

No. 17113

**UNITED STATES OF AMERICA
and
EGYPT**

**Grant Agreement relating to strengthening the rural health
delivery project (with annex). Signed at Cairo on
30 September 1976**

Authentic text: English.

Registered by the United States of America on 3 October 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

**Accord de don relatif au projet d'amélioration des soins
médicaux dans les zones rurales (avec annexe). Signé au
Caire le 30 septembre 1976**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 3 octobre 1978.

GRANT AGREEMENT¹ BETWEEN THE UNITED STATES OF AMERICA AND THE ARAB REPUBLIC OF EGYPT—
STRENGTHENING RURAL HEALTH DELIVERY PROJECT

Date: September 30, 1976

A.I.D. Grant No. 263-76-015

GRANT AGREEMENT dated September 30, 1976, between the ARAB REPUBLIC OF EGYPT (“Grantee”) and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (“A.I.D.”).

Article I. THE GRANT

Section 1.01. GRANT. Upon the terms and conditions stated herein, A.I.D. agrees to grant to the Grantee the sum of one million eight hundred thousand United States dollars (\$1,800,000) (the “Grant”) to finance the project as described in Section 2.01 (“Project”). Goods and services authorized to be financed hereunder are hereinafter referred to as “Eligible Items”. The Grant may be used to finance U.S. dollar costs and local currency costs of Eligible Items, except that, unless the parties otherwise agree in writing, local currency costs financed under the Grant will not exceed the equivalent of one hundred thousand United States dollars (\$100,000).

Article II. THE PROJECT

Section 2.01. THE PROJECT. The Project consists of assistance to the Ministry of Health to identify and validate the principal factors limiting the productivity and outreach of the rural health service and devise replicable strategies to reduce or eliminate these factors as problems. Through a series of structured tests, this Project intends to measure the impact of improved transport and communication on services, the impact of various patterns of rewards and incentives (consistent with the Egyptian system) on job performance, and the impact of better supervision on the services being delivered. Funds from the Grant will be used by the Grantee to finance U.S. dollar costs of U.S. technician or technicians resident in Egypt, short-term consultants, training of Egyptian technicians, and required equipment and commodities for the first year of operation of an expected five-year project. Subject to the availability of funds, subsequent agreements will be negotiated and adjustments, where necessary and as mutually agreed, will be made based upon evaluations and implementation experience. The Project is more fully described in Annex I, attached hereto, which Annex may be modified in writing by the parties designated in Section 8.02 hereof.

Article III. CONDITIONS PRECEDENT

Section 3.01. CONDITIONS PRECEDENT TO DISBURSEMENT. Except as A.I.D. may otherwise agree in writing, prior to the initial disbursement hereunder, the Grantee shall furnish in form and substance satisfactory to A.I.D.:

¹ Came into force on 30 September 1976 by signature, in accordance with section 8.04.

- (a) An opinion of the Ministry of Justice of the Arab Republic of Egypt or of other counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by and executed on behalf of the Grantee and constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;
- (b) A statement of the name(s) of the person(s) authorized to represent the Grantee as specified in Section 8.02;
- (c) Evidence of the establishment of a Joint Egyptian-United States Technical Advisory Committee to provide advice with respect to implementation and evaluation of the Project;
- (d) Evidence of the assignment of a qualified Egyptian health professional as Project Director; and
- (e) Such other information or documents as A.I.D. may request.

Section 3.02. CONDITION PRECEDENT TO RELEASE OF COMMODITIES. Prior to the release or delivery to the Grantee of any commodities financed under the Grant, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a detailed implementation plan completed by the technical assistance contractor and the Grantee. Such plan shall include a technical plan describing and scheduling the test activities, a commodity utilization plan, and a scheduling of training and consultation to be provided by the technical assistance contractor.

