOPERATIVE AGREEMENTS WITH UNITED STATES
NONGOVERNMENTAL ORGANIZATIONS (NGO'S). ALTHOUGH THE
AGENCY HAS NOT YET MADE FINAL DECISIONS REGARDING THE
METHOD OF IMPLEMENTATION OF THE POLICY OF STANDARD
CLAUSES, THESE CLAUSES ARE BEING USED IN CURRENT
NEGOTIATIONS FOR A COOPERATIVE AGREEMENT. THE POLICY
POSITIONS REFLECTED IN THESE CLAUSES SHOULD GUIDE ALL
POSTS IN PLANNING TO FURNISH ASSISTANCE FOR FAMILY
PLANNING PROGRAMS OF UNITED STATES NGO'S. WE WOULD
APPRECIATE HAVING YOUR COMMENTS, HOWEVER.

2. COMMENTS SHOULD BE DIRECTED TO AID/PEC AND EC/CP
MISSIONS SHOULD ALSO INDICATE WHETHER THEY EXPECT TO
EXECUTE GRANTS OR COOPERATIVE AGREEMENTS WITH UNITED

STATES NGO'S DESCRIBING THE ORGANIZATION, THE TYPE OF
ACTIVITY FOR WHICH SUPPORT IS BEING PROVIDED. MISSIONS
SHOULD CONSULT WITH AID/W REGARDING SUCH AGREEMENTS WELL
ENOUGH IN ADVANCE OF ANTICIPATED EXECUTION SO AS NOT TO
UNDULY OR UNNECESSARILY DELAY IMPLEMENTATION OF MISSION
PROGRAM.

3. THE TEXT OF THESE CLAUSES IS AS FOLLOWS:

(A) THE RECIPIENT AGREES THAT IT WILL NOT PROVIDE ANY
FUNDS MADE AVAILABLE UNDER THIS COOPERATIVE AGREEMENT, OR
ANY GOODS OR SERVICES FINANCED WITH SUCH FUNDS, TO ANY
FOREIGN NONGOVERNMENTAL ORGANIZATION WHICH PERFORMS OR
ACTIVELY PROMOTES ABORTION AS A METHOD OF FAMILY PLANNING
IN A.I.D.-RECIPIENT COUNTRIES. FOR PURPOSES OF THIS
SECTION, A FOREIGN NONGOVERNMENTAL ORGANIZATION IS A
NONGOVERNMENTAL ORGANIZATION WHICH IS NOT ORGANIZED UNDER

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THE LAWS OF ANY STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA OR THE COMMONWEALTH OF PUERTO RICO.

(E) 1. PRIOR TO FURNISHING FUNDS PROVIDED UNDER THIS COOPERATIVE AGREEMENT TO ANOTHER NONGOVERNMENTAL ORGANIZATION ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA, OR THE COMMONWEALTH OF PUERTO RICO, THE RECIPIENT SHALL OBTAIN THE WRITTEN AGREEMENT OF SUCH ORGANIZATION THAT THE ORGANIZATION SHALL NOT PROVIDE ANY FUNDS FURNISHED UNDER THE COOPERATIVE AGREEMENT, OR GOODS OR SERVICES FINANCED WITH SUCH FUNDS, TO ANY FOREIGN NONGOVERNMENTAL ORGANIZATION EXCEPT UNDER THE CONDITIONS AND REQUIREMENTS THAT ARE APPLICABLE TO THE RECIPIENT AS SET FORTH IN THIS SECTION.

2. PRIOR TO FURNISHING FUNDS MADE AVAILABLE UNDER THIS COOPERATIVE AGREEMENT, OR PROVIDING GOODS OR SERVICES FINANCED WITH SUCH FUNDS, TO A FOREIGN NONGOVERNMENTAL ORGANIZATION (HEREINAFTER REFERRED TO AS THE SUBRECIPIENT), THE RECIPIENT SHALL OBTAIN WRITTEN CERTIFICATION FROM THE SUBRECIPIENT THAT THE SUBRECIPIENT DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES. THE SUBRECIPIENT ALSO MUST AGREE IN WRITING, IF IT WILL PROVIDE FUNDS FURNISHED UNDER THIS COOPERATIVE AGREEMENT, OR GOODS OR SERVICES FINANCED WITH SUCH FUNDS, TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION (HEREINAFTER REFERRED TO AS THE SUB-SUBRECIPIENT), THAT THE SUBRECIPIENT WILL MAKE REASONABLE EFFORTS TO ENSURE THAT THE SUBSUBRECIPIENT DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING AND THAT THE

SUBRECIPIENT SHALL RESTRICT THE USE OF FUNDS FURNISHED UNDER THIS COOPERATIVE AGREEMENT FROM BEING USED BY THE SUB-SUBRECIPIENT FOR SUCH PURPOSES.

(C) THE RECIPIENT AGREES THAT IT WILL REQUIRE EACH SUBRECIPIENT TO WHICH IT PROVIDES FUNDS FURNISHED UNDER THIS COOPERATIVE AGREEMENT, OR GOODS OR SERVICES FINANCED WITH SUCH FUNDS, TO MAINTAIN BOOKS AND RECORDS ADEQUATE TO SHOW THAT THE SUBRECIPIENT DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES. SUB-SUBRECIPIENTS, IF ANY, MUST BE REQUIRED TO KEEP BOOKS AND RECORDS ADEQUATE TO SHOW THAT FUNDS FURNISHED UNDER THIS COOPERATIVE AGREEMENT ARE NOT USED TO PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING. THE RECIPIENT SHALL ENSURE THAT ALL BOOKS AND RECORDS REQUIRED TO BE MAINTAINED UNDER THIS SECTION SHALL BE SUBJECT TO INSPECTION AT REASONABLE TIMES BY THE AUTHORIZED

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LOC: # 121 PAGE 701

REPRESENTATIVES OF A.I.D.

(D) THE FOLLOWING DEFINITIONS APPLY FOR PURPOSES OF THIS SECTION:

1. ABORTION IS A METHOD OF FAMILY PLANNING WHEN IT IS FOR THE PURPOSE OF SPACING BIRTHS. THIS INCLUDES, BUT IS NOT LIMITED TO, ABORTIONS PERFORMED FOR THE PHYSICAL OR MENTAL HEALTH OF THE MOTHER BUT DOES NOT INCLUDE ABORTIONS THAT ARE NECESSARY TO SAVE THE LIFE OF THE MOTHER.

2. TO PERFORM ABORTIONS MEANS TO OPERATE A FACILITY WHERE ABORTIONS ARE PERFORMED AS A METHOD OF FAMILY PLANNING. EXCLUDED FROM THIS DEFINITION ARE CLINICS OF HOSPITALS WHICH DO NOT INCLUDE ABORTION IN THEIR FAMILY PLANNING PROGRAMS.

3. TO ACTIVELY PROMOTE ABORTION MEANS TO COMMIT RESOURCES, FINANCIAL OR OTHER, IN A SUBSTANTIAL OR CONTINUING EFFORT TO INCREASE THE AVAILABILITY OR USE OF ABORTION AS A METHOD OF FAMILY PLANNING. THIS INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

A. OPERATING A FAMILY PLANNING COUNSELING SERVICE THAT INCLUDES, AS PART OF THE REGULAR PROGRAM, PROVIDING ADVICE AND INFORMATION REGARDING THE BENEFITS AND AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING.

B. LOBBYING A FOREIGN GOVERNMENT TO LEGALIZE OR MAKE AVAILABLE ABORTION AS A METHOD OF FAMILY PLANNING OR

LOBBYING SUCH A GOVERNMENT TO CONTINUE THE LEGALITY OF ABORTION AS A METHOD OF FAMILY PLANNING;

C. CONDUCTING A PUBLIC INFORMATION CAMPAIGN REGARDING THE BENEFITS AND/OR AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING.

(E) IN DETERMINING WHETHER A FOREIGN NONGOVERNMENTAL ORGANIZATION IS ELIGIBLE TO BE A SUBRECIPIENT OR SUB-SUBRECIPIENT OF FUNDS MADE AVAILABLE UNDER THIS COOPERATIVE AGREEMENT, OR OF GOODS OR SERVICES FINANCED WITH SUCH FUNDS, THE ACTION OF SEPARATE NONGOVERNMENTAL ORGANIZATIONS SHALL NOT BE IMPUTED TO THE SUBRECIPIENT OR SUB-SUBRECIPIENT, UNLESS, IN THE JUDGMENT OF A.I.D., A SEPARATE NONGOVERNMENTAL ORGANIZATION IS BEING USED AS A MEANS TO AVOID THE RESTRICTIONS OF THIS SECTION. SEPARATE NONGOVERNMENTAL ORGANIZATIONS ARE THOSE THAT HAVE DISTINCT LEGAL EXISTENCE IN ACCORDANCE WITH THE LAWS OF THE COUNTRIES IN WHICH THEY ARE ORGANIZED. FOREIGN ORGANIZATIONS THAT ARE SEPARATELY ORGANIZED SHALL NOT BE CONSIDERED SEPARATE, HOWEVER, IF ONE IS IN FACT CONTROLLED BY THE OTHER.

4. PROPOSED CLAUSES FOR AID FAMILY PLANNING AGREEMENTS

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STATE 074759/02

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PAGE 8 OF

WITH FOREIGN GOVERNMENTS WILL BE PROVIDED SEPT 1. DAN

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UNCLASSIFIED

STATE 074759/02

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ACTION: AID-2 INFO AMB DCM CHRON

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DE RUEHC #4750/01 0720045

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FM SECSTATE WASHDC

TO AID WORLDWIDE

BT

UNCLAS STATE 074750

LOC: # 121

13 MAR 85

CN: 33576

CHRG: AID

DIST: AID

AIDAC

ACTION: POP (FILES)

INFO: HNE

PRCG

DR

CD

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DD

E.O. 12356:

N/A

TAGS:

SUBJECT: FAMILY PLANNING ASSISTANCE POLICY - PROPOSED
 CLAUSES FOR GRANTS AND COOPERATIVE AGREEMENTS WITH
 FOREIGN NONGOVERNMENTAL ORGANIZATIONS

REFS: A) STATE 017184; B) STATE 322126

1. PARAGRAPH 3 OF THIS MESSAGE CONTAINS PROPOSED CLAUSES FOR IMPLEMENTATION OF THE NEW POPULATION ASSISTANCE POLICY IN FAMILY PLANNING GRANTS AND COOPERATIVE AGREEMENTS WITH FOREIGN NONGOVERNMENTAL ORGANIZATIONS (NGOS). ALTHOUGH THE AGENCY HAS NOT YET MADE FINAL DECISIONS REGARDING THE METHOD OF IMPLEMENTATION OF THE POLICY OR STANDARD CLAUSES, THESE CLAUSES ARE BEING USED IN CURRENT GRANT AGREEMENT NEGOTIATIONS. THE POLICY POSITIONS REFLECTED IN THESE CLAUSES SHOULD GUIDE ALL POSTS IN PLANNING TO FURNISH ASSISTANCE FOR FAMILY PLANNING PROGRAMS OF FOREIGN NGOS. WE WOULD APPRECIATE HAVING YOUR COMMENTS, HOWEVER.

2. COMMENTS SHOULD BE DIRECTED TO AA/PPC AND IC/CP. MISSIONS SHOULD ALSO PROVIDE REPORTING CABLE PRIOR TO EXECUTION OF AGREEMENTS WITH FOREIGN NGO'S DESCRIBING

THE ORGANIZATION, THE TYPE OF ACTIVITY FOR WHICH SUPPORT IS BEING PROVIDED. CHANGES SHOULD NOT BE MADE IN THE CLAUSES WITHOUT PRIOR CONCURRENCE FROM AID/W.

3. THE TEXT OF THESE CLAUSES IS AS FOLLOWS:

QUOTE (A) THE GRANTEE CERTIFIES THAT IT DOES NOT NOW, AND WILL NOT DURING THE TERM OF THIS AGREEMENT, PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D. RECIPIENT COUNTRIES OR PROVIDE FINANCIAL SUPPORT TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION THAT DOES.

(B) PRIOR TO FURNISHING FUNDS MADE AVAILABLE UNDER THIS GRANT, OR PROVIDING GOODS OR SERVICES FINANCED WITH SUCH FUNDS, TO A FOREIGN NONGOVERNMENTAL ORGANIZATION (HEREINAFTER REFERRED TO AS THE SUBGRANTEE), THE GRANTEE

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SHALL OBTAIN WRITTEN CERTIFICATION FROM THE SUBGRANTEE THAT THE SUBGRANTEE DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D. RECIPIENT COUNTRIES. IF THE SUBGRANTEE WILL PROVIDE FUNDS FURNISHED UNDER THIS GRANT, OR GOODS OR SERVICES FINANCED WITH SUCH FUNDS, TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION (HEREINAFTER REFERRED TO AS THE SUBSUBGRANTEE), THE SUBGRANTEE ALSO SHALL AGREE IN WRITING THAT THE SUBGRANTEE WILL MAKE REASONABLE EFFORTS TO ENSURE THAT THE SUBSUBGRANTEE DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D. RECIPIENT COUNTRIES AND THAT THE SUBGRANTEE SHALL RESTRICT THE USE OF FUNDS FURNISHED UNDER THIS GRANT FROM BEING USED BY THE SUB-SUBGRANTEE FOR SUCH PURPOSES.

(C) THE GRANTEE AGREES THAT

1. THE GRANTEE WILL MAINTAIN BOOKS AND RECORDS ADEQUATE TO SHOW THAT THE GRANTEE DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D. RECIPIENT COUNTRIES AND DOES NOT PROVIDE FINANCIAL SUPPORT TO OTHER FOREIGN NONGOVERNMENTAL ORGANIZATIONS THAT DO;

2. EACH SUBGRANTEE WILL BE REQUIRED TO MAINTAIN BOOKS AND RECORDS ADEQUATE TO SHOW THAT THE SUBGRANTEE DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING; AND

3. EACH SUBSUBGRANTEE, IF ANY, WILL BE REQUIRED TO KEEP BOOKS AND RECORDS ADEQUATE TO SHOW THAT FUNDS FURNISHED

UNDER THIS GRANT ARE NOT USED TO PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING.

THE GRANTEE SHALL ENSURE THAT ALL BOOKS AND RECORDS REQUIRED TO BE MAINTAINED UNDER THIS SECTION SHALL BE AVAILABLE FOR INSPECTION AT REASONABLE TIMES BY THE AUTHORIZED REPRESENTATIVES OF A.I.D.

(D) THE FOLLOWING DEFINITIONS APPLY FOR PURPOSES OF THIS SECTION:

1. ABORTION IS A METHOD OF FAMILY PLANNING WHEN IT IS FOR THE PURPOSE OF SPACING BIRTHS. THIS INCLUDES, BUT IS NOT LIMITED TO, ABORTIONS PERFORMED FOR THE PHYSICAL OR MENTAL HEALTH OF THE MOTHER, BUT DOES NOT INCLUDE ABORTIONS THAT ARE NECESSARY TO SAVE THE LIFE OF THE MOTHER.

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ANNEX I
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2. TO PERFORM ABORTIONS MEANS TO OPERATE A FACILITY WHERE ABORTIONS ARE PERFORMED AS A METHOD OF FAMILY PLANNING. EXCLUDED FROM THIS DEFINITION ARE CLINICS OR HOSPITALS WHICH DO NOT INCLUDE ABORTION IN THEIR FAMILY PLANNING PROGRAMS.

3. TO ACTIVELY PROMOTE ABORTION MEANS TO COMMIT RESOURCES, FINANCIAL OR OTHER, IN A SUBSTANTIAL OR CONTINUING EFFORT TO INCREASE THE AVAILABILITY OR USE OF ABORTION AS A METHOD OF FAMILY PLANNING. THIS INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

A. OPERATING A FAMILY PLANNING COUNSELING SERVICE THAT INCLUDES, AS PART OF THE REGULAR PROGRAM, PROVIDING ADVICE AND INFORMATION REGARDING THE BENEFITS AND AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING;

B. LOBBYING A FOREIGN GOVERNMENT TO LEGALIZE OR MAKE AVAILABLE ABORTION AS A METHOD OF FAMILY PLANNING OR LOBBYING SUCH A GOVERNMENT TO CONTINUE THE LEGALITY OF ABORTION AS A METHOD OF FAMILY PLANNING;

C. CONDUCTING A PUBLIC INFORMATION CAMPAIGN REGARDING THE BENEFITS AND/OR AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING.

4. A FOREIGN NONGOVERMENTAL ORGANIZATION IS A NONGOVERMENTAL ORGANIZATION WHICH IS NOT ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA OR THE COMMONWEALTH OF PUERTO RICO.

(E) FOR PURPOSES OF THIS SECTION, THE ACTION OF SEPARATE NONGOVERMENTAL ORGANIZATIONS SHALL NOT BE IMPUTED TO THE GRANTEE, SUBGRANTEE OR SUB-SUBGRANTEE, UNLESS, IN THE JUDGMENT OF A.I.D., A SEPARATE NONGOVERMENTAL ORGANIZATION IS BEING USED AS A SHAM TO AVOID THE RESTRICTIONS OF THIS SECTION. SEPARATE NONGOVERMENTAL ORGANIZATIONS ARE THOSE THAT HAVE DISTINCT LEGAL EXISTENCE IN ACCORDANCE WITH THE LAWS OF THE COUNTRIES IN WHICH THEY ARE ORGANIZED. FOREIGN ORGANIZATIONS THAT ARE SEPARATELY ORGANIZED SHALL NOT BE CONSIDERED SEPARATE, HOWEVER, IF ONE IS IN FACT CONTROLLED BY THE OTHER.
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4. PROPOSED CLAUSES FOR AID FAMILY PLANNING AGREEMENTS WITH FOREIGN GOVERNMENTS WILL BE PROVIDED SEPTEL.

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STATE 074760/02

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STATE 284400

ANNEX I
EXHIBIT G
PAGE 12 OF 28

ACTION: AID-2 INFO AMB DCM CHRON

VZCZCPE0692
RH RUEHPE
DE RUEHC #4400 0702236
ZNR UUUUU ZZH
R 202237Z MAR 85 ZEX
FM SECSTATE WASEDC
TO AID WORLDWIDE
BT
UNCLAS STATE 024400

LOC: # 130 371
21 MAR 85 1356
CN: 35037
CHRG: AID
DIST: AID

21 MAR 85
RECEIVED

ACTION: POP (FIL
INFO: HNE
PROG
DR
CD
D
DD

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: FAMILY PLANNING ASSISTANCE POLICY -- PROPOSED
CLAUSES FOR GRANTS/COOPERATIVE AGREEMENTS WITH U.S.
NONGOVERNMENTAL ORGANIZATIONS (NGO'S) AND WITH FOREIGN
NGO'S

REFS: A) STATE 074759 - U. S. NGO'S B) STATE 074760
- FOREIGN NGO'S

1. THIS MESSAGE IS TO CLARIFY PARAGRAPH 2 OF BOTH REFS
A AND B. ALTHOUGH CLAUSES IN REFTEL DO NOT YET
REPRESENT FINAL AGENCY POSITION REGARDING IMPLEMENTATION
OF FAMILY PLANNING ASSISTANCE POLICY, THE CLAUSES ARE
PROVIDED TO GUIDE MISSION PLANNING EFFORTS WHICH MUST BE
ABLE TO PROCEED PENDING FINAL AGENCY DECISIONS.
MOREOVER, AID/W REALIZES MISSION OYE'S AND BUDGETS FOR
FAMILY PLANNING ACTIVITIES REQUIRE FUNDING ON SCHEDULES
THAT MAY DIFFER FROM TIMING OF FINAL DECISIONS AND
FUNDING SHOULD NOT BE DELAYED. ACCORDINGLY, THE
FOLLOWING GUIDANCE IS PROVIDED:

2. WITH REGARD TO PROPOSED GRANT AND COOPERATIVE
AGREEMENTS WITH U.S. NGO'S PARA. 2 REF A, USAID SHOULD

NOT EXECUTE AGREEMENTS WITH SUCH ORGANIZATIONS UNTIL
PRIOR CLEARANCE FROM AID/W IS OBTAINED. MISSIONS SHOULD
PROVIDE INFORMATION REQUESTED PARA 2 REF A AS SOON AS
MISSIONS CAN.

