

A.I.D. Project No. 493-0283-1001

PROJECT
GRANT AGREEMENT
BETWEEN THE
KINGDOM OF THAILAND
AND THE
UNITED STATES OF AMERICA
FOR
POPULATION PLANNING

Dated: FEB 17 1981

- 1 -

TABLE OF CONTENTS
PROJECT GRANT AGREEMENT

	<u>Page</u>
Article 1: The Agreement	4
Article 2: The Project	4
SECTION 2.1 Definition of Project	4
SECTION 2.2 Incremental Nature of Project	4
Article 3: Financing	5
SECTION 3.1 The Grant	5
SECTION 3.2 Grantee Resources for the Project	5
SECTION 3.3 Project Assistance Completion Date	5
Article 4: Conditions Precedent to Disbursement	6
SECTION 4.1 First Disbursement	6
SECTION 4.2 Notification	6
SECTION 4.3 Terminal Dates for Conditions Precedent	6
Article 5: Special Covenants	7
SECTION 5.1 Project Evaluation	7
SECTION 5.2 Abortion Related Activities	7
SECTION 5.3 Voluntary Participation	7
Article 6: Procurement Source	8
SECTION 6.1 Foreign Exchange Costs	8
SECTION 6.2 Local Currency Costs	8

	<u>Page</u>
Article 7: Disbursement	8
SECTION 7.1 Disbursement for Foreign Exchange Costs	8
SECTION 7.2 Disbursement for Local Currency Cost	9
SECTION 7.3 Other Forms of Disbursement	9
SECTION 7.4 Rate of Exchange	9
Article 8: Miscellaneous	9
SECTION 8.1 Communications	9
SECTION 8.2 Representatives	10
SECTION 8.3 Standard Provisions Annex	10

PROJECT GRANT AGREEMENT

Dated: FEB 17 1981

Between the Kingdom of Thailand (Grantee), acting through the Department of Technical and Economic Cooperation (DTEC), and the United States of America, acting through the United States Agency for International Development (A.I.D.).

Article 1: The Agreement

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

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, continues the participation of the signatory parties in certain family planning activities which include (1) Voluntary Surgical Contraceptive (VSC) Services, (2) Commodities, (3) Training, (4) Operational Research and Evaluation and (5) Intensified Information, Education and Communication in lagging provinces. Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. Within the limits of the definition of the Project in this Section 2.1, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

SECTION 2.2: Incremental Nature of Project

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

(b) Within the overall Project Assistance Completion Date stated in Section 3.3 of this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

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 not to exceed One Million Nine Hundred Thousand United States (U.S.) Dollars (\$1,900,000) (Grant).

The Grant may be used to finance Foreign Exchange Costs, as defined in Section 6.1, and Local Currency Costs, as defined in Section 6.2, 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.

(b) The resources provided by Grantee for the Project will not be less than the equivalent of Four Million Nine Hundred Thousand United States (U.S.) Dollars (\$4,900,000) including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1982, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing

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

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time, or times, reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names of the persons designated as additional representatives pursuant to Section 8.2, and a specimen signature of each person specified in such statement.

(b) Time-phased action plans and budgets for each of the five project components identified in Section 2.1 of this Agreement.

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

SECTION 4.3. Terminal Dates for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to continue with the bi-annual evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project on a bi-annual basis:

- (a) Evaluation of progress toward attainment of the objectives of the Project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems, in this or other projects; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Abortion-Related Activities. None of the funds made available under this Agreement shall be used for any of the following family planning activities.

- (a) Procurement or distribution of equipment provided for the purpose of inducing abortion as a method of family planning.
- (b) Information, education, training or communication programs that seek to promote abortion as a method of family planning.
- (c) Payments to women to have abortions as a method of family planning.
- (d) Payments to persons to perform abortions or to solicit persons to undergo abortions.

SECTION 5.3. Voluntary Participation. The RTG shall take appropriate steps to ensure that:

- (a) None of the funds made available hereunder are used to motivate or coerce any individual to practise methods of family planning which are inconsistent with such individual's moral, philosophical, or religious beliefs; and

(b) The Project is conducted in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) (Foreign Exchange Costs), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

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

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services, or, (b) requests for A.I.D. to procure commodities or services on Grantee's behalf for the Project;

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts directly to one or more contractors or suppliers committing A.I.D. to pay such contractors or suppliers for such goods or services, or

(3) by such other means as may be mutually agreed to in writing.

