

PD-AAU-268
42102

A.I.D. Project No. 517-0229

GRANT AGREEMENT
Between
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
and
THE GOVERNMENT OF THE DOMINICAN REPUBLIC
For
FAMILY PLANNING SERVICES EXPANSION

CONFORMED COPY

Date: September 19, 1986

GRANT AGREEMENT
FAMILY PLANNING SERVICES EXPANSION
A.I.D. PROJECT NO. 517-0229

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 The Agreement.....	1
ARTICLE 2 The Project.....	1
Section 2.1 Definition of Project.....	1
Section 2.2 Incremental Nature of Project.....	2
ARTICLE 3 Financing.....	2
Section 3.1 The Grant	2
Section 3.2 GODR Resources for the Project.....	3
Section 3.3 Project Assistance Completion Date.....	3
ARTICLE 4 Conditions Precedent to Disbursement.....	4
Section 4.1 First Disbursement.....	4
Section 4.2 Notification.....	5
Section 4.3 Terminal Dates for Conditions Precedent...	5
ARTICLE 5 Special Covenants.....	5
Section 5.1 Project Evaluation.....	5
Section 5.2 Prohibition of Abortion Related Activities	6
Section 5.3 Funding for Family Planning Services	6

	<u>Page</u>
ARTICLE 6 Procurement Source	6
Section 6.1 Foreign Exchange Costs	6
Section 6.2 Local Currency Costs	7
ARTICLE 7 Disbursements.....	7
Section 7.1 Disbursement for Foreign Exchange Costs...	7
Section 7.2 Disbursement for Local Currency Costs	8
Section 7.3 Other Forms of Disbursement	8
Section 7.4 Rate of Exchange	8
Section 7.5 Date of Disbursement	9
ARTICLE 8 Miscellaneous	9
Section 8.1 Communications	9
Section 8.2 Representatives	10
Section 8.3 Standard Provisions Annex	10
Section 8.4 Special Provisions Annex	10
Section 8.5 Language of Agreement	11

ANNEXES:

ANNEX 1: Project Description

ANNEX 2: Standard Provisions Annex

ANNEX 3: Special Provisions for Family Planning Programs

Grant Agreement

Dated September 19, 1986

Between

The Dominican Republic ("GODR")

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the GODR of the Project described herein, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of technical and commodity assistance to the National Council for Population and the Family (CONAPOFA) and the Dominican Association for Family Welfare (PROFAMILIA) to enhance the organizations' capabilities to deliver voluntary family planning services to an expanded number of clients through both clinical and community-based delivery systems. Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. Within the

limits of the definition of the Project in this Section 2.1, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) The total amount of A.I.D. assistance contemplated for this Project is Five Million United States Dollars (US\$5,000,000) which will be grant funded.

(b) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(c) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the GODR, may specify in Project Implementation Letters appropriate time periods for the utilization of funds provided by A.I.D. under a specific increment.

Article 3: Financing

SECTION 3.1. The Grant. To assist the GODR to meet the costs of carrying out the Project, A.I.D. pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the GODR under the terms of this Agreement an amount not to exceed One Million Two Hundred and Five Thousand United States Dollars (US\$1,205,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Sections 6.1 and local currency costs as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. GODR Resources for the Project.

(a) The GODR agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the GODR for the Project will be not less than the equivalent of US\$1,700,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is September 19, 1991, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no

(e) Evidence that CONAPOFA, PROFAMILIA and ONAPLAN have entered into Agreements that delineate their respective roles, responsibilities and contributions in the execution of the project; and

(f) Evidence that CONAPOFA, PROFAMILIA and ONAPLAN have adequate systems of financial management and control to properly account for and safeguard project funds.

SECTION 4.2. Notification. When A.I.D. has determined that the conditions precedent specified in Section 4.1 have been met, it will promptly notify the GODR.

SECTION 4.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the GODR.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

Previous Page Blank

SECTION 5.2. Prohibition on Abortion Related Activities. None of the funds made available under this Grant may be used to finance any costs relating to the (a) performance of abortion as a method of family planning, (b) motivation or coercion of any person to undergo abortion, (c) undertaking of 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.

SECTION 5.3. Funding for Family Planning Services. The GODR shall, except as A.I.D. may otherwise agree in writing, covenant that it will maintain at least the current level of funding to CONAPOFA's family planning program and that it will seek to implement methods of cost recovery and/or alternative methods of financing for family planning programs.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 with grant funds, will be used exclusively to finance the costs of goods and services required for the Project with respect to goods having their source and origin, and with respect to service their nationality, in the United States or the Dominican Republic, except as A.I.D. may otherwise agree in writing ("Foreign Exchange Costs"). Except for ocean shipping, the suppliers of commodities or services shall have the United States and the Dominican Republic as their place of nationality, except as A.I.D. may otherwise agree in writing.

Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Dominican Republic ("Local Currency Costs").