3. WITH REGARD TO PROPOSED GRANT AND COOPERATIVE
AGREEMENTS EXECUTED DIRECTLY BY MISSIONS WITH FOREIGN
NGO'S, PARA 2 REF B, MISSIONS MAY EXECUTE SUCH
AGREEMENTS IF NEGOTIATED WITH CLAUSES AS PROVIDED REF B
WITHOUT CHANGE. MISSIONS ARE REQUESTED TO PROVIDE
REPORTING CABLE PRIOR TO EXECUTION OF THE AGREEMENT,
HOWEVER, ANY CHANGES PROPOSED IN TEXT OF CLAUSES
PROVIDED REF B MAY NOT BE MADE WITHOUT PRIOR CONCURRENCE
FROM AID/W. SEULTZ

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ACTION: AID/2 INFO AMB DCM CERON

ANNEX 1
EXHIBIT G
PAGE 13 OF 28
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1312

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PF RUEPT
DI RUEHC #1768/01 1570220
ZNR UUUUU ZZE
P 260097Z JUN 85 ZEX
FM SECSTATE WASEDC
TO AID WORLDWIDE PRIORITY
BT
UNCLAS STATE 171768

LOC: IIS:
06 JUN 85
CN: 47996
CHRG: AII
DIST: AID

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ACTION: POP (FILES)
INFO: ENE
PROG
CD
DR
DD
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L.C. 12355: N/A

TAGS:

SUBJECT: ~~FAMILY PLANNING ASSISTANCE POLICY CLAUSES~~
~~FOR GRANTS/COOPERATIVE AGREEMENTS WITH UNITED STATES~~
~~NONGOVERNMENTAL ORGANIZATIONS (NGOS) AND FOR~~
~~GRANTS/COOPERATIVE AGREEMENTS WITH FOREIGN NGOS~~

REFS: A) STATE 084400 B) STATE 074759 C) STATE
D) STATE 322126 (84) E) STATE 257622 (84)

1. THE CLAUSES CONTAINED IN PARAGRAPH (4) OF THIS MESSAGE SHOULD BE USED, INSTEAD OF THOSE IN PARAGRAPH (5) OF THIS MESSAGE IN PLANNING AND NEGOTIATING GRANTS AND COOPERATIVE AGREEMENTS WITH UNITED STATES NGOS. THE CLAUSES CONTAINED IN PARAGRAPH (5) OF THIS MESSAGE SHOULD BE USED INSTEAD OF THOSE IN PARAGRAPH (4) OF THIS MESSAGE IN PLANNING AND NEGOTIATING GRANTS AND COOPERATIVE AGREEMENTS WITH FOREIGN NGOS. THE CLAUSES WERE PREPARED FOR A COOPERATIVE AGREEMENT, BUT SHOULD BE USED IN GRANT AGREEMENTS WITH REFERENCES TO THE RECIPIENT, SUBRECIPIENT, SUB-SUBRECIPIENT, AND COOPERATIVE AGREEMENT CHANGED TO GRANTEE, SUBGRANTEE, SUB-SUBGRANTEE AND GRANT AGREEMENT, RESPECTIVELY.

2. EVERY EFFORT SHOULD BE MADE TO NEGOTIATE THE CLAUSES AS SET FORTH BELOW. CHANGES MAY BE MADE ONLY WITH THE PRIOR CONCURRENCE OF AID/2. NOTWITHSTANDING THIS, DISCUSSIONS MAY EXIST WITH NGOS UNDER NEGOTIATION, BUT MUST PROVIDE A REPORTING CABLE PRIOR TO EXECUTION OF THE AGREEMENT, IDENTIFYING ALL CHANGES TO THE CLAUSES, IF ANY, AND THE DATE APPROVED BY AID/2. DESCRIBING THE ORGANIZATION AND THE TYPE OF ACTIVITY FOR WHICH ASSISTANCE IS BEING PROVIDED. PLEASE INFORM AA/FPC AND CC/CF OF PROBLEMS YOU ENCOUNTER IN NEGOTIATING THE CLAUSES, IF ANY. PLEASE ADVISE IF YOU ARE CONSIDERING THE DENIAL OF ASSISTANCE TO AN ORGANIZATION BASED ON ITS INELIGIBILITY FOR ASSISTANCE UNDER THE POLICY OR BECAUSE IT WILL NOT AGREE TO THE REQUIRED CLAUSES. INFO: AID/2 OF THE IDENTITY OF THE NGO, THE KIND OF ACTIVITY IT CONDUCTS, AND THE REASON FOR CONSIDERING THE DENIAL OF ASSISTANCE BEFORE YOU MAKE A FINAL DECISION.

3. THE CLAUSES SHOULD BE USED IN ALL NEW FAMILY PLANNING

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EFFORT AND COOPERATIVE AGREEMENTS WITH NGOS AND IN ALL AMENDMENTS TO SUCH AGREEMENTS UNLESS THE AMENDMENT IS FOR INCREMENTAL FUNDING TO AN EXISTING AGREEMENT IN WHICH FUTURE FUNDING WAS COMMITTED SUBJECT ONLY REPEAT ONLY TO THE AVAILABILITY OF FUNDS. PLEASE ADVISE BY CABLE BEFORE EXECUTION REGARDING INCREMENTAL FUNDING AMENDMENTS IN WHICH YOU PLAN NOT TO INCLUDE THE CLAUSES.

4. THE TEXT OF THE CLAUSES FOR GRANTS AND COOPERATIVE AGREEMENTS WITH UNITED STATES NGOS IS AS FOLLOWS:

QUOTE CLAUSES FOR GRANTS AND COOPERATIVE AGREEMENTS WITH UNITED STATES NONGOVERNMENTAL ORGANIZATIONS:
INELIGIBILITY OF FOREIGN NONGOVERNMENTAL ORGANIZATIONS THAT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING

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(A) 1. THE RECIPIENT AGREES THAT IT WILL NOT FURNISH ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT TO ANY FOREIGN NONGOVERNMENTAL ORGANIZATION WHICH PERFORMS OR ACTIVELY PROMOTES ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES OR WHICH PROVIDES FINANCIAL SUPPORT TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION THAT CONDUCTS SUCH ACTIVITIES. FOR PURPOSES OF THIS PROVISION, A FOREIGN NONGOVERNMENTAL ORGANIZATION IS A NONGOVERNMENTAL ORGANIZATION WHICH IS NOT ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA OR THE COMMONWEALTH OF PUERTO RICO.

2. PRIOR TO FURNISHING FUNDS PROVIDED UNDER THIS

COOPERATIVE AGREEMENT TO ANOTHER NONGOVERNMENTAL ORGANIZATION ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA, OR THE COMMONWEALTH OF PUERTO RICO, THE RECIPIENT SHALL OBTAIN THE WRITTEN AGREEMENT OF SUCH ORGANIZATION THAT THE ORGANIZATION SHALL NOT FURNISH ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT TO ANY FOREIGN NONGOVERNMENTAL ORGANIZATION EXCEPT UNDER THE CONDITIONS AND REQUIREMENTS THAT ARE APPLICABLE TO THE RECIPIENT AS SET FORTH IN THIS PROVISION.

(B) 1. THE RECIPIENT MAY NOT FURNISH ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT TO A FOREIGN NONGOVERNMENTAL ORGANIZATION (THE SUBRECIPIENT) UNLESS (A) THE SUBRECIPIENT CERTIFIES IN WRITING THAT IT DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES AND DOES NOT PROVIDE FINANCIAL SUPPORT TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION THAT CONDUCTS SUCH ACTIVITIES AND (B) THE RECIPIENT OBTAINS THE WRITTEN

AGREEMENT OF THE SUBRECIPIENT CONTAINING THE UNDERTAKINGS DESCRIBED IN PARAGRAPH 2, BELOW.

2. PRIOR TO FURNISHING ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT TO A SUBRECIPIENT, ~~THE SUBRECIPIENT MUST AGREE~~ ~~IN WRITING THAT~~

A. THE SUBRECIPIENT WILL NOT, WHILE RECEIVING ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT, PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES OR PROVIDE FINANCIAL SUPPORT TO OTHER FOREIGN NONGOVERNMENTAL ORGANIZATIONS THAT CONDUCT SUCH ACTIVITIES.

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B. THE RECIPIENT AND AUTHORIZED REPRESENTATIVES OF A.I.D. MAY, AT ANY REASONABLE TIME, (I) INSPECT THE DOCUMENTS AND MATERIALS MAINTAINED OR PREPARED BY THE SUBRECIPIENT IN THE USUAL COURSE OF ITS OPERATIONS THAT DESCRIBE THE FAMILY PLANNING ACTIVITIES OF THE SUBRECIPIENT, INCLUDING REPORTS, BROCHURES AND SERVICE STATISTICS; (II) OBSERVE THE FAMILY PLANNING ACTIVITY CONDUCTED BY THE SUBRECIPIENT; (III) CONSULT WITH FAMILY PLANNING PERSONNEL OF THE SUBRECIPIENT; AND (IV) OBTAIN A COPY OF THE AUDITED FINANCIAL STATEMENT OR REPORT OF THE SUBRECIPIENT, IF THERE IS ONE.

C. IN THE EVENT THE RECIPIENT OR A.I.D. HAS REASONABLE CAUSE TO BELIEVE THAT A SUBRECIPIENT MAY HAVE VIOLATED ITS UNDERTAKING NOT TO PERFORM OR ACTIVELY PROMOTE

ABORTION AS A METHOD OF FAMILY PLANNING, THE RECIPIENT SHALL REVIEW THE FAMILY PLANNING PROGRAM OF THE SUBRECIPIENT TO DETERMINE WHETHER A VIOLATION OF THE UNDERTAKING HAS OCCURRED. THE SUBRECIPIENT SHALL MAKE AVAILABLE TO THE RECIPIENT SUCH BOOKS AND RECORDS AND OTHER INFORMATION AS MAY BE REASONABLY REQUESTED IN ORDER TO CONDUCT THE REVIEW. A.I.D. MAY ALSO REVIEW THE FAMILY PLANNING PROGRAM OF THE SUBRECIPIENT UNDER THESE CIRCUMSTANCES, AND A.I.D. SHALL HAVE ACCESS TO SUCH BOOKS AND RECORDS AND INFORMATION FOR INSPECTION UPON REQUEST.

D. THE SUBRECIPIENT SHALL REFUND TO THE RECIPIENT THE ENTIRE AMOUNT OF ASSISTANCE FURNISHED UNDER THIS COOPERATIVE AGREEMENT IN THE EVENT IT IS DETERMINED THAT THE CERTIFICATION PROVIDED BY THE SUBRECIPIENT UNDER PARAGRAPH (B) 1, ABOVE, IS FALSE.

E. ASSISTANCE TO THE SUBRECIPIENT UNDER THIS COOPERATIVE AGREEMENT SHALL BE TERMINATED IF THE SUBRECIPIENT VIOLATES ANY UNDERTAKING REQUIRED BY THIS PARAGRAPH, AND THE SUBRECIPIENT SHALL REFUND TO THE RECIPIENT THE VALUE OF ANY ASSISTANCE FURNISHED UNDER THIS COOPERATIVE AGREEMENT THAT IS USED TO PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING.

F. THE SUBRECIPIENT MAY FURNISH ASSISTANCE UNDER THIS

COOPERATIVE AGREEMENT TO ANOTHER FOREIGN NONGOVERNMENTAL ORGANIZATION (THE SUB-SUBRECIPIENT) ONLY IF (I) THE SUB-SUBRECIPIENT CERTIFIES IN WRITING THAT IT DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES AND DOES NOT PROVIDE FINANCIAL SUPPORT TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION THAT CONDUCTS SUCH ACTIVITIES AND (II) THE SUBRECIPIENT OBTAINS THE WRITTEN AGREEMENT OF THE SUB-SUBRECIPIENT THAT CONTAINS THE SAME UNDERTAKINGS AND OBLIGATIONS TO THE SUBRECIPIENT AS THOSE PROVIDED BY THE SUBRECIPIENT TO THE RECIPIENT AS DESCRIBED IN PARAGRAPHS 2. A.-L., ABOVE.

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3. AGREEMENTS WITH SUBRECIPIENTS AND SUB-SUBRECIPIENTS REQUIRED UNDER THIS PARAGRAPH (B) SHALL CONTAIN THE DEFINITIONS SET FORTH IN PARAGRAPH (C) OF THIS PROVISION. A003

4. A. THE RECIPIENT SHALL BE LIABLE TO A.I.D. FOR A REFUND FOR A VIOLATION OF ANY REQUIREMENT OF THIS PROVISION ONLY IF (1) THE RECIPIENT KNOWINGLY FURNISHES ASSISTANCE TO A SUBRECIPIENT WHICH PERFORMS OR ACTIVELY PROMOTES ABORTION AS A METHOD OF FAMILY PLANNING, OR (2) THE CERTIFICATION PROVIDED BY A SUBRECIPIENT IS FALSE AND

THE RECIPIENT FAILED TO MAKE REASONABLE EFFORTS TO VERIFY THE VALIDITY OF THE CERTIFICATION PRIOR TO FURNISHING ASSISTANCE TO THE SUBRECIPIENT, OR (3) THE RECIPIENT KNOWS OR HAS REASON TO KNOW, BY VIRTUE OF THE MONITORING WHICH THE RECIPIENT IS REQUIRED TO PERFORM UNDER THE TERMS OF THIS AGREEMENT, THAT A SUBRECIPIENT HAS VIOLATED ANY OF THE UNDERTAKINGS REQUIRED UNDER SUBPARAGRAPH (B)(2) AND THE RECIPIENT FAILS TO TERMINATE ASSISTANCE TO THE SUBRECIPIENT, OR FAILS TO REQUIRE THE SUBRECIPIENT TO TERMINATE ASSISTANCE TO A SUB-SUBRECIPIENT WHICH VIOLATES ANY UNDERTAKING OF THE AGREEMENT REQUIRED UNDER (B)2.F, ABOVE. IF THE RECIPIENT FINDS, IN EXERCISING ITS MONITORING RESPONSIBILITY UNDER THIS AGREEMENT, THAT A SUBRECIPIENT OR SUB-SUBRECIPIENT RECEIVES FREQUENT REQUESTS FOR THE INFORMATION DESCRIBED IN PARAGRAPH

(C)3.A.(II), BELOW, THE RECIPIENT SHALL VERIFY THAT THIS INFORMATION IS BEING PROVIDED PROPERLY IN ACCORDANCE WITH PARAGRAPH (C)3.A.(II) AND SHALL DESCRIBE TO A.I.D. THE REASONS FOR REACHING ITS CONCLUSION.

E. IN SUBMITTING A REQUEST TO A.I.D. FOR APPROVAL OF A RECIPIENT'S DECISION TO FURNISH ASSISTANCE TO A SUBRECIPIENT, THE RECIPIENT SHALL INCLUDE A DESCRIPTION OF THE EFFORTS MADE BY THE RECIPIENT TO VERIFY THE VALIDITY OF THE CERTIFICATION PROVIDED BY THE SUBRECIPIENT. A.I.D. MAY REQUEST THE RECIPIENT TO MAKE ADDITIONAL EFFORTS TO VERIFY THE VALIDITY OF THE CERTIFICATION. AID WILL INFORM THE RECIPIENT IN WRITING WHEN A.I.D. IS SATISFIED THAT REASONABLE EFFORTS HAVE BEEN MADE. IF A.I.D. CONCLUDES THAT THESE EFFORTS ARE REASONABLE WITHIN THE MEANING OF SUBPARAGRAPH (A) ABOVE, THE RECIPIENT SHALL NOT BE LIABLE TO A.I.D. FOR A REFUND IN THE EVENT THE SUBRECIPIENT'S CERTIFICATION IS FALSE OR MISREPRESENTED TO A.I.D. THE EFFORTS MADE BY THE RECIPIENT TO VERIFY THE VALIDITY OF THE CERTIFICATION.

C. IT IS UNDERSTOOD THAT A.I.D. ALSO MAY MAKE INDEPENDENT INQUIRIES, IN THE COMMUNITY SERVED BY A SUBRECIPIENT OR SUB-SUBRECIPIENT, REGARDING WHETHER IT PERFORMS OR ACTIVELY PROMOTES ABORTION AS A METHOD OF FAMILY PLANNING.

D. A SUBRECIPIENT MUST PROVIDE THE CERTIFICATION REQUIRED UNDER PARAGRAPH (E)1. AND A SUB-SUBRECIPIENT MUST PROVIDE THE CERTIFICATION REQUIRED UNDER PARAGRAPH (E)2.F. EACH TIME A NEW AGREEMENT IS EXECUTED WITH THE SUBRECIPIENT OR SUB-SUBRECIPIENT FURNISHING ASSISTANCE UNDER THE COOPERATIVE AGREEMENT.

(C) THE FOLLOWING DEFINITIONS APPLY FOR PURPOSES OF THIS PROVISION:

1. ABORTION IS A METHOD OF FAMILY PLANNING WHEN IT IS FOR THE PURPOSE OF SPACING BIRTHS. THIS INCLUDES, BUT IS NOT LIMITED TO, ABORTIONS PERFORMED FOR THE PHYSICAL OR MENTAL HEALTH OF THE MOTHER BUT DOES NOT INCLUDE ABORTIONS PERFORMED IF THE LIFE OF THE MOTHER WOULD BE ENDANGERED IF THE FETUS WERE CARRIED TO TERM OR ABORTIONS PERFORMED FOLLOWING RAPE OR INCEST (SINCE ABORTION UNDER THESE CIRCUMSTANCES IS NOT A FAMILY PLANNING ACT).

2. TO PERFORM ABORTIONS MEANS TO OPERATE A FACILITY WHERE ABORTIONS ARE PERFORMED AS A METHOD OF FAMILY PLANNING. EXCLUDED FROM THIS DEFINITION ARE CLINICS OR HOSPITALS WHICH DO NOT INCLUDE ABORTION IN THEIR FAMILY PLANNING PROGRAMS.

3. A. TO ACTIVELY PROMOTE ABORTION MEANS FOR AN ORGANIZATION TO COMMIT RESOURCES, FINANCIAL OR OTHER, IN A SUBSTANTIAL OR CONTINUING EFFORT TO INCREASE THE

AVAILABILITY OF USE OF ABORTION AS A METHOD OF FAMILY PLANNING. THIS INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

(I) OPERATING A FAMILY PLANNING COUNSELING SERVICE THAT INCLUDES, AS PART OF THE REGULAR PROGRAM, PROVIDING ADVICE AND INFORMATION REGARDING THE BENEFITS AND AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING;

(II) PROVIDING ADVICE THAT ABORTION IS AN AVAILABLE OPTION IN THE EVENT OTHER METHODS OF FAMILY PLANNING ARE NOT USED OR ARE NOT SUCCESSFUL OR ENCOURAGING WOMEN TO CONSIDER ABORTION (PASSIVELY RESPONDING TO A QUESTION REGARDING WHERE A SAFE, LEGAL ABORTION MAY BE OBTAINED IS NOT CONSIDERED ACTIVE PROMOTION IF THE QUESTION IS SPECIFICALLY ASKED BY A WOMAN WHO IS ALREADY PREGNANT, THE WOMAN CLEARLY STATES THAT SHE HAS ALREADY DECIDED TO HAVE A LEGAL ABORTION, AND THE FAMILY PLANNING COUNSELOR REASONABLY BELIEVES THAT THE ETHICS OF THE MEDICAL PROFESSION IN THE COUNTRY REQUIRES A RESPONSE REGARDING WHERE IT MAY BE OBTAINED SAFELY);

(III) LOBBYING A FOREIGN GOVERNMENT TO LEGALIZE OR MAKE AVAILABLE ABORTION AS A METHOD OF FAMILY PLANNING OR LOBBYING SUCH A GOVERNMENT TO CONTINUE THE LEGALITY OF ABORTION AS A METHOD OF FAMILY PLANNING;

(IV) CONDUCTING A PUBLIC INFORMATION CAMPAIGN IN A.I.D.-RECIPIENT COUNTRIES REGARDING THE BENEFITS AND/OR AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING.

L. EXCLUDED FROM THE DEFINITION OF ACTIVE PROMOTION OF ABORTION AS A METHOD OF FAMILY PLANNING ARE REFERRALS FOR ABORTION AS A RESULT OF RAPE, INCEST OR IF THE LIFE OF THE MOTHER WOULD BE ENDANGERED IF THE FETUS WERE CARRIED TO TERM.

C. ACTION BY AN INDIVIDUAL ACTING IN HIS OR HER INDIVIDUAL CAPACITY SHALL NOT BE ATTRIBUTED TO AN

ORGANIZATION WITH WHICH THE INDIVIDUAL IS ASSOCIATED, PROVIDED THAT THE ORGANIZATION NEITHER ENDORSES NOR PROVIDES FINANCIAL SUPPORT FOR THE ACTION AND TAKES REASONABLE STEPS TO ENSURE THAT THE INDIVIDUAL DOES NOT IMPROPERLY REPRESENT THAT HE OR SHE IS ACTING ON BEHALF OF THE ORGANIZATION.

4. TO FURNISH ASSISTANCE TO A FOREIGN NONGOVERNMENTAL ORGANIZATION MEANS TO PROVIDE FINANCIAL SUPPORT UNDER THIS COOPERATIVE AGREEMENT TO THE FAMILY PLANNING PROGRAM OF THE ORGANIZATION, AND INCLUDES THE TRANSFER OF FUNDS MADE AVAILABLE UNDER THIS COOPERATIVE AGREEMENT OR GOODS OR SERVICES FINANCED WITH SUCH FUNDS, BUT DOES NOT INCLUDE THE PURCHASE OF GOODS OR SERVICES FROM AN ORGANIZATION OR THE PARTICIPATION OF AN INDIVIDUAL IN THE GENERAL TRAINING PROGRAMS OF THE RECIPIENT, SUBRECIPIENT OR SUB-SUBRECIPIENT.

