



USAID Grant Agreement No. 620-013.01

STRATEGIC OBJECTIVE GRANT AGREEMENT (SOAG)

BETWEEN THE

UNITED STATES OF AMERICA

AND THE

FEDERAL REPUBLIC OF NIGERIA

FOR

**STRATEGIC OBJECTIVE NO.13
INCREASED USE OF SOCIAL SECTOR SERVICES**

Dated: June 30, 2004

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STRATEGIC OBJECTIVE GRANT AGREEMENT

Dated: June 30, 2004

Between

The United States of America, acting through the United States Agency for International Development ("USAID")

and

The Federal Republic of Nigeria (hereinafter referred to as the "Grantee")

Article 1: Purpose.

The purpose of this Strategic Objective Grant Agreement ("Agreement") is to set out the understanding of the parties named above (the "Parties") about the Strategic Objective described below.

Article 2: Strategic Objective and Results.

Section 2.1. Strategic Objective. The Strategic Objective ("Objective") is "Increased Use of Social Sector Services".

Section 2.2. Results. In order to achieve that Objective, the Parties agree to work together to achieve the following Results:

- (a) Improved quality of social sector services;
- (b) Strengthened enabling environment;
- (c) Expanded demand for improved social sector services;
and
- (d) Increased access to services, commodities and materials.

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 to 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 this Agreement.

Article 3: Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) The Grant. 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 not to exceed Thirty-Two Million, Three Hundred and Ninety-Six Thousand and Six Hundred and Forty-Four United States ("U.S.") Dollars (\$32,396,644) (the "Grant"). The Grant consists of Twenty-Six Million, Six Hundred and Twenty Thousand and Six Hundred and Forty-Four U.S. Dollars (\$26,620,644) which have been granted directly to the Grantee under this Agreement, and Five Million, Seven Hundred and Seventy-Six Thousand U.S. Dollars (\$5,776,000) which were obligated by USAID/Washington directly into grants or contracts with non-governmental organizations since January 2004, to carry out activities in furtherance of the Objective.

(b) Total Estimated USAID Contribution. USAID's total estimated contribution to achievement of the Objective will be One Hundred and Sixty-Nine Million U.S. Dollars (\$169,000,000) (the "Grant"), which will be provided in increments. The total estimated USAID contribution consists of One Hundred and Forty Million, One Hundred Thousand U.S. Dollars (\$140,120,000) which will be granted directly to the Grantee under this Agreement, and Twenty-Eight Million, Eight Hundred and Eighty Thousand U.S. Dollars (\$28,880,000) which will be obligated by USAID/Washington directly into grants or contracts with non-governmental organizations from January 2004, to carry out activities in furtherance of the Objective. 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.

(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).

(d) The Parties agree that the USAID contribution may be disbursed by USAID through grants and contracts with non-governmental organizations in order to carry out the mutually agreed upon activities described in Annex 1 of the Agreement or described in Implementation Letters issued in accordance with Section A.2 of Annex 2 of the Agreement.

Section 3.2. Grantee Contribution.

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

(b) The Grantee's contribution, based on USAID's contribution in section 3.1(a), will not be less than the equivalent of one-third of the portion of the Grant that is used to support activities that directly benefit the Grantee, provided that such amount may be reduced with the written consent of USAID. The Grantee's contribution may include either cash or in-kind contributions or both. The dollar equivalent amount of the Grantee's contribution shall be the figure set forth in the Illustrative Financial Plan included in Annex 1 of this Agreement. The amount of the Grantee's contribution shall be adjusted upon any increase in the amount of the Grant set forth in Section 3.1(a), in accordance with the formula described in the first sentence of this paragraph. The Grantee will report at least annually in a format to be agreed upon with USAID on its cash and "in-kind" contributions.

Article 4: Completion Date.

(a) The Completion Date, which is December 31, 2009, or such other date as the Parties may agree to in writing, 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.

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) An opinion of counsel acceptable to USAID that this Agreement has been duly authorized or ratified by, and executed on behalf of the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms; and

(b) A statement in the name of the person holding or acting in the office of the Grantee specified in Section 6.2, and of any additional representatives, together with a specimen signature of each person specified in such statement.

