

USAID Grant Agreement No. 472-004

**MILLENNIUM CHALLENGE ACCOUNT
THRESHOLD PROGRAM**

ASSISTANCE AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND THE

**GOVERNMENT OF DEMOCRATIC REPUBLIC OF
TIMOR-LESTE**

TO

**STRENGTHEN ANTI-CORRUPTION EFFORTS AND
IMPROVE ACCESS TO IMMUNIZATION SERVICES**

Dated: September 22, 2010

Assistance Agreement

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Assistance Agreement

Between

The United States of America, acting through the United States Agency for International Development (hereinafter referred to as “USAID”)

And

The Government of the Democratic Republic of Timor-Leste (hereinafter referred to as the “Grantee” or the “Government”)

Dated: 22 September 2010,

WHEREAS, the Grantee and USAID (“the Parties”) hereby express their continued commitment to support reforms intended to strengthen the control of corruption and improve access to immunization services;

THEREFORE, the Parties hereby agree as follows:

Article 1: Purpose

The purpose of this Assistance Agreement (hereinafter referred to as the “Grant Agreement” or “Agreement”) is to set out the commitments and understandings of the Parties in connection with the program described herein (the “Program”):

Article 2: Program Objective and Results

Section 2.1 Program Objective

The objective of the Program (the “Objective”) is to support the Grantee’s efforts to reduce corruption and improve access to immunization coverage in Timor-Leste.

This Section 2.1 may not be changed except by formal written amendment to this Agreement by the Authorized Representatives, as defined in Section 7.3.

Section 2.2 Results

In order to achieve the Objective, the Parties agree to work together to achieve the following results (each a “Result” and collectively, the “Results”):

(a) To reduce corruption by building a network of functioning and effective anti-corruption institutions and actors by strengthening their capacity, increasing coordination, and improving processes and procedures to deter and detect instances of corruption; and

(b) Improve access to immunization services by creating a more capable and effective community health systems.

This Section 2.2 may not be changed except by formal written amendment to this Agreement by the Authorized Representatives of the Parties.

Section 2.3 Annex 1 -- Amplified Description

Annex 1, attached hereto, forms part of this Agreement and amplifies the above Objective and Results. Within the limits of the above definitions of the Objective in Section 2.1 and the Results in Section 2.2, Annex 1 may be changed by written agreement of the Authorized Representatives of the Parties without formal amendment of this Agreement.

Article 3: Contributions of the Parties

Section 3.1 USAID Contribution; the Grant

To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, and the Millennium Challenge Act of 2003, as amended, hereby grants to the Grantee under the terms of this Agreement an amount not to exceed Ten Million Four Hundred Ninety-Six Thousand United States ("U.S.") Dollars (\$10,496,000) ("the Grant").

Section 3.2 Grantee Contribution

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

Article 4: Completion Date

(a) The Completion Date, which is October 31, 2013 or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective and Results will be completed.

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

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

Article 5: Conditions Precedent to Disbursement

Section 5.1 First Disbursement

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

(a) An opinion of counsel acceptable to USAID that (i) this Agreement has been duly authorized or ratified by, and executed on behalf of the Grantee, (ii) this Agreement constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms, and (iii) all internal actions and approvals necessary to give effect to this Agreement have been obtained by or on behalf of the Grantee; and

(b) A signed statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.3, which designates by name and title any Additional Representatives, as defined in Section 7.3.

Section 5.2 Disbursement to Support the Office of the Prosecutor General

Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, for assistance to support the Office of the Prosecutor General under Component 1 (Strengthen Anti-Corruption Efforts) of the Program as described in Annex 1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID, in form and substance satisfactory to USAID, evidence that the Grantee has adopted a legally binding written instrument specifying and allocating the respective levels of authority and responsibility for the investigation and prosecution of economic crimes among the Office of Prosecutor General, the Anti-Corruption Commission, the National Police, the Banking Payment Authority, the Office of the Inspector General, and any other relevant institutions or entities within the Government.