Article 7: Disbursements

SECTION 7.1. Disbursement for Foreign Exchange Costs. After satisfaction of conditions precedent, the GODR may obtain disbursement of funds under the Grant for Foreign Exchange Costs of goods and services required for the Project in accordance with the terms of the Agreement by such of the following methods mutually agreed upon:

- (1) By submitting to A.I.D. with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in the GODR's behalf for the Project; or
- (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to

contractors or suppliers, under Letters of Credit or otherwise for such goods or services, or (B) directly to one or more contractors or suppliers committing A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods and services. (C) Banking charges incurred by the GODR in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the GODR instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs. After satisfaction of conditions precedent, the GODR may obtain disbursement of funds under the Grant 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. The local currency needed for such disbursement hereunder may be obtained through acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into the Dominican Republic by A.I.D. or any public

To A.I.D.:

Mail Address: Agency for International Development
c/o American Embassy
Santo Domingo, Dominican Republic

Cable Address: USAID Santo Domingo

All such communications will be in English or Spanish, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The GODR, in addition, will provide the USAID Mission with a copy of each communication sent to AID/W.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the GODR will be represented by the individual holding or acting in the office of Secretary of State for Public Health and Social Assistance and A.I.D. will be represented by the individual holding or acting in the office of Director, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the GODR, with specimen signatures will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. „Standard Provisions Annex. A "Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

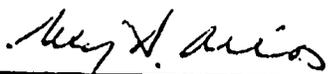
SECTION 8.4 Special Provisions Annex. A "Special Provisions for Family Planning Programs Annex" (Annex 3) is attached to and forms part

of this Agreement and shall be attached to and form part of any sub-grant Agreement entered into by the Parties to this Agreement.

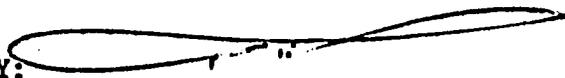
SECTION 8.5. Language of Agreement. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English version will control.

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

FOR THE GOVERNMENT OF
THE DOMINICAN REPUBLIC:

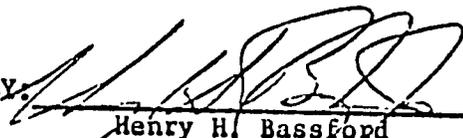
BY: 
Dr. Ney B. Arias Lora

TITLE: Secretary of State for
Public Health and
Social Assistance

BY: 
Dr. Ramón Portes Carrasco

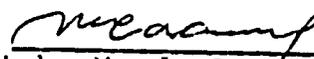
TITLE: Executive Secretary,
National Council for
Population and the Family

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:

BY: 
Henry H. Bassford

TITLE: Director, USAID
Mission to the
Dominican Republic

WITNESS FOR THE PRIVATE SECTOR:

BY: 
Lidia Magaly Caram de Alvarez

TITLE: Executive Director,
Dominican Association
for Family Welfare

PROJECT DESCRIPTION

A. Project Goal and Purposes

The goal of this project is to improve the quality of life of Dominican families by increasing their access to voluntary family planning services, which will allow them to lengthen birth intervals and reduce family size. The project will contribute indirectly to supporting the NFPP's projections of a reduced rate of natural population increase from 2.5% in 1985 to 2.0% in 1991 and to 1.3% by the year 2000.

The purpose of the project is to improve and expand the NFPP over the next five years in order to meet the demand for voluntary family planning services by low income persons and couples. To this end, the project will strengthen the management and service delivery capacity of the NFPP's principal providers, CONAPOFA and PROFAMILIA. Access to these services will be increased by 300,000 additional users to a total of 600,000 users by 1991.

A secondary objective of the project is to assist CONAPOFA and PROFAMILIA to reduce the recurrent costs of their programs and introduce alternative cost recovery mechanisms to sustain services once financial assistance from AID is terminated.

B. End of Project Status

The following conditions are expected to exist when the project concludes in 1991:

1. Increased coverage of the NFPP from about 300,000 women (19% of WRA) in 1985 to about 600,000 (33% of WRA) by 1991.
2. A network of public and private clinics and private physicians will provide voluntary family planning services in rural areas and low-income urban neighborhoods.
3. A nationwide public and private CBD network will be operating efficiently.
4. Systematic high-quality family planning information and education activities will be performed through mass media.
5. Relevant demographic data and analyses will be fully available to the GODR's socio-economic planning process.
6. The providers of voluntary family planning services will be adequately staffed with trained and supervised personnel using effective management systems.

7. CONAPOFA and PROFAMILIA will recover between 15% and 25% of their operating costs from various forms of users fees.

C. Project Components

The project will have two components: (1) expansion of voluntary family planning services, through CBD and clinical services including VSC, and cancer screening laboratories and mass media campaigns; and (2) institutional strengthening, which will focus on improving logistical systems, MIS, and operations research and population analyses.

1. Expansion of Voluntary Family Planning Services

In the DR, contraceptive methods are delivered to the public through four types of service delivery mechanisms: CBD for dispensing oral contraceptives, condoms and foams; clinical services for distributing pills, foams, condoms and IUDs; VSC both for men and women delivered from a clinic or hospital facility; and contraceptive social marketing (CSM) delivered through pharmacies in the private sector. Activities to be undertaken by the project are described below. The project will not concern itself with CSM.

a. Community-Based Delivery of Services (CBD)

Improvement of CONAPOFA's CBD program will entail the training of newly recruited SESPAS promoters and their supervisors, as well as previously hired promoters who have not yet attended a formal family planning course. Training courses will instruct promoters and supervisors in the correct use of family planning methods, improving user relations and strengthening program administration. The numbers of promoters and supervisors to be trained are as follows:

<u>Course</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Basic Training	500	1,500	1,500	500	500	4,500
Refresher Course	$\frac{100}{600}$	$\frac{200}{1,700}$	$\frac{200}{1,700}$	$\frac{300}{800}$	$\frac{200}{700}$	$\frac{1,000}{5,500}$

CONAPOFA, with TA from this project, will upgrade its supervisory system by developing and publishing a manual for supervisors explaining their responsibilities in detail. The manual will be utilized in the CBD training program. To facilitate promoter supervision, CONAPOFA/SESPAS supervisors in the most populated regions will be provided with motorcycles.

