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A.I.D. Project No. 391-0475
Dollar Appropriation No. 72-1171021.7
Dollar Appropriation No. 72-1171021.8
Budget Plan Code: QDCA-87-27391-KG-13
Budget Plan Code: QDHA-87-27391-KG-13
Project Agreement No. 87-14

FOURTH AMENDATORY AGREEMENT

TO

PROJECT GRANT AGREEMENT

BETWEEN

THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN

AND THE

UNITED STATES OF AMERICA

FOR

PRIMARY HEALTH CARE

Grant Agreements
AM, LMD (if Loan)
AM, PAFD
AM/CAD
GC/ANE
ANE/Desk
ANE/TR Officer
ANE/PD Officer & File
WPC/CDIE/DI

DATED: July 29, 1987

(CONFORMED COPY)

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FOURTH AMENDATORY AGREEMENT TO PROJECT GRANT AGREEMENT
FOR
PRIMARY HEALTH CARE

Dated: July 29, 1987

Between

The President of the Islamic Republic of Pakistan (hereinafter referred to as the "Grantee")

and

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

Article 1: Purpose of Amendment

This Fourth Amendatory Agreement to A.I.D. Project No. 391-0475 dated September 25, 1982, is hereby entered into between the Parties above named to grant the Grantee additional United States ("U.S.") Dollars under this Project, to modify Annex 1- Page 7 consistent therewith, to replace Section 3.2(b) of the original Project Grant Agreement with a new Section 3.2(b), to extend the PACD and to replace Annex 1 of the original Project Grant Agreement with a new Annex 1.

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Article 2: Financing

Section 3.1 is hereby deleted and the following substituted in its stead:

"Section 3.1. The Grant. To assist the Grantee 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 to the Grantee under the terms of this Agreement an additional Ten Million United States ("U.S.") Dollars (\$10,000,000). The total Grant comprising the original Agreement, the First Amendatory Agreement, the Second Amendatory Agreement, the Third Amendatory Agreement and this Fourth Amendatory Agreement, shall not exceed Thirty Million United States ("U.S.") Dollars (\$30,000,000) ("Grant").

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

Article 3: New Section 3.2(b).

Section 3.2(b) of the original Project Grant Agreement is hereby deleted and the following substituted in its stead:

"(b) The resources provided by the Grantee for the Project will be not less than the equivalent of U.S. \$4,125,000, including costs borne on an "in-kind" basis."

Article 4: Annex 1 - Project Description

Annex 1 is hereby deleted and the attached Annex 1 substituted in its stead.

Article 5: Project Assistance Completion Date

Section 3.3(a) is hereby deleted and the following substituted in its stead:

"Section 3.3(a). The PACD, which is March 31, 1989, 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 furnished for the Project as contemplated in this Agreement."

Article 6: Other Terms and Conditions

All other terms and conditions of the Project Grant Agreement shall remain in full force and effect.

PROJECT DESCRIPTION

A. Background

In 1977, the Government of Pakistan (GOP), recognizing that it was impossible to adequately respond to the health problems with a physician-based system of medical care, launched a rural health program. The program, which received support from A.I.D. under the Basic Health Services Project (391-0415) between 1977 and 1981, was based on a system of Integrated Rural Health Complexes (IRHCs) consisting of three tiers:

1. a Rural Health Center (RHC) staffed by one male and one female doctor and male and female medical technicians (MTs);
2. satellite Basic Health Units (BHUs) staffed by one male and one female MT; and
3. One male and one female Community Health Worker (CHW) trained and supervised by the MTs in the nearest BHUs, and living and working in their own village.