5. TO CONTROL AN ORGANIZATION MEANS THE POSSESSION OF THE POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND POLICIES OF AN ORGANIZATION.

(F) IN DETERMINING WHETHER A FOREIGN NONGOVERNMENTAL ORGANIZATION IS ELIGIBLE TO BE A SUBRECIPIENT OR SUB-SUBRECIPIENT OF ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT, THE ACTION OF SEPARATE NONGOVERNMENTAL ORGANIZATIONS SHALL NOT BE IMPUTED TO THE SUBRECIPIENT OR SUB-SUBRECIPIENT, UNLESS, IN THE JUDGMENT OF A.I.D., A SEPARATE NONGOVERNMENTAL ORGANIZATION IS BEING USED AS A SHAM TO AVOID THE RESTRICTIONS OF THIS SECTION. SEPARATE NONGOVERNMENTAL ORGANIZATIONS ARE THOSE THAT HAVE DISTINCT LEGAL EXISTENCE IN ACCORDANCE WITH THE LAWS OF THE COUNTRIES IN WHICH THEY ARE ORGANIZED. FOREIGN ORGANIZATIONS THAT ARE SEPARATELY ORGANIZED SHALL NOT BE CONSIDERED SEPARATE, HOWEVER, IF ONE IS CONTROLLED BY THE OTHER. THE RECIPIENT MAY REQUEST A.I.D.'S APPROVAL TO TREAT AS SEPARATE THE FAMILY PLANNING ACTIVITIES OF TWO

OR MORE ORGANIZATIONS, WHICH WOULD NOT BE CONSIDERED SEPARATE UNDER THE PRECEDING SENTENCE, IF THE RECIPIENT BELIEVES, AND PROVIDES A WRITTEN JUSTIFICATION TO A.I.D. THEREFOR, THAT THE FAMILY PLANNING ACTIVITIES OF THE ORGANIZATIONS ARE SUFFICIENTLY DISTINCT AS TO WARRANT NOT IMPUTING THE ACTIVITY OF ONE TO THE OTHER.

(I) ASSISTANCE MAY BE FURNISHED UNDER THIS COOPERATIVE AGREEMENT BY A RECIPIENT, SUBRECIPIENT OR SUB-SUBRECIPIENT TO A FOREIGN GOVERNMENT EVEN THOUGH THE GOVERNMENT INCLUDES ABORTION IN ITS FAMILY PLANNING PROGRAM, PROVIDED THAT NO ASSISTANCE MAY BE FURNISHED IN SUPPORT OF THE ABORTION ACTIVITY OF THE GOVERNMENT AND ANY FUNDS TRANSFERRED TO THE GOVERNMENT SHALL BE PLACED IN A SEGREGATED ACCOUNT TO INSURE THAT SUCH FUNDS MAY NOT BE USED TO SUPPORT THE ABORTION ACTIVITY OF THE GOVERNMENT. UNQUOTE

THE TEXT OF THE CLAUSES FOR GRANTS AND COOPERATIVE AGREEMENTS WITH FOREIGN NGOs IS AS FOLLOWS:

QUOTE CLAUSES FOR GRANTS AND COOPERATIVE AGREEMENTS WITH FOREIGN NONGOVERNMENTAL ORGANIZATIONS:

INELICIBILITY OF FOREIGN NONGOVERNMENTAL ORGANIZATIONS THAT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING

(A) 1. THE RECIPIENT CERTIFIES THAT IT DOES NOT NOW AND WILL NOT DURING THE TERM OF THIS COOPERATIVE AGREEMENT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES OR PROVIDE FINANCIAL SUPPORT TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION THAT CONDUCTS SUCH ACTIVITIES. FOR PURPOSES OF THIS SECTION, A FOREIGN NONGOVERNMENTAL ORGANIZATION IS A NONGOVERNMENTAL ORGANIZATION WHICH IS NOT ORGANIZED UNDER THE LAWS OF ANY STATE OF THE UNITED STATES, THE DISTRICT OF COLUMBIA OR THE COMMONWEALTH OF PUERTO RICO.

2. THE RECIPIENT AGREES THAT THE AUTHORIZED REPRESENTATIVES OF A.I.D. MAY, AT ANY REASONABLE TIME, (I) INSPECT THE DOCUMENTS AND MATERIALS MAINTAINED OR PREPARED BY THE RECIPIENT IN THE USUAL COURSE OF ITS OPERATIONS THAT DESCRIBE THE FAMILY PLANNING ACTIVITIES OF THE RECIPIENT, INCLUDING REPORTS, BROCHURES AND SERVICE STATISTICS; (II) OBSERVE THE FAMILY PLANNING ACTIVITY CONDUCTED BY THE RECIPIENT; (III) CONSULT WITH FAMILY PLANNING PERSONNEL OF THE SUBRECIPIENT; AND (IV) OBTAIN A COPY OF THE AUDITED FINANCIAL STATEMENT OR

REPORT OF THE RECIPIENT, IF THERE IS ONE.

3. IN THE EVENT A.I.D. HAS REASONABLE CAUSE TO BELIEVE THAT THE RECIPIENT MAY HAVE VIOLATED ITS UNDERTAKING NOT TO PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING, THE RECIPIENT SHALL MAKE AVAILABLE TO A.I.D. SUCH BOOKS AND RECORDS AND OTHER INFORMATION AS

A.I.D. MAY REASONABLY REQUEST IN ORDER TO DETERMINE WHETHER A VIOLATION OF THE UNDERTAKING HAS OCCURRED.

4. THE RECIPIENT SHALL REFUND TO A.I.D. THE ENTIRE AMOUNT OF ASSISTANCE FURNISHED UNDER THIS COOPERATIVE AGREEMENT IN THE EVENT IT IS DETERMINED THAT THE CERTIFICATION PROVIDED BY THE RECIPIENT UNDER SUBPARAGRAPH L, ABOVE, IS FALSE.

5. ASSISTANCE TO THE RECIPIENT UNDER THIS COOPERATIVE AGREEMENT SHALL BE TERMINATED IF THE RECIPIENT VIOLATES ANY UNDERTAKING REQUIRED BY THIS PARAGRAPH, AND THE RECIPIENT SHALL REFUND TO A.I.D. THE VALUE OF ANY ASSISTANCE FURNISHED UNDER THIS COOPERATIVE AGREEMENT THAT IS USED TO PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING.

(E) 1. THE RECIPIENT MAY NOT FURNISH ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT TO A FOREIGN NONGOVERNMENTAL ORGANIZATION (THE SUBRECIPIENT) UNLESS (A) THE SUBRECIPIENT CERTIFIES IN WRITING THAT IT DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES AND DOES NOT PROVIDE FINANCIAL SUPPORT TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION THAT CONDUCTS SUCH ACTIVITIES AND (F) THE RECIPIENT OBTAINS THE WRITTEN AGREEMENT OF THE SUBRECIPIENT CONTAINING THE UNDERTAKINGS DESCRIBED IN PARAGRAPH 2, BELOW.

2. PRIOR TO FURNISHING ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT TO A SUBRECIPIENT, THE SUBRECIPIENT MUST AGREE IN WRITING THAT

A. THE SUBRECIPIENT WILL NOT, WHILE RECEIVING ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT, PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES OR PROVIDE FINANCIAL SUPPORT TO OTHER FOREIGN NONGOVERNMENTAL ORGANIZATIONS THAT CONDUCT SUCH ACTIVITIES.

B. THE RECIPIENT AND AUTHORIZED REPRESENTATIVES OF A.I.D. MAY, AT ANY REASONABLE TIME, (I) INSPECT THE

DOCUMENTS AND MATERIALS MAINTAINED OR PREPARED BY THE SUBRECIPIENT IN THE USUAL COURSE OF ITS OPERATIONS THAT DESCRIBE THE FAMILY PLANNING ACTIVITIES OF THE SUBRECIPIENT, INCLUDING REPORTS, BROCHURES AND SERVICE STATISTICS; (II) OBSERVE THE FAMILY PLANNING ACTIVITY CONDUCTED BY THE SUBRECIPIENT; (III) CONSULT WITH FAMILY PLANNING PERSONNEL OF THE SUBRECIPIENT; AND (IV) OBTAIN A COPY OF THE AUDITED FINANCIAL STATEMENT OR REPORT OF THE SUBRECIPIENT, IF THERE IS ONE.

C. IN THE EVENT THE RECIPIENT OF A.I.D. HAS REASONABLE CAUSE TO BELIEVE THAT A SUBRECIPIENT MAY HAVE VIOLATED ITS UNDERTAKING NOT TO PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING, THE RECIPIENT

SHALL REVIEW THE FAMILY PLANNING PROGRAM OF THE SUBRECIPIENT TO DETERMINE WHETHER A VIOLATION OF THE UNDERTAKING HAS OCCURRED. THE SUBRECIPIENT SHALL MAKE AVAILABLE TO THE RECIPIENT SUCH BOOKS AND RECORDS AND OTHER INFORMATION AS MAY BE REASONABLY REQUESTED IN ORDER TO CONDUCT THE REVIEW. A.I.D. MAY ALSO REVIEW THE FAMILY PLANNING PROGRAM OF THE SUBRECIPIENT UNDER THESE CIRCUMSTANCES, AND A.I.D. SHALL HAVE ACCESS TO SUCH BOOKS AND RECORDS AND INFORMATION FOR INSPECTION UPON REQUEST.

D. THE SUBRECIPIENT SHALL REFUND TO THE RECIPIENT THE ENTIRE AMOUNT OF ASSISTANCE FURNISHED UNDER THIS COOPERATIVE AGREEMENT IN THE EVENT IT IS DETERMINED THAT THE CERTIFICATION PROVIDED BY THE SUBRECIPIENT UNDER PARAGRAPH (B) L, ABOVE, IS FALSE.

E. ASSISTANCE TO THE SUBRECIPIENT UNDER THIS COOPERATIVE AGREEMENT SHALL BE TERMINATED IF THE SUBRECIPIENT VIOLATES ANY UNDERTAKING REQUIRED BY THIS PARAGRAPH, AND THE SUBRECIPIENT SHALL REFUND TO THE RECIPIENT THE VALUE OF ANY ASSISTANCE FURNISHED UNDER THIS COOPERATIVE AGREEMENT THAT IS USED TO PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING.

F. THE SUBRECIPIENT MAY FURNISH ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT TO ANOTHER FOREIGN NONGOVERNMENTAL ORGANIZATION (THE SUB-SUBRECIPIENT) ONLY IF (I) THE SUB-SUBRECIPIENT CERTIFIES IN WRITING THAT IT DOES NOT PERFORM OR ACTIVELY PROMOTE ABORTION AS A METHOD OF FAMILY PLANNING IN A.I.D.-RECIPIENT COUNTRIES AND DOES NOT PROVIDE FINANCIAL SUPPORT TO ANY OTHER FOREIGN NONGOVERNMENTAL ORGANIZATION THAT CONDUCTS SUCH ACTIVITIES AND (II) THE SUBRECIPIENT OBTAINS THE WRITTEN AGREEMENT OF THE SUB-SUBRECIPIENT THAT CONTAINS THE SAME UNDERTAKINGS AND OBLIGATIONS TO THE SUBRECIPIENT AS THOSE

PROVIDED BY THE SUBRECIPIENT TO THE RECIPIENT AS DESCRIBED IN PARAGRAPHS 2. A.-E., ABOVE.

3. AGREEMENTS WITH SUBRECIPIENTS AND SUB-SUBRECIPIENTS REQUIRED UNDER THIS PARAGRAPH (B) SHALL CONTAIN THE DEFINITIONS SET FORTH IN PARAGRAPH (C) OF THIS PROVISION.

4. A. THE RECIPIENT SHALL BE LIABLE TO A.I.D. FOR A REFUND FOR A VIOLATION OF ANY REQUIREMENT OF THIS PARAGRAPH (B) ONLY IF (1) THE RECIPIENT KNOWINGLY FURNISHES ASSISTANCE TO A SUBRECIPIENT WHICH PERFORMS OR ACTIVELY PROMOTES ABORTION AS A METHOD OF FAMILY PLANNING, OR (2) THE CERTIFICATION PROVIDED BY A SUBRECIPIENT IS FALSE AND THE RECIPIENT FAILED TO MAKE REASONABLE EFFORTS TO VERIFY THE VALIDITY OF THE CERTIFICATION PRIOR TO FURNISHING ASSISTANCE TO THE SUBRECIPIENT, OR (3) THE RECIPIENT KNOWS OR HAS REASON TO KNOW, BY VIRTUE OF THE MONITORING WHICH THE RECIPIENT IS REQUIRED TO PERFORM UNDER THE TERMS OF THIS AGREEMENT, THAT A SUBRECIPIENT HAS VIOLATED ANY OF THE UNDERTAKINGS REQUIRED UNDER SUBPARAGRAPH (B)(2) AND THE RECIPIENT FAILS TO TERMINATE ASSISTANCE TO THE SUBRECIPIENT, OR FAILS TO REQUIRE THE SUBRECIPIENT TO TERMINATE ASSISTANCE TO A SUB-SUBRECIPIENT WHICH VIOLATES ANY UNDERTAKING OF THE AGREEMENT REQUIRED UNDER (B)2.F, ABOVE. IF THE RECIPIENT FINDS, IN EXERCISING ITS MONITORING RESPONSIBILITY UNDER THIS AGREEMENT, THAT A SUBRECIPIENT OR SUB-SUBRECIPIENT RECEIVES FREQUENT REQUESTS FOR THE INFORMATION DESCRIBED IN PARAGRAPH (C)3.A.(II), BELOW, THE RECIPIENT SHALL VERIFY THAT THIS INFORMATION IS BEING PROVIDED PROPERLY IN ACCORDANCE WITH PARAGRAPH (C)3.A.(II) AND SHALL DESCRIBE TO A.I.D. THE REASONS FOR REACHING ITS CONCLUSION.

B. IN SUBMITTING A REQUEST TO A.I.D. FOR APPROVAL OF A RECIPIENT'S DECISION TO FURNISH ASSISTANCE TO A SUBRECIPIENT, THE RECIPIENT SHALL INCLUDE A DESCRIPTION OF THE EFFORTS MADE BY THE RECIPIENT TO VERIFY THE VALIDITY OF THE CERTIFICATION PROVIDED BY THE SUBRECIPIENT. A.I.D. MAY REQUEST THE RECIPIENT TO MAKE ADDITIONAL EFFORTS TO VERIFY THE VALIDITY OF THE CERTIFICATION. AID WILL INFORM THE RECIPIENT IN WRITING WHEN A.I.D. IS SATISFIED THAT REASONABLE EFFORTS HAVE BEEN MADE. IF A.I.D. CONCLUDES THAT THESE EFFORTS ARE REASONABLE WITHIN THE MEANING OF SUBPARAGRAPH (A) ABOVE, THE RECIPIENT SHALL NOT BE LIABLE TO A.I.D. FOR A REFUND IN THE EVENT THE SUBRECIPIENT'S CERTIFICATION IS FALSE UNLESS THE RECIPIENT KNEW THE CERTIFICATION TO BE FALSE OR MISREPRESENTED TO A.I.D. THE EFFORTS MADE BY THE

RECIPIENT TO VERIFY THE VALIDITY OF THE CERTIFICATION.

C. IT IS UNDERSTOOD THAT A.I.D. ALSO MAY MAKE INDEPENDENT INQUIRIES, IN THE COMMUNITY SERVED BY A SUBRECIPIENT OR SUB-SUBRECIPIENT, REGARDING WHETHER IT PERFORMS OR ACTIVELY PROMOTES ABORTION AS A METHOD OF FAMILY PLANNING.

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1. THE PARTICIPANTS MUST PROVIDE THE CERTIFICATION
REQUIRED UNDER PARAGRAPH (1)1. AND A SUB-SUBJECTING
MUST PROVIDE THE CERTIFICATION REQUIRED UNDER PARAGRAPH
(1)2. EACH TIME A NEW AGREEMENT IS ENTERED INTO WITH THE
SUB-SUBJECTING OR SUB-SUBJECTING FURNISHING ASSISTANCE
UNDER THE COOPERATIVE AGREEMENT.

(C) THE FOLLOWING DEFINITIONS APPLY FOR PURPOSES OF THIS
PROVISION:

1. ABORTION IS A METHOD OF FAMILY PLANNING WHEN IT IS
FOR THE PURPOSE OF SPACING BIRTHS. THIS INCLUDES, BUT IS
NOT LIMITED TO, ABORTIONS PERFORMED FOR THE PHYSICAL OR
EMOTIONAL WELFARE OF THE MOTHER BUT DOES NOT INCLUDE
ABORTIONS PERFORMED IF THE LIFE OF THE MOTHER WOULD BE
ENDANGERED IF THE FETUS WERE CARRIED TO TERM OR ABORTIONS
PERFORMED FOLLOWING RAPE OR INCEST (SINCE ABORTION UNDER
THESE CIRCUMSTANCES IS NOT A FAMILY PLANNING ACT).

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2. TO PERFORM ABORTIONS MEANS TO OPERATE A FACILITY
WHERE ABORTIONS ARE PERFORMED AS A METHOD OF FAMILY
PLANNING. EXCEPT FROM THIS DEFINITION ARE CLINICS OR
HOSPITALS WHICH DO NOT INCLUDE ABORTION IN THEIR FAMILY
PLANNING PROGRAMS.

3. TO ACTIVELY PROMOTE ABORTION MEANS FOR AN
OPERATOR TO CONSIDER RESOURCES, FINANCIAL OR OTHER, IN
A COMMUNITY OR COUNTRY TO INCREASE THE
AVAILABILITY OF USE OF ABORTION AS A METHOD OF FAMILY
PLANNING. THIS INCLUDES, BUT IS NOT LIMITED TO, THE
FOLLOWING:

(I) OPERATING A FAMILY PLANNING COUNSELING SERVICE THAT
INCLUDES, AS PART OF THE REGULAR PROGRAM, PROVIDING
ADVICE AND INFORMATION REGARDING THE BENEFITS AND
AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING;

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(II) PROVIDING ADVICE THAT ABORTION IS AN AVAILABLE
OPTION IN THE EVENT OTHER METHODS OF FAMILY PLANNING ARE

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NOT USED OR ARE NOT SUCCESSFUL OR ENCOURAGING WOMEN TO CONSIDER ABORTION (PASSIVELY RESPONDING TO A QUESTION

REGARDING WHERE A SAFE, LEGAL ABORTION MAY BE OBTAINED IS NOT CONSIDERED ACTIVE PROMOTION IF THE QUESTION IS SPECIFICALLY ASKED BY A WOMAN WHO IS ALREADY PREGNANT, THE WOMAN CLEARLY STATES THAT SHE HAS ALREADY DECIDED TO HAVE A LEGAL ABORTION, AND THE FAMILY PLANNING COUNSELLOR REASONABLY BELIEVES THAT THE ETHICS OF THE MEDICAL PROFESSION IN THE COUNTRY REQUIRES A RESPONSE REGARDING WHERE IT MAY BE OBTAINED SAFELY);

(III) LOBBYING A FOREIGN GOVERNMENT TO LEGALIZE OR MAKE AVAILABLE ABORTION AS A METHOD OF FAMILY PLANNING OR LOBBYING SUCH A GOVERNMENT TO CONTINUE THE LEGALITY OF ABORTION AS A METHOD OF FAMILY PLANNING;

(IV) CONDUCTING A PUBLIC INFORMATION CAMPAIGN IN A.I.D.-RECIPIENT COUNTRIES REGARDING THE BENEFITS AND/OR AVAILABILITY OF ABORTION AS A METHOD OF FAMILY PLANNING.

E. EXCLUDED FROM THE DEFINITION OF ACTIVE PROMOTION OF ABORTION AS A METHOD OF FAMILY PLANNING ARE REFERRALS FOR ABORTION AS A RESULT OF RAPE, INCEST OR IF THE LIFE OF THE MOTHER WOULD BE ENDANGERED IF THE FETUS WERE CARRIED TO TERM.

C. ACTION BY AN INDIVIDUAL ACTING IN HIS OR HER INDIVIDUAL CAPACITY SHALL NOT BE ATTRIBUTED TO AN ORGANIZATION WITH WHICH THE INDIVIDUAL IS ASSOCIATED, PROVIDED THAT THE ORGANIZATION NEITHER ENDORSES NOR PROVIDES FINANCIAL SUPPORT FOR THE ACTION AND TAKES REASONABLE STEPS TO ENSURE THAT THE INDIVIDUAL DOES NOT IMPROPERLY REPRESENT THAT HE OR SHE IS ACTING ON BEHALF OF THE ORGANIZATION.