PROFAMILIA is in the process of increasing its CBD network by 220 new promoters to a total of 530 promoters. PROFAMILIA promoters will work mainly in the urban areas and selected rural communities. Assistance for this

CBD program already is provided by the Pathfinder Fund, which expects to provide partial financial assistance for its expansion during the LOP. The project will provide assistance to PROFAMILIA to improve the program's MIS, logistical support system, and supervision using the same TA resources that will be working with CONAPOFA. In addition, commodities such as storage cabinets and educational materials will be procured. The result of this effort will be a uniform reporting and logistical system adopted by both organizations.

b. Clinical Family Planning Services

i. Clinics

CONAPOFA provides clinical services through more than 493 facilities operated by SESPAS, the IDSS and the Armed Forces. The project does not plan to assist CONAPOFA in opening, staffing and equipping new clinical facilities, which would create an additional recurrent cost burden on SESPAS. However, the project will seek to improve the services provided through a selected number of interventions. For instance, as no fees are currently charged, funding schemes will be developed by the TA team. The project will also assist CONAPOFA to relocate lesser utilized clinics into geographic areas that are known to have a high demand for services and to adjust clinic schedules so that they may provide greater access during the evening hours. The project will also assist in training 1,000 clinic staff in temporary family planning methods, patient education, and the requirements of the MIS and logistical systems.

CONAPOFA operates three major clinics, located in marginal neighborhoods of Santo Domingo along with three other clinics that operate during the evening hours (5-9 pm). These clinics increase access to persons who are currently under-served or who work and are not available during the regular SESPAS clinic hours. The services of these six clinics were funded by AID in FY-86 as a pilot project and have received considerable acceptance. The project will fund the operating costs of these important clinics for one additional year. AID support will then be phased out after which the GODR will fund the clinics.

PROFAMILIA directly operates two clinics in highly populated areas of Santo Domingo and Santiago. The Dr. Rosa Cisneros Clinic was established in 1984 to serve the estimated 8,000 female workers who work in Santiago's industrial park and free trade zone. PROFAMILIA will further expand services in the Dr. Rosa Cisneros Clinic with project assistance by extending operating hours (8 am to 9 pm); adding new services for women, such as IUD insertion, VSC and NORPLANT implant; and introducing a "men's services" component which will offer vasectomy, fertility counseling and venereal diseases control. The clinic will offer men their own entrance and hours of service. Promotional activities will be expanded to include

increased emphasis on promotion of IUDs by area CBD promoters, talks to women's groups in mothers' clubs and factories. Training, monitoring and supply for these services will be contributed by AVSC. Also, the Pathfinder Fund will continue limited assistance throughout the Project.

PROFAMILIA also has operated the Dr. Evangelina Rodríguez Clinic, in collaboration with CONAPOFA, since 1966. The project will assist PROFAMILIA in moving this service into a larger facility, on the grounds of the Dr. Moscoso Puello Hospital. The project will provide equipment and supplies. A fee-for-service plan will be developed for all clinic services. The clinic will continue to provide temporary contraceptives to new and continuing users; provide maternal and child health, and laboratory (Pap tests) services; and introduce male services, including family planning counseling, venereal disease and infertility treatment and vasectomy. The clinic's contraceptive research and NORPLANT program will continue to be financed by the Population Council. In the first project year, the clinic expects to generate sufficient income from service delivery to contribute 45% of the total projected budget. By the fifth year of the project, the clinic's share will have grown to 67% of the budget.

As part of PROFAMILIA's efforts to expand access to temporary contraceptive methods and to provide more complete medical backstopping to their CBD program network, PROFAMILIA will sign agreements with private clinics in areas where their CBD operates. Under this affiliated clinic program, participating clinics will be equipped and supplied to offer temporary contraceptives and Pap testing services, and clinic nurses will receive training in family planning, contraceptive methodology, service delivery, patient education techniques and client relations. The clinics will also offer breast cancer screening services. The number of clinics will increase from 33 in 1986 to approximately 100 by the end of 1991. The clinics will be located in the health regions of Santo Domingo, Santiago, and San Francisco. In the first year, most of the clinics to receive project interventions will be those that are already associated with PROFAMILIA through the AVSC-supported voluntary sterilization program.

Agreements will be signed between the clinics and PROFAMILIA to formalize relations and establish a scope of work to assure that the clinics provide services according to explicit requirements, particularly by accepting all CBD referrals and charging reasonable prices. In return for the additional services offered, each clinic will be provided access to a full range of temporary contraceptives and to clinic supplies necessary for taking Pap smears and inserting IUDs. All technical matters will be monitored by the PROFAMILIA medical supervisors, based on the established requirements set forth in the agreements. Administrative supervision and TA would be provided by the PROFAMILIA regional supervisors.