Section 5.3 Disbursement for Audit Activities

Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, for any audit-related activities under Component 1 (Strengthening Anti-Corruption Efforts) of the Program as described in Annex 1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID, evidence that:

(a) the Grantee has adopted a legally binding written instrument specifying the respective roles and levels of responsibility among the Office of the Inspector General and the inspector general offices within specific ministries; and

Section 5.4 Disbursement for Procurement Activities

Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, for any procurement-related activities under Component 1 (Strengthening Anti-Corruption Efforts) of the Program as described in Annex

1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID, in form and substance satisfactory to USAID, evidence that the Grantee has completed the public consultation process to receive comments from private sector and civil society stakeholders regarding revised procurement rules.

Section 5.5 Disbursement to Support the Procurement Review Commission

Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, for assistance to support the procurement review commission under Component 1 (Strengthening Anti-Corruption Efforts) of the Program as described in Annex 1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID, in form and substance satisfactory to USAID, evidence that the procurement review commission has been legally established and is sufficiently staffed and mobilized to perform its functions.

Section 5.6 Disbursement to Support the Establishment of an External Audit Authority

Prior to any disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, for assistance to support the establishment of an external audit authority under Component 1 (Strengthening Anti-Corruption Efforts) of the Program as described in Annex 1, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID, evidence that the Grantee has enacted legislation establishing an independent body with the authority to carry out external audit functions, such as the HATAC or Tribunal de Contas.

Section 5.7 Notification

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

Section 5.8 Terminal Date for Conditions Precedent

(a) The terminal date for meeting the conditions specified in Section 5.1 is 30 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.1 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(b) The terminal date for meeting the condition specified in Section 5.2 is 60 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the condition precedent in Section 5.2 has not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(c) The terminal date for meeting the conditions specified in Section 5.3 is 60 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedent in Section 5.3 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(d) The terminal date for meeting the condition specified in Section 5.4 is 60 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the condition precedent in Section 5.4 has not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(e) The terminal date for meeting the condition specified in Section 5.5 is 60 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the condition precedent in Section 5.5 has not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

(f) The terminal date for meeting the condition specified in Section 5.6 is 365 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the condition precedent in Section 5.6 has not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants

Section 6.1 Program Covenants

To support the Program, the Grantee will, unless USAID agrees otherwise in writing:

- (a) Provide ongoing support for the independent entity established to carry out external audit functions;
- (b) Prepare draft legislation acceptable to USAID that would establish an external audit authority, such as the High Administrative, Tax, and Audit Court (“HATAC”) or the Chamber of Accounts (“Tribunal de Contas”).
- (c) Provide ongoing support for the procurement review commission; and
- (d) Adopt procurement rules that incorporate feedback gained from the public consultation process with the private sector and civil society.

Section 6.2 Visas and Permits

(a) The Grantee will (as applicable) issue, renew or extend free of charge and in a timely manner all official permits, visas, exemptions and any other permissions, including all approvals as may be required from time to time to ensure full access to information, Program activity sites and relevant offices, (collectively, the “Required Documents”). For the Applicable Persons (as defined below) carrying out activities financed by USAID under this Agreement. For purposes of Article 6, “Applicable Persons” is defined as (1) employees

and consultants of any contractors, grantees and other organizations carrying out activities financed by USAID under this Agreement and (2) members of such employees' and consultants' households.

(b) Any renewals or extensions of such Required Documents that are required, or become required, in order for such employees, consultants and dependent family members to legally reside in the Democratic Republic of Timor-Leste and undertake the activities contemplated by and financed under this Agreement will also be issued free of charge.

Section 6.3 Salaries of Government Officials

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

Article 7: Miscellaneous

Section 7.1 Implementation Letters

The Parties will use Implementation Letters to confirm and record additional understandings and commitments related to this Agreement. Implementation Letters may not be used to amend the text of this Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the Amplified Description set forth in Annex 1. Implementation Letters will be binding on the Parties unless revoked, modified or superseded by subsequent Implementation Letters or Amendments to this Agreement.

