



USAID | TANZANIA

FROM THE AMERICAN PEOPLE

06/12/2006

Mr. Allan Sauder, President.
Mennonite Economic Development Associates (MEDA)
1821 Oregon Pike, Ste. 201
Lancaster, PA 17601

Reference: **621-A-00-06-00008-00**

Subject: **Extension of Tanzania National Voucher Scheme**

Dear Mr. Sauder:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to **Mennonite Economic Development Associates (MEDA)** (hereinafter referred to as the "Recipient"), the sum of **\$2,902,300** to provide support for a program in **Extension of Tanzania National Voucher Scheme** as described in the Schedule of this award and in Attachment 2, entitled "Program Description."

This award is effective and obligation of **\$2,800,000** is made as of the date of this letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending **06-11-2007**. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This award is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule), Attachment 2 (the Program Description), and Attachment 3 (the Standard Provisions), all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the award, and return the original and all but one copy to the undersigned.

Sincerely yours,

Kenneth P. LuePhang
Agreement Officer.

Attachments:

- A. Schedule
- B. Program Description
- C. Standard Provisions

621-A-00-06-00008-00

ACKNOWLEDGED:

BY: Allan Sawla

TITLE: President

DATE: 31 May 06


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A. GENERAL

1. Total Estimated USAID Amount: \$2,902,300
2. Total Obligated USAID Amount: 2,800,000
3. Cost-Sharing Amount (Non-Federal): \$921,462
4. Activity Title: **Extension of Tanzania National Voucher Scheme.**
5. USAID Technical Office: **USAID/Tanzania**
6. Tax I.D. Number:
7. DUNS No.:
8. LOC Number: **HHS - 29A0P**

B. SPECIFIC

621-MAARD6210011-3-6011-MEDA
621-SOAG621-0011-1
Fund Account: CD 2006 2007
Amount: \$2,800,000


FUNDS AVAILABLE
Office of The Controller, USAID/TANZANIA
Date 6/12/06 06/12/06

C. PAYMENT OFFICE

USAID/M/FM/GIB
Ronald Reagan Building
LOC Division
1300 Pennsylvania Avenue, NW
Washington, DC. 20523-7700

SCHEDULE

A.1 PURPOSE OF AGREEMENT

The purpose of this Agreement is to provide support for the program described in Attachment 2 to this Agreement entitled "Program Description."

A.2 PERIOD OF AGREEMENT

1. The effective date of this Agreement is **06-12-2006**. The estimated completion date of this Agreement is **06-11-2007**.
2. Funds obligated hereunder are available for program expenditures for the estimated period to 04-30-2007.

A.3 AMOUNT OF AWARD AND PAYMENT

1. The total estimated amount of this Award for the period shown in A.2.1 above is **\$2,902,300**.
2. USAID hereby obligates the amount of **\$2,800,000** for program expenditures during the period set forth in A.2.2 above and as shown in the Budget below. The recipient will be given written notice by the Agreement Officer if additional funds will be added. USAID is not obligated to reimburse the recipient for the expenditure of amounts in excess of the total obligated amount.
3. Payment shall be made to the Recipient by Letter of Credit in accordance with procedures set forth in 22 CFR 226.
4. Additional funds up to the total amount of the grant shown in A.3.1 above may be obligated by USAID subject to the availability of funds, satisfactory progress of the project, and continued relevance to USAID programs.

A.4 BUDGET

The following is the Agreement Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with Revision of Grant Budget.

	Item	Total
1	Regional Field Costs	
2	Field Management Cost	
3	Voucher Printing/Service	
4	Subsidy	
5	NGO/Government Distribution/Monitoring	
6	Audit	
7	Indirect Cost	
9	Total USAID Budget Cost Share	2,902,300
10	Total Program Cost	

A.5 REPORTING AND EVALUATION

1. Financial Reporting

The Recipient shall submit an original and copies . Financial Reports shall be in keeping with General Provision "Accounting ,Audit, and Records".

Recipients shall list each country included in the program and the total amount expended for each country under the award for the reporting period in the "Remarks" block on the "Financial Status Report" SF-269 or SF-269A, or on a separate sheet of paper with the "Request for Advance or Reimbursement" SF-270.

2. Performance Monitoring and Reporting

The Recipient will submit reports to the CTO as described below. The exact format for preparation of and timing for, submission of all reports will be determined in collaboration with the CTO.

1. Annual Implementation Plan (2 copies)

The Recipient will prepare and submit to the CTO an annual implementation plan on a schedule established by the CTO. The first implementation plan to be submitted will not necessarily be for a full year or may be for more than a full year, depending upon the start date of the agreement. Annual implementation plans should be organized into the following sections:

- a) Work Plan: The work plan serves several purposes including a guide to program implementation, a demonstration of links between activities and Expected Results, a basis for budget estimates and the foundation for the monitoring and evaluation plan. The work plan, at a minimum, should include:
 - (1) Brief situation analysis that details current Infant and Equity voucher programs and distribution of IRKs and how the recipient's activities will enhance these efforts
 - (2) Milestones toward achieving Expected Results;
 - (3) Activities to be accomplished that year related specifically toward the achievement of milestones;
 - (4) Level of effort required in terms of key staff and support staff time and financial resources;
 - (5) Partner involvement and contributions to achieving the results;
 - (6) Timeline.

Work plans should be organized to clearly link activities to the Expected Results. The work plan is negotiated with the CTO in consultation with NMCP managers, SO team leaders as appropriate, and mission PHN officers and FSNs and will outline key activities to be accomplished for the year. Work plan budgets should delineate an overall budget, a budget per Expected Result and budget per activity.

- b) Management Plan: Coordination and communication with the NMCP and a wide range of partners, both internal to USAID and public/private sector partners, other cooperating agencies (CAs), other donors, etc. is key to the achievement of the TNVS. Recipients should demonstrate a willingness to partner with non-traditional and partners new to USAID and utilize diverse human resources effectively. Implementation plans will need to specify clear lines of supervision, accountability, decision-making and responsibility among staff. In the case of proposed prime/sub relationships, especially in cases of geographic separation of collaborative institutions, clear lines of communication should be established. Special attention will need to be paid to ensuring efficiencies in operational and financial management. Recipients should address how they intend to manage the operational partnerships in order to maximize the input and utility of all partner organizations, collaboratively and effectively.

2. Quarterly Performance Monitoring Reports (2 copies)

The performance monitoring report shall be submitted to the CTO and the NMCP within 30 days following the end of the reporting period. Reports should briefly document on-going surveillance activities, and relate actual accomplishments toward the Expected Results and milestones. The last performance monitoring report of the year should be a summation of the results and progress toward results made during that year. The reports must also include the following:

- a) Summarize results of TNVS activities.
- b) Explanation of quantifiable output of the programs or projects, if appropriate and applicable;
- c) Reasons why established goals were not met, if appropriate; and,
- d) Analysis and explanation of cost any overruns or high unit costs (recipients must immediately notify USAID of developments that have a significant impact on award-supported activities).

Notification must be given to USAID in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award. These notifications must include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

3. Response Report (1 copy)

The Recipient is required to provide a response report to include follow-on recommendations and the next steps for proper response by the TNVS. This report may be made at any time as required by the NMCP or USAID..

4. Final Report (2 copies)

As USAID requires, 90 days after the completion date of this Cooperative Agreement, the Recipient shall submit a final report which includes: an executive summary of the Recipient's accomplishments in achieving the Expected Results and conclusions about areas in need of future assistance; an overall description of the Recipient's activities and attainment of results during the life of the Cooperative Agreement; an assessment of progress made toward accomplishing the Expected Results; significance of these activities; important research findings; comments and recommendations; a section on how the program will be sustained after termination of USAID funding, and a fiscal report that describes how the Recipient's funds were used. See 22 CFR 226.51.

Distribution of Reports

1. Reports required as described in this section will be sent to the CTO, the NMCP Manager and to the Agreement Officer.
2. Via E-mail: docsubmit@dec.cdie.org ;
3. Via Development Experience Clearinghouse, 8403 Colesville Road, Suite 210, Silver Spring, MD 20910, USA;
4. Via Fax: (301) 588-7787; or
5. Online: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>.

A.6 INDIRECT COST RATE.

The indirect cost for this award is XX. The base of application for this award is XXXXXX.

A.7 TITLE TO PROPERTY

Property Title will be vested with the Cooperative Country.

A.8 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this award is 935.

A.9 COST SHARING

The Recipient agrees to expend an amount not less than XXXXXX of the total activity costs.

A.10 SPECIAL PROVISIONS

MARKING UNDER ASSISTANCE INSTRUMENTS – AAPD 05-11

All the requirements of AAPD 05-11, plus any future amendments to it, are binding to this award. The link to download AAPD 05-11 is http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd05_11.pdf. Please, contact the agreement officer for the hard copy if you have a problem in downloading it.

Substantial Involvement.

USAID will be substantial involved in the following areas.

- 1) Approval of the recipient's Implementation Plans.

USAID will have the right to approve the proposed work plans on a yearly basis before implementation. All significant changes in the work plan by the recipient occurring after approval of the yearly work plan will require additional approval by USAID

- 2) Approval of specified key personnel.

The following positions have been designated as Key personnel positions.

- | | | |
|------------------------|---|-------------------|
| I. The Project Manager | - | To Be Determined |
| II. Accountant | - | To Be Determined. |

- 3) Agency and recipient collaboration or joint participation.

Where there are specific elements in the Program Description for which USAID's technical knowledge would benefit the recipient's successful accomplishment of stated program objectives, the joint participation of USAID and the recipient can be authorized. Where the Agreement Officer is satisfied that there is sufficient reason for Agency involvement and that involvement is specifically tailored to support identified elements in the Program Description, the following are examples of appropriate levels of substantial involvement:

- i. Collaborative involvement in selection of advisory committee members. USAID may also chose to become a member of this type of committee. Advisory committees shall concern themselves only with technical or programmatic issues and not routine administrative matters;
- ii. Concur on the selection of subaward recipients and/or the substantive provisions of the subawards;
- iii. Approval of the recipient's monitoring and evaluation plans;
- iv. Agency monitoring to permit specified kinds of direction or redirection because of interrelationships with other projects. All such activities must be included in the Program Description and negotiated in the budget of the award.