15

Clinic services will be promoted by signs identifying it as a PROFAMILIA family planning center and by distributing posters in the area surrounding each facility. Clinics in cities with radio stations will fund their own radio spots and PROFAMILIA will provide promotion through its regular radio announcements.

ii. Voluntary Surgical Contraception

Both CONAPOFA and PROFAMILIA offer VSC through their clinical networks. AVSC has provided and will continue to provide TA, materials and equipment, training and quality control for this activity. With AVSC's participation, both providers have developed a uniform set of standards and procedures that are adapted to the level of medical training and facilities available in the DR. During the LOP, AVSC will increase the number of CONAPOFA clinics and hospitals offering VSC from 45 to 65. Likewise, PROFAMILIA will offer VSC services in 33 sites under their associated clinics program. To support the VSC activities, the project will provide funds directly to AVSC by means of a buy-in to their centrally-funded project. The funds provided to AVSC will support such activities as in-country training and payment of physician fees.

iii. Laboratory Services

To further support both the CBD and clinical services offered by CONAPOFA and PROFAMILIA, the project will finance the establishment of three new regional laboratories to complement two labs that already operate in Santiago and Santo Domingo. Currently, less than 8% of the women participating in NFPP programs receive Pap testing; over the course of the project, with the additional laboratories there will be an eight-fold increase in the annual number of Pap tests performed. As a result of this activity, CONAPOFA will be able to conduct Pap testing in five of the seven SESPAS health regions.

Of the two labs that currently conduct Pap testing, the National Laboratory in Santo Domingo is the best equipped. The smaller laboratory in Santiago sends all smears that manifest possible pathological signs to the National Laboratory which then conducts more complex work-ups on these smears. The new labs that will be created under the project will have the same functions as the Santiago lab; they will act as regional screening points to detect potential cervical and uterine cancer at early stages and send smears that exhibit potential pathological signs to the National Laboratory for more sophisticated analysis.

The new laboratories will be established during the first year of the project. CONAPOFA will finance the salaries of the lab staff and AID funds will be used to procure laboratory equipment and supplies. The project will provide TA to assist in the development of funding schemes that

will ensure the continued financing of cancer screening activities. Fee-for-service and the sale of services to such private sector institutions as hospitals and health insurance programs will be explored. If proper cost recovery policies are adopted, it is likely that this activity will be self-financing in the near term. Therefore, the Project will only support this activity for three years.

2. Institutional Strengthening

While the administrative capacities of CONAPOFA and PROFAMILIA are basically sound, several management improvements must be made in order to serve an expanded user population of 600,000 persons by 1991.

a. CONAPOFA

The project will improve CONAPOFA's capabilities in the areas of program management and project planning. TA will be provided to improve CONAPOFA's organization, logistics management, personnel management, micro-computer applications and management information systems.

CONAPOFA's staff will be strengthened through short-term training courses, workshops and seminars in a variety of areas related to program management and planning. Senior staff will acquire skills related to project design, implementation and evaluation, and will become familiar with the operation of the MIS. Special emphasis will be placed on women in supervisory roles who will receive training in family planning program administration.

Technical assistance will be provided to analyze and revise CONAPOFA's administrative structure, achieve broader delegation of authority and responsibility, revise personnel manuals to reflect the restructuring and update the grade/step salary schedule. At the same time, a formal personnel evaluation system will be established.

CONAPOFA will also receive TA in logistics management, to develop a system that will enable it to track supplies in stock and in the pipeline at any given time. This information is crucial for estimating current and future commodity requirements. In addition, TA in financial management will be provided to CONAPOFA to review and revise the accounting system and financial controls. In particular, TA will assist in modifying the system to facilitate calculation of cost per couple-year of protection.

The amount of management, financial and programmatic data processing, commodity control and reporting to be undertaken by CONAPOFA warrants the purchase and installation of a micro-computer equipped with appropriate software and peripherals. TA will be provided to set up the system, redesign CONAPOFA's data base, and allow the analysis of program and

financial information by program, project, funding source, geographical area and method. A workshop will be conducted to train CONAPOFA managers to put data into the MIS (including user statistics, logistics, financial and personnel data) and use the information generated to plan and evaluate the NFPP. Selected staff of CONAPOFA's Administrative Department will be trained to operate the system.

In addition, the functioning of discrete departments in CONAPOFA will be strengthened. For instance, the Information and Education Department will receive assistance in mass media and teaching techniques, to improve the effectiveness of training provided to CBD and SESPAS staff. Also, the Medical Services Department will be assisted to improve the administrative skills of the supervisory staff of the Maternal/Child Health Program.

b. PROFAMILIA

In order to improve the ability to undertake both current and proposed project activities, PROFAMILIA will focus institutional strengthening activities on two areas: administrative reorganization and management information systems.

In terms of administrative reorganization, authority must be delegated more effectively and lines of authority more clearly defined. An additional level of management is needed to reduce the heavy load that top management is currently experiencing. TA will be required to implement the redesigned administrative structure and oversee the implementation of these changes.