4. TO FURNISH ASSISTANCE TO A FOREIGN NONGOVERNMENTAL ORGANIZATION MEANS TO PROVIDE FINANCIAL SUPPORT UNDER THIS COOPERATIVE AGREEMENT TO THE FAMILY PLANNING PROGRAM OF THE ORGANIZATION, AND INCLUDES THE TRANSFER OF FUNDS MADE AVAILABLE UNDER THIS COOPERATIVE AGREEMENT OR GOODS OR SERVICES FINANCED WITH SUCH FUNDS, BUT DOES NOT INCLUDE THE PURCHASE OF GOODS OR SERVICES FROM AN ORGANIZATION OR THE PARTICIPATION OF AN INDIVIDUAL IN THE GENERAL TRAINING PROGRAMS OF THE RECIPIENT, SUBRECIPIENT OR SUB-SUBRECIPIENT.

5. TO CONTROL AN ORGANIZATION MEANS THE POSSESSION OF THE POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND POLICIES OF AN ORGANIZATION.

(D) IN DETERMINING WHETHER A FOREIGN NONGOVERNMENTAL ORGANIZATION IS ELIGIBLE TO BE A RECIPIENT, SUBRECIPIENT OR SUB-SUBRECIPIENT OF ASSISTANCE UNDER THIS COOPERATIVE AGREEMENT, THE ACTION OF SEPARATE NONGOVERNMENTAL

ORGANIZATIONS SHALL NOT BE IMPUTED TO THE RECIPIENT, SUBRECIPIENT OR SUB-SUBRECIPIENT, UNLESS, IN THE JUDGMENT OF A.I.D., A SEPARATE NONGOVERNMENTAL ORGANIZATION IS BEING USED AS A SHAM TO AVOID THE RESTRICTIONS OF THIS SECTION. SEPARATE NONGOVERNMENTAL ORGANIZATIONS ARE THOSE THAT HAVE DISTINCT LEGAL EXISTENCE IN ACCORDANCE WITH THE LAWS OF THE COUNTRIES IN WHICH THEY ARE ORGANIZED. FOREIGN ORGANIZATIONS THAT ARE SEPARATELY ORGANIZED SHALL NOT BE CONSIDERED SEPARATE, HOWEVER, IF ONE IS CONTROLLED BY THE OTHER. THE RECIPIENT MAY REQUEST A.I.D.'S APPROVAL TO TREAT AS SEPARATE THE FAMILY PLANNING ACTIVITIES OF TWO OR MORE ORGANIZATIONS, WHICH WOULD NOT BE CONSIDERED SEPARATE UNDER THE PRECEDING SENTENCE, IF THE RECIPIENT BELIEVES, AND PROVIDES A WRITTEN JUSTIFICATION TO A.I.D. THEREFOR, THAT THE FAMILY PLANNING ACTIVITIES OF THE ORGANIZATIONS ARE SUFFICIENTLY DISTINCT AS TO WARRANT NOT IMPUTING THE ACTIVITY OF ONE TO THE OTHER.

ANNEX I
EXHIBIT G
PAGE 26 OF 28.

(E) ASSISTANCE MAY BE FURNISHED UNDER THIS COOPERATIVE AGREEMENT BY A RECIPIENT, SUBRECIPIENT OR SUB-SUBRECIPIENT TO A FOREIGN GOVERNMENT EVEN THOUGH THE GOVERNMENT INCLUDES ABORTION IN ITS FAMILY PLANNING PROGRAM, PROVIDED THAT NO ASSISTANCE MAY BE FURNISHED IN SUPPORT OF THE ABORTION ACTIVITY OF THE GOVERNMENT AND ANY FUNDS TRANSFERRED TO THE GOVERNMENT SHALL BE PLACED IN A SEGREGATED ACCOUNT TO ENSURE THAT SUCH FUNDS MAY NOT BE USED TO SUPPORT THE ABORTION ACTIVITY OF THE GOVERNMENT. UNQUOTE DAM

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TAGS:

SUBJECT: FAMILY PLANNING ASSISTANCE POLICY - CLAUSES FOR GRANTS AND LOANS TO FOREIGN GOVERNMENTS FOR FAMILY PLANNING PROGRAMS

REFS: A) STATE 257622 (1984) B) STATE 074759 C) STATE 074760 D) STATE 171768

1. THE CLAUSES IN PARAGRAPH 2 OF THIS MESSAGE SHOULD BE USED IN LOAN AND GRANT AGREEMENTS WITH GOVERNMENTS FOR FAMILY PLANNING ACTIVITIES. CLAUSE NUMBERED 6.2 SHOULD BE ADDED TO THE ARTICLE OF THE AGREEMENT CONTAINING SPECIAL COVENANTS. ARTICLE 8 IN THIS MESSAGE SHOULD BE SUBSTITUTED FOR ARTICLE 8 IN THE STANDARD FORM AGREEMENT IN HANDBOOK 3, CHAPTER 6. WE WOULD APPRECIATE HAVING YOUR COMMENTS ON THESE CLAUSES. PLEASE DIRECT THEM TO AA/PPC AND GC/CP.

2. THE TEXT OF THE CLAUSES IS AS FOLLOWS:

QUOTE PROPOSED CLAUSES FOR GRANTS/LOANS TO FOREIGN GOVERNMENTS FOR FAMILY PLANNING PROGRAMS

SECTION 6.2. PROHIBITION ON ABORTION RELATED

ACTIVITIES. NONE OF THE FUNDS MADE AVAILABLE UNDER THIS GRANT/LOAN MAY BE USED TO FINANCE ANY COSTS RELATING TO (A) PERFORMANCE OF ABORTION AS A METHOD OF FAMILY PLANNING, (B) MOTIVATION OR COERCION OF ANY PERSON TO UNDERGO ABORTION, (C) BIOMEDICAL RESEARCH WHICH RELATES, IN WHOLE OR IN PART, TO METHODS OF, OR THE PERFORMANCE OF, ABORTION AS A METHOD OF FAMILY PLANNING, OR (D) ACTIVE PROMOTION OF ABORTION AS A METHOD OF FAMILY PLANNING.

ARTICLE 8. DISBURSEMENTS FOR FAMILY PLANNING PROJECTS.

SECTION 8.1. DISBURSEMENTS FOR FOREIGN EXCHANGE COSTS. (A) AFTER SATISFACTION OF CONDITIONS PRECEDENT, THE GRANTEE/BORROWER MAY OBTAIN DISBURSEMENTS OF FUNDS UNDER THE GRANT/LOAN FOR THE FOREIGN EXCHANGE COSTS OF GOODS OR SERVICES REQUIRED FOR THE PROJECT IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT BY SUCH OF THE FOLLOWING

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AS MAY BE MUTUALLY AGREED UPON:

(1) BY SUBMITTING TO A.I.D. WITH NECESSARY SUPPORTING DOCUMENTATION AS PRESCRIBED IN IMPLEMENTATION LETTERS (A) REQUESTS FOR REIMBURSEMENT FOR SUCH GOODS OR SERVICES OR (B) REQUESTS FOR A.I.D. TO PROCURE COMMODITIES OR SERVICES ON GRANTEE'S/BORROWER'S BEHALF FOR THE PROJECT OR (C) REQUESTS FOR A.I.D. TO ISSUE LETTERS OF COMMITMENT FOR SPECIFIED AMOUNTS DIRECTLY TO ONE OR MORE CONTRACTORS OR SUPPLIERS COMMITTING A.I.D. TO PAY SUCH CONTRACTORS OR SUPPLIERS FOR SUCH GOODS OR SERVICES.

SECTION 8.2. DISPURSEMENTS FOR LOCAL CURRENCY COSTS.

A) AFTER SATISFACTION OF CONDITIONS PRECEDENT, THE GRANTEE/BORROWER MAY OBTAIN DISBURSEMENTS OF FUNDS UNDER THE GRANT/LOAN FOR LOCAL CURRENCY COSTS REQUIRED FOR THE PROJECT IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT BY SUBMITTING TO A.I.D., WITH NECESSARY SUPPORTING DOCUMENTATION AS PRESCRIBED IN PROJECT IMPLEMENTATION LETTERS, REQUESTS TO FINANCE SUCH COSTS. DISBURSEMENTS BY A.I.D. SHALL BE IN REIMBURSEMENT FOR GOODS OR SERVICES REQUIRED FOR THE PROJECT OR, IF ADVANCES OF LOCAL CURRENCY ARE MUTUALLY AGREED UPON, DISBURSEMENTS SHALL BE MADE INTO A SPECIAL ACCOUNT TO ENSURE, INTER ALIA, THAT NONE OF THE FUNDS PROVIDED BY A.I.D. MAY BE USED TO FINANCE ANY OF THE COSTS PROHIBITED UNDER SECTION 6.2 OF THIS AGREEMENT.

(B) LOCAL CURRENCY ADVANCED BY A.I.D. TO THE GRANTEE/BORROWER MAY THEREAFTER BE ADVANCED BY THE GRANTEE/BORROWER TO ANY OTHER ENTITY FOR PURPOSES OF THE PROJECT WITH THE AGREEMENT OF A.I.D. ONLY IF SUCH ADVANCES ARE ALSO MADE INTO A SEGREGATED ACCOUNT OR ACCOUNTS TO ENSURE THAT SUCH FUNDS MAY NOT BE USED TO FINANCE ANY COSTS PROHIBITED UNDER SECTION 6.2 OF THIS AGREEMENT. UNQUOTE

3. THE DEFINITIONS IN PARA 4(C) OF REFTEL D SHOULD GUIDE THE MISSION AND BORROWER/GRANTEE IN IMPLEMENTING THE GOVERNMENT CLAUSES, AND THESE DEFINITIONS, EXCEPT PERHAPS FOR QUOTE CONTROL UNQUOTE, SHOULD BE PROVIDED TO THE BORROWER/GRANTEE IN A PROJECT IMPLEMENTATION LETTER.

4. THE CLAUSES SHOULD BE USED IN ALL NEW FAMILY PLANNING LOAN AND GRANT AGREEMENTS AND AMENDMENTS TO SUCH AGREEMENTS INCLUDING INCREMENTAL FUNDING AMENDMENTS THAT ARE QUOTE SUBJECT TO THE MUTUAL AGREEMENT OF THE PARTIES TO PROCEED. UNQUOTE SHULTZ

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Private Sector Family Planning (PSFP)
No. 527-0269

Life of Project : FY 86 to Fy 91
Total U.S. Funding: \$13 million
Date Prepared : October 1, 1985

NARRATIVE SUMMARY

OBJECTIVE VERIFIABLE INDICATORS

MEANS OF VERIFICATIONS

IMPORTANT ASSUMPTIONS

Program or Sector Goal

Measures of Goal Achievement

Assumptions for Achieving Goal Targets:

To assist Peru in lowering the population growth rate to reduce its negative impact on social and economic development.

The population growth rate will be reduced from 2.5% in 1985 to 2.2% in 1990, partially as a result of this project.

- o Adjusted project-ions from the 1981 Census.
- o Proposed 1991
- o CPS

- o The GOP will continue to support reduced population growth via positive FP policy and activities.
- o Mortality rates continue historical decline.
- o Migration to cities will continue at historical rate.

Conditions That Will Indicate Purposes Has Been Achieved: End of Project Status

Project Purpose

1. To expand and increase the capability of Peruvian private sector FP agencies to increase cost-effective contraceptive coverage.

1. The FP knowledge level of the general population will increase.
2. The contraceptive prevalence rate for modern methods will increase.
3. The number of MWFA using private sector family planning services will increase.

- o Contraceptive Prevalence Survey.
- o Agency statistics.
- o Site visits.
- o Evaluations.

- o The GOP will collaborate with private sector FP efforts.
- o The population is receptive to FP.
- o The Catholic Church will not increase opposition to FP services.

NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATIONS	IMPORTANT ASSUMPTIONS
<u>Project Purpose</u>	<u>Conditions That Will Indicate Purpose Has Been Achieved: End of Project Status</u>		
2. To strengthen the capacity of these same agencies and the CNP to influence, improve and strengthen population policy as it relates to the private sector.	<ol style="list-style-type: none"> 1. The GO? will include private sector FP issues in its development plans. 2. The new GOP population law, acknowledging the need for a strong role for the private sector, will be promulgated. 	<ul style="list-style-type: none"> o CNP board position for the private sector filled. o GOP development plans. o New Population Policy Law usage. 	<ul style="list-style-type: none"> o GOP will be receptive to private sector's policy development initiatives. o A majority of participating private sector FP agencies can agree to unified private sector FP and population policies.
3. To strengthen coordination among the private sector agencies, partly through the creation of Peruvian Coordinating Agency (PCA) representing private sector FP agencies.	<ol style="list-style-type: none"> 1. The PCA will be officially registered as a legal institution. 2. A Board of Directors will be established and professional staff hired. 3. The CPA will provide leadership and assistance to private sector family planning agencies. 	<ul style="list-style-type: none"> o Legal records. o PCA records. 	<ul style="list-style-type: none"> o The private sector FP agencies can be convinced to work together for attainment of common population objectives.
<u>Outputs to Purpose No. 1</u>	<u>Magnitude of Outputs:</u>		
1. Number of MWFA receiving services will be increased.	<ol style="list-style-type: none"> 1. 400,000 new users will receive FP services throughout IOP. 2. Continuing users will also be served. 	<ul style="list-style-type: none"> o Site visits. o Evaluations. o Agency Statistics. o 1986 and 1991 CPS o Agency Operational Plans. 	<ul style="list-style-type: none"> o Subgrants will be sufficient to allow expansion of private sector activities. o AID cooperating agencies' funding levels will be maintained. o AID cooperating agencies will be receptive to guidance regarding their funding and TA.

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NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATIONS	IMPORTANT ASSUMPTIONS
			<ul style="list-style-type: none"> o Project and other TA sources will be sufficient to implement expanded private sector family planning programs.
<p>2. Number of new FP clinical delivery sites and CBD sites will be increased; and existing ones improved/expanded.</p>	<ol style="list-style-type: none"> 1. 60 new clinical service sites will be added. 2. 40 new CBD sites will be added. 3. All existing clinical and CBD sites will be expanded/improved. 	<ul style="list-style-type: none"> o Site visits. o Agency Operational Plans. 	
<p>3. Availability of culturally appropriate family planning information will be increased.</p>	<ol style="list-style-type: none"> 1. Coordinated IEC program using radio, TV, posters, brochures, periodicals and newspapers will be designed and implemented. 2. 4 programs for young people will be designed and implemented. 	<ul style="list-style-type: none"> o Site visits. o IEC materials. o Radio and Television presentations. o Written materials o Culturally appropriate research conducted. 	
<p>4. Number of trained FP personnel will be increased.</p>	<ol style="list-style-type: none"> 1. 528 Medical personnel will be trained. 2. 647 Non-medical service delivery personnel will be trained. 3. 200 management administrative, support personnel and Board Members will be trained. 4. All Active CBD promoters and supervisors will receive refresher training once per year. 	<ul style="list-style-type: none"> o Agency records. o Evaluations. o Curricula. o Training materials. o Agency Operational Plans. 	

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NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATIONS	IMPORTANT ASSUMPTIONS
5. Management systems in private sector FP agencies will be improved.	<ol style="list-style-type: none"> 1. All 16 private sector agencies will develop annual and multiyear work plans. 2. All 16 private sector agencies will have improved accounting system in place. 3. All 16 private sector agencies will use the standardized reporting system to be developed. 4. All 12 service delivery agencies will use a comprehensive logistical support system. 	<ul style="list-style-type: none"> o Agency records. o Improved financial and statistical reports. o Agency Operational Plans. 	
<u>Outputs to Purpose No. 2</u>	<u>Magnitude of Outputs:</u>		
1. Survey and research capability will be enhanced.	<ol style="list-style-type: none"> 1. A sector wide research needs plan will be developed and followed. 2. 10 operation research studies in such areas as: new site selection, survey of potential family planning private providers, determination of criteria for culturally appropriate IEC materials, and cost effectiveness of service delivery will be conducted. 3. Two research studies in needed policy reforms will be conducted. 	<ul style="list-style-type: none"> o Evaluations. o Site visits. o Research reports. o Use of findings. o Agency Operational Plans. 	<ul style="list-style-type: none"> o A majority of participating private sector FP agencies can agree to unified private sector FP and population policies and to a unified strategy to develop needs.

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NARRATIVE SUMMARY

OBJECTIVE VERIFIABLE INDICATORS

MEANS OF VERIFICATIONS

IMPORTANT ASSUMPTIONS

	<p>4. Three agencies will have enhanced computer facilities, including software.</p> <p>5. Three agencies will have more staff trained in data analysis.</p> <p>6. Population policy recommendations as they affect the private sector will be made to legislators and GOP.</p>		
<p>2. The private sector ability to influence policy will be increased.</p>	<p>1. A comprehensive strategy to determine policy needs and how to educate government officials will be developed and implemented.</p> <p>2. 10 seminars and conferences for decision leaders, government officials and etc. will be conducted.</p> <p>3. 25 books, monographs and studies will be published.</p> <p>4. One newsletter or bulletin will be regularly published and distributed to 10,000 recipients.</p>	<p>o Changes in laws.</p> <p>o Implementation of new Population Policy Law.</p> <p>o Agency records</p> <p>o Agency Operational Plans.</p>	<p>o Private sector FP agencies agree to coordinate their efforts.</p> <p>o New GOP does not change current stand of support to FP.</p>
<p><u>Outputs to Purpose No. 3</u></p>	<p><u>Magnitude of Outputs:</u></p>		
<p>1. Collaboration among currently identified and additional private sector family planning institutions will be increased.</p>	<p>1. 90% of known private sector FP agencies join the PCA Board of Directors.</p> <p>2. Board of Directors meets regularly with 80% attendance.</p>	<p>o Documents.</p> <p>o Site visits.</p> <p>o PCA records.</p>	<p>o Private sector agencies are willing to participate in inter-agency collaboration.</p>

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NARRATIVE SUMMARY	OBJECTIVE VERIFIABLE INDICATORS	MEANS OF VERIFICATIONS	IMPORTANT ASSUMPTIONS
2. Ability of Peruvian Coordinating Agency and participating member agencies to become more financially self sufficient will be increased.	1. The PCA and all member FP agencies receive income generation training. 2. The amount of income generated increase 10% per year through membership fees, fees for FP services, fees for other health and lab services, sale of contraceptives and other products and services such as publications, and other income generating activities. 3. Current resources will be more effectively utilized through reduced duplication of effort and use of economy of scale where possible.	o Financial records. o PCA records.	Private sector agencies recognize need to increase income generating abilities.
	3. Sector-wide action plans in service delivery, research, IEC, and policy will be developed by the Board of Directors of the PCA. 4. PCA will provide and coordinate TA & training services sector wide.		

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RESPONSE TO PID GUIDANCE CABLE

The issues in the PID Guidance Cable of May 4, 1985, (STATE 136413), and the responses are discussed in this section of the Project Paper.

1. Increased Financial Independence of Private Sector Family Planning Agencies.

While it is generally recognized that family planning agencies will not be able to achieve complete financial independence simply because of the nature of the financial status of the clientel - primarily low income if not destitute - it is generally true the agencies could improve their financial positions to varying degrees. The Guidance Cable addressed three specific possibilities: domestic fund raising, sale of services, and cost reductions. The Project Paper includes these concepts within the framework of a more broad-based income generation approach.

First, in relation to domestic fundraising, the economy and tax laws of Peru do not encourage fund raising as commonly known in the U.S., and a recent workshop by Development Associates held in this hemisphere on the topic concluded, "...that a properly executed fund raising effort was extremely time consuming and needed to be reviewed carefully in light of the potentially small return on the time and money invested."

While this type of effort will likely not be the most financially significant, it may be worth pursuing. The Project Paper includes a suggestion that the research agencies investigate this possibility, and based on the findings, the CNP possibly could pursue the issue of tax incentives with the GOP to encourage private donations.

The Prime Recipient team does not itself include a fund raising expert as suggested by the Guidance Cable, but a financial expert instead. However, short term TA and training will be utilized to provide more broad based income generation assistance to the Boards of Directors and Executive Staff of all participating agencies. A broader Board representation in general will result from other types of Project TA and training which could also attract wealthier and appropriately connected persons to the Boards to facilitate fund raising and income generation.

Second, in relation to the sale of services via medical labs and related health services in out-patient clinics suggested by the Guidance Cable, several agencies are already utilizing or planning to implement them. In addition, the Project encourages these activities and also the use of a sliding fee scale for family planning services by those agencies not already utilizing one. The sale of other types of services, such as training, IEC, computerized bookkeeping or client tracking (usage data) as suggested by the Guidance Cable, as well as the sale of printing services and publications which are already in force, will be supported by the Project.

