**Subject:** USAID/Ethiopia Request for Application (RFA) No. 72066318RFA00001

**Program Title:** Health Financing Improvement Program

Ladies/Gentlemen:

The United States Government, as represented by the United States Agency for International Development in Ethiopia (USAID/Ethiopia), is seeking applications from qualified and eligible organizations for a five-year activity entitled **Health Financing Improvement Program** whose overall objective is to improve health sector financing in Ethiopia.

It is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost principles (2 CFR 200, OMB Circular A-230 for non-profit organizations, OMB A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for for-profit organizations), may be paid under the agreement.

This RFA is being issued and consists of this cover letter and the following:

1. Section I, Program Description;
2. Section II, Federal Award Information;
3. Section III, Eligibility Information;
4. Section IV, Application and Submission Information;
5. Section V, Application Review Information;
6. Section VI, Federal Award and Administration Information;
7. Section VII, Federal Awarding Agency Contact(s);
8. Section VIII, Other Information; and
9. Annexes

Subject to the availability of funds, USAID/Ethiopia intends to provide approximately $40 million to be allocated over the five-year period. USAID/Ethiopia anticipates awarding one cooperative agreement as a result of this solicitation; however, USAID/Ethiopia reserves the right to fund any or none of the applications submitted.

This funding opportunity is posted on [www.grants.gov](http://www.grants.gov), and may be amended. Potential applicants should regularly check the website to ensure they have the latest information pertaining to this.
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notice of funding opportunity. Applicants will need to have available or download Adobe program to their computers in order to view and save the Adobe forms properly. It is the responsibility of the applicant to ensure that the entire RFA has been received from the internet in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion process. If you have difficulty registering on www.grants.gov or accessing the RFA, please contact the Grants.gov Helpdesk at 1-800-518-4726 or via email at support@grants.gov for technical assistance.

Applications should be received by the closing date and time indicated at the top of this cover letter and pursuant to the instructions contained in the RFA. Any questions concerning this RFA must be submitted in writing to caddis@usaid.gov with a copy to Tsegereda Gebremedhin and Henok Amenu Oljira at: tgebremedhin@usaid.gov and hamenu@usaid.gov no later than the May 31, 2018 deadline for questions. If it is determined that the answer to any question(s) is of sufficient importance to warrant notification to all prospective recipients, a Questions and Answer document, and/or, if needed, an amendment to the RFA, will be issued.

Applicants are requested to submit both the merit review and cost portions of their applications in separate electronic attachments as specified in Section IV of this RFA. Subject to the availability of funds, award will be made to that responsible applicant(s) who submits the best application under the merit review criteria outlined in this RFA.

Final award of any resultant agreement cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award. Applications are submitted at the risk of the applicants; should circumstances prevent award, all preparation and submission costs are at the applicants’ expense.

Thank you for your interest in USAID programs.

Sincerely,

[Signature]

Martin Fischer
Agreement Officer
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SECTION I - PROGRAM DESCRIPTION

Pursuant to 2 C.F.R. Section 200, Appendix I, this section includes: (A) a general program description of the proposed program; and (B) a statement identifying the authorizing legislation.

A. GENERAL DESCRIPTION OF FUNDING OPPORTUNITY

Set forth below is a description of the proposed program, covering:

1. Title;
2. Objective;
3. Background;
4. General Activity Guidance; and
5. Activity Description.

1. TITLE

The title of this Activity is Health Financing Improvement Program.

2. OBJECTIVE

The overall goal of the program is to further strengthen the health financing functions and systems to support Universal Health Coverage (UHC) of quality Primary Health Care (PHC) services for Ethiopian citizens, with reduced financial barriers. In alignment with the overall goal reflecting Government of Ethiopia’s (GoE) aim for achieving UHC with PHC by 2035 and USAID’s vision for Health System Strengthening, the Program objectives are to:

- Increase domestic resource mobilization for enhanced provision of quality PHC services
- Streamline pooling of risk-sharing/insurance mechanisms for wider access to PHC services with reduced financial barriers
- Facilitate strategic purchasing of health services from public and private health providers
- Improve governance, management and evidence-generation for the health financing reforms and health facilities

The Program will continue supporting the implementation of the Health Sector Financing Reform (HSFR) and the health insurance programs at the national, regional/zonal, woreda and health facility levels. While doing so, it will emphasize further strengthening of the health financing functions toward UHC by maintaining a three-prong approach:

(1) Facilitate institutionalization/localization of the nationwide rollout and sustained continuation of the ‘first-generation’ supply-side interventions for the public-sector health facilities (Revenue Retention and Use, Outsourcing of non-clinical services, Introducing private wings, Establishing governing boards);
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(2) Solidify and scale-up the demand-side newer (‘second-generation’) interventions with needed refinements (e.g., health insurance, exemption approaches); and
(3) Explore and initiate new (‘third-generation’) interventions for furtherance, expansion and deepening of the health financing reforms (such as strategic purchasing/provider payment systems, private sector involvement in urban/city areas).

Thus, USAID’s strategy to expand health financing options shall consolidate the achievements of the past reforms and widen to new strategies to support further improvements in access, equity, utilization and quality service-provision leading toward UHC. The following are the key expected results/outcomes of the Program.

- System elements (institutional structures with roles and responsibilities, operational procedures and manuals, capacity-building arrangements) for transition/institutionalization of the rollout and sustained continuation developed and implemented for the financial reform interventions on:
  - Revenue retention and use in public health facilities
  - Facility governing boards for public health facilities
  - Outsourcing of non-clinical services in public hospitals
  - Private wings at public hospitals
- 90% or more of public health facilities continue to retain and use internally-generated revenues on facility and service improvement
- 90% or more of public health facilities are managed by functional governing boards representing local communities
- 90% or more of the public hospitals outsource cost-inefficient non-clinical/ancillary services
- Consolidation of the Community-based Health Insurance (CBHI) program accomplished through institutionalizing the system elements for sustained continuation of viable CBHI schemes/pools (institutional structures with roles and responsibilities, operational procedures and manuals, capacity-building arrangements) in the rural districts of the 4 agrarian regions (Tigray, Amhara, Oromia and SNNP)
- Rollout of the CBHI schemes completed with needed modifications and solidification in the urban settings within the 7 implementation regions (4 agrarian regions, Harar, and Addis Ababa and Dire Dawa City Administrations)
- Proportion of population enrolled in health insurance schemes increased from the current 13% to at least 50%
- Share of out-of-pocket expenditures to total health expenditure reduced from the current 33% to 25%
- Percentage of domestically-mobilized resource (combined share of government and households) increased from the current 64% to 70%
- Health service utilization rate increased from the current 0.6 to 0.8

This Activity will be implemented consistent with the USAID’s principles of collaborating, learning and adapting (CLA). This Agreement covers any activities that, consistent with CLA
principles, will contribute to the key objectives and key results specified above, consistent with implementation planning requirements and other provisions of the agreement.