Section 7.2 Communications

Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, telefax or electronic mail (“e-mail”), and will be deemed duly given or sent when delivered to such Party at the following address:

To USAID: USAID Mission Director

Mail Address:

United States Agency for International Development
Dr. Sergio Vieira de Mello Road
Lighthouse Area, Farol
Dili, Timor Leste
Phone: 670-723-1500
Fax: 670-332-2216

To the GRANTEE: Minister of Finance

Mail Address:

Palacio do Governo
Edificio 5, 1 Andar
Kobe House
Dili, Timor-Leste

Phone: 670-333-95-10
Fax: 670-3312-467

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 7.3 Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the Office of Minister of Finance and USAID will be represented by the individual holding or acting in the Office of the Mission Director, USAID/Timor-Leste, (each an “Authorized Representative” and together, the “Authorized Representatives”). Each of the Authorized Representatives, by written notice, may designate additional authorized representatives (“Additional Representatives”) for specific purposes and any conditions governing actions of additional authorized representatives. The names and titles of the Additional Representatives of the Grantee, with specimen signatures, will be provided to USAID pursuant to Section 5.1(b), which may accept as duly authorized any instrument signed by the Additional Representatives (or any individuals subsequently holding or acting in the office of such representatives) in accordance with this Section 7.3, until receipt of written notice of revocation of their authority.

Section 7.4 Standard Provisions Annex

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

Section 7.5 Amendments

Unless otherwise specified herein, the Parties may amend this Agreement only by a formal written amendment signed by the Authorized Representatives.

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

FOR THE GOVERNMENT OF
THE DEMOCRATIC REPUBLIC OF
TIMOR-LESTE:

/ s /

Rui Manuel Hanjam
Vice Minister of Finance

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

/ s /

Cheryl A. Williams
Acting Mission Director
United States Agency for
International Development

ANNEX 1

AMPLIFIED PROGRAM DESCRIPTION

I. Introduction

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

II. Background

In December 2008, the Millennium Challenge Corporation (“MCC”) selected Timor-Leste as eligible for assistance intended to help the country become eligible for compact assistance under the Millennium Challenge Act of 2003, as amended. In May 2010, MCC’s Board of Directors approved assistance for Timor-Leste for a program designed to improve Timor-Leste’s performance in the policy areas measured by MCC’s *Control of Corruption* and *Immunization Rates* indicators.

III. Program Components and Proposed Activities

The Program consists of the following components, which are further described below:

- Component 1 – Strengthen Anti-Corruption Efforts
- Component 2 – Improve Access to Immunization Services

A. Component 1: Strengthen Anti-Corruption Efforts

Component 1 is designed to address corruption through an integrated approach that will engage a number of key institutions and actors. This component will emphasize building human capacity and developing linkages among the various institutions and actors within the Government to create a coordinated approach to fighting corruption. In combination, these stakeholders will constitute a comprehensive system to prevent, detect, and punish the misuse of government funds.

A list of proposed activities is set forth below. However, this list is not exhaustive. Actual activities will depend on the technical approaches proposed by selected Implementing Partners (as defined below). Innovation in the design of the activities with a focus on achieving results and creating synergies among the Program’s local partners will be encouraged.

1. Support for the Anti-Corruption Commission (“ACC”)

Objective: Establish the ACC as the lead agency for anti-corruption education, prevention, and investigation by ensuring that the ACC is able to successfully complete investigations of cases of alleged corruption and, if warranted, refer its findings to the Office of the Prosecutor General (OPG).

Proposed activities include:

- Assist and train the ACC and its staff in carrying out corruption prevention, education, and investigation activities, as well as the administration and management of cases.
- Coordinate and collaborate with relevant threshold program actors, including the OPG and the audit, procurement, and civil society-related activities. Activities may include joint training seminars, an exchange of information, collaboration on corruption cases, and other interventions to promote a unified focus on reducing corruption.