While the previous A.I.D. Project fell short of its ambitious objectives, it did achieve the following results:

1. It introduced a cadre of health providers that was previously non-existent;
2. It firmly established the concept that properly trained paramedics could provide effective, simple, curative and preventive health care;
3. A six-volume, competency-based curriculum for MTs was developed and adopted and by the end of the project, a total of 85 MT tutors, 124 MTs, and 55 CHWs were trained and deployed;
4. 6 RHCs and 24 BHUs were constructed and fully staffed, resulting in the formation of 6 operational IRHCs; and,
5. 27 MT training schools were established throughout the country and have continued to operate even after A.I.D. input terminated. The GOP firmly adopted this new approach to health care and proceeded with training of paramedical personnel and construction of RHCs and BHUs. Additionally, the GOP recognized supervision and training as critical issues and identified ways to accelerate the recruitment of female health workers.

The current Primary Health Care Project was designed to build on the accomplishments and apply the lessons learned from the previous Project by assisting the GOP in those areas in order to improve the quality and coverage of Primary Health Care services in the rural areas. The improvements in services are being accomplished by:

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1. training and deploying significant numbers of female MTs and CHWs, to reach the women and children who are unable to obtain services because of the existing cultural constraints;
2. increasing the management and supervisory capability at all levels of the health system and institutionalizing a monitoring system to measure program effectiveness;
3. improving the quality of the on-the-job performance of the Medical Officers, MTs and CHWs; and
4. promoting community participation in health activities by an effective outreach program.

As a result of the Project, Federal and Provincial health authorities are better able to implement those health care interventions which impact most effectively on diseases of high prevalence or significant morbidity and mortality and to make the RHCS and BHUs truly functional facilities.

B. Project Goal and Purpose

The goal of the current Project is to improve the health status of the rural population and to reduce the rate of infant mortality. This will contribute substantially to the Government 's overall objective of social and economic development. The Project purpose is to improve the quality and expand the coverage of Primary Health Care services in the rural areas by reducing the infant mortality rate through expanded Program for Immunization (EPI) and control of Diarrheal Diseases (CDD) and creating awareness of hazards in use of narcotics.

Measures of purpose achievement by the end of the project include:

1. In the areas served by the Project:
 - a. at least a 20 percent reduction in infant and child mortality;
 - b. at least a 20 percent reduction in moderate to severe malnutrition
 - c. at least a 35 percent reduction in deaths due to diarrheal disease;
2. 75 percent of the MTs devoting at least half of their time to training and supervising CHWs;
3. 80 percent of IRHCs having authorized drugs and medical supplies available;
4. 75 percent of BHUs receiving at least one visit weekly from MT supervisors or medical officers posted at IRHCs; and,

5. A total of 53 additional IRHCs operational, with 29, 12, 7 and 5 in Punjab, NWFP, Sind and Baluchistan respectively.

C. Project Outputs

The Project is expected to produce the following outputs which together should achieve the Project purpose:

1. one Federal Advisory Council and four Provincial Steering Committees (one per province) established and functioning effectively;
2. approved annual Primary Health Care plans for each province;
3. a planning and management system for IRHCs implemented with an institutionalized mechanism for continued analysis and review of the system;
4. a revised MT curriculum and training materials developed and translated into Urdu for MTs and CHWs;
5. all currently deployed MTs and tutors retrained in the revised curriculum;
6. each MT deployed training and supervising an average of 10 CHWs;
7. 13 permanent and consolidated MT training schools with hostel accommodations constructed or renovated;
8. a simple surveillance system designed and in use to monitor IRHC operations; and,
9. at least 40 percent of all MTs and CHWs are females.
10. Tetanus Toxoid vaccination program accelerated to cover pregnant women, married women and women of child bearing age.
11. upgraded Diarrheal Training Units established at 16 Teaching hospitals in Pakistan; and
12. ORT corners established at 10-15 percent of rural health facilities.

D. Project Components

The proposed Primary Health Care Project will provide funds in support of an integrated package of five components which are designed to achieve the above objectives.

1. Program Management

High level Federal and Provincial Advisory Committees will be created to formulate policy and provide effective leadership. The Committees, project managers, and other key officials involved in the Primary Health Care system will be supported and strengthened by: long and short-term expatriate and Pakistani consultants; management workshops for health delivery personnel at all levels; participant training in the U.S. and third countries; and in-country observational visits. Provincial operation manuals for RHCs and BHUs will be developed as a part of this process.