3. BACKGROUND

The design of the award is based on the concepts, results framework, and evidences reflected in a number of key national and USAID documents for Ethiopia. These are the mission’s new Strategic Results Framework, Government of Ethiopia’s Growth and Transformation Plan (GTP II), Health Sector Transformation Plan (HSTP) 2015/16 - 2019/20, the revised draft of the National Health Care Financing Strategy (HCFS) 2017-2025, latest National Health Accounts Report: 2013/2014, and Ethiopia Performance Monitoring and Evaluation Service (EPMES) Final Report on the Midterm Evaluation of the ongoing HSFR/Health Financing and Governance (HFG) activity. It builds upon the successes and challenges of the earlier programs in Ethiopia as well as reinforces its focus on strengthening the health financing functions and strategic directions as described in the WHO framework and USAID’s Vision for Health Systems Strengthening.

Relevant background is provided below relating to the: a. General Background; b. The Problem Statement; and c. Relationship to GoE Strategic Plans and Mission’s New Strategic Results Framework.

a. General Background

USAID has been a strong development partner with Ethiopia in supporting economic, social and development sector programs for over 50 years. In view of addressing the growing need for health services and ensuring fair and sustainable health financing, in 1998, the GoE embarked on Health Sector Financing Reforms. The reform package promoted alternate options for financing, allocating, organizing and managing health resources and services, and emphasized cost sharing together with an expanded role of the private sector and health insurance schemes. It proposed that people pay for health services according to their ability, with safety-net arrangements to protect the poorest of the poor/indigents from the financial barriers to seeking health care services. It aimed at providing the hospitals and health centers with greater responsibility, authority, and accountability in managing service delivery. Key interventions for the HSFR included:

(1) Revenue retention and utilization (RRU) by health facilities to improve quality of health services
(2) Fee waiver system to benefit the poor, and standardization of the exempted package of guaranteed benefits package
(3) Establishment of facility governance boards to enhance facility autonomy and community participation
(4) Outsourcing of non-clinical services at public hospitals for efficiency gains
(5) Establishing private wings in public hospitals to enable retention of physicians and health professionals
(6) Introducing and expanding health insurance schemes (Social and Community-based Health Insurance Programs)
The parliament of Ethiopia ratified the proclamation on Social Health Insurance (SHI) in 2010. Subsequently, the Council of Ministers issued a regulation later that year, endorsing the establishment of the Ethiopian Health Insurance Agency (EHIA). According to the proclamation, SHI membership has been made mandatory for all formal sector employees, with the employees and employers making equal percentage contributions (payroll tax) – based on the employee’s salary. Since then, the government established the EHIA and its 24 branches all over the country, with some 750 staff employed in them. Also conducted was a series of activities to strengthen the managerial and technical skills of the EHIA and its branches in running and overseeing the insurance schemes. However, operationalization of the SHI scheme itself did not begin as yet. Its commencement was postponed on more than three occasions due to socioeconomic and political considerations. The Community-based Health Insurance (CBHI) scheme, meant for the informal sector households, was kicked off in January 2011 – initially as pilots in 13 woredas (districts) within four regions (Tigray, Amhara, Oromia, and Southern Nations, Nationalities, and Peoples (SNNP)), and subsequently scaled up, in phases, to additional regions and woredas. Currently, a total of 399 woredas spread across eight regions, including select urban woredas within Addis Ababa and Dire Dawa cities, are in the process of implementing CBHI schemes.

USAID/Ethiopia, through its implementing partners, has supported the above-mentioned reform components since their beginning. An example of USAID/Ethiopia’s continued assistance in this area over the past decade includes the five-year Health Care Financing Activity implemented from 2009-2013, and the ongoing Health Sector Financing Reform/Health Financing and Governance (HSFR/HFG) Activity that started operations on August 1, 2013 and is scheduled to end on September 30, 2018. These activities continued to extend financial and technical assistance to the GoE at the federal, regional, woreda, and health facility levels, to pilot, scale up, and solidify the above reforms.

The financial reforms produced encouraging results and contributed to the considerable achievements that the health and population sector of Ethiopia attained over the past two decades in the areas of life expectancy, maternal and child mortality, total fertility, contraceptive prevalence, HIV, TB and malaria, and coverage and utilization of Primary Health Care (PHC). A notable programmatic success during these years has been the increased availability of drugs, pharmaceuticals, and medical supplies. New medical equipment and facility renovations are also notable accomplishments. These were due largely to the ability of health facilities to retain revenues at the facility level and use them to purchase medical supplies and equipment and make infrastructure improvements. Another success reported was the implementation of governance facility boards and management committees at the public health facilities. This change allowed more autonomy and decentralization and led to greater community participation and local input to the control and use of health resources. The CBHI schemes contributed to mobilization of additional resources from the enrolment fees (premiums), inclusion of the indigents thanks to the targeted subsidies from woreda and regional governments, increase in access to and utilization of health care services by the CBHI members, and augmentation of health facilities’ operational funds toward improvements in quality of care. Outsourcing of clinical services and establishing private wings in public hospitals also proved effective to improve efficiency and retain specialized doctors in these facilities. The Midterm Evaluation of the HSFR/HFG activity accomplished in mid-2017 under the USAID contract on Ethiopia Performance Monitoring and
Evaluation Service (#AID-663-C-16-000010-EPMES) has documented the successes and ways forward for these reform components.