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 Dates for Conditions Precedent. The terminal date for meeting the conditions specified in Section 5.1 is 60 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.1 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Miscellaneous.

Section 6.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing, and will be deemed duly given or sent when delivered to such Party by hand delivery, mail or telefax at the following address:

To USAID:

Mailing Address: .

United States Agency for International Development
Metro Plaza, 3rd Floor
Plot 992, Zakaria Maimalari Street
Central Area
PMB 519, Garki, Abuja

Fax: (09 234-2930

To the Grantee:

Mailing Address:

National Planning Commission
The Presidency
New Federal Secretariat
Annex 111. 4th Floor
Shehu Shagari Way, Abuja

Fax: (09) 523-6625

Other addresses may be substituted for the above upon the giving of notice.

Section 6.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of Chief Executive, National Planning Commission and USAID will be represented by the individual holding or acting in the Office of Mission Director for USAID/Nigeria, 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, will be provided to USAID, 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 6.3. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

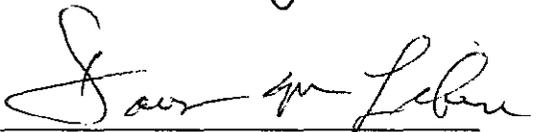
IN WITNESS WHEREOF, the United States of America and the Federal Republic of Nigeria, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first written above.

UNITED STATES OF AMERICA
By:

FEDERAL REPUBLIC OF NIGERIA
By:


Name: John Campbell
Title: Ambassador


Name: Professor Ode Ojowu
Title: Chief Executive
National Planning
Commission


Name: Dawn M. Liberi
Title: Mission Director 6/30/04
USAID/Nigeria

ACCOUNTING DATA:

Project# 620-013.01

| Appropriation: | BPC: | RCN: | Amount (\$): |
|----------------|--------------------|---------|--------------------------|
| 7241021.1 | GDVA-04-21620-KG13 | N420035 | 4,896,644 |
| 72X1095 | GCDX-04-21620-BG13 | N420036 | 2,500,000 |
| 724/51095 | GCD4-04-21620-BG13 | N420037 | 11,824,000 |
| 723/51095 | GCD4-04-21620-KG13 | N420038 | 7,400,000 |
| TOTAL | | | <u>26,620,644</u> |

[Handwritten Signature]

| | |
|------------------------|--------------------|
| FUNDS AVAILABLE | |
| 28 JUN 2004 | |
| AMOUNT..... | \$26,620,644 |
| CHECKED BY..... | <i>[Signature]</i> |
| AUTHORISED BY..... | <i>[Signature]</i> |

**STRATEGIC OBJECTIVE 13:
INCREASED USE OF SOCIAL SECTOR SERVICES**

Amplified Program Description

I. Introduction

This annex describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Annex 1 shall be construed as amending any of the definitions or terms of the Agreement.

II. Background

The health and basic education sectors in Nigeria have been particularly hard hit by the twin impacts of rapid population growth and poor economic performance under the military regimes of the 1980s and 1990s. The results are high child and maternal morbidity and mortality, low levels of adult literacy and poor academic performance, and high fertility that translates into rapid and unsustainable population growth. Availability and use of affordable child survival and maternal health measures are low. At least 15 percent of Nigerian children will die before their fifth birthday, while a Nigerian woman dies every three minutes from causes related to pregnancy and childbirth. Adult literacy declined during the decade of the 1990s, and fewer than 60 percent of children are in school. Health and education indicators are much worse in northern Nigeria than in the rest of the country, demonstrating regional imbalance and inequity. The poor quality of education, coupled with lack of access, is trapping successive generations of the poor deeper into poverty.