PROFAMILIA will also receive short-term training and TA to improve the institution's use of financial and programmatic information for management decision-making. A data processing system will be installed to store, analyze and distribute MIS data. A micro-computer system will be developed that helps to track commodity flows, monitors the performance of the clinics, designs and modifies budgets, creates data bases, carries out mass mailings and has a capacity for word processing for proposal preparation. Project funds and TA will be provided to PROFAMILIA to assist in selecting and purchasing an appropriate system, customizing and installing the software, and training PROFAMILIA computer operators and staff in the operation and application of the system.

c. Studies and Operations Research

During the first two years of the project, AID funds will be utilized to cover the operating costs of the Institute for the Study of

Population and Development (IEPD), which is operated by PROFAMILIA. Funding for the Institute will be gradually reduced during that period. The IEPD presently conducts research into the dynamics of population growth and its consequences on different aspects of Dominican society. Between 1986 and 1990, the IEPD proposes to research and publish the following studies:

- Population and the Condition of Women.
- Population and Education.
- Population, Migration and Rural/Urban Development.
- Population and Ecology.
- The Potential of Employment Generation and Food Production of the Agrarian Reform.
- Changes in the Levels and Distribution of Income, 1960-1985.
- Impact of Tourism on the Socio-Economic Conditions of the Country.
- Effect of Export-Oriented Agroindustries on Demographic Changes and Employment.

The findings obtained in these studies will be disseminated to such institutions as the ONAPLAN, the National Statistics Office, CONAPOFA, the universities, and to national leaders, including prominent businesspersons and political leaders, to acquaint them with the implications of population growth on the economic and social development of the country.

The project will also assist ONAPLAN to strengthen its Population Analysis Unit. This unit will incorporate demographic information into the GODR's socio-economic planning process, thereby assisting the Dominican Government in allocating its resources.

The project will also provide assistance to both CONAPOFA and PROFAMILIA to conduct at least three operations research studies. Operations research is seen as an important management tool to provide information for decision-makers in areas that will make the delivery services more efficient. The topics to be studied include:

- The main causes for user discontinuation and suggested ways to improve program retention rates.
- Selection and testing the application of cost recovery mechanisms in the public sector as applied to CBD and clinic services.

Improved clinic scheduling and staff behavior toward clinic users as a means of increasing program retention rates.

A series of Unmet Needs Assessment surveys will be undertaken to provide PROFAMILIA and CONAPOFA with updated information related to demand for services on a geographically disaggregated basis. This information will be utilized to determine where to locate new services and relocate existing ones. Finally, CONPOFA's Research Department will be provided assistance to conduct a contraceptive prevalence survey in 1990.

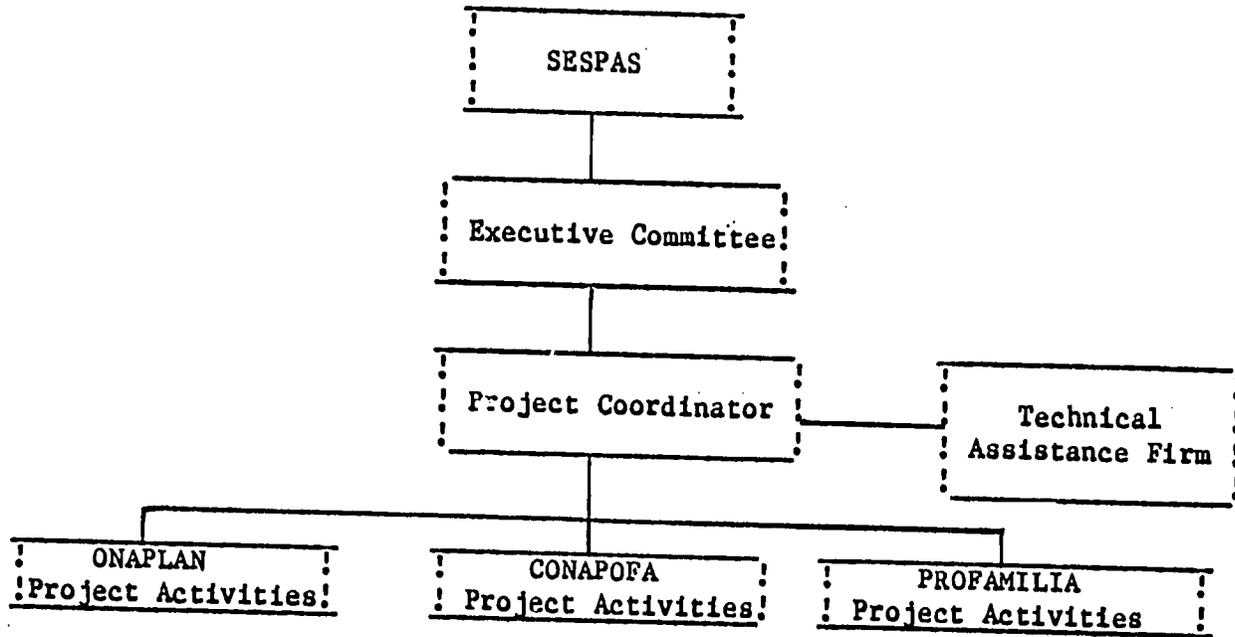
D. Implementation Arrangements

The Project Agreement will be signed by SESPAS, which will, in turn, designate CONAPOFA as the principal representative of the GODR. However, as an initial condition precedent, SESPAS will establish an Executive Committee to oversee the implementation of the project. The Committee will be composed of the Directors of CONAPOFA and PROFAMILIA, a representative of the Population Analysis Unit of ONAPLAN and the AID Project Officer as an ex-officio member. The role of the Committee will be to define policy and adopt a standardized service delivery strategy. The Committee will ensure that the project is executed in accordance with planned goals and objectives. It will review and approve the implementation and work plans of the participating entities. The Committee will also resolve any conflicts that may arise during implementation.

