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A.I.D Project No. 641-0118

PROJECT  
GRANT AGREEMENT  
BETWEEN  
THE REPUBLIC OF GHANA  
AND  
THE UNITED STATES OF AMERICA  
FOR  
FAMILY PLANNING AND HEALTH

Date: April 25, 1991

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Project Grant Agreement

Dated: April 25, 1991

Between

The Republic of Ghana ("Grantee")

And

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

Article 1: The Agreement

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

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will assist the Grantee to increase use of and demand for family planning in the Republic of Ghana by expanding the capacity of the public and private sectors to provide family planning and maternal and child health services, supplies and information. The project will finance technical assistance, commodities and training for family planning and maternal and child health service providers of the public and private sectors; information, education and communication activities; campaigns in contraceptive social marketing; and monitoring and evaluation. In addition to the funding provided under this Agreement, the Grantee will be provided assistance under a separate but complementary Program Grant Agreement (641-T-603) (Project 641-0121) to support the Grantee's commitment to reforms in family planning and health. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, 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) 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 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 1,250,000 United States ("U.S.") dollars ("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 the Grantee for the Project will be not less than the equivalent of U.S. \$12,253,000, including costs borne on an "in-kind" basis.

**SECTION 3.3. Project Assistance Completion Date.**

(a) The Project Assistance Completion Date ("PACD"), which is March 31, 1996, 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

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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. by 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 name of the person(s) who will act as representative(s) of the Grantee under the agreement, together with a specimen signature of each person named in such statement;

(b) Evidence that the Grantee has constituted a project technical committee comprised of a senior member of the Ministry of Finance and Economic Planning as chairperson, and representatives of the cooperating technical divisions of the Ministry of Health, including at a minimum, a senior representative each from the departments that have responsibility for Maternal and Child Health and Health Education; and

(c) Evidence that the Grantee has executed the Program Agreement for the Family Planning and Health Program (Project No. 641-0121).

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

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

**Article 5: Special Covenants**

**SECTION 5.1. Project Evaluation.** The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas of constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

**SECTION 5.2. Adequate Financial Resources.**

The Grantee shall covenant to:

(a) Fund completely the budgets for ministry activities supporting maternal and child health/family planning and Health Education throughout the life of the project.

(b) Appoint or hire a full-time accountant to manage the Return-to-Project Fund under the supervision of the Accountant General and the MFEP

(c) Appoint an officer with commensurate experience in the Ministry of Health as liaison to the Ghana Supply Commission to ensure that A.I.D.-donated commodities are cleared quickly from the port.

(d) Deposit in the Return-to-Project Fund a proportional amount of the value of contraceptives actually distributed each calendar year.

**SECTION 5.3. Durable Commodities.** The Grantee shall allow all durable commodities, including vehicles and office equipment, that were provided for the Contraceptives Supplies

Project to continue to be used by the agencies carrying out the same activities under the Project.

SECTION 5.4. Complete Audit of the Return to Project Fund. The Grantee will carry out a complete audit of the existing Return-to-Project Fund and shall not commingle other funds with the Return-to-Project Fund until a full accounting has been made.

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, with respect to goods, their source and origin, and with respect to services their nationality in countries included in Code 935 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. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of countries included in Code 935, except as A.I.D. may otherwise agree in writing.

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

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

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank

or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

**SECTION 7.2. Disbursement for Local Currency Costs.**

(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:

(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

(2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

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

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into the Republic of Ghana by A.I.D. or any public or private agency for purpose 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 the Republic of Ghana at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of Ghana.

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:

Secretary  
Ministry of Finance and Economic Planning  
P.O. Box M40  
Accra, Ghana

To A.I.D.

Mail Address:

A.I.D Representative  
USAID  
P.O. BOX 1630  
ACCRA

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 Secretary of Finance and Economic Planning, and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative, USAID/Ghana, 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 Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS THEREOF, the Grantee 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 of the day and year first above written.