The 1998 Health Care and Financing Strategy of Ethiopia envisioned and laid foundations that contributed to many positive and progressive changes. However, to reflect on the country’s new ambitions and priorities for Universal Health Coverage (UHC) through Primary Health Care by 2035 that are described in the national Growth and Transformation Plan (GTP II), Health Vision document for 2035, and Health Sector Transformation Plan (HSTP) 2015-2020, there was a pressing need to improve the 1998 Health Care and Financing Strategy and press ahead with expanded options for health financing. The Revised Health Care Financing Strategy of FMoH/GoE for 2017-2025 has, thus, identified five Strategic Objectives to focus on during this period, which are:

SO 1: Mobilize adequate resources, through traditional and innovative approaches, from domestic and external sources for sustaining and increasing funds for health care services
SO 2: Reduce out-of-pocket spending at the point of use
SO 3: Enhance equity, efficiency and effectiveness
SO 4: Strengthen public private partnership
SO 5: Capacity development for improved health care financing

The current USAID-funded HSFR/HFG Project will end in September 2018. USAID is the biggest development partner to the GoE in health, with the longest history of assisting its health financing reforms. USAID’s financial and technical support is highly valued by the FMoH and the regional and woreda governments. This Program will continue supporting and strengthening the health financing reforms in Ethiopia in its challenging journey toward UHC by institutionalizing, expanding and consolidating the health financing approaches and interventions in line with the above Strategic Objectives of the GoE.

b. The Problem Statement

Over the past two decades, Ethiopia has made impressive progress in strengthening its health system in terms of improving the organization and governance, expanding financing options, increasing access to health services, improving the logistics system and availability of essential drugs, and deployment and retention of human resources for health. These improvements in the health system and service delivery have contributed to health outcome improvements in MCH, FP, HIV/AIDS, TB and Malaria, as reflected in the successive Ethiopia Demographic and Health Survey reports.

The Ethiopia Performance Monitoring and Evaluation Service (EPMES) evaluation revealed that the supply-side financing reforms (RRU, outsourcing, private wing in public hospitals, facility governance boards) enabled facilities to generate, retain and use additional revenue to improve quality of care, contain operational costs and attain better efficiency, ensure higher retention of specialized health personnel in public hospitals, and facilitate community participation and increased accountability of health providers. It also observed that the encouraging results of these interventions prompted widespread willingness and readiness among local counterparts (Regional and Woreda Health Bureaus) to take them over and institutionalize their nationwide
rollout and future continuation. While this is undoubtedly a huge success for USAID in attaining transition and sustainability of these financing reforms, it will require some more work to ensure that the right systems and capacities are in place before exiting.

The demand-side reforms (fee-waiver system for poor, exempted package of benefits, CBHI scheme) were successful in facilitating increased access to and use of health services with reduced financial barriers, wider and immediate health care seeking by women without having to asking for money from their husbands, and greater health protection of the poor without catastrophic and impoverishing out-of-pocket payments. However, EPMES pointed out that much yet remains to be done to expand, consolidate, and sustain these interventions. There are a number of issues that can seriously hamper the potential benefits of these interventions if not addressed properly. For instance, user-fees for certain services do not adequately cover the costs of providers; a systematic process for periodic review and revision of the user-fees has not been institutionalized; regions lack the capacity to carry out cost-based revisions of user-fees; the right balance between CBHI, quality of services and drug availability is yet to be attained; the exempted package of benefits is heavily dependent on donor contributions and lacks a plan for financing internally in the event of reduced donor assistance; there are no standard institutional arrangements for the CBHI schemes across regions and woredas; a number of the woreda CBHI pools are not financially sustainable and most of these are not audited; subsidies from the federal, regional and woreda governments are not enough to ensure enrolment of all poor and indigent populations, etc. The timeline for commencement of SHI, on the other hand, is still uncertain. Thus, a lot remains to be done to materialize Ethiopia’s aspiration to attain UHC by 2035 and reach 80% of eligible households in 80% of woredas in the country with CBHI by 2020.

The latest National Health Accounts Report for Ethiopia (NHA VI, for 2013/2014) published in August 2017 revealed that although per capita health expenditure in Ethiopia has increased significantly over the past two decades, from US$4.5 in 1995/96 to US$28.65 in 2013/14, it is still much less than most peer countries with similar economy and well below WHO’s recommendation to spend US$60 - US$80 per capita to ensure a package of essential health services. Despite enhanced GoE contributions to health during recent years, its share accounts for only 30% of Ethiopia’s total health spending. The remaining 70% is predominantly funded by out-of-pocket spending by households (33%) and donor assistance (36%). These are huge challenges to a sustainable financing system required to attain UHC, and call for exploring new strategies on additional domestic resource mobilization – including public budget and innovative financing sources, enhancing efficiency in the use of resources, expanding risk-sharing pre-payment mechanisms, as well as attracting investments from the private sector and creating conditions for its broader participation in health care provision.

c. Relationship to GoE Strategic Plans and Mission’s New Strategic Results Framework

The proposed award, to further strengthen the health financing system, will have overarching impacts on the GoE’s goal of UHC through strengthening PHC by 2035 – a cornerstone for health development envisioned in the GTP II and the HSTP 2015/16 - 2019/20. It will also remarkably contribute to the new Strategic Results Framework for USAID Ethiopia.
Physical and economic wellbeing are two critically important ingredients in greater self-reliance of households. The Program will contribute to both. By facilitating mobilization of additional revenues and resources and committing them to enhanced provision of quality PHC services, the program facilitates strengthened health system with improved supply of health care services. Through its interventions/sub-results on strengthening the health insurance/risk-sharing schemes and premium-exempted inclusion of poor households, it paves the way to a considerable rise in effective demand for healthcare services. As a combined impact of these demand- and supply-augmenting outcomes, utilization of quality health services by Ethiopian households will boost up – thereby contributing to the improvement of their health status and physical wellbeing. Economic wellbeing resulting from health is comprehensible from the much familiar ‘vicious cycle of poverty-illness-poverty’ in development modeling. A plethora of well-founded evidence indicates that as much as poverty results in ill-health, so is ill-health in poverty. Therefore, as much as increased socioeconomic growth contributes to better health, similarly improved health status enables socioeconomic wellbeing, including higher economic productivity.

