May 22, 2006

The Permanent Secretary
Ministry of Finance
P.O. Box 9111
Dar es Salaam

Dear Sir:

Subject: USAID Strategic Objective Agreement (SOAG) Number 621-10011.01 for Health Status of Tanzanian Families Improved.

Implementation Letter (IL) Number 6

The purpose of this Implementation Letter is to sub-commit and sub-obligate US $370,000 as requested by the Ministry of Health to finance a twelve months of program activities for the Primary health Care Institute, Iringa (PHCI). Funds under this IL will be used from the 1st July, 2006 to 30th June, 2007. This Implementation Letter utilizes funds from the Strategic Objective Agreement for Health Status of Tanzanian Families Improved, Number 621-0011.01.

USAID hereby agrees to finance the following major activities under this Implementation Letter:

1) Capacity building for Zonal, Regional and District Health Managers: In order to improve technical and managerial skills PHCI will update the health program managers from the zone and respective regions on the new reproductive and child health service programs namely: Prevention of Mother to Child Transmission of HIV/AIDS (PMTCT), Integrated Management of Childhood Illnesses (IMCI), Long Term Contraceptive Program (LT/P), Integrated Logistics System (ILS), and Combined Treatment for Malaria (ACT). Furthermore, PHCI will conduct short courses on post abortion care, the use of partograph and postnatal care, update training materials for preceptorship and basic training skills; conduct training for focused antenatal care, infection prevention and family planning; and strengthen monitoring and evaluation to all respective districts. PHCI will develop a mechanism to build institutional capacity of the Zonal Reproductive and Child Health Coordinator (ZRCHC) office and procure one vehicle to replace the aging ones at PHCI. (Cost US $ 111,220)
2) Develop human resource capacity in the districts: Funds provided under this budget line will be used to conduct training of health providers directly at the dispensaries and health centers. PHCI will coordinate with the District Health Councils to train 500 health providers in comprehensive family planning, focused antenatal care, counseling for family planning and HIV/AIDS, pre and postnatal care, integrated management of childhood infections and post abortion care. PHCI will conduct trainee follow up for all the related trainings at the district and health facilities. Performance needs assessments will be conducted in districts of Ruvumua Urban, Ruvumua Rural, Tunduru and Mbinga. PHCI will provide technical assistance to the Zonal Reproductive and Child Health Coordinators (ZRCHC) and the Regional Health Management Teams (RHMT) in health program management in a decentralized health system.

(Cost US $ 177,100)

3) To strengthen process, systems and structure in the districts: USAID is supporting the decentralization of the health reforms in Tanzania to enable the districts to manage better the health care system using available resources within their respective districts and/or utilizing the available human resources in the regions and in the zone. PHCI will update resource persons inventory in 16 districts of Ruvuma, Mbeya and Iringa regions. They will conduct biannual program review meetings and establish a system for orienting and distributing vital policies, guidelines and service standards for health care.

(Cost US $ 23,300)

4) Administration: Funds under this budget will be used to pay for program vehicle running and maintenance costs, salaries for a driver and secretary, pay for quick book annual fees as well as stationeries and other related office costs.

(Cost US $ 10,120)

USAID funds under this IL shall be used in accordance with the applicable United States policy and statutory requirements relating to voluntary family planning and none of the USAID funds provided under this IL, or goods or services financed by such funds, may be used for:

- The performance of abortion as a method of family planning or to motivate or coerce any person to practice abortion.
- The performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilization.
- Any biomedical research which relates, in whole or in part, to performance of abortion or involuntary sterilization as a method of family planning.
- Service provided by referral agents in the project shall not implement or subject to quotas or other numerical targets of total number of births, number of family planning acceptors or acceptors of particular methods of family planning.
The project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of scientific study in which participants are advised of the potential risks and benefits.

The project shall provide family planning acceptors comprehensive information about health benefits and risks of methods chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method. This requirement might be satisfied by providing a Swahili wall chart that is permanently placed at the service delivery point, which provides information in accordance with medical practice and health conditions in Tanzania.

When PHCI (the “contracting agency”) enters into any host country contract, using funds under this IL, USAID regulations for host country must be followed. Therefore:

1) When contracting for technical or professional services, PHCI should provide proof of fair treatment to the competitors by following competitive review of various options. Consideration of reasonable number of candidates is required. PHCI must document the steps it takes to complete this review and should keep the documents in the file for possible review by USAID and/or the auditors in the future.

2) When contracting technical or professional services to individual consultants, PHCI shall ensure that USAID will receive, review and agree to the terms of reference, bio data sheet, curriculum vitae, proposed rates and the contract for technical/professional services prior to initiating the contract. Furthermore, after the technical/professional service contract has been negotiated but prior to signing, at USAID discretion, they may be required to submit it to USAID for approval.

3) USAID Financial Controller will review and approve methods of payment for host country contract, by either direct payment to the vendor, cost reimbursement or by a letter of credit from USAID to the vendor depending on the amount of money for each sub-contract.

4) USAID approval may also be required, at USAID discretion, for the action taken by PHCI during the host contracting process, e.g. contract administrative actions such as subcontracts, amendments and change orders.

5) PHCI shall state clearly that USAID is not a party to the contract, and that USAID does not take any liability neither in part nor in whole of the contract between the PHCI, the “Contracting Agency” and the “Awardee” of the contract.

6) Funds under this IL will not be used to pay for Government of Tanzania taxes related services or commodities procured in-country to be used by PHCI, Ministry of Health or any other Government of Tanzania institution.

7) Funds under this IL will be used according to GOT financial regulation. It includes per diem rates during travel in country and out of the country.
Your signature or that of an authorized representative is required in the space provided below to signify your agreement to the action described. Please return to USAID the original copy of this letter.

Sincerely;

Charles Llewellyn
Health and Population Officer

Accepted by:

Name: __________________________

Title: __________________________

Signature: ______________________

Date: __________________________
Summary of PHCI budget under USAID grant funds from July 1st, 2006 to June 31st, 2007.

<table>
<thead>
<tr>
<th>Item number</th>
<th>Activity name</th>
<th>Proposed budget in US $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Capacity building for Zonal, Regional and District Health Managers.</td>
<td>$111,220.00</td>
</tr>
<tr>
<td>2.</td>
<td>Develop human resource capacity in the districts.</td>
<td>$177,100.00</td>
</tr>
<tr>
<td>3.</td>
<td>Strengthen process, health systems and structures in the districts.</td>
<td>$23,300.00</td>
</tr>
<tr>
<td>4.</td>
<td>Administration</td>
<td>$10,120.00</td>
</tr>
<tr>
<td>5.</td>
<td>Overhead cost.</td>
<td>$48,260.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total budget</strong></td>
<td><strong>$370,000.00</strong></td>
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