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A.I.D. Project No. 615-0232
Dollar Appropriation No. 72-112/31014
Budget Plan Code: GSS2-92-21615-KG13

SIXTEENTH AMENDMENT

TO

PROJECT GRANT AGREEMENT

BETWEEN

REPUBLIC OF KENYA

AND THE

UNITED STATES OF AMERICA

FOR

FAMILY PLANNING SERVICES AND SUPPORT PROJECT

DATED: June 30, 1992

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Dated: June 30, 1992

Between

The Republic of Kenya (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 Sixteenth Amendment to Project Grant Agreement No. 615-0232, dated the 23rd day of September 1985, as amended, is hereby further amended to increase the amount of contribution to the Project by the Parties, to grant the Grantee additional United States ("U.S.") Dollars under the Project, to extend the Project Activity Completion Date, to modify Annex I Amplified Project Description consistent therewith and to modify Annex 2 Standard Provisions.

ARTICLE 2: "Financing", SECTIONS 3.1, 3.2.(a) and 3.3 are deleted in their entirety and replaced with the following:

"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 the Grantee under the terms of this Agreement, an additional amount not to exceed Four Hundred Thousand U.S. Dollars (U.S. \$400,000). The total amount of Grant, consisting of the original Agreement through this Sixteenth Amendment, shall be Forty Three Million Eight Hundred Thousand U.S. Dollars (U.S. \$43,800,000)."

"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."

"Section 3.2 Grantee Resources for the Project.

(a) The Grantee 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."

"Section 3.3 Project Assistance Completion Date (PACD).

(a) The PACD, which is August 22, 1995, 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 the Agreement."

ARTICLE 3: Annex I, "Amplified Project Description" is deleted in its entirety and replaced by the attached Annex I hereto.

ARTICLE 4: Attachment No. 1 of Annex 1, "Project Financial Plan" is hereby deleted and the attached Annex I, Attachment 1 (Amendment No. 16) is substituted in its stead.

ARTICLE 5: In Annex 2, Project Grant Standard Provisions Annex, Section B.5., Reports, Accounting Records, Audits, Inspections., is deleted in its entirety and replaced with the language contained in Attachment 2 hereto.

ARTICLE 6: Other Terms and Conditions

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

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have cause this Sixteenth Amendment to be signed in their names and delivered as of the day and year first above written.

FOR REPUBLIC OF KENYA

FOR UNITED STATES OF AMERICA

BY: _____


Donald Kimutai
Financial Secretary
Ministry of Finance



Roger Simmons
Acting Director, USAID/Kenya

ANNEX I

AMPLIFIED PROJECT DESCRIPTION

I. GENERAL PROJECT BACKGROUND

A. BACKGROUND OF PROJECT

The Family Planning Services and Support (FPSS) Project was designed to assist the GOK to reduce very high fertility and population growth through improving access to family planning information and quality services. The Project was authorized on August 23, 1985 for a seven year period with a project assistance completion date (PACD) of September 30, 1992. AID financing of \$43 million was authorized and the GOK's planned contribution to the Project was estimated at \$56,273,000.

In August 1988, the Project was amended to include a child survival component and to increase AID life of project (LOP) financing by \$3,200,000 for a new total of \$46,200,000, and the GOK's contribution to the Project was increased to \$63,730,000. In April 1990, the PACD was formally amended to September 30, 1993 at no additional cost to provide sufficient time for implementation of two components, i.e., community based services (CBS) and child survival, and in order to reallocate funds from two components, Subsidized Commercial Marketing (SCM) and Ovulation Awareness (OA). This reallocation provided for sufficient funding to cover the requirements for Clinical Training Services and Support (CTSS), Voluntary Surgical Contraception (VSC) and other components.

The results of the 1989 Kenya Demographic and Health Survey (KDHS), project/program evaluations, and regular monitoring of service statistics, clearly demonstrate that the Project is contributing to declines in fertility and increased contraceptive use in Kenya, primarily through rapid expansion of family planning services.

B. Rationale for Amendment

Because the FPSS Project is the major element of A.I.D. assistance (complemented by the Private Sector Family Planning and Contraceptive Social Marketing Projects, and by additional work of AID/Washington, R&D POP centrally funded agencies), and because USAID's strategy and program are proving to have an impact, a two year amendment/extension is justified.

C. Goal and Purpose of the Project

As part of this amendment, the original Project goal has been restated and is "to reduce fertility and population growth rate." The indicators of goal achievement are:

- total fertility rate decreased from 7.9 in 1984 to 5.8 in 1995; and

- growth rate decreased from 4.1% in 1984 to 3.3% in 1995.

The original Project **purpose** and indicators of achievement are also revised and restated to indicate the higher-level aim of the Project which is "to increase prevalence of contraceptive use." The indicators by which achievement of purpose will be measured at the end of the project are:

- Contraceptive Prevalence Rate (CPR) for all married women of reproductive age increased from 17% in 1984 to 35% in 1995; and

- CPR for all women of reproductive age increased from 14% in 1984 to 31% in 1995.

To achieve this purpose, the Project's strategy has been and will remain focussed on increasing the availability and quality of family planning services, which will be made possible by the existence of an extensive network of facilities in Kenya, a strong private sector, and effective cooperating agencies and intermediaries.