The Executive Committee will designate a Project Coordinator. This individual will be responsible for coordinating the implementation schedules and will guarantee that the planned activities are carried out in a timely manner and in accordance with the approved plan. The Coordinator will report to the Executive Committee. The Coordinator will prepare quarterly reports that will present the status of each project activity and a summary of accomplishments during the quarter. The project will attempt to simplify reporting to the AID/W centrally-funded projects so that a single quarterly report will satisfy the reporting needs of all donors.

To assist CONAPOFA and PROFAMILIA with the execution of the planned activities, technical assistance will be provided. The technical assistance institution will have demonstrated experience in the administration of family planning programs in Latin America and capable consultants in the major technical areas of the project. The technical assistance firm will be requested to provide one long-term advisor for approximately 54 months. The long-term advisor, who will be a specialist in the management of family planning programs, will also serve as Chief of Party. He/She will be responsible for coordinating the short-term technical assistance team (approximately 18 p/m) with expertise in program financing, management information systems, logistical support, training supervision, and operations research. In addition, the contractor shall provide two local-hire resident specialists in the fields of MIS and financial management to provide continuity of assistance in these areas to their counterparts at CONAPOFA and PROFAMILIA.

The following diagram shows the relationship among the participating agencies:



E. Summary Financial Plan

1. AID-Financed Inputs

AID funds will be used to procure a technical assistance team consisting of one long-term advisor for 54 months and 18 person-months of short-term technical assistance. The long-term advisor will work with both CONAPOFA and PROFAMILIA in the expansion of services component, in the institutional strengthening component the TA firm will also work with ONAPLAN. Short-term advisors will assist with revising the training curricula for promoters and supervisors, modifying the institutions' logistics and personnel management, MIS and micro-computer applications; and will assist with studies and operations research activities.

In-country, short-term training will be provided to promoters, supervisors, clinic nurses and staff in family planning methods, patient education and the MIS requirements. The project will finance the developmental costs of new curricula and user educational materials as well as per diem and transportation while in training. The staffs of CONAPOFA and PROFAMILIA will receive training in project design, implementation and evaluation and the utilization of MIS and micro-computer applications to program management.

The Project will procure commodities to equip PROFAMILIA's newly expanded urban clinics in Santiago and Santo Domingo; a limited amount of office equipment; a basic set of instruments for the PROFAMILIA affiliated clinic program; and standard equipment and supplies for the CONAPOFA cancer screening laboratories. Under the institutional strengthening component, the project will provide computers, software and MIS supplies. Educational materials will be printed and a basic set of video equipment provided to develop training videos.

Project resources will also be used for budget support costs related to the project's components. For example, AID resources will continue funding for designated CONAPOFA clinics, the IEPD, operations research and a buy-in to the AVSC to continue voluntary surgical sterilization. Finally, AID resources will fund the evaluation and audit requirements under the project.

2. Summary Cost Estimates

The following tables detail the projected costs of implementing the activities described above. Within the total obligated amount the Grantee may adjust individual line items as is reasonably necessary for the performance of the project activities. No such adjustment may change any particular category by more than 15% without prior written approval of AID.

TABLE 1
SUMMARY FINANCIAL PLAN
By Source and Use (Inputs) of Funds
(In 000's of US\$)

<u>Use (Input) of Funds</u>	<u>Source</u>		<u>of</u>		<u>Funds</u>	
	<u>A</u>	<u>I</u>	<u>D</u>			
	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	<u>HC*</u>	<u>TOTAL</u>	
Technical Assistance	\$1,897	\$ 303	\$2,200	\$ -	\$2,200	
Training	89	247	336	343	679	
Commodities	657	250	907	-	907	
Budget Support	700	637	1,337	1,357	2,694	
Evaluation/Audit	150	-	150	-	150	
Contingencies	70	-	70	-	70	
TOTALS	\$3,563	\$1,437	\$5,000	\$1,700	\$6,700	
PERCENT OF TOTAL			75%	25%		

*) Based upon RD\$2.80 = US\$1.00

To implement this project, USAID will select the most qualified, reputable and experienced firm possible. The TA firm (contractor) will also be responsible for all procurement actions and training activities not handled directly by AID (see Table 2). On-site continuous management of procurement and other implementation actions will be the responsibility of the full-time TA Chief of Party and his/her project office staff. The evaluation related actions will be implemented directly by the Mission through AID-direct contracts. The provision for a USAID PSC Project Officer will give USAID the capacity required to handle its assigned implementation and normal monitoring responsibilities.

TABLE 2
IMPLEMENTATION AND FINANCING METHODS

<u>Type of Assistance</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Amount (000's of \$)</u>
<u>Technical Assistance Services</u>			
Project Officer	PSC	Direct Pay	\$ 232
Long and Short-Term TA	Non-Profit Contractor	Direct Pay	1,968
			<u>\$2,200</u>
<u>Training</u>			
Short-term Participants	S&T/IT Direct	Direct Pay	\$ 65
Observational Study Tours	Non-Profit Contractor	Direct Pay	24
In-country Training	Non-Profit Contractor	Direct Pay	247
			<u>\$ 336</u>
<u>Commodities</u>			
Project Assistance-all	Non-Profit Contractor	Direct Pay	\$ 907
<u>Budget Support</u>			
AVSC-Dollar Cost	Direct PIO/T Buy-In	Direct Pay	\$ 700
Local	Implementing Agencies	Direct Pay	\$ 637
			<u>\$1,337</u>
<u>Evaluation/Audit</u>			
Mid-project and Final	Non-Profit/Profit Contractor	Direct Pay	\$ 150
<u>Contingencies</u>			
Various	Various	Various	\$ 70
			<u>\$ 70</u>
TOTAL AID CONTRIBUTION			\$5,000

