

No. 19856

**UNITED STATES OF AMERICA
and
PHILIPPINES**

Grant Agreement relating to population planning—*Project II* (with annexes). Signed at Manila on 31 August 1977

Amendment No. 2 to the above-mentioned Agreement (with revised tables). Signed at Manila on 6 March 1978

Authentic text: English.

Registered by the United States of America on 10 June 1981.

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

**Accord de don relatif à la planification démographique
— *Deuxième projet* (avec annexes). Signé à Manille le
31 août 1977**

**Avenant n° 2 à l'Accord susmentionné (avec tableaux
révisés). Signé à Manille le 6 mars 1978**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 10 juin 1981.

PROJECT GRANT AGREEMENT¹ BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA FOR POPULATION PLANNING II

A.I.D. Project Number 492-0277

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PROJECT GRANT AGREEMENT dated August 31, 1977, between the REPUBLIC OF THE PHILIPPINES ("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 herein, and with respect to the financing of the Project by the Parties.

¹ Came into force on 31 August 1977 by signature.

Article 2. THE PROJECT

Section 2.1. DEFINITION OF PROJECT. The Project, which is further described in Annex 1, will consist of cooperation with and assistance to the Grantee's population program. The Grantee's sector goal to which this Project, in conjunction with other public and private programs, contributes, is to reduce the rate of population growth in the Philippines by an average of 0.1% annually during the life of the project. It is also an objective of the Project to promote the increasing participation of local governments in the planning, implementation, and funding of population activities at the local level.

The National Family Planning Outreach Subproject will be the primary service component of the total Project effort, with six allied subprojects to support and complement the Outreach activity. Together with other Philippine Population/Family Planning efforts, it is anticipated the Project will increase the percentage of married couples of reproductive age practicing contraception from approximately 25% at present to 35% by the end of the Project.

Annex 1 amplifies the definition of the Project contained in this Section. Within the limits of the definition of the Project in this Section, 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) In the event that A.I.D. does not add a contemplated increment of funding in a timely fashion, it is understood that either Party may elect to terminate this Agreement in accordance with Grant Project Standard Provisions Annex¹ Section D.1, provided that within the limits of then available funds committed to the Project by the Parties, the termination period may be extended beyond a period of 30 days to provide for orderly arrangements, and that each Party will do all it believes appropriate to retain and extend the benefits of Project activity which has already taken place.

(c) 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.

Section 2.3. RELATIONSHIP OF PROJECT TO OTHER GRANTEE DEVELOPMENT PROGRAM OBJECTIVES. The Project will support Grantee's efforts to integrate population/family planning principles and policy into all major government development programs and to transfer a significant portion of field program costs to provincial and charter city budgets. Financial, technical, and commodity support will flow through the Commission on Population (POPCOM) and its regional offices.

¹ For the text of annex 2, see p. 287 of this volume.

The Project will also serve to upgrade the general skills level of the national health community by equipping and training physicians in male and female sterilization techniques. In addition to their role as local government employees, Full Time Outreach Workers funded under the project will closely coordinate their activities with staff of Rural Health Clinics as a means to assure comprehensive, village-based provision of essential family planning and health services to the rural poor. In furtherance of Grantee's goal of providing increased levels of basic health and social services to the people, Full Time Outreach Workers will also provide both technical and commodity support to village health workers under the proposed Panay Unified Services for Health and Bicol Integrated Health, Nutrition and Population projects. Similar collaborative support will be provided by Outreach staff to the nationwide, GOP-IBRD funded Barrio Health Station network which deploys over 6,400 midwives in rural areas.

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 Two Million Nine Hundred Fifty-Six Thousand United States ("U.S.") Dollars (\$2,956,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1 and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

Section 3.2. GRANTEE RESOURCES FOR THE PROJECT. (a) The Grantee agrees to provide or cause to be provided for the Project all funds in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project through December 31, 1977 will not be less than the equivalent of U.S. \$1,929,000 including costs borne on an "in-kind" basis. Subject to availability of funds for this purpose, the Grantee will also provide not less than the equivalent of U.S. \$1,030,000 in additional resources including costs borne on an "in-kind" basis for the balance of Operational Year 1, i.e., the period January 1–March 31, 1978.

(c) The Grantee's contribution to subsequent years of Project operation will be subject to availability of funds for this purpose and mutual agreement to proceed.

Section 3.3. PROJECT ASSISTANCE COMPLETION DATE. (a) The "Project Assistance Completion Date" (PACD), which is December 31, 1981, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

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

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1, not later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4. CONDITIONS PRECEDENT TO DISBURSEMENT

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

- (a) A statement of the names of the persons holding or acting in the office of the Grantee specified in Section 8.2 and of any additional representatives, together with a specimen signature of each person specified in such statement;
- (b) An implementation plan for the overall implementation of the Project;
- (c) The evaluation program referred to in Section 5.1;
- (d) Evidence that agreements necessary for Grantee funding and support of the Outreach Subproject have been reached between POPCOM and other Grantee Departments and Local Governments;
- (e) Evidence that appropriate steps are being taken by the Grantee to strengthen management and technical capabilities of the Commission on Population at headquarters and regional levels; and
- (f) Evidence that sufficient numbers of qualified personnel, including volunteers, will be made available for necessary Outreach Subproject activities.

Section 4.2. DISBURSEMENT FOR INDIVIDUAL SUBPROJECTS. Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for purposes of financing any individual subproject, 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 detailed implementation plan for the pertinent subproject.

Section 4.3. 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 4.4. TERMINAL DATES FOR CONDITIONS PRECEDENT. (a) If all of the conditions specified in Section 4.1 have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

(b) If all of the conditions specified in Section 4.2 have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and 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 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 such information may be used to help overcome such problems, in this or other projects, and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

Section 5.2. LIMITING USE OF FUNDS FOR ABORTIONS. The Parties agree that none of the funds made available under this Agreement shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

Section 5.3. VOLUNTARY STERILIZATION POLICY. Surgical sterilization activities supported in whole or in part by funds made available under this Agreement will conform to A.I.D. sterilization policy guidelines set forth in Section II of A.I.D. Policy Determination 70, dated June 14, 1977, which is appended to this Agreement as Annex 3.

Section 5.4. VOLUNTARY INFORMED CONSENT. The Grantee agrees to assure that all individuals participating in family planning programs (whether involving distribution of contraceptives or sterilization, or both) supported in whole or in part by funds provided hereunder, do so on the basis of an informed consent voluntarily given with knowledge of the benefits, risks, principal effects and available alternatives. The Grantee further assures that no individual is coerced to practice methods of family planning inconsistent with his or her moral, philosophical or religious beliefs.

Section 5.5. EXECUTIVE DIRECTOR. Recognizing the importance of highly qualified personnel to the success of the population program financed hereunder, Grantee warrants and covenants that all reasonable efforts will be made to fill vacant headquarters' positions of the Commission on Population at Deputy or Associate Director level as soon as possible within the term of this grant, but not later than six months following the date written first above.

Section 5.6. OUTREACH PROJECT MANAGER. The Parties agree that POPCOM will appoint a highly qualified and full-time Project Manager for the Outreach Subproject, preferably by December 31, 1977. This Manager will be responsible for the implementation of the Outreach Project under the direct supervision of the POPCOM Executive Director. The Project Manager will be assisted by three part-time Assistant Managers in the areas of technical operations, administration, and finance.

Section 5.7. PAYMENT OF SALARIES. Recognizing the importance of prompt salary payment to staff morale and program performance, the Parties agree that high operational priority shall be accorded to timely and reliable payment of project salaries. It is further agreed that payment delays of more than two weeks shall be reported to POPCOM's central office at once for prompt action, including notification of the USAID Population Division.