While the Project originally envisioned financing ten components or elements of support, based on mutual agreement with the GOK, the number was reduced during the period of implementation. The Ovulation Awareness component funded a limited number of efforts in this area and was discontinued in December 1988. In mid-1989, the Subsidized Commercial Marketing component was discontinued under the Project, and a free-standing Mission-funded activity was authorized by USAID/Kenya.

In addition, several existing Project components are planned for completion under the Project by September 30, 1993. These are NCPD Administration, Information and Planning Systems, and Child Survival. Financing for these components has already been fully obligated under the Project Agreement with the GOK, and its related amendments. **NOTE: While no additional Project funding is planned for these components, the already agreed upon methods of implementation and planned outputs for these elements (as reflected in Annexes 1 of the original Project Agreement and Project Agreement Amendment No. 7) remain unchanged and will continue to support the GOK's achievement of Project purpose.**

D. Project Description

During the extended two year Project period, i.e., up to August 22, 1995, the components to be financed are: (1) Clinical Training and Contraceptive Logistics; (2) Voluntary Surgical

Contraception; (3) Community Based Services; (4) Information, Education and Communication; and (5) Planning, Monitoring and Institutional Strengthening.

1. Clinical Training & Contraceptive Logistics (formerly CTSS) The focus and expected output of this component during 1993-95 is "increased quality and quantity of clinic-based services and contraceptive supplies." Project financing will continue to concentrate on in-service certificate training of clinic-based service providers and contraceptive commodities procurement, with expansion of these inputs to include targeted support for strengthening management capacities of government implementing offices.

a. Clinical Training

Given the unmet demand, as well as the rapidly changing patterns of family planning service demand, the MOH needs to carefully re-examine the role of the certificate family planning provider and the type of training required. Up to now the Training Unit has not had the data and analytical planning tools with which to identify, set targets and prioritize training activities that are efficient and cost-effective approaches to producing the quantity and quality of trained facility-based workers needed in the national program.

Starting in 1992, the Project will finance technical assistance to the MOH/DFH in undertaking an exercise to identify all health facilities in the country that do not currently provide any type of family planning service because of the absence of a certified worker. Based on this effort, personnel in those facilities will receive a short 3-5 day introductory family planning course (precedent to the certificate course) that will prepare them to provide at least basic services and back-up medical assistance to clients.

During 1992-93, a more comprehensive manpower information and planning system within the MOH/DFH will be developed with Project assistance. This system would provide information on where certificate workers are currently deployed and where critical staffing gaps exist. The effects of attrition on the manpower pool will be analyzed, as well as the effects of introducing a new category of about 600 Enrolled Community Health Nurses annually (beginning in June, 1992) who have been trained in family planning methods at the pre-service level. Such factors as the emerging role of the clinic-based service provider as a front-line referral contact for surgical methods, as a back-up for complications, and as a supervisor of community workers will also be assessed. The assessment results will be used to define the specific types of training provided, numbers of trainees and, possibly, geographic targeting and deployment of trained manpower.

The Project will continue to finance the local costs for training of health workers in the Certificate in Reproductive Health course and various types of refresher courses. For planning purposes, the Project budget includes costs for financing up to the maximum of current output capacity of the 12 MOH Decentralized Training Centers (DTCs), i.e., approximately 840 certificate trainees, and 420 refresher trainees, annually. However, the actual level of financing will be refined on the basis of the MOH/DFH's training plan resulting from the assessment and development of the manpower information and planning system. The MOH/DFH will be expected to submit this plan to the Mission by May 1993.

The Project will continue to support the MOH/DFH's curriculum re-design efforts begun in 1991 with JHPIEGO assistance. It is estimated that the Certificate in Reproductive Health curriculum will have been field tested and ready for implementation in all GOK-approved family planning in-service training institutions in early 1993.

During 1993-95, JHPIEGO's assistance will include Training of Trainers, equipping of training facilities, evaluating the certificate curriculum, and evaluating/streamlining the refresher course training approaches and content. In addition, JHPIEGO will assist the MOH to develop, publish and distribute a quarterly Reproductive Health Update Newsletter for service providers, using a combination of international literature and local-interest articles and news items.

b. Institutional Strengthening - MOH/DFH In-service Training Unit

With Project assistance, the MOH/DFH has developed job descriptions and work plans for key staff in each of the sub-units. However, as yet, the Training Unit has not thoroughly assessed the appropriateness of its organizational structures and redefined functional responsibilities for its 50-odd management and technical staff.

During the Project extension, technical assistance will be financed to support the MOH/DFH in undertaking such an assessment/planning exercise, including development of a long-range staff development plan. The Project will also support short-term local, U.S., or third-country training of 8-10 trainers and/or program managers/supervisors, annually in such subject areas as family planning curriculum development, personnel information systems development, and monitoring/evaluation of services.