Key constraints to the use of social sector services in Nigeria include their poor quality and lack of accessibility. The Government of Nigeria has established a generally favorable policy environment for social sector service delivery, including recent national policies on population, reproductive health, the multi-sectoral HIV and AIDS Emergency Action Plan, Universal Basic Education (UBE), and the 1994 National Food and Nutrition Policy. These federal policies are complemented by similar policies and/or strategic documents at the state level. There exist, however, in some cases, systemic barriers to their full implementation throughout the country. There is a need to strengthen the policy environment, given the extremely low

resource levels allocated to health and education in the Federal budget.

The real and perceived quality of health and basic education services greatly influences the level of social sector service use. While state-of-the-art standards of practice may exist on paper, teachers and health care providers are often not trained in their use in pre-service or in-service settings. Lack of demand is considered a key contributing factor to poor performance of the social sectors in Nigeria. Lack of demand for health services may result from inadequate or incorrect knowledge of disease transmission, prevention and treatment. Within the basic education system, families may not be aware of the opportunities that would result from investments in education. In other cases, knowledge may be high, but individuals and community members lack the will to act on the knowledge by making timely and appropriate decisions about health care and education opportunities. Provider biases in the delivery of health care and teacher biases in classroom instruction often result in the poor quality of those services, leaving clients, parents and students with low expectations and little motivation to return to a service delivery point or to the classroom. Equally important are constraints within the community or the family (including opportunity costs) that impede a motivated and knowledgeable client, parent or student from acting on the demand that does exist.

The powerful linkages between health and education indicators argue for the strategic integration of programs in reproductive health and family planning, child survival and basic education where feasible and practical. Strategic approaches and interventions developed under SO13 will reinforce and help to sustain the conditions for increased use of health and education services by addressing key constraints and challenges. USAID experience to date suggests that the greatest return on individual investments will occur through targeted activities in health and education at the community level, such that gains in health status reinforce gains in educational achievement and vice versa.

III. Funding

The financial plan for the Program is set forth in Attachment A and is outlined according to the Intermediate Results (IRs).

Field Support funds will support the implementation of health and education surveys (DHS and EdData), commodity logistics management, social marketing of contraceptives, pre-packaged malarial drugs (PPDs), and insecticide-treated bednets (ITNs), and monitoring and evaluation.

USAID and the Grantee may agree, through Implementation Letters, to revise the illustrative financial plan and re-allocate funds among activities without formal amendment to the Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement. In addition, USAID may re-allocate funds among approved activities without the prior approval of the Grantee provided that the Grantee is notified of such changes through an Implementation Letter and such changes do not increase or decrease the amount of funding to any activity by more than 20 percent during any calendar year.

IV. Results to be Achieved/Results Framework

The purpose of this Agreement is to provide a framework for furnishing USAID assistance for activities that will promote the Objective stated in Section 2.1 of the Agreement. In order to help achieve the Objective, activities financed under this Agreement will be designed to further one or more of the Intermediate Results set forth in Section 2.2 of the Agreement, and as further described below:

IR 13.1: Improved quality of social sector services

Activities to assist the Grantee in achieving this IR will focus on improving the quality of human resources working in the health and education sectors. Efforts will target training, ways to improve teacher and provider performance and quality management of human resources. Teachers and health care providers will be trained in the use of existing state-of-the-art standards of practice in pre-service or in-service settings. Trained teachers and health care providers will be adequately supervised and monitored for adherence to standard procedures; barriers to improved performance will be addressed; and the clients' perceptions of service quality will be fully integrated into program planning and service delivery approaches.

Although the Grantee has made great strides since 1999 in drafting and/or reinvigorating many relevant national policies to guide provision of quality social sector services, gaps remain. Significant assistance will be provided to get what is on paper operational, and to assure that minimal levels of quality can be provided, particularly at the Local Government Area (LGA) and community levels where most results will accrue.

IR 13.2: Strengthened enabling environment

Activities under this IR will aim to facilitate dialogue to move national and state policies and strategies to useful implementation. They will also serve to facilitate stakeholder meetings with various decision-making bodies in Nigeria as well to educate community groups to better understand the relevance of government policies to their lives.