Section 5.8. EXCHANGE OF INFORMATION. A.I.D. will advise the Grantee in writing and in a timely manner of any changes in policy, program, or operating procedures which affect A.I.D. support to Philippine population programs and the Population Planning II project. Similarly, the Grantee shall inform, or cause POPCOM to inform A.I.D. in writing and in a timely manner of Grantee or POPCOM actions which establish, amend, or interpret policy affecting the Government of the Philippines' population/family planning program and the Population Planning II Project.

Section 5.9. SYSTEMATIZATION/CODIFICATION OF PROGRAM. POPCOM guidelines and policy statements shall be systematized or codified in handbooks, manuals, standard operating procedures, or other written documents, as appropriate to the establishment of efficient routine program administration. Copies will be furnished to A.I.D.

Article 6. PROCUREMENT SOURCE

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

Section 6.2. LOCAL CURRENCY COSTS. Disbursements pursuant to Section 7.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Republic of the Philippines ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7. DISBURSEMENTS

Section 7.1. DISBURSEMENT FOR FOREIGN EXCHANGE COSTS. (a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

- (1) By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services 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, through Letters of Credit or otherwise, 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
- (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 prescribed 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 the Philippines by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Republic of the Philippines at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Republic of the Philippines.

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:

Mail address:

National Economic and Development Authority
P.O. Box 1116
Manila

Alternate address for cables:
NEDAPHIL

To A.I.D.:

Mail address:
United States Agency for International Development
c/o The American Embassy
Manila

Alternate address for cables:
USAID/AMEMB Manila

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 the Director General, National Economic and Development Authority and A.I.D. will be represented by the individual holding or acting in the office of the Director of the United States A.I.D. Mission to the Philippines, 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.¹

IN WITNESS WHEREOF, 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:
By: [Signed]
PETER M. CODY
Title: Director, U.S. Agency for International Development

Republic of the Philippines:
By: [Signed]
GERARDO P. SICAT
Title: Secretary of Economic Planning (Director-General), National Economic and Development Authority

Concur:

By: [Signed]
ESTEFANIA A. LIM
Title: Chairman, Commission on Population

¹ For the text of annex 2, see p. 287 of this volume.

A N N E X 1

DESCRIPTION OF PROJECT

The GOP sector goal which this project addresses in conjunction with other public and private programs, is to reduce the population growth rate in the Philippines by an average of one-tenth of one percent annually during the life of the project. It is also an objective of the project to promote the increasing participation of local governments in the planning, implementation, and funding of population activities at the local level.

To accomplish the stated reduction in the growth rate will require a contraceptive prevalence rate of 35 percent among married couples of reproductive age by December 1980.

This project consists of the following seven elements, or subprojects, each of which is described in further detail below.

SUBPROJECT 1

I. *Title: National Population and Family Planning Outreach Project*II. *Summary*

The total funding requirement of this subproject amounts to \$5,889,000 (P44,168,000) for the period July 1, 1977 to March 31, 1978. This includes \$2,309,000 (P17,317,500), the estimated value of 12.1 million cycles of oral contraceptives pledged by AID/W from central funding.

This is the core project of the National Population and Family Planning Program. The subproject will continue to extend national family planning services into the barangays. It will continue to make voluntary family planning services conveniently and dependably available at no cost to the citizen in every neighborhood throughout the country. The project focuses on the establishment and maintenance of a delivery and service system which will make a spectrum of family planning services conveniently and constantly available to all married couples of reproductive age regardless of their economic and social condition or location throughout the country.

III. *Goals and Objectives*A. *Goals*

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To promote the increasing participation of local governments in the planning, implementation and funding of population activities at local levels.
3. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception from 25% in 1977, to 27% in 1978, to 32% in 1979, and to 35% in 1980.

B. *Specific Objectives*

1. To maintain the deployment of 1 Full-Time Outreach Worker (FTOW) per approximately 2,000 MCRA.
2. To establish and maintain approximately 19,184 Barangay Service Points (BSPs).

Present program design calls for a total of 54,365 BSPs to become operational during the life of the project. We are aware, of course, that the pattern of one BSP per roughly 100 Married Couples of Reproductive Age may not be either uniformly achieved or required. The final number and distribution of BSPs will be determined as experience dictates depending upon local conditions and will be a subject for special attention in the first project evaluation scheduled for the second quarter of 1978.

IV. *Strategies*

The project shall continue the following activities:

1. Nationwide deployment of approximately 50 Provincial/City Population Officers, 95 Provincial/City Population Coordinators, 500 District Population Officers and 3,100 Full-Time Outreach Workers (FTOW).
2. Deployment of Mobile Field Support Teams which will serve as trainers and assist the Outreach personnel in identifying problem areas and recommending and implementing remedial measures to these problems.
3. Training and deployment of replacements for Outreach project personnel to maintain effective operating density.
4. Establishment and maintenance of Barangay Service Points (BSPs) for contraceptive distribution through volunteer workers, who will be trained and supervised by the FTOWs, at 15-20 BSPs per FTOW. They will continue to distribute free orals and condoms to their neighbors and maintain records for periodic activity and inventory reports. These volunteer workers will assist in the referral of IUD and Voluntary Surgical Contraception (VSC) candidates to family planning clinics and itinerant teams.
5. Evaluation of the Outreach Project after 20% of BSPs have been operational for at least six months and not later than the second quarter of CY 1978.

This project will continue to be implemented by the local governments, i.e., provinces and chartered cities through an agreement with POPCOM.

V. *Budgets*

July 1977—March 1978

	\$	P
Recruit FTOW psychological test cost each ₱40 × 249	1,328	9,960
Training of FTOW replacement each ₱1,375 × 249 ..	45,650	342,375
Salaries	2,149,127	16,118,452
FSTS	133,805	1,003,539
PPO	62,982	472,364
DPO	367,823	2,758,673
FTOW	1,501,579	11,261,841
Travel	675,120	5,063,400
PPO	61,200	459,000
PPC	57,000	427,500
DPO	184,680	1,385,100
FTOW*	372,240	2,791,800
Support costs	620,484	4,653,627
Other costs	68,291	512,186
Participant training**	20,000	150,000
Oral contraceptive***	2,309,000	17,317,500
GRAND TOTAL	5,889,000	44,167,500

* Budgeted at ₱100 per month per FTOW. Commencing 1 Sept. 1977, FTOWs may be authorized reimbursement of travelling expenses up to ₱200 a month/FTOW. This may require supplemental funding under CY 1978.

** Foreign exchange cost.

*** Centrally-funded commodity assistance.

SUBPROJECT 2

I. *Title: Voluntary Surgical Contraception*II. *Summary*

The total funding requirement for this Subproject amounts to \$1,229,000 (P9,218,000) for the period July 1, 1977 to March 31, 1978.

This subproject provides support to the (Philippines) National Population and Family Planning Program by promoting the prevalence of modern surgical methods of contraception among family planning clients. It draws upon experience acquired in predecessor project Population Planning I for strategy, course of action, and support levels.

III. *Goals and Objectives*A. *Goals*

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To promote the increasing participation of local governments in the planning, implementation and funding of population activities at local levels.
3. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception according to the following: 1977, 25%; 1978, 27%; 1979, 32%; 1980, 35%.