UNITED STATES OF AMERICA

THE REPUBLIC OF GHANA

BY: Raymond C. Ewing

BY: Kwesi C. Botchway

NAME: Raymond C. Ewing

NAME: Kwesi C. Botchway

TITLE: Ambassador of the United States of America

TITLE: PNDC Secretary, Ministry of Finance and Economic Planning

Date: April 25, 1991

Date: April 25, 1991

BY: Joseph B. Goodwin

BY: Nana Akuoko Sarpong

NAME: Joseph B. Goodwin

NAME: Nana Akuoko Sarpong

TITLE: A.I.D. Representative

TITLE: PNDC Secretary Ministry of Health

Date: April 25, 1991

Date: April 25, 1991

## Annex I

### Amplified Project Description

#### Ghana Family Planning and Health Project (641-0118)

##### I. General Project/Program Description

A. Goal, Purpose and Objectives. The Project finances technical assistance, contraceptive commodities, training, studies, evaluations, financial assessments and financial management reviews in support of the overall Family Planning and Health Program (the "Program"), of which this Project is the predominant part. The Program is designed to lower fertility of the Ghanaian population through maternal and child health (MCH) interventions. The purpose of the Program is to increase the use of and demand for family planning goods and services by expanding the capacity of the public and private sectors to provide family planning and maternal and child health services, supplies and information and by supporting the development of a favorable policy environment. The Program includes a planned \$13,000,000 grant under a separate Program Agreement (641-T-603) (Project 641-0121) that will support Ghana's Economic Recovery Program by making foreign exchange available through the Bank of Ghana auction ("Program Grant"). The Government of Ghana will be required to deposit an amount of local currency equivalent to A.I.D. disbursements under the Program Grant.

The Program plans accomplishments in three major areas:

1. Policy reforms to create an environment conducive to implementing a concerted national family planning program;
2. Increased private sector involvement in the provision of family planning and maternal and child health services; and
3. Improved and expanded public sector provision of family planning and maternal and child health services, education and supplies.

The core of the Project is the expansion of the existing Ghana Social Marketing Program, whose responsibility is the sale and distribution of a variety of family planning commodities. The Project is expected to effect a 15 percent modern contraceptive prevalence rate, primarily by strengthening the private sector's ability to distribute commodities in a supportive policy environment, and by strengthening the Ministry of Health's ability to support and supplement the private sector.

The Project addresses a wide variety of family planning and health concerns. In the field of family planning, the Project will promote the use of condoms, vaginal foaming tablets, oral contraceptives, intra-uterine devices, voluntary surgical contraception, natural family planning methods and, when available, Norplant or other new approved family planning methods. In addition, the Project will promote the use of oral rehydration salts for dehydration caused by diarrhea, and chloroquine for acute malarial episodes.

B. Program Outputs. Two key characteristics of the Ghanaian public health system are targeted by the Program:

1. Fundamental policy and institutional changes, designed to create a sense of national commitment and a supportive policy framework which will allow the long-term expansion of population planning activities in a time frame that goes beyond the life of this Project; and

2. Regulatory changes to immediately remove constraints on public and private sector health workers and commodity suppliers in order to permit increased numbers of health workers and distributors to handle and sell contraceptives, oral rehydration salts and chloroquine.

C. End-of-Project Status and Program Indicators in the Year 1996. The function of assessing the impact of the Program through the end of the Program in 1996 and beyond will be institutionalized within the Ministry of Health (MOH) and the Ghana Statistical Service. With technical assistance funded under the Project, as well as additional technical assistance provided by the World Bank, the British Overseas Development Agency, and the United Nations Fund for Population Activities, the MOH and the Ghana Statistical Service will collect and analyze the statistical changes in target indicators and link those changes to the impact of the Program. All appropriate data collected and analyzed will be disaggregated by gender and geographical area.

Quantifiable, objectively verifiable indicators that the purpose of the Program has been attained by 1996 include:

1. Modern contraceptive prevalence will have increased from 5.1 percent to 15 percent.

2. Use of oral rehydration salts per diarrheal episode in children under five will have increased from 33 percent to 50 percent.

3. Use of proper anti-malarial treatment in febrile episodes will have increased from 25 percent to 35 percent.

Nonquantifiable, objectively verifiable indicators that the purpose of the Program has been attained by 1996 include:

1. Increased and improved delivery of family planning and maternal and child health (FP/MCH) services:

a. Private Sector:

- Improved management, administrative and professional capacity of Ghana Registered Midwives Association.
- Industry-based health-care professionals trained in delivery of FP/MCH services.

b. Public Sector:

- Improved delivery of FP/MCH services by traditional birth attendants.
- Strengthened administrative and supervisory capacity of National Traditional Birth Attendants Secretariat.
- Improved provision of long-term methods of contraception (intrauterine devices, voluntary surgical contraception, Norplant).
- Counseling and referral services for voluntary surgical contraception available at all district hospitals.

