

04-588

USAID Grant Agreement No. 617-S004

STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

THE REPUBLIC OF UGANDA

FOR

THE REPRODUCTIVE, MATERNAL AND CHILD HEALTH STRATEGIC OBJECTIVE

1. Appro.# :	72X1095	2. Appro.# :	727/81021
BPC :	GCDX-97-21617-KG13	BPC :	GDV7-97-21617-KG13
Grant# :	617-0133-G-00-97-0001	Grant# :	617-0133-G-00-97-0001
RESCTL# :	F972024	RESCTL# :	P972025
Project# :	617-0133	Project# :	617-0133
Amount :	Dols 5,175,000	Amount :	Dols 1,000,000
SOAG# :	617-S004	SOAG# :	617-S004

FUNDS AVAILABLE  
*Amir / Keli*  
USAID KAMPALA, UGANDA  
DATE 7/03/97

Dated: July 3, 1997

CONFORMED COPY

# Strategic Objective Grant Agreement

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DATED:

STRATEGIC OBJECTIVE GRANT AGREEMENT

This STRATEGIC OBJECTIVE GRANT AGREEMENT, created by combining and superseding the Delivery of Improved Services for Health ("DISH") Project Grant Agreement, dated August 31, 1993, as amended, and other existing and new activities including but not limited to Contraceptive Social Marketing, Central Contraceptive Procurement, Training in Reproductive Health, the Population Services Fellowship Program, the Program for Voluntary and Safe Contraception, Population and Family Planning Expansion, Family Planning Services, Family Planning Service Expansion and Technical Support, the Community Based Distribution Program, and the Quality Assurance Program for the purpose of increasing service utilization and changing behaviors related to reproductive, maternal and child health in selected districts of Uganda, is entered into between the REPUBLIC OF UGANDA (the "Grantee") and THE UNITED STATES OF AMERICA, acting through the U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT ("USAID").

WHEREAS, the Grantee and USAID (the "Parties") hereby express their continued commitment to the goals of the Delivery of Improved Services for Health Project Grant Agreement,

WHEREAS, the Grantee and USAID hereby reaffirm their financial, in-kind and other commitments and understandings made pursuant to the Delivery of Improved Services for Health Project Grant Agreement,

WHEREAS, in order to focus and strengthen the efforts of the Parties in improving reproductive, maternal and child health,

NOW, THEREFORE, the Parties hereby agree as follows:

Article 1: Purpose.

The purpose of this Strategic Objective Grant Agreement ("Agreement") is to set out the commitments and understandings of the Parties about the Strategic Objective described below.

Article 2: Strategic Objective and Results.

Section 2.1. Strategic Objective.

The Strategic Objective is "Increased Service Utilization and Changed Behaviors, Related to Reproductive/Maternal/Child Health in Selected Districts" (the "Objective"). Over the period of this

Agreement, people will increasingly use health services and adopt behaviors to reduce unwanted pregnancies, HIV infection and maternal and child mortality. Increased non-government/non-donor funds will be generated and used for primary health care, selected NGO activities will become more financially sustainable and the private sector provision of services will expand.

#### Section 2.2. Results.

In order to achieve this Objective, the Parties agree to work together to achieve the following Results:

1. Increased availability of reproductive/maternal/child health services.
2. Improved quality of reproductive/maternal/child health services.
3. Enhanced sustainability of reproductive/maternal/child health services.
4. Improved knowledge and perceptions related to reproductive/maternal/child health.

These Results, and the indicators by which achievement of the Results will be measured, are further described in Annex 1, Amplified Description, to this Agreement. Within the limits of the definition of the Objective in Section 2.1, this Section 2.2 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of the Agreement.

Section 2.3. Annex 1, Amplified Description. Annex 1, attached, amplifies the above Objective and Results. Within the limits of the above definition of the Objective in Section 2.1, Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of the Agreement.

