

No. 17226

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**UNITED STATES OF AMERICA  
and  
NEPAL**

**Project Agreement relating to malaria control (with annex).  
Signed at Kathmandu on 21 July 1975**

*Authentic text: English.*

*Registered by the United States of America on 24 November 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
NÉPAL**

**Accord de projet relatif à la lutte antipaludique (avec an-  
nexe). Signé à Katmandou le 21 juillet 1975**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 24 novembre 1978.*

PROJECT AGREEMENT<sup>1</sup> BETWEEN THE DEPARTMENT OF STATE,  
AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN  
AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF  
AMERICA, AND THE MINISTRY OF FINANCE

AN AGENCY OF HIS MAJESTY'S GOVERNMENT OF NEPAL

The above-named Parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:		1. Project/ Activity No. 0115	
<input checked="" type="checkbox"/> PROJECT DESCRIPTION ANNEX A	<input checked="" type="checkbox"/> LOCAL CURRENCY NEPAL STANDARD PROVISIONS—ANNEX <sup>2</sup>	2. Agreement No. FY 1976-1	3. <input checked="" type="checkbox"/> Original or Revision No. _____
<input type="checkbox"/> STANDARD PROVISIONS ANNEX	<input type="checkbox"/> SPECIAL LOAN PROVISIONS ANNEX	4. Project/Activity Title MALARIA CONTROL	
This Project Agreement is further subject to the terms of the following agreement between the two governments, as modified and supplemented:		5. Project Description and Explanation (See Annex A attached)	
<input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION	Date January 23, 1951 <sup>3</sup>	6. AID Appropriation Symbol 72FT520	
<input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT	Date	7. AID Allotment Symbol 286-50-367-00-69-00	
<input type="checkbox"/> (other)	Date		

8. AID Financing	Previous total (A)	Increase (B)	Decrease (C)	Total to date (D)
<input type="checkbox"/> DOLLARS				
<input checked="" type="checkbox"/> LOCAL CURRENCY				
(a) Total .....		Rs <sup>a</sup> 1,90,00,000 NC		Rs <sup>a</sup> 1,90,00,000 NC
(b) Contract services .....				
(c) Commodities .....				
(d) Other costs .....		Rs <sup>a</sup> 1,90,00,000 NC		Rs <sup>a</sup> 1,90,00,000 NC

<sup>a</sup> Equivalent of rounded US \$1,792,453 @ Rastra Bank selling rate of US \$1.00 Rs 10.60 NC.

<sup>1</sup> Came into force on 21 July 1975 by signature.

<sup>2</sup> See p. 219 of this volume.

<sup>3</sup> United Nations, *Treaty Series*, vol. 184, p. 65.

	<i>Previous total</i> (A)	<i>Increase</i> (B)	<i>Decrease</i> (C)	<i>Total</i> <i>to date</i> (D)
9. Cooperating Agency Financing-Dollar Equivalent \$1.00 = Rs 10.50 NC				
(a) Total .....		Rs <sup>b</sup> 2,62,50,000 NC		Rs <sup>b</sup> 2,62,50,000 NC
(b) Technical and other Services .....				
(c) Commodities .....				
(d) Other Costs .....				

10. Special Provisions (*Use additional Continuation Sheets, if Necessary*)

11. Date of Original Agreement July 21, 1975	12. Date of this Revision	13. Estimated Final Contribution Date July 15, 1977
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14. For the Cooperating Government or Agency

[Signed]

Signature: H. J. THAPA

Date:

Title: Secy., Ministry of Health, HMG

[Signed]

B. B. PRADHAN

Secy., Ministry of Finance, HMG

15. For the Agency for International Development

[Signed]

Signature: JACOB L. CRANE

Date: 21 July 1975

Title: Acting Director, USAID/Nepal

WILLIAM I. CARGO

Ambassador

<sup>b</sup> Equivalent of US \$2,500,000 for salaries, commodities, training, etc.

## ANNEX A

### I. PROJECT DESCRIPTION

#### A. Background

Since 1972 there has been a dramatic rise in the number of malaria cases occurring in Nepal. These cases have been concentrated in areas of the country undergoing rapid economic development. While attributable to many technical, demographic and administrative factors, the sharp increase in malaria incidence can be traced in large part to cumulative operational and administrative measures taken within or affecting the Nepal Malaria Eradication Organization (NMEO). It is now clear that substantial, immediate requirements exist for large quantities of commodities (principally insecticides) in order to forestall a further sharp increase in the number of malaria cases. His Majesty's Government of Nepal has requested assistance from WHO and the UNDP as well as from AID in meeting this serious public health threat.