TABLE OF CONTENTS
PROJECT GRANT STANDARD
PROVISIONS

	<u>Page</u>
ARTICLE A: <u>Project Implementation Letters</u>	1
ARTICLE B: <u>General Covenants</u>	1
SECTION B.1 Consultation.....	1
SECTION B.2 Execution of the Project.....	2
SECTION B.3 Utilization of Goods and Services.....	2
SECTION B.4 Taxation.....	3
SECTION B.5 Reports, Records, Inspections, Audit.....	3
SECTION B.6 Completeness of Information.....	4
SECTION B.7 Other Payments.....	4
SECTION B.8 Information and Marking.....	4
ARTICLE C: <u>Procurement Provisions</u>	5
SECTION C.1 Special Rules.....	5
SECTION C.2 Eligibility Date.....	5
SECTION C.3 Plans, Specifications, and Contracts.....	5
SECTION C.4 Reasonable Price.....	7
SECTION C.5 Notification to Potential Suppliers.....	7
SECTION C.6 Shipping.....	7
SECTION C.7 Insurance.....	8
SECTION C.8 U.S. Government-owned Excess Property.....	9

24

ARTICLE D	<u>Termination Remedies</u>	10
SECTION D.1	Termination.....	10
SECTION D.2	Refunds.....	10
SECTION D.3	Nonwaiver of Remedies.....	12
SECTION D.4	Assignment.....	12

A.I.D. GRANT AGREEMENT NO. 517-0229

STANDARD PROVISIONS

Definitions As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

ARTICLE A

Project Implementation Letters

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

ARTICLE B

General Covenants

SECTION B.1 Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the

Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2 Execution of the Project. The Grantee will:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement, and

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

SECTION B.3 Utilization of Goods and Services

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION B.4 Taxation

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in the territory of the Grantee.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in the Dominican Republic, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION B.5 Reports, Records, Inspections, Audit. The Grantee will

(a) furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D. such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired,

the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

(c) afford authorized representatives of a Party the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by such Party, and books, records, and other documents relating to the Project and Grant.

SECTION B.6 Completeness of Information. The Grantee confirms;

(a) that the facts and circumstances of which it has informed A.I.D., or cause A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7 Other Payments. Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION B.8 Information and Marking. The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

ARTICLE C

Procurement Provisions

SECTION C.1 Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Dominican Republic will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7 (a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2 Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3 Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished to A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating any goods or services, which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

(b) documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include standards and measurements commonly used in the United States.

(c) contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant shall be acceptable to A.I.D.

SECTION C.4 Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5 Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6 Shipping.

(a) Goods which are to be transported to the Dominican Republic may not be financed under the Grant if transported either (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried (1) on an ocean vessel under the flag

32

of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source. Foreign Exchange Costs", without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) on an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels, (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately owned United States-flag commercial vessels and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7 Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the Dominican Republic may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder

are payable in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of grantee) by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D. financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8 U.S. Government-Owned Excess Property. The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant should be

utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

ARTICLE D

Termination; Remedies

SECTION D.1 Termination. Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

SECTION D.2 Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefor.



(b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty (60) days after receipt of a request therefore.

(c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

27

SECTION D.3 Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4 Assignment. The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.

37

Standard Provision To Be Used in Grants and
Cooperative Agreements With Non U.S.
Nongovernmental Organizations

VOLUNTARY POPULATION PLANNING (AUGUST 1986)

(This provision is applicable to all grants involving any aspect of voluntary population planning activities.)

(a) Voluntary Participation:

(1) The grantee agrees to take any steps necessary to ensure that funds made available under this grant will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the grantee agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(b) Voluntary Participation Requirements For Sterilization Programs:

(1) None of the funds made available under this grant shall 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 practice sterilization.

(2) The grantee shall ensure that any surgical sterilization procedures supported in whole or in part by funds from this grant are performed only after the individual has voluntarily gone to the treatment facility and has given informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after being advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and the option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.

(3) Further, the grantee shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

(4) Copies of informed consent forms and certification documents for each voluntary sterilization procedures must be retained by the grantee for a period of three years after performance of the sterilization procedure.

(c) Prohibition on Abortion-Related Activities:

(1) No funds made available under this grant will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to women to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for abortion.

(2) No funds made available under this grant will 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 sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.

(d) Ineligibility of Foreign Nongovernmental Organizations That Perform or Actively Promote Abortion As a Method of Family Planning:

(1) The recipient certifies that it does not now and will not during the term of this grant perform or actively promote abortion as a method of family planning in AID-recipient countries or provide financial support to any other foreign nongovernmental organization that conducts such activities. For purposes of this paragraph (d), 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 AID 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 recipient; and (iv) obtain a copy of the audited financial statement or report of the recipient, if there is one.

(3) In the event AID 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 AID such books and records and other information as AID may reasonably request in order to determine whether a violation of the undertaking has occurred.

(4) The recipient shall refund to AID the entire amount of assistance for family planning furnished under this grant in the event it is determined that the certification provided by the recipient under subparagraph (1), above, is false.

