

United States Agency for
International Development (AID)
Quito, Ecuador



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Agencia de los Estados Unidos para
el Desarrollo Internacional (AID)
Quito, Ecuador

PD-ABF-668

September 22, 1989

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**DUPLICATE
ORIGINAL**

Dr. Josephine Gilman
Executive Director
Proyectos en Informatica, Salud,
Medicina y Agricultura -PRISMA
Av. Las Artes s/n
San Borja
Lima, Peru

Subject: Cooperative Agreement No. 527-0335-A-00-9373-00

Dear Dr. Gilman:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as USAID or "Grantor") hereby grants to the Proyectos en Informatica, Salud, Medicina y Agricultura, a Peruvian Private Voluntary Organization (hereinafter referred to as "PRISMA" or "Recipient"), the sum of \$2,217,302 to provide support for a program to assist the private voluntary family planning sector, as described in the Schedule of this Cooperative Agreement and the Attachment 2, entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending September 21, 1990. Subject to the availability of funds and the authorization of an extension of the project from one year to a total of four years, USAID may provide additional resources.

This grant via cooperative agreement is made to PRISMA on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled

the "Schedule", Attachment 2, entitled "Program Description," and Attachment 3 entitled "Standard Provisions," which have been agreed to by your organization.

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

Sincerely yours,


James J. Dunlap
Regional Agreement Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

PROYECTOS EN INFORMATICA, SALUD, MEDICINA
Y AGRICULTURA -PRISMA-

BY: Josephine Gilman
NAME: Josephine Gilman
Title: Executive Director
Date: _____

FISCAL DATA

Appropriation:	72-1191021
Budget Plan Code:	(1) LDPA-89-25527-KG13 \$2,114,627
	(2) LDPA-89-25527-JG13 \$102,675
PIO/T No:	527-0335-3-90073
Project No:	527-0335
Total Estimated Amount:	\$2,217,302
Total Obligated Amount:	\$2,217,302

SCHEDULE

A. Purpose of Agreement

The purpose of this one-year Cooperative Agreement is to maximize the availability of family planning services to women and men who wish to use them by strengthening the capacity and improving the performance of the private voluntary sector to deliver quality and efficient services, focusing on long-lasting contraceptive methods, and maintaining support for temporary supply methods and natural family planning methods.

Under the terms and conditions of this Agreement, USAID will provide funding for:

- technical assistance in order to increase the capacity of six PVOs to deliver family planning services;
- technical assistance to improve the availability of long-lasting contraceptive methods; and budgetary and commodity support for family planning PVOs to deliver temporary supply methods and natural family planning.

B. Period of Agreement

1. The effective date of this Agreement is the date on the cover letter. The expiration date of this Agreement is September 21, 1990.

2. Funds obligated hereunder are available for program expenditures for the estimated period September 22, 1989 to September 21, 1990, as shown in the Agreement Budget.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$2,217,302 for purposes of this Agreement.

2. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 3 Standard Provision No. 1, entitled "Payment - Periodic Advance."

D. Agreement Budget

1. The following is the Agreement Budget, including local cost financing items, as authorized, and other contributions to the project. Revisions to this budget shall be made in accordance with Mandatory Standard Provision 4 of this Agreement, entitled "Revision of Grant Budget." The budget amounts shown in the column "Possible Years 2-4" and "Total" have not yet been

authorized; they are subject to the availability of funds and the authorization of an extension of the project from one year to a total of four years.

AGREEMENT BUDGET

A. FINANCIAL PLAN, 1989-1994
(in \$000)

<u>Source of Funding</u>	YEAR 1	Possible Years 2-4	<u>TOTAL</u>
	9/22/89	9/22/90	
	<u>9/21/90</u>	<u>9/21/93</u>	
USAID	2,217,302	5,537,698	7,755,000
Other Donors and Sources	---	---	---
TOTAL	2,217,302	5,537,698	7,755,000

B. ESTIMATED BUDGET, YEAR 1
(September 22, 1989 - September 21, 1990)

USAID
SUMMARY OF TOTAL PROJECT COSTS
by Foreign Exchange (FX) and Local Currency (LC)

Project Components	<u>PYI</u>	
	<u>FX (*)</u>	<u>LC</u>
A. <u>Program Costs</u>		
1. PVO Institutional Support		709,302
2. Technical Assistance/ Technical Studies		60,000
3. Commodities	<u>1,003,000</u>	<u>67,000</u>
TOTAL PROGRAM COSTS	1,003,000	836,302
B. <u>Administrative (Direct) Costs</u>		
1. Project Management		151,000
2. USAID Coordination	110,000	
3. Evaluation	20,000	
4. Audit/Financial Reviews	<u>70,000</u>	
TOTAL ADMINISTRATIVE COSTS	200,000	1,014,302
C. <u>Administrative (Indirect) Costs</u>	--	27,000
TOTAL PROJECT	<u>1,203,000</u>	<u>1,014,302</u>

NOTES: * It is understood that the majority of these costs shall be reserved for USAID-direct action.

E. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision of this grant entitled "Payment-Periodic Advance, (November 1985)" as shown in Attachment 3.

b. The original and two copies of all financial reports shall be submitted to USAID Controller, c/o U.S. Embassy, Larrabure y Unanue, 110, Lima 1, Peru. In addition, three copies of all financial reports shall be submitted to the USAID project officer.

2. Program Performance Reporting

a. Recipient shall monitor performance under the Agreement and, where appropriate, ensure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. This review shall be made for each program, function, or activity of the Agreement.

b. Recipient shall submit a quarterly performance report (technical report) that briefly presents the following information for each program, function, or activity involved:

(1) A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

c. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform USAID as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any USAID assistance needed to resolve the situation.

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

d. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in Mandatory Standard Provision 4, the Recipient shall submit a request for budget revision.

e. The USAID Project Officer shall make site visits as frequently as practicable to:

(1) Review program accomplishments and management control systems, and

(2) Provide such technical assistance as may be required.

F. Special Provisions

1. As set forth in Attachment 3, all mandatory standard provisions for Non-U.S. Nongovernmental Grantees apply to this Agreement. Applicable optional standard provisions are indicated on the checklist in Attachment 3.

2. To assist in the implementation of the project, USAID from time to time will issue cooperative agreement implementation letters furnishing additional information on requirements about matters stated in this Agreement. Such letters shall not modify the terms of the Agreement.

3. The USAID Project manager is authorized to issue all approvals or technical interpretations which can clearly and reasonably be considered within the terms of this Agreement as written. This authority includes all approvals reserved to USAID under article J (below) of the Schedule.

G. Indirect Cost Rate

There is no overhead or indirect cost rate in percentage terms, applicable to this Agreement. There are non-program costs which will be reimbursable under this Agreement, on a prorata or direct charge basis. More specifically, the "overhead" or indirect administrative costs of program support have been developed by an analysis of the monthly input of all PRISMA core personnel having a recurring input. This input, for most, will decline over the first year, reaching a minimum level required to monitor assistance to the PVOs and financial reporting during the remaining three project years. Included in overhead also are those core administrative expenses related to core personnel inputs. These costs are minimal and not expected to exceed US\$1,000 annually. These indirect administrative costs will be reimbursed based upon monthly billings from PRISMA in local currency.

H. Title to Property

Title to property obtained under this grant shall vest in the Recipient. It is understood that the Recipient will in turn pass selected property to subrecipients.

I. Authorized Geographic Code

The authorized geographic code for procurement of goods and services under this Agreement is 000 (the United States), plus Peru.

J. Substantial Involvement Understandings

PRISMA and USAID agree that the nature of the activities to be carried out under the Agreement require the substantial involvement of USAID. PRISMA, therefore, agrees to:

- request USAID to issue PIO/Ts to locally compete and contract the Project Monitor and secretary positions. Selection of these individuals will be made by USAID.
- request USAID to issue a funded PIO/C to purchase contraceptives to be distributed under the Project. USAID will review commodity requests and issue the necessary cables to AID/W. USAID approval of local handling arrangements will be required prior to issuing the first request for shipment.

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- request USAID to issue the necessary PIO/Ts for buy-ins to AID/W centrally-funded projects. USAID may recommend and will review and approve all requests for such buy-ins.
- request USAID approval prior to selection and contracting of Project key personnel by the Recipient. These include the Administrative/Management Specialist, Accounting Analyst, and Logistics/Statistics Coordinator. Any deviation from the number of support personnel as specified in the Program Description or Project Paper will require the prior approval of USAID, as will any changes in level of effort of PRISMA's director during PY 1.
- the participation of USAID in the preparation of scopes of work for all subcontracts issued by PRISMA under the Cooperative Agreement for local technical services and consultants. This will include, but not be limited to, institutional financial audits and technical studies. Prior approval from USAID will be required for all Requests for Proposal (RFPs), and selection of subcontractors and consultants.
- the participation of USAID in the preparation of PVO subgrant budgets for institutional support and, where appropriate, technical assistance. Prior approval from USAID will be required for all PVO subgrants made under the Cooperative Agreement.
- the participation of the Project Manager and/or Project Monitor in all meetings of the Project Coordinating Committee and of the Technical Advisory Group, as described in the Implementation Plan.
- request USAID to conduct a threshold evaluation of PRISMA during month 8 of PY 1, as described in the Implementation Plan and using funds under this Cooperative Agreement. PRISMA will authorize USAID to issue the necessary PIO/Ts and other documentation to carry out this evaluation.
- participation of USAID in end-of-year evaluations of progress made by the participating PVOs in achieving their institutional and service delivery goals. All decisions regarding continuation or discontinuation of PVO's in the Project will require the prior approval of USAID.