Furthermore, by expanding health insurance coverage and reducing catastrophic, impoverishing out-of-pocket spending, the award will strengthen household resilience to illness-related socioeconomic shocks, including that of the poor and vulnerable populations. It also contributes to improved governance and accountability of public-sector health care provision by ensuring community participation in the health facility governance boards. Thus, it directly supports the creation of effective systems that advance quality health outcomes as well as help achieve increased resiliency to health shocks for the vulnerable households (Strategic Results Framework Development Objectives 2 and 4).

The above-mentioned impacts combined together will help materialize the GoE vision for Universal Health Coverage with a package of essential PHC services and thereby in improving the health of the Ethiopian population, which is a pillar of the National Growth and Transformation Plan II of the Government of Ethiopia.

4. GENERAL ACTIVITY GUIDANCE

The following principles and information provide the operational guidance that will be critical for the successful and sustainable implementation of this Activity. These include: a. Coordination with Other Activities; b. Collaborating, Learning and Adapting; c. Target Beneficiaries and Geographic Scope; d. Resource Allocation; e. Gender Considerations; and f. Staffing Requirements.

a. Coordination with Other Activities

The Program will leverage experiences and resources with other ongoing activities of HAPN/USAID to achieve the expected results and better synergies across pertinent activities/programs. Some of these activities include the following: Transform PHC and Transform Health in Developing Regions (HDR), Private Health Sector Program (PHSP), Strengthening Ethiopia’s Urban Health Program (SEUHP), Human Resources for Health (HRH), and Health Management Information System (HMIS). The health financing interventions within
the activity will serve as the triggering and motivating factors for further improvements in quality of health services. For example, accreditation and quality requirements proposed as the mandatory pre-condition for contracting under the SHI and CBHI will create higher needs for quality improvement among health providers, supported by the Transform PHC and other USAID-funded activities. The Program will particularly collaborate with USAID/Ethiopia’s Assets and Livelihoods in Transition (ALT) office and UNICEF to ensure better Productive Safety Net Program (PSNP)/CBHI linkages, and also, with the World Bank’s Global Financing Facility (GFF) Trust Fund as well as other bi-lateral and multi-lateral Development Partners supporting health financing projects and activities – such as DfID, Irish Aid – in coordinating donor assistance and addressing potential gaps and duplications.

b. Collaborating, Learning and Adapting

USAID uses an approach called Collaborating, Learning and Adapting (CLA) to achieve better development results. This approach involves strategic collaboration, systematic and continuous learning, and adaptive management. CLA asks:

➢ Do you take the time to think critically about your work?
➢ Are you strategic in who you collaborate with, what you’re learning: and
➢ Do you use those learnings to change accordingly?

While CLA is not a new approach, these practices often do not occur regularly, are not systematic, and not deliberate. CLA is not a different work stream or done for its own sake. It’s a different way of approaching activity design and making implementation as effective as possible to maximize development impact. Strong CLA practices vary with organizational culture, project contexts, and their enabling environments. CLA practices need to be tailored where investments at different levels of the health sector and the enabling environment are implemented by different implementing partners.

Partners can achieve this intentionality by identifying knowledge gaps in their activity’s theory of change or by filling gaps in the evidence that designers used when creating the activity. The intentionality may be achieved by creating and taking opportunities for stakeholders to track progress, discuss challenges, opportunities, and changes in context. Another opportunity to be intentional emerges as collaboration opportunities are created or required, especially if USAID/Ethiopia or Washington stakeholders get involved.

ADS 201.3.4.10.B describes potential approaches to CLA that include, but are not limited to:

➢ Having partners identify knowledge gaps in the theory of change for their activity or in their technical knowledge base and supporting them in identifying and implementing ways to fill these gaps;
➢ Planning for and engaging in regular opportunities for partners to reflect on progress, such as partner meetings, portfolio reviews, and after-action reviews. These opportunities may focus on challenges and successes in implementation to date, changes in the operating environment or context that could affect
programming, opportunities to better collaborate or influence other actors, and/or other relevant topics;

- Encouraging or requiring partners under a project to collaborate, where relevant. Collaboration activities may include joint work planning, regular partner meetings that facilitate knowledge sharing, and/or working groups organized along geographic or technical lines. These activities require time and resources, and appropriate resources should be budgeted;

- Involving implementing partners in the USAID learning activities, such as portfolio reviews or stocktaking efforts, as appropriate; and

- Using the knowledge and learning gained from implementation, opportunities to reflect on performance, monitoring data, evaluations, knowledge about the context, and other sources to adjust interventions and approaches as needed.

These practices need to drive decision-making and activity adjustments in an intentional way that responds to new information and changes in context.

c. Target Beneficiaries and Geographic Coverage

Health facilities and health offices staff, facility governance board members, district, zonal and regional administrative entities leaders are the primary beneficiaries of the award. Health service seekers and the community at large are the ultimate beneficiaries. The Program is to be implemented in all the health centers and hospitals at the national level.

The primary target beneficiaries of the health insurance schemes are households in rural and urban settings, including women and children, while the secondary beneficiaries are the health facilities/providers as well as the staff of the national health insurance agency and its regional branch offices and the regional and woreda CBHI administrations. The Program will continue supporting the implementation of the health sector financing reforms and the health insurance programs at the national, regional, zonal/woreda and health facility levels.