(5) Assistance for family planning to the recipient under this grant shall be terminated if the recipient violates any undertaking required by this paragraph (d), and the recipient shall refund to AID the value of any assistance furnished under this grant that is used to perform or actively promote abortion as a method of family planning.

(6) The recipient may not furnish assistance for family planning under this grant to a foreign nongovernmental organization (the subrecipient) unless (i) the subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities and (ii) the recipient obtains the written agreement of the subrecipient containing the undertakings described in subparagraph (7), below.

(7) Prior to furnishing assistance for family planning under this grant to a subrecipient, the subrecipient must agree in writing that:

(i) The subrecipient will not, while receiving assistance under this grant, perform or actively promote abortion as a method of family planning in AID-recipient countries or provide financial support to other foreign nongovernmental organizations that conduct such activities.

(ii) The recipient and authorized representatives of AID may, at any reasonable time, (A) 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; (B) observe the family planning activity conducted by the subrecipient; (C) consult with family planning personnel of the subrecipient; and (D) obtain a copy of the audited financial statement or report of the subrecipient, if there is one.

(iii) In the event the recipient or AID 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. AID may also review the family planning program of the subrecipient under these circumstances, and AID shall have access to such books and records and information for inspection upon request.

(iv) The subrecipient shall refund to the recipient the entire amount of assistance for family planning furnished to the subrecipient under this grant in the event it is determined that the certification provided by the subrecipient under subparagraph (6), above, is false.

(v) Assistance for family planning to the subrecipient under this grant shall be terminated if the subrecipient violates any undertaking required by this paragraph (d), and the subrecipient shall refund to the recipient the value of any assistance furnished under this grant that is used to perform or actively promote abortion as a method of family planning.

(vi) The subrecipient may furnish assistance for family planning under this grant to another foreign nongovernmental organization (the sub-subrecipient) only if (A) the sub-subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities and (B) 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 subparagraphs (7)(i)-(v), above.

(8) Agreements with subrecipients and sub-subrecipients required under subparagraphs (6) and (7) shall contain the definitions set forth in subparagraph (13) of this paragraph (d).

(9) The recipient shall be liable to AID for a refund for a violation by a subrecipient relating to its certification required under subparagraph (6) or by a subrecipient or sub-subrecipient relating to its undertakings in the agreement required under subparagraphs (6) and (7) only if (i) the recipient knowingly furnishes assistance for family planning to a subrecipient which performs or actively promotes abortion as a method of family planning, or (ii) 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 (iii) the recipient is required to perform under the terms of this grant, that a subrecipient has violated any of the undertakings required under subparagraph (7) and the recipient fails to terminate assistance for family planning 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 subparagraph (7)(vi), above. If the recipient finds, in exercising its monitoring responsibility under this grant, that a subrecipient or sub-subrecipient receives frequent requests for the information described in subparagraph (13)(iii)(A)(II), properly in accordance with subparagraph (13)(iii)(A)(II) and shall describe to AID the reasons for reaching its conclusion.

(10) In submitting a request to AID for approval of a recipient's decision to furnish assistance for family planning 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. AID may request the recipient to make additional efforts to verify the validity of the certification. AID will inform the recipient in writing when AID is satisfied that reasonable efforts have been made. If AID concludes that these efforts are reasonable within the meaning of subparagraph (9) above, the recipient shall not be liable to AID for a refund. In the event the subrecipient's certification is false unless the recipient knew the certification to be false or misrepresented to AID the efforts made by the recipient to verify the validity of the certification.

(11) It is understood that AID 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.

(12) A subrecipient must provide the certification required under subparagraph (6) and a sub-subrecipient must provide the certification required under subparagraph (7)(vi) each time a new agreement is executed with the subrecipient or sub-subrecipient furnishing assistance for family planning under this grant.

(13) The following definitions apply for purposes of this paragraph (d):

(i) 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).

(ii) 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.

(iii) To actively promote abortion means for an organization 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.

(A) 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 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 AID-recipient countries regarding the benefits and/or availability of abortion as a method of family planning.

4/2

(B) 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 the individual's own 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 the individual is acting on behalf of the organization.

(iv) To furnish assistance for family planning to a foreign nongovernmental organization means to provide financial support under this grant to the family planning program of the organization, and includes the transfer of funds made available under this grant 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.

(v) To control an organization means the possession of the power to direct or cause the direction of the management and policies of an organization.

(14) In determining whether a foreign nongovernmental organization is eligible to be a recipient, subrecipient or sub-subrecipient of assistance for family planning under this grant, the action of separate nongovernmental organizations shall not be imputed to the recipient, subrecipient or sub-subrecipient, unless, in the judgment of AID, a separate nongovernmental organization is being used as a sham to avoid the restrictions of this paragraph (d). 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 AID'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 AID therefor, that the family planning activities of the organizations are sufficiently distinct as to warrant not imputing the activity of one to the other.

(15) Assistance for family planning may be furnished under this grant 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.

(e) The grantee shall insert paragraphs (a), (b), (c), and (e) of this provision in all subsequent subgrants and contracts involving family planning or population activities which will be supported in whole or part from funds under this grant. Paragraph (d) shall be inserted in subagreements and sub-subagreements in accordance with the terms of paragraph (d). The term subagreement means subgrants and subcooperative agreements.

(END OF STANDARD PROVISION)

44