SECTION 7.2. Disbursement for Local Currency Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. with U.S. dollars by purchase. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

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

SECTION 7.4. Rate of Exchange. If funds provided under the Grant are introduced into Thailand by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Thailand at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Thailand.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent

when delivered to such Party at the following addresses:

To the Grantee:

Director-General
Department of Technical and Economic Cooperation
Krung Kasem Road
Bangkok, Thailand

To A.I.D.:

Director
United States Agency for International
Development/Thailand
2948 Soi Somprasong 3
Bangkok, Thailand

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of Director-General, Department of Technical and Economic Cooperation, and A.I.D. will be represented by the individual holding, or acting, in the Office of the Director, United States Agency for International Development/Thailand, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

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

IN WITNESS WHEREOF, the Kingdom of Thailand and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be

signed in their names and delivered as the day and year first above written.

KINGDOM OF THAILAND

By: 
Director-General
Department of Technical and Economic
Cooperation

UNITED STATES OF AMERICA

By: 
Director
United States Agency for International
Development/Thailand

Concurred in by:

Amorn Nondasuta
fu. Dr. Amorn Nondasuta
Director-General
Department of Health
Ministry of Public Health

ANNEX I

POPULATION PLANNING PROJECT DESCRIPTION

INTRODUCTION

The purpose of the Project is to support the RTG's Fourth Five-Year Plan objective of reducing the annual rate of population growth to 2.1 percent by 1981. The RTG strategy in this regard is to make comprehensive, and voluntary, family planning services widely available, particularly in the rural areas where such services are most lacking. USAID's assistance includes institutional support for voluntary surgical contraception, training of non-physician health personnel, contraceptive supplies, problem-oriented research and evaluation, and support for an intensified information and service program in the Provinces where contraceptive use is below average.

I. EXPANDED VOLUNTARY SURGICAL CONTRACEPTIVE (VSC) PROGRAM

The Project will provide the following types of support; (1) Reimbursement to the service unit to cover costs of VSC procedures performed (support costs) and (2) Personnel supplemental support costs for VSC mobile service teams and VSC related information, education, and communication (IE&C) teams.

A. Program Components

1. VSC Support Costs

a. USAID will provide monetary support for each procedure performed at district hospitals; district health centers; district health offices; tambon health centers; mobile units; and MCH sub-centers. The support will be \$150 for each acceptable VSC procedure.

b. In addition, USAID will provide institutional support of \$150 to any MOPH facility for each VSC procedure beyond the FY 82 NFPP target.

c. The RTG will provide institutional support for all VSC procedures up to the target at the rate of \$150 for each female acceptor and \$50 for each male acceptor.

2. Information, Education and Communication (IE&C)

All mobile service units are supported by an IE&C team from the central, provincial or local offices who visit a given community before the arrival of the service team. These IE&C teams prepare the community for the VSC service team visit by holding several large group gatherings. The main attraction is usually a full length Thai commercial film. The attendees also view educational films, flipchart presentations, and pamphlets which accompany the lectures given by physicians, nurses, and health education personnel. Posters and pamphlets which explain all aspects of VSC and other family planning methods and announce the arrival of the clinical team are distributed throughout the community.

3. Personnel Support Costs

Most RTG physicians, nurses and other personnel comprising the provincial and/or district teams depend on income derived from an after-official hours private practice or job for their livelihood. Therefore, a potential inhibiting factor of the mobile VSC program is the lack of sufficient personnel to make up the teams, especially physicians and nurses. Personal expenses, such as food and lodging, associated with VSC field trips would discourage them from making the number of rural visits necessary to make the mobile teams effective. Therefore, USAID will provide funding for compensation in the form of per diem for all members of the mobile service teams, motivation teams, and supervisory personnel from the central NFPP office and provincial health office (during VSC related field visits) at a rate acceptable to the RTG and AID.

The RTG will provide total salary support for all members of the mobile service and IE&C teams. In addition, the RTG will provide funds for gasoline equal to that provided by AID. The Family Health Division will use a system of receipts so that 50 percent of each purchase is charged to RTG and AID accounts respectively.

B. Documentation and Reimbursement Procedures - VSC Support Costs

Each participating institution will submit a monthly claim including MOPH Forms ES-1 and ES-2 and the informed consent form to the central office of the NFPP. The central office will match the claim against the individual acceptor cards (NFPP Standard Form 01). When all sterilizations are verified the NFPP will reimburse the participating institutions on a monthly basis. The NFPP will request reimbursement from USAID/T through DTEC on a quarterly basis. USAID/Thailand will provide quarterly reimbursements to DTEC for actual expenditures. USAID/Thailand or DTEC will provide an advance to the NFPP for the anticipated expenses during the subsequent quarter.