2. Support the Office of Prosecutor General (“OPG”)

Objective: Build OPG’s investigative and prosecutorial capacity, particularly for the investigation and prosecution of corruption cases and economic crimes.

Proposed activities include:

- Train and otherwise assist the OPG in developing a capacity to investigate and prosecute corruption cases, including training on key investigative concepts and prosecutorial techniques.
- Coordinate and collaborate with relevant Program actors, including the ACC and the audit, procurement, and civil society groups. Activities may include joint training seminars, an exchange of information, collaboration on corruption cases, and other interventions to promote a single focus on reducing corruption.
- Support the Government adoption of a working protocol or memorandum of understanding specifying investigative levels of authority and responsibilities with respect to economic crimes among the OPG, ACC, the National Police, the Banking Payment Authority, the Office of the Inspector General, and other relevant stakeholders.

3. Support for the Establishment of an External Audit Authority

Objective: Strengthen the auditing capabilities of internal government audit entities and establish a functioning external audit authority to improve the Government’s ability to prevent and detect instances of corruption and, where necessary, assist OPG with criminal indictments.

Proposed activities include:

- Facilitate independent audits of at least three large ministries and publicize the results.
- Establish an independent external audit authority and provide institution-building support.

- Train external auditors and inspectors general on modern audit techniques and assist in developing institutional capacity to carry out a large volume of audits.
- Coordinate and collaborate with relevant Program actors. Activities may include sharing information on completed audits, assisting with investigations and prosecutions of economic and corruption-related crimes, participating in joint training sessions, disseminating results to non-governmental actors, including the media, and other interventions that increase synergies on fighting corruption
- Support the Government in defining roles and levels of responsibility with respect to internal audit authority between the Office of the Inspector General and relevant inspector general offices within line ministries.

4. Improving Procurement Policies, Regulations and Practices

Objective: Increase the knowledge and use of internationally-accepted procurement standards in relevant line ministries by having Government contracting authorities train procurement officers and establish an in-service training system for contract officers on international and Government legal procurement standards. Support the establishment and operations of an independent procurement review commission empowered to adjudicate procurement complaints in accordance with its legal mandate.

Proposed activities include:

- Coordinate and collaborate with relevant Program actors, including the ACC and the OPG, as well as across the audit, civil society and parliament-related activities. Activities may include an exchange of information on questionable procurements, requests for audits, joint training sessions and other interventions that increase synergies among the threshold program's Government partners.
- Provide training on internationally-accepted procurement standards to staff with procurement responsibilities within the Ministry of Finance and other relevant ministries.
- Develop a train-the-trainer program to increase the sustainability of efforts under this sub-component.
- Support the establishment of an independent procurement review commission and provide institutional support for this commission.

5. Enhancing Fiscal Oversight Skills of National Parliament

Objective: Strengthen parliament's role as a check on corruption and collusion through increased oversight of the government's fiscal management practices, including using its legislative oversight authority to probe alleged corruption or misuse of funds, or follow up on recommendations of

independent agencies.

Proposed activities include:

- Train and assist parliament and staff on exercise of fiscal oversight authorities.
- Provide technical expertise to draft new anti-corruption legislation, working through legislative committees and with advocacy groups.
- Coordinate parliamentary oversight activities with other threshold program activities, including audit, procurement, and civil society activities, through joint trainings, information sharing and collaboration on legal reform initiatives.

6. Enhancing Watchdog Capacity and Public Advocacy of Non-State Actors

Objective: Increase the capacity and public advocacy skills of civil society organizations, media, academia, and private sector associations in order to improve their effectiveness in monitoring, advocating, and disseminating information on corruption-related issues, including through anti-corruption-themed public advocacy campaigns and watchdog activities.