A.11 EXECUTIVE ORDER ON TERRORISM FINANCING (FEB 2002)

The Contractor/Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the responsibility of the contractor/recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this contract/agreement.

**A.12 FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES
(JAN 2002)**

Funds in this [contract, agreement, amendment] may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences" or as approved by the [CO/AO/CTO].

PROGRAM DESCRIPTION

The Recipient proposal entitled **A PROPOSAL FOR THE EXTENSION OF THE TANZANIA NATIONAL VOUCHER SCHEME** dated May 2006 is attached hereto as the Program description (Attachment 2) and is made a part of this award.

STANDARD PROVISIONS FOR U.S., NON GOVERNMENTAL RECIPIENTS

C.1 APPLICABILITY OF 22 CFR PART 226 (MAY 2005)

(a) All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

(b) For any subawards made with Non-US subrecipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees." Recipients are required to ensure compliance with subrecipient monitoring procedures in accordance with OMB Circular A-133.

.2 INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the USAID Agreement Officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

C.3 NONDISCRIMINATION (MAY 1986)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this award on the basis of race, color, national origin, age, handicap, or sex.

C.4 INVESTMENT PROMOTION (JANUARY 1994)

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States. No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID. No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

C.5 NONLIABILITY (NOVEMBER 1985)

USAID does not assume liability for any third party claims for damages arising out of this award.

C.6 AMENDMENT (NOVEMBER 1985)

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.

C.7 NOTICES (NOVEMBER 1985)

Any notice given by USAID or the recipient shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the USAID Agreement Officer, at the address specified in the award.

To recipient, at recipient's address shown in the award or to such other address designated within the award Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

C.8 SUBAGREEMENTS (JUNE 1999)

Subrecipients, subawardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

C.9 OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (APRIL 1998)

Information collection requirements imposed by this grant are covered by OMB approval number 0412-0510; the current expiration date is 4/30/2005. Identification of the Standard Provision containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are set forth below.

Standard Provision -----	Burden Estimate -----
Air Travel and Transportation	1 (hour)
Ocean Shipment of Goods	.5
Patent Rights	.5
Publications	.5
Negotiated Indirect Cost Rates - (Predetermined and Provisional)	1
Voluntary Population Planning	.5
Protection of the Individual as a Research Subject	
 22 CFR 226 -----	 Burden Estimate -----
22 CFR 226.40-.49 Procurement of Goods and Services	1
22 CFR 226.30 - .36 Property Standards	1.5

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Procurement, Policy Division (M/OP/P) U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, DC 20503.

C.10 CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

Upon arrival in the Cooperating Country, and from time to time as appropriate, the recipient's chief of party shall consult with the Mission Director who shall provide, in writing, the procedure the recipient and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

C.11 USE OF POUCH FACILITIES (AUGUST 1992)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:

(1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:

Name of individual or organization (followed by letter symbol "G") City Name of post (USAID/_____) Agency for International Development Washington, D.C. 20523-0001

(5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(6) Recipient personnel are NOT authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.

(b) The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

C.12 INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (JUNE 1999)

(a) PRIOR BUDGET APPROVAL

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

(1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).

(2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and

(3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

(b) NOTIFICATION

(1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:

(i) the primary purpose of the trip is to work with USAID Mission personnel, or

(ii) the recipient expects significant administrative or substantive programmatic support from the Mission. Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

(2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:

(i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

(c) SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before travelling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet. Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

(d) USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the

grantee may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(e) THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

(f) COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the grantee. If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

(g) SUBAWARDS.

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

C.13 LOCAL PROCUREMENT (APRIL 1998)

(a) Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.

(b) Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in mandatory standard provision, "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:

(1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.

(2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.

(3) Professional Services Contracts estimated not to exceed \$250,000.

(4) Construction Services Contracts estimated not to exceed \$5,000,000.

(5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

(i) Utilities including fuel for heating and cooking, waste disposal and trash collection;

(ii) Communications - telephone, telex, fax, postal and courier services;

(iii) Rental costs for housing and office space;

(iv) Petroleum, oils and lubricants for operating vehicles and equipment;

(v) Newspapers, periodicals and books published in the cooperating country;

(vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

(c) The coverage on ineligible and restricted goods and services in the mandatory standard provision entitled, "USAID Eligible Services," also apply to local procurement.

(d) This provision will be included in all subagreements where local procurement of goods or services is a supported element.

C.14 NEGOTIATED INDIRECT COST RATES - PREDETERMINED (APRIL 1998)

(a) The allowable indirect costs shall be determined by applying the predetermined indirect cost rates to the bases specified in the schedule of this award.

(b) Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed predetermined indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, the proposed predetermined indirect cost rates, and supporting cost data to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rates shall begin soon after receipt of the recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.

(d) The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon predetermined rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the specific items treated as direct costs. The indirect cost rate agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.

(e) Pending establishment of predetermined indirect costs rates for any fiscal year, the recipient shall be reimbursed either at the rates fixed for the previous fiscal year or at billing rates acceptable to the USAID Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

C.15 PUBLICATIONS AND MEDIA RELEASES (JAN 2004)

(a) USAID shall be prominently acknowledged in all publications, videos or other information/media products funded or partially funded through this award, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of USAID. Acknowledgements should identify the sponsoring USAID Office and Bureau or Mission as well as the U.S. Agency for International Development substantially as follows:

"This [publication, video or other information/media product (specify)] was made possible through support provided by the Office of _____, Bureau for _____, U.S. Agency for International Development, under the

terms of Award No. _____. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development."

(b) Unless the recipient is instructed otherwise by the Cognizant Technical Officer, publications, videos or other information/media products funded under this award and intended for general readership or other general use will be marked with the USAID logo and/or U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT appearing either at the top or at the bottom of the front cover or, if more suitable, on the first inside title page for printed products, and in equivalent appropriate location in videos or other information/media products. Logos and markings of co-sponsors or authorizing institutions should be similarly located and of similar size and appearance.

(c) The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced under the award. In addition, the recipient shall submit one electronic (preferred) or one paper copy of final documents to USAID's Development Experience Clearinghouse (DEC) in to one of the following:

- (A) Via E-mail: docsubmit@dec.cdie.org ;
- (B) Via U.S. Postal Service: Development Experience Clearinghouse, 8403 Colesville Road, Suite 210, Silver Spring, MD 20910, USA;
- (C) Via Fax: (301) 5887787; or
- (D) Online: <http://www.dec.org/index.cfm?fuseaction=docSubmit.home>.

(d) Electronic documents may be submitted on 3.5" diskettes or as e-mail attachments, and should consist of only one electronic file that comprises the complete and final equivalent of the paper copy; otherwise, a paper copy must be sent. Acceptable software formats for electronic documents include Microsoft Word, WordPerfect, Microsoft Excel and Portable Document Format (PDF).

(e) Each document submitted should include the following information: 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) date of publication; 6) software name and version (if electronic document is sent).

(f) In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost, as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

(g) Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize Government purposes.

C.16 TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (NOVEMBER 1985)

(a) Except as modified by the schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the recipient by USAID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country may designate, unless title to specified types or classes of equipment is reserved to USAID under provisions set forth in the schedule of this award. All such property shall be under the custody and control of recipient until the owner of title directs otherwise or completion of work under this award or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The recipient shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The recipient shall take all reasonable steps to comply with all appropriate directions or instructions which the Agreement Officer may prescribe as reasonably necessary for the protection of the Government property.

(c) The recipient shall prepare and establish a program, to be approved by the appropriate USAID Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient shall be guided by the following requirements:

(1) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of cooperating country property acquired or furnished under the award by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of (insert name of cooperating country)."

(ii) The price of each item of property acquired or furnished under this award.

(iii) The location of each item of property acquired or furnished under this award.

(iv) A record of any usable components which are permanently removed from items of cooperating country property as a result of modification or otherwise.

(v) A record of disposition of each item acquired or furnished under the award.

(vi) Date of order and receipt of any item acquired or furnished under the award.

(vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this award, the status of property acquired or furnished under this award may be readily ascertained. A report of current status of all items of property acquired or furnished under the award shall be submitted yearly concurrently with the annual report.

(2) Maintenance Program: The recipient's maintenance program shall be consistent with sound business practice, the terms of the award, and provide for:

(i) disclosure of need for and the performance of preventive maintenance,

(ii) disclosure and reporting of need for capital type rehabilitation, and

(iii) recording of work accomplished under the program:

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The recipient's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and efficiencies discovered as a result of inspections.

(C) A report of status of maintenance of cooperating country property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss:

(1) The recipient shall not be liable for any loss of or damage to the cooperating country property, or for expenses incidental to such loss or damage except that the recipient shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the recipient's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the recipient's business, or all or substantially all of the recipient's operation at any one plant, laboratory, or separate location in which this award is being performed;

(ii) Which results from a failure on the part of the recipient, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the Agreement Officer under (b) above;

(iii) For which the recipient is otherwise responsible under the express terms designated in the schedule of this award;

(vi) Which results from a risk expressly required to be insured under some other provision of this award, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the recipient's liability under any one exception shall not be limited by any other exception.

(2) The recipient shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the cooperating country property, except to the extent that USAID may have required the recipient to carry such insurance under any other provision of this award.

(3) Upon the happening of loss or destruction of or damage to the cooperating country property, the recipient shall notify the Agreement Officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the Agreement Officer a statement of:

(i) The lost, destroyed, or damaged cooperating country property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the cooperating country property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The recipient shall make repairs and renovations of the damaged cooperating country property or take such other action as the Agreement Officer directs.

(5) In the event the recipient is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the award, or shall otherwise reimburse USAID, as directed by the Agreement Officer. The recipient shall do nothing to prejudice USAID's

right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Agreement Officer, shall, at the Governments expense, furnish to USAID all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

(e) Access: USAID, and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.

(f) Final Accounting and Disposition of Cooperating Country Property: Within 90 days after completion of this award, or at such other date as may be fixed by the Agreement Officer, the recipient shall submit to the Agreement Officer an inventory schedule covering all items of equipment, materials and supplies under the recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this award. The recipient shall also indicate what disposition has been made of such property.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

C.17 COMMUNICATIONS PRODUCTS (OCT 1994)

(a) Definition - Communications products are any printed material (other than non-color photocopy material), photographic services or video production services.