Section 3.03. TERMINAL DATES FOR MEETING CONDITIONS PRECEDENT TO DISBURSEMENT. (a) If all the conditions specified in Section 3.01 shall not have been met within one hundred twenty (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 giving written notice to the Grantee. Upon giving of such notice, this Agreement and all obligations of the parties hereunder shall terminate.

(b) If condition specified in Section 3.02 has not been met within one year 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 cancel the then undisbursed balance of the amount of the Grant and may terminate this Agreement by written notice to the Grantee.

Section 3.04. NOTIFICATION OF MEETING OF CONDITIONS PRECEDENT TO DISBURSEMENT. A.I.D. shall notify the Grantee upon determination by A.I.D. that the conditions precedent specified in Sections 3.01 and 3.02 have been met.

Article IV. GENERAL COVENANTS AND WARRANTIES

Section 4.01. EXECUTION OF THE PROJECT. (a) The Grantee shall carry out the Project with due diligence and efficiency, and in conformity with sound engineering, financial, and administrative practices.

(b) The Grantee shall cause the Project to be carried out in conformity with all of the plans, specifications, contracts, schedules, and other arrangements, and with all modifications therein, approved by A.I.D. pursuant to this Agreement.

Section 4.02. FUNDS AND OTHER RESOURCES TO BE PROVIDED BY GRANTEE. (a) The Grantee shall provide promptly as needed all funds, in

addition to the Grant, and all other resources required for the punctual and effective carrying out, maintenance, repair and operation of the Project.

(b) Without limiting the scope of Section 4.02(a), the Grantee shall

- (1) Make available on a timely basis any Egyptian currency for the punctual and effective carrying out of in-country travel for consultants and other Project personnel, support for vehicle operation and maintenance; and other supplies as necessary in support of the Project;
- (2) Create additional staff positions in the Departments of the Ministry of Health that relate to this Project. The Grantee will provide salaries for these additional staff members in accord with standard Grantee policies;
- (3) Provide sufficient office space in the Ministry of Health building necessary for contractor support;
- (4) Obtain sufficient facilities to use as maintenance areas for vehicles and spare parts; and
- (5) Perform such other activities as may be identified in the Grant Agreement as necessary to insure successful completion of the Project.

Section 4.03. CONTINUING CONSULTATION. The Grantee and A.I.D. shall cooperate fully to assure that the purpose of the Grant will be accomplished. To this end, the Grantee and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to progress of the Project, the performance by the Grantee of its obligations under this Agreement, the performance of the consultants, contractors and suppliers and other matters relating to the Grant.

Section 4.05. TAXATION. This Agreement and the Grant shall be free from any taxation or fees imposed under the laws in effect within the country of the Grantee. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts, and (b) any commodity procurement transaction financed hereunder are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in the country of the Grantee, the Grantee shall pay or reimburse the same under Section 4.02 of this Agreement with funds other than those provided under the Grant.

Section 4.06. UTILIZATION OF GOODS AND SERVICES. (a) Goods and services financed under the Grant shall be used exclusively for the Project, except as A.I.D. may otherwise agree in writing. Upon completion of the Project, or at such other time as goods financed under the Grant can no longer usefully be employed for the Project, the Grantee may use or dispose of such goods in such manner as A.I.D. may agree to in writing prior to such use or disposition.

(b) Except as A.I.D. may otherwise agree in writing, no goods or services financed under the Grant shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

Section 4.07. DISCLOSURE OF MATERIAL FACTS AND CIRCUMSTANCES. The Grantee represents and warrants that all facts and circumstances that it has disclosed or caused to be disclosed to A.I.D. in the course of obtaining the Grant are accurate and complete, and that it has disclosed to A.I.D., accurately

and completely, all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement. The Grantee shall promptly inform A.I.D. of any facts and circumstances that may hereafter arise that might materially affect, or that it is reasonable to believe might materially affect, the Project or the discharge of its obligations under this agreement.