B. *Specific Objectives*

1. To train and equip approximately 60 physicians to perform vasectomies.
2. To train and equip approximately 35 physicians to perform minilap procedures.
3. To train and equip approximately 174 physicians to perform vasectomy and minilap procedures.
4. To deploy approximately 11 Regional Itinerant surgical contraception teams to perform surgical contraception procedures.
5. To provide tubal ligation operations to approximately 36,875 female acceptors for the period July 1977 to March 1978.
6. To provide vasectomy operations to approximately 10,176 male acceptors for the period July 1977 to March 1978.
7. To rehabilitate/improve approximately 76 hospitals/clinics to provide surgical contraception services.
8. To pay for the treatment of medical complications arising from tubal ligation and vasectomy (female and male operations).
9. To subsidize hospitals/clinics not funded by other sources providing sterilization service to indigent and non-Medicare member acceptors.
10. To train, develop and equip 70 additional FP teams service clients approximately of 70 government/provincial and emergency hospitals.
11. To continually deploy 101 FP teams to provide FP service to acceptors of 31 government provincial hospitals and 70 emergency hospitals.
12. To provide assistance to 15 private hospitals.
13. To provide IEC materials for Medicare personnel and Medicare clients.

IV. Strategy

It is the strategy of this subproject to make voluntary surgical contraception a feasible and attractive option for couples desiring to permanently limit their family size. This is to be accomplished by:

- a) Establishing a national network of trained physicians and suitably equipped facilities;
- b) Subsidizing the cost of sterilization for non-Medicare acceptors; and
- c) Defraying the cost of infrequent medical complications. The program encompasses both the public and private sector, under institutional agreements with POPCOM.

The following flat rate payments will be made to training institutions:

1. Vasectomy	₱1,500.00 per physician trainee
2. Minilap	₱2,000.00 per physician trainee
3. Vasectomy and minilap	₱2,500.00 per physician trainee

Similarly, qualifying institutions will be paid a fixed subsidy/fee of ₱50.00 for each male sterilization and ₱92.00 for each female sterilization performed on non-Medicare clients starting October 1, 1977. The period July 1, 1977 to September 30, 1977 maintains the subsidy of ₱75 for female sterilization and ₱25 for male sterilization.

V. Budget

July 1, 1977 to March 31, 1978

Surgical contraception training	₱ 604,500	\$ 80,600
Hospital based FP training	288,000	38,400
Hospital based FP deployment	1,642,901	219,053
Itinerant team deployment	631,135	84,151
Hospital/clinic rehabilitation	760,000	101,333
Service subsidy	3,924,747	523,299
Complication assistance	117,750	15,700
Medicare/private hospitals (PCF)	677,967	90,396
Commodities (foreign exchange)	458,000	61,000
Contract services (foreign exchange)	113,000	15,000
TOTAL	₱9,218,000	\$1,229,000

SUBPROJECT 3

I. Title: *Initiatives in Information/Education/Communication (IEC)*

II. Summary

Total funding requirement of this subproject amounts to \$114,000.00 (₱855,000.00), for the period July 1, 1977 to March 31, 1978.

This document lists the various IEC activities classified under radio campaigns, print support, film support, orientation training and seed money for Family Planning publications, documentation, special and audio-visual projects.

III. Goals and Objectives

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception according to the following: 1977, 25%; 1978, 27%; 1979, 32%; 1980, 35%.

B. *Specific Objectives*

1. To provide IEC support to the Outreach Project with special emphasis on the Full-Time Outreach Workers.
2. To develop and produce new IEC materials tailored to the needs of Full-Time Outreach Workers, materials designed to enhance and improve their mass and group communications, as well as their interpersonal skills.
3. To counter negative rumors about various FP methods.
4. To orient broadcast and print personnel to the major program interests of the Commission, and to elicit from them the support on how best they can communicate messages to the countryside.

IV. *Strategies*

The essential features of the population development strategy as approved by the Board of Commissioners, spell out the overall direction and emphasis of the National Population and Family Planning Program, namely:

1. To come up with an integrated population program to be managed by an efficient network of agencies coordinated by the Commission;
2. To decentralize the Commission's coordinating and monitoring functions to its Regional Offices;
3. To engage the community in the planning and management of population-related activities at regional and local levels; and
4. To integrate family planning service into the local development activity of the government.

On the basis of this approach, a new strategy has been developed to meet the present needs of the Regions particularly the development of regional IEC capabilities.

The main focus of developing regional capability in the field of IEC centers on four major areas of concern:

1. Coordination of regional IEC activities to ensure no overlapping;
2. Monitoring of IEC activities to ensure that the new program thrust of the Commission is carried out;
3. Development of IEC materials to ensure that they are responsive to local needs and conditions; and
4. Distribution of IEC materials to ensure that they reach their intended audience more effectively and speedily.

V. *Budget*

	<i>P (Peso)</i>	<i>\$(Dollar)</i>
1. Radio campaign	P240,000.00	\$ 32,000.00
2. Print support	250,000.00	33,333.00
3. Film support	200,000.00	26,667.00
4. Special projects	126,000.00	16,800.00
5. IEC training support	39,000.00	5,200.00
TOTAL	<u>P855,000.00</u>	<u>\$114,000.00</u>

SUBPROJECT 4

I. *Title: Regional Logistics Operations*II. *Summary*

The total funding requirement of this subproject amounts to \$297,000.00 (P2,226,000.00) for the period July 1, 1977 to March 31, 1978.

This project focuses on the development of a fully decentralized Logistics System with a single, basic supply network for distributing commodities and the rehabilitation of Excess Properties being used in the Population Programme. Further, the logistics system developed for the Regional Office aims to support the National Population and Family Planning Outreach Subproject which is the core project of the Programme.

III. *Goal and Objectives*A. *Goals*

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception according to the following: 1977, 25%; 1978, 27%; 1979, 32%; 1980, 35%.

B. *Specific Objectives*

1. Regional Distribution of Commodities
 - a. Provide the Regional Offices, Outreach Structure (PPO/PPO, DPO, FTOW, BSP), and family planning clinics with contraceptives and other appropriate operating supplies and materials.
 - b. Maintain a commodity accountability system that is consistent with the rules and regulations of the Philippine Government.
 - c. Adopt a logistics reporting system that is simple, accurate, and responsive to management needs.
2. Vehicle and Equipment Rehabilitation: Rehabilitate all incoming Excess Properties (vehicles and equipment).

IV. *Strategies**Regional Distribution of Commodities*

Before the advent of the National Population and Family Planning Outreach Subproject, Regional Population Offices supplied commodities directly to the clinics in their respective jurisdictions. With the fielding of Provincial/City Population Officers throughout the country by March 1977, the supply responsibility of the Regional Population Offices shall be limited to their Provincial/City Population Offices. Movement of commodities from the Central Office down to the Barangay Service Points and Family Planning Clinics will be through the RPO (Regional Population Office) which shall act as the Regional source of commodities. The RPO shall deliver the commodities to the PPO (Provincial Population Office)/CPO (City Population Office), as the case may be who in turn shall distribute these commodities to the DPO (District Population Office)/CDPO (City District Population Office), then to the FTOW (Fulltime Outreach Workers) who will finally distribute the commodities to the BSP (Barangay Service Points) and the Family Planning Clinics.

One year's supply of orals and condoms will be distributed within the Outreach Project, tentatively on the following basis:

Barangay Service Points	4 months
Fulltime Outreach Workers	3 months
District Officers	2 months
Provincial/City Officers	2 months
Regional Population Officers	1 month
	12 months

Actual quantities will be initially based on stocking estimates calculated for the Outreach Project, as modified by subsequent operational experience.

V. Budget

1. Shipment and delivery costs of contraceptives*	₱ 105,000.00	\$ 14,000.00
2. Storage, insurance and hauling of contraceptives	675,000.00	90,000.00
3. Rehabilitation of due-in vehicles (22 units)	150,000.00	20,000.00
4. Rehabilitation of in-country vehicles (92 units)	547,500.00	73,000.00
5. Insurance of in-country vehicles (377 units)	187,500.00	25,000.00
6. Commodities (foreign exchange)	561,000.00	75,000.00
GRAND TOTAL	₱2,226,000.00	\$297,000.00

* Storage insurance and hauling of contraceptives from the national level to the regional level will be shouldered by POPCOM from funds outside Population Planning II.