(b) Standards - USAID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for USAID-financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the Agreement Officer:

(1) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(2) Any communication products that will be sent directly to, or is likely to be seen by, a Member of Congress or Congressional staffer.

(3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to PPC/CDIE and other USAID/W offices for internal use).

C.18 COST SHARING (MATCHING) (JAN 2002)

(a) If at the end of any funding period, the recipient has expended an amount of non-Federal funds less than the agreed upon amount or percentage of total expenditures, the Agreement Officer may apply the difference to reduce the amount of USAID incremental funding in the following funding period. If the award has expired or has been terminated, the Agreement Officer may require the recipient to refund the difference to USAID.

(b) The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

C.19 REPORTING OF FOREIGN TAXES

(a) Final and Interim Reports. The recipient must annually submit two reports: (i) an interim report by November 17; and (ii) a final report by April 16 of the next year.

(b) Contents of Report. The reports must contain: (i) Recipient name. (ii) Contact name with phone, fax and email. (iii) Agreement number(s). (iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year. NOTE: For fiscal year 2003 only, the reporting period is February 20, 2003 through September 30, 2003. (v) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa). (vi) Any reimbursements received by the Recipient during the period in (iv) regardless of when the foreign tax was assessed plus, for the interim report, any reimbursements on the taxes reported in (iv) received by the recipient through October 31 and for the final report, any reimbursements on the taxes reported in (iv) received through March 31. (vii) The final report is an updated cumulative report of the interim report. (viii) Reports are required even if the contractor/recipient did not pay any taxes during the report period. (ix) Cumulative reports may be provided if the contractor/recipient is implementing more than one program in a foreign country.

(c) Definitions. For purposes of this clause: (i) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements. (ii) "Commodity" means any material, article, supply, goods, or equipment. (iii) "Foreign government" includes any foreign governmental entity. (iv) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.

(d) Where. Submit the reports to:

Mission Controller
USAID/Tanzania
2140 Dar es Salaam place
Washington D.C. 50521-2140

(e) Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subgrants and other subagreements.

(f) For further information see <http://www.state.gov/m/rm/c10443.htm> .

C.20 USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)

(a) The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website:
<http://www.usaid.gov/about/disability/DISABPOL.FIN.html>.

(b) USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.”

C.21 DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (JANUARY 2004)

- (1) The recipient agrees to notify the Agreement Officer immediately upon learning that it or any of its principals:
 - (a) Are presently excluded or disqualified from covered transactions by any Federal department or agency;
 - (b) Have been convicted within the preceding three-years period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility;
 - (c) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b); and
 - (d) Have had one or more public transactions (Federal, State, or local) terminated for cause or default within the preceding three years.

- (2) The recipient agrees that, unless authorized by the Agreement Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the Excluded Parties List System (<http://epls.arnet.gov>). The recipient further agrees to include the following provision in any subagreements or contracts entered into under this award:

**DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY
EXCLUSION (DECEMBER 2003)**

The recipient/contractor certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any Federal department or agency.

- (3) The policies and procedures applicable to debarment, suspension, and ineligibility under USAID-financed transactions are set forth in 22 CFR Part 208.

C.22 DRUG-FREE WORKPLACE (JANUARY 2004)

- (1) The recipient agrees that it will publish a drug-free workplace statement and provide a copy to each employee who will be engaged in the performance of any Federal award. The statement must
 - (a) Tell the employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;
 - (b) Specify the actions the recipient will take against employees for violating that prohibition; and
 - (c) Let each employee know that, as a condition of employment under any award, he or she
 - (1) Must abide by the terms of the statement, and
 - (2) Must notify you in writing if he or she is convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than five calendar days after the conviction.

- (2) The recipient agrees that it will establish an ongoing drug-free awareness program to inform employees about
 - (a) The dangers of drug abuse in the workplace;
 - (b) Your policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation and employee assistance programs; and
 - (d) The penalties that you may impose upon them for drug abuse violations occurring in the workplace.

- (3) Without the Agreement Officer's expressed written approval, the policy statement and program must be in place as soon as possible, no later than the 30 days after the effective date of this award, or the completion date of this award, whichever occurs first.

- (4) The recipient agrees to immediately notify the Agreement Officer if an employee is convicted of a drug violation in the workplace. The notification must be in writing, identify the employee's position title, the number of each award on which the employee worked. The notification must be sent to the Agreement Officer within ten calendar days after the recipient learns of the conviction.
- (5) Within 30 calendar days of learning about an employee's conviction, the recipient must either
 - (a) Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 USC 794), as amended, or
 - (b) Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for these purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
- (6) The policies and procedures applicable to violations of these requirements are set forth in 22 CFR Part 210.

A PROPOSAL FOR THE EXTENSION OF THE TANZANIA NATIONAL VOUCHER SCHEME

Technical Application

MAY 18, 2006

**Prepared for
United States Agency For
International Development**

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A PROPOSAL FOR THE EXTENSION OF THE TANZANIA NATIONAL VOUCHER SCHEME

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LIST OF ACRONYMS

Business Development Services	BDS
Council Health Management Team	CHMT
District Executive Director	DED
District Medical Officers	DMO
Equity Voucher	EV
Hati Punguzo Focal Person	HPFP
Hati Punguzo Pregnant Woman Voucher	HPV
Ifakara Health Research and Development Center	Ifakara
Implementation Grant Program	IGP
Infant Voucher	IV
Insecticide Re-treatment Kits	IRKs
Insecticide Treated Net	ITN
Investment Fund Development	IFD
Mennonite Economic Development Associates	MEDA
Medical Stores Department	MSD
Microfinance	MF
Monitoring and Evaluation Contractor	MEC
National Malaria Control Program	NMCP
Non-governmental Organization	NGO
Population Statistics International	PSI
Pregnant Woman	PW
President's Malaria Initiative	PMI
Production Market Linkages	PML
Regional Administrative Secretary	RAS
Regional Medical Officers	RMO
Tanzania National Voucher Scheme	TNVS
Training and Promotion Contractor	TPC
Value Chain Development	VCD
Visual Basic	VB
World Vision	WV

A PROPOSAL FOR THE EXTENSION OF THE TANZANIA NATIONAL VOUCHER SCHEME

EXECUTIVE SUMMARY

Launched in 2004, the Tanzania National Voucher Scheme (TNVS) uses a unique and innovative public-private partnership approach to reduce the impact of malaria amongst pregnant women and children under five. The results of the programme to date have been extremely positive, leading to the approval of an extension of the TNVS by the Global Fund, and the imminent introduction of additional activities to the TNVS funded by the President's Malaria Initiative via USAID. The Mennonite Economic Development Associates (MEDA), a reputable non-governmental organization and the current logistics contractor for the TNVS, is an ideal and practical choice to provide effective management services for the extension of the TNVS to include vouchers for infants and for pilot activities related to the provision of an equity voucher.

In order for the TNVS to continue effectively preventing malaria by targeting vulnerable populations, the President's Malaria Initiative (PMI) has agreed to fund the introduction of two new vouchers. Firstly, an Infant Voucher (IV) will be made available to infants under the age of one when receiving their measles vaccination at an RCH clinic. Secondly, an Equity Voucher (EV) will be distributed through community-based mechanisms to pregnant women and children in the lowest socio-economic quintile. The Equity Voucher (EV) combined with either the existing Hati Punguzo Pregnant Women Voucher (HPV) or the new Infant Voucher (IV) will cover the full price of an Insecticide Treated Net (ITN) for at-risk population groups.

From a private sector perspective, the extension will lead to an increase in ITN sales and profits for retailers, wholesalers and manufacturers. Additionally, there will be an increase in the number of ITN retailers countrywide, allowing for healthy market competition, generating growth in the ITN sector and creating a culture of using nets consistently as a means of preventing malaria nation-wide. From a humanitarian perspective, the addition of an IV will result in increased and more timely clinic attendance for measles vaccinations. Most importantly, targeting infants will mean a reduction in malaria related deaths, which is currently the primary killer of children in Tanzania. The addition of the EV is also an important step in the fight against malaria as it ensures equitable access to ITNs for the poorest pregnant women and children, subsequently empowering women by providing them with a means to protect themselves and their infants from malaria.

MEDA is the logical choice to act as Logistics Contractor if timely and efficient extension of the TNVS is to be ensured. As the current Logistics Contractor for the TNVS, MEDA possesses a deep understanding of the roles and the responsibilities of the programme and the organization has forged productive relationships with all stakeholders involved. Additionally, MEDA is aware of the operational challenges of the TNVS and is equipped to face them using a highly trained staff and a variety of creative and effective techniques. With the highest consideration for security, MEDA is prepared to develop and distribute Infant and Equity Vouchers and Insecticide Re-treatment Kits (IRKs) as per the project's requirements. In addition, MEDA will conduct training, monitor the voucher and stub flow, while ensuring that all stakeholders, both public and private, understand their roles and are adhering to procedures. MEDA's continued participation in the TNVS is crucial if the programme is to facilitate the meeting of PMI targets in Tanzania.

This proposal outlines how MEDA will work with the TNVS and its stakeholders in order to achieve the PMI goals for Tanzania.

A. TECHNICAL APPROACH

In this section of the proposal, the approach used to introduce the IV and EV is briefly outlined, and the issue of the Insecticide Re-treatment Kits (IRKs) is discussed. Additionally, an in depth explanation of design considerations is provided. This section of the proposal will demonstrate that the expansion activities will not only be technically sound, but they will be suitable for the Tanzanian context.

1.0 THE INFANT VOUCHER (IV)

1.1 Rationale for the Infant Voucher

Malaria is the leading cause of death among children in Tanzania. The Ministry of Health claims that approximately 100,000 deaths are caused by Malaria each year and 70 percent of those occur amongst pregnant women and young children. The Ministry of Health further estimates that 27% of these infant deaths could be prevented by the use of ITNs. In order to reduce the incidence of malaria and malaria related deaths in this group, the TNVS is seeking to introduce a special voucher, called an infant voucher (IV), and specifically aimed at increasing the ITN coverage rates of infants.

Once the IV is introduced to the TNVS, it is expected to produce a number of positive impacts. First and foremost, it will significantly reduce cases of sickness and death due to malaria in infants. This reduction has several spin-off impacts including a reduction in household expenditures on health care and a reduction in illnesses related to malaria such as childhood anemia and stunted growth. Because the IV will be distributed at the time of an infant's measles vaccination, it is also anticipated that there will be an increase in the number of children receiving measles vaccinations and more parents/caregivers will bring their children for their vaccination promptly at the 9-month mark, rather than delaying.