Third, to achieve other cost reductions, the Project includes the investigation of the possible use of US government surplus property, as well as the expansion of CBD and CSM services via every possible avenue. Volunteer

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assistance is already used throughout the various family planning projects and will undoubtedly continue. Additionally, a large portion of the Project TA and training will be offered in the first year of the project with a special emphasis on utilizing existing resources to the maximum, including better inter-agency planning to avoid replication of services in the communities and to determine areas of greatest need. This applies to both local and international intermediary agencies. Most Project TA and training will be provided in Peru and jointly to several agencies in order to further maximize funds.

2. Performance Criteria for Grant Awards

The original project design in the PID included performance criteria that were to be utilized on a more rigid and absolute basis for all agencies regardless of current capabilities than suggested in the Guidance Cable. The Project Paper reflects the change in project design to utilize the same type of criteria for each agency, but allow the degree of required improvement to reflect the various starting points and potentials of each individual agency. The award of subsequent grants then depends on the achievement of the individually determined performance criteria of each agency rather than an absolute criteria for all. All agencies will be able to receive appropriate TA and training in the first year of the project, and the award of grants will be phased in with five receiving grants in the first year and nearly all by project year two.

3. Management Focus

The critical need to develop professional management skills in the private sector family planning agencies is addressed by the Project through TA and training. The Prime Recipient team will have one full time management specialist for LOP and the Chief of Party will also have a management background. In addition, of the nearly 1,800 people scheduled to receive TA and training under this project, more than one-third will receive direct management assistance. The PCA will also play an ever-increasing role in overall management of the private sector as it assists the Prime Recipient in the yearly operational plan development and coordination. The use of centrally funded projects to supplement project funded TA is also encouraged in the PP.

4. Procurement Plan

The Project Paper does include a comprehensive procurement plan for the LOP.4

5. Contractor

Because of the complexity of the project, it is apparent that few, if any, bidders could actually perform all functions. To facilitate the contract negotiations, the RFAA will include a request to the bidders to include information on what components would be subcontracted and qualifications of subcontractors. The Peruvian agencies will also be asked for comments and their input in selecting the contractor.

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6. Research and Educational Activities

The Project stresses overall planning and coordination of activities between the various private sector agencies, as well as with the public sector. This applies to all activities, including research. The research needs, both operational and policy, and the agenda for the studies will be coordinated amongst the research agencies with the other service delivery agencies, the CNP, the Peruvian Coordinating Agency, and the Prime Recipient to avoid duplication and best utilize resources. A suggested list of research needs is included in the PP. The criteria for performance, including who does what research, will be similar to that suggested for the service delivery agencies, to be developed in detail by the Prime Recipient and approved by USAID/Peru.

7. Economic Analysis

The economic analysis clearly demonstrates the feasibility of the project as requested by the Guidance Cable. Although the lack of comparable statistics between the public and private sectors prohibited a direct comparison to determine which was most cost-effective, a variety of compelling reasons to use the private sector in this project are discussed in the PP. Also, the performance criteria are discussed in the Project Paper, and how they will be utilized to insure services are delivered most cost effectively.

8. Family Planning Assistance Policy

The Project Paper includes the appropriate statement asserting that no project funds can be committed for abortion related activities. All participating agencies are already aware of the prohibition of abortion promotion activities, clearly abide by that requirement, and will continue to do so. All required clauses will be included in all future agreements with grantees and subgrantees.

9. Other Concerns and Clarifications

a. All participating agencies completed extensive work plans, budgets and projected beneficiaries for the first year of the project and general plans and projections for the subsequent 4 years. This involvement was a component of the recent extensive Institutional Analysis. The projected number of beneficiaries reflect this projection with slight USAID/Peru modifications.

b. The contracting process will be fully compliant with Grey amendment concerns.

c. The Project Paper contains an appropriate description of both mid-term and final evaluations.

d. The use of "buy-ins" with centrally funded AID/W projects was described in the Project Paper.

e. The detailed first year project implementation plan is included in the Project Paper.

DATE: April 25, 1986

TO: Private Sector Family Planning Project Review Committee

FROM: Brenda Doe, Assistant Population Officer

SUBJECT: USAID/Peru Issues Paper: Private Sector Family Planning
Project Paper (Project 527-0269)

The PID was approved by AID/W on April 5, 1985. Project Paper development included an extensive institutional analysis of 16 private sector family planning agencies and one governmental policy agency. The issues contained herein were raised in a review conducted on January 30, 1986, and the responses approved on April 24, 1986. (The process of review and approval was delayed by factors outside the Missions control; i.e., 620 Q, Brooke Alexander and 612 sanctions, etc.).

The Project goal is to help Peru lower its rate of population growth in order to reduce its negative impact on the country's development. The purpose is: (1) to expand and improve the capacity of Peruvian private family planning agencies to increase contraceptive coverage; (2) to strengthen the capacity of these agencies and the Consejo Nacional de Población (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 six year Project will cost \$18.756 million, consisting of \$13.0 million from AID and counterpart contributions of \$5.756 million. The AID funds will finance technical assistance, medical and office equipment, contraceptives, training of medical and non-medical personnel, operating support, and research and policy formulation activities. The counterpart funds will support staff salaries, training, service delivery and overhead costs.

The Project consists of 3 components:

1. Expanded Family Planning Services (\$6.483 million AID funds) through improved management of private sector agencies, and their expanded use of primarily community based distribution systems and some clinical based services.
2. Population Policy Formulation and Commitment (\$ 2.057 million AID funds) through a continuation of research and public education efforts by two private sector research and policy organizations and the CNP; and reinforcement of linkages between the public and private sectors through assistance to the CNP.
3. Private Sector Coordination (\$.870 million AID funds). A recognized U.S. organization with family planning experience will be contracted to provide the necessary leadership, coordination, technical assistance, and training services that are needed to increase and strengthen the

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institutional capacity of Peruvian private sector family planning agencies. Among its responsibilities, the organization will gradually establish and develop a new or existing Peruvian Coordinating Agency (PCA) to replace it by the last year of the Project. The CNP will be specifically funded in part to facilitate more cooperation and coordination between the public and private family planning sectors.

The Peruvian private sector family planning agencies will also be assisted to develop additional income generating activities to further decrease their present high financial dependence on international sources of financial support.

A Negative Determination is the recommended Environmental Threshold Decision. The recommendation has been approved by the LAC Environmental Officer.

The issues to be discussed follow.

ISSUE 1. COST OF THE PROJECT

The PID originally estimated the project at \$11 million to be implemented over a 5 year period. The findings of the extensive Institutional Analysis determined \$11 million to be insufficient to meet the three objectives of the project. A revised budget of \$14 million was prepared; and with cost cutting measures later reduced to \$13 million. The project will be implemented over a six (not five) year period.

- a. Should USAID/Peru mortgage its OYB with an additional \$2 million spread over 6 years?
- b. Have the costs been numerically and logically related to the number of projected new users?
- c. Is \$13 million too high or too low to reach the number of new users, improve policy and develop a Peruvian coordinating Agency for the private sector agencies?
- d. Should services be encouraged in major cities other than Lima which will entail somewhat higher costs?
- e. What is an acceptable cost per user (CPU)? Can it even be standardized for all the agencies given the different service mix and the different overhead items such as training and clinics maintenance costs?
- f. Is the counterpart contribution of \$5,756,000 really "counterpart" given the fact that much of these agencies' funds come from intermediaries funded by AID? Can a counterpart contribution realistically be expected under these circumstances?

- 3 -

g. What "overhead" is acceptable on a project of \$13 million? Table 20 on p.71 in the PP appears to report a \$3.731 million overhead.

h. Are the marginal costs made higher by the initial inclusion of all identified private sector agencies? How will costs be affected by "marginal" groups who, for a variety of reasons, will probably never be, or temporarily be, as cost-effective as the others? (Examples include ATLF, a high-cost, natural family planning (NFP) agency, FENDECAAP which began its family planning program only one year ago and is still in the early, high-cost start up phase, etc.).

i. Does the PP clearly state that the more cost effective CBD based services will receive emphasis over the more expensive clinic based services?

ISSUE 2. PROJECTS STRATEGY AND MANAGEMENT

The project design is based on the inclusion of 15 agencies which currently exist and 2 others which are in the planning stages. Of these 17 agencies; 12 are currently existing service delivery agencies, 3 are research and policy agencies (one of which is still in the planning stages), 1 training institute (in the planning stage), and the Consejo Nacional de Población (CNP). All except the CNP are private sector agencies.

a. Can these agencies develop sufficient management skills to meet the expansion needs of nearly tripling the number of clients served in 6 years?

b. Can they manage projects and services in the cities or country that are geographically distant to the Lima home base? How will geographic expansion be controlled to produce optimum results?.

c. Does the Project provide for sufficient financial control via supervision and management?

d. Is it strategically sound to include all the agencies in the project; or should only the strongest ones be funded, and support to the others discontinued? Should the overall family planning approach be to aim for the development of one "super" agency to provide services for the entire nation? Can one agency effectively do so?

ISSUE 3. CRITERIA FOR DECIDING WHICH AGENCIES WILL RECEIVE USAID SUPPORT IN THE PROJECT

The project is designed to provide a large amount of TA and training especially in Project Years 1 and 2 (PY 1-2), to all participating agencies depending on individual needs. The receipt of a sub-grant is, however, dependent upon demonstrating the achievement of certain, pre-agreed

- 4 -

performance indicators. The agencies are scheduled to receive grants in stages as shown in Table 35: 8 in PY 1, 11 tentatively in PY 2, and 16 tentatively in PY 3, 4, and 5. ^{1/} Because continued funding is dependent upon performance, these subgrants can only be tentatively scheduled and are subject to change as the project progresses.

a. Who should establish the criteria in detail, and at what point of the project? Should USAID spell it out in the PP, or approve what the Prime Recipient develops in detail?

b. Is the criteria to be equally and rigidly applied to all agencies regardless of current status and abilities?

ISSUE 4. OBLIGATION

a. How should the audit and evaluation monies be obligated? Should these funds be handled by USAID/Peru directly?

ISSUE 5. PROJECT CONTRACTOR STATUS

a. How will the Prime Recipient be invited into Peru, and with what privileges?

ISSUE 6. MISCELLANEOUS QUESTIONS

a. Is it clear in the PP what the project target number of users is?

b. Does the PP call for a too-standardized solution in the suggested TA and training for these different agencies in trying to solve their various problems? Will the uniqueness of the individual agencies be squashed?

c. Is the project being designed too tightly to allow both USAID/Peru and the Prime Recipient the needed flexibility to appropriately and creatively meet the unexpected?

d. Does the PP clearly indicate who will develop these policy and research agendas and what criteria will be used to decide who will carry them out?

e. Are the End of Project Status indicators clearly quantified wherever possible?

^{1/}Those 8 receiving grants in PY-1 do so because their overall performance is at least reasonable at this point, and because all other sources of funding are running out. The twelfth service delivery agency which requested only a fetal monitor from AID will not receive it, nor is it scheduled to receive any other monetary assistance.

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"HNE SUGGESTED RESPONSES TO THE ISSUES"

ISSUE 1. COST OF THE PROJECT

The PID originally estimated the project at \$11 million to be implemented over a 5 year period. The findings of the extensive Institutional Analysis determined \$11 million to be insufficient to meet the three objectives of the project. A revised budget of \$14 million was prepared; and with cost cutting measures later reduced to \$13 million. The project will be implemented over a six (not five) year period.

a. Should USAID/Peru mortgage its OYB with an additional \$2 million spread over 6 years? Response: The additional \$2 million will create a yearly mortgage of \$334,000 on the OYB for LOP. It is fully expected that this amount will be available on top of the OYB from other sources; e.g., the Africa Bureau Population Office which has had excess funding every year and offered other Bureaus the opportunity to use the funds, and the UNFPA which may lose all or part of its funding from AID/W who will reprogram it through regional bureaus as occurred in FY 85.

b. Have the costs been numerically and logically related to the number of projected new users? Response: The project cost for service delivery activities were based on the number of projected new and continuing users throughout the LOP and a goal of lowering the average CPU in the private sector. The project costs and CPU are reasonably and logically based on available data, the Institutional Analysis conducted in 1985, and project goals. The CPU is projected to drop as illustrated on Table 10 in the PP. However, it is important to note the various factors that affect these cost estimates, make it difficult to determine such projections with clear-cut accuracy. These factors include: 1) the agencies will continue to receive funds from other non-AID sources and will serve continuing clients as well as an additional 400,000 new users during the LOP; it is not possible to make a clear distinction between which users result from which source of funds; 2) policy, research, coordination and institution building activities are included in the project; 3) an inflationary economy is always possible; 4) it is currently not possible to predict how much the average CPU will be able to be decreased among existing agencies; 5) the difference in the costs of clinic based vs. CBD services is hard to measure, because among other reasons the clinical components are sometimes donated and sometimes rented; 6) the costs to start-up new agencies, should any be created, are higher; 7) the proportion and mix of methods greatly affect costs; 8) the level of quality of services varies greatly and is not related to CPU; 9) some agencies still offer MCH services (until recently required by Peruvian law); and 10) the number of users do not reflect an impact on population size, such as births averted or couple years protection (CYP). The cost, then, of providing services to users

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does not illustrate the relationship between the cost of the project and impact on population. It is clear the Project must refine CPU data to determine a more accurate benchmark figure, develop better and more accurate record keeping systems, and allow for the analysis needed to measure changes in cost over time for the CPU and CYP for evaluation and planning purposes.

c. Is \$13 million too high or too low to reach the number of new users, improve policy and develop a Peruvian Coordinating Agency for the private sector agencies? Response: The project amount is based on the findings of the extensive Institutional Analysis, policy considerations, and a projected decreased cost per user in the private sector by the end of the project. It is not necessarily the most cost effective budget possible; however, important policy considerations require that several agencies be supported even though they are not expected to be as cost effective as the other organizations included in the project. (ATLF, for example, is such an agency which provides high cost natural family planning services). Furthermore, for policy reasons, the project is committed to a "cafeteria approach" that includes a variety of methods and styles of delivery; some more expensive than others. Such a variety is necessary to meet the various needs and interests of the clientele as well as help assure a high rate of continuing users.

d. Should services be encouraged in major cities other than Lima which might entail somewhat higher costs? Response: Although many areas of Lima are still under and unserved, and could absorb the majority of the project, important policy considerations exist which require that the provinces receive some attention. However the project will emphasize the most cost effective targets of opportunity in the larger urban centers of Lima and the provinces.

e. What is an acceptable cost per user (CPU)? Can it even be standardized for all the agencies given the different service mix and the different overhead items such as training and clinics maintenance costs? Response: A lack of evidence has made it impossible to determine an acceptable CPU to date; but results of the Project as it progresses should help determine that. It is the intent of the Project to focus on cost-effective delivery systems and to reduce the CPU to every extent possible

f. Is the counterpart contribution of \$5,756,000 really "counterpart" given the fact that much of these funds are from intermediaries funded by AID? Can a counterpart contribution realistically be expected under these circumstances? Response: The estimated counterpart contribution of \$5,756,000 is clearly a reasonable expectation. It includes, for example, at least \$1,600,000 in non-AID funds to INPPARES for the LOP, \$801,000 LOP from the GOP to the Consejo Nacional de Población, \$100,000 LOP from the GOP to Hospital Loayza, \$1,200,000 LOP as generated income; for a total of at least \$3,701,000 LOP. (It is expected that generated income will comprise even a

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larger amount by the close of the project). The remainder of the counterpart contribution is from the value placed on non-AID funded items, such as the physical infrastructure of ADIM and FENDECAAP's health system of 12 hospitals and 45 health posts, and the equipment, vehicles, physical plants, and professional volunteer time of the other participating agencies.

g. What "overhead" is acceptable on a project of \$13 million? Table 20 on p.71 in the PP appears to report a \$3.731 million overhead. Response: The table was mislabeled with several items in the "overhead" column not traditionally counted as such. Overhead, clarified as "administrative support not related to development work", now includes the following:

1. Project Contractor	\$1,129,000
2. Commodities Procurement Fee	29,000
3. Peruvian Coordinating Agency	235,000
4. Participating Agency Overhead	882,000
5. USAID Project Coordinator	425,000
	<hr/>
	\$2,700,000

The total \$2,700,000 represents 20% of the total project budget; an acceptable percentage for overhead costs.

h. Are the marginal costs made higher by the initial inclusion of all identified private sector agencies? How will costs be affected by "marginal" groups who, for a variety of reasons, will probably never be, or temporarily be, as cost-effective as the others? (Examples include ATLF, a high-cost, natural family planning (NFP) agency, FENDECAAP which began its family planning program only one year ago and is still in the early, high-cost start up phase, etc.). Response: HNE believes on the basis of the findings of the Institutional Analysis and its own years of experience, that the "marginal" groups must all be given an equal opportunity to develop their potential; an opportunity that has not been provided to date. A decision to drop these marginal groups is a short-term response based on insufficient information. If after a specified time, it becomes obvious that "potential" cannot be developed as evidenced by a failure to meet pre-set performance criteria, and if no compelling political reason exists to fund them, financial support can then be logically discontinued.

i. Does the PP clearly state that the more cost effective CBD based services will receive emphasis over the more expensive clinic based services? Response: It is the intention of the project to stress CBD based services and this will be more clearly stated in the PP.

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ISSUE 2. PROJECT STRATEGY AND MANAGEMENT

The project design is based on the inclusion of 15 agencies which currently exist and 2 others which are in the planning stages. Of these 17 agencies; 12 are currently existing service delivery agencies, 3 are research and policy agencies (one of which is still in the planning stages), 1 training institute (in the planning stage), and the Consejo Nacional de Población (CNP). All except the CNP are private sector agencies.

a. Can these agencies develop sufficient management skills to meet the expansion needs of nearly tripling the number of clients served in 5 years? Response: Because several have already shown the ability to significantly increase their client loads and because of the extremely high level of unmet need, HNE believes that most, if not all of the agencies, will be able to cope effectively with the expansion of users given appropriate TA and training.

b. Can they manage projects and services in the cities or country that are geographically distant to the Lima home base? How will geographic expansion be controlled to produce optimum results? Response: A few of the several mechanisms. Clearly, not all agencies should necessarily aspire to work outside Lima. The intent of the Project is to focus on unserved and underserved large urban centers, with Lima being the most important. The Prime Recipient of the Cooperative Agreement should clearly not be working all over Peru at the beginning of the Project. The Prime Recipient will develop a reasonable plan to expand to other major urban centers on a gradual basis through the LOP; but at the same time should be sensitive to and utilize "targets of opportunity" that may occur outside that plan should the opportunities be logical and cost-effective.

c. Does the Project provide for sufficient financial control via supervision and management? Response: In addition to the full time financial specialist from the Contract Team, the budget also allows for two full time Peruvian accountants and a third could be added. Additionally, the agencies are already well acquainted with USAID financial management procedures.

1. Is it strategically sound to include all the agencies in the project; or should only the strongest ones be funded, and support to the others discontinued? Should the overall family planning approach be to aim for the development of one "super" agency to provide services for the entire nation? Can one agency effectively do so? Response: All the agencies are eligible to receive TA and/or training beginning with Project Year 1 (PY1), and the subgrants to all agencies are gradually phased in; 3 in FY1, 11 in PY2 and 16 by PY3. The PID Guidance Cable, in paragraph 3, suggests that all 17 agencies receive TA, training and subgrants from the outset. The final project design just described was an attempt to address the concerns of both AID/W and the local agencies. Other reasons to include all the agencies from the outset of the project for TA and training at least are as follows:

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1. It is the best judgement of USAID/HNE and the Contractor Team that no one of the individual agencies has the capability of creating the infra-structure needed to deliver nation-wide services.
2. The current level of family planning use in this country is low; more than 2 million still need and want services. It is unrealistic to expect one private sector agency to be able to meet this remaining need for services, even if the MOH was currently capable of meeting a larger share.
3. While a judgement could possibly be made at this point to continue with certain agencies only and drop others, it is not logical to do so before the agencies have had the opportunity to receive adequate TA and training (not yet done to date) in order to be able to offer their best performance. Several agencies which do not appear as useful as others at this point have real potential and the project needs to provide an opportunity to develop it. But after 12-18 months of serious TA and training, if the agency cannot show a pre-agreed upon level of performance, it can and should be appropriately dropped. Additionally, several agencies are new with less financial efficiency as indicated by the CPU, and at least one must be financed for political reasons.
4. It is the professional opinion of both USAID/HNE and the Contractor Team, who conducted the Institutional Analysis and wrote the draft PP, that the efforts of all these agencies, at least in the beginning, are necessary and vital to the achievement of the project goals.
5. Peru is a large, diverse country; culturally, geographically and linguistically. The different approaches and uniqueness of each agency helps to address this diversity by providing a different service mix in different areas that allow a free and informed choice among users.

e. Should the project permit or allow for the creation of new agencies? How will excess or needless proliferation be controlled? Response: The intent of the Project is to utilize and strengthen existing agencies whenever possible and logical within Project design and goals. New agencies may be formed only when it can be well demonstrated that a need exists that cannot logically or cost effectively be met by an existing agency. It is clearly not the intent of the Project to encourage needless development of new agencies, nor prohibit it where a need exists.