#### B. Statement of Purpose

The purposes of this Project Agreement are to enable the Government of Nepal (together with the WHO and the UNDP) to:

1. Strengthen the institutional capability for monitoring and controlling malaria, and;
2. Strengthen the institutional basis for monitoring and controlling communicable diseases in Nepal.

It is a *sine qua non* of malaria control operations that the disease be brought under manageable levels of incidence before phasing of the malaria control administration for broader public health needs can be systematically pursued. The program for returning malaria case incidence to an annual level of 0.5 Annual Parasite Incidence is contained in the Plan of Action of NMEO for 1976, and in the Five-Year Plan of Operations (1976-80), as jointly agreed to by HMG, AID and the WHO.

The secondary project purpose of strengthening Nepal's capability to monitor and control communicable disease not only implies the merging of large aspects of the NMEO into the basic integrated health system as and when indicated by standard evaluation criteria, but also refers to the conceptual and practical linkages between malaria control and other projects in integrated health, health planning and paramedical manpower training.

### C. Project Inputs

During 1976-1979, the USAID, subject to availability of funds, in coordination with HMG/N, the WHO and the UNDP, will make available on a grant basis rupees in support of HMG's program for importation of commodities such as insecticides, sprayers and anti-malaria drugs. In addition, due to changes in the program operational activities from a time-limited malaria eradication program to a program of malaria control, USAID will make available on a grant basis limited assistance in training (such as three training opportunities in the U.S. plus training in India) and program management (one adviser and short-term consultants over the project period are envisaged). The WHO is understood to be prepared to provide up to four malaria technicians and limited commodity and participant training grants. The UNDP is understood to be prepared to support a portion of the imported commodity requirement for the period 1976-1979.

HMG/N is to provide:

- a. Provision of yearly budgets of approximately \$2.5 million equivalent through FY 1979 for malaria activity and self-sustaining support to control malaria beyond this date.
- b. Assignment of key personnel required for the project including one additional medical officer, one senior administrative officer, one senior fiscal officer, two health educators, and one additional parasitologist/epidemiologist.
- c. MOH assistance for integrated health planning and operation.
- d. Provisions for training and retraining malaria staff.
- e. Will be responsible for all logistic support in connection with the project, including adequate and secure warehousing.

## II. COMMODITY PROCUREMENT

By this Project Agreement, Rs 1,90,00,000 NC is made available by USAID/N for commodity procurement by the Nepal Malaria Eradication Organization. It is hereby understood and agreed to that it is absolutely essential to the success of the malaria control activities of His Majesty's Government of Nepal that insecticides as specified in Plan of Action 1975/76 (approved May 7, 1975) be ordered by NMEO immediately. These funds will be used to purchase DDT, malathion, sprayers and drugs. Other related commodities may be purchased after joint consultation between USAID and HMG.

## III. REPORTING REQUIREMENTS

Copies of all commodity procurement orders placed by NMEO will be forwarded to USAID/Nepal for information.

Within six months after the close of FY 1976 HMG will provide an expenditure report to USAID accounting for the advances made under this agreement. Should the expenditure report not be provided at the expiry of the six-month period, USAID will withhold further releases until such time as the report has been provided.

The Revised Plan of Operations for the period covering FY 1976-FY 1980 should be forwarded to USAID/Nepal for review following HMG and WHO approval.

The annual Plan of Action for FY 1976 should be forwarded to USAID/Nepal for review following HMG and WHO approval.

Semi-annual reviews of the project shall be conducted each year in coincidence with planning for the "Annual External Assessment" and in coincidence with formulation of the Annual Plan of Operations. The former review shall be carried out in October, and the latter in May. Each review shall be conducted within the context of scheduled NMEO meetings and shall include participation by representatives of HMG, the WHO, USAID and the UNDP.

#### IV. RELEASE OF FUNDS

After this Agreement has been signed, HMG will submit a schedule of release requirements and a request for the initial release. The schedule of release requirements will be in sufficient detail to permit the release of funds for orderly and timely commodity procurement.

Further releases under this Agreement will be made based on additional requests to meet procurement requirements.

It is agreed that upon signing of this Project Agreement HMG will make available foreign exchange in an amount equivalent to the local currency released by USAID/N under the Project Agreement for the purchase of commodities.

#### V. PROJECT ADMINISTRATION

This project is conducted under policies established by the Nepal Malaria Eradication Organization (NMEO) Board. Executive responsibility for carrying out this project is assigned to the Chief Officer of the NMEO, who will be assisted by personnel of USAID/N and WHO.

#### VI. RELATION OF U.S. ASSISTANCE TO OTHER AID DONOR ASSISTANCE

It is understood that U.S. assistance to the activities covered by this Project Agreement will be provided only insofar as such assistance does not duplicate assistance provided by other aid donor(s).

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