C. Responsibilities and Functions

The responsibilities and functions will be as follows:

<u>Activity</u>	<u>Responsible Officer</u>	<u>Duration</u>
1. Report of Acceptors	PCMO	Monthly
2. Claims for Reimbursement (Forms ES-1 and ES-2 and Informed Consent Form)	PCMO	Monthly
3. Verification of Claims	NFPP	Monthly
4. Payment of Reimbursement of Claims to Participating Institutions	NFPP	Monthly
5. Submissions of Claims of Expenditures and Cost Estimates for Ensuing Quarter to DTEC	NFPP	Quarterly
6. Submission Claims Checked by DTEC and Forwarded USAID/T for Payment	DTEC	Quarterly

<u>Activity</u>	<u>Responsible Officer</u>	<u>Duration</u>
7. Reimbursement of Expenditures and Advanced of Estimated Cost for Ensuing Quarter to DTEC	USAID/T	Quarterly
8. DTEC Reimbursement to NFPP	DTEC	Quarterly

D. Audit Requirements

The RTG will be responsible for arranging a continuous audit of the program by a qualified audit firm. The RTG and the audit firm will sign a bonafide contract requiring an audit of a minimum of 3% of new VSC acceptors on a continuous basis. The audit will include examination of receipts for gasoline used in support of the VSC program. A quarterly audit report shall be furnished to the NFPP not later than 60 days after the end of the audited quarter. Example: The report covering the quarter October 1 - December 31 should be submitted to the NFPP not later than March 1. Two copies of each audit report will be furnished promptly to USAID/Thailand by the NFPP. USAID/Thailand reserves the right to approve the contract and the contractor selected. Funding for this activity will be provided from unutilized prior year funds.

E. VSC Program Evaluation

A periodic evaluation of the progress of the VSC program will be done by the Research and Evaluation Section of the Family Health Division. The progress of the program will be measured through close study and analysis of the NFPP monthly statistical reports, the MOPH Forms 0-1, ES-2 and the informed consent form.

F. Reporting Requirements

A summary report on VSC activities will be provided to USAID on a quarterly basis which will provide the following information:

1. Number of VSC procedures accomplished during

quarter, depicting the number of female and male acceptors and by type of facility (e.g., provincial hospital, first class health center, etc.).

2. Location of mobile units (province).

3. Number of procedures accomplished by each unit, on a monthly basis.

G. Special Provisions for VSC

1. Proportion of Male to Female Sterilization

USAID/Thailand and RTG funds specified herein for male and female client support and for institutional support for female and male VSC procedures were estimated on past experience. If the proportion of male to female VSC procedures changes in FY-81, then USAID/T and RTG resources made available under this agreement may be utilized to support the performance of VSC procedures at other than the estimated proportions. Regardless of any variation in the proportion of male-female VSC procedures, USAID/Thailand provided support funds will be restricted to the uses described in this Agreement, that is (1) to cover client charges for VSC procedures performed at rural health centers or mobile units; and (2) to provide institutional support costs for VSC procedures performed beyond the FY 82 target.

2. Free Service

The RTG reconfirms that all VSC services provided in MOPH facilities, other than those given at provincial hospitals, MCH centers or PCMO clinics will be given without any charge whatsoever. This includes medical and laboratory costs incurred in conjunction with the VSC procedures. Furthermore, if costs such as these or costs for treatment of any complications occur resulting from the VSC procedure, the RTG assumes all costs for treatment and the client shall not be required to pay. If the audit report shows any deviation from this policy, the amount charged to client(s) will be withheld from the reimbursement claim.

3. Informed Consent

The NFPP has adopted a uniform, standard "informed consent form" for use nationwide to assure that the physicians performing VSC procedures are fully aware of the policy and that participants request sterilization voluntarily, without coercion or inducement of any kind and are fully aware of the permanent and irreversible nature of the procedures. The form requires the signatures of the physician performing the procedure, the participant (if the participant is female, her spouse) and a witness.

To further insure that all Thai sterilization acceptors request this service voluntarily, the NFPP has requested private sector agencies performing sterilization to use the informed consent form.

The informed consent form is completed in duplicate. One copy is retained at the service unit doing the sterilization and the other is submitted to the NFPP central office.

The MOPH/NFPP agrees to continue the use of the informed consent form and to take any other appropriate measures to assure the voluntary, non-coercive nature of the family planning program in Thailand.