ISSUE 3. CRITERIA FOR DECIDING WHICH AGENCIES WILL RECEIVE USAID SUPPORT IN THE PROJECT

The project is designed to provide a large amount of TA and training especially in Project Years 1 and 2 (PY 1-2), to all participating agencies depending on individual needs. The receipt of a sub-grant is, however,

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dependent upon demonstrating the achievement of certain, pre-agreed performance indicators. The agencies are scheduled to receive grants in stages as shown in Table 35: 8 in PY 1, 11 tentatively in PY 2, and 16 tentatively in PY 3, 4, and 5. ^{1/} Because continued funding is dependent upon performance, these subgrants can only be tentatively scheduled and are subject to change as the project progresses.

a. Who should establish the criteria in detail, and at what point of the project? Should USAID spell it out in the PP, or approve what the Project Contractor develops in detail? Response: The PP could provide the framework for the criteria and the Prime Recipient develop it in detail for USAID approval. Please see the attached re-write of the subgrant section of the PP which includes the criteria. (This rewrite is incorporated into the PP).

b. Is the criteria to be equally and rigidly applied to all agencies regardless of current status and abilities? Response: The PID Guidance Cable in paragraph 3 suggests that the criteria be individually determined based on the current starting point of each agency. Continued funding then depends on performance. The PP describe the subgrant mechanism in detail. However, the criteria issue requires clarification between that initial baseline criteria needed to receive an AID grant the first time, and the performance criteria required to continue to receive AID support. The first is needed only in the event a decision is made to create a new agency later in the project, or to fund an existing agency new to AID. The latter is required for those agencies identified in the Project to receive additional grants, as they already meet the initial baseline criteria. All criteria is under the approval of USAID, which has the right to change it as circumstances require, as noted in the PP.

ISSUE 4. OBLIGATION

a. How should the audit and evaluation monies be obligated? Should it be handled by USAID/Peru directly? Response: All audit and evaluation monies will be obligated by USAID/Peru directly in Project Year 3 and 6.

ISSUE 5. PROJECT CONTRACTOR STATUS

a. How will the Prime Recipient be invited into Peru, and with what privileges? Response: The contracting mechanism will be a "Cooperative Agreement" to be awarded to a PVO already registered with the GOP or another organization that can present evidence of its ability to become registered as

^{1/}Those 8 receiving grants in PY-1 do so because their overall performance is at least reasonable at this point, and because all other sources of funding are running out. The twelfth service delivery agency which requested only a fetal monitor from AID will not receive it, nor is it scheduled to receive any other monetary assistance.

1.00

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a PVO with the GOP within a limited time frame. In this maner, the Prime Recipient of the Cooperative Agreement will not operate in Peru under the USAID Bilateral Agreement, but as a PVO registered with the GOP.

ISSUE 6 MISCELLANEOUS QUESTIONS

a. Is it clear in the PP what the project target number of users is? Response: The project will serve 400,000 new users over the LOP as well as the continuing users. This is stated several times throughout the PP.

b. Does the PP call for a too-standardized solution in the suggested TA and training for these different agencies in trying to solve their various problems? Will their uniqueness be squashed? Should it be? Response: The intention is not to make all the agencies the "same" or "equal", but to provide the basic tools via TA and training that each one needs to improve its weak points and develop the capacity for expansion. The Population Division Staff strongly believe that the individual uniqueness of each cannot be eliminated by the provision of some (not all) standardized TA and training, if for no other reason than it will be individually interpreted, applied, and revised by each agency.

c. Is the project being designed too tightly to allow both USAID/Peru and the Prime Recipient the needed flexibility to appropriately and creatively meet the unexpected? Response: The need for flexibility in this type of project cannot predict with certainty which agency will be able to improve performance, or what new political considerations will require funding of agency(ies) that might otherwise be deleted. For these reasons, the Project requires the flexibility to create, if needed, new agencies, and to use the criteria for funding with some flexibility.

d. Does the PP clearly indicate who will develop these policy and research agendas and what criteria will be used to decide who will carry them out? Response: The performance criteria is listed in detail for all agencies; and that which applies to research agencies will be utilized. Please see the attached re-write of the portion of the PP pertaining to the subgrant mechanism and the criteria. (This re-write is incorporated into the PP).

e. Are the End of Project Status indicators clearly quantified whenever possible? Response: Please see the quantified EOPS in the log frame and in the outputs for each project component in the PP.

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CONTRACEPTIVE COMMODITY LIST AND COST FOR LOP

	PY 1	PY 2	PY 3	PY 4	PY 5	Total Units	
Oral Contraceptives (OC)	229,000	308,000	710,000	1,160,000	1,800,000	4,207,000	cycles
IUD's	14,000	19,000	43,000	71,000	113,000	260,000	units
Condoms	369,000	496,000	1,147,000	1,875,000	3,006,000	6,893,000	units
Vaginal Contraceptive Jelley	2,300	3,100	7,100	12,700	18,700	43,900	tubes
Vaginal Foaming Tablets (VFT's)	24,000	32,000	74,000	121,000	195,000	446,000	tablets
TOTAL	\$67,000	\$90,000	\$208,000	\$340,000	\$545,000	\$1,250,000	

SUGGESTED
COMMODITIES TO BE PURCHASED AND SHIPPED FROM U.S.

ANNEX TT
EXHIBIT D
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ORGANIZATION: ADIM

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
calculator, Casio Handheld calculator, Model K-9-IR-15	For field and office use	11 calculators	49.95	7.49	631.84
Projector, Model 90-25, or 16mm Projector, -60Hz, PA11		4 projectors	850.00 each	127.50	3,910.00
Projector, KODAK GRAPHIC, Model B-2 AR220, -60Hz		3 EKTAGRAPHIC	240.00 each	36.00 each	828.00
Slide Carousels, AV-780 SLIDE TRAY, 80 slide		2 trays	6.50 each	1.00 each	15.00
16mm film reels, RTI 16mm 1 reels + cans R-020		4 reels	7.50 each	1.00 each	34.00
Projection screens, DA-LITE Challenger Model Screen D040		4 screens	109.50 each	16.00 each	502.00
Van, Toyota Tercel 4, 4 cylinders		1 Tercel	\$6,649.00	CIF	\$6,649.00
				TOTAL:	\$12,569.00

ORGANIZATION: APROPO

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Sony "Betamax" Video Cassette recorder, 220v, 60Hz	For presenting IEC video tapes to high-level audiences	4 "Betamaxes"	\$1,500.00	\$150.00	\$ 6,600.00
Sony "Trinitron" 19" Color Monitor	High-level audiences	4 "Trinitrons"	720.00	140.00	3,440.00
				TOTAL	\$10,040.00

ANNEX TT
EXHIBIT D
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ORGANIZATION: APROSAMI

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
<u>EQUIPMENT</u>					
Video Cassette recorder, 220 v, 60 cycles	For IEC presentations in the APROSAMI Clinic, community associations and in the field	1 Sony Betamax	620.00	93.00	713.00
19" color TV and monitor 220 v, 60 cycles	To permit use of VCR equipment in the field, without access to alternating current	1 19" Sony Trinitron	538.00	80.70	618.70
AC/DC 200 volt electric inverter		1 inverter			
Electric Mimeograph machine AB Dick Model 545E	To print IEC materials flyers and registration forms	1 mimeograph	2,500.00	375.00	2,875.00
IBM Electric typewriter, Selectric III Model 6705, Latin keyboard; 220 v, 60 cyc.	For typing financial reports and correspondence	2 typewriters	950 x 2 = 1,900	142.50	2,185.00
IBM-PC Microcomputer with 256KB of memory	For word processing, compila- tion of service statistics, preparation of financial spread-sheets and for data storage	1 256KB IBM-PC	2,800.00	420.00	3,220.00
IBM Monochrome Monitor		1 IBM B/W monitor	\$ 98.00	14.70	\$ 112.70
EPSON FX-100 Printer		1 EPSON Printer	495.00	74.25	569.25
Uninterrupted Power Supply, 600w		1 UPS, 600 watts	1,600.00	240.00	1,840.00
<u>Software</u>					
Wordstar		1 Wordstar package	299.00	44.85	343.85
Lotus 1, 2, 3		1 Lotus 1, 2, 3 package	495.00	74.25	569.25
Hand calculators, CASIO	General management in the office and in the field	5 hand calculators	42.00 x 5 = 210.00	31.50	241.50
Vehicle, Toyota Tercel 4 x 4, 4 cylinders	Field supervision at CBD program, travel in the provinces, contraceptive delivery and transportation of IEC equipment	1 Tercel	\$6,649.00	CIF	\$6,649.00
				TOTAL	19,937.25

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SANIZATION: ATLF

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
<u>DIAGNOSTIC MATERIAL (CONTINUED)</u> Diagnostic Cards with Long Handles .052	2 Cervical cauterizations	2	50.00	7.50	107.50
Cervical Coagulation Electrode .586	6 Cervical cauterizations	6	50.00	7.50	345.00
Freezers	3 One for each clinic	3	300.00	45.00	1,035.00
Slides, frosted end one side: x 1", 1.2mm thick)	100 Gross for Papanicolaou tests	100 gross	8.00	1.20	920.00
Slide Covers, 22 x 40mm size	150 Gross to cover extension	150 gross	8.00	1.20	1,380.00
Refrigerator	2 To keep reactives - store samples	2	1,000.00	150.00	2,300.00
<u>Reagents</u> Papapan	20	20	29.00	4.35 each	667.00
Diagn	60	60	23.00	3.45	1,587.00
Slide	10 For gynecological and PAP tests	10	22.00	3.30	253.00
Gynecological Tweezers	12	12	5.00	.75	69.00
Small Curette	3	3	35.00	5.25	120.75
Forceps for cervical biopsy	3	3	20.00	3.0	63.00
<u>Hardware</u> : IBM PC - 2 drives, 256K.	1: Computer - for data gather- ing and logistics control (management, accounting, statistics, etc.)	1	3,000.00	450.00	3,450.00
Voltage Stabilizer		1	200.00	30.00	230.00
Printer: EPSON LQ 1500/o		1	1,200.00	180.00	1,380.00
Hercules Graphic Card		1	400.00	60.00	460.00
<u>Software</u> Wordstar		1	299.00	44.85	343.85
Lotus 1-2-3		1	495.00	74.25	569.25
Model III		1	420.00	63.00	483.00

Continued next page...

ORGANIZATION: ATLF (continued)

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
<u>LABORATORY MATERIAL</u>					
Binocular Microscope with butterfly optic lenses, USA American Optical, 10-12 enlargements and 40 objectives of 2.5 x 10 x 40 x 100 x. Diaphragm with condenser and dark field.	1: For dual observation of Papanicolaou smears and other samples	1	\$4,000 each	\$600 each	\$4,000.00
C-1450 Clinic Centrifuge, 220v-60 cycles, International brand	1: For laboratory procedures	1	1,424	214.00	1,638.00
C-1960 Bolster for 6 positions	1: Accessory to the above	1	568	85.00	653.00
C-2604 Tube case, 15 ML	1: Accessory to the above	6	39	5.85	269.00
B-4370 Micro Centrifuge for Micro Hemocrite, USA 220-60 cycles, International brand	1: For Hemoglobin tests	1	2,302	345.00	2,647.00
S-2036-35 Coleman Spectrophotometer 220v-60 cycles (Digital Model No.35)	1: For laboratory biochemical analysis	1	5,347	802.00	6,149.00
S-2050 Coleman Tubes 10 x 75 (Deca)	1: Accessory to the above	1	80	12.00	92.00
S-2052 Coleman Tubes 12 x 75 (Deca)	1: Accessory to the above	1	84	12.60	96.60
S-2068-1 Micro tube adaptor for JR II	1: Accessory to the above (Micro analysis)	1	14	2.10	16.10
S-2092-1 Coleman Adaptor 10 x 75	1: Accessory to the above	1	97	14.55	111.55
S-2094 Coleman Adaptor 12 x 75	1: Accessory to the above	1	97 each	14.55 each	111.55
S-2132 Standard DYDIM Calib.	1: To calibrate equipment	1	173	25.95	198.95
S-1410-3x Precision Scale Model: 1500 D (220v-60 cycles)	1: To weigh reactives, prepare solutions	1	4,004	600.60	4,604.60
<u>MEDICAL MATERIAL</u>					
Thermometers	2,000 for patients following the Sympto Thermic method	2,000	3	.45	6,900.00
Bantan, Bovie Electro-Coagulator	2 Cervical cauterizations	2	1,000	150.00	2,300.00
Stainless Steel Plate 15L5312	2 Cervical cauterizations	2	50	7.50	107.50
Card - for above plate 2050812	2 Cervical cauterizations	2	50	7.50	107.50

Continued next page..

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ORGANIZATION: ATLF (continued)

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
<u>ADDITIONAL MATERIAL</u> max equipment (video color, 110v-voltage adaptor, charger)	2: Necessary for IEC, audio visual instruction; investigation, laboratory, and personnel training	2	3,800.00	570.00	8,170.00
Order, Phillips Portable Recorder 220v or batteries		3	80.00	1,200.00	276.00
Slide Projector, KODAK GRAPHIC Model B-2 AR220, 110-60Hz		3	240.00	36.00	828.00
Slide Projector, Victor-Kalart, 16mm film projector, 220v-60Hz		2	850.00	156.00	2,212.00
				TOTAL	\$ 57,251.70

ORGANIZATION: CENPROF

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
IEC Kalart-Victor Model PA11 Projector, 16mm, 220 volts EJL Lamps	For IEC presentations in Trujillo and Pacasmayo	1 projector	\$ 850.00 ea.	\$ 127.50	\$ 977.50
		2 lamps	18.00	2.70	41.40
Slide Projector KODAK EKTAGRAPHIC, B-2 w/2 carousels, AR-220, 220 volts with two(2) extra bulbs, ELH 300 watts		1 Kodak Ektagraphic	240.00	36.00	276.00
		2 Kodak bulbs	20.50	3.00	47.00
		2 slide trays	6.50	.98	14.96
<u>Other Equipment</u>					
Electric Typewriter, Selectric III, IBM Model 6705, Latin keyboard, 200 volts, 60Hz	For preparing reports and compiling project-related data	1 IBM Selectric	950.00	142.50	1,092.50
Mimeograph machine AB Dick, Model 545E, 220 volts, 60Hz	To replicate IEC materials	1 Mimeograph machine	2,500.00	375.00	2,875.00
Vehicle, Toyota Tercel 4 x 4, 4 cylinders	For monitoring field activities transporting IEC equipment and to resupply distribution points	1 Tercel	\$6,649.00	CIF	\$6,649.00
				TOTAL	\$ 11,973.36

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AGENCY: FENDECAPP

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>	
IUD Insertion kits	12 health centers x 2 kits = 24 kits	24 kits #6	58.13	\$ 8.72	66.85	
Minilap Kits #1	7 hospitals x 2 kits per hospital = 14 kits	14 kits #1	132.83	19.93	2,138.64	
Gloves 7 (40%) 7 1/2 (60%)	4410 IUD insertions x 1 pr. gloves	1764 size 7 at 200 gloves per box	9 boxes x \$53.14	478.26	71.74	550.00
		2646 size 7 1/2 at 200 per box	14 boxes x \$53.14	743.96	111.60	855.56
Vehicle, Toyota Tercel 4 x 4, 4 cylinders	Supervision and supply of the health centers and their annexes	1 Tercel	\$6,649.00	CIF	\$6,649.00	
				TOTAL	\$ 10,260.05	

ORGANIZATION: CFH--Hospital Loayza

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Copier, 3M Model 566	For copying IEC and user information materials, formats, etc.	1	\$3,600 ea.	\$540 ea.	\$4,140.00
Overhead Projector 3M Model 213 AKOK	For IEC & training Present.	1	495.00	74.25	569.25
Lamps for Overhead Projector 78-6960-1813-1		2	78.69	11.80	180.98
				TOTAL	\$4,890.23

ORGANIZATION: INPPARES

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Medical Kit #6 (For IUD insertions)	1.2.1. FP Serv.outside Lima 1.3.1. Local - vernments	24 kits	\$ 58.13 ea.	\$ 8.72 ea.	\$ 1,604.40
Manual Typewriter, Olympia 11"	1.2.1. FP Serv.outside Lima 3.1 Training 6.1.1 Strengthen Adminis.	5 typewriters	280.00	42.00	322.00
Office Calculator, Hunroe 220V, 60 Hz	1.2.1. FP Serv.outside Lima 6.1 Strengthen Adminis.	4 calculators	310.00	46.50	1,426.00
Electric Typewriter, IBM Selectric III, 220v, 60 Hz	6.1 Strengthen Adminis. P.C.1. Responsible Parenthd.	5 typewriters	950.00	142.50	5,462.50
Video Recorder, Sony Betamax 220v, 60 Hz	2.3.2. Strengthen IEC Admin.	1 VCR 1 monitor	620.00 538.00	93.00 80.70	713.00 618.70
Portable Color TV Monitor Sony 19" Trinitron					
Video Camera, Sony Model CCD-G5	2.3.2. Strengthen IEC Admin.	2 cameras	930.00	139.50	2,139.00
Hand-held Megaphone (6V) (Battery powered), Megavoice Model TAI	2.3.2. Strengthen IEC Admin. 2.3.2. Strengthen IEC Admin.	9 megaphones	168.50	25.28	1,744.02
Penna Power Model 5-610 Half- Mile Hailer, (Battery powered)		3 hailleurs	245.00	36.75	845.25
Micro-Computer IBM-AT 20 Mega- bytes, color monitor & printer	5.1.1. Research and Statistics	1	4,926.00	739.35	5,668.35
Electronic IBM composer with complete set of typeface balls	2.3.2. Strengthen IEC infra- structure	Unavailable, no longer manufactured			
KODAK Ektagraphic Slide Pro- jector B-2 AR (220v - 60 cycles), with 3 ELH lamps + 1 reserve carousel	2.3.2. Strengthen IEC infra- structure 3.1 Training	12 Ektagraphics 12 slide trays 36 lamps	240.00 6.50 20.50	36.00 .98 3.00	3,312.00 89.76 846.00
Film Projector, Bell & Howell 16 mm, 220v/60 Hz with 2 reserve EJJ Lamps	2.3.2. Strengthen IEC Infra- structure 3.1. Training	5 projectors 10 lamps	\$ 850.00 18.00	\$ 127.50 2.70	\$ 4,887.50 207.00
Overhead Projector, 3M 220v., 60 Hz	2.3.2. Strengthen IEC Infra- structure 3.1. Training	5 overhead	495.00	74.25	2,846.25
Phillips Portable Tape Recorder, 200v or batteries	2.3.2. Strengthen IEC Infra- structure	1	80.00	12.00	92.00

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ORGANIZATION: INPPARES (CONTINUED)

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Vehicle, Toyota Tercel 4 x 4, 4 cylinders	2.3.3. Transparations for IEC coverage	1 Tercel	\$6,649.00	CIF	\$6,649.00
Vehicle, Toyota Land Cruiser 4 x 4, 6 cylinder	4.1.1. Distribution of Contraceptives	1 Land Cruiser	\$11,025.00	CIF	\$11,025.00
				TOTAL	\$ 50,472.00

ORGANIZATION: PROFAMILIA

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
16 mm projector, Kalart-Victor Model PA 11	For IEC presentations in the community	2	\$850.00 ea.	\$ 156.00 ea.	\$2,012.00
EJL Lamps		6	18.00	2.70	124.20
Slide projector, KODAK EKTAGRAPHIC, Model B-2AR 220-230 v, 60Hz		2	240.00	36.00	562.00
Trays, AV-780 EKTA Slide Tray 80 slide		5	6.50	98.00	37.40
Lamps, 300 watts, 220 ELH		12	20.50	3.00	238.00
Screens, DA-LITE Challenger Tripod Screen D040		2	109.50	16.50	252.00
Typewriters IBM Selectric III Model 6705 Latin American keyboard	For office administration	2	950.00	142.50	2,185.00
Tape Recorders Phillips Portable with microphone, (Battery or 220v)		2	80.00	12.00	184.00
Vehicle, Toyota Tercel 4 x 4, 4 Cylinders	For transporting IEC equipment and commodities	1 Tercel	6,649.00	CIF	6,649.00
				TOTAL	\$ 12,243.60

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ORGANIZATION: PLANIFAM - CUZCO

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>TOTAL UNITS REQUIRED</u>	<u>TOTAL COST \$</u>
Electric typewriter Electric III, Latin American board, 220 v, 60Hz	For office use (reports, memos, correspondence, etc.)	1 IBM typewriter	\$ 950.00	\$142.50	\$ 1,092.50
K EKTAGRAPHIC Projector, v with 3 spare slide trays	For IEC - 2 times weekly	1 projector 3 slide trays	2.40 6.50	36.00 ea. 1.00	276.00 22.50
GYN examination table	For pelvic exams, IUD inser- tions, etc. - 20 clients per week	1 OB/Gyn table	534.00	80.10	614.10
Dick Mimeograph, Model 545E, To print educational material v, 60Hz		1 mimeograph	2,500.00	375.00	2,875.00
				TOTAL	4,880.00

ORGANIZATION: SMMISA

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
<u>EQUIPMENT</u>					
For gynecological exams and IUD insertions in 20 affiliate clinics and SMMISA central clinic.					
Disposable No. 7		70 boxes of 200 pairs each	53.14	8.00	61.14
holders		20 holders	12.00	1.80	276.00
lights		20 flashlights	2.95	.45	68.00
electric cauterizer		2 cauterizers	7,200.00	1,080.00	8,280.00
speculum, Medium		50 speculum	23.00	3.45	1,322.50
autoclave		1 autoclave	300.00 each	45.00 each	345.00
IUD Kit, No. 6 IUD insert		40 kits No. 6	58.13	8.72	2,674.00

EQUIPMENT

All A/V equipment will be used for IEC activities.