Proposed activities include:

- Support targeted and sustained campaigns and coalition building activities that will advocate for reformed policies or practices supported by the threshold program.
- Provide training and support to selected organizations to carry out three corruption surveys and disseminate findings to the public. Provide training and technical assistance to non-state actors including civil society organizations, the media, academia, the private sector, and others. Training may include topics such as fact-based targeted advocacy campaigns, investigative journalism, public complaints handling, government budget procedures, public service report cards, data gathering, and other relevant topics.
- Coordinate with all actors in the Program to advocate for reforms, disseminate information and results, and provide other interventions to support the Program’s coordinated approach to fighting corruption.

B. Component 2: Improve Access to Immunization Services

Component 2 is designed to improve access to immunization services by creating a more capable and effective community health system in Timor-Leste by strengthening integrated community health services units (“SISCa”), improving immunization management and vaccine-preventable disease surveillance capacity, strengthening service delivery, and increasing the number of qualified health service providers.

1. Strengthen Service Delivery and Identification of Unimmunized Children

Objective: Identify underserved areas, develop long-term solutions to improve and maintain higher coverage rates, and immunize children in chronically low-coverage areas.

Proposed activities include:

- Identify all communities and villages with low coverage and large numbers of unimmunized children in order to determine target service areas.
- In consultation with community representatives, update each community's community health center operational plans, which include basic surveillance information, logistical requirements, responsible staff, and monthly schedules to improve the management, efficiency and prioritization of limited resources.
Facilitate community health center local area monitoring meetings, improve management and planning of resources and implementation schedules, and continually evaluate current efforts to respond to challenges or difficulties in a timely manner.
- Execute local "catch-up" rounds in chronically low-performing villages in coordination with local community health centers.

2. Institutionalize Integrated Community Health Services Units

Objective: Institutionalize SISCa as functional healthcare service units in all districts supported by the component.

Proposed activities include:

- Establish quarterly meetings with SISCa, village chiefs, and volunteers to review community operational plans and immunization coverage, and to create a platform for advocacy and social mobilization efforts.
- Provide an orientation to SISCa volunteers on immunizations procedures, as well as other administrative and technical functions.
- Engage with district level health policy stakeholders including mayors, assembly members, religious leaders, and local non-governmental organizations to inform them of the current health care management situation, particularly the role of SISCa in providing health services, to ensure community ownership and support for health services in the future.
- Develop and update communication tools and materials for use by SISCa volunteers to increase awareness and demand for immunization services.

3. Strengthen Surveillance and Reporting

Objective: Improve surveillance and reporting of vaccine-preventable diseases in order to monitor the effectiveness of immunization efforts and allow for timely detection and response to disease outbreaks.

Proposed activities include:

- Improve surveillance of hospital records and achieve certification standards of detecting, investigating, and reporting on vaccine preventable diseases by assigning a Ministry of Health staff member to review targeted hospital records on a weekly basis.

4. Strengthen Management Capacity of Relevant Health Staff

Objective: Increase capacity of district and community health center staff to effectively manage, plan, and supervise basic health care operations.

Proposed activities include:

- Deliver a management training workshop to improve trends analysis and identification of problem areas, increase capacity to execute micro-planning exercises and community mobilization efforts, and improve other management skills.
- Provide training for select district and community health center staff on cold chain repair and maintenance in order to increase effective use and repair of equipment.
- Deliver training on effective vaccines, supplies and cold chain management to improve planning and management of resources.
- Deliver training for nurses and midwives on best practices for safe immunization practices, screening and counseling, and community mobilization efforts, in order to increase the number of well-qualified field staff.

IV. Roles and Responsibilities

The Government and the USAID will collaborate to implement the Program. All implementation planning, supervision, and monitoring and evaluation activities will be mutually agreed upon by USAID and Government.