To address financial management deficiencies in the Training Unit, prior to July 1992, and thereafter, USAID will arrange for a U.S. cooperating agency (CA) to serve as the intermediary

financing and accounting agent for USAID funds under the training element. The CA will be expected to place at least one full-time accounting officer to work in the Training Unit to make financial commitments on behalf of the 12 DTCs, issue payments, and account for funds to the Mission. This accounting officer would also engage his counterpart in the MOH/DFH to assist management on follow-up to these efforts.

c. Contraceptive Logistics

A long-term contraceptive logistics management assistance project was begun in August, 1991 through the Family Planning Logistics Management (FPLM-II) Project. By mid-1993, the effort is expected to have assisted in establishing a fully-staffed Logistics Management Unit within the DFH and the Medical Supplies Coordinating Unit. The Unit, with FPLM assistance, will also have established vertical contraceptive commodities information, procurement, warehousing, and distribution systems.

During the period 1993-95, the Project will continue to finance technical assistance to the DFH and Medical Supplies Coordinating Unit under the FPLM-II Project. Special focus will be on refinement and strengthening of organizational systems already established, with the ultimate objective of institutionalizing the MOH's capacity to maintain adequate contraceptive supplies (oral pills, IUCDs, injectables, condoms, spermicidals, etc.), at all facilities and levels of the family planning delivery system.

2. Voluntary Surgical Contraception

During 1990-1991, a plateauing of the number of AVSC-supported procedures performed, particularly in the public sector, became evident. Project implementation also identified the need to improve program management. Therefore, in 1992 and 1993 Project financing will be used to:

- improve VSC program management in such areas as supervision and timely reporting in order to be reimbursed for expendable supplies;
- recruit a VSC coordinator for the DFH/MOH; and
- address the need to have viable VSC service sites at high-volume service points, (e.g., KNH and Pumwani Maternity Hospital), in order to increase efficiency and productivity per SDP.

Relatively less emphasis during this period will be given to expanding the number of VSC service sites. Instead, training, quality, supervision and monitoring, IEC, more effective referral systems, and counselling for VSC will be continued. Attention to expanded service delivery systems of NORPLANT, vasectomy, and other related reproductive health activities will also be increased.

The refined output for the VSC component is **"increased availability of quality VSC services."** It is expected that between August 1993 to the amended Project PACD, AVSC will support 35,000 tubal ligations and expand services to a minimum of 16 or more sites. Using management tools AVSC developed (e.g., "In-Reach" activities, and the Client Oriented Provider Efficient Self-Assessment of VSC sites), it will seek to increase efficiency and productivity at existing sites. AVSC will also train 90 surgeons and 65 theater assistants in ML/LA, 180 VSC counselors and 445 Information and Education workers.

During this same period, in parallel with AVSC's activities, JHPIEGO will continue to provide important VSC and other reproductive health training to the Ob-Gyn Department of the University of Nairobi and Kenyatta National Hospital (KNH), resulting in more than 300 additional medical interns trained in ML/LA, and 100 Ob/Gyn specialists, faculty members, service providers, and other physicians trained in clinical, teaching and other skills.

JHPIEGO will also carry out a number of evaluation activities documenting the impact of its training support on service delivery. In particular, JHPIEGO will evaluate its medical intern trainees to document their activities, and to confirm that at least 70% of these trainees are providing VSC services within three years of training.

Regarding NORPLANT, AVSC will provide training of 55 new physician-nurse teams in the private and NGO sectors, resulting in the conduct of 12,000 procedures at 18 on-going and 16 new sites for total of 34 sites which are capable of providing high-quality NORPLANT services.

3. Community Based Services

The CBS component will continue to increase the availability and effectiveness of community-based, non-clinical family planning services. The refined output of this component is **"increased availability and effectiveness of community based, non-clinical family planning services."**

During the amended LOP, continued grant financing will be provided to nine (9) NGOs with community-based distribution networks. AID/W central funding to several NGOs will continue to complement this bilateral assistance.

Continued emphasis will be placed on consolidating the coverage of large, nationwide programs, e.g., FPAK, MYWO and CHAK, that represent a network of current and potential areas for community-based distribution of contraceptives (CBD) programs with good clinical back-up. Increasing the effectiveness of the CBD

workers to provide proper counselling information about all modern family planning methods will also be a priority.

Under the amended Project several implementation issues will be examined, including strengthening referral mechanisms for long-term and voluntary surgical contraception and assisting the MOH to formally publish and distribute the CBD policy guidelines on distribution of oral contraceptives which are currently in draft.

Project-financed inputs include limited commodity support (e.g., condoms and IUDs), equipment, supplies, salaries, supervision, training, evaluation, technical assistance consultancies and local operating costs. Participating NGOs will provide facilities, complementary staff, some support services and other operating support. The GOK and other donors are expected to provide additional contraceptive commodities support (pills, VFTs, injectables) for contraceptive logistics and local management, and district-level planning and coordination.

The Project will finance ten to twelve individuals selected from the implementing NGOs to attend in-country/regional management or technical training courses, such as those offered by the Center for African Family Studies (CAFS), to improve management skills. This funding will be administered separately from the grants made to the NGOs. In addition, technical assistance will continue to be provided by FPMD to increase NGO capacity to expand and deliver quality CBD and clinical family planning services.