PROGRAM DESCRIPTION

The Private Voluntary Family Planning Services Expansion Project (PVFP) is designed as a four-year activity to assist six PVOs to increase their capacity to provide quality family planning services. Authorization has been granted for the first year of this planned 4-year project. Funds are obligated through this one-year Cooperative Agreement with Proyectos en Informatica, Salud, Medicina y Agricultura ("PRISMA" or "Implementing Agency").

A. Summary Project Description

The project goal is to improve the quality of life for Peruvian families through increased access to the means to achieve the desired number and spacing of their children. The project purpose is to maximize the availability of family planning services to women and men who wish to use them by strengthening the capacity and improving the performance of the private voluntary sector to deliver quality and efficient services, focusing on long-lasting contraceptive methods, and maintaining support for temporary supply methods and natural family planning methods.

Six family planning service delivery private voluntary organizations (PVOs) will be the major participants in the Private Voluntary Family Planning Service Expansion (PVFP) Project. They include:

- Asociacion de Trabajo Laico Familiar (ATLF),
- Asociacion de Profesionales para la Promocion de la Salud Materno-Infantil (APROSAMI),
- Centro Nor-Peruano de Capacitacion y Promocion Familiar (CENPROF),
- Instituto Peruano de Paternidad Responsable (INPPARES),
- Promocion de Labores Educativas y Asistenciales en Favor de la Salud (PROFAMILIA), and
- Proyecto Planificacion Familiar (PLANIFAM).

Other Peruvian PVOs may receive donated contraceptive commodities and may be invited to participate in specific activities, such as training, research, and production of educational materials production. Project support may be extended to include non-family planning development agencies which wish to collaborate with the public sector to offer family planning services. Project support may also be extended to a PVO coordinating body, when and if such an entity begins to function.

The objectives of the project are:

1. to strengthen the capacity of six PVOs to deliver family planning services (institution building),
2. to improve the availability of long-lasting contraceptive methods,
3. to maintain support for temporary supply methods and natural family planning, and
4. to enhance rural family planning coverage through PVO-public sector collaboration.

Increased capacity to deliver family planning services. The project will strengthen institutional management of the six primary PVOs through the introduction, acquisition, and application of management systems and skills. One of the first project activities will be to develop and install a standardized management information system (MIS) for tracking staffing and resource allocations, logistics (commodities), and service statistics.

Participating PVOs will be assisted to identify administrative and program costs, both direct (program) and indirect (capital, administrative, and support), and to analyze and use that information to determine cost-effectiveness ratios and other financial indicators. The data for these analyses will be provided by the MIS, and the indicators produced will be used for institution and program planning, monitoring, and evaluation.

The project will strengthen the PVOs' ability to utilize market analyses for the family planning services and methods they offer to enable them to increase the productivity of existing services, adjust the fees they charge, and expand into new geographical areas, income levels, and/or contraceptive methods. The project also will assist the participating PVOs to acquire skills required to undertake income-generating activities: specifically, to increase local in-kind and cash donations, and to undertake profit-making activities.

Availability of long-lasting contraceptive methods. PVOs will receive technical assistance to improve the utilization of their existing clinical capacity to provide long-lasting methods. This will include adding new services, increasing community outreach efforts, and better integration with non-clinic, community-based distribution programs. The rotating medical post system will be expanded in some peripheral urban areas of the countries, both by increasing the frequency of operation from twice a month to weekly in those posts already operating at peak output and by opening new post locations in underserved areas. Community workers (volunteers)

will be trained to screen their clients for reproductive risk using such Ministry of Health (MOH) criteria as age, parity, and previous obstetric problems, and to refer high-risk women to medical posts and/or clinics for intrauterine devices (IUDs) or voluntary surgical contraception (VSC).

As clinic programs expand their capacity to provide long-lasting contraceptive methods, project support will increase for this element and will decrease for the existing support of salary subsidies for community based distribution (CBD) personnel (e.g., supervisors) during Project Year (PY) 1. By the end of PY 2, such salary subsidies shall be eliminated. Project-funded contraceptive commodities will continue throughout the entire four years of the project.

Maintenance of support for temporary supply methods and natural family planning. Given the importance of providing the full range of legally acceptable contraceptive choices to prospective and continuing users, the project will continue commodity donations of temporary supply methods to all the participating family planning PVOs. Institutional strengthening assistance will also be provided to a PVO specializing in natural family planning. A key element in this project will be to assist the PVOs in cost recovery and income generation, so that they can begin to purchase their own temporary contraceptive supplies locally from Peruvian manufacturers. Contraceptive Social Marketing (CSM) products will be promoted as part of the interface between this project and the Private Commercial Family Planning Project (527-0326)).