SUBPROJECT 5

I. Title: Training Orientation/Reorientation

II. Summary

The total funding requirement of this Subproject is \$140,000 (₱1,050,000.00) for the period July 1, 1977 to March 31, 1978.

This Subproject involves undertaking activities in terms of training and training materials development as critical support to the Program's intensified efforts towards decentralization and institutionalization of capabilities on the regional and provincial levels started in July 1, 1976.

III. Goals and Objectives

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the Project in conjunction with other public and private programs.
2. To promote the increasing participation of local governments in the planning, implementation and funding of population activities at local levels.
3. To increase the percentage of Married Couples of Reproductive Age (MCRA) practising contraception according to the following: 1977, 25%; 1978, 25%; 1979, 32%; 1980, 35%.

B. *Specific Objectives*

1. To conduct upgrading and refresher courses on FP and Pill-Dispensing for approximately 3,000 FTOWs who have been authorized to dispense oral contraceptives.
2. To conduct training on Family Planning and Pill-Dispensing for approximately 19,000 BSP volunteers.
3. To conduct skills training on Program Planning Management and Supervision for approximately 2,500 local government officials and appropriate local government staff members, namely:
 1. Governors and City Mayors
 2. Municipal Mayors
 3. Provincial Planning Officers
 4. Outreach Supervisors
 5. Planning and/or Training Specialists of Participating Agencies
4. To develop and produce approximately 4,000 copies of a Supplementary Manual or Handbook on selected Government Development Programs such as Maternal and Child Health and Basics of Food Production to be distributed to all FTOWs and Outreach Supervisors.
5. To develop a simplified version of said Manual slanted towards use of BSP volunteers which may be produced later on.

IV. *Strategies*

A. *Skills Training and Orientation/Reorientation Programs*

In keeping with the thrust towards decentralization, project objectives will be attained by providing POPCOM Regional Offices with the required technical assistance and financial resources for planning and implementing the various training/orientation programs and workshops. Regional plans of action in terms of detailed course design, trainers, schedules, etc., are expected to vary slightly according to conditions, needs, and existing regional resources. General guidelines will be drawn up by POPCOM. The main concerns of these training activities are:

1. The reinforcement of the Outreach Staff's FP skills and training of BSP leaders in these skills;
2. The establishment of a more effective population program planning process which would draw active participation of the communities; and
3. The refinement of Program personnel's planning and programming skills.

B. *Development, Production and Distribution of a Resource Book on Priority Government Development Programs*

1. For Outreach Supervisors and FTOWs: A Resource Book on Government Development Programs will be developed by a group of consultants from the various fields to be included in the volume, namely: Maternal and Child Health (including Environmental Sanitation), Nutrition and Food Production (Fish Farming, Aquaculture, Cereal Farming and Green Revolution), aside from FP and Population. This Resource Book, supplementary to the existing FTOW Handbook, is meant to provide additional knowledge and information to Outreach personnel which will enhance their FP/motivation skills. The development programs selected for inclusion are those deemed most relevant to a more thorough understanding of the communities they serve.
2. For BSP Volunteers: The same group of consultants will develop a second version of the Resource Book which would be appropriate for the use of BSP volunteers. Effectiveness of such a Resource Book in improving FP/motivation skills of BSP volunteers will be determined by pretesting prior to its production and distribution.

V. Budget

Activity

A. Skills training for:		
1. Outreach Supervisors	₱ 115,325	\$ 15,377
2. FTOWs	341,460	45,528
3. BSP volunteers	340,000	45,333
4. Other program personnel	98,500	13,133
B. Orientation/reorientation for local Govern- ment officials/staff		
	84,090	11,212
C. Development and production of Resource Book for: (partial)		
1. Outreach staff	40,875	5,450
2. BSP volunteers	29,750	3,967
TOTAL	₱1,050,000	\$140,000

SUBPROJECT 6

I. Title: Demographic Measurement Activities

II. Summary

The total funding of this subproject amounts to \$412,000.00 (₱3,090,000.00) for the period July 1, 1977 to March 31, 1978.

This Project involves undertaking of Demographic Measurement Activities to provide reliable, timely measures of demographic, contraceptive prevalence, and acceptor data and to develop a capability within the national program to determine, allocate and manage resources required to provide these measures of fertility reduction and program impact.

III. Goals and Objectives

A. Goals

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception from 25% in 1977, to 27% in 1978, to 32% in 1979, and to 35% in 1980.

B. Specific Objectives

The following activities will be undertaken for the period mentioned above:

1. To continue the Area Fertility Surveys (AFS) program.
2. To investigate the phenomenon of rapid decline of fertility in specific municipalities in the province of Misamis Oriental.
3. To provide additional financial assistance to the University of the Philippines Population Institute in support of the professional research and consultation services there in the field of planning and evaluation of population and family planning activities.
4. To continue provision of a demographic consultant and a management systems consultant.

IV. Strategies

The Area Fertility Study which covered seven provinces in 1976 and in 1977 has been expanded to cover five regions throughout the nation, beginning in May, 1977. These

regional studies will provide an up-to-date estimate of fertility levels and trends and of contraceptive prevalence among the general population. An attempt will be made to ascertain the demographic impact of the national family planning program. These regional studies will be repeated annually over a four-year period ending in 1980.

The Misamis Oriental Fertility Study will compute dual record rates yearly over a period of four years for the western segment of Misamis Oriental. In the area of fertility, these rates will consist of crude, age-specific (for all women and for currently married women), general fertility, total fertility, and gross reproduction rates, and the area of mortality; these will be crude rates, age-sex specific rates and graduated rates. Growth rates by means of natural increase will also be computed.

Continuing support to the University of the Philippines Population Institute for professional and consultation services will provide for the analysis of the 1976 NAS; for comparative provincial fertility trends and determinants between provinces for 1976 and 1977; for the analysis of the first round of the regional fertility survey; for preparation for the 1978 Community Outreach Survey; and for such other activities as may be called for in the furtherance of the national population program.

In the past, the services of a resident Advisor had been provided for research and evaluation to the Population Institute and the Commission on Population for a two-year period beginning January 1976. It is proposed that the services of a similar advisor be continued for another two-year period beginning January 1978. As in the 1976-77 period, the advisor would be assigned to UPPI but would be expected to provide up to 30 percent of his time to the Population Commission.

The Commission on Population had been provided a full-time resident advisor for managing and coordinating the Management Information System for a 12-month period starting October 1976. It is proposed that the services of a similar advisor be continued from October to December 1977 and a new 18-month contract be made starting January 1978.

The Planning Division/POPCOM will be responsible for coordinating with the University of the Philippines Population Institute, the Office for Population Studies at the University of San Carlos, the Mindanao Center for Population Studies at Xavier University and the Davao Research and Planning Foundation to ensure that project activities are properly implemented. The Planning Division in collaboration with these agencies will also be responsible for identifying, coordinating and negotiating with additional research institutions should it become necessary.

V. Budget

July 1977—March 1978

Demographic consultant	\$ 50,000	₱ 375,000
Management systems consultant	103,000	772,500
Area fertility study	189,000	1,417,500
UPPI	50,000	375,000
Misamis oriental study	20,000	150,000
TOTAL	\$412,000	₱3,090,000

SUBPROJECT 7

I. Title: *Operations Research and Evaluation*

II. Summary

The total funding of this subproject amounts to \$143,000.00 (₱1,073,000.00) from July 1977 to March 1978.