2. Improved delivery of contraceptives, oral rehydration salts and chloroquine:

a. Private Sector:

- Improved importation, storage, manufacturing and repackaging of all commodities.
- Establishment of a wide-reaching product distribution network.
- Improved social marketing and promotion of specific product lines.
- Establishment of a product-cost recovery system along with private importation and distribution of contraceptives.

b. Public Sector:

- Regular availability of all family planning and health commodities at all MOH facilities.
- Ministry of Health successfully recovering up to 50 percent of the cost of products and developing procurement capacity.

3. Increased availability of FP/MCH information:

a. Private Sector:

- Established social marketing organization successfully carrying out marketing campaigns.

b. Public Sector:

- Ministry of Health division responsible for health education strengthened and carrying out information, education and communication campaigns.

II. Implementation Plan

A. Grantee Responsibilities. The Government of Ghana's implementing agencies for the Project are the Ministry of Finance and Economic Planning, Ministry of Health (MOH) and the national population authority. The Government of Ghana's responsibilities for overall monitoring and management will be conducted by a Project Technical Committee, comprised of a senior member of the Ministry of Finance and Economic Planning as chair, and representatives of the cooperating technical divisions of the Ministry of Health. At a minimum, the committee shall include a senior representative each from the departments or divisions responsible for maternal and child health and health education. Other members might include a representative each from the department responsible for epidemiology and the section of the Central Medical Stores handling A.I.D.-financed commodities. Additionally, the committee shall include a representative from the national population authority, after the authority is operational.

The Ministry of Health will receive, store and distribute all A.I.D.-donated contraceptives imported for use in the public sector. It will obtain and distribute oral rehydration salts and malaria treatment drugs, whether purchased by the Ministry of Health directly from local suppliers or received from other donors. The Ministry of Health will distribute contraceptives, oral rehydration salts and chloroquine to public health regional

and district facilities, or will otherwise ensure that adequate supplies are available at these facilities.

The Ministry of Health will participate with A.I.D. in the selection of the institutional contractor, and will establish and maintain liaison with the contractor to ensure that the private and public sector aspects of the project are coordinated.

The Ministry of Health will assume responsibility for the traditional birth attendant training program.

A Ministry of Health teaching hospital facility will be responsible for collaborating with the Project financed entity responsible for training doctor-nurse teams in sterilization procedures and quality control of training-related facilities and maintenance of equipment.

The Ministry of Health division responsible for health education will plan and implement information, education and communication (IE&C) campaigns and related activities to promote family planning and the use of contraceptives.

The national population authority will be responsible for developing and implementing broad population planning IE&C activities directed at policy makers and community leaders.

B. A.I.D. Responsibilities. A.I.D. will procure contraceptives for both the Ministry of Health and the private sector social marketing component; services for evaluations and financial reviews; services from centrally-funded A.I.D. projects; and the service of the competitively selected contractor and the Project-financed private implementing entities.

A.I.D. will monitor the Return to Project Fund (established by the MOH to capture the proceeds from the sale of A.I.D.-supplied contraceptives) as part of the periodic financial evaluations. A.I.D. will arrange technical assistance from the project support budget to overcome problems which may be indicated in financial assessment, audit and procurement reports.

A.I.D. will procure technical assistance to monitor the use of the local currency programmed under the Program Assistance Grant, 641-0121.

A.I.D. will monitor the performance of assistance recipients and the institutional contractor which will manage the inputs for the social marketing component and the MOH's information, education and communication activities.

C. Responsibilities of the Competitively Selected Institutional Contractor. This contractor will be jointly selected by the Grantee and A.I.D.

The contractor will implement all aspects of the social marketing component of the project, (except contraceptive procurement), assist the MOH's Health Education Division to design and implement IE&C activities, and will assist non-governmental organizations to become effective providers of family planning and health information, goods and services. In addition, the contractor will gather information on inputs and accomplishments of all input providers.

1. Management and Monitoring. The institutional contractor will create a project management unit, to manage Project inputs and to monitor Project implementation. The unit will operate under the overall direction of the resident chief of party.

The project management unit will liaise regularly with the MOH and A.I.D. to ensure smooth project implementation.