This IR will assist the Grantee as well as other stakeholders to translate social sector policies into action as well as to engage Nigerians at every level of society to be active participants in realizing the intended goals of these policies: better health and education outcomes. In addition, dialogue between State and Local Governments and civil society groups will be supported in order to ensure that the policies and resultant decisions/actions represent the views and input of local community groups such as parents, teachers, religious and traditional leaders and other members of civil society.

IR 13.3: Expanded demand for improved social sector services

Through behavior change interventions, research and social marketing, this IR will increase demand for public and private social sector services. USAID will expand the demand for social sector services by expanding national health care messages and media materials that have been developed through previous USAID-funded activities. Expanding this demand will require increasing access to accurate knowledge of service availability as well as increasing positive outcomes from using these services. USAID will expand demand for health services by providing adequate and correct knowledge of disease transmission, prevention and treatment. Within the basic education system, families will become aware of the positive opportunities from investments in education. Demand creation will also assist communities to identify their needs in the health and education sectors as well as the constraints to meeting these needs and ways to address them. Individuals and community members, especially leaders,

will learn to promote health and education decision-making by encouraging their constituencies to make timely and appropriate decisions about health care and education opportunities.

In-service training for the delivery of health care and teacher training will improve the quality of services, leaving clients, parents and students with high expectations and motivation to return to a service delivery point or to the classroom. Through behavior change interventions, research and social marketing, this IR will increase demand for public and private social sector services.

IR 13.4: Increased access to services, commodities and materials

The concept of "access" is multi-dimensional. For the purposes of this SO, access includes the availability of services, commodities and materials (their physical presence in the marketplace and/or facility). Access also encompasses the ability of individuals, families and communities to avail themselves of those services, commodities and materials. This IR will assist the Grantee to focus on increasing access in both of its dimensions through greater synergies in the development of logistics supply systems; greater equity in pricing structures; greater diversity in the range of providers so as to minimize the distance to service; and strengthened public-private partnerships to maximize service and product access.

At the community level, cultural issues that militate against increased access will be more fully incorporated into health and basic education activities, including consideration of gender roles, opportunity costs and individual motivation. Greater private sector participation will be encouraged to meet demand for commodities and services in communities where such demand is high but is currently not being met.

V. Performance Management

Progress in attaining the Objective and the four Intermediate Results will be measured through the following performance indicators:

| Table 2: Indicators for SO 13 Framework | |
|--|--|
| SO and Results | Indicators |
| SO 13 Increased Use of Social Sector Services | <ul style="list-style-type: none"> • Children 12-23 months receiving three doses of DPT (Diphtheria-Pertussis-Tetanus vaccine) before their first birthday in target LGAs; • Primary school retention, by sex, in target schools; • Contraceptive prevalence rate (modern methods) among women 15-49 years in target LGAs. |
| IR 13.1 Improved quality of social sector services | <ul style="list-style-type: none"> • Teachers'/providers' compliance with basic quality standards in target LGAs; • Client/customer/pupil/parent satisfaction with services used; • Increased English literacy and numeracy scores of students in target LGAs; • Public and private facilities meeting national service standards for priority interventions in target LGAs. |
| IR 13.2 Strengthened enabling environment | <ul style="list-style-type: none"> • Targeted policies modified/enacted at the national level; • Key enabling legislation/regulations/procedures aligned with policies; • New resources leverage by private sector alliances (communities, NGOs, Global Development Alliance). |
| IR 13.3 Expanded demand for improved social sector services | <ul style="list-style-type: none"> • Clients seen by health providers, by sex and age, in target LGAs; • Condoms and other contraceptives sold, nationally; • Primary Gender Parity Index in target LGAs; • Classrooms equipped with basic instructional materials; • Pre-packaged drugs and insecticide treated bednets sold, nationally. |
| IR 13.4 Increased access to services, commodities and materials | <ul style="list-style-type: none"> • Facilities offering family planning/reproductive health services; • Schools implementing girl-friendly approaches; • Facilities offering routine immunization in target LGAs; • Vitamin A distributed, nationally. |

VI. Activities

To maximize the impact of limited USG resources, activities under this Agreement will focus on strengthening social sector

services in four states (Kano, Lagos, Bauchi, and Nasarawa) and the Federal Capital Territory (FCT).