2. Medical Technician and Community Health Worker Training

Long and short-term U.S. and Pakistani training advisors will assist GOP health officials to revise the curriculum and to develop training materials, both of which will be translated into Urdu, for both MTs and CHWs; and to design and conduct training workshops, including in-service workshops for deployed MTs. Participant training in the U.S. and third countries will be provided for key personnel. Thirteen consolidated permanent MT schools will be constructed or rehabilitated, furnished and equipped, and provided with transport. Hostels will be built at each school for male and female students, the latter being especially important for the recruitment of females.

3. Program Operations

In addition to improved management and training inputs, the performance of MTs and CHWs will be enhanced, by the provision of in-service training, medical kits, and low-cost transport (probably a motorized bicycle). A health promotion and education campaign will be designed and implemented to enhance the status and acceptance of field workers and to foster community awareness and participation in the health system. A new activity under this component will fund a "public awareness campaign to discourage the use of narcotics". This public awareness campaign is to be undertaken by the Pakistan Narcotics Control Board (PNCB) under procedures established through a project implementation letter. This campaign will include NGO sponsored public meetings, printing and distribution of posters, leaflets, handbills, banners, financing journalistic activities and other mass-media efforts.

4. Research and Evaluation

Field studies will be undertaken at the beginning of the Project to provide baseline data on the prevalence and associated mortality of selected diseases. Other research to be undertaken during the Project will include; a) the collection of data on mortality trends of children 0 to 4 years of age in selected areas served by the Project and b) research on the recurrent costs. In addition, Project progress will be assessed annually in evaluation exercises or workshops involving Federal and Provincial health personnel, Project staff, and representatives of A.I.D. and WHO.

5. Accelerated Expanded Program of Immunization (EPI)

As one of three accelerated interventions in health, the Government is launching an Accelerated EPI program. This is an effort designed to immunize all young children against six preventable diseases that cause about 33 percent of all deaths in children under five. The Project will support this effort by financing injection equipment and equipments for the production of DPT vaccine, tetanus toxoid and other vaccines; transportation vehicles and simple cold storage equipment. The project will also support GOP efforts to accelerate the tetanus toxoid vaccination; program in pregnant women, married women and women of marriageable age. In addition, funds will be provided to procure chemicals for the preparation of oral rehydration salts and to cover sociocultural determination of how best to reach married women, development of communication strategy, cost of air time for broadcasting information messages, material and equipment, and training cost for monitoring. Project funds will also be used for the iodized oil intervention including technical assistance, commodities, training, and surveillance for IDD control program. Additionally, project will support the establishment or upgradation of Diarrheal training units at 16 teaching hospitals in Pakistan and establishment of ORT corners at rural health facilities. This assistance will be provided in a manner that reinforces the Primary Health Care Project's long-term institution-building objectives.

E. Implementation Plan

1. A.I.D. Responsibilities

A.I.D. will be responsible for: (a) directly contracting or assisting in host country contracting with all expatriate and Pakistani advisors; (b) procuring or assisting in host country procurement of all offshore project-financed vehicles, equipment and other commodities as necessary; (c) contracting or assisting in host country contracting with a Pakistani Architectural and Engineering (A&E) firm to design and supervise the construction or renovation of Medical Technician training schools; (d) contracting or assisting in host country contracting with Pakistani firm (s) to construct or renovate the MT schools; (e) financing all costs of in-country training workshops, translation and printing of training materials, research studies, establishment/upgradation of Diarrheal training units, ORT corners and public awareness campaign; (f) arranging for short-term training in U.S. and other countries for selected participants; and (g) providing sufficient staff to participate in the scheduled Project evaluations and to liaise with appropriate Federal and Provincial Government agencies in the implementation of this Project.

2. Federal and Provincial Government Responsibilities

Project activities will be implemented by the four Provincial Departments of Health under the overall guidance and direction of the Federal Ministry of Health (including the Basic Health Services Cell) and National Institute of Health (NIH) Islamabad.