Rural coverage through PVO-public sector collaboration. In rural areas where family planning services are underutilized or nonexistent, project funds will be provided for PVOs to enter into agreements with MOH departmental health units and hospital directors to provide family planning services. These services will be provided at public sector hospital outpatient clinics in the afternoons when normal clinic activities cease. The MOH (or IPSS) will provide the facility, equipment, and contraceptive supplies. The PVO will contract and train staff, including a midwife, nurse auxiliary, receptionist, and statistical clerk. Depending on local conditions, these staff may be either MOH personnel or may be drawn from the private sector. (This collaborative approach to service delivery has been tried with considerable success under an A.I.D.-funded operations research project of INOPAL (The Population Council) with Vecinos Peru, a PVO affiliated with World Neighbors.)

B. Project Description for Year One.

The Recipient will have responsibility under the Cooperative Agreement only for activities to be conducted in PY 1 of the Project. Authorization for the final three years is contingent on year one performance and results. This section describes the expected outcomes of PY 1.

As stated earlier, the overall objectives of the Project are (1) to increase the capacity of selected PVOs to delivery family planning services (institution building); (2) to improve the availability of long-lasting contraceptive methods; (3) to maintain support for temporary supply methods and natural family planning; and (4) to enhance rural family planning coverage through PVO-public sector collaboration.

1. Increased Capacity to Deliver Family Planning Services.

By the end of PY 1, the participating agencies will have developed and implemented the administrative systems that will enable them to take steps to reduce the unit costs of services delivered. This is reflected in indicators presented immediately below.

Improved Administrative Systems. By the end of PY 1, all six participating PVOs will have developed and implemented:

- strategic plans,
- annual operational plans and financial objectives for PY 2,
- logistics/service statistics systems, and
- uniform management and accounting systems.

Improved Cost Effectiveness. By the end of PY 1, participating PVOs will have the information they need to calculate service delivery costs and begin steps to improve cost efficiency. The basis for these determinations will be the results of:

- institutional financial audits,
- technical study 1 (cost analysis), and
- reduction in salary subsidies to urban CBD programs.

Enhanced Financial Self-Sufficiency. Financial sustainability will be encouraged by increasing locally generated revenues, principally through cost recovery and income generation. By the end of PY 1, the participating PVOs will able to set pricing policies and self-sufficiency targets based on the results of:

- technical study 2 (market study),
- zonification of the rest of the country.

2. Availability of Long-Lasting Contraceptive Methods.

Installed Capacity. During PY 1, numerical (percentage) targets will be established for increasing PVO capacity to delivery IUDs and VSC and for increasing the portion of the PVOs' operating budgets dedicated to delivery of long-lasting methods.

Long-Lasting Contraceptive Method Users Served. Following the trends observed between 1987-1988, the number of acceptors of IUDs and VSC served directly by the PVOs will increase by 35 percent per year. The proportion of IUD and VSC acceptors over all acceptors in urban areas will increase by 20 percent per year.

3. Maintenance of Support for Temporary Supply Methods and Natural Family Planning.

Institutional funding and contraceptive commodities will be provided to the PVOs to continue offering these methods. A phase-out of the importation of vaginal foaming tablets, be be replaced with local purchase of CSM products will be initiated.

4. Increased Rural Coverage.

The Project is not expected to open any after-hours family planning clinics in public sector facilities during PY 1. Cooperating Agencies funding of such activities will be encouraged.

5. Gender Considerations.

No large-scale hiring or management training activities are anticipated for PY 1. As part of their administrative review, the PVOs will compile sex-disaggregated personnel rosters which will form a baseline for future hiring, training, and promotion.

PVOs will be encouraged to recruit more men as CBD distributors and supervisors. Twenty percent of all new CBD distributors trained will be men. Programmatic activities aimed at promoting male methods will be encouraged to recruit male supervisors.

Where appropriate, information on program beneficiaries (contraceptive acceptors and users) will be sex disaggregated. In some cases, this may require special point-of-purchase surveys and other research procedures.

C. Financial Plan.

A summary of total project costs by component follows in Table 1. While this table provides the estimated costs for a full four-year activity, the Agreement as obligated and authorized is for only one year, pending evaluation of PRISA performance during the last quarter of the first year.