Section 4.08. COMMISSIONS, FEES AND OTHER PAYMENTS. Grantee warrants and covenants that in connection with obtaining the Grant, or taking any action under or with respect to this Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid or will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to the Grantee's full time officers and employees or as compensation for bona fide professional, technical or comparable services. The Grantee shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the same shall be adjusted in a manner satisfactory to A.I.D.

Section 4.09. MAINTENANCE AND AUDIT OF RECORDS. The Grantee shall maintain, or cause to be maintained, in accordance with sound accounting principles consistently applied, books and records relating both to the Project and to this Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) The receipt and use made of goods and services acquired with funds disbursed pursuant to this Agreement;
- (b) The nature and extent of solicitations of prospective suppliers of goods and services acquired;
- (c) The basis of the award of contracts and orders to successful bidders; and
- (d) The progress of the Project.

Such books and records shall be regularly audited, in accordance [with] sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five years after the date of the last disbursement by A.I.D.

Section 4.10. REPORTS. The Grantee and A.I.D. shall furnish each other such information and reports relating to the Grant and to the services and commodities financed hereunder as either party may reasonably request.

Section 4.11. INSPECTIONS. The authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, the utilization of all goods and services financed under the Grant, and the Grantee's books, records and other documents relating to the Project and the Grant. The Grantee shall cooperate with A.I.D. to facilitate such inspections and shall permit representatives of A.I.D. to visit any part of the country of the Grantee for any purpose relating to the Grant.

Section 4.12. PROJECT EVALUATION. The Parties agree to establish an 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 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 or constraints which may inhibit such attainment; (c) assessment of how much 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.

Article V. PROCUREMENT

Section 5.01. PROCUREMENT FROM THE UNITED STATES. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Section 6.01 shall be used exclusively to finance the procurement for the Project of Eligible Items including ocean shipping and marine insurance having both their source and origin in the United States of America.

Section 5.02. PROCUREMENT FROM EGYPT. Except as A.I.D. may otherwise agree in writing, disbursements made pursuant to Section 6.02 shall be used exclusively to finance the procurement for the Project of Eligible Items having both their source and origin in Egypt.

Section 5.03. ELIGIBILITY DATE. Except as A.I.D. may otherwise agree in writing, 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.

Section 5.04. IMPLEMENTATION OF PROCUREMENT REQUIREMENTS. The definitions applicable to the eligibility requirements of Sections 5.01 and 5.02 will be set forth in detail in Implementation Letters.

Section 5.05. 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 pre-qualification 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 it to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Implementation Letters;
- (b) Documents related to the prequalification of contractors, and to the solicitation of 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 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 5.06. REASONABLE PRICE. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Grant. Such items shall be procured on a fair and, to the maximum extent practicable, on a competitive basis.

Section 5.07. SHIPPING AND INSURANCE. (a) Goods financed under the Grant shall be transported to the country of the Grantee only on flag carriers of a country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of shipment.

(b) Unless A.I.D. shall determine that privately owned United States-flag commercial vessels are not available at fair and reasonable rates for such vessels, (i) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed under the Grant which may be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels, and (ii) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Grant and transported to Egypt 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 (i) and (ii) above must be achieved with respect to both cargo transported from U.S. ports and cargo transported from non-U.S. ports, computed separately.

(c) No such goods may be transported on any ocean vessel (or aircraft), (i) which A.I.D., in a notice to the Borrower, has designated as ineligible to carry A.I.D.-financed goods, or (ii) which has been chartered for the carriage of A.I.D.-financed goods, unless such charter has been approved by A.I.D.

(d) Marine insurance on United States goods may be financed under the Grant with disbursements made pursuant to Section 6.01, provided (i) such insurance is placed at the lowest available competitive rate, and (ii) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the government of the 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 co-operating country financed under the Grant shall be insured against marine risks and such insurance shall 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.