4. Planning, Monitoring and Institutional Strengthening (formerly Policy Planning and Evaluation)

This component, originally called NCPD Policy, Planning and Evaluation, has been renamed and the refined output is **"strengthened institutional capabilities to plan and monitor national population policies and programs."**

The major activity of this component has been, and will continue to be, the planning, implementation, dissemination and further analysis of the Kenya DHS. Based upon the collaborative working relationships established for the 1989 KDHS between NCPD, CBS and the Institute for Research and Development (IRD), a methodology is in place to undertake another DHS in 1993. The commitment of NCPD to undertake periodic monitoring of the impact of the family planning program at a national level is critical to GOK, donor and NGOs undertaking of how Kenya is doing in reducing fertility and population growth rate.

A series of in-depth analyses will be undertaken to further examine the unmet need for family planning and analyze regional differences and other issues that are relevant to management of the national family planning program. The NCPD Secretariat will continue to improve its capacity to implement and sustain its

management information system (MIS) developed between 1989 and 1992. The FPMD project will continue to provide technical assistance at a level appropriate to ensure that the systems currently installed are utilized by NCPD management program officers and financial staff. A full-time computer specialist will be provided by FPMD to assist NCPD maintain the computer equipment, modify systems and train/retrain NCPD staff.

FPMD will also continue to provide selective technical assistance to major NGO family planning service organizations with whom USAID and NCPD are working. Institutional strengthening of NCPD and NGO management capacity and development of more effective systems to manage family planning programs will continue to be a major focus of this component and the CBD component, to include short-term participant training for NGO and NCPD staff, both in-country, in other developing countries or in the U.S.

The ongoing Institutional Development Program (IDP) being implemented collaboratively by the University of Nairobi, Dept. of OB/GYN and Family Health (FHI) will be refocussed. While no additional funds will be added to this activity, it is anticipated that a no-cost extension will allow several carefully selected reproductive health research issues to be undertaken between October 1993 - June 1995.

Technical assistance support for local costs and short-term participant training will be the major inputs of this component. NCPD, NGOs and the Dept. OB/GYN will provide counterpart staff and office space.

5. Information, Education and Communication

The IEC component's revised output is **"increased availability of correct information about family planning methods through IEC efforts."** Over the extended Project period, this component will build upon the successful introduction of phase one of the Client-Provider Education Project, initiated in 1991-1992 with FPSS Project and AID/W central funds. Project financing will continue to support the development of local IEC expertise, development and dissemination of correct messages/information about family planning methods and utilization of family planning services.

In addition, the IEC Working Group, comprised of FPAK, CHAK, MYWO, FPPS, KMA, NCC, ICS, NCPD and MOH, will have an in-country capability for: 1) collaborating with the key family planning service providers in Kenya on design and development of IEC materials for clients and providers; 2) training clinic-based and community-based providers and outreach workers in interpersonal communication, counselling and the use of print and audio-visual support materials; 3) overseeing the design, implementation and evaluation of a focused mass media campaign to increase

utilization of existing family planning services; 4) upgrading the quality of CBD IEC activities through development and distribution of a core CBD training manual, improved training capabilities of CBD trainers, and basic support materials for CBD workers; and 5) overseeing the implementation/evaluation of audience-based research.

Using the JHU/PCS sub-contract relationship with FPAK, USAID will continue through August 1995 to support the next two-year phase of the Client-Provider Education Project. This phase will emphasize intensified use of radio as the pivotal medium for increasing utilization of existing family planning services with television as backup. Simultaneously, the expanded production of print materials will be supported, as will continued training of clinic and CBD providers in counselling, interpersonal communication, and training in use of available support materials/visual aids. A video on family planning methods for use in clinics will be supported. IEC outreach activities in low-prevalence areas, e.g., stimulation of local initiatives such as barazas and folk media, will be intensified together with popular entertainment to educate youth about sexual responsibility.

II. Major Responsibilities of Project Participants

A. Government of Kenya

Under the amended Project and over the remaining LOP, NCPD and the MOH/DFH will continue to be the lead implementing GOK entities for the Project. Effective use of management systems, continued progress in staff training and maintenance of viable working relationships between NCPD and MOH/DFH staff with A.I.D. CA's will be intensified during this period.

NCPD and the MOH/DFH, in coordination with the MOF, will be expected to continue to improve upon and ensure adequate and timely provision of funds from the GOK's Revenue Budget for Project activities. The MOH/DFH and NCPD will also seek to enhance their annual budget planning capabilities to meet requirements for select expenditures, i.e., local training of in-service FP workers, recurrent costs of distributing contraceptive supplies, supervision/monitoring of VSC and selected CBD programs, etc.

To date, the MOH/DFH and NCPD has encountered administrative difficulties in accessing funds through the GOK's Revenue Budget on a timely basis to support a number of activities. Thus, where possible, administrative arrangements during the extension period will be made by USAID on their behalf to directly administer Project funds through A.I.D. Direct Contracts, Handbook 13 Cooperative Agreements, purchase orders, or where possible, buy-

in's or add-on's to AID/W centrally-funded projects. It is anticipated that all technical assistance, most commodities procurement and the majority of training will be financed directly by the Mission, as further detailed in Section III. below.

Liaison between USAID's Office of Population and Health (O/PH) and representatives of A.I.D. CA's will be conducted primarily between the Director and Deputy Director of the MOH/DFH, Director and Deputy Director of NCPD, and the Chief and Deputy Chief of O/PH, USAID/Kenya. Country Representatives of A.I.D. CA's implementing selected project components will liaise principally with GOK and USAID/Kenya officers in charge of the activity they are implementing. For example, the Chief of Party for the FPLM project will liaise principally with the Deputy Director, MOH/DFH and the officer in O/PH managing the CTLM component of the FPSS Project.