TABLE 1.
ANNUAL AND TOTAL PROJECT COSTS, BY PROJECT COMPONENT
(US\$000)

<u>Project Component</u>	<u>Funded Under this PIO/T (9/22/89-9/21/89)</u>	<u>LOP Budget</u>
A. PROGRAM COSTS	<u>1,840</u>	<u>6,293</u>
1. PVO Instit. Support	<u>710</u>	<u>2,316</u>
- APROSAMI	210	686
- ATLF	40	140
- CENPROF	60	190
- INPPARES	140	445
- PLANIFAM	110	360
(Cusco)	(65)	(210)
(Puno)	(45)	(150)
- PROFAMILIA	150	495
(Lima)	(95)	(340)
(Huancayo)	(55)	(155)
2. Technical Assistance	<u>60</u>	<u>460</u>
- IEC	0	50
- Training	0	85
- Research	60	135
- Other	0	110
3. Contraceptive Commod.	<u>1,070</u>	<u>3,517</u>
B. DIRECT ADMINISTRATIVE COSTS	<u>351</u>	<u>1,160</u>
1. Wages and Benefits	88	349
2. Office Expenses	23	92
3. Vehicle Costs	13	31
4. Local Travel	27	108
5. Evaluation	20	110
6. Audits	70	250
7. USAID Monitoring	110	220
C. INDIRECT ADMINISTRATIVE COSTS	27	117
D. CONTINGENCIES	0	185
TOTAL PROJECT	2,218	7,755

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D. Budget Elements.

Program Costs include those elements of direct benefit to the participating PVOs, including institutional support for program operations, technical assistance, and contraceptive commodities.

PVO Institutional Support. The bulk of PVO support in PY 1 will go to improvements and modifications of urban-based programs. Some funding will be applied to opening after-hours family planning programs in public-sector facilities in rural areas. Depending on need, project funds may be used for staff salaries, purchasing local equipment, in-country training, etc. It is anticipated that as the PVOs generate more income, decreasing percentages of their recurring costs, especially in urban areas, will be underwritten by project funds. By the last year, approximately 40 percent of the A.I.D. project-funded PVO institutional support will be applied to rural programs.

Technical Assistance. During PY 1, technical assistance will be limited to two technical studies service delivery costs and marketing/pricing of commodities and services. The successful implementation of these studies and a commodity logistics system with the participating PVOs will be the central criteria against which PRISMA will be evaluated, in determining whether to negotiate a new Cooperative Agreement with PRISMA or to seek a new obligating mechanism for Project Years 2-4. These studies will also serve as a basis for the operations and direction for the remaining three years of the project.

Contraceptive Commodities. While the implementing agency will be responsible for estimating, calling forward, receiving, storing, and distributing contraceptives to participating PVOs and monitoring their use, the actual procurement will be undertaken by A.I.D. The implementing agency will authorize USAID to issue a PIO/C to access the central AID/W purchasing contract. Commodity handling costs are also included under this line item.

Administrative Costs are comprised of all personnel and administrative inputs directly and exclusively dedicated to this project, many of which also will directly benefit the participating PVOs. All of these costs cease at the end of the Project. They include wages and benefits of advisors and staff hired by the Implementing Agency, office expenses incurred by the Implementing Agency, local travel and vehicle costs for Project staff, evaluations and audits of both the Implementing Agency and the participating PVOs, and funding of USAID Project monitoring.

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For the first year of the Project, the following personnel inputs are required for the Implementing Agency: Team Leader (part-time only); Administrative/Management Specialist; Logistics/Statistics Coordinator; Accountant/Analyst (equivalent to CPA); Accounting Assistant; Secretary (2); and Driver/Messenger.

Other direct inputs are legal assistance (retainer), insurance, rental of space and selected equipment, maintenance contracts, and all other normal and usual administrative costs. All of these costs are exclusive to the support of the Project and can be readily verified.

Evaluations. A threshold assessment, starting in Month 8, will concentrate on the success of PRISMA's efforts as the implementing agent; a favorable finding will lead to negotiation of a new cooperative agreement and authorization of the remaining three years of the project (with modifications, as necessary).

Audits. Annual audits (of PRISMA and the participating PVOs) will be conducted in accordance with A.I.D. policies. Funds are provided to contract out the independent, certified audits and to bring in external evaluators.

USAID Monitoring. Through execution of a PIO/T, the implementing agency will authorize USAID to contract directly for a project monitor and a secretary, using project funding. During Year One, the project will defray 100 percent of these costs.

Overhead. "Overhead", or indirect administrative costs of program support are discussed in Attachment 2.

B. Implementation Plan

Responsibilities of the Implementing Agency. During PY 1, the responsibilities of the Implementing Agency will be to:

- i. negotiate and sign sub-agreements with six PVOs for institutional funding;
- ii. commission and supervise two technical studies related to service delivery costs and pricing policies and begin to implement the recommendations of such studies with the participating PVOs;

- iii. procure equipment and commodities needed by the Implementing Agency itself and the PVOs and assist the Mission in preparing the contraceptive procurement tables (CPT) for all qualified PVOs, including those not otherwise participating in the project; be responsible for receiving, storing, and distributing contraceptive commodities to qualified PVOs, and monitor distribution of contraceptives to users;
- iv. insure adequate project planning and start-up of activities;
- v. oversee disbursement of funds for specific activities in-country (e.g., technical studies and other assistance);
- vi. monitor all project-related activities; and
- vii participate in a threshold evaluation of PRISMA (beginning in Month 8) and in a first year financial audit (and resultant financial reviews) as required by USAID.