Some activities, such as social marketing, policy reform and advocacy, and the Polio Eradication Initiative will be conducted on a national scale. National level activities do not imply working with the Nigerian federal government on an exclusive nor a priority basis. Rather, activities that support policy and regulatory changes, advocacy and communication will be implemented through a wide range of stakeholders, including the Nigerian federal government, to ensure ownership and sustainable action.

In consultation with Government of Nigeria Health and Education Ministries and agencies, donors, USAID implementing partners, civil society groups, private sector, and other stakeholders, USAID developed a five-year Country Strategic Plan 2004-2009, which responds to the sustainable development needs of Nigeria. The Strategic Objective 13 (SO 13) Team will collaborate with USAID's contracting and legal offices to determine the most appropriate type of instruments to implement activities under this Agreement. In accordance with USAID's policies on competitive bidding, USAID will encourage competition in the award of contracts, grants and cooperative agreements in order to identify and fund organizations to achieve the Objective.

The following is a list of specific activities to be undertaken to achieve the Objective, together with illustrative activities that may be undertaken to achieve the Objective. The list is neither exhaustive nor definitive and USAID and the Grantee may consider new opportunities based on their potential for advancing the Objective and its related Intermediate Results.

IR 13.1: Improved quality of social sector services

Illustrative Activities:

- Train health care workers and teachers to enhance their skills in the delivery of quality health and education services;
- Support the development/revision of critical Standards of Practice (SOP) that can be used uniformly by both public and private providers to ensure that all clients receive quality services;
- Support the development and implementation of pre-service and in-service training curricula that are based on the standards of practice;

- Support the development and implementation of institutional management systems that are based on performance improvement approaches;
- Promote the use of data for decision-making; and
- Share best practices in quality assurance methods, approaches and tools.

IR 13.2: Strengthened enabling environment

Illustrative activities:

- Support the development of community partnerships and participatory planning;
- Support the development of improved policies and action plans;
- Advocate for greater national, state and LGA resources and use for health and education;
- Develop donor and private sector partnerships to leverage new resources;
- Improve information systems for management, decision-making and advocacy; and
- Develop national, state and local capabilities in planning, implementation and evaluation of programs.

IR 13.3: Expanded demand for improved social sector services

Specific Activities:

- The Promoting Sexual and Reproductive Health and HIV/AIDS Reduction (PSRHH) Program, being implemented by Population Services International and its local affiliate, the Society for Family Health (PSI/SFH), is laying the foundation for a sustainable social marketing program in Nigeria by building institutional capacity to develop and implement behavior change communication strategies, conduct research in reproductive health, malaria treatment and HIV/AIDS, and widely distribute condoms and other contraceptive commodities throughout Nigeria and pre-packaged anti-malarial drugs in selected states.
- The NetMark Project, being implemented by the Academy for Educational Development, is laying the foundation for commercial marketing of insecticide-treated bednets (ITNs) for malaria prevention. NetMark is building the foundation for awareness creation for the use of ITNs.

Illustrative activities:

- Develop and integrate behavior change communication (BCC) for child survival, reproductive health and basic education;
- Undertake operations research to improve understanding of the factors affecting behavior change and expanded demand;
- Expand and strengthen social marketing for selected products and services; and
- Scale up successful models of community mobilization for demand expansion.

IR 13.4: Increased access to services, commodities and materials

Specific Activities:

- The DELIVER Project, being implemented by John Snow, Incorporated, is laying the foundation for a sustainable commodity logistics management system in Nigeria by working with the Grantee to build institutional capacity to forecast commodity needs, store and distribute commodities and monitor the use of commodities at the state and local levels. The project is also working with the Grantee and other donors to ensure commodity security for Nigeria.

Illustrative activities:

- Develop initiatives directed to special groups such as girls, adolescents, Islamic schools, orphans and vulnerable children, faith-based organizations, uniformed services, and hard-to-reach populations;
- Strengthen commodity logistics systems;
- Develop cost-recovery systems, including innovative community financing; and
- Improve vaccine security.