This subproject involves (a) operations research activities, (b) evaluations for the Population Planning II Project, and (c) the Community Outreach Survey.

III. *Goals and Objectives*

A. *Goals*

1. To help reduce the national population growth rate by 0.1% per annum for the life of the project in conjunction with other public and private programs.
2. To increase the percentage of Married Couples of Reproductive Age (MCRA) practicing contraception from 25% in 1977, to 27% in 1978, to 32% in 1979, and to 35% in 1980.

B. *Specific Objectives*

1. To periodically check progress of discrete project activities against their specific implementation schedule.
2. To identify and analyze particularly successful performance, so that it can be replicated, and similarly identify possible problem areas in implementation and quickly offer solutions or recommendations for action to administrators and managers.
3. To determine community support and receptivity to ongoing project activities.
4. To provide support to Regional and Provincial Population Officers in gathering feedback on program progress.
5. To provide baseline information.
6. To identify and evaluate changes in knowledge, attitudes and practices.
7. To aid management by providing rapid feedback of information for decision making.
8. To fulfill formal evaluation requirements of the Project.
9. To provide indicators of the level of success in meeting goal A.2.
10. To provide a check on the reliability of MIS.
11. Evaluation of progress toward attainment of the objectives of the Project.
12. Identification and evaluation of problem area or constraints which may inhibit such attainment.
13. Assessment of how such information may be used to help overcome such problems, in this or other Projects.
14. Evaluation, to the degree feasible, of the overall development impact of the project.

IV. *Strategies*

A. Operations Research (OR) activities should be directed to strengthen program development through small scale research and development program. Methods will be sought to enhance communication between researchers and project managers. The OR program will be attuned to priority concerns as they are identified. The selected research leads to be identified in the future will be given to different research agencies for them to work out research proposals for possible funding by POPCOM. The research studies to be jointly funded under this subproject shall be agreed upon following consultations between POPCOM and USAID/HRD/POP.

B. Evaluations to be funded under this subproject shall include but not be limited to formal annual evaluations of the project (the first of which is scheduled for second quarter CY 78).

C. The 1978 COS is expected to be the first of a series of large-scale surveys designed to measure the effects of the Outreach Project. These surveys will sample BSP

areas, from those already in operation as well as from those already planned by the time of fieldwork as well as small barangays without BSPs. Since the Outreach Project is phasing in BSPs over a two- to three-year period, this sampling procedure will necessarily omit large barangays without BSPs; hence, the survey will not necessarily provide representative data on overall levels of KAP. However, it will provide representative data on areas with significant Outreach activities and provide a unique opportunity to study the relationship between variations in program inputs and variations in KAP and fertility changes over time. It will also provide a firm basis for assessing the accuracy of data from the Outreach Monitoring System.

V. Budget

July 1977–March 1978

Evaluation		
COS	\$ 54,000	₱ 405,000
Other projects	89,000	667,500
	<u>TOTAL</u>	<u>₱1,072,500</u>

ANNEX I—ATTACHMENT I

FINANCIAL PLAN

1. Estimated life-of-project costs are shown in Table I, attached. They are based principally upon Gantt chart forecasts of implementation activity in successive months of the project. These in turn are based upon assumed project activity levels required to achieve Philippine population/family planning goals, in concert with the other public and private programs.

2. The GOP contribution in Table I reflects proration of Operational Year 1 to conform to the GOP fiscal year, i.e., the calendar year by showing the initial GOP contribution for July 1, 1977 to December 31, 1977 and a second GOP contribution for the period January 1, 1978 to March 31, 1978.

3. For the purposes of this project's accounting and reporting the quarter's actual expenditures shall end one month prior to end of the respective Calendar Quarter (i.e., August 31; November 30; February 28; and May 31).

4. Initial release of A.I.D. funds will be for the period July to September 1977. An advance can be made on a quarterly basis covering the estimated accrued expenditures for the following quarters of the program. The advance request together with POPCOM's estimate of accrued expenditures should be filed at least 45 days before the pertinent quarter so that the advance can be processed approximately 30 days prior to the beginning of the quarter. Each quarterly advance will be liquidated through a no-pay voucher covering actual accrued expenditures. Any unliquidated balance remaining at the end of the quarter will be offset against the advance requested for the succeeding quarter. A voucher, on Standard U.S. Form 1034, liquidating each quarterly advance, should be filed with the USAID Controller by the 20th of the month preceding the close of the calendar quarter. The advance procedure shall be subject to periodic review and possible revision by USAID to assure that advances do not accumulate in excess of project requirements. The initial release of project funds shall be contingent on POPCOM's submission and USAID's approval of required project implementation plans.

5. GOP and USAID cash contributions to the project shall be maintained at each level in trust accounts established for this purpose. Within the trust funds there will be no differentiation between USAID and GOP Agency contributions except that overall contributions to the trust fund must be in accordance with percentages established by the

Project Agreement for each year's operations. Trust fund accounting will be such that the overall cost of the Outreach subproject can be identified at the Central, Regional and Provincial levels and reported upon as required for project management purposes. The other six subprojects will be accounted for separately at the National level only. The trust accounts, in their entirety, shall be subject to the records, inspection, and audit requirements of Section B.5 of Annex 2. POPCOM shall submit financial reports together with the voucher liquidating the quarterly advance described in paragraph four; the financial report of actual expenditures will be the basis for advance liquidation. These reports should contain, as a minimum, quarterly expenditures incurred in each of the seven subproject activities together with total project costs through the end of the quarter. Additional financial reporting details shall be set forth in an implementation letter to be issued under the project agreement.

6. Unexpended balances of A.I.D. funds at the end of each Operational Year may, at USAID discretion, be carried forward for extension of ongoing project activities.

7. Within available balances, funds budgeted in Table II may be transferred as follows:

- a. Transfers affecting Section 2.1, Definition of Project, will require the signature of NEDA and USAID representatives designated in Section 8.2 of this Agreement.
- b. Transfers from one subproject to another will require the written concurrence of the Chairman of the POPCOM Board and the USAID Director, or their designees.
- c. Transfers from one cost component to another (contract services, commodities, participants, other costs) within each subproject will require the written concurrence of the Executive Director of POPCOM and the Chief of the USAID Population Division.
- d. Transfers within the Other Cost (peso) component of each subproject may be made at the discretion of the Executive Director of POPCOM, provided that such transfers do not materially alter the agreed course of action. In the event such transfers are made, POPCOM will advise USAID within ten days of the transfer action.

8. GOP in-kind contributions credited to this project shall not exceed fifteen percent (20%) of the agreed GOP contribution.