### Article 3. Contributions of the Parties.

#### Section 3.1. USAID Contribution.

(a) The Grant To Date. To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement an increment of not to exceed Six Million One Hundred Seventy Five Thousand United States ("U.S.") Dollars (\$6,175,000). This amount, in addition to previous increments, totals not to exceed Twenty Nine Million Six Hundred Eighteen Thousand Two Hundred and Fifty Seven United States Dollars (\$29,618,257) (the "Grant").

(b) Total Estimated USAID Contribution. USAID's total estimated contribution to the achievement of the Objective will be

U.S. \$70,000,000 which will be provided in increments. Subsequent increments will be subject to the availability of funds to USAID for this purpose and the mutual agreement of the Parties, at the time of each subsequent increment, to proceed. USAID will contribute an additional estimated amount of U.S. \$32,000,000 to USAID/Washington activities that directly benefit Uganda. This contribution will not be obligated through this Agreement.

(c) If at any time USAID determines that its contribution under Section 3.1(a) exceeds the amount which reasonably can be committed for achieving the Objective or Results or activities during the current or next U.S. fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 3.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in 3.1(b).

#### Section 3.2. Grantee Contribution.

The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donors identified in Annex 1, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Results.

#### Article 4: Completion Date.

(a) The Completion Date, which is September 30, 2002, or such other date as the Parties may agree to in writing without formal amendment of the Agreement, is the date by which the Parties estimate that all the activities necessary to achieve the Objective and Results will be completed.

(b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months following the Completion Date, or such other period as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the Grantee and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

#### Article 5: Conditions Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID:

(a) A statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.5, and of any additional representatives, together with a specimen signature of each person specified in such statement.

This condition was satisfied pursuant to the Delivery of Improved Services for Health Project Grant Agreement and the representatives named and specimen signatures provided remain in force. If a Grantee representative changes or another is added, USAID shall be notified within 60 days.

Section 5.2. Notification.

USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.3. Terminal Date for Conditions Precedent.

(a) The terminal date for meeting the condition specified in Section 5.1 was 180 days from the date of signature of the Delivery of Improved Services for Health Project Grant Agreement.

Section 5.4. Continuation of Prior Conditions Precedent and Covenants.

The Grantee will not in any way discontinue, reverse or otherwise impede any action it has taken in satisfaction of any condition precedent or covenants agreed to in the Delivery of Improved Services for Health Project Grant Agreement, or implementation letters related thereto, or to any condition precedent or covenant contained herein, except as USAID and the Grantee may otherwise agree in writing.

Article 6: Special Covenants

Section 6.1. Salaries of Government Officials.

✶ | The Grantee agrees that no individuals paid salaries from funds provided under this Agreement will, at the same time, draw a Government of Uganda salary or receive government benefits.

Section 6.2. Tax and Duty Free Commodities.

The Grantee agrees to exempt the import, export, purchase use or disposition of any equipment or property financed by USAID under

this Agreement from taxes, including Value Added Tax, duties, and fees of whatever nature charged in Uganda in accordance with the Economic, Technical and Related Assistance Agreement between the United States of America and the Republic of Uganda dated December 3 and 11, 1971.

Section 6.3. Tax Free Salaries.

The Grantee agrees to exempt from income taxes and National Social Security Fund contributions levied pursuant to the laws of Uganda all individuals, except citizens and permanent residents of Uganda, who are employed (whether direct hire, contract, grant or other arrangement) by USAID or by any organization financed by USAID to perform work in connection with this Agreement.

Section 6.4. Clearing and Transport Costs for USAID-financed Contraceptives

The Grantee agrees to pay all costs related to clearing USAID-financed contraceptives, including social-marketing contraceptives, through Ugandan customs and transporting non-social-marketing contraceptives from the customs warehouse(s) to the districts in which they will be used.

Section 6.5. Financing for Condoms

The Grantee agrees to use funds from the World Bank-financed Sexually Transmitted Infections Project to procure all condoms required for the achievement of the Objective, including properly packaged social-marketing condoms and condoms required by non-governmental organizations receiving funding under this Agreement.

Article 7: Miscellaneous.

Section 7.1. Maintenance of Records.