A. GOVERNMENT OF TIMOR-LESTE

In connection with the implementation of the activities under this Agreement, the Government will use its very best efforts to ensure that the Results and the Objective are achieved, as contemplated in this Agreement, including without limitation through the timely satisfaction of all conditions precedent.

In furtherance of, but without limiting the foregoing, the Government will: (a) pay for the annual salaries and organizational costs of the Government staff assigned to oversee the Program; (b) provide office space for staff of selected Implementing Partners (as defined below); (c) provide Program monitoring; and (d) ensure budget support and replication of lessons learned to sustain Program activities after the Completion Date.

B. USAID

USAID will work closely with the Government (specifically the Ministry of Finance) to assist the Government to successfully implement the Program and achieve the Results and the Objective contemplated by this Agreement.

USAID will enter into one or more agreements with one or more third-party implementing partners (each, an “Implementing Partner”) to implement the Program. Such agreements may include grants, cooperative agreements, and contracts. The Implementing Partners may be local, United States, international or multi-national, governmental or nongovernmental, organizations or persons. USAID will select the Implementing Partners in accordance with USAID regulations and policies and in consultation with representatives of the Government and MCC.

USAID will monitor performance under such agreements and will oversee the performance of the Implementing Partners and progress toward achievement of the Results.

C. IMPLEMENTING PARTNERS

USAID will ensure that the Implementing Partners carry out the implementation of the Program in conformance with this Agreement and report directly to USAID. Each agreement between USAID and an implementing partner will state that the partner organization will implement the project consistent with this Agreement and will include a monitoring and evaluation plan, including indicators, baselines, targets and outputs.

D. MCC

USAID and the Government acknowledge and understand that MCC has charged USAID with responsibility for administering and overseeing the implementation of this Agreement under MCC principles of country ownership, accountability, and emphasis on results. It is further understood that the respective roles and responsibilities of USAID and MCC in connection with the implementation and furtherance of this Agreement are set forth in separate documents executed by USAID and MCC. USAID and the Government acknowledge and agree that MCC is not a party to this Agreement and will have no rights or obligations under this Agreement.

V. Financial Plan

The financial plan (the “Financial Plan”) for the Program is set forth below. Changes may be made to the Financial Plan in writing by the Authorized Representatives

without formal amendment to this Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of this Agreement.

Component 1: Strengthen Anti-Corruption Efforts	\$ 7,066,750
Component 2: Improve Access to Immunization Services	\$ 2,639,250
Monitoring and Evaluation	\$ 790,000
TOTAL PROGRAM COST	\$10,496,000

VI. Monitoring and Evaluation

Program monitoring and evaluation will be based on quantitative as well as qualitative factors and will be carried out by the Government, USAID, and Implementing Partners. Achievement of the Results will be measured by the performance indicators and targets listed below in section VII (as well as other performance measures agreed upon by USAID and the Government). Baseline data will be collected to assess the status of the indicators at the start of the Program. The Government will provide USAID with the administrative data required to track performance indicators from any Government counterparts receiving assistance under the Program. Where necessary, any information regarding individuals will be furnished anonymously to ensure confidentiality of the information.

VII. Expected Outputs and Outcomes

As of the date of this Agreement, the following output and outcome indicators have been identified for the Program. These indicators (including baselines and targets) are subject to revision as more reliable data become available. Also, USAID or the Government may propose additional indicators during the implementation of the Program. USAID and the Government may revise the indicators identified below by agreement in writing. Such revision may include modifying or specifying baselines and targets.