4. Reimbursement of Participating Institutions

The NFPP will reimburse all institutions on a monthly basis. The MOPH/NFPP and DTEC will, jointly establish reimbursement procedures (taking into account the time necessary for review of all claims) for reimbursement to be paid each institution no later than 45 days after the claim for reimbursement is made.

5. Duplications

The NFPP will ascertain that there is no duplication of reporting of VSC procedures performed through the NFPP and private sector VSC programs. Any duplications discovered will not be counted as contributing to the NFPP acceptor target. Duplicate amounts paid as reimbursable items will be deducted from the next reimbursement claim from the billing institution (i.e., hospital, MCH Center, etc.).

II. COMMODITIES

A. Oral Contraceptives

1. RTG Agreement to Purchase

Since 1973, the RTG and USG have agreed that the RTG would increase its purchase of oral contraceptives each year. In the 1976 Project Agreement (ProAg) for this Project (Revision #1, page 4), the RTG agrees to purchase 8 million cycles in 1981 plus 50% of the increased usage occurring between 1979 and 1980.

2. USG Agreement to Purchase

In FY 81, the USG, as a partial contribution to this project, agrees to provide the equivalent of approximately 3,442,000 cycles for the purpose of oral contraceptives. This amount is included in the total shown as the AID contribution this year.

A recent analysis of current and projected contraceptive requirements indicates that a severe shortage of oral contraceptives is likely to occur in early 1982. The RTG is taking steps to increase the FY 82 budget allocation for this purpose, but orals purchased with such funds could probably not be delivered until late in 1982. For this reason, it is agreed that \$1,000,000 of unutilized prior year funds will be used to purchase oral contraceptives (approximately 4,400,000 cycles) needed to meet this critical interim shortfall.

III. FAMILY PLANNING TRAINING

A. The RTG Fourth Five Year Plan specifies that the NFPP will broaden family planning service delivery to the remote rural areas, especially to those areas where MOPH personnel, (i.e., physicians, nurses, and medical auxiliaries) are not assigned. To achieve this wider coverage, family planning training is being provided to non-MOPH paramedics and traditional practitioners who live and work in such areas. Under this activity, additional tambon doctors, border patrol police (BPP), and traditional birth attendants (TBA) will be given basic training in family planning.

B. Special Provisions for Training

1. Special priority will be given to the training of Traditional Birth Attendants and Tambon Doctors in the 20 designated provinces of the "RTG Population Program" or the "Accelerated Family Planning and Health Project" now in the third year of implementation.

2. The Division of Training will provide a narrative report to USAID/Thailand and DTEC on a quarterly basis which recounts the progress of the training of Traditional Birth Attendants, Border Patrol Police and Tambon Doctors. The report will specify the number of persons trained in each category, analyze the effectiveness of training, problems encountered and other pertinent matters affecting the training program.

IV. RESEARCH AND EVALUATION

A. Operational Research

The Project provides support for operational research focused on problems related both to service delivery and creation of demand for family planning services. Proposed operational studies will be submitted to the MOPH/NFPP research committee which must approve the study design, work schedule, and budget. Studies approved by the research committee will be submitted to DTEC and USAID for review and concurrence. DTEC regulations apply to these studies.

B. Evaluation

As part of the original FY 76 Agreement for the Population Planning Project, it was agreed by USAID and the RTG that a comprehensive project evaluation would be conducted bi-annually. The final evaluation of the Project will be carried out in May or June, 1981.

V. INTENSIFIED INFORMATION, EDUCATION AND COMMUNICATIONS (IE&C) CAMPAIGN IN LAGGING PROVINCES

During the period covered by the FY 79 ProAg, an intensified effort (described in Section V. of the FY 79 Agreement) to provide information and services was initiated in the "lagging" provinces. This activity has been continued during FY 80. If an interim evaluation of on-going activities indicates that the intensified program effort in the lagging provinces is effective, consideration will be given to using unutilized prior year funds to support the continuation of this activity during FY 81 and into FY 82.

TOTAL PROJECT AGREEMENT FUNDING SUMMARY

(US \$)

Project Component

	<u>USG</u>	<u>RTG</u>	<u>Total</u>
1. VSC Services	1,000,000	3,500,000 <u>1/</u>	4,500,000
2. Commodities Oral Contraceptives <u>2/</u>	750,000 (1,000,000)	850,000	1,600,000
3. Training	100,000	550,000	650,000
4. Operational Research/ Evaluation	50,000	"in kind"	50,000
	<hr/>	<hr/>	<hr/>
	1,900,000	4,900,000	6,800,000
	=====	=====	=====

1/ Includes "in kind" contribution.

2/ This item is financed using unutilized prior year funds.