The recipients of the vouchers are not the only TNVS stakeholders who will benefit from the introduction of the IV; the expansion of the TNVS will create significant benefits for the private sector. There will be a marked increase in ITN sales and profitability for retailers, wholesalers and manufacturers involved in the programme. Additionally, there will be an increase in ITN market competition, generating growth in the ITN sector and keeping ITN prices affordable. Lastly, the extension will lead to increased awareness among the general public of where ITNs can be accessed and it will contribute to the development of a sense of social responsibility among ITN retailers. The introduction of the IV will additionally benefit the public sector, bringing the Ministry of Health closer to the PMI targets and ensuring that their objectives are fulfilled. A continued public-private partnership will mean the intensified harmonization of stakeholders and continued donor collaboration in malaria prevention efforts. It is also anticipated that the TNVS extension will lead to increased awareness and participation of government officials at all levels.

1.2 Characteristics of the IV

One of the major goals of the TNVS is to ensure that vouchers are flowing 'in and out' of approximately 5,000 Reproduction Child Health (RCH) clinics, are distributed to all eligible pregnant women, and being accepted by retailers and wholesalers countrywide. The TNVS has so far been able to achieve this goal. One key reason for the current success of the TNVS is the 'user friendly' voucher distribution and redemption system. MEDA strongly advocates that the current voucher distribution and redemption system be replicated for the IV. The vouchers should also be developed in such a way to be able to utilize the existing database and tracking systems used for the current Hati Punguzo for Pregnant Woman Voucher (HPV). This section briefly outlines MEDA's plans for the IV layout, subsidy level, and distribution mechanism.

1.2.1 Voucher Layout

MEDA recommends that the appearance of the IV be similar to the original HPV (HPV), except that the IV should be a different color, and the HP logo should be altered for easy differentiation between the different types of vouchers. In addition, the information recorded on the stub in the voucher book and on the voucher itself will be adjusted to ensure transparency and accountability, and to facilitate tracking and verification of recipients during monitoring and evaluation activities.

The security features of the IV should be similar to the existing HPV, and will therefore include UV markings, unique serial numbers, watermarks and microprint. For more details, refer to section 4.1 of this proposal on Voucher Security Devices.

1.2.2 Voucher Subsidy Level

MEDA recommends that the current subsidy level of the HPV voucher (TSh 2,750 - approximately \$2.40), be maintained for the IV. There are two main reasons for this. The first reason is that the HPV voucher uptake has been high, with approximately 82-85% of recipients using it to buy an ITN. With a subsidy level of the same rate, it is expected that the IV will create a similar demand for ITNs amongst the target group. Secondly, changing the subsidy value may complicate the day-to-day workings of the TNVS, and create confusion among ITN retailers. The current TNVS operates well because the system is straightforward and easy for the private sector stakeholders to understand. MEDA believes different subsidy levels will jeopardize the user-friendliness of the system.

1.2.3 Distribution to the Target Population

The infant voucher will be distributed to the parents/caregivers of infants using the existing public health channels currently used by the TNVS. Eligibility for the IV will be restricted to Tanzanian children receiving measles immunization services at an RCH clinic. Specifically, any child (usually 9 months old) who receives a measles vaccination after the district launch date will be eligible for an IV. When a health professional issues an IV, the IV serial number will be written on the child's vaccination card. When the IV is presented to a retailer, he/she will verify that the number on the IV matches the number on the vaccination card. The retailer will then record the necessary information about the child on the back of the voucher and exchange it for a net. A visual explanation of the proposed IV distribution and redemption system is provided in **Annex 1**.

2.0 THE EQUITY VOUCHER (EV)

2.1 Rationale for the Equity Voucher

A recent Monitoring and Evaluation study undertaken by the Ifakara Health Research and Development Centre (Ifakara), and the London School of Hygiene and Tropical Medicine, noted that the TNVS had greatly increased the use of ITNs throughout Tanzania, especially amongst the target group of pregnant women and children under five¹. However, the study also indicated that women in the lowest socio-economic quintile were 50% less likely to receive a voucher or to use it to buy an ITN, compared with women in other socio-economic groups. Women in the lowest socio-economic group do not attend RCH clinics as frequently as other women, and they do not have the financial means to afford the top-up cost of an ITN. Expanding the TNVS program to include an Equity Voucher (EV) will provide even the poorest pregnant women with a means of affording ITNs. The EV will cover the full cost of an ITN when combined with the standard HPV or an IV.

There are a number of expected impacts related to the addition of the EV to the TNVS. For pregnant women and infants in the lowest socio-economic group, these include an increase

¹ Ifakara Health Research and Development Centre (Ifakara), and the London School of Hygiene and Tropical Medicine Household Report 2005.

in ITN use during and after pregnancy, an increase in RCH clinic attendance for the purpose of receiving antenatal care and immunizations, and a significant reduction in malaria infection and malaria related conditions. In terms of private and public sector benefits of the EV, they will be similar to the benefits of the IV, with an additional benefit being increased ownership of the programme by local government officials and NGOs who will be involved in determining eligibility and distributing EVs.

2.2 Characteristics of the EV

2.2.1 Voucher Layout

The voucher layout, security and tracking features will be the same as the those of the Infant Voucher as noted in section 1.2.1, although the voucher will have unique identifying characteristics, such as a different color and altered logo, to differentiate it from other types of vouchers.

2.2.2 Subsidy Level

The EV will target the poorest women and children in Tanzania by covering the top-up amount over and above the discount provided by either the current HPV or the soon to be introduced IV. When combining the EV with an HPV or an IV, recipients will be able to receive an ITN at no cost. The value of the EV will be approximately \$1.30 or TSh 1,500.

2.2.3 Distribution to the Target Population

MEDA recommends that the EV be distributed to the target group via a community-based mechanism rather than through RCH clinics. RCH clinic staff are already busy providing health services, and MEDA feels that it is unfair to expect them to become involved in issues of socio-economic eligibility by including the EV in their jurisdiction. Instead, MEDA has identified two potential community based mechanisms that could distribute the vouchers.

a. Local Government

There are a number of existing local government mechanisms in place to address issues of poverty at the community level. These mechanisms could identify the most economically disadvantaged groups in a community and assist in distributing the EV to them.

b. Non-governmental Organizations (NGOs)

In many districts there are grassroots NGOs working with the most economically disadvantaged groups of the population. These NGOs would also be helpful in assisting in the identification and distribution of the EV. TanAMM, the NGO coordinating malaria group, has a list of all NGOs in the health and malaria field working at the district level.

In cases where one of these two mechanisms is not able to perform the identification and distribution duties independently, a combination of the two mechanisms should be used. In order to discover the most suitable distribution mechanism, MEDA recommends that the EV be distributed in only 6-8 districts during the first year of its introduction. This will allow for the close monitoring of the recipient identification and EV distribution processes. Once the best practices in community-based distribution have been identified and documented, EV distribution can be scaled-up in Year Two. (**Annex 2** provides an explanation of the proposed flow of the EV).

The selection of the EV distribution mechanism will be identified through a collaborative effort between TNVS contractors, NMCP, and other TNVS stakeholders. MEDA is aware that NMCP is planning a meeting for late May 2006 that will address some key issues pertaining to the EV, and it is hoped that various delivery mechanisms will be discussed and considered at that time.

3.0 INSECTICIDE RETREATMENT KITS (IRKS)

MEDA is presently responsible for the procurement and distribution of Insecticide Re-treatment Kits (IRKs) as part of the existing TNVS. To date, MEDA has purchased and distributed over 1,500,000 IRKs to RCH clinics throughout Tanzania. Based on MEDA's previous experience in the procurement and distribution of IRKs, it is suggested that the process of distributing new IRKs be completed as follows:

- A tender notice is to be issued to all pharmaceutical companies manufacturing Insecticide Re-treatment Kits;
- Bids are processed and winning bidder is informed;
- Labels and instructions for the IRKs are designed and printed;
- MEDA's regional teams collect statistics from RCH staff and DMOs to create a realistic estimate of the number of IRKs required per clinic, ward and district;
- A consignment is ordered from the selected pharmaceutical company based on the estimate of need;
- A distribution plan will be developed and given to the Medical Stores Department (MSD);
- Follow up undertaken with MSD to ensure the timely delivery of IRKs to the RCH clinics.

Recently MEDA, the National Malaria Control Program (NMCP), and Population Services International (PSI) met to discuss the future requirements of IRKs once the long lasting insecticide KO 123, has entered the market. The current TNVS budget, together with the budget of PSI, will be able to provide adequate quantities of KO 123 to treat all nets for the next 12 months. This is the expected time period to ensure that there is an overlap of the old IRK product and the new bundled KO 123 nets. Therefore, during the first 12 months of the TNVS expansion no extra PMI funds will be used to purchase IRKs. Should this situation change, MEDA will work to ensure the efficient and adequate distribution of IRKs.

4.0 DESIGN CONSIDERATIONS

4.1 Voucher Security Devices

Given the success of the security devices used in the current TNVS, the various security features of the HPV will be replicated on the EV and IV to minimize the risk of fraud or counterfeit activities. Vouchers will be bundled into books of 25, with each voucher inscribed with its own unique serial number, in sequence with the other vouchers in the book. The serial number will be used to trace each voucher to the specific clinic where it is allocated and will be used to track the status of the voucher. In addition to serial numbers, the EVs and IVs will have security features such as UV markings, watermarks, and microprint. These features are used to curb counterfeiting at different stages in the life of the voucher. For example, retailers will be able to verify the voucher's authenticity by holding it up to the sun and checking for a watermark. Wholesalers and manufacturers will check authenticity by ensuring that the voucher has UV light markings. If any of the above features are questionable, the verification of microprint on the voucher eliminates any doubt as to whether a voucher is genuine or counterfeit.

To date there have been no fraudulent vouchers circulated in the TNVS, which is an indication that the current security features developed by MEDA are adequate. Nonetheless, MEDA is committed to the highest standards of security. An evaluation of additional security features is currently underway with the voucher printing firm and if deemed necessary, additional security features will be introduced in an effort to ensure that the illegal duplication of vouchers remains extremely difficult.