The Grantee shall maintain, or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, such books and records and underlying documentation relating to the Delivery of Improved Services for Health Project Grant Agreement and this Agreement as are necessary to show adequately, without limitation, compliance with these Agreements. Such books and records will be audited regularly in accordance with generally accepted auditing standards, and shall be maintained for three (3) years after the Completion Date.

Section 7.2 Inspections and Audits.

The Grantee will afford authorized representatives of USAID the opportunity at all reasonable times to inspect the books,

records and other documents maintained by the Grantee relating to this Agreement. Notwithstanding the provisions of this paragraph, USAID reserves its rights with respect to audits of records, documents and accounts which will not be infringed by arrangements for audits by the Grantee or by arrangements for audits by independent auditors.

#### Section 7.3. Implementation Letters.

Project Implementation Letters were issued which furnish additional information about matters related to the Delivery of Improved Services for Health Project Grant Agreement. These remain in force. From the date of this Agreement, Implementation Letters will be issued under this Agreement only. The Parties may use these Implementation Letters to confirm and record additional understandings and commitments related to this Agreement. Implementation Letters may not be used to amend the text of this Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the Amplified Descriptions set forth in Annex 1. Implementation Letters shall be binding on the Parties unless revoked, modified or superseded by subsequent Implementation Letters or amendments to this Agreement.

#### Section 7.4. 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, telefax or cable, and will be deemed duly given or sent when delivered to such Party at the following address:

To USAID:

Mail Address:

United States Agency for International Development  
Plot 42 Nakasero Road  
Post Office Box 7007  
Kampala  
Uganda

Telefax: 041-233417

To the Grantee:

Mail Address:

Ministry of Finance  
P. O. Box 8147  
Kampala, Uganda

Telefax: 041-230163

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 7.5. Representatives.

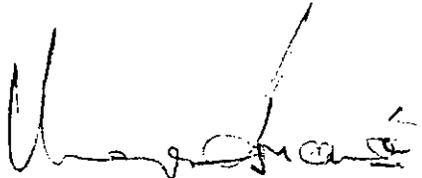
For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of the Minister for Finance and USAID will be represented by the individual holding or acting in the Office of the Mission Director, USAID/Uganda, each of whom, by written notice, may designate additional representatives for all purposes other than signing formal amendments to the Agreement. The names of the representatives of the Grantee, with specimen signatures, have been provided to USAID pursuant to Delivery of Improved Services for Health Project Grant Agreement and remain in force until receipt of written notice of revocation of their authority.

Section 7.6. Standard Provisions Annex.

A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

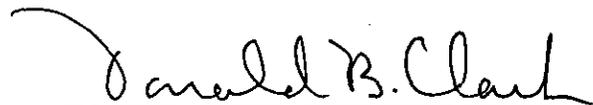
IN WITNESS WHEREOF, the United States of America and the Grantee, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

FOR THE GOVERNMENT OF  
THE REPUBLIC OF UGANDA:



Jehoash Mayanja-Nkangi  
Minister of Finance

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA:



Donald B. Clark  
Mission Director  
United States Agency for  
International Development

Date: 3<sup>rd</sup> July 1997

Date: July 3, 1997

## SOAG Annex 1 Amplified Description

### I. Introduction

This annex describes the activities to be undertaken and the results to be achieved with the funds obligated under this agreement and with funds provided directly to implementing organizations through USAID/Washington for activities in Uganda. Nothing in this annex shall be construed as amending any of the definitions or terms of the agreement.

### II. Background

Uganda's high fertility rate constitutes a fundamental constraint to development across all sectors and is, along with poorly developed maternal and child health services and chronic under-nutrition during childhood, a major contributor to high rates of maternal, infant and child mortality. Overall adult mortality is also very high due primarily to high rates of HIV infection, the transmission of which is facilitated by high rates of other sexually transmitted diseases and high-risk sexual behavior.