(e) The Grantee shall insure, or cause to be insured, all goods financed under the Grant against risks incident to their transit to the point of their use in the Project. Such insurance shall be issued upon terms and conditions consistent with sound commercial practice and shall insure the full value of the goods. Any

indemnification received by the Grantee under such insurance shall be used to replace or repair any material damage or any loss of the goods insured or shall be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements shall have their source and origin in the United States of America and shall be otherwise subject to the provisions of this Agreement.

Section 5.08. NOTIFICATION TO POTENTIAL SUPPLIERS. In order that all United States firms shall have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee shall furnish to A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Implementation Letters.

Section 5.09. INFORMATION AND MARKING. Grantee shall give publicity to the Grant and the Project as a program of United States aid, identify the Project site, and mark goods financed under the Grant, as prescribed in Implementation Letters.

Article VI. DISBURSEMENTS

Section 6.01. DISBURSEMENT FOR UNITED STATES DOLLAR COSTS.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the United States dollar costs of Eligible Items required for the Project in accordance with the terms of the 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 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, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred in connection with Letters of Commitment, Letters of Credit, and such other charges as the Parties may agree, may be financed under the Grant.

Section 6.02. DISBURSEMENT FOR LOCAL CURRENCY COSTS. 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 Implementation Letters, requests to finance such costs. The U.S. dollar equivalent of the local currency made available hereunder will be an amount calculated at the Parallel Market Rate in effect on the date of this Agreement.

Section 6.03. TERMINAL DATE FOR REQUESTS FOR DISBURSING AUTHORIZATIONS. Except as A.I.D. may otherwise agree in writing, no documentation which would authorize disbursement for Eligible Items, or amendment thereto, shall be issued in response to requests received by A.I.D. after March 31, 1978.

Section 6.04. TERMINAL DATE FOR DISBURSEMENT. Except as A.I.D. may otherwise agree in writing, no disbursements shall be made against documentation received by A.I.D. or any bank described in Section 6.01 after September 30, 1978. A.I.D., at its option, may at any time or times after September 30, 1978, reduce the Grant by all or any part thereof for which documentation was not received by such date.

Article VII. TERMINATIONS AND REMEDIES OF A.I.D.

Section 7.01. TERMINATION. Either party may terminate its respective obligations under this Grant by giving written notice to the other party not less than sixty (60) days prior to the date specified for termination, provided that, in the event A.I.D. exercises its right hereunder, such termination shall not be effective as to payments which it is committed to make pursuant to noncancellable commitments with respect to third party contracts.

Section 7.02. TERMINATION OF DISBURSEMENT. In the event that at any time:

- (a) The Grantee shall fail to comply with any provision contained herein; or
- (b) An event has occurred which A.I.D. determines to be an extraordinary situation which makes it improbable that the purposes of the Grant will be attained or that the Grantee will be able to perform its obligations hereunder; or
- (c) Any disbursement would be inconsistent with the legislation governing A.I.D.; or
- (d) A default shall have occurred under any other agreement between the Grantee or any of its agencies and the United States or any of its agencies, then A.I.D. may at its option:
 - (i) Suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable Letters of Credit or through bank payments made other than under irrevocable Letters of Credit, in which event A.I.D. shall give notice to the Grantee promptly thereafter;
 - (ii) Decline to make disbursements other than under outstanding commitment documents;
 - (iii) Decline to issue additional commitment documents;
 - (iv) At A.I.D.'s expense, direct that title to goods financed under the Grant shall be transferred to A.I.D. if the goods are from a source outside the country of the Grantee, are in a deliverable state and have not been offloaded in ports of entry of the country of the Grantee.

Section 7.03. CANCELLATION BY A.I.D. Following any termination of disbursements pursuant to Section 7.02, if the cause or causes for such termination of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such termination, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Grant that is not then either disbursed or subject to irrevocable Letters of Credit.