4.2 Control Documents to Prevent Misuse

Above and beyond the security devices physically implanted into the new vouchers, an elaborate record-keeping system will be used to document the movement of vouchers and file records for cross-checking purposes to prevent misuse at all levels. Each time an IV or an EV changes hands, the movement will be documented. EV and IV movements will be incorporated into the existing TNVS tracking and monitoring systems, however additional tracking systems will be created where necessary.

4.2.1 General Voucher Safeguarding

Vouchers and stubs will be continuously flowing 'in and out' of MEDA's office in Dar es Salaam, where they will be stored in a secure warehouse. (An international security firm has been employed to ensure their safekeeping). Each time vouchers are received or dispatched at MEDA, the individuals involved in the transaction will complete the appropriate transaction form. These forms are signed, dated and stored for reference. MEDA will then easily be able to identify the person responsible and the date of the transaction. In the redemption stage, vouchers will be counted and checked for authenticity by the retailer, wholesaler, manufacturer as well as the MEDA Voucher Administrator (with a counting machine whenever possible) to ensure accuracy.

4.2.2 Specific Safeguarding of the Infant Voucher

The following documentation processes will be used to prevent misuse of the IV:

- Children under one year will be identified by a Child Clinic Card², (CCC) at both the RCH and retailer levels.
- Verification of voucher distribution at RCH clinic will be kept in a register in the form of personal details of the child, the signature of the child's guardian and the signature of the RCH staff member who issues the voucher
- Information about the voucher recipient, such as the recipient's full name, guardian's name, district, ward, village, local representative, CCC number, clinic name, issuing staff's name, and date of issue will be recorded on both the voucher and the stub, and the voucher number will be recorded on the infant's CCC.
- Reference to the infant's receipt of the voucher shall be recorded at the RCH clinic in the Mtuha #4 (Book 4) by a tick.
- At the retailer, ITNs will be redeemable only when both the CCC and the IV are shown. The child's Clinic Card must have the infant voucher number inscribed at the top.
- Retailers will complete the relevant details on the reverse side of the voucher when presented with the CCC, and they will enter these details into an infant voucher-specific register.
- To ensure that the retailers, wholesalers and manufactures comply with their duties, he/she will enter into a written contract.

4.2.3 Specific Safeguarding of the Equity Voucher

Before the EV is introduced, local representatives will be expected to compile a record of eligible citizens in their communities (consulting health workers, school officials, religious institutions, etc.). Because the program targets pregnant women and infants in the lowest socio-economic quintiles, the EV will require a lengthier eligibility determination process to reduce subjectivity and misuse of power by community-based distributors. The EV will be subject to the safeguarding measure listed above for the IV as well as some additional measures including the following:

- On issuing an HP or IV voucher, RCH staff will ask the recipient if they feel they are able to afford the top-up amount. They will record names signatures of recipients

² In Swahili, Kardi ya Kliniki ya Watoto

- who feel they are not able to do so and will refer them to the community –based distributors of the EV for further assessment.
- The HP and IV registers will have a column to accommodate a 'tick' indicating that the pregnant women or parent of an infant is interested in receiving an EV. The RCH staff will place a visible mark on the HP/IV (cross, tick, stamp, etc,) to indicate that the individual has been referred for an EV and which will be recognizable by the community-based distributor and the retailer.
 - Pregnant women or infants referred from the health facilities must present their clinic card marked HP/IV as personal identification, as well as to their local representative. He/she will then conduct a search in the records for the name of the individual. If the name cannot be found in the records, the official will be expected to conduct an on-site (or off site, whenever possible) background check, which will comprise of a series of questions and proofs (whenever possible) to verify the applicant's eligibility.
 - NMCP will provide local representatives with criteria for verifying an applicant's eligibility.
 - Reference to all EV distribution will be recorded by the local representative in an EV register and on the EV stub. Receipt of the EV shall be indicated by a signature or thumb print, placed by approved applicants or their guardians.
 - The local representative will be responsible for entering the approved applicant's details (similar to those on the HP or IV) on the reverse side of the EV. They must also document additional information such as the accompanying HP or IV number.
 - The EV will be redeemable at retail outlets when it is shown together with the HP/IV, and clinic card. There will also be a space for retailers to fill information on the back of the EV.

4.3 Redemption Procedures

The redemption procedures for the IV are straightforward and replicate those of the existing HPV. After the voucher recipient or guardian produces an authenticating document (Child Clinic Card), plus the necessary top up amount, the IV will be exchanged for an ITN at the retailer. The voucher is redeemed only for an ITN as it moves up the supply chain, except when it reaches the manufacturers who it turn redeem vouchers for cash at MEDA.

Since the EV allows the voucher recipient to obtain an ITN at no cost, its redemption procedures are more complex. When the EV recipient produces the EV with the HPV or IV and an authenticating document (MCH card, Child Card, etc.) at the retailer, the retailer will fill in the back of both vouchers and issue a net to the woman free of charge. Whereas the HPV and IV are used exclusively for the purchase of nets by the retailer from the wholesaler, the value of the EV can go towards the purchase of nets, or it can be exchanged for cash. Likewise, the wholesaler can request that the manufacturer either includes the EV amount in the purchase of nets or exchanges it for the cash equivalent. Finally, the manufacturer and selected wholesalers will redeem the EVs, just like IVs and HPVs, for cash from MEDA.

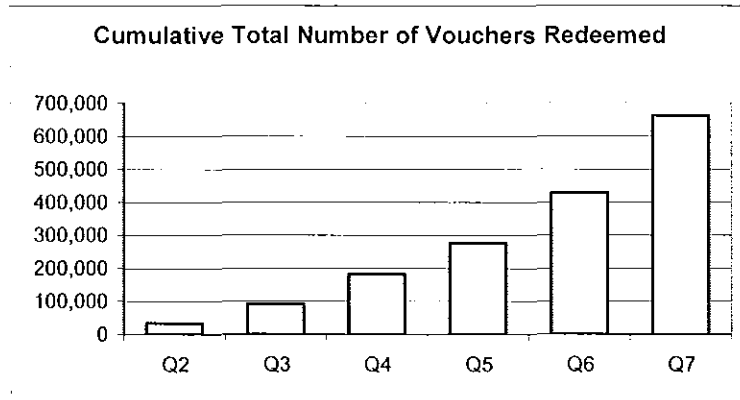
MEDA has a comprehensive system of receipts, a counting machine, a Sybrin scanner and a sophisticated database to verify and document vouchers received. Once vouchers return to MEDA's HQ, they are counted and analyzed to see retailers have properly filled them out. Feedback is then given to MEDA's regional teams, who address any issues regarding the correct procedures for issuing and redeeming vouchers by providing technical assistance to retailers and RCH staff.

Once vouchers are counted and checked, they are put through the scanning machine that reads the identifying bar code as well as taking an image of the front and back of each voucher. The scanner is linked to a computer installed with the Sybrin scanning software, which stores voucher information on an internal database. Counterfeit and damaged vouchers will be detected through the use of a UV light. When a voucher is found to be damaged, the identification number is manually entered into the database to check its

authenticity. The system matches voucher IDs from the Sybrin scanning system with voucher IDs in the main database. This database is automatically updated and the status of the scanned voucher is changed to "redeemed".

MEDA ensures that the redemption process is carried out quickly so payments can be disbursed within one week of receipt of the vouchers. The IV and EV will be integrated into this existing redemption system. Table 1 demonstrates the number of TNVS vouchers redeemed to date. It is an indication of the growth of the TNVS and the growing capacity and skill set of MEDA's staff in handling that growth:

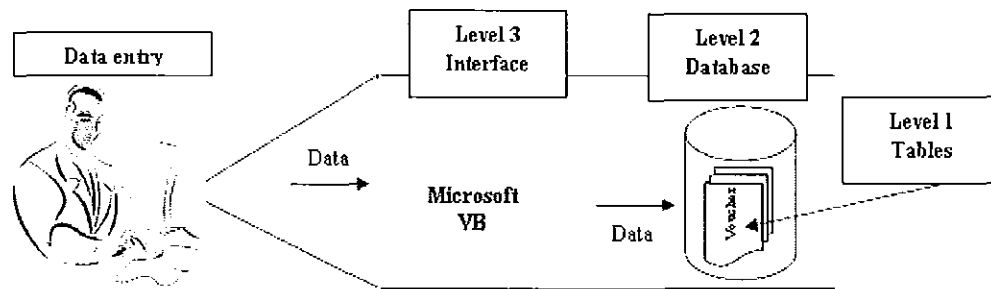
Table 1: The Number of Vouchers Returned to MEDA



4.4 Voucher Database Security

The database that MEDA has developed is an important component of the TNVS, and will be used to track the IVs and EVs. The database was developed from an MS SQL server database and interfaced by MS Visual Basic, providing simplified, user-friendly interfaces.

Figure 1: Levels of Database Security



Several security levels have been implemented to authenticate any user entering information to the database. These security levels are currently used in the TNVS and will continue to be used during expansion activities. The following is an explanation of the security levels shown in Figure 1:

Security Level 1: Indexed Unique Identifier

When the vouchers come to the MEDA voucher department from the printing company, the unique serial number on each voucher is recorded in the database. To make sure that details of one voucher cannot be duplicated, this number is indexed as a primary key in the

database. Among the fields that maintain information on the voucher is the "statusid" field. This field displays one of the four states that a voucher can exist at any time. These are:

- State 01 = Voucher is in MEDA warehouse
- State 02 = Voucher has been sent out in the field
- State 03 = Voucher has been redeemed
- State 04 = Voucher has been made void

Security Level 2: Password Protected Database

The details of each voucher are recorded in a voucher table, within a password-protected database. There is only one data entry administrator who is authorized to add information to the database and only two database administrators who can alter the database. Alteration to data or the design of the database can only be made after gaining permission from senior management.

Security Level 3: Login Screen Interfaces

Data entry users do not access the database directly but through a user-friendly interface, developed by Microsoft Visual Basic (VB). The complexity of the database is unknown to the user as the easy-to-work-with interfaces allow data alteration through button clicks and drop down menus. The interface system is protected by password for authorized users only. The user will be prompted for a second password when trying to access the database directly.