The Federal Ministry of Health will be responsible for:

(a) preparing a plan of operations for the life of the Project; (b) establishing a Federal Advisory Council for the Project; (c) ensuring that its Basic Health Services Cell is fully staffed; (d) coordinating all in-country training workshops and seminars; (e) contracting with an appropriate Pakistani firm to design appropriate visual training aids, other training materials and communication/promotional materials; (f) distributing project-financed equipment, training supplies and communication/promotional material; and (g) arranging, coordinating, and participating in Project evaluations and project-financed research activities.

The National Institute of Health will be responsible for: a) preparing a plan of action for child survival activities to be funded under the project for Expanded Program on Immunization (EPI), including the tetanus toxoid vaccination program, Iodine Deficiency Control program, and oral rehydration therapy (ORT) program; b) establish communication advisory group consisting of communication specialists/advisors of MOH and donor agencies, to plan, develop, pretest and implement public awareness/communication/promotional campaigns regarding ORT, EPI and other NIH based child survival activities; c) coordinate all in-country training under child survival activities; d) arrange appropriate distribution and utilization of commodities, communication and promotional materials for child survival activities; e) arrange, coordinate and participate in project evaluations and project financed research and survey activities.

The Provincial Health Ministries will be responsible for:

(a) constructing Rural Health Centers and Basic Health Units and operating Integrated Rural Health Complexes; (b) preparing annual provincial plans for the Project; (c) establishing Provincial Steering Committees for the Project; (d) operating, supervising, and evaluating MT schools; (e) creating posts for newly graduated MTs and arranging for their immediate deployment; (f) training, monitoring and evaluating MTs, CHWs, workers of EPI, CDD, and IDD; (g) developing management and operational rules and regulations for IRHCs; (h) nominating and releasing Provincial health personnel for the various management and training workshops held over the life of Project; and, (i) providing staff to participate in Project evaluations.

The Pakistan Narcotics Control Board (PNCB) will be responsible for the implementation of the narcotics awareness activity.

Illustrative

Annex 1 (Amendment 3)
Page 7

SUMMARY OF PROJECT COSTS BY EXPENSE CATEGORY
AND SOURCE OF FUNDING 5/
(IN 000s)

Expense Category	Cumulative FY 1982, FY 1983 FY 1984, FY 1985, FY 1986 & FY 1987 To Date		Life of Project Funding	
	A.I.D. Dollar Grant (in \$)	GOP (in Rs)	A.I.D. Dollar Grant (in \$)	GOP (in Rs)
Technical Assistance	2,278	-	2,278	-
Training	2,853	61,920	2,853	61,920
Commodities <u>1/</u>	8,791	46,200	8,791	46,200
Other Costs <u>2/4/</u>	15,978	403,952 <u>3/</u>	15,978	403,952
TOTAL	29,900	512,072	29,900	512,072
Contingency	100	-	100	-
GRAND TOTAL	30,000	512,072	30,000 <u>5/</u>	512,072

1/ Includes commodities and vehicles for EPI.

2/ Includes \$9,080,000 for construction or renovation of 13 Medical Technician Training Schools, research and evaluations; operational costs and training and communication program for Control of Diarrheal Diseases.

3/ Includes Rs. 275,600,000 for the construction of 53 Integrated Rural Health Complexes and Rs. 77,352,000 for expenditures on EPI in 1985-87.

4/ \$300,000 will be spent to enhance the original component "Program Operations" (of the Project Description) by including an additional activity captioned public awareness campaign to generate awareness, in the public, about the hazards of drug abuse and to discourage the use of narcotics. The Narcotics Awareness Campaign will be implemented through the Pakistan Narcotics Control Board (PNCB).

5/ Either party may unilaterally, with written notice to the other, adjust line items in this budget to a maximum of 15% per line item, provided, however, the total obligated amount as shown in the budget is not exceeded.