2. USAID/Kenya

Project management will continue to be the responsibility of USAID/Kenya's O/PH which will be supported as required by other offices of USAID/Kenya and REDSO, including the Mission's Office of Projects, Program, Controller and the Regional Legal Advisor. Within the O/PH, the Deputy Chief, working under the supervision of the Chief, will be the designated Project Officer with primary responsibility for monitoring Project progress from both a technical and administrative perspective.

III. Methods of Implementation

"Buy-ins" and/or "add-ons" under the Project to AID/W centrally-funded projects are planned to finance in-country local costs and technical assistance. With assistance from AID/W/RD/POP Cognizant Technical Officers (CTOs), USAID will issue PIO/Ts to AID/W for these "buy-ins/add-ons" to existing projects (e.g., FPLM-II for support to contraceptive logistics; JHPIEGO for support to DFH and Dept. OB/GYN; AVSC for support to surgical contraception, including NORPLANT; PCS for support to IEC; Pathfinder International for support to NGO CBD programs; FPMD for support to NCPD and NGO institutional strengthening). An OYB transfer will be made for procurement of contraceptive commodities (condoms and IUDs). Implementation and procurement procedures for each component of the Project is planned as follows:

A. Clinical Training and Contraceptive Logistics (CTCL)

1.) Contraceptive Supply

Based upon estimates prepared by the Contraceptive Logistics Unit of the MOH/DFH, about \$3.0 million will be required to

purchase and transport condoms and IUCDs for the two year period October 1993 - September 1995. USAID will do two OYB transfers to AID/W RD/POP/CPSD to procure the contraceptives from the U.S.

2.) In-Service FP Training

A PIO/T will be issued by USAID/Kenya for an add-on to the AID/W centrally-funded JHPIEGO project. It is anticipated a commitment of \$1.0 million will be required to undertake management and administration, technical assistance and service support of the in-service FP clinical training program of the MOH/DFH. Depending upon the availability of funds, this add-on may be tranche-funded.

3.) Contraceptive Logistics

A PIO/T will be issued by USAID/Kenya for a buy-in to the AID/W centrally-funded FPLM-II project. It is anticipated a total of \$700,000 will be required to continue the services of the long-term Logistics Advisor and to undertake management of the technical assistance and logistics management service support required. Depending upon the availability of funds, this buy-in is likely to be tranche-funded.

B. Voluntary Surgical Contraception (VSC)

1.) National Long-term and Permanent Contraceptive Program

A PIO/T will be issued by USAID/Kenya for an add-on to the AID/W centrally-funded AVSC project. It is anticipated \$1.5 million will be required to continue provision of management, technical assistance, training and supplies to both the public and NGO/private sector. VSC permanent methods (tubal ligation and vasectomy) will be supported for the public and private sectors and a long-term method (NORPLANT) for the NGO/private sector. Depending upon the availability of funds, this add-on may be tranche-funded.

2.) Reproductive Health and Minilaparotomy/Local Anesthesia Training

A PIO/T will be issued by USAID/Kenya for an add-on to the AID/W centrally-funded JHPIEGO project (total estimated at \$1.01 million). Technical assistance, management, administration and service support to the Department of OB/GYN, University of Nairobi will be supported. Depending upon the availability of funds, this add-on may be tranche-funded.

Note: For the AVSC and JHPIEGO activities, AID/W central funds will complement the bilateral Project funds, especially for support of home office and regional offices costs. USAID/O/PH, AVSC, JHPIEGO and the respective CTOs in AID/W will jointly agree upon the use of any central funds.

C. Community-based Services

A PIO/T will be issued by USAID/Kenya for an add-on to the AID/W centrally-funded Pathfinder International project. This add-on for an anticipated \$685,000 will support CBD programs of MYWO, Mkomani and CPK Maseno West/Saradidi. AID/W central funds will complement the bilateral Project funds for these activities as jointly agreed between USAID/O/PH, Pathfinder International and the Pathfinder CTO in AID/W. It is anticipated that four A.I.D. direct Handbook 13 grants (total estimated at \$1.2 million) will be awarded to FPAK, PCEA Chogoria Hospital, CHAK and Crescent Medical Aid. Two NGOs, CPK Eldoret and Kabiro Kawangware, are expected to receive continued funding, estimated at a total of \$160,000, through host-country grants made by NCPD based upon Project Implementation Letters (P.I.L.'s) issued by USAID/Kenya agreeing to reimburse eligible expenditures. Depending upon the availability of funds, all or some of these actions may be tranche-funded.

D. Information, Education and Communication

One PIO/T will be issued by USAID/Kenya for an add-on to the AID/W centrally-funded Population Communication Services (PCS) project (total estimated at \$150,000). The balance of funds needed for this activity are expected to be financed as part of the "BIG Country Strategy" initiative administered by AID/W/RD/POP, to be added to the PCS Cooperative Agreement by AID/W. In turn, PCS will enter into a sub-agreement with FPAK who will manage and disburse funds for local expenditures according to the workplan agreed upon by the IEC Working Group.