Table 1
PROJECT FINANCIAL PLAN
Source and Application of Funds (\$000)

<i>Activities/Project inputs</i>	<i>Operational Year 1 (7/1/77-3/31/78), initial obligation pending</i>				<i>Operational Year 2 (4/1/78-12/31/78)</i>			<i>Operational Years 3 and 4 (1979-1980)</i>			<i>Life of Project (Years 1-4)</i>		
	<i>AID (FY 1977)</i>	<i>GOP (1977)</i>	<i>GOP (1978)</i>	<i>Total¹</i>	<i>AID FY 1978</i>	<i>GOP 1978</i>	<i>Total</i>	<i>AID FYs 1979-80</i>	<i>GOP 1979-80</i>	<i>Total</i>	<i>AID</i>	<i>GOP</i>	<i>Total</i>
1. Outreach	4,004	1,223	662	5,889	1,753	1,995	3,748	3,907	7,206	11,113	9,664	11,086	20,750
Foreign exchange	2,329	—	—	2,329	20	—	20	—	—	—	2,349	—	2,349
Local currency	1,675	1,223	662	3,560	1,733	1,995	3,728	3,907	7,206	11,113	7,315	11,086	18,401
2. Voluntary surgical contra- reception	619	397	213	1,229	513	562	1,075	620	1,098	1,718	1,752	2,270	4,022
Foreign exchange	76	—	—	76	25	—	25	25	—	25	126	—	126
Local currency	543	397	213	1,153	488	562	1,050	595	1,098	1,693	1,626	2,270	3,896
3. Info/educ/communica- tion	54	40	20	114	53	61	114	131	241	372	238	362	600
Foreign exchange	—	—	—	—	—	—	—	—	—	—	—	—	—
Local currency	54	40	20	114	53	61	114	131	241	372	238	362	600
4. Logistics	180	78	39	297	180	132	312	428	627	1,055	788	876	1,664
Foreign exchange	75	—	—	75	66	—	66	88	—	88	229	—	229
Local currency	105	78	39	222	114	132	246	340	627	967	559	876	1,435
5. Spec. training	66	49	25	140	70	80	150	106	194	300	242	348	590
Foreign exchange	—	—	—	—	—	—	—	—	—	—	—	—	—
Local currency	66	49	25	140	70	80	150	106	194	300	242	348	590
6. Demographic measure- ment	275	92	45	412	177	116	293	335	338	673	787	591	1,378
Foreign exchange	153	—	—	153	77	—	77	152	—	152	382	—	382
Local currency	122	92	45	259	100	116	216	183	338	521	405	591	996

Activities/Project inputs	Operational Year 1 (7/1/77-3/31/78), initial obligation pending				Operational Year 2 (4/1/78-12/31/78)			Operational Years 3 and 4 (1979-1980)			Life of Project (Years 1-4)		
	AID (FY 1977)	GOP (1977)	GOP (1978)	Total ¹	AID FY 1978	GOP 1978	Total	AID FYs 1979-80	GOP 1979-80	Total	AID	GOP	Total
7. Evaluation/operations													
research	67	50	26	143	47	54	101	75	139	214	189	269	458
Foreign exchange	—	—	—	—	—	—	—	—	—	—	—	—	—
Local currency	67	50	26	143	47	54	101	75	139	214	189	269	458
PROJECT TOTALS	5,265	1,929	1,030	8,224	2,793	3,000	5,793	5,602	9,843	15,445	13,660 ²	15,802	29,462
Foreign exchange	2,633	—	—	2,633	188	—	188	265	—	265	3,086 ²	—	3,086
Local currency	2,632	1,929	1,030	5,591	2,605	3,000	5,605	5,337	9,843	15,180	10,574	15,802	26,376

¹ U.S. contribution spans full nine-month interval July 1977 to March 1978 from FY 1977 funds. The GOP initial obligation provides funds for the period July-December 1977, with January-March 1978 contribution to follow, from GOP 1978 funds, subject to the availability of funds for this purpose and to mutual agreement to proceed at that time.

² Excludes *ad hoc* USAID Program support contributions in addition to this agreement estimated as follows: operational year 1, 35; operational years 2-4, 50 per year; total Program support, 185.

Exchange rate: P7.5 = US \$1.

Table II

POPULATION PLANNING PROJECT FINANCIAL PLAN
Source and Application of Funds, by Components

Activities/Project inputs	Operational Year I (7/1/77-3/31/78) (\$000)				Operational Year I (7/1/77-3/31/78) (P000) ²			
	AID (FY 1977)	GOP ¹ (1977)	GOP ¹ (1978)	Total	AID (FY 1977)	GOP ¹ (1977)	GOP ¹ (1978)	Total
<i>Outreach</i>	4,004	1,223	662	5,889	30,030	9,173	4,965	44,168
Commodities (Grant orals) .	2,309	—	—	2,309	17,317	—	—	17,317
Participants	20	—	—	20	150	—	—	150
Other costs	1,675	1,223	662	3,560	12,563	9,173	4,965	26,701
<i>Voluntary surgical contracep- tion</i>	619	397	213	1,229	4,643	2,977	1,598	9,218
Contract services	15	—	—	15	113	—	—	113
Commodities	61	—	—	61	458	—	—	458
Other costs	543	397	213	1,153	4,072	2,977	1,598	8,647
<i>I/E/C other costs</i>	54	40	20	114	405	300	150	855
<i>Logistics</i>	180	78	39	297	1,349	585	292	2,226
Commodities	75	—	—	75	562	—	—	562
Other costs	105	78	39	222	787	585	292	1,664
<i>Training other costs</i>	66	49	25	140	495	368	188	1,051
<i>Demographic measurement</i> ..	275	92	45	412	2,062	690	337	3,089
Contract services	153	—	—	153	1,147	—	—	1,147
Other costs	122	92	45	259	915	690	337	1,942
<i>Evaluation/operations research: Other costs</i>	67	50	26	143	503	375	195	1,073
PROJECT TOTAL	5,265³	1,929	1,030	8,224	39,487³	14,468	7,725	61,680
Contract services	168	—	—	168	1,260	—	—	1,260
Commodities	2,445	—	—	2,445	18,337	—	—	18,337
Participants	20	—	—	20	150	—	—	150
Other costs	2,632	1,929	1,030	5,591	19,740	14,468	7,725	41,933

¹ Prorated to reflect charges to appropriate GOP fiscal year. Initial agreement obligates 1977 funds only, with 1978 funds subject to availability and mutual agreement to proceed at that time.

² Peso equivalents of foreign exchange costs shown for illustrative purposes only; actual peso budget for expenditure in the Philippines consists of other costs project inputs.

³ Excludes *ad hoc* USAID Program support contributions in addition to this agreement estimated at \$35,000 (P262,500).

Exchange rate: \$1 = P7.50.

A N N E X 2

PROJECT GRANT AGREEMENT STANDARD PROVISIONS ANNEX

[For the remainder of annex 2, see p. 287 of this volume.]

A N N E X 3

A.I.D. POLICY GUIDELINES ON VOLUNTARY STERILIZATION

A.I.D. Project Number 492-0277

PD-70

June 14, 1977

I. *Overview*

The World Population Plan of Action of the World Population Conference of 1974 observed that: "All couples and individuals have the basic right to decide freely and responsibly the number and spacing of their children, and to have the information, education and means to do so . . ."

The Foreign Assistance Act (FAA) of 1961 (as amended) reflects additional considerations:

- (1) The process of economic and social development and is in turn affected by the pace, magnitude and direction of population growth; and
- (2) In many LDCs high rates of population growth limit attainment of broader development goals, contribute to economic hardship and hazardous health conditions, and deny opportunities for improved quality of life for many parents and their children.

In carrying out a comprehensive population assistance program authorized by the FAA, A.I.D. has responded to the growing number of LDC requests for assistance and has helped to make the various methods of family planning permitted by our legislation available on a broader scale to the rural and urban population for use on a strictly voluntary basis.

More recently, LDC governments and non-government organizations have requested assistance to extend the availability of voluntary sterilization services.* Such requests are partially in response to the preparatory work conducted by various organizations which have received A.I.D. support, including the Association for Voluntary Sterilization (AVS), the Pathfinder Fund, the International Fertility Research Program (IFRP), and the John Hopkins University Program for International Education in Gynecology and Obstetrics (PIEGO) as part of its broad program of advanced training in obstetrics and gynecology. These organizations have contributed to significant advances in the development of new surgical techniques which make sterilization safer, simpler and less expensive as an outpatient procedure. They have developed specialized equipment and given LDC medical personnel specialized training in the practice of obstetrics and gynecology, including endocrinology, identification of cancerous conditions, maternal care, and the management of infertility, and fertility, including sterilization procedures.