Implementing Agency Team. During PY 1, the Implementing Agency will field a 7-person team led by the agency's director, who will dedicate 50 percent of her time to this effort. She will be the counterpart of the USAID Project Manager and will be responsible for directing the day-to-day activities of the project. The team leader will also be the authorized representative of the Implementing Agency for the purposes of this project. The other key members of the team will be an Administrative/Management Specialist, an Accountant Analyst, and a Logistics/Statistics Coordinator. They will be supported by a Financial Assistant, two secretaries, and a driver/messenger.

Job descriptions, Key Personnel

Administrative/Management Specialist. This individual should have extensive private sector management expertise in Latin American contexts and previous experience working with private voluntary organizations. Previous experience in family planning is not required. He/she will be responsible for strengthening the management and financial capabilities of the participating PVOs. His/her responsibilities will include:

- providing technical assistance and training to the participating agencies in setting up and implementing management systems, including personnel, legal, supervisory, procurement, inventory, and logistical support;
- identifying management technical assistance and training needs of the participating agencies and providing the necessary resources to meet those needs;
- assisting with the coordination of the participating agencies through the development of job description, personnel evaluations, and staff development;
- providing technical assistance to the participating agencies in developing income generating capabilities, including expansion of resource base;
- actively participating as a trainer or lecturer in in-country management training programs and board of directors training;
- implementing strategic planning and other project activities with PVO management staff and boards of directors;
- assisting in the identification and training of any replacement; and
- participating in Project evaluations.

Logistics/Statistics Coordinator. This individual should be a Peruvian national resident in Peru. He/she should have at least 3 years of experience in evaluation and/or research of family planning service delivery and in training and supervising evaluation staff, supervisors, and field staff. The Logistics/Statistics Coordinator will be responsible for implementing the logistics/service statistics system in the PVOs and will monitor operations research projects funded by the project. His/her responsibilities will include:

- assisting the Administrative Specialist in implementing systems developed by the project in the participating PVOs, training PVO staff in their use, and monitoring their performance;
- supervising all aspects of project data collection, including timeliness, completeness, and quality control;
- preparing quantitative progress reports;
- coordinating service statistics and production reports of the PVOs, including effectiveness and efficiency indicators, commodities distribution, and inventory;
- assisting in the preparation of projections of commodities needs of the participating PVOs and in coordinating project commodity requests with the Peruvian National Family Planning Program;

- providing technical assistance to operations research projects funded by the project and liaison with AID/W centrally-funded projects in research and evaluation of family planning services delivery in the PVO sector;
- actively participating as a trainer or lecturer in in-country supervision and evaluation programs;
- assisting in the identification and training of any replacement; and
- participating in Project evaluations.

Accountant Analyst. This position should be filled with a Peruvian national with accounting and logistics experience, perhaps a certified public accountant. He/she will provide administrative back-up to the senior project staff. His/her responsibilities will include:

- participating in the preparation of administrative reports for USAID, including collecting the required financial and logistics information from the participating PVOs and monitoring it for completeness and accuracy;
- tracking financial disbursements and logistics flow, including liaison with the MOH and Peruvian customs; and
- maintaining project financial records and prepare the financial statements and reports of the Implementing Agency.

USAID Project Monitoring.

The Population Division of the Office of Human Resources (O/HR) will have responsibility within USAID for managing the project. The Chief of the Population Division will serve as the Project Manager and will be responsible for the administrative approval of all project inputs and for overall project monitoring and coordination.

The Project Manager shall be assisted by two personal services contractors, a Project Monitor and a Secretary, with funds provided under the Cooperative Agreement for the first year of the Project. The secretary will work exclusively on these two private sector projects. The Project Monitor will have offices at PRISMA and USAID and will work exclusively on this project.

The major responsibility of the Project Monitor will be to assist the Implementing Agency in carrying out its responsibilities under the cooperative agreement (including ensuring compliance with project objectives and A.I.D. procedures), to be the point of day-to-day contact between USAID and the Implementing Agency and between USAID and the subgrant recipients, to help PRISMA prepare quarterly status reports, annual work plans and activities requiring USAID approval, and to help USAID analyze such.

Additionally, the Project Monitor will assist in planning and implementing the threshold evaluation of the Implementing Agency performance, commencing in Month 8 of Year One. S/he shall also ensure that financial audits and reviews of the Implementing Agency and subgrant recipients --- and implementation of recommendations related thereto --- are undertaken.