E. Program Monitoring and Institutional Strengthening

The major activity of this component, the 1993 Kenya DHS, will be fully funded by AID/W/RD/POP as part of the "BIG Country Strategy" initiative in late FY 1992/early FY 1993 when the new DHS-II project becomes operational. USAID/Kenya will issue one PIO/T to the AID/W centrally-funded Family Planning Management Development (FPMD) project (total estimated at \$330,000) to continue development of the MIS at NCPD as a complementary activity to the DHS, to assist with routine monitoring of national population trends, and to continue management assistance to major NGO family planning service providers, i.e., FPAK, CHAK, MYWO,

Mkomani, SDA, CPK Maseno West and CMA. The existing PIO/T for an add-on to the AID/W centrally-funded Family Health Initiative (FHI) project will be amended at no-cost through April 1993, at which time no further funding is anticipated or planned.

F. Participant Training

Approximately U.S. \$600,000 in participant training financing (U.S. and regional) will be funded under the extension that includes costs related to the five components of the Project and will be coordinated by an FSN Project Management Specialist in conjunction with USAID/Kenya's training division. For all U.S.-based, short-term training, funded or non-funded PIO/P's, will be issued by USAID/Kenya to AID/W's Office of International Training (OIT). In-country training will be provided by the Centre for African Family Studies (CAFS) and will be agreed upon by means of P.I.L.'s committing funds, with USAID issuing Travel Authorizations and G.T.R.'s for transportation and per diem, and CAFS invoicing USAID directly for the training costs. The GOK will be expected to cover the costs of one-way airfare for participants' transportation outside of Kenya.

G. Project Management

In support of Project management functions, it is anticipated that U.S. \$380,000 will finance two direct personal services contracts (PSCs) for U.S. services and two Kenyan PSCs. Direct A.I.D. contracts or Indefinite Quantity Contracts for evaluation will be financed at approximately U.S. \$145,000. Nonfederal audit services will also be procured at an estimated total of U.S. \$50,000 from certified Kenyan firms on the basis of direct USAID/Kenya cost reimbursement contracts.

IV. Monitoring/Evaluation/Audit Plan

The impact of the FPSS Project will be examined and measured at the goal level in relation to the extent to which it contributes to a reduction in Kenya's fertility and population growth rate. It aims to assist Kenya to achieve a total fertility rate of 5.8 and a growth rate of 3.3% in 1995. At the goal level, data to verify the extent to which these indicators are met include: the 1989 Census; Bucen and CBD Projections; the 1989 and 1993 KDHS; the 1984 Contraceptive Prevalence Survey (CPS); and the NCPD/RAPID/FAMPLAN analysis and projections (1991 and 1994).

At the purpose-level, indicators of achievement have been redefined focussing on Contraceptive Prevalence Rates (CPR). Specifically, it is expected that CPR for all married women of reproductive age will have increased to 35% and for all women of

reproductive age to 31% in 1995. Data on which to base an assessment of purpose-level achievement include: the 1984 CPS; the 1989 and 1993 KDHS; the final Project impact evaluation; and to varying degrees, the NCPD/RAPID/FAMPLAN 1991 and 1994 Projections.

1. Monitoring

Monitoring performance and the progress of the FPSS Project will continue to be the function of USAID/Kenya/O/PH), the MOH/DFH and NCPD during the planned extension. The Logistics Management Information System (LMIS) operated by the DFH, with assistance from the Family Planning Logistics Management Project (FPLM-II), will continue to collect, analyze, and publish data on disbursements and current stock levels of contraceptives and family planning consumable supplies for all 1,650 family planning Service Delivery Points in the country. LMIS information will continue to be reviewed monthly by a joint committee of relevant MOH offices and donors, including USAID, who coordinate international procurements and deliveries, and provide guidance to the DFH in its management of warehousing and distribution of contraceptive commodities and supplies to service outlets.

NCPD will continue to have responsibility for monitoring trends in fertility on the basis of the 1989 Kenya DHS and upcoming KDHS planned for 1993. Time-series data is also available to NCPD on fertility from two other national representative population related surveys in Kenya: 1979 Kenya Fertility Survey (KFS) and 1984 Kenya Contraceptive Prevalence Survey (KCPS).

In March 1992, with AID/W/RD/POP central funding, USAID supported the RAPID IV Project of the Research Triangle Institute (RTI), assisted NCPD to carry out a cost-benefit analysis of the Kenya Family Planning Program utilizing the **FAMPLAN** Microcomputer Model. The **IMPACT** module projects family planning users, calculates the impact on fertility rates and calculates population projections based on the fertility rates.

NCPD staff will update the model as additional data become available since the **IMPACT** module uses annual acceptors to derive the number of continuing users by age, age specific fertility rates and the contraceptive prevalence rates in order to define the overall achievements of a national family planning program. The upcoming 1993 KDHS and the on-going LMIS will provide an opportunity for NCPD to update the **IMPACT** model and to track the projects based on national population data.

In the two year extension period, all five Project components will be actively monitored by the component managers and the overall FPSS Project Manager, i.e., the Deputy Chief, O/PH. Each component will be monitored jointly by O/PH and the MOH/DFH) and/or NCPD through a combination of regular reports, review meetings, field visits and assessments and evaluations.