Section 7.04. REFUNDS. (a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement,

or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Grantee to refund such amount in United States dollars to A.I.D. within thirty days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to reduce the amount of the Grant. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Grant shall continue for five years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Grant, and such refund relates to an unreasonable prices for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to reduce the amount of the Grant.

Section 7.05. NON-WAIVER OF REMEDIES. No delay in exercising, or omission to exercise, any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of such right, power, or remedy or any other right, power, or remedy hereunder.

Article VIII. MISCELLANEOUS

Section 8.01. COMMUNICATIONS. Any notice, request, document or other communication given, made or sent by the Grantee to A.I.D. pursuant to this Agreement shall be in writing or by telegram, cable or radiogram and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered to such party by hand or by mail, telegram, cable or radiogram at the following addresses:

To Grantee:

Mail Address: Ministry of Health
Cairo, Egypt

Cable Address:

To A.I.D.:

Mail Address: A.I.D.
% U.S. Embassy
Cairo, Egypt

Cable Address: A.I.D.
U.S. Embassy
Cairo, Egypt

Other addresses may be substituted for the above upon the giving of notice. All notices, requests, communications and documents submitted to A.I.D. hereunder shall be in English, except as A.I.D. may otherwise agree in writing.

Section 8.02. REPRESENTATIVES. For all purposes relative to this Agreement, the Grantee will be represented by the individual holding or acting in the office of the Minister of Health, and A.I.D. will be represented by the individual holding or acting in the office of the Director, USAID, Cairo, Egypt. Such individuals shall have the authority to designate by written notice additional representatives. In the event of any replacement or other designation of a representative hereunder, the Grantee shall submit a statement of the representative's name and specimen signature in form and substance satisfactory to A.I.D. Until receipt by A.I.D. of written notice of revocation of the authority of any of the fully authorized representatives of the Grantee designated pursuant to this Section, it may accept the signature of any such representative or representatives on any instrument as conclusive evidence that any action effected by such instrument is duly authorized.

Section 8.03. IMPLEMENTATION. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Agreement.

Section 8.04. ENTRY INTO FORCE. This Agreement and Grant shall enter into force when signed by both parties hereto.

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

Arab Republic of Egypt:

United States of America:

By: [Signed]

By: [Signed]

Name: Dr. FOUAD MOHIE EL DIN

Name: DONALD S. BROWN

Title: Minister of Health

Title: Director, USAID

ANNEX I

DESCRIPTION OF PROJECT

The purpose of this Project is to identify and validate, through field testing, replicable methods to reduce or eliminate some of the major constraints to the rural health delivery system. Major constraints already identified are in the areas of communication, management, supervision, motivation and incentives.

Constraints:

The Ministry of Health feels that there are, among others, three principal factors limiting the productivity of their extensive and well-staffed Rural Health System. These are:

- The absence of an adequate and effective means of communication between the elements in the system,
- Shortcomings in training and supervision, and
- Inadequate incentives and rewards to motivate staff to high levels of performance.

Field Tests:

This Project will assist the Egyptian Ministry of Health to conduct a number of field tests in eight selected districts to measure the impact of improved transport and communication on services delivery and outreach, the impact of various patterns of rewards and incentives (available within the G.O.E. personnel system) on job performance, and the impact of better supervision and training on the range, quality and quantity of services being delivered under the system. These services include provision of family planning modalities and motivation, and it is anticipated that the Project will identify more efficient approaches to the delivery of family planning, as well as other forms of preventive health care.

The Project will include testing such items as different work patterns and tasks for rural health personnel, various means of involving village residents and varying incentives to health personnel to attract and maintain a qualified staff. The Project also will introduce transport, communications and incentive packages into the system in a way that changes in productivity resulting from these interventions can be evaluated.

Other subject areas could possibly include the use of PL 480 Title II foods in nutrition programs and its effect on health status in the test areas, particularly in cases of treatment of malnutrition.