The Project Manager shall be assisted:

- in contracting and procurement actions, by the Regional Contracting Officer (located in Quito) and the Mission's Executive Office;
- in legal interpretations, by the Regional Legal Officer (in Quito),
- in financial matters, by the Office of the Controller;
- in evaluation, donor coordination, and project design/implementation activities by the Program Office (including the Project Development Officer);
- in training activities, by the Training and Social Development Division within O/HR; and
- in logistics matters by the Executive Office.

These Mission (or regional) resources shall be supplemented by AID/W backstop staff in the Office of Development Resources in the Bureau for Latin America and the Caribbean (LAC/DR), various offices within the Bureau for Science and Technology (S&T), and the Office of Data Management and the Office of Contracts and Commodity Procurement in the Management Services Bureau.

Schedule of Activities.

PY 1 will test the capabilities of the Recipient to implement the project and will validate the viability of the proposed approach. Generally, PY 1 will continue existing PVO services and operations (with minimal expansion) and will ensure continued availability of contraceptive commodities. User targets will be expanded by a maximum of 3 percent across the board (to adjust for population growth of women of reproductive age). Service expansion will be limited to targets of opportunity in the rural sector.

Activities scheduled for PY 1 include the following:

- i. develop a uniform and integrated logistics/service statistics system and implement it in all PVOs receiving A.I.D. commodities;
- ii. conduct cost and market studies;
- iii. conduct institutional financial audits of all six participating PVOs;
- iv. review and refine strategic plans;
- v. analyze and design an appropriate zonification strategy for the entire country, including a reexamination and possible modification of the Lima zonification strategy;
- vi. prepare administrative and financial procedures and manuals to be followed by the project and the recipient PVOs.
- vii. commence roll-back of salary subsidies to urban CBD; and
- viii. evaluate the progress of individual PVOs toward meeting institutional development objectives to determine whether they should continue in the project.
- ix. evaluate the performance of the Recipient and the implementation modality tested in the Year One, and authorize the remainder of the project with modifications in project goals and methodology, as necessary.

The threshold evaluation of the Recipient will include, but not be limited to, successful design and implementation of the integrated logistics/service statistics system and completion of the institutional financial audits and two technical studies. Authorization of the remaining three years of the project will be made contingent on the findings of the threshold evaluation of the Recipient and affirmation of the methodological approach.

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F. Procurement Plan.

1. Technical Assistance.

Technical assistance (TA) will be provided by project staff and short-term consultants contracted by the Recipient on behalf of the participating PVOs. Funding for project staff is included under the "Project Office" line item of the cooperative agreement. Funding for short-term consultants is included in the cooperative agreement and is separate from the institutional support provided directly to PVOs, as subgrants.

2. Institutional Support.

Institutional support in the form of pass-through funding will be provided to each of the six primary PVOs. Annual project subgrants will be negotiated individually between each participating PVO and the Recipient, with the participation of and subject to final approval by USAID.

G. Disbursement Procedures.

1. Methods of Financing Foreign Exchange Costs

USAID will assume responsibility for disbursing funds for some of the foreign exchange costs under the Project. These include commodities, but not domestic transportation and handling costs. These commodity foreign exchange costs will be disbursed by AID/W and charged to the Project through advices of charge (AOC). USAID coordination costs will be earmarked through a PIO/T, at the request of PRISMA, and contracted through a direct PSC and paid directly by USAID. Evaluations will also be contracted and paid by USAID, upon written requests of PRISMA, and/or cosigning PIO type document.

With prior AID approval (through a cooperative agreement implementation letter), PRISMA will contract for their annual audit and the PVOs and systems and procedures assistance. As is the current custom, payment will be made in US dollars. Payment will either be made by PRISMA or upon request by PRISMA directly by AID on their behalf. This will be reviewed during implementation and will be dependent on the economic situation and the GOP's policy on dollar accounts. Project audits will be contracted through the non-federal audit mechanism established by RIG/A/T. The PIO/T and Contract will be executed by the USAID. Payment terms will be negotiated by the EXO or RCO, as appropriate in their contracting negotiations. Financial Management Reviews will be confirmed and contracted through co-signed PIO/Ts and contracts executed directly by USAID/Peru.

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2. Methods of Financing Local Currency Costs

PVO institutional support, technical studies, technical assistance and project management costs will all be defined and approved by AID through the PIL procedure. Funds will be provided on an advance basis, based upon monthly approved cash flow projections, covering basic cash needs. The advances will be liquidated by monthly billings from PRISMA. Assuming PRISMA continues to adequately monitor and control USAID funds as under their current projects, the Mission will perform or, if appropriate, contract accounting firms to perform on USAID's behalf (from the financial review line item) post review of vouchers at the implementing offices. If during the audits on financial reviews it is determined that the systems are no longer adequate, USAID will require all supporting documents until action is taken to resolve problem areas.