The contractor's project management unit will monitor the receipt and distribution of contraceptive commodities procured by A.I.D. for the MOH and for the contractor's social marketing activities. The management unit will ensure that the MOH logistics system is functioning particularly with regard to storage conditions and record keeping and provide technical assistance if necessary. The unit also will assist the MOH in preparing an annual request for contraceptives to ensure that method mix and quantities are reasonable and take into account orders requested by the private sector.

This unit will also ensure that the private sector commodity logistical system is functioning, including port clearance, packaging, manufacturing quality control, storage and distribution.

The management unit will develop and maintain a microcomputer based management information system, linked to the system developed to monitor social marketing activities, which tracks all population activities in the public and private sectors.

2. Social Marketing. The contractor will create a social marketing unit to manage implementation of a full range of social marketing activities under the Ghana Social Marketing Program. The social marketing unit staff will be obtained through an agreement between the contractor and a Ghanaian firm in whose offices the unit will be housed. The contractor's social marketing adviser will direct the activities of the unit while developing this management capability within the Ghanaian firm.

3. Support to Other Input Providers. The contractor will enter into agreements with the providers of other Project inputs as described in section D below. These agreements will elaborate the monitoring and support responsibilities and activities to be undertaken by the contractor in support of these organizations. All such agreements will be reviewed and approved by A.I.D. and the Grantee. The contractor, in cooperation with the Ministry of Health, A.I.D. and other input providers, will develop a detailed annual implementation plan and schedule for all input providers. This will enable better coordination and timing of activities and facilitate monitoring and evaluation of implementation progress.

4. Support to Non-Governmental Organizations. The contractor will create a non-governmental organization support unit to assist Ghanaian non-governmental organizations operating at national, regional and local levels to become more effective organizations and providers of family planning and health information, goods and services. These non-governmental organizations are expected to include organizations and associations of health professionals, non-governmental organizations primarily involved with the development or betterment of a particular group, and commercial firms who provide health or community services to large numbers of employees or to their communities. Trade associations such as market women will also be eligible for assistance. The assistance will be tailored to each NGO's needs and will take the form of training staff and members, and providing technical assistance to establish logistics and accounting systems and to strengthen organizational and managerial functions.

5. Collection of Project Data. The contractor will collect data which are required to track both Project implementation progress and Project impact. The data will include baseline data at the outset of the Project and new data at regular intervals. Primarily, the required data will be generated by existing MOH, nongovernmental organizations and commercial sector data collection activities, contractor reports and the contractor's management information system. The contractor will make arrangements to obtain data firsthand when reliable secondary sources are not available. The data will be used by the contractor to produce regular progress and special analytical reports for A.I.D. and the Government of Ghana. The data will be made available to independent evaluators engaged by A.I.D. during the life of the Project. Complete data collection will require liaison with providers not directly supported by this project, specifically the Planned Parenthood Association of Ghana.

6. Reporting. The contractor will report regularly to the Grantee and A.I.D. Regular reporting includes quarterly progress reports indicating implementation status and

achievement of benchmarks, quarterly financial reports, annual workplans, special studies, and final report. The contractor will develop and submit the first annual workplan for joint review by A.I.D. and the Project technical committee three months after the initiation of in-country activities. The plan should include, inter alia, plans for scheduled major activities, attainment of benchmarks, training plans and a technical assistance plan. The contractor's activities during the first year will include the development of a contraceptive marketing plan, assistance to the Ministry of Health for information, education and communication activities, the development of a Project management information system and the procurement of all Project commodities other than A.I.D.-procured contraceptives.

7: Services to the Contractor. The contractor will provide in the management unit the capability to maintain the contractor's financial records, prepare vouchers for payment under its contract with A.I.D., arrange for the financial assessment of firms and organizations providing services to the contractor or receiving and disbursing funds on behalf of the contractor.

D. Other Specialized Input Providers. Several other providers who have specialized capacities will be contracted by A.I.D. to provide additional support services to the project. These providers will be responsible for furnishing short-term technical assistance and commodities for implementing their in-country programs. They will identify technical assistance needs, and suggest timing and length of each technical assistance visit for A.I.D. approval.

These input providers will sign memoranda of understanding with the Government of Ghana and their counterpart organizations, acceptable to A.I.D., which define in detail the programs they will implement and the responsibilities assigned to the respective parties for all required facilities, personnel, commodities and budget support.