This is an ongoing program that can be integrated into this Project. Additionally, emphasis will be placed on testing several educational, motivational and technological approaches to family planning that will appeal to the rural population and result in greater acceptability.

Activity Sites:

These activities will be conducted in the following governorates and districts selected by the G.O.E.

<i>Governorate</i>	<i>District</i>	<i>No. of Rural Health Centers</i>	<i>Units</i>
Beheira	Etay-el Barud	9	14
	Kom-Hamada	7	20
Dakahleya	Simbillawin	9	22
	Dekernis	9	24
Fayum	Fayum	5	17
	Abshwi	6	19
Minia	Mallawy	9	18
	Samalut	8	21

Test Results:

At the completion of the five-year Project, it is anticipated that enough information will be developed from the tests to evaluate the impact of improved transport and communications, training/supervision and motivation on the coverage and utilization of rural health facilities and the efficiency of provision of services and devise replicable strategies that the G.O.E., recognizing priorities in national planning, eventually can apply nationwide to utilize improved systems in order to overcome these three factors as limitations. This Project should, therefore, provide the means through which the Egyptians can systematically examine and test—in a structured setting—the principal replicable remedies that are available under their administrative system to improve the productivity and outreach of their rural health delivery system and thereby enable the government to evaluate and to select tested cost-effective alternatives for nationwide application. The Project will not attempt to change the system from without, but will assist in providing the tools for the G.O.E. to experiment with alternative methods of supporting and managing the delivery of rural health services.

M.O.H./Rural Health Program:

In addition to the tests carried out in the field, several sections of the M.O.H. will be strengthened and expanded to provide logistic, design and analytical support to this Project and to the entire process of policy changes and adjustments for the rural health service. These areas of support will include continuous accumulation of data about the rural population and the rural health delivery system including the professional and auxiliary health staff, statistics for baseline information and project data, planning, evaluation, analysis and management. The management aspects will include logistics, transportation, communication, personnel policies and manpower training. Specific departments are:

—Planning Projects and Programs:

Staff expanded and trained to assist project personnel in designing tests, annual follow-up budgeting systems, redesigning and in general acting as an important repository of skills for application when replication stage begins.

—Statistics and Evaluation:

Staff expanded, trained, and equipped to install cost-effective, simple, statistical reporting and analysis systems within the Project; and to develop evaluation methods, in conjunction with Egyptian academic consultants and resources, which can be continuously applied to test areas and later replicated.

—Manpower Planning:

Staff expanded and trained so that detailed manpower requirements of the Project are constantly under analysis, norm-formulation becomes a part of manpower planning, and statistical analysis is tied into manpower projection and skills delineation work.

—Research:

Staff expanded, trained, and equipped to design and operate surveys, develop baseline data, special research studies, to engage and benefit from the social science analysis skills of Egyptian research specialists and institutions, and to relate all results to evaluation/planning needs of the Project.

—Nursing Services:

Staff expanded and equipped to provide greater supervisory support for M.O.H., Family Planning and other like project operations; and to effect the training of future staff at Unit/Center levels concerned with such functions.

—Communicable Diseases Control:

Staff expanded, trained and equipped to assist the Project in special immunization and other forms of communicable disease control, identification, etc.

—M.C.H.:

Staff expanded, trained, and equipped to handle improved packages of M.C.H. services, relate these to other services like Family Planning and Nutrition, and to effectively supervise these matters.

A.I.D. Contribution:

A.I.D. will provide a contractor, selected in cooperation with M.O.H., who will in turn provide technical assistance in test design, implementation and evaluation. The contractor will also provide short-term consultants as needed in areas of health planning, health economics, logistics, transportation maintenance, systems analysis, management and management information, health training and health education, communications, personnel administration, epidemiology, anthropology, environmental sanitation, family planning, nutrition education, maternal and child health, communicable diseases and other areas of expertise. Many of these short-term consultants will be Egyptian

nationals. The involvement of technically competent and experienced Egyptians with and without the M.O.H. is an important part of the strengthening and expansion of M.O.H. expertise.