Activities implemented through A.I.D. Cooperating Agencies or Contractors, e.g., FPLM-II, JHPIEGO, AVSC, FPMD, DHS, will be further monitored by quarterly progress reports, site visits and meetings between NCPD and/or the MOH/DFH, O/PH and a representative of the Cooperating Agency or Contractor.

The CBS component coordinated by NCPD will also be monitored by monthly meetings between NCPD and the O/PH component manager to review each NGO CBD project's status, actions required and responsibility for each. During these meetings joint field visits and semi-annual review meetings will be scheduled. In addition, each NGO will continue to submit quarterly progress reports to NCPD and USAID. These reports will be reviewed, data entered into USAID and NCPD's databases in relation to tracking this component's indicators and feedback sent to the NGO. Twice a year, the NGO will prepare a more detailed semi-annual progress report which will be presented and discussed at a semi-annual meeting between the NGO, NCPD and O/PH. USAID staff will make a minimum of two field trips per year to each project. Brief written site visit reports will be prepared for Project files noting staff observations, recommendations and follow-up actions.

2. Evaluation

During the Project extension, component-specific evaluations and assessments will continue to be carried out to allow for modifications in implementation and management of the activities and to assess impact of the individual components. Planned component evaluations include: August/September 1992 evaluation of long-term and permanent contraception (VSC); February 1993 mid-term evaluation of FPLM-II; April 1993 retrospective evaluation of the IPS project; and various evaluations of CBD projects - October/November 1992 FPAK; January 1993 Crescent Medical Aid; February 1993 MWYO; January 1994 Mkomani; January 1995 CHAK. JHPIEGO, PCS and FPMD will plan evaluations as part of their 1993-1995 workplans.

A final impact evaluation of the Project is planned for May 1994. This evaluation will be performed by external consultants including a health economist based on a scope of work prepared by O/PH with assistance from the Program Office. The scope of work for this effort will focus on the extent to which progress has been achieved in meeting the redefined EOPS indicators contained in the logframe. It will include a substantive analysis and assessment of the administrative/management arrangements being employed under the Project in relation to their efficiency (technical and financial).

A more thorough analysis of the cost-effectiveness of the various components/elements, e.g., clinical training, community based services, etc., will be performed. Such an analysis would examine among other things, regional variations, social costs and

benefits, and financial variables such as subsidization of public sector services. It will be broad enough to include a definition of required follow-on activities that would form the basis for justification of a follow-on project/program, including an analysis of related sectors or subsectors such as child survival, HIV prevention and preventive health care financing. A four week level of effort for at least two external consultants is anticipated to be required.

3. Audit Plan

A non-federal audit (NFA) is currently being conducted for the NCPD and CTSS components of the Project. In addition, RIG/A/N is conducting an audit of the expendable and non-expendable commodities purchased with Project funds.

Per the new audit requirements effective May 1, 1992, all foreign NGOs receiving \$25,000 per year or more of A.I.D. funds will be required to have an independent audit performed of the grant in order to determine whether the receipt and expenditure of funds provided under the Grant are presented in accordance with generally accepted accounting principles and whether the grantee has complied with the terms of the agreement. Since all NGOs supported under the CBS component of the FPSS Project and funded under A.I.D. Handbook 13 grant receive more than \$25,000 per year, annual financial audits will be conducted for these NGOs following the new guidelines. The independent auditor will be selected in accordance with the "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the A.I.D. Inspector General (IG).

As per A.I.D. Handbook 13, Appendix 4(c), for U.S. Cooperating Agencies and Contractors, financial auditing responsibilities still remain the function of AID/W IG. These audits will also be done once a year.

Finally, it is anticipated that a RIG/A/N audit will be conducted in the third quarter of FY 93. Depending on the findings of this audit, a NFA may also be conducted in late FY 94 or early FY 95.

Annex 1, Attachment 1, Amendment 16
A.I.D. Project No. 615-0232
FAMILY PLANNING SERVICES & SUPPORT
Project Agreement No. 615-0232

ILLUSTRATIVE

SUMMARY OF PROJECT COSTS BY COMPONENTS AND SOURCE OF FUNDING¹
(In 000's)

	<u>Sixteenth Amendment</u>		<u>Cumulative Obligations per 16th Amendment</u>		<u>Life of Project Funding</u>	
	<u>A.I.D. (in \$)</u>	<u>GOK (in L/C)³</u>	<u>A.I.D. (in \$)</u>	<u>GOK (in L/C)³</u>	<u>A.I.D. (in \$)²</u>	<u>GOK (in L/C)^{3/4}</u>
Clinical Training & Contraceptive Logistics	400	0	11,566 ⁶	14,647	16,066 ⁶	15,557
Voluntary Surg. Contraception ⁵	0	0	8,815	1,804	11,325	1,826
Community Based Services	0	0	9,037	21,200	11,282	21,200
Contraceptive Social Marketing	0	0	30	0	30	0
Ovulation Awareness	0	0	314	0	314	0
NCPD Administrative Strengthening	0	0	454	2,149	454	6,359
Planning, Monitoring and Institutional Strengthening	0	0	3,298	0	3,828	219
Information and Communication	0	0	3,831	0	3,981	0
Information Planning Systems	0	0	5,850	15,473	5,850	16,033
Child Survival	0	0	3,250	7,457	3,250	14,029
Evaluation, Audit & Project Management	0	0	155	0	730	0
Contingency/Inflation	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,090</u>	<u>2,249</u>
<u>TOTAL</u>	<u>400</u>	<u>0</u>	<u>46,600</u>	<u>63,730</u>	<u>58,200</u>	<u>77,472</u>