EKTAGRAPHIC B-2 AR Projector, 220v	2 Ektagraphics	2 slide projectors	240.00 each	36.00 each	552.00
Victor PA11, 16 mm project	2 projectors	2 projectors, 16 mm	850.00	127.50	1,955.00
head projector, 3M model, KOK	2 projectors	2 projectors	495.00 each	74.25 each	1,138.50

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ORGANIZATION: SMISA

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
<u>A/V EQUIPMENT (CONTINUED)</u>					
Portable Tape Recorders, Phillips	2 tape recorders	2 recorders	\$ 80.00 ea.	\$ 12.00 each	\$ 184.00
Megaphone, MEGAVOICE Model TA1	2 megaphones	2 megaphones	168.50 ea.	25.28 each	387.56
Movie screens, DA-LITE Challenger	4 screens	4 screens	109.50 each	16.00 each	502.00
Hineograph machine, AB Dick Model 545, 220v, 60Hz	1 mimeograph	1 mimeograph	2,500.00	275.00	2,775.00
Van, Toyota Tercol	For managing activities in the provinces and carrying IEC equipment	1 Tercol	6,649.00	CIF	6,649.00
				TOTAL	\$ 27,269.70

ORGANIZATION: CENTRO DE CAPACITACION DE CAPACITADORES

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Typewriters IBM Selectric III Model 6705 Latam keyboard	Administrative Support	2 IBMs	\$950.00 ea.	\$142.50	\$ 2,185.00
Photocopier 3M Model 566 220/240 VCA 50 ... 7 Amps	To copy and produce training	1 unit	\$3,600.00	540.00 ea.	4,140.00
Micro-Computer IBM PC, 256K, 220v, 60Hz		1 IBM	28.00	420.00	
IBM Monochrome Monitor 220v, 60Hz		1 monitor	98.00	14.70	112.70
EPSON FX-100 Printer 220v, 60Hz		1 printer	495.00	74.25	569.25
Software: Wordstar Lotus 1, 2, 3		1 wordstar 1 lotus	299.00 495.00	44.85 74.25	343.85 569.25
Tape Recorder Phillips Portable for taping training courses		2 recorders	80.00	12.00	184.00

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ORGANIZATION: CENTRO DE CAPACITACION DE CAPACITADORES (continued)

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Slide Projector KOKAK EKTAGRAPH Model B-2 AR 220-23v 60Hz	For the presentation of all training courses	2 projectors	240.00	36.00 ea	552.00
Trays AV-700 EKTA Slide Tray 80 slides		5 trays	6.50	1.00	37.50
Lamps 300 Watts 220 ELH		12 lamps	20.50	3.00	282.00
Overhead Projector 3M #78-9236-1442-0 Model 213 AKDK 220v 60 cy.		2 projectors	575.00	86.25	1,322.50
Lamps 78-9236-1442-0		6 lamps	79.00	11.85	545.10
Projector 16mm Projector, Model 90-25 PA 11 Kalart Victor Projector		2 projectors	850.00	127.50	1,955.00
EJC Lamps		6 lamps	18.00	2.70	124.20
				TOTAL	\$ 12,922.35

ORGANIZATION: AMIDEP

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
1 Photocopier model #566	Reproduction of materials for training activities and brief- ings for policy-makers	1 photocopier	\$ 3,600	\$ 540 ea.	\$ 4,140
ODAK EKTAGRAPHIC B-2, AR-22 or lide Projector with 80 slide ray, remote control coord.	To make audiovisual presenta- tions to policy-makers and illustrate talks at seminars	1 slide projector	240.00	36.00	276.00
Overhead projector, 3M model 13 AKOK		1 projector	495.00	74.25	569.25

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ANNEX II
EXHIBIT D

ORGANIZATION: AMIDEP

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
DA-Lite Challenger Tripod Screen		1 screen	109.50	16.00	125.50
Offsett Printer, Multilith Model 1250	Printing of Bulletin and books about 1,500,000 pages a year	1 offset	8,895.55	1,334.33	10,229.88
IBM-PC Microcomputer	Preparation for research and conference papers, preparations of publications, speed mailing of bulletin to 3,000 leaders	1 microcomputer	2,800.00	420.00	1,220.00
IBM Monochrome Moniroe		1 monitor	98.00	14.70	112.70
EPSON FX-100 Printer		1 printer	495.00	74.25	569.25
Wordstar Wordprocessing Prog.		1 wordstar	299.00	44.85	343.85
REDIFONN CONTINUOUS Self-Adhesive Labels Stock No. L5-44311		18 packages	9.96ea.	1.50 ea.	206.28
TOTAL					\$ 19,862.71

ORGANIZATION: I.E.P.

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Micro-Computer IBM-AT 20 Megabytes, color monitor and pointer	Research and statistics		\$4,926.00	\$739.35	\$5,668.35

ORGANIZATION: C.N.P.

<u>ITEM DESCRIPTION</u>	<u>CALCULATIONS OR JUSTIFICATIONS</u>	<u>QUANTITY BY UNIT</u>	<u>COST PER UNIT</u>	<u>SHIPPING COST PER UNIT</u>	<u>TOTAL COST \$</u>
Tape Recorder, Phillips Port.	Objective 1 Evaluation of PVD	1 recorder	\$ 80.00	\$12.00	\$ 92.00
Slide Projector, KODAK EKTAGRAPHIC, Model B-2 AR, 220v 60Hz	For IEC presentations	1 projector	240.00	36.00	276.00
SLR Camera, 35mm; Canon T-70 automatic camera, 55mm lens, with flash	For Objective #1, Evaluation of PVD	1 camera	\$410.00	61.50	471.50
TOTAL					\$839.50

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TABLE 3. TOTAL PROJECT COSTS BY PROJECT COMPONENTS
AND OBLIGATIONS (US\$000).

		OBLIGATIONS					
		Prime Recipient	Consejo Nacional de Población (CNP)	Project Coordinator (PSC)	Audit & Eval. Firms	AID/W ST/POP	Total
<u>PROJECT MANAGEMENT COSTS</u>							
I.	<u>Family Planning Services</u>						
	1. Prime Recipient	610	--	--	--	--	610
	2. Training & TA	1,273	--	--	--	--	1,273
	3. Commodities	207	--	--	--	--	207
	4. Contraceptives	--	--	--	--	1,250	1,250
	5. Sub-grants	3,143	--	--	--	--	3,143
	Sub Total	5,233	--	--	--	1,250	6,483
II.	<u>Policy & Research</u>						
	1. Prime Recipient	271	--	--	--	--	271
	2. Training & TA	327	--	--	--	--	327
	3. Commodities	30	--	--	--	--	30
	4. Sub-grants	779	650	--	--	--	1,427
	Sub Total	1,407	650	--	--	--	2,057
III.	<u>Coordination</u>						
	1. Prime Recipient	79	--	--	--	--	79
	2. Training & TA	71	--	--	--	--	71
	3. Commodities	44	--	--	--	--	44
	4. P.C.A.	235	--	--	--	--	235
	5. Sub-grants	241	200	--	--	--	441
	Sub Total	670	200	--	--	--	870
<u>PROJECT MANAGEMENT COSTS</u>							
	1. USAID Project Coordinator	--	--	425	--	--	425
	2. Prime Recipient	169	--	--	--	--	169
	3. Commodities ^{1/}	106	--	--	--	--	106
	4. Sub-grants	732	150	--	--	--	882
	5. Evaluation & Audit	--	--	--	270	--	270
	Sub-total	1,007	150	425	270	--	1,852
	Project Cost Sub-total	8,317	1,000	425	270	1,250	11,262
	6. Contingencies & Inflation ^{2/}	1,120	102	107	63	346	1,738
	AID TOTAL PROJECT COST	11,410	1,100	490	270	1,250	13,000

1/ Includes 8% procurement fee.

2/ Inflation is calculated at 5% of US\$ only, and contingency at 10% of all project costs.

TABLE 4. SUMMARY TOTAL COSTS BY PROJECT COMPONENTS
AND OBLIGATIONS (US\$000).

	OBLIGATIONS					Total
	Prime Recipient	CNP	Project Coordinator (PSC)	Audit & Eval. Firms	AID/W ST/POP	
<u>PROJECT COMPONENTS</u>						
I. Family Planning Services	5,233	---	--	--	1,250	6,483
II. Policy & Research	1,407	650	--	--	--	2,057
III. Coordination	1,670	200	--	--	--	870
<u>PROJECT MANAGEMENT COSTS</u>						
Subtotal	1,007	150	425	270	--	1,852
Project Cost Subtotal	8,317	1,000	425	270	1,250	11,262
Contingencies & Inflation	--	--	--	--	--	1,738
AID TOTAL PROJECT COST						13,000

TABLE 20. PROJECTED COUNTERPART CONTRIBUTIONS
BY YEAR. (US \$000).

YEAR	Participating Agencies	GOP	Total
1986	750	100	\$ 850
1987	825	125	950
1988	900	150	1,050
1989	975	175	1,150
1990	1,055	178	1,233
Contingencies	450	73	523
Total	\$4,955	\$801	\$5,756

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TABLE 20a. SUMMARY OF TOTAL PROJECT COSTS BY FISCAL YEAR
AND SOURCE OF FUNDS (US\$000).

FISCAL YEAR	AID	COUNTERPART CONTRIBUTION		TOTAL
		PARTICIPATING AGENCIES	GOP	
1986	1,985	750	100	2,835
1987	1,860	825	125	2,810
1988	2,318	900	150	3,368
1989	2,269	975	175	3,419
1990	2,755	1,055	178	3,988
1991	75			75
Project Cost Subtotal	11,262	4,505	728	16,495
Contingencies & Inflation	1,738	450	73	2,261
TOTAL PROJECT COST	13,000	4,955	801	18,756

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TABLE 21. TOTAL PROJECT COSTS BY FOREIGN EXCHANGE
(FX) AND LOCAL CURRENCY (LC) (US\$000).

BUDGET ITEM	AID GRANT		USAID TOTAL	COUNTERPART CONTRIBUTION		
	FX	LC		PARTICIPATING AGENCIES	GOP	TOTAL
I. PROJECT ADMINISTRATION						
a) USAID Project Coordinator	425	—	425	—	—	—
b) Prime Recipient	624	505	1,129	—	—	—
Subtotal Assistance	1,049	505	1,554	—	—	1,554
II. TRAINING AND TECHNICAL ASSISTANCE						
a) Short-term	386	64	450	—	—	450
b) Long-term	1,221	—	1,221	—	—	1,221
Subtotal Assistance	1,607	64	1,671	—	—	1,671
III. COMMODITIES						
a) Project Contractor	—	27	27	—	—	—
b) Peruvian Coord. Agency	—	31	31	—	—	—
c) Subgrantees	300	—	300	—	—	—
Subtotal	300	58	358	—	—	—
Procurement Fee (8%)	29	—	29	—	—	—
d) Contraceptives	1,250	—	1,250	—	—	—
Subtotal All Commodities	1,579	58	1,637	—	—	1,637
IV. OTHER COSTS						
a) Peruvian Coord. Agency	—	235	235	—	—	—
b) Subgrants	—	5,895	5,895	4,505	728	—
c) Audit	—	70	70	—	—	—
d) Evaluation	200	—	200	—	—	—
Subtotal Other Costs	200	6,200	6,400	4,505	728	11,633
Subtotal Project Cost	4,435	6,827	11,262	4,505	728	16,495
e) Contingency & Inflation	1,056	682	1,738	450	73	2,261
TOTAL PROJECT COSTS	5,491	7,509	13,000	4,955	801	18,756

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TABLE 21a. SUMMARY TOTAL PROJECT COSTS BY FOREIGN EXCHANGE
(FX) AND LOCAL CURRENCY (LC) (\$US000).

BUDGET ITEMS	AID FX	GRANT LC	AID TOTAL	COUNTERPART CONTRIBUTION PARTICIPATING		TOTAL
				AGENCIES (LC)	GOP (LC)	
I. Project Administration	1,049	505	1,554			1,554
II. Training and Technical Assistance	1,607	64	1,671			1,671
III. Commodities	1,579	58	1,637			1,637
IV. Other Costs	200	6,200	6,400	4,505	728	11,633
Subtotal Project Cost	4,435	6,827	11,262	4,505	728	16,495
Contingencies & Inflation	1,056	682	1,738	450	73	2,261
TOTAL PROJECT COSTS	5,491	7,509	13,000	4,955	801	18,756

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TABLE 22. TOTAL PROJECT COSTS BY FISCAL YEAR (US\$000).

BUDGET ITEM	FY 86 (PY1)	FY 87 (PY2)	FY 88 (PY3)	FY 89 (PY4)	FY 90 (PY5)	FY 91 (PY6)	TOTAL
I. PROJECT ADMINISTRATION							
a) USAID Project Coordinator	70	70	70	70	70	75	425
b) Prime Recipient	225	225	225	227	227		1,129
Subtotal Assistance	295	295	295	297	297	75	1,554
II. TRAINING AND TECHNICAL ASSISTANCE							
a) Short-term	200	160	40	30	20		450
b) Long-term	325	325	325	123	123		1,221
Subtotal Assistance	525	485	365	153	143		1,671
III. COMMODITIES							
a) Project Contractor	27	0	0	0	0		27
b) Peruvian Coord. Agency	0	0	0	31	0		31
c) Subgrantees	300	0	0	0	0		300
Subtotal	327	0	0	31	0		358
Procurement Fee (8%)	26	0	0	3	0		29
d) Contraceptives	67	90	208	340	545		1,250
Subtotal All Commodities	420	90	208	374	545		1,637
IV. OTHER COSTS							
a) Peruvian Coord. Agency	5	10	20	50	150		235
b) Subgrants	740	980	1,300	1,395	1,480		5,895
c) Audit	0	0	30	0	40		70
d) Evaluation	0	0	100	0	100		200
Subtotal Other Costs	745	990	1,450	1,445	1,770		6,400
Subtotal Project Cost	1,985	1,860	2,318	2,269	2,755	75	11,262
e) Contingency & Inflation	198	243	349	403	511	34	1,738
AID TOTAL PROJECT COSTS	2,183	2,103	2,667	2,672	3,266	109	13,000

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TABLE 22a. SUMMARY OF TOTAL PROJECT COSTS
BY FISCAL YEAR (US \$000).

BUDGET ITEM	FY 86 (PY1)	FY 87 (PY2)	FY 88 (PY3)	FY 89 (PY4)	FY 90 (PY5)	FY 91 (PY6)	TOTAL
I. Project Administration	295	295	295	297	297	75	1,554
II. Training and TA	525	485	365	153	143	--	1,671
III. Commodities	420	90	208	374	545	--	1,637
IV. Other Costs	745	990	1,450	1,445	1,770	--	6,400
Project Cost Subtotal	1,985	1,860	2,318	2,269	2,755	75	11,262
Contingencies & Inflation	198	243	349	403	511	34	1,738
AID TOTAL PROJECT COSTS	2,183	2,103	2,667	2,672	3,266	109	13,000

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TABLE 23. PROJECT COSTS BY PROJECT COMPONENTS (US\$000).

Budget Item	PROJECT COMPONENTS						Project Management Costs	Total
	Component I: Family Planning Services (FP (Services)(Trained Personnel))		Component II: Policy Develop. (IEC (Research) (Policy))		Component III: Coordination (Coordination)			
III. PROJECT ADMINISTRATION								
a) USAID Project Coordinator	—	—	—	—	—	—	425	425
b) Prime Recipient	316	181	113	135	136	79	169	1,129
Subtotal Assistance	316	181	113	135	136	79	594	1,554
IV. TRAINING AND TECHNICAL ASSISTANCE								
a) Short-term	180	68	135	22	45	—	—	450
b) Long-term	440	250	200	130	130	71	—	1,221
Subtotal Assistance	620	318	335	152	175	71	—	1,671
V. COMMODITIES								
a) Prime Recipient	—	—	—	—	—	—	27	27
b) Peruvian Coord. Agency	—	—	—	—	—	31	—	31
c) Subgrantees	120	51	36	15	15	13	50	300
Subtotal	120	51	36	15	15	44	77	358
Procurement Fee (8%)	—	—	—	—	—	—	29	29
d) Contraceptives	1,250	—	—	—	—	—	—	1,250
Subtotal ALL Commodities	1,370	51	36	15	15	44	106	1,637
VI. OTHER COSTS								
a) Peruvian Coord. Agency	—	—	—	—	—	235	—	235
b) Subgrants	1,668	904	571	702	727	441	882	5,895
c) Audit	—	—	—	—	—	—	70	70
d) Evaluation	—	—	—	—	—	—	200	200
Subtotal Other Costs	1,668	904	571	702	727	676	1,152	6,400
Subtotal Project Cost	3,974	1,454	1,055	1,004	1,053	870	1,852	11,262
e) Contingencies & Inflation	—	—	—	—	—	—	—	1,738
AID TOTAL PROJECT COSTS	—	—	—	—	—	—	—	13,000

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TABLE 23a. SUMMARY OF PROJECT COSTS BY PROJECT COMPONENTS (US\$000).

BUDGET ITEM	PROJECT OUTPUTS				PROJECT MANAGEMENT COST	TOTAL
	COMPONENT I	COMPONENT II	COMPONENT III			
	<u>FAMILY PLANNING SERVICES</u>	<u>POLICY DEVELOPMENT</u>	<u>COORDINATION</u>			
I. PROJECT ADMINISTRATION						
a) USAID Project Coordinator	—	—	—	425	425	
b) Prime Recipient	610	271	79	169	1,129	
Subtotal Assistance	610	271	79	594	1,554	
II. TRAINING AND TECHNICAL ASSISTANCE						
a) Short-term	383	67	—	—	450	
b) Long-term	890	260	71	—	1,221	
Subtotal Assistance	1,273	327	71	—	1,671	
III. COMMODITIES						
a) Prime Recipient	—	—	—	27	27	
b) Peruvian Coord. Agency	—	—	31	—	31	
c) Subgrantees	207	30	13	50	300	
Subtotal	207	30	44	77	358	
Procurement Fee (8%)	—	—	—	29	29	
d) Contraceptives	1,250	—	—	—	1,250	
Subtotal All Commodities	1,457	30	44	106	1,637	
IV. OTHER COST						
a) Peruvian Coord. Agency	—	—	235	—	235	
b) Subgrants	3,143	1,429	441	882	5,895	
c) Audit	—	—	—	70	70	
d) Evaluation	—	—	—	200	200	
Subtotal Other Costs	3,143	1,429	676	1,152	6,400	
Subtotal Project Cost	6,483	2,057	870	1,852	11,262	
e) Contingencias & Inflation	—	—	—	—	1,738	
AID TOTAL PROJECT COSTS	—	—	—	—	13,000	

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TABLE 23b. SUMMARY OF PROJECT COSTS BY PROJECT COMPONENT TOTALS(US\$000).

BUDGET ITEM	PROJECT OUTPUTS						PROJECT MANAGEMENT COST	TOTAL
	COMPONENT I: FAMILY PLANNING SERVICES			COMPONENT II: POLICY DEVELOPMENT		COMPONENT III: COORDINATION		
	(FP Services)	(Trained Personnel)	(IEC)	(Research)	(Policy)	(Coordination)		
I. Project Administration	316	181	113	135	136	79	594	1,554
II. Training and Technical Assistance	620	318	335	152	175	71	—	1,671
III. Commodities	1,370	51	36	15	15	44	106	1,637
IV. Other Costs	1,668	904	571	702	727	676	1,152	6,400
Subtotal Project Cost	3,974	1,454	1,055	1,044	1,053	870	1,852	11,262
Contingencies & Inflation	—	—	—	—	—	—	—	1,738
AID TOTAL PROJECT COSTS	—	—	—	—	—	—	—	13,000

TABLE 23c. SUMMARY OF PROJECT COSTS BY PROJECT YEAR AND OUTPUTS (US\$000).