1. Support to the Ghana Registered Midwives Association (GRMA). The services of a contractor will be procured to assist the Ghana Registered Midwives Association to enhance the professional capabilities of its members. Management and organizational support for the GRMA will be provided by the institutional contractor.

2. Support to the National Traditional Birth Attendant Secretariat. The services of a contractor will be procured to provide technical assistance to the MOH to execute its traditional birth attendant training program.

3. Support for Long-Term Methods Training. An entity will be selected through an A.I.D.-financed arrangement to assist the Ministry of Health with training both public- and private-sector medical professionals in long-term methods of contraception.

4. Support for the Population Impact Program and the National Population Authority. The services of a contractor who has special expertise in the development and implementation of national population policies will be procured through A.I.D.-financed mechanisms to provide assistance to the Population Impact Program and the National Population Authority in the development and implementation of population policy in Ghana.

### III. Evaluation and Audit

A. Evaluation Plan. The evaluation of the Program will be managed directly by A.I.D. Both the Program Grant and Project will be evaluated by the same team. All evaluation activities will be carried out with the full collaboration of the Government of Ghana and with the nongovernmental organizations and private sector institutions participating in the Program. Two external evaluations are proposed during the life of the Project.

Beginning one year after the signing of the Project agreement, annual in-house evaluations will be held to monitor program implementation. These will include representatives of the MOH, and MFEP as well as A.I.D. The institutional contractor will participate on an ex-officio basis. The first of these is particularly important as a start-up review to identify any significant implementation problems not identified in the project document.

Monitoring activities and routine data collection will provide the baseline data for both the mid-term and final evaluations. The Demographic and Health Survey will provide the data for determining the final impact of the project. Additional studies will be undertaken as needed to evaluate the project.

1. Mid-Term Evaluation. It is expected that the mid-term evaluation will review:

- management of inputs;
- status of outputs;
- progress in attaining purpose-level objectives;
- status of policy and project benchmarks; and

- adequacy of benchmarks and indicators for assessment of overall impact at final evaluation.

The mid-term evaluation will also define any management changes required for timely fulfillment of Program and Project objectives and make recommendations for modifications in baseline monitoring, if required.

2. Final Evaluation. The final evaluation is planned to occur seven months before the completion of the Project. It will include:

- review of the number of benchmarks achieved;
- review of progress made in attaining purpose-level objectives and progress of the policy and project components in realizing input and output targets;
- analysis of the macro impact of the policy changes brought about by the Government of Ghana's meeting the conditions precedent to disbursement of the Program Grant, especially those which facilitate the role of the private sector in the distribution of contraceptives;
- assessment of impact on beneficiaries due to increasing numbers of service providers, availability and accessibility of supplies, and increased information, education and communication;
- assessment of the Project success in moving toward sustainability and in reducing subsidies;
- assessment of the impact of price increases, resulting from the removal of subsidies on demand for contraceptives; and
- assessment of both the attainment and potential for attainment of subgoal and goal-level objectives.

B. Financial Assessments and Audits. Financial assessments or audits or both will be carried out annually by an independent accounting firm on all Project elements. A thorough financial review will immediately precede the midterm and final evaluation, and a final financial review will be performed after the completion of the Project.

#### IV. Illustrative Financial Plan.

A. A.I.D. Contribution. An illustrative financial plan is set forth in Table 1. The total cost of the Program, if fully funded is estimated to be \$22,753,000, of which A.I.D. plans to contribute \$10,500,000 over the life of the Project. It is

planned that A.I.D. project funding will finance long- and short-term technical assistance, U.S., third-country and in-country training, annual financial management assessments, (including partial project funding for a local currency monitoring specialist), annual financial management reviews, and midterm and end-of-Program evaluations. Future A.I.D. contributions are subject to the availability of funds and mutual agreement of the parties to proceed. The budget lines are designed to cover:

1. Institutional Contractor: the contract with the competitively selected institutional contractor as described in Section II.C.

2. Buy-ins to central agreements: Support for long term methods training, and the Population Impact Program as described in Section II.D.3-4.

3. Support to Midwives and Birth Attendants: Support for these programs as described in Section II.D.1-2.

4. A.I.D. Project Support: Support for Participant training, A.I.D. support to the institutional contractor, and other procurement necessary for program implementation.