PVO institutional support advances will be in turn advanced by PRISMA, based upon each PVO's basic cash needs for each thirty days operations. The PVO will submit monthly reports of expenditures to PRISMA clearing their advances; and, PRISMA will consolidate these submissions in a reporting format, approved by USAID, which will serve to clear their advances from USAID.

PRISMA will use the same basic financial reporting system for the six PVOs as has been used by PRISMA in reporting to USAID under its other current projects. The system is adequate in the informational sense but its effectiveness will depend upon refinements needed in the PVO's basic accounting systems. These refinements will be provided by PRISMA with assistance from the financial consultants chosen for systems and procedures installation.

Technical assistance and technical studies will be approved by the PIL procedure for PRISMA contracting and monitoring. USAID will provide advances as needed. The process will be the same as explained above.

Project management costs of PRISMA will be approved by USAID as follows: an annual cash flow projection of administrative costs will be developed presenting monthly cash requirements; quarterly requirements will be presented to USAID as the basis for monthly advances of cash requirements. Monthly advance liquidations presented to USAID will be made after the bank statements have been received and accounts reconciled by PRISMA. These advance clearances will be made on or before the fifteenth day following the end of the reporting month. Overhead will be reimbursed based upon monthly billings from PRISMA in local currency.

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G. WORK PLAN, PY 1

Month 1:

- Budgets for PVO bridge institutional support will be processed to initiate funding and avoid cash flow problems.
- PY 1 staff will be identified and hired.
- PIO/Ts will be prepared and a Personal Services Contracts signed to hire the Project Monitor and secretary.
- In coordination with the USAID Controller's Office, a Scope of Work for the PVO institutional financial audits will be drafted, reviewed, and revised as necessary.
- A contraceptive order (PIO/C) will be prepared based on results of the inventory.

Month 2:

- A Request For Proposal (RFP) will be issued to local firms soliciting bids for the PVO institutional financial audits. Three weeks will be provided for submission of proposals. The proposals will be evaluated by a committee composed of the USAID Project Monitor, a representative from the USAID Controllers Office, the Project Team Leader, the Administration/Financial Specialist, and the Financial Analyst (CPA). Following negotiations with the firm providing the best proposal, the contract will be awarded for the Audits. Three months will be allowed for completion of assigned work.
- The Logistics/Statistics Coordinator will begin to work with the PVOs on an inventory of contraceptive stocks and projected commodity needs for the next 18 months.
- PVO second quarter budgets will be reviewed and adjusted as required and according to availability of funds.
- Work will be initiated with PVOs on the logistics and service statistics systems.

Month 3:

- The first order of contraceptives will be prepared, based on results of the inventory.
- Scopes of work will be developed by the Administrative/Financial Specialist for the Technical Studies 1 and 2 (Service Costs Study and Market/Pricing Study) for review and approval by USAID.

Month 4:

- Requests For Proposals (RFP) will be issued for Technical Studies 1 and 2. Three weeks will be allowed for submission of bids. The proposals will be evaluated by a committee including the USAID Project Monitor, a representative from the USAID Controllers Office, the Project Team Leader, the Administrative Specialist, and the Logistics Coordinator.
- Subgrants for the 3rd quarter will be reviewed with the PVOs and modified as required.

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Month 5:

- Institutional financial audits will be completed. With TA from the Administrative Specialist and Financial Analyst, the PVOs will initiate the remedial steps recommended by the auditors.
- USAID will begin the process of contracting for the evaluation of PRISMA scheduled for Month Eight. A two-person team is anticipated; the individuals may be US, TCN, or local, as determined by qualifications and availability.

Month 6:

- Computerized integrated logistics/service statistics systems will be installed in all 6 participating PVOs.
- Forth quarter subgrants will be reviewed and finalized.

Month 7:

- Work will continue with PVOs on the revisions of financial systems recommended in the financial audits.
- Plans will be finalized by USAID for the evaluation of PRISMA.

Month 8:

- PRISMA's performance in completing the activities assigned during the first seven months of the Project will be evaluated. This evaluation will require an estimated of three weeks of field work and one week to prepare a report.

Month 9

- The Project Team and the USAID management staff will jointly evaluate PVO service delivery, assessing quantitative and qualitative aspects of activities. A questionnaire will be designed for this purpose.
- Technical Studies 1 and 2 will be completed. Meetings will be held with the PVOs to share findings, discuss implications and establish plans for implementation of results.
- The results of the evaluation of PRISMA will be presented to USAID.

Month 10:

- The Project will continue to assist the PVOs to develop and prepare the subsequent year's operational plans and budgets.
- Based on the results of the PRISMA evaluation, USAID will make a determination as to the future implementation of the Project.

Months 11 and 12:

- Work initiated with PVOs based on results of audits and studies will be continued by Project staff.
- USAID will complete preparations for the follow-on plan.