In providing support for sterilization services, A.I.D. must reaffirm its long-standing and complete commitment to the basic principle of voluntary acceptance of family planning methods and determine basic conditions and safeguards within which A.I.D. support for sterilization activities can be provided. These conditions and safeguards are needed because of the special nature of sterilization as a highly personal, permanent

* VS service programs include those activities which are primarily intended to provide voluntary male and female sterilizations to persons requesting this type of contraceptive procedure. For purposes of this discussion, however, VS training programs are included, since training generally requires that trainees conduct supervised procedures on patients who have voluntarily presented themselves at a service/training facility for sterilization.

surgical procedure and to ensure that the needs and rights of individuals are scrupulously protected.

The official positions of national governments are mixed. While voluntary sterilization has become a basic part of comprehensive family planning services in many countries, in some there is only unofficial approval for action by non-government agencies while in other countries there is opposition to the method. A.I.D. staff and A.I.D. -funded grantees and contractors must be fully aware of national sensitivities and must receive AID/W and mission approval before making any commitments on commencing support for sterilization activities in any context.

II. *General Guidelines*

A.I.D. acknowledges that each host country is free to determine its own policies and practices concerning the provision of sterilization services. However, A.I.D. support for VS program activities can be provided only if they comply with these guidelines in every respect.

A. *Informed Consent:* A.I.D. assistance to VS service programs shall be contingent on satisfactory determination by the USAID (bilateral programs) and/or A.I.D. -funded grantees or contractors that surgical sterilization procedures, supported in whole or in part by A.I.D. funds, are performed only after the individual has voluntarily presented himself or herself at the treatment facility and given his or her informed consent to the sterilization procedure.

Informed consent means the voluntary, knowing assent from the individual after he or she has been advised of the surgical procedures to be followed, the attendant discomforts and possible risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and his or her option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress or other forms of coercion or misrepresentation.

Further, the recipient of A.I.D. funds used all or in part for performance of VS procedures must be required to document the patient's informed consent by (a) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (b) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

Copies of these informed consent forms and certification documents for each VS procedure must be retained by the operating medical facility, or by the host government, for a period of three years after performance of the sterilization procedure.

USAID Missions should note their responsibility to monitor A.I.D.-assisted VS programs—whether such programs are funded bilaterally or by A.I.D.-funded grantees or contractors—to ensure continuing adherence to the principle of informed consent. In order to carry out this monitoring function effectively, all proposed programs—either bilaterally funded or funded by A.I.D.-supported intermediaries—shall be approved by the mission and AID/W prior to any commitment of funds or promise to commit funds for VS activities. In carrying out this responsibility, USAID staff should be thoroughly familiar with local circumstances and government administrative patterns and be able to communicate effectively with host country representatives.

B. *Ready Access to Other Methods:* Where VS services are made available, other means of family planning should also be readily available at a common location, thus enabling a choice on the part of the acceptor.

C. *Incentive Payments:* No A.I.D. funds can be used to pay potential acceptors of sterilization to induce their acceptance of VS. Further, the fee or patient cost structure applied to VS and other contraceptive services shall be established in such a way that no financial incentive is created for sterilization over another method.

D. *Quality of VS Services:* Medical personnel who operate on sterilization patients must be well-trained and qualified in accordance with local medical standards. Equipment provided will be the best available and suitable to the field situations in which it will be used.

E. *Sterilization and Health Services:* To the fullest possible extent, VS programs—whether bilaterally funded or conducted by A.I.D.-funded private organizations—shall be conducted as an integral part of the total health care services of the recipient country and shall be performed with respect to the overall health and well-being of prospective acceptors. In addition, opportunities for extending health care to participants in VS programs should be exploited to the fullest. Consideration must also be given to the impact that expanded VS services might have on existing general health services of the recipient country with regard to the employment of physicians and related medical personnel and the use of buildings or facilities.

F. *Country Policies:* In the absence of a stated affirmative policy or explicit acceptance of A.I.D. support for VS activities, USAIDs should take appropriate precautions through consultation with host country officials in order to minimize the prospect of misunderstandings concerning potential VS activities. In monitoring the consistency of A.I.D.-supported VS programs with local policy and practice, USAIDs and A.I.D.-funded donor agencies shall also take particular note of program activities among cultural, ethnic, religious or political minorities to ensure that the principles of informed consent discussed under "A" above are being observed and that undue emphasis is not given to such minority groups.

AMENDMENT¹ No. 2 TO PROJECT GRANT AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE UNITED STATES OF AMERICA FOR POPULATION PLANNING II²

A.I.D. Project No. 492-0277

AMENDMENT No. 2 dated March 6, 1978, to Project Grant Agreement between the REPUBLIC OF THE PHILIPPINES and the UNITED STATES OF AMERICA for Population Planning II, dated August 31, 1977.²

Whereas, the Parties have entered into an Agreement in furtherance of the Philippine Population/Family Planning Program; and

Whereas, additional funds are required for support of the Grantee's program;

Now, therefore, the Agreement is amended as follows:

Article 3. FINANCING

Section 3.1. THE GRANT. This Section is hereby amended to delete "Two Million Nine Hundred Ninety-One Thousand United States ('U.S.') Dollars (\$2,991,000) ('Grant')" and substitute therefor "Five Million Eight Hundred Thirty-Six Thousand United States ('U.S.') Dollars (\$5,836,000) ('Grant')".

Section 3.2. GRANTEE RESOURCES FOR THE PROJECT. Paragraph (b) of this Section is hereby deleted in its entirety and substituted therefor as follows:

"(b) The resources provided by Grantee for the Project through December 31, 1978 will not be less than the equivalent of U.S. \$5,959,000 including costs borne on an 'in-kind' basis."

Article 4. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 4.2. DISBURSEMENT FOR INDIVIDUAL SUBPROJECTS. This Section is hereby amended to read as follows:

"Prior to any disbursement under the Grant for Operational Year 2 (April–December 1978), or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for purposes of financing any individual subproject, 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 detailed implementation plan for the pertinent subproject describing planned activities for Operational Year 2."

Annex 1, Attachment 1, Financial Plan. Tables I and II are replaced by revised tables, attached. Table III, Source and Application of Funds for Operational Year 2, is added.

¹ Came into force on 6 March 1978 by signature.

² See p. 326 of this volume.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Amendment No. 2 to the Agreement to be signed in their names and delivered as of the day and year first above written.

United States of America:

By: [Signed]

PETER M. CODY

Title: Director, U.S. Agency for International Development

Republic of the Philippines:

By: [Signed]

GERARDO P. SICAT

Title: Secretary for Economic Planning (Director-General), National Economic and Development Authority

Table I
PROJECT FINANCIAL PLAN

Source and Application of Funds (\$'000)