5. Financial Assessments/Evaluations/Surveys: Support for annual financial reviews, the midterm and final evaluations and the Demographic and Health Survey.

B. Grantee Contribution. In addition to the local currency equivalent of \$13,000,000 in counterpart funds under the Program, the Grantee contribution (Table 2) will include expenditures for the salaries of Government of Ghana personnel who are not directly supported with counterpart funds during Program implementation, as well as in-kind contributions including office space and supplies. These are estimated to amount to the equivalent of \$2,338,000 in local currency and \$9,915,000 in in-kind contributions.

C. Changes to the Financial Plan. Changes may be made to the financial plan by representatives of the Grantee and A.I.D. named in Section 8.2 of the Agreement without formal amendment to the Agreement if such changes do not cause (1) A.I.D.'s contribution to exceed the amount specified in Section 3.1 of the Agreement, or (2) the Grantee's contribution to be less than the amount specified in Section 3.2 of the Agreement.

D. Overall A.I.D. Program Support. Table 3 sets forth the expected A.I.D. contributions in support of the overall program. In addition to the amounts contributed under the project and program grants, A.I.D. expects to provide the Grantee with

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contraceptive commodities in kind valued at \$6,500,000 over the life of the project, subject to the availability of funds.

Table 1

A.I.D. Contributions  
(U.S. Dollars \$000s)

	Cumulative Obligations	Future Planned Obligations	Total Life of Project
1. Institutional Contractors	400	5,549	5,949
2. Buy-ins to Central Agreements	400	1,638	2,038
3. Support to Midwives & Birth Attendants	100	1,300	1,400
4. A.I.D. Project Support	100	100	200
5. Financial Assessments/ Evaluations/Monitoring/ Surveys	250	663	913
<b>Project Subtotal:</b>	<b>1,250</b>	<b>9,250</b>	<b>10,500</b>

Table 2

Government of Ghana Contributions  
(\$000s)  
(361 Cedis = \$1.00)

National Population Authority:	685,000
Project Operating Costs:	329,000
Training	<u>1,324,000</u>
<b>SUBTOTAL:</b>	<b>2,338,000</b>
<b>In Kind:</b>	<b><u>9,915,000</u></b>
<b>TOTAL:</b>	<b>12,253,000</b>

Table 3

Overall A.I.D. Program Support  
(U.S. Dollars \$000)

1.	Project Support	10,500
2.	Program Support	13,000
3.	In-Kind Contraceptive Commodities	6,500
	Total:	<hr/> 30,000

ANNEX II

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PROJECT GRANT STANDARD PROVISIONS ANNEX

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Annex II

Project Grant Standard

Provisions Annex

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

Article A: Project Implementation Letters

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

Article B: General Covenants

SECTION B.1. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors, or suppliers engaged on the Project, and other matters relating to the Project.

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

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

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

**SECTION B.3. Utilization of Goods and Services.**

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

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use. [See HB 18.]

**SECTION B.4. Taxation.**

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

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

**SECTION B.5. Reports, Records, Inspectors, Audit.**

The Grantee will:

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

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

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

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

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

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

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

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

#### Article C: Procurement Provisions

##### SECTION C.1. Special Rules.

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

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

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

(d) Transportation by air, financed under the Grant, of property or persons, will be on carriers holding United States certification, to the extent service by such carriers is

available. Details on this requirement will be described in a Project Implementation Letter.

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

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

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

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

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

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

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

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

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole

or in part, under the Grant. Such items will be produced on a fair and, to the maximum extent practicable, on a competitive basis.

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

SECTION C.6. Shipping.

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

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval or on a non-U.S. flag air carrier if a U.S. flag carrier is available (in accordance with criteria which may be contained in Project Implementation Letters) without prior written A.I.D. approval; or (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

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

**SECTION C.7. Insurance.**

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in U.S. dollars or, as A.I.D. may agree in writing, in the currency in which such goods were financed or in any freely convertible currency. If the Grantee (or government of Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a state of the United States.

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

**SECTION C.8. U.S. Government-Owned Excess Property.** The Grantee agrees that wherever practicable, United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

**Article D: Termination; Remedies.**

**SECTION D.1. Termination.** Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payment which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title

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to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

SECTION D.2. Refunds.

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

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

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

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

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

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

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