Security Level 4: Computer Protection and Backup Procedures

The systems explained above (database and data entry systems) operate in two computers that are protected against electrical power surges and viruses. The electrical power supply connects through the Uninterrupted Power Supply (UPS) machine before feeding into each computer. This keeps each computer running for at least 15 minutes after a power cut and allows the user to prepare for shutdown. The computers are also installed with the latest McAfee Antivirus software, which is updated weekly.

Daily incremental backup of the database is made to an external computer. In addition, a full database backup and full computer backup is made to external drives weekly, and maintained outside the building. There will always be two backup copies of the database; one on a different computer within the building and another on an external drive outside the building. The details of altered data are documented so the database administrator can reverse any mistakes made to the database by an authorized user.

4.5 Building Local Capacity and Incorporating Gender

4.5.1 Building Capacity and Incorporating Gender in the MEDA Team

Several initiatives have already been undertaken to build the capacity of the MEDA TNVS Team and will continue to take place upon the introduction of the EV and IV. One such initiative includes training Regional Managers (RMs) in computer technology and software such as Microsoft Word, CD writing, Microsoft Excel, Universal Serial Bus (USB flash disks), and Internet use. Middle management has received training in Outlook Express, Microsoft Excel, and MS SQL. Additionally, through a unique staff capacity building project, MEDA has granted laptop loans to interested Zonal and Regional Managers. This has drastically improved their computer literacy and made them better equipped for any extension of the TNVS.

MEDA holds an annual three-day retreat during which all employees receive training in financial management, effective reporting, best driving practices and vehicle management, computer skills, and managing relationships with stakeholders. As a result of the retreat and additional training sessions, many MEDA staff members have been promoted to positions of greater responsibility.

In addition, to further staff capacity building, MEDA provides a health safety net for all staff; employees working for the TNVS are provided with medical insurance from a reputable medical company. This covers their own medical expenses as well as those of dependents, in the area of HIV/AIDS, MEDA management has included a markup on all salaries within the TNVS budget. This money is then pooled and is used solely to assist staff members who are diagnosed HIV positive.

MEDA has made deliberate efforts to promote gender equity within the organization. The MEDA ITN team is currently comprised of 54 employees. Of the Administrators, Accounts, Regional, Middle and Senior Management, 19 staff are male and 14 female. Although, efforts have been made for gender equality among the drivers, MEDA has not received any job applications from women; therefore all 21 drivers are men. Further, MEDA has comprehensive, organization-wide gender equity policies and procedures that provide guidance and practical tools for gender equity at all levels of the organization.

4.5.2 Building Capacity and Incorporating Gender in the Public Sector

MEDA works closely with the village, district, regional and national Government to ensure that the TNVS runs smoothly and effectively. Every district has appointed a Hati Punguzo Focal Person (HPFP) to carry out the monitoring and supervision of the program. HP Focal Personnel and MEDA's regional managers work side-by-side to address problems and concerns if and when they arise in the districts. In addition, MEDA has been working with the District Executive Director (DED) and the Regional Administrative Secretary (RAS), to increase local ownership of the TNVS. These close relationships will continue to ensure quality as the TNVS program expands.

Training sessions, explained in depth in section 4.6.2 of this proposal, will be held for RCH staff, the Council Health Management Teams (CHMT) and other stakeholders to explain how the expansion programs will operate in relation to the existing TNVS. Emphasis will be put on the importance of educating and empowering pregnant women and parents to purchase nets and protect their families. Also, the latest methods in malaria prevention, such as a long lasting insecticide, will also be introduced and issued. Finally, MEDA will work closely with the public sector to prepare them for a likely increase in the number of children receiving immunizations.

MEDA will continue training, building capacity and ownership with government employees as the TNVS expands. The ultimate goal is for all voucher activities, including training, procurement, distribution and management to become the full responsibility of the public sector.

4.5.3 Building Capacity and Incorporating Gender in the Private Sector

When working with private sector stakeholders, MEDA highlights the importance of maintaining fair ITN prices to improve health in communities, particularly for pregnant women and infants. Retailers are encouraged to assist recipients in purchasing nets by allowing them to pay the top up amount in installments. Social marketing techniques are also used to educate communities about the importance of proper ITN use for all citizens, especially vulnerable populations.

In addition to building a culture of private sector social responsibility, MEDA provides additional business training to retailers that includes components on maintaining accurate and up-to-date record books, using the most recent malaria prevention products, marketing these products to the community; maintaining a constant stock of nets, social marketing methods for increased sales, and establishing and maintaining ITN supply networks.

As part of the expansion, new training materials, guidelines and contracts will help private sector stakeholders to understand voucher security features, procedures for accepting and filling out vouchers, and minimizing misuse. RMs will ensure that retailers are equipped with ample stocks of ITNs; that they are ready for the influx of vouchers, and that retailer prices are fair and in accordance with the subsidies. RMs will continue to visit retailers after the launch, following up on the initial training, making sure that the private sector has understood the issues associated with the expansion, and is upholding their TNVS agreements. Failure to comply with the TNVS, IV and EV requirements may result in termination of contract.

4.5.4 Building Capacity and Incorporating Gender in Target Populations

The TNVS program assists pregnant women in making informed decisions that improve their health, and that of their families. The program couples awareness about malaria prevention with increased affordability and availability of ITNs. In addition, TNVS has established that pregnant women and parents are an important consumer group within the local ITN market. This has provided a chance for the population group to influence which kind of products are available, and shifting the local private sector's focus to include a greater variety of affordable health related products.

The expansion of the TNVS will give Tanzanians more choices. Firstly, as awareness of the programme and demand for nets increases, the availability of nets will increase, and nets will be accessible to Tanzanians even in the most remote areas; Tanzanians will have the choice or whether or not they want to buy a net, a choice many never had before the TNVS started, as nets were not available in many areas. Secondly, voucher recipients have a choice about the type and size of net they want. Although these decisions may seem insignificant in the larger context of the programme, they are very significant to the voucher recipient; women are empowered to take charge of the health and well-being of themselves and their infants. Thirdly, even the poorest of the poor will be receiving nets through the distribution of the EV, and as malaria is reduced in this group, so will the perception that malaria is a poor person's disease.

4.6 Additional Design Considerations: The Implementation Plan

MEDA will develop a detailed work plan to perform extension activities if granted the contract. Below is a brief description of these activities. See **Annex 3** for a summary of MEDA's operational responsibilities. The timing for implementing the new vouchers will be significantly decreased, and the start up costs dramatically lowered when the IV and EV projects are added to the existing MEDA TNVS promotion, database, monitoring, private and public sector activities etc.

4.6.1 Preliminary Preparations

a) Voucher Printing and Delivery

The new EVs and IVs will be printed in a location to be determined outside of Tanzania for security purposes, just as HPW vouchers are currently printed. Printing and delivery of vouchers will be the top priority for MEDA, as subsequent extension activities cannot occur without the immediate availability of vouchers.

b) Development of Training Materials

Training materials for both public and private sector will be necessary for the introduction of the EV and IV into the regions. MEDA will create information packages for government

officials as well as collaborating closely with the Training and Promotion Contractor (TPC) to produce a participatory training curriculum for voucher issuers. MEDA will design guidelines for private sector participants such as manufacturers, wholesalers and retailers. These will be adapted from the materials used in the initial implementation of the TNVS, as well as new manufacturer, wholesaler, and retailer contracts.

c) MEDA Staff Training

All MEDA staff will be trained in the theoretical and practical aspects of the expansion of the TNVS. Once they have finished the training, MEDA's RMs will be well equipped to handle increased numbers of vouchers for distribution and stub collection, as well as public and private sector education. Revised reporting and financial formats will be introduced to field teams so they can report effectively on topics relevant to management and donors.

d) Data Collection

Accurate data collection is an integral component of the logistics: it determines the number of vouchers delivered to each target group and minimizes voucher shortages and misuse. MEDA will work closely with NMCP, DMOs, HPFPs, local government, NGOs and RCH staff, to collect data and calculate the need for vouchers. IV data will be available within two weeks and EV data within six weeks of MEDA receiving authorization to undertake the expansion activities. Once the projects are implemented, data will be updated and closely monitored as population changes affect procurement and distribution.

4.6.2 Expansion Roll Out

a) Public Sector Training and Voucher Distribution

The first roll out activity - training and voucher distribution in the field - requires an intensive collaborative initiative. In partnership with the TPC, MEDA field teams will first make courtesy calls to alert the relevant regional and district level government officials in the regions. The partners will then brief the RCH staff, community leaders and selected NGOs on the expansion, their roles and responsibilities. Training will be on-the-site, as MEDA, together with the TPC team members, will travel to the remote locations where the RCH staff, community leaders and selected NGOs are stationed. While training is taking place, RMs will distribute the first three-month stock of vouchers directly to the RCH clinic.

Once the first three-month stock of vouchers has been delivered, the DMO's office, NGO or identified community leaders, will receive a second three-month stock. Voucher issuers can then replenish their voucher stock independently of MEDA, at an exchange rate of one stub book for one new book. When the base stock at the DMO's office is down to 50% of its original volume, the Regional Manager will provide another six-month supply. IVs and EVs will be continuously replenished through existing government and NGO mechanisms, assuming this system is maintained.

Training and voucher distribution for both the IV and EV will be conducted within the first three months of the expansion of the IV, or immediately after the agreement with the district distribution agent has been made in the case of the EV. MEDA would prefer in the case of the IV that the training of RCH staff be completed within the first three months of the expansion, although this is dependent on the capacity of the TPC.