While the first-generation interventions are planned for transition/institutionalization nationwide (RRC, outsourcing, health facility governance board, and private wing within the public hospital) and thereby will have a broader coverage, with regard to CBHI, the Recipient is expected to primarily focus on solidification and institutionalization of the program in the rural areas in the four agrarian regions that were the initial implementation sites for CBHI (Tigray, Amhara, Oromia and SNNP), as well as supporting the rollout and consolidation of CBHI schemes in the urban settings within seven regions (the four agrarian regions, Harar region, and Addis Ababa and Dire Dawa City Administrations). The activities on CBHI for the remaining four emerging regions are expected to include limited TA, mostly in the form of lessons learned and experience sharing.

d. Resource Allocation

The activities under all of the Intermediate Results (IR) are a combination of certain extension of the previous HSFR activity interventions with the aim of consolidating, institutionalizing, and supporting their sustained continuation and additional scale-up as well as exploring/initiating
some new approaches. Therefore, no major variation across the IRs is expected in terms of level of effort and resources. However, IR3 might require some more level of effort/resources in completing the activities on developing the tool and skills for cost-based revision of the user-fee schedules and the new provider payment systems. So, illustrative distribution of level of effort to achieve the expected results is expected to be approximately 20% for IR 1, 25% each for IRs 2 and 4, and 30% for IR3.

e. Gender Considerations

Promoting gender equality and advancing the status of women and girls is vital to achieving USAID development objectives. In addressing gender issues in the proposed activity, the Recipient is expected to conduct activity specific gender analysis at the beginning of the program implementation and develop clear strategy to address any identified issues. The gender analysis should identify:

- Relevant gender gaps in the status and anticipated levels of participation of women and men that could hinder the key results to be achieved by the activity, as defined in the Objectives section above;
- Key gender inequalities or needs for female empowerment that could be addressed through the activity; and
- Any potential differential effects (including unintended or negative consequences) on women and men.

f. Staffing Requirements

USAID/Ethiopia encourages the Recipient to use sub-contract arrangements, as appropriate, to bring better capability to the program implementation. The Recipient will need to provide the required professional staff necessary to implement the Program. Consolidation and further rollout of CBHI and institutionalization of sustained continuation and subsequent rollouts of the first-generation reform intervention require focused technical support to the Regional Health Bureaus, Zonal/Woreda Health Offices and local administrative bodies. Therefore, strengthening the regional/field offices with adequate experienced staff is imperative.

There will be a number of training programs, mainly Training of Trainers (ToT) programs, with the objective of institutionalizing the cascading of these programs to the district and health facility levels, and finalization/dissemination of operational manuals and guidelines – which will need technical and financial assistance from the implementing parties. Supportive supervision and monitoring and evaluation of the interventions also require adequate staffing, particularly at the regional/field levels.
5. ACTIVITY DESCRIPTION

This section describes the activities envisioned under this Activity. The Results Framework for the proposed Program is summarized in Figure 1. The upcoming award is an activity under the fifth Intermediate Result (IR 4.5: Health and Nutrition Systems Strengthened for Greater Self-reliance) for the fourth Development Objective (DO 4) of the new Strategic Results Framework (SRF) for USAID Ethiopia which aims at building Effective Systems that Advance Health and Education Outcomes. IR 4.5 also contributes to the new SRF Development Objective 2 (DO 2) which pursues Increased Resilience of Vulnerable Populations to Key Shocks. In keeping with the goal and objectives for the Program as delineated above and those of the Ethiopian government, the Results Framework for the Health Financing Activity depicts the four Intermediate Results for the program and a set of key interventions (Sub-Results) to accomplish under each of the four IRs, which are:

IR 1: Increased Domestic Resource Mobilization for Enhanced Provision of Quality PHC Services
IR 2: Streamlined Risk-pooling Mechanisms for Wider Access to PHC Services with Reduced Financial Barriers
IR 3: Improved Arrangements for Strategic Purchasing of Health Services from Public and Private Providers
IR 4: Strengthened Governance, Management, and Evidence-generation for the Health Financing Reforms and Health Facilities
Figure 1. Results Framework for the Program

**Health Financing Improvement Program**

**Program Goal:** Further strengthen the health financing functions and systems to support Universal Health Coverage (UHC) of quality PHC services for Ethiopian citizens with reduced financial barriers

**Intermediate Result 1**  
IR 1: Increased Domestic Resource Mobilization for Enhanced Provision of Quality PHC Services

- 1.1. Availability of operational funds increased at all levels of PHC service provision, including transition/institutionalization arrangements completed for rollout and sustained continuation of Revenue Retention and Use by health facilities
- 1.2. Strategies on efficiency improvement and rational resource use implemented, including transition/institutionalization arrangements completed for rollout and sustained continuation of Outsourcing Non-clinical/Ancillary Services by public hospitals
- 1.3. Explored and implemented strategies on additional domestic resource mobilization for PHC, including public budget and innovative financing sources
- 1.4. Sustainable financing plan developed with the MoH and other related GoE agencies for the Exempted Services Package

**Intermediate Result 2**  
IR 2: Streamlined Risk-pooling Mechanisms for Wider Access to PHC Services with Reduced Financial Barriers

- 2.1. Implemented strategies on further consolidation of the CBHI schemes and institutionalization of the CBHI implementation systems in the rural districts of the four agrarian regions (Tigray, Amhara, Oromia and SNNP)
- 2.2. Supported the rollout and consolidation of CBHI schemes in the urban settings within the 7 implementation regions (4 agrarian regions, Harar, and Addis Ababa and Dire Dawa City Administrations)
- 2.3. Safety-net provisions strengthened/expanded to include the poor/indigents in CBHI program
- 2.4. Worked with EHIA and MoH in supporting the implementation of the SHI program

**Intermediate Result 3**  
IR 3: Improved Arrangements for Strategic Purchasing of Health Services from Public and Private Providers

- 3.1. Management structures, roles and capacities streamlined for the pooling (insurance) programs to ensure better interface between them and functional split between health providers and purchasers
- 3.2. Tool and skills institutionalized for periodic revision of the user-fee schedules
- 3.3. New provider payment approaches explored, particularly within the urban insurance programs that also facilitate better participation of private sector health providers
- 3.4. Health facility accreditation requirements improved and made mandatory for all public and private providers under the SHI and CBHI programs

**Intermediate Result 4**  
IR 4: Strengthened Governance, Management, and Evidence-generation for the Health Financing Reforms and Health Facilities

- 4.1. Institutional structures and roles defined and capacities strengthened for spearheading and managing the health reforms at all levels of the health system
- 4.2. Transition/institutionalization arrangements completed for rollout and sustained continuation of Facility Governance Boards for health facilities with community representatives
- 4.3. Transition/institutionalization arrangements completed for operating Private Wings within public hospitals to support improved staff retention and revenue-generation
- 4.4. Generation of evidence and documentation and dissemination of lessons learned improved for policy refinement and decision-making on the health financing reforms and health facility management