A.I.D. will provide certain commodities, including, but not limited to, vehicles, spare parts, communications equipment, immunization and cold chain supplies and equipment, education and instructional materials office equipment, and environmental sanitation testing equipment.

A.I.D. will also provide short-term and long-term training in health planning, logistics, systems analysis, management, health education, environmental sanitation, family planning, maternal and child health, etc. The total value of the anticipated A.I.D. contribution will be approximately U.S. \$7,800,000 and 620,000 in Egyptian pounds for the five year life of the Project.

USAID Liaison Role:

The USAID Mission to Egypt will serve as the official U.S.G. liaison with the G.O.E. on the Project. The USAID Mission Director will designate a Mission representative to monitor the Project. In this capacity, the A.I.D. Mission representative will serve as the Mission technical advisor to the Project, coordinate with the various agencies involved, serve as the monitor on the work of the contractor, review the work plan and the P.P.T., review the tests and test procedures, facilitate meetings between the contractor and the staff of the various agencies of the G.O.E., produce the necessary documentation for Project commodities procurement, monetary receipt, warehousing and distribution of commodities and provide administrative and technical support for the participant training program.

G.O.E. Contribution:

The G.O.E. will assign adequate numbers of staff members (number to be determined as part of the approved implementation plan) to strengthen departments in the M.O.H. relating to this Project. The schedule in Annex III of the Project Review Paper (P.R.P.), dated February 19, 1976, attached as Annex A of the Project Paper dated July 30, 1976, will serve as a guide. Additional personnel requirements will be determined jointly by USAID/E and the G.O.E.

The G.O.E. will also provide funds for vehicle operation and maintenance and other supplies in support of the Project.

The G.O.E. will provide the financial resources necessary temporarily to replace staff who are on long term training under the Project and to continue the salaries and benefits of staff or short term and long term training.

SUMMARY COST ESTIMATE AND FINANCIAL PLAN

(U.S. \$000)

Source	A.I.D.		G.O.E. L.E.	Total
	U.S.\$	L.E.		
Technical Assistance				
Contract Resident (5 yrs)	300			300
Contract Consultants	1,200			1,200
Equipment				
Vehicles, spare parts, maintenance facilities	2,200			2,200
Communications equipment	400			400
Immunization and cold chain	250			250
M.C.H., nutrition and family planning ...	650			650
Educational and instructional materials and equipment	400			400

Source	A.I.D.		G.O.E.	Total
	U.S.\$	L.E.	L.E.	
Office equipment	330			330
Environmental sanitation test equipment .	300			300
Local currency budget		620		620
Training	700			700
Vehicle operation and maintenance			1,900	1,900
Miscellaneous supplies			400	400
Project staff			800	800
Inflation factor	400			400
Contingency	740			740
TOTAL	7,870	620	3,100	11,590

ESTIMATED PROJECT FUNDING DISTRIBUTION BY RECIPIENTS

(U.S. \$000)

Project Inputs	Input Recipients				Total
	M.O.H.	Govt.	Dist.	R.H.C.	
A.I.D.					
Technical assistance	1,500				1,500
Vehicles and spare parts	110	125	805	1,050	2,090
Maintenance facilities		90	20		110
Communications equipment ..	15	25	60	300	400
Immunization and cold chain .			50	200	250
M.C.H., nutrition, family plan	40	60	150	400	650
Educational and instructional .	200		100	100	400
Office equipment	180	40	40	70	330
Environmental test equip- ment		30	70	200	300
Local currency budget	620				620
Training	700				700
G.O.E.					
Operating and maintenance ..	75	95	680	1,050	1,900
Miscellaneous supplies	150	100	50	100	400
Project staff	800				800
Inflation	50		150	200	400
Contingency	250	50	140	300	740
TOTAL	4,690	615	2,315	3,970	11,590

Grant Budget:

This Grant will provide dollar financing for the initial technical assistance, U.S. and third country training and Project commodities as follows:

Technicians (contract)	410
U.S. participant Training	125
3rd Country Training	25
Commodities (vehicles, spare parts and maintenance supplies)	1,140
	1,700

This Grant also provides financing in the amount of the LE equivalent of \$100,000 to cover agreed Project technical consultation by Egyptian nationals, agreed elements of the Egyptian pound costs of the field tests, and local studies.