Component 1: Strengthen Anti-Corruption Efforts

Output Indicators

1. Support for the Anti-Corruption Commission

- Corruption investigation curriculum developed and implemented
- Standard operating procedures, protocols, and regulations developed
- Clear job descriptions developed and agreed upon for all ACC staff members; used for regular staff evaluations
- Organizational chart and functions and procedures developed
- At least 42 participants benefited from corruption-related specialized training courses and pass aptitude tests
- Clear delineation of areas of responsibility and clear chain of command within ACC established and adhered to

2. Support for the Office of Prosecutor General

- Seminars for up to 30 targeted Government interagency staff developed and implemented
- Long- and short-term training plan developed for prosecutors, based on seminars, attachments/apprenticeships, or short term courses
- Specialized on-the-job training for senior level prosecutors who will handle corruption cases
- An estimated 6 to 12 professionals participate in external attachments/apprenticeships or short-term courses on corruption investigation, case preparation and prosecutorial skills

3. Support for the Establishment of an External Audit Authority

- Level of audit skills determined and training needs are identified
- Short-term course developed and implemented
- Up to 30 targeted staff receive specialized training
- Functions and audit procedures manuals developed

4. Improving Procurement Policies, Regulations and Practices

- Level of procurement skills determined and training needs are identified
- Competency based certification skills in procurement developed
- 10 trainers from local institutions trained to deliver the course
- 300 personnel from the Ministry of Finance, line ministries and other relevant agencies trained in procurement, pass aptitude tests and obtain certification

5. Enhancing Fiscal Oversight Skills of National Parliament

- Technical assistance, advice, or transfer of knowledge provided to selected members of parliament and staff resulting in policy or protocol on fiscal oversight, or economic crime, or both
- At least 45 participants benefited from fiscal oversight and specialized training courses, and pass end-of-training aptitude test

6. Enhancing Watchdog Capacity and Public Advocacy of Non-State Actors

- Specialized training is provided to 150 participants from non-state actors
- Annual public perceptions demonstrate increased knowledge of key anti-corruption concepts of at least 5 percent per year
- At least 3 corruption surveys (with analysis) produced and disseminated to all stakeholders
- At least 30 participants from civil society and other stakeholders trained in social research with emphasis on the conduct of corruption surveys.

Outcome Indicators

1. Support for the Anti-Corruption Commission

- At least 30 new cases of corruption conforming to requirements of the OPG for prosecution are submitted to and accepted by the OPG
- All ACC staff with delegated investigations authority graduate from corruption investigation curriculum
- ACC operations and institutional performance, built on best practices from more established corruption commissions, deemed satisfactory, per external evaluation to be performed by implementing partner
- ACC takes part in interagency working groups on corruption issues and leads ad hoc initiatives on corruption-related issues (e.g., political party financing, disclosure of assets, and lobbying)
- ACC staff receives positive performance evaluations from supervisors and evaluators (as a result of Civil Service Commission and internal evaluations)
- ACC staff performing job functions predominately without technical assistance
- Through an independent survey, ACC obtains improved public approval rating from the baseline (now zero) for its effort to prevent and investigate corruption.

2. Support for the Office of Prosecutor General

- 30 or more corruption cases that meet international standards for quality are indicted and brought to trial, with at least 15 cases resulting in convictions.¹
- Up to 30 targeted staff from Government interagency with investigative authority pass end-of-training aptitude tests
- OPG establishes and adheres to corruption investigation oversight, case preparation, and case prosecution procedures and processes (including case management strategies) in line with new penal code.
- Knowledge of skills in investigations and evidence gathering in the OPG, ACC, Bank Payments Authority and to-be-identified National Police investigators are sufficient to run corruption-specific programs with little or no technical assistance
- Advanced skills such as financial flow monitoring and electronic surveillance are developed and put in place via policy or protocol at Program end

3. Support for the Establishment of an External Audit Authority

- Knowledge of hard skills in auditing for Office of Inspector General (OIG) and ministries with inspector general (IG) offices is sufficient to run basic audits and provide analysis at internationally accepted standards
- Procedures manuals implemented and OIG and ministry IG staff employ best practices

¹ Acknowledging that cases should also be assessed on quality, not just quantity or numbers of convictions, quality standards will be developed through the Program and assessed through external evaluation.

- 10 corruption cases directly resulting from audits that meet international standards for quality and minimum requirements of the OPG are indicted and brought to trial (with at least 5 cases resulting in convictions).