The use of modern contraception is low. Only about 7.8% of married women were using modern family planning methods in 1995, although 68% of married women say they either want no more children or want to space their next birth by at least two years. Substantial infant and child mortality is associated with high-risk pregnancies, and two thirds of all births are characterized by one or more risk factors. Maternal mortality accounts for 17% of all deaths among women 15 - 49 and can be substantially reduced by providing adequate pre-natal, delivery and post-partum care; family planning services, and treatment for the sequelae of abortions. Exclusive breast-feeding drops from 77% at under two months of age to 36% by six months, and thirty-eight percent of Ugandan children are short for their age - a tendency which begins at one month of age and continues throughout childhood.

Over 1.5 million Ugandans are probably infected with HIV - about 15% of the adult population. Awareness of the disease is nearly universal. In addition to its obvious effects on adult mortality, HIV also profoundly effects infant and child mortality. About 27% of infants born to HIV+ mothers in Uganda become HIV+ themselves. Nearly all die by age five. The child of an HIV+ mother is 5.6 times more likely to die before three than the child of an HIV - mother, and it is likely that a substantial portion of infant mortality in Uganda is directly or indirectly related to maternal HIV infection.

STDs are highly prevalent in Uganda. It is likely that HIV and other STDs, especially ulcerative STDs like syphilis and chancroid, interact to increase HIV transmission. In addition, gonorrhea and chlamydia are the major causes of pelvic inflammatory disease - a principal cause of gynecological hospitalization in Uganda. Both may be passed on to a child at birth causing potentially blinding ophthalmia neonatorum. Maternal syphilis is probably the major cause of spontaneous abortion, stillbirth and prematurity in Uganda, and children born to syphilitic mothers are at increased risk of perinatal and infant death and long-term severe illness.

Projected GOU expenditures on health care very low and disproportionately allocated to hospital based, curative care. While a number of NGOs provide good quality services,

they are often highly dependent on donor funding. Some of these organizations represent good opportunities for endowments for the long-term financing of at least some of their recurrent costs. Aside from perhaps as many as 600 midwives in private practice, there is very limited private-sector provision of modern health care outside urban areas, and few alternatives to public-sector services characterized by low staff salaries, skills and motivation and by the insufficiencies in facilities, equipment, supplies, supervision, training and other support systems found in most health systems in sub-Saharan Africa.

The Program provides assistance related to the following:

- improving skills of clinical-service providers through in-service and pre-service training;
- establishing community outreach mechanisms to provide basic services and education and for referral to clinics with trained staff;
- improving supervisory mechanisms, at facility and community levels, based on observed compliance with service standards;
- increasing the availability of contraceptives and STD drugs, primarily through the private sector;
- facilitating the implementation of the Ministry of Health's health management information system;
- disseminating key information and advice related to reproductive, maternal and child health.
- improving financial management of health facilities, especially hospitals
- improving and sustaining the private sector provision of health services

### III. Financial Plan

The financial plan for the Program is set forth in the attached table.

Changes may be made to the financial plan by representatives of the Parties without formal amendment of the Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement.

### IV. Results to be Achieved

The objective of the Program is to increase health-service utilization and change behaviors related to reproductive/maternal/child health in up to fifteen<sup>1</sup> districts, viz: Masindi, Luwero, Nakasongola, Kamuli, Jinja, Kampala, Masaka, Mbarara, Sembabule, Rakai Kasese, Ntungamo, Kabale, Kisoro and Rukungiri. This objective will be accomplished through the attainment of the following results.

1. Increased availability of reproductive/maternal/child health services
2. Improved quality of reproductive/maternal/child health services
3. Enhanced sustainability of reproductive/maternal/child health services

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<sup>1</sup>Nakasongola and Sembabule (newly created from Luwero and Masaka) and Kabale, Kisoro and Rukungiri (districts served largely by CARE), will receive more limited USAID support than the remaining 10 districts supported to date under the Delivery of Improved Services for Health (DISH) Project.

4. Improved knowledge and perceptions related to reproductive/maternal/child health

V. Indicators

Progress in attaining the program (strategic) objective and the four results noted above will be measured per the attached Performance Data Matrix.