Implementation Plan:

Because of the complexities of the Project and the need for the involvement of the contractor in design of the implementation plan, the detailed plan will be developed in the first months of the Project (by three months after the contractor is on site). It will be the contractor's responsibility to develop a draft work plan for the first 18 months of operation in cooperation with the G.O.E. The draft work plan must be approved by the USAID Mission and A.I.D./W. prior to disbursement for commodity procurement.

The plan will include a detailed description and schedule of test activities, a commodity utilization plan and a schedule of training and consultation to be provided under the contract. It will also:

- Determine the exact amount of Ministry of Health personnel required as the "core staff" to operate this Project, define the skills required and their scope of work, and confirm G.O.E. agreement to provide same as soon after the beginning of the Egyptian fiscal year (1 January 1977) as the personnel requirements allow. (The M.O.H. is already prepared to recruit from its personnel such individuals ahead of the data, and assign them for special preliminary training at various institutions in Egypt at the post-graduate level.)
- Determine the appropriate amounts of staff, and their equipment and training requirements, needed to enable supporting departments and institutions within the M.O.H. effectively to participate in the test work concerning Rural Health Services.
- Determine the various kinds of technical assistance and training requirements (and accompanying tentative schedules) needed to get the Project well started and building up momentum.
- Determine the levels of funding required to operate the project. This includes regular funds budgeted by the M.O.H. as well as funds scheduled to be drawn from an Egyptian Pound budget to support: increments for key "core staff" linked to maximum increments provided under regular Egyptian administrative practices, awards, consultancies, and studies. It also includes some funds needed to assure additional support for M.O.H. rural health operations from other departments and special institutions in the Ministry.
- Determine the foreign training requirements to be met at early stages in the Project; and preliminary selection of possible training programs.

Technical Advisory Committee:

A joint technical advisory committee will be formed made up of four specialists with health services research competence. The committee will serve as a technical resource to advise the Project operation team on the suitability and likelihood of success of elements of the test program and will provide a periodic commentary to the sponsors on progress. Each Project sponsor will designate two advisory committee representatives within 120 days of execution of this agreement.

Evaluation:

The first phase of the Project is funded for twelve months. Funding for the second phase will be forthcoming, pursuant to Section 2.01 of this Agreement, if the following events have taken place:

1. A detailed Implementation Plan including modified P.E.R.T. chart produced and approved by the G.O.E. and by A.I.D.
2. Training plan approved and funded by A.I.D. and the G.O.E.
3. First phase commodities procured.
4. Project evaluation plan developed and approved by G.O.E. and A.I.D.
5. Baseline data required for Project evaluation gathered.

6. The plan will establish time-phased targets which will clearly link to commodities being supplied to the field-test program to agreed on prior conditions (maintenance services, drivers, in-place operational funds available before receipt of vehicles, for example). This aspect will be closely monitored on-site by the A.I.D. Mission.

An overall evaluation, to be conducted 24 months after Project start, will be designed by the contractor in collaboration with M.O.H. and USAID officials. This evaluation will be based on the production indicators selected in the working plan stage and the relationship of the tested variables and results of those indicators.

The results of the evaluation will be used for M.O.H. policy consideration and for Project redesign. Some baseline data is presently available, other information is being gathered in the eight districts by the M.O.H. in anticipation of this Project. Baseline data not available at Project start will be gathered in the first 12 months of the Project.