1. Either party may unilaterally, within written notice to the other, adjust line items in this budget to a maximum of 15% per line item, provided, however, that the total obligated amount as shown in the budget is not exceeded, and provided further that the amounts shown for GOK contribution and evaluation and audit is not reduced.
2. Subject to the availability of funds to A.I.D. for this purpose, and to the mutual agreement of the parties to proceed at the time of each subsequent increment.
3. Subject, on a proportional basis, to the provision by A.I.D. of the LOP grant amount set forth herein.
4. Includes additional cash and attributable costs.
5. Does not include cost of renovating MOH facilities.
6. Includes \$2.8 million OYB transfer for Contraceptives done directly by AID/W (\$1.3 million and \$1.5 million in FY 91 and FY 92 respectively).

ATTACHMENT 2

Section B.5. Reports, Accounting Records, Audits, Inspections

- A. The Grantee shall furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request.
- B. The Grantee shall maintain accounting books, records, documents, and other evidence relating to the Project and to this Agreement, adequate to show, without limitation, all costs incurred under the Grant, the receipt and use of goods and services acquired under the Grant, the costs of the Project supplied from other sources, 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 ("project books and records"). At the Grantee's option, with approval by A.I.D., project books and records shall be maintained in accordance with one of the following methods: (1) generally accepted accounting principles prevailing in the United States, (2) generally accepted accounting principles prevailing in the country of the Grantee, (3) accounting principles prescribed by the International Accounting Standards Committee (an affiliate of the International Federation of Accountants), or (4) such other accounting principles as the parties may agree to in writing. Project books and records shall be maintained for at least three years after the date of last disbursement by A.I.D.
- C. If U.S. \$25,000 or more is disbursed directly to the Grantee in any one calendar year under the Grant, the Grantee, except as the parties may otherwise agree in writing, shall have financial audits made of the funds disbursed to the Grantee under the Grant in accordance with the following terms:
 - (1) The Grantee shall select an independent auditor in accordance with the "guidelines for financial audits contracted by foreign recipients" issued by the A.I.D. inspector general ("guidelines"), and the audits shall be performed in accordance with the "guidelines".

- (2) An audit of the funds provided under the grant shall be conducted for each fiscal year of the Grantee. The audit shall determine whether the receipt and expenditure of the funds provided under the Grant are presented in accordance with generally accepted accounting principles agreed to in section (B) above and whether the grantee has complied with the terms of the Agreement. Each audit shall be completed no later than one year after the close of the grantee's fiscal year.
- D. The Grantee shall submit an audit report to A.I.D. within 30 days after completion of each audit arranged for by the Grantee in accordance with this section. The A.I.D. Inspector General will review each report to determine whether it complies with the audit requirements of this agreement. Subject to A.I.D. approval, costs of audits performed in accordance with the terms of this section may be charged to the Grant. In cases of continued inability or unwillingness to have an audit performed in accordance with the terms of this section, A.I.D. will consider appropriate sanctions which include suspension of all or a portion of disbursements until the audit is satisfactorily completed or A.I.D. performs its own audit.
- E. The Grantee shall submit to A.I.D., in form and substance satisfactory to A.I.D., a plan by which the Grantee will ensure that funds made available to subrecipients that receive U.S. \$25,000 or more in any one calendar year under the Grant are audited in accordance with this Agreement. The plan should describe the methodology to be used by the Grantee to satisfy its audit responsibilities with respect to any subrecipient to which this section applies. Such audit responsibilities with respect to subrecipients may be satisfied by relying on independent audits of the subrecipients or on appropriate procedures performed by the internal audit or program staff of the Grantee, by expanding the scope of the independent financial audit of the grantee to encompass testing of subrecipients' accounts, or by a combination of these procedures. The plan should identify the funds made available to subrecipients that will be covered by audits conducted in accordance with other audit provisions that would satisfy the Grantee's audit responsibilities (a nonprofit organization organized in the

United States is required to arrange for its own audits; a for-profit contractor organized in the United States that has a direct contract with A.I.D. is audited by the cognizant U.S. Government agency; a private voluntary organization organized outside the United States with a direct grant from A.I.D. is required to arrange for its own audits; and a host-country contractor would be audited by the cognizant grantee contracting agency). The Grantee shall ensure that appropriate corrective actions are taken on the recommendations contained in the subrecipients' audit reports; consider whether subrecipients' audits necessitate adjustment of its own records; and require each subrecipient to permit independent auditors to have access to records and financial statements as necessary.

- F. A.I.D. may, at its discretion, perform the audits required under this Agreement on behalf of the Grantee by utilizing funds under the Grant or the resources available to A.I.D. for this purpose. The Grantee shall afford authorized representatives of A.I.D. the opportunity at all reasonable times to audit or inspect the Project, the utilization of goods and services financed by A.I.D., and books, records and other documents relating to the Project and the Grant.