4. Improving Procurement Policies, Regulations and Practices

- Knowledge of skills in procurement of Ministry of Finance and line ministry personnel result in a 50 percent or more reduction in maladministration compared to initial baseline survey
- Local capacity to deliver procurement training based on international best practices and protocol is established and ongoing
- Government procurement is independently audited and found to be in general accordance with internationally accepted standards

5. Enhancing Fiscal Oversight Skills of National Parliament

- Members of Parliament and targeted Secretariat staff display increased fiscal oversight skills and understanding during annual budget review as compared to baseline
- New or updated policy or protocol (or both) for fiscal oversight of the executive (including expenditure tracking throughout the fiscal year) developed and implemented
- Parliament obtains an improved positive approval rating from the public for its effort to provide fiscal oversight and combat corruption in comparison to baseline survey

6. Enhancing Watchdog Capacity and Public Advocacy of Non-State Actors

- Skills of non-state actors to function as watchdogs are exhibited by 3 public advocacy campaigns
- At least 15 well-researched corruption cases or position papers are jointly brought to government and public attention
- Increased perception amongst representative sample of citizenry about “unacceptability” of corrupt practices (petty or grand – from paying bribes for documents or to get out of a traffic ticket to sole sourcing contracts) signaling cultural shift
- Citizen ability to advocate against corrupt practices increases versus baseline survey
- Reliable empirical information developed and made public on: types of corruption country specific vulnerabilities; concrete and measurable reforms needed; and the impact of anti-corruption programs to date

Component 2: Improve Access to Immunization Services

Output Indicators

1. Strengthening Service Delivery and Identification of Unimmunized Children

- Updated lists of *sucos* by community health center (CHC) area
- Updated community health centers micro-plans each year.
- Local area monitoring meetings conducted monthly to review performance, operations, supplies, and logistics
- Catch-up rounds performed where needs have been identified

2. Institutionalize Integrated Community Health Services Units (“SISCa”)

- Number of meetings held in priority areas
- Number of volunteers oriented about their tasks
- Number of district advocacy meetings held and participants
- Variety of communication tools and material produced

3. Strengthen Surveillance and Reporting

- Weekly active search in six hospitals (24 per month)
- 200 medical officers oriented on vaccine preventable disease surveillance and submitting monthly reports to the file.

4. Strengthen Management Capacity of Relevant Health Staff

- 150 district and CHC staff trained.
- 25 district staff trained on cold chain repair and maintenance.
- Sixty staff trained in vaccines and cold chain management
- Thirty nurses and midwives provided in-service training

Outcome Indicators

1. Strengthening Service Delivery and Identification of Unimmunized Children

- 100 percent of target CHCs with updated micro-plans that meet Ministry of Health (MoH) and internationally acceptable guidelines
- Percent of immunization sessions held - 1st year (50 percent), 2nd year (80 percent), and 3rd year (90 percent)

2. Institutionalize Integrated Community Health Services Units (“SISCa”)

- MoH adopts and enforces a policy to regularize monthly SISCa review meetings at district level
- Random sample of SISCa volunteers score higher on aptitude tests for health promotion and community mobilization compared to baseline assessment.

- District Administrators agree to take lead role in monitoring SISCa performance and ensure District Public Health Officers publicize progress reports

3. Strengthen Surveillance and Reporting

- Increased number of acute flaccid paralysis and neonatal tetanus and measles detected, investigated and reported versus baseline estimate
- MoH protocol is established to identify outbreaks and respond within a timeframe consistent with international best practice

4. Strengthen Management Capacity of Relevant Health Staff

- CHC micro-plans that meet MoH and internationally acceptable guidelines prepared for each year
- Reduced incidence of cold chain failure compared to baseline data
- Reduced vaccine stock-out due to better forecasting and management compared to baseline data
- Improved screening and counseling and reduced effects of immunization (as measured by annual survey data)