PROJECT YEAR	PROJECT OUTPUTS						PROJECT MANAGEMENT COST	TOTAL
	COMPONENT I: FAMILY PLANNING SERVICES			COMPONENT II: POLICY DEVELOPMENT		COMPONENT III: COORDINATION		
	(FP Services)	(Trained Personnel)	(IEC)	(Research)	(Policy)	(Coordination)		
PY 1	801	252	202	160	170	127	273	1,965
PY 2	572	269	209	180	191	143	296	1,860
PY 3	747	314	229	221	231	189	387	2,318
PY 4	805	279	190	203	211	183	398	2,269
PY 5	1,030	328	220	239	248	223	467	2,755
PY 6	19	12	5	1	2	5	31	75
PROJECT COST SUBTOTAL	3,974	1,454	1,055	1,004	1,053	870	1,852	11,262
Contingency & Inflation	—	—	—	—	—	—	—	1,738
AID TOTAL PROJECT COSTS								13,000

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TABLE 24. PROJECTION OF OBLIGATIONS AND EXPENDITURES BY FY
(US\$000) 1/.

	FY 86 (PY1)	FY 87 (PY2)	FY 88 (PY3)	FY 89 (PY4)	FY 90 (PY5)	FY 91 (PY6)	TOTAL
Initial Balance	0	17	214	347	675	0	0
Obligations	2,200	2,300	2,800	3,000	2,591	109	13,000
Expenditures	2,183	2,103	2,667	2,672	3,266	109	13,000
Balance	17	214	347	675	0	0	

1/ Includes contingency and inflation costs.

TABLE 25. RECURRENT COSTS (US\$000).

Organization	Amount (US\$000)	As a Percentage of Estimated Annual Budget
1. Peruvian Coordinating Agency		
a) Operating Costs	110	100.0%
2. Private Family Planning Agencies and CNP		
a) Operating Costs	260	93.3%
b) Contraceptives	545	19.6%

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TABLE 33. SUBGRANT PROJECTIONS FOR PROJECT YEAR ONE (PY 1)
 BY PROJECT COMPONENTS AND AGENCY (US\$000). 1/

	PROJECT COMPONENTS						Project Management Costs	Total
	Component I: FAMILY PLANNING SERVICES (FP (Services) (Trained Personnel) (IEC)			Component II: POLICY DEVELOP. (Research) (Policy)		Component III: COORDINATION (Coordination)		
ADIM	--	--	--	--	--	--	--	--
APROPO	--	--	--	--	--	--	--	--
APROSAMI	--	--	--	--	--	--	--	--
ATLF	24	5	12	--	--	2	7	50
CENPROF	--	--	--	--	--	--	--	--
FENDECAAP	20	5	7	--	--	2	6	40
INPPARES	84	26	40	10	--	10	30	200
I. MARCELINO	--	--	--	--	--	--	--	--
PFH	6	24	2	--	--	2	6	40
PLANIFAM	--	--	--	--	--	--	--	--
PROFAMILIA	44	--	4	--	--	3	9	60
SAMISA	--	--	--	--	--	--	--	--
CCC	--	40	--	--	--	3	7	50
AMIDEP	--	--	--	40	40	5	15	100
IEP	--	--	--	--	--	--	--	--
INANDEP	--	--	--	--	--	--	--	--
CNP	--	--	--	50	80	40	30	200
TOTAL	178	100	65	100	120	67	110	740
Per Cent Total	25%	13%	9%	13%	16%	9%	15%	100%

1/ USAID has met extensively with the selected participating institutions, discussing the objectives, concepts, and possible activities of the project. General amounts of assistance, including commodities and project support funds, for the first year, along with detailed workplans, have been submitted to USAID for consideration. General estimates for PY 2 - PY 6 were also included. USAID reviewed the submissions and made a decision regarding first year subgrant recipients and amounts as shown in this table. Subsequent years funding of participating agencies will depend on several factors, including the amount of funds available, sub-grantees' performance in prior years, quality of submissions, and work plans for following years.

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TABLE 34. SUBGRANT PROJECTIONS FOR LOP BY PROJECT COMPONENTS AND PY (US\$000).

PROJECT YEAR	PROJECT COMPONENTS						Project Management Costs	Total
	Component I: FAMILY PLANNING SERVICES (FP (Services) (Trained Personnel) (IEC)			Component II: POLICY DEVELOP. (Research) (Policy)		Component III: COORDINATION (Coordination)		
PY 1	178	100	65	100	120	67	110	740
PY 2	251	138	95	131	143	78	144	980
PY 3	377	199	130	152	153	95	194	1,300
PY 4	414	222	137	158	155	98	211	1,395
PY 5	448	245	144	161	156	103	223	1,480
TOTAL	1,668	904	571	702	727	441	882	5,895
Per Cent of Total	29%	16%	10%	11%	12%	7%	15%	100%

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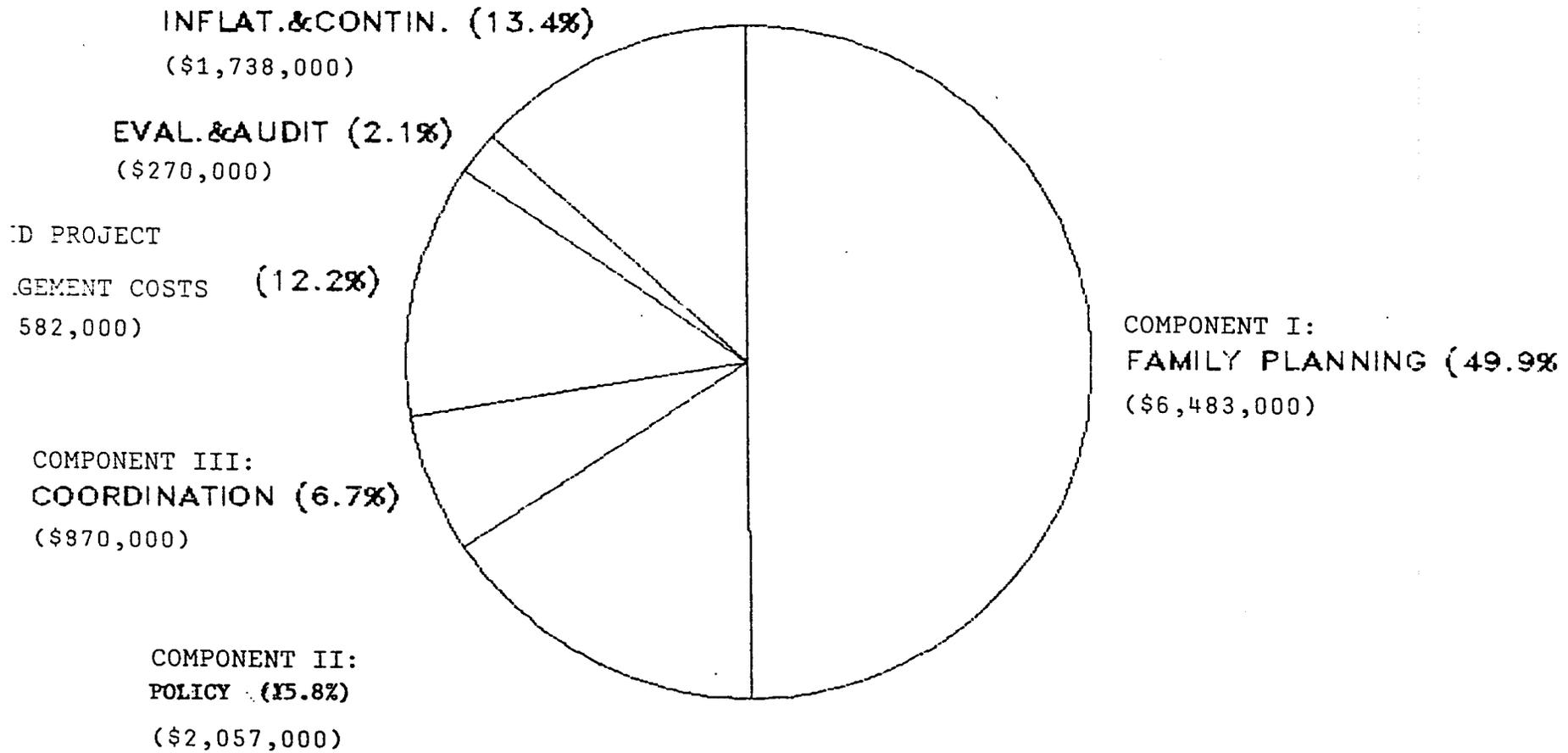
TABLE 35. SUBGRANT PROJECTIONS FOR LOP BY AGENCY
AND PROJECT YEAR (US\$000).

	PY1	PY2	PY3	PY4	PY5	TOTAL
ADIM	--	--	50	60	70	180
APROPO	--	20	20	20	20	80
APROSAMI	--	60	80	100	120	360
ATLF	50	70	70	70	70	330
CENPROF	--	--	25	30	30	85
FENDECAAP	40	50	60	70	80	300
INPPARES	200	250	250	250	250	1,200
MARCELINO	--	--	--	--	--	--
PFH	40	50	60	70	80	300
PLANIFAM	--	--	25	25	25	75
PROFAMILIA	60	70	80	90	100	400
SMMISA	--	--	120	130	140	390
CCC	50	60	70	80	90	350
AMIDEP	100	100	100	100	100	500
IEP	--	--	35	40	40	115
INANDEP	--	50	55	60	65	230
CNP	200	200	200	200	200	1,000
TOTAL	740	980	1,300	1,395	1,480	5,895

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CHART 2.

DISTRIBUTION OF TOTAL BUDGET FOR LOP BY PROJECT COMPONENTS

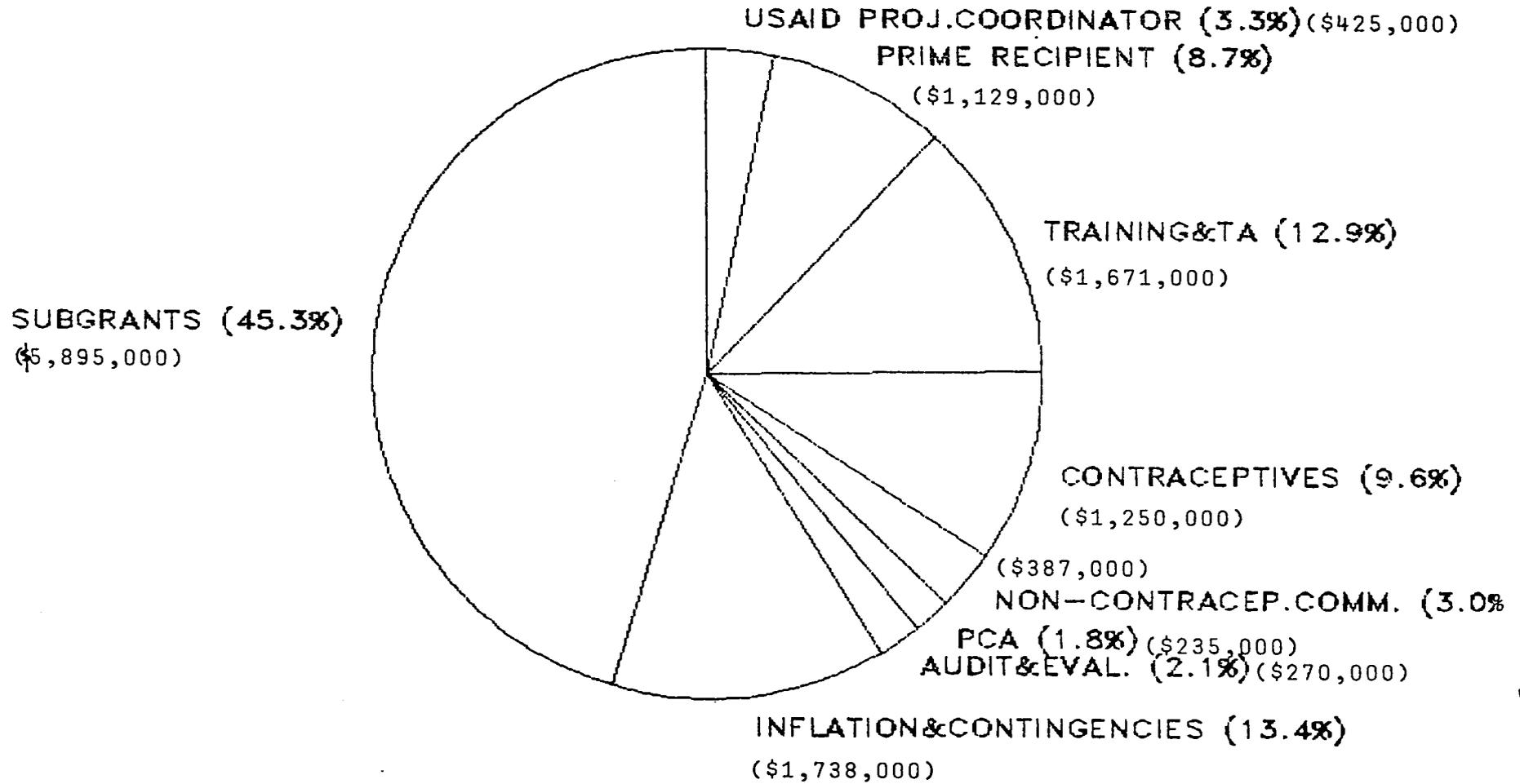


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CHART 2A.

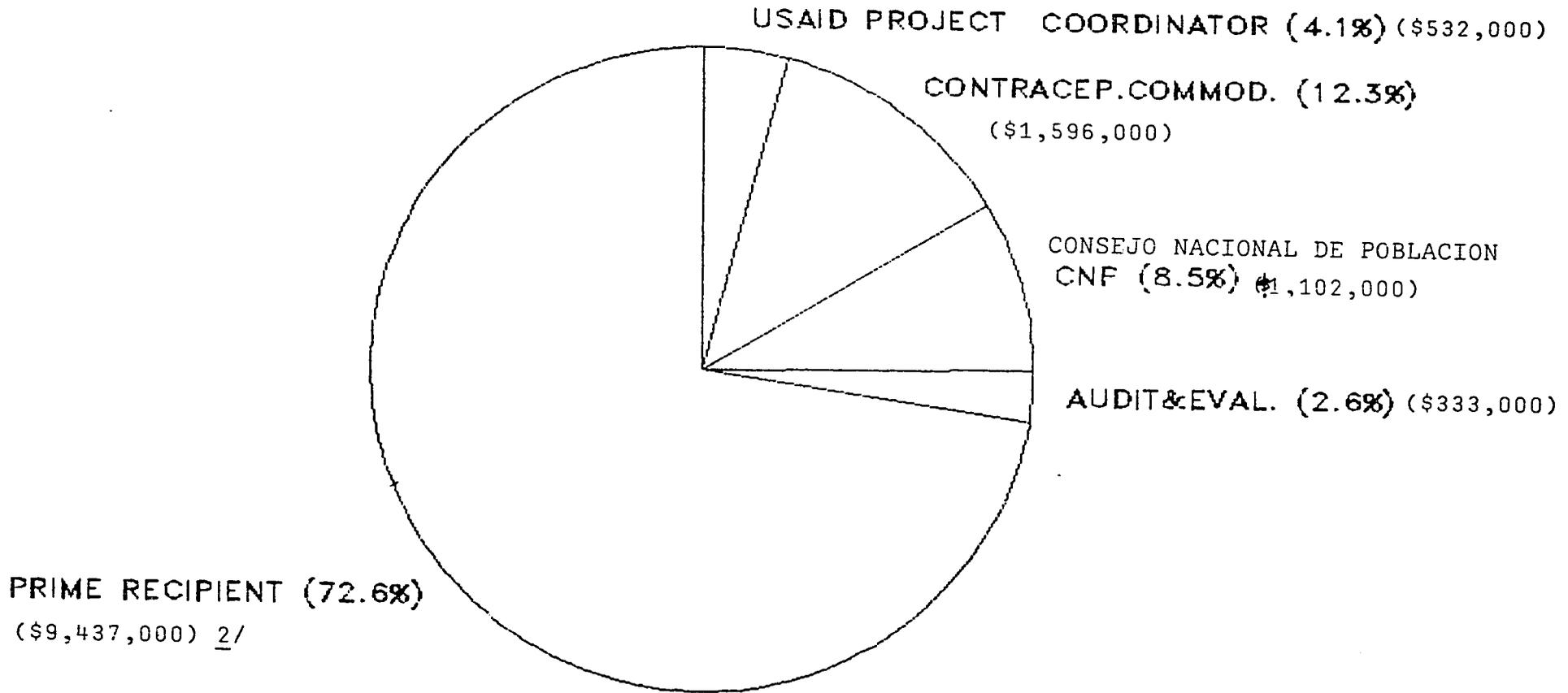
DISTRIBUTION OF TOTAL BUDGET FOR LOP

BY BUDGET LINE ITEMS.



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CHART 2B.
 DISTRIBUTION OF TOTAL BUDGET FOR LCP
 BY OBLIGATIONS 1/



1/ Figures include contingency and inflation.

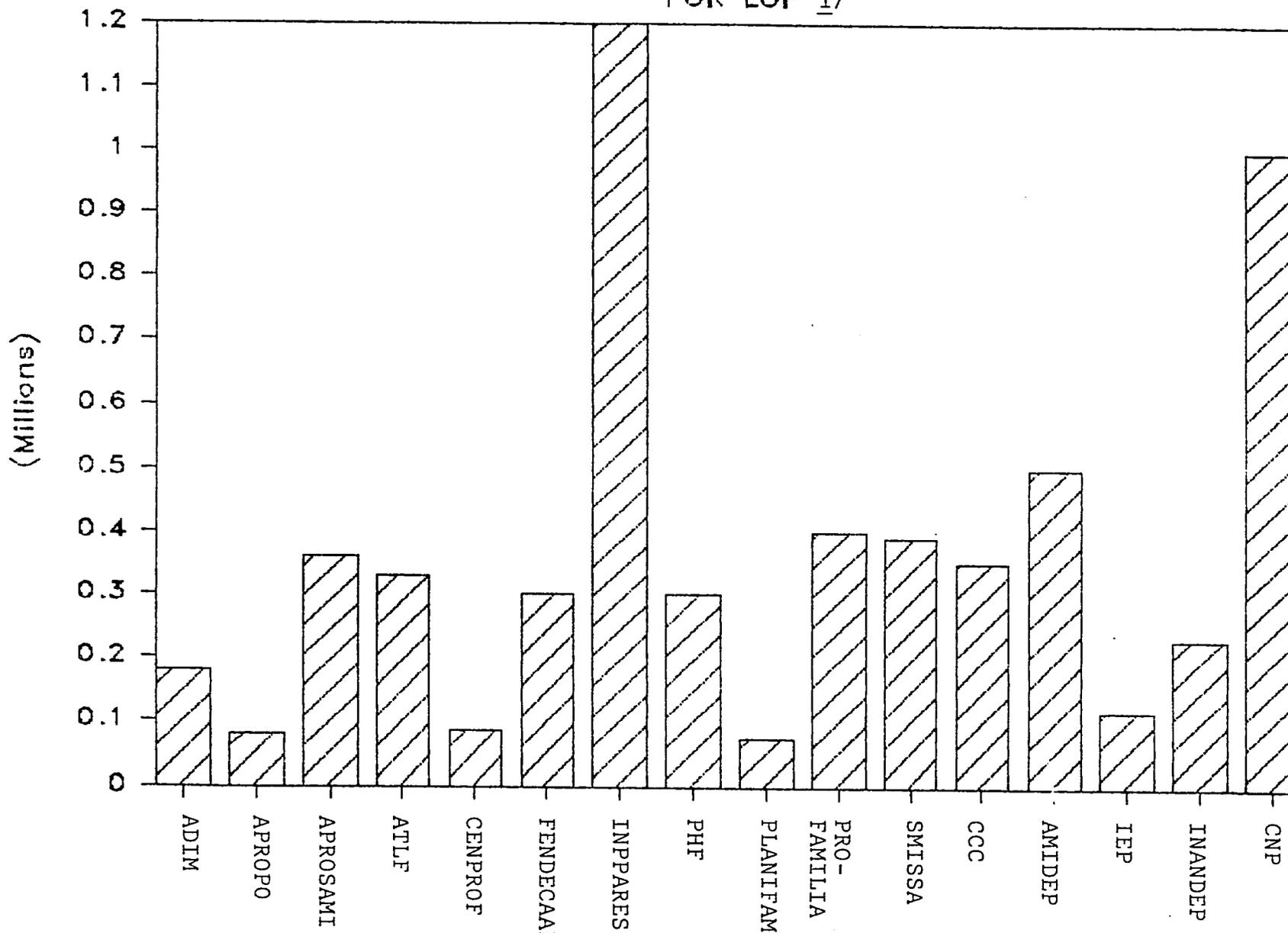
2/ Includes Project Contractor staff, short and long term TA and training, non-contraceptives, ^{commodities} Peruvian Coordinating Agency, and Subgrants.

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CHART 5.

DISTRIBUTION OF SUBGRANT BY AGENCY

FOR LOP 1/



1/ Instituto Marcelino is not included as it receives no funds.

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