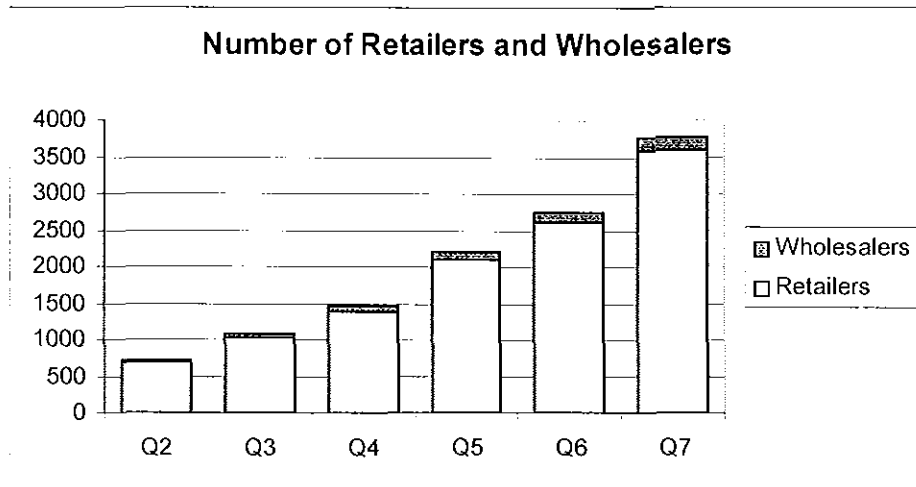
b) Private Sector Training and Re-Contracting

While undertaking public sector training and voucher distribution, MEDA teams will also conduct on-site training and renew contracts of wholesalers and retailers. Training will include guidelines on record-keeping, ways of minimizing misuse; it will also outline the changes in IV and EV procedures for processing the vouchers, and will reinforce the responsibilities of retailers to provide fairly priced nets, etc.

Currently there are 3,773 retailers, 174 wholesalers and 4 manufacturers participating in the TNVS. All existing TNVS retailers and wholesalers will be invited to participate in the expansion. When the need arises, new private sector stakeholders will be recruited, trained and contracted.

Table 2 indicates the growth of the retailers, and wholesalers in the TNVS over the previous 6 quarters.

Table 2: The Number of Retailers and Wholesalers Involved in TNVS



4.6.3 Monitoring and Management Post Roll Out

a) Maintaining Smooth Voucher and Stub Flow

There are several methods of ensuring constant voucher flow. Currently MEDA's field teams travel continuously throughout the districts and ensure vouchers are being properly issued and redeemed, and that accurate records are kept. At each point where the vouchers and stubs change hands, a signed record is kept of the transaction to ensure transparency and accountability. MEDA management will incorporate new EV and IV performance indicators into these supervision activities in order to integrate the expansion fully into the existing TNVS.

In addition, RMs will be in close communication with the DMO's office, community leaders and NGOs to ensure there is always an abundant stock of vouchers. Regular stub and voucher audits will identify accurate statistics, stock outs, or mismanagement. When the IV and EV stub books are returned to MEDA, the RM will first check to ensure that there are no blank stubs, or anything else which might cause suspicion. Once the stubs reach the MEDA HQ, they will be processed by the Voucher Department and scanned into the database.

b) Ensuring Net Availability and Cost Effectiveness

After contracting retailers and wholesalers into the IV and EV extension, MEDA field teams will visit net retailers frequently to make sure supplies of ITNs are consistent and sold at fair prices. RMs will collaborate with NGOs and government to share information about retailer and wholesaler performance. MEDA's regional teams will work one-on-one with any retailer who has not performed well in order to strengthen their role. Retailers who do not or cannot comply with the regulations of the TNVS will be asked to leave the program.

Manufacturers will be encouraged to broaden their distribution channels and reach all districts of Tanzania. This will stimulate competition among the producers, as well as

provide a variety of nets to remote regions of the country. Apart from having ample supplies of nets nationwide, manufacturers will be encouraged to maintain low prices by negotiating better rates for wholesale.

c) Monitoring in Partnership

MEDA will work closely with partners and stakeholders in each district during and after the roll out. MEDA will work with the TPC on-site to execute retraining sessions, as the need arises. Lessons learned from the frequent TNVS monitoring, evaluation and auditing activities by the Monitoring and Evaluation Contractor (MEC) will be applied at all levels and will include surveys and analysis on the performance of the IV and EV. These will include household surveys to ensure that the recipient received, and is continuing to use, an ITN. MEDA will work with partners to assess the overall performance of the IV and EV expansion, and will adjust logistics support when the monitoring and evaluation results and recommendations from NMCP have been received.

B. MEDA'S TECHNICAL CAPABILITIES

5.0 MEDA'S INSTITUTIONAL CAPACITY

MEDA is a business-oriented, international, economic development organization founded in 1953 by North American Mennonite businesspeople. It is backed by over 3,500 members who believe their faith, skills and resources can be used to help overcome poverty. MEDA has over 250 staff operating from offices in Canada, United States, Mozambique, Peru, Nicaragua, Paraguay, Tanzania and Tajikistan.

MEDA's international expertise is organized into three main lines of business: production and marketing linkages (PML), including business development services (BDS); micro finance (MF); and investment fund development (IFD). MEDA consults and provides project design and implementation management services for a wide range of government, donor, multilateral agencies and NGOs, and has successfully executed well over 100 contracts over the last three years. MEDA has recognized expertise in BDS, best practice and value chain development (VCD) methodologies, which are ready and available for integration into the business of health service delivery.

MEDA was one of only two funded organizations (out of thirty proposals), chosen for the last USAID Implementation Grant Program (IGP) round for BDS/VCD market assessment. It has been selected to participate in three Participant Learning Programs (managed by the SEEP Network). MEDA personnel are sought after by educators, trainers and presenters at venues that support BDS/VCD work: Turin BDS Seminar, SNHU MDI, Boulder MF training, SEEP AGM, Eastern University, and a host of other workshop/seminar venues.

MEDA has been involved in the ITN sector in Africa since the early 1990's. In 1999, MEDA was contracted by International Development Research Canada to research issues of supply, demand, manufacturing capacity and investment potential for mosquito nets and insecticide in six African countries. In addition, MEDA was instrumental in the establishment of the ITN Manufacturers Association with members from Tanzania, Nigeria, Thailand, Denmark, Germany, and the United States. Apart from the TNVS, MEDA has also been involved in numerous ITN related consulting assignments in Nigeria, Tanzania and Uganda for DFID and other international clients, and manages a project for local ITN distributors in Uganda.

MEDA has been involved in Tanzania since 1986, operating and managing complex multi-year, pro-business development projects. In 2004, the current Country Manager for MEDA, and the head of MEDA's PML division in Canada, were contracted by the Ministry of Health

to design the TNVS. The subsequent result of their work formed the basis in which the TNVS operates today. After the consultants report was accepted, MEDA successfully tendered and was appointed to manage the logistics component of the TNVS by the Ministry of Health. MEDA is therefore familiar with conditions on the ground and is already working with 4,359 RCH clinics, 3773 retailers, and 174 wholesalers, in 118 districts. MEDA also has an excellent relationship with all four ITN manufacturers, which is crucial for the success of the voucher scheme.

Over the past two years MEDA has learned many lessons about the challenges of managing the complex logistics of the TNVS. These challenges have ranged from dealing with the challenges of poor infrastructure in many parts of Tanzania, through to ensuring that all possible security considerations are incorporated into the design of the voucher and the subsequent tracking system. Strategies have been developed to cope with these challenges as they arise in order to continue making this ground- breaking program a success. MEDA's experience in voucher programs of this scale is unique: no other country has used a nationwide voucher program to address a major health issue.

MEDA is registered with the Government of Tanzania as a Non-Governmental Organization and is both registered and fully compliant with USAID policies, procedures and regulations. MEDA would be the prime partner for both the IV and EV and there would be no sub partner.

6.0 HUMAN RESOURCES CAPACITY

There is no doubt the current success of the TNVS is due largely to the high calibre of staff MEDA has employed and the systems that MEDA has in place to ensure that staff are constantly challenged and are accountable for their performance. MEDA's two-year experience with the TNVS in Tanzania has aided the development of over fifty highly skilled, full-time employees. This team has already established relationships with a wide range of stakeholders and government officials. In the private sector, businesses from rural retailers up to net manufacturers have developed trusted relationships with the existing contractors. Government employees, ranging from clinic staff to the President of Tanzania, are aware of, and enthusiastically support the TNVS as a national policy directed by the Permanent Secretary of the Ministry of Health.

6.1 MEDA Field Staff

MEDA's TNVS field staffs are divided into 21 regional teams consisting of:

a) Regional/Zonal Managers

Field teams are led by 21 Regional and Zonal Managers who maintain the voucher cycle and public-private partnership among stakeholders. Their training and experience with TNVS includes recruiting retailers and wholesalers, procuring and distributing vouchers, collaborating with and training clinic and DMO staff, and monitoring the program. Their experience in setting up a program, forging and maintaining working relationships with various stakeholder groups, and ensuring the proper day-to-day flow of vouchers makes them ideal to undertake extension activities.

b) Drivers

Each Regional/Zonal Manager is accompanied by a qualified driver in the field. MEDA's 21 drivers possess ample field experience, which has made them familiar with the rough terrains and isolated locations of the Tanzanian RCH clinics. Their technical capacity includes geographical know-how and advanced vehicle maintenance as well as skilled driving in difficult conditions.

6.2 Staff at MEDA Tanzania Headquarters

In addition to field staff, several employees are based at MEDA's Dar es Salaam office. They include:

a) Administrators

Head office has three administrators in charge of voucher and stub collection, dispatching, scanning, counting, and analysis. The TNVS voucher administrators also maintain elaborate soft and hard copy filing systems separate from the accounts section. The information retained ranges from assets such as vehicles, to field reports, and documentation authorizing the movement and payment of vouchers. MEDA's broad experience in voucher administration and information management has developed an efficient, attentive and well organised administrative team.

b) Accounts

Three accountants are currently working with the TNVS and have expertise in budget preparation, funds dispersion, follow up for field teams, auditor reports, and verification of transaction documents. Two members of the accounting team are CPA certificated.

MEDA's annual accounts are currently audited by Ernst and Young, while KPMG audits the ITN operations. Twice a year MEDA headquarters also sends an internal auditor from headquarters to audit operations in Tanzania.

c) Middle and Senior Management

MEDA's middle management team consists of three Coordinators, based at headquarters in Dar es Salaam, and six Zonal Managers, who are based in the field. The role of the team members is primarily supervisory: they monitor and assess all activities of the regional teams in the field and ensure that vouchers are flowing smoothly. The team members' provide feedback on all reports coming in from the field, process financial and voucher requests for field operations, provides support to the staff in the field when necessary, and liaises between the Senior Management Team and the regional staff.

The Senior Management Team consists of the MEDA Country Manager, the Program Manager and Logistics Manager. Their main responsibilities include: managing the procurement, distribution and redemption of vouchers; designing and managing all internal operational systems and procedures; fleet management; financial and human resource management and training; high level stakeholder negotiations, and collaboration with Ministry of Health officials, partners and donors.