Activities/Project inputs	Operational Year 1 (7/1/77-3/31/78), initial obligation pending			Operational Year 2 (4/1/78-12/31/78)			Operational Years 3 and 4 (1979-1980)			Life of Project (Years 1-4)		
	AID (FY 1977)	GOP (1977)	Total	AID (FY 1978)	GOP 1978	Total	AID (FYs 1979-80)	GOP (1979-80)	Total	AID	GOP	Total
1. Outreach	4,022	1,223	5,907	1,753	1,995	3,748	3,907	7,206	11,113	9,682	11,086	20,768
Foreign exchange	2,347	—	2,347	20	—	20	—	—	—	2,367	—	2,367
Local currency	1,675	1,223	3,560	1,733	1,995	3,728	3,907	7,206	11,113	7,315	11,086	18,401
2. Voluntary surgical con- traception	619	397	213	1,229	513	1,075	620	1,098	1,718	1,752	2,270	4,022
Foreign exchange	76	—	76	25	—	25	25	—	25	126	—	126
Local currency	543	397	213	1,153	488	562	1,050	595	1,693	1,626	2,270	3,896
3. Info/educ/communica- tion	54	40	20	114	53	114	131	241	372	238	362	600
Foreign exchange	—	—	—	—	—	—	—	—	—	—	—	—
Local currency	54	40	20	114	53	114	131	241	372	238	362	600
4. Logistics	180	78	39	297	180	312	428	627	1,055	788	876	1,664
Foreign exchange	75	—	75	66	—	66	88	—	88	229	—	229
Local currency	105	78	39	222	114	132	340	627	967	559	876	1,435
5. Spec. training	66	49	25	140	70	150	106	194	300	242	348	590
Foreign exchange	—	—	—	—	—	—	—	—	—	—	—	—
Local currency	66	49	25	140	70	150	106	194	300	242	348	590
6. Demographic measure- ment	276	92	45	413	177	293	335	338	673	788	591	1,379
Foreign exchange	153	—	153	77	—	77	152	—	152	382	—	382
Local currency	123	92	45	260	100	216	183	338	521	406	591	997

Revised*

Activities/Project inputs	Operational Year 1 (7/1/77-3/31/78), initial obligations pending				Operational Year 2 (4/1/78-12/31/78)			Operational Years 3 and 4 (1979-1980)			Life of Project (Years 1-4)		
	AID (FY 1977)	GOP (1977)	GOP (1978)	Total	AID (FY 1978)	GOP 1978	Total	AID (FYs 1979-80)	GOP (1979-80)	Total	AID	GOP	Total
7. Evaluation/operations													
research	83	50	26	159	47	54	101	75	139	214	205	269	474
Foreign exchange	5	—	—	5	—	—	—	—	—	—	5	—	5
Local currency	78	50	26	154	47	54	101	75	139	214	200	269	469
PROJECT SUB-TOTALS	5,300	1,929	1,030	8,259	2,793	3,000	5,793	5,602	9,843	15,445	13,695	15,802	29,497
Foreign Exchange	2,656	—	—	2,656	188	—	188	265	—	265	3,109	—	3,109
Local currency	2,644	1,929	1,030	5,603	2,605	3,000	5,605	5,337	9,843	15,180	10,586	15,802	26,388
General project support ..	—	—	—	—	52	—	52	100	—	100	152	—	152
GRAND TOTAL	5,300	1,929	1,030	8,259	2,845	3,000	5,845	5,702	9,843	15,545	13,847	15,802	29,649

* Revised February 1978 to reflect \$35,000 AID contribution increase in O Y 1 per Amendment No. 1 to Project Grant Agreement, dated 9/19/77.
Exchange rate: US \$1 = P7.5.

Revised*

Table II

POPULATION PLANNING PROJECT FINANCIAL PLAN

Source and Application of Funds, by Components

	Operational Year I (7/1/77-3/31/78) (\$000)				Operational Year I (7/1/77-3/31/78) (P000) ²			
	AID (FY 1977)	GOP ¹ (1977)	GOP ¹ (1978)	Total	AID (FY 1977)	GOP ¹ (1977)	GOP ¹ (1978)	Total
<i>Outreach</i>	4,022	1,223	662	5,907	30,165	9,173	4,965	44,303
Contract services	18	—	—	18	135	—	—	135
Commodities (Grant orals)	2,309	—	—	2,309	17,317	—	—	17,317
Participants	20	—	—	20	150	—	—	150
Other costs	1,675	1,223	662	3,560	12,563	9,173	4,965	26,701
<i>Voluntary surgical contraception</i>	619	397	213	1,229	4,643	2,977	1,598	9,218
Contract services	15	—	—	15	113	—	—	113
Commodities	61	—	—	61	458	—	—	458
Other costs	543	397	213	1,153	4,072	2,977	1,598	8,647
<i>IEC other costs</i>	54	40	20	114	405	300	150	855
<i>Logistics</i>	180	78	39	297	1,349	585	292	2,226
Commodities	75	—	—	75	562	—	—	562
Other costs	105	78	39	222	787	585	292	1,664
<i>Training other costs</i>	66	49	25	140	495	368	188	1,051
<i>Demographic measurement</i>	276	92	45	413	2,070	690	337	3,097
Contract services	154	—	—	154	1,155	—	—	1,155
Other costs	122	92	45	259	915	690	337	1,942
<i>Evaluation/operations research</i> ..	83	50	26	159	622	375	195	1,192
Commodities	5	—	—	5	37	—	—	37
Other costs	78	50	26	154	585	375	195	1,155
PROJECT TOTAL	5,300	1,929	1,030	8,259	39,749	14,468	7,725	61,942
Contract services	187	—	—	187	1,403	—	—	1,403
Commodities	2,450	—	—	2,450	18,374	—	—	18,374
Participants	20	—	—	20	150	—	—	150
Other costs	2,643	1,929	1,030	5,602	19,822	14,468	7,725	42,015

¹ Prorated to reflect charges to appropriate GOP fiscal year. Initial agreement obligates 1977 funds only, with 1978 funds subject to availability and mutual agreement to proceed at that time.

² Peso equivalents of foreign exchange costs shown for illustrative purposes only; actual peso budget for expenditure in the Philippines consists of other costs project inputs.

Exchange rate: \$1 = P7.50.

* Revised February 1978 to reflect \$35,000 AID contribution increase per Amendment No. 1 to Project Grant Agreement dated 9/19/77.

February 1978

Table III

POPULATION PLANNING PROJECT FINANCIAL PLAN

Source and Application of Funds, by Components

	Operational Year 2 (4/1-12/31/78) (\$000)			Operational Year 2 (4/1-12/31/78) (P000) ¹		
	AID	GOP	Total	AID	GOP	Total
<i>Outreach</i>	1,753	1,995	3,748	13,148	14,963	28,111
Participants	20	—	20	150	—	150
Other costs	1,733	1,995	3,728	12,998	14,963	27,961
<i>Voluntary surgical contraception</i>	513	562	1,075	3,848	4,215	8,063
Contract services	25	—	25	188	—	188
Other costs	488	562	1,050	3,660	4,215	7,875
<i>IEC other costs</i>	53	61	114	397	457	854
<i>Logistics</i>	180	132	312	1,350	990	2,340
Commodities	66	—	66	495	—	495
Other costs	114	132	246	855	990	1,845
<i>Training other costs</i>	70	80	150	525	600	1,125
<i>Demographic measurement</i>	177	116	293	1,327	870	2,197
Contract services	47	—	47	352	—	352
Commodities	30	—	30	225	—	225
Other costs	100	116	216	750	870	1,620
<i>Evaluation/operations research</i>	47	54	101	352	405	757
Other costs	47	54	101	352	405	757
PROJECT SUB-TOTALS	2,793	3,000	5,793	20,947	22,500	43,447
Contract services	72	—	72	540	—	540
Commodities	96	—	96	720	—	720
Participants	20	—	20	150	—	150
Other costs	2,605	3,000	5,605	19,537	22,500	42,037
General Project support ²	52	—	52	390	—	390
GRAND TOTAL	2,845	3,000	5,845	21,337	22,500	43,837

¹ Peso equivalent of foreign exchange costs shown for illustrative purposes only; actual peso budget for expenditures in the Philippines consists of other costs project inputs.

² Contingency funds for use as necessary. Utilization of these funds is subject to joint approval by Executive Director, POP COM, and Chief, USAID Population Division.

Exchange Rate: \$1 = ₱7.5.