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**Key Interventions/Sub-Results**

- **IR 1.1:** Availability of operational funds increased at all levels of PHC service provision, including transition/institutionalization arrangements completed for rollout and sustained continuation of Revenue Retention and Use by health facilities
- **IR 1.2:** Strategies on efficiency improvement and rational resource use implemented, including transition/institutionalization arrangements completed for rollout and sustained continuation of Outsourcing Non-clinical/Ancillary Services by public hospitals
- **IR 1.3:** Explored and implemented strategies on additional domestic resource mobilization for PHC, including public budget and innovative financing sources
- **IR 1.4:** Sustainable financing plan developed with the MoH and other related GoE agencies for the Exempted Services Package

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**Key Interventions/Sub-Results**

- **IR 2.1:** Implemented strategies on further consolidation of the CBHI schemes and institutionalization of the CBHI implementation systems in the rural districts of the four agrarian regions (Tigray, Amhara, Oromia and SNNP)
- **IR 2.2:** Supported the rollout and consolidation of CBHI schemes in the urban settings within the 7 implementation regions (4 agrarian regions, Harar, and Addis Ababa and Dire Dawa City Administrations)
- **IR 2.3:** Safety-net provisions strengthened/expanded to include the poor/indigents in CBHI program
- **IR 2.4:** Worked with EHIA and MoH in supporting the implementation of the SHI program

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**Key Interventions/Sub-Results**

- **IR 3.1:** Management structures, roles and capacities streamlined for the pooling (insurance) programs to ensure better interface between them and functional split between health providers and purchasers
- **IR 3.2:** Tool and skills institutionalized for periodic revision of the user-fee schedules
- **IR 3.3:** New provider payment approaches explored, particularly within the urban insurance programs that also facilitate better participation of private sector health providers
- **IR 3.4:** Health facility accreditation requirements improved and made mandatory for all public and private providers under the SHI and CBHI programs

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**Key Interventions/Sub-Results**

- **IR 4.1:** Institutional structures and roles defined and capacities strengthened for spearheading and managing the health reforms at all levels of the health system
- **IR 4.2:** Transition/institutionalization arrangements completed for rollout and sustained continuation of Facility Governance Boards for health facilities with community representatives
- **IR 4.3:** Transition/institutionalization arrangements completed for operating Private Wings within public hospitals to support improved staff retention and revenue-generation
- **IR 4.4:** Generation of evidence and documentation and dissemination of lessons learned improved for policy refinement and decision-making on the health financing reforms and health facility management
Accomplishment of the suggested Sub-Results and Intermediate Results will lead to fulfilment of the Program Goal for Further Strengthening of the Health Financing Functions and Systems in support of UHC with Quality PHC Services for the Ethiopians with Reduced Financial Barriers. This in turn contributes to USAID/Ethiopia’s Intermediate Result on Strengthened Health Systems for Greater Self-reliance of Ethiopian citizens and thereby to the Development Objectives for Effective Systems Advancing Health Outcomes and Increased Resilience of Vulnerable Populations to Key Shocks.

a. Implementation Focus

As mentioned earlier, the strategic focus of the award will be to implement health financing interventions in support of the GoE vision of achieving UHC through strengthening PHC. In doing so, it will work on three fronts during the five years of its duration:

(1) Transition and facilitate a sustainable continuation of the ‘first-generation’ supply-side health care reform interventions carried out over quite a number of years within the preceding awards. The EPMES Mid-term Evaluation observed that the HSFR/HFG activity was highly successful in its technical assistance to implementing these interventions and was able to over-achieve the activity targets for coverage of health facilities by them. Health administrators and providers at the region and woreda levels appreciated the value and usefulness of these interventions, and expressed willingness and readiness to take over their rollout if a functional exit strategy was devised. Some of the Regional and Woreda Health Bureaus have started budgeting for implementing the health care financing reforms. This is indeed a great achievement and opportunity toward local buy-in and sustainability of these interventions.

During the first two years of the activity’s duration, among other interventions, a key focus will be to complete the implementation steps for transition/institutionalization of these interventions and their nationwide rollout and sustained continuity (sustainability) to local counterparts – first in the reform-advanced regions and subsequently in the remainder ones. To this end, the focus of the activity’s interventions will be to work together with the Federal Ministry of Health (FMoH), Regional and Woreda (District) Health Bureaus (RHBs/WHBs), Kebele (neighborhood/village) administrations, and other related agencies at the federal and local government levels to put into place the following system elements.

- **Institutional Structure**: Specify the institutional structures at the region and woreda levels to spearhead the implementation of these health financing interventions.
- **Roles and Responsibilities**: Determine the explicit roles and responsibilities of these institutional structures.
- **Operational Procedures**: Revise/update the related implementation and monitoring guidelines and manuals based on the latest lessons
learned, get them reviewed and approved by the FMoH and RHBs, and arrange their printing and dissemination among the health and finance administrations and PHC facilities at regional, woreda and kebele levels to facilitate future implementation.

- **Capacity Development**: Design effective training and capacity-building arrangements in each region to conduct trainings, as needed, for the new-implementing region/woreda/kebele administrators, health facility staff, governing board members as well as for newly-joined local government officials, health facility staff and board members inducted as a result of transfers and turnovers (Prepare initially in each region a cadre of Master Trainers within the existing relevant institutions/universities, and engage them to take charge of subsequent such trainings).

- **Initial Supervision**: Maintain a supportive supervision mechanism to monitor the development with the localized rollouts, and step in with limited technical assistance and reinforcement measures, as needed.

(2) Consolidate and expand with needed refinements the relatively-newer, demand-side (‘second-generation’) interventions within the previous award. These comprise national rollout of the community-based health insurance scheme, streamlining the viability and management of the CBHI pools, and solidifying the safety-net exemption provisions for the poor/indigents. Also critical in this regard is to emphasize the kick-off of the Social Health Insurance pool for the formal sector employees/households.