The TNVS expansion will require additional reporting systems, printing, procurement and distribution of new vouchers, recruitment of additional staff and new agreements with partners and stakeholders. MEDA's Middle and Senior Management Teams have a great deal of experience managing the TNVS operations and they are well equipped to take on the challenge of expanding TNVS to include the IV and EV.

d) MEDA Canada Management

Oversight of MEDA's work on the TNVS is provided by MEDA's PML director in Waterloo, Canada. His involvement in the design of the TNVS, and his work in the ITN sector throughout Africa ensures that his experience is well utilized in the TNVS operations.

7.0 TECHNICAL CAPACITY

In addition to its experienced employees, MEDA possesses 22 Toyota double-cabin, pick-up trucks or similar. These have been chosen for their ability to withstand the harsh road

conditions and because spare parts are inexpensive and readily available. These vehicles will be used by the IV and EV programs at no cost to the project, other than fuel.

At the Dar es Salaam headquarters, the office is well equipped to deal with the further expansion of the TNVS. Current equipment includes computers, internet services, fax machines, scanners, a powerful generator and several phone lines. Additional technology has been purchased to facilitate the voucher redemption process including a voucher counting machine, UV lights and a Sybrin scanner. These will all be provided by MEDA for use by the IV and EV at no capital cost to the PMI activities.

8.0 BUDGET CONSIDERATIONS

The Global Fund will provide funding for the existing TNVS until October 2007. As a result, a large proportion of the costs related to the basic running of the IV and EV (i.e. fuel, staffing, vehicle maintenance, etc.), will be absorbed by the existing TNVS budget. The IV and EV will therefore “piggy-back” financially on the existing TNVS structure, and will therefore only need to cover the additional costs for printing and launching the new voucher in the regions, as well as providing a small amount for the extra management costs. The expansion of the IV and EV into the existing TNVS makes the PMI programme extremely cost efficient.

It should be noted that coordination of the existing TNVS project with the anticipated PMI project results in significant economies of scale and reduced costs for the latter project. Further, MEDA's ability to provide the services for the IV and EV at the currently budgeted costs is dependent upon the simultaneous management of the TNVS. Therefore, MEDA's project submission and future involvement in this project is contingent upon TNVS contract durations that extend to (or past) any contracts that may be agreed to with USAID.

8.1 Infant Voucher Budgeting

Details and outlines of the IV budget are included in a separate financial document that accompanies this proposal.

8.2 Equity Voucher Budgeting

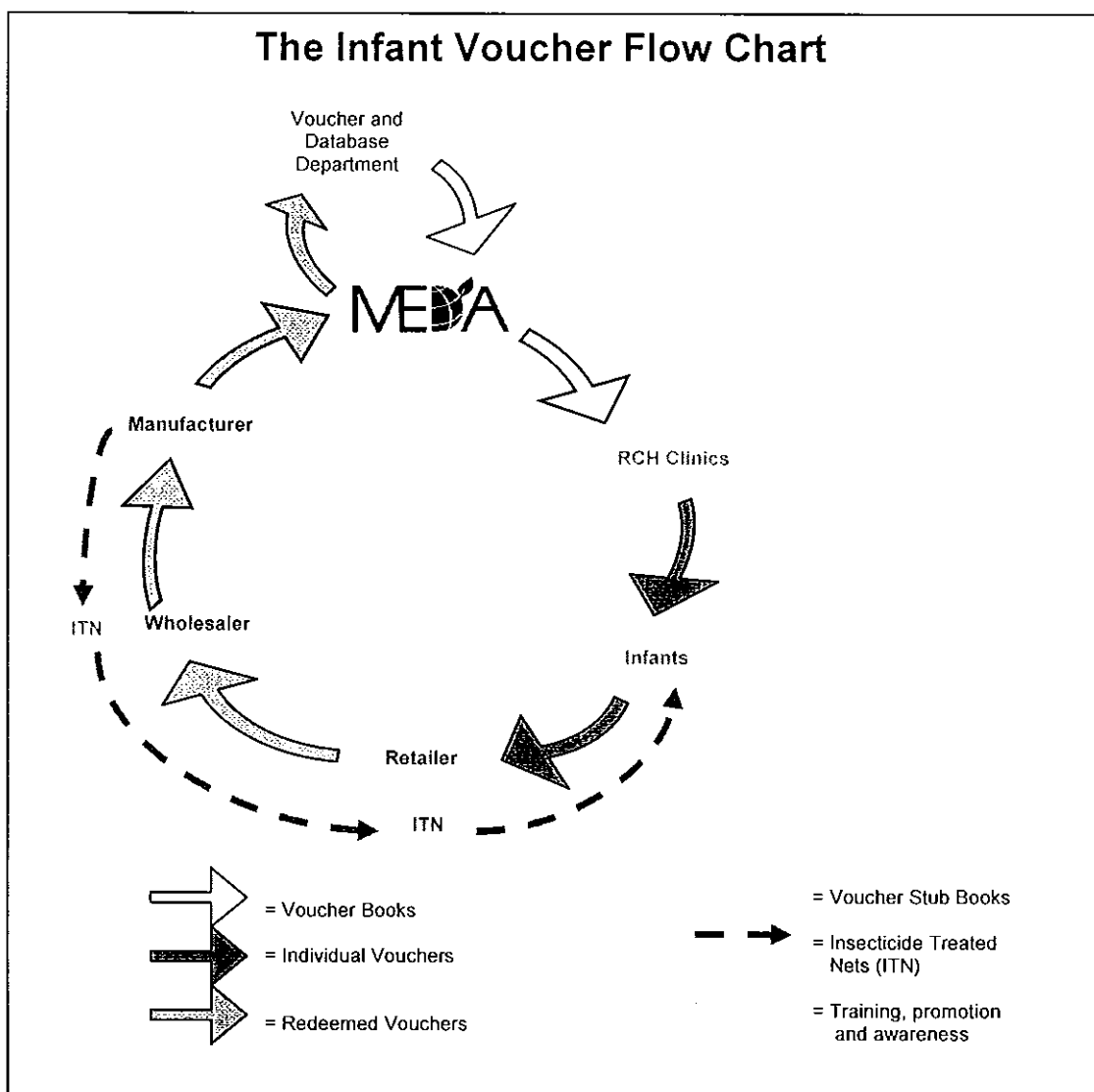
Details and outlines of the IV budget are included in a separate financial document that accompanies this proposal.

MEDA's understanding of the requirements of the RFA is that the number of EVs required will be determined once NMCP and other stakeholders have decided which districts will be targeted during the first year. This makes the calculation of the budget extremely difficult. In addition, in the original PMI plan the project aims to pilot the EV in 15 districts, whereas MEDA strongly recommends that this number be reduced to no more than 6 districts in the first year.

Further complicating budget planning is the unknown cost of contracting different community groups and Government officials who are needed to identify and deliver vouchers to the most vulnerable groups of people. Until the districts are selected, it is impossible to ascertain the potential cost of the distribution mechanism.

MEDA's existing programs will provide much of the cost of managing the EV during the first year of operations. At the same time, the experience gained during that first year will inform future decisions that USAID may want to make regarding the logistics and cost of continuing the EV. As the cost sharing is only assured for the 1st year of the current proposal, should USAID elect to extend and expand the EV as allowed for in the RFA, further evaluation and revised budgeting will be required.

ANNEX 1 INFANT VOUCHER FLOW



The Flow of Infant Vouchers:

1. MEDA's Voucher and Database Department receives the vouchers from the printers, processes all voucher requests, and tracks all vouchers through the database.
2. From MEDA's headquarters, the vouchers sent to the Regional Managers in the field, who deliver the IVs to the RCH clinics.
3. The RCH clinics are responsible for issuing the vouchers to infants receiving their measles vaccination.
4. *MEDA* is responsible for training of stakeholders and promoting the program.
5. The IV is exchanged for an ITN at a participating retailer.
6. The retailer exchanges the IV for an ITN from the wholesaler.
7. The wholesaler exchanges the IV for an ITN from the manufacturer.
8. The manufacturer exchanges the IV for payment from MEDA.
9. The redeemed IVs are sent back to the Voucher and Database Department, where they are entered into the database and stored in the warehouse.

ANNEX 3 SUMMARY OF MEDA'S OPERATIONAL RESPONSIBILITIES

It should be noted that the IV and EV will only operate successfully if it is fully integrated into the TNVS. For this to happen, and for it to be done cost efficiently, the existing TNVS infrastructure needs to be utilized.

As the current logistical contractor for the TNVS MEDA is well positioned to take on the logistics of the IV and the EV, and to do so at very little capital outlay to the PMI programme. MEDA will ensure that the assets of the TNVS are used for the IV and EV at very little cost.

MEDA will oversee the following specific operational tasks needed for the expansion:

Planning:

- collaborate with the NMCP and selected stakeholders to decide on the mechanism of voucher delivery and client identification for each of the selected districts.
- Draw up a detailed voucher distribution timetable.
- Identify the numbers of infants in each district to receive an IV and the number of pregnant women to receive an EV.
- Design and arrange for the printing and secure storage of vouchers.
- Design a training program and contractual agreements for all involved manufacturers, wholesalers and retailers.

Implementation:

- develop contracts with the selected district stakeholders to ensure that each understands their role in the project and is aware of their targets and responsibilities.
- Train key ITN manufacturers on the extension – to be carried out by MEDA's senior management.
- Implement a training program for wholesalers and retailers designed to give them the ability to manage redemption of the new types of vouchers - to be carried out by Regional Managers in the field.
- MEDA's RMs will distribute vouchers to RCH clinics and community groups, based on an agreed number of target groups per district.

Monitoring and Management:

- maintain an up to date list of all stakeholders including retailers, as well as information on their locations.
- Manage the storage, database tracking, processing and delivery of the vouchers to the field.
- Receive redeemed vouchers from manufacturers, and wholesalers when necessary, and pay manufacturers for vouchers promptly.
- Provide input to monitoring and evaluation activities where needed.
- Provide ongoing technical support to government and private sector stakeholders to ensure proper program activities are carried out according to procedure.

MEDA carries out all the above activities in its capacity as Logistics Contractor for the TNVS, except district stakeholder contracting. MEDA has experience in other projects internationally whereby sub-contracts have been developed and made with sub contractors. This experience will be passed on to management in Tanzania.