(3) Explore and break grounds for new (‘third-generation’) interventions aimed at furtherance, expansion and deepening of the health financing reforms. These include activities on innovative financing, strategic purchasing/provider payment systems, involvement of the private sector health providers – particularly in urban/city areas.

### Intermediate Results and Key Interventions/Sub-Results

Key interventions and sub-results for each Program IR are discussed below.

1. **IR 1: Increase Domestic Resource Mobilization for Enhanced Provision of Quality PHC Services**

A priority focus for the health financing function is to generate more resources from all plausible sources to ensure sustainable and quality delivery of low-cost, high-impact interventions such as the PHC services. While general tax-based government allocations from federal, regional and woreda (district) levels, household out-of-pocket expenditure, and donor contributions act as the key sources of health financing in Ethiopia currently, a sustainable funding mechanism to attain UHC coverage through a package of essential PHC services requires exploring additional investments and contributions from other sources and options such as innovative financing.
(earmarked tax/duty, low-interest development loans, etc.), broadened insurance pools, greater involvement of private sector.

It is critical to reinforce this effort because more than a third (36%) of Ethiopia’s total health spending is still covered by donor contributions and the latter serve as the single largest source of the national health spending. The exempted package of critical public health services, mandated for free-of-cost dispensation to the entire population, is predominantly funded out of donor money. Lastly, in making more ‘real’ money available for health care, it is also critically important to analyze and enhance the technical and allocative efficiency of resource use at all levels of health care provision. Below is a list of the key interventions/sub-results to be accomplished to achieve greater mobilization of financial resources for health services.

**A. Key Intervention/SR 1.1. Availability of operational funds increased at all levels of PHC service provision, including transition/institutionalization arrangements completed for rollout and sustained continuation of Revenue Retention and Use by health facilities**

Inadequacy of enough operating funds for obtaining the needed drugs and other medical and non-medical supplies is a major issue for improved provision of services at the primary level of health care. Health financing is one of the important determinants in improving the quantity and quality of services. At the backdrop of chronic under-financing of the public health facilities, extra-budgetary generation of revenues through collecting user-fees for certain services has been in practice in Ethiopia for over half a century. Instead of these proceeds channeled back to the government treasury, the past USAID activities on health care reform supported the design and implementation of the Revenue Retention and Use (RRU) intervention. This reform enables hospitals and health centers to retain revenue generated by user-fees at facility level, and to use the revenue to finance improvements in facilities and services.

For example, retained user-fees are used to finance the purchase of drugs and medical commodities to avoid stock-outs. Eventually, health facilities also embarked on a second (outside of user-fees) channel of extra-budgetary resource mobilization through revenue generation by various creative means such as renting out extra/idle space/building, operating side economic activities like farming, cattle fattening – without hampering their core mission of health care provision. To circumvent possible financial barriers to accessing health care resulting from the user-fees, the financing reforms developed waiver and exemption provisions for the poor and indigents. As of present, the RRU intervention is in implementation in 3,291 Health Centers and 282 Hospitals.

Multiple evaluations and studies have observed that the RRU intervention contributed to augmenting the facility operational funds for supplies and equipment and thereby in improved provision of quality PHC to the patients. The encouraging outcomes produced by this intervention have prompted widespread willingness and readiness among the local counterparts (health administrators and providers) to roll it out across all of the remaining PHC facilities and sustain its nationwide continued implementation.
However, there are also a number of issues that need to be taken into account in moving forward with the RRU intervention:

- The negative and positive lists regarding the use of revenues generated/retained by the participating health facilities are outdated for many regions, and need to be updated. The CBHI program has created greater demands for health care and better predictability of revenues for the health care providers. But it has also challenged the health providers in meeting the expectations of the clients/patients with corresponding improvements in quality of services and greater availability of needed drugs and medical supplies. The review of the lists needs to emphasize these critical aspects.

- The review and update must also consider some performance-based incentive provision for the health staff at the participating facility. With the initiation of the CBHI schemes, utilization of health services by their members has increased considerably, thereby resulting in increased workload for the health providers. Unless some reward/compensation system is implemented to motivate and incentivize them toward improved productivity and quality of care, the growing workload is certain to have an adverse effect on their attitude and services. Revising the negative list on the use of retained revenue to allow, upon approval of the health facility board, a capped percentage of this fund to be used to compensate for the longer hours and additional workload of health providers is highly essential.

- There must be a clear-cut prohibition of budget offset (reduction in allocation of public budgets) by woredas due to the retained revenues at the health facilities.

- The future RRU functioning process should include a regular auditing mechanism for the revenues and expenditures.

While the Recipient is encouraged to come up with additional ideas and strategies on augmenting the facility operational funds, a key emphasis of the activity, during the first two years of its implementation, will be to work with the GoE counterparts at all levels of the government (federal, regional, woreda) to complete the transition/local institutionalization process for the nationwide rollout and sustained continuation of the RRU intervention – on the basis of an agreed, systematic exit strategy.

i. **Illustrative Activities**

The following are illustrative activities that relate to this key intervention.

- Support accomplishment of the system elements for institutionalization of the nationwide rollout and sustained continuation of the RRU intervention (Decide on the institutional structure/arrangement within the woreda health administration and health facilities that will spearhead and manage the implementation and rollout of this intervention in their respective sites; Define the specific roles and responsibilities for each of these institutional structures in managing the implementation of the intervention; Revise and disseminate the operational procedures/manuals/guidelines for implementation and monitoring of the
intervention – with needed refinements and updates; and Finalize the needed training/capacity building arrangements for future implementation and continuation of the intervention

- Technical assistance and supportive supervision arrangements to facilitate the scale-up of the RRU intervention in the newly-joined regions, woredas and health facilities
- Technical assistance in the design and implementation of additional interventions on increasing facility operational funds

**ii. Illustrative Indicators**

The following are illustrative indicators that relate to this key intervention.

- Number of regions and districts with the RRU institutionalization process and its rollout completed
- Number of health facilities retaining and using internally-generated revenue
- Increase in the facility operational funds and their use in drugs, medical supplies and other facility/service improvement items

**B. Key Intervention/SR 1.2. Strategies on efficiency improvement and rational resource use implemented, including transition/institutionalization arrangements completed for rollout and sustained continuation of Outsourcing Non-clinical/Ancillary Services by public hospitals**

Cost containment and efficiency improvement can considerably increase the amount of ‘real’ resources made available for dispensing health care. Rational resource use is, thus, another area of critical importance. A system for periodic review of the input costs for the main functions at a health facility or at its various departments along with the corresponding outputs for each of these functions/departments can provide important insights in exploring further actions on cost containment and efficiency-improvement. Enhancing efficiency and effectiveness of health service delivery is highlighted as a priority focus for the Federal Ministry of Health (FMoH).

One proven intervention supported by previous USAID health financing reform activities in this regard has been the outsourcing of non-clinical services at public hospitals. It allowed hospital management and clinical staff to focus on their business of delivering health care, while cost-inefficient auxiliary/ancillary services such as laundry, catering, security outsourced to specialized firms. The HSFR/HFG activity developed protocols and guidelines for outsourcing and provided technical assistance through the regular supportive supervision approach. Limited data from four hospitals in Amhara and SNNPR revealed a cost reduction of approximately US$73,000 in 2017 as well as better satisfaction with service quality resulting from contracting out the laundry, catering and security services. Currently, 123 Hospitals are implementing the outsourcing strategy. Similar to a number of other first-generation supply-side interventions, there is a widespread willingness and readiness among the local counterparts to take over the further implementation process for this activity and roll it out across all of the remaining PHC hospitals nationwide.
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RFA No.: 72066318RFA00001  

The Recipient will need to forward ideas and pursue strategies on efficiency improvement and rational resource use for health facilities, and support strengthening the capacity of health administrators and managers in this regard. Among others, a key emphasis, during the first two years of activity implementation, will be to work with the GoE counterparts at all levels of the government (federal, regional, woreda) to complete the local institutionalization process for the outsourcing intervention and its nationwide rollout – on the basis of an agreed, systematic exit strategy.

\[ \text{i. Illustrative Activities} \]

The following are illustrative activities that relate to this key intervention.

- Support accomplishment of the system elements for institutionalization of the nationwide rollout and continuation process for the outsourcing intervention (Decide on the institutional structure/arrangement within the woreda health administration and health facilities that will spearhead and manage the implementation and rollout of this intervention in their respective sites; Define the specific roles and responsibilities for each of these institutional structures in managing the implementation of the intervention; Revise and disseminate the operational procedures/manuals/guidelines for implementation and monitoring of the intervention – with needed refinements and updates; and Finalize the needed training/capacity building arrangements for future implementation and continuation of the intervention)

- Technical assistance and supportive supervision arrangements to facilitate the scale-up of the outsourcing intervention in the newly-joined regions, woredas and health facilities

- Provide technical support in developing a systematic tool for periodic analysis of input costs and outputs by the main functions/departments of health center/hospital with a view to undertake efficiency-improvement and rational resource use measures

- Technical assistance in the design and implementation of additional interventions on efficiency-improvement and rational resource use

- Strengthen capacity of health administrators and managers in efficiency improvement and rational resource use
Health Financing Improvement Program
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ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

- Number of regions and districts with the outsourcing intervention institutionalization process and its rollout completed
- Number of public hospitals outsourced cost-inefficient non-clinical services
- Number of health facilities implementing additional interventions on efficiency-improvement and rational resource use
- Capacity building strategies implemented and number of health administrators and managers trained in efficiency improvement and rational resource use
- Amount of cost reduction/savings achieved from the interventions on efficiency-improvement and rational resource use

C. Key Intervention/SR 1.3. Explored and implemented strategies on additional domestic resource mobilization for PHC, including public budget and innovative financing sources

Although health is considered a priority sector by the GoE, the share of government spending on health is low. According to the latest NHA report, it represented only 6.65% of total government expenditure in 2013/14. While there has been a steady increase in government health spending over the past years, it is still far less than the Abuja target of 15%. Government accounts for less than a third (30%) of the country’s total health expenditure, while the remaining bulk is shared between donors (36%) and households (33%). Per capita health spending in Ethiopia is currently estimated at around US$30 – even lower than the average of US$36 for the low-income countries. Admittedly, UHC with a package of essential PHC services will require substantial growth in the existing levels of health spending. WHO recommends a per capita health spending of between US$60 to US$80 for a package of essential health services. There is, therefore, a dire need for a gradual increase in the government budgetary allocations for health as well as exploring and implementing additional sources of health funds through innovative financing mechanisms.

The National Health Care Financing Strategy document for 2017-2025 too emphasizes the need for advancing interventions on additional domestic resource mobilization for health through incremental increase in government budgetary allocations as well as innovative financing. As part of the latter, it plans to explore the feasibility of implementing earmarked tax for health in Ethiopia through mechanisms such as sin tax, tourism/airline levy, mobile levy, directing certain proportion of Value Added Tax to the health sector.

USAID/Ethiopia suggests to work together with the GoE counterparts (FMoH, Federal Ministry of Finance and Economic Development (FMoFED) and other relevant agencies) and donors in initiating dialogue and activities on the above new areas. The illustrative activities and indicators for this intervention/sub-result are depicted below:
i. **Illustrative Activities**

The following are illustrative activities that relate to this key intervention.

- Support the formation and operationalization of a Technical Working Group on Additional Domestic Mobilization for Health – comprising members from FMoH, EHIA, FMoED and other relevant GoE agencies, and development partners in health
- Provide technical support to the development of a phased plan for increased government allocations to health
- Provide technical support in the accomplishment of a review of international best practices on the innovative financing mechanisms for health and their relevancy and impacts for Ethiopia (with the projections of potential generation of additional financial resources for health)
- Support the adoption and initiation of additional domestic mobilization strategy (ies) for health

ii. **Illustrative Indicators**

The following are illustrative indicators that relate to this key intervention.

- Number of meetings of the Technical Working Group on Additional Domestic Mobilization for Health
- Review report on international best practices on innovative financing for health and strategies suitable for Ethiopia, together with a projection of likely financial resources each of these would mobilize
- Increase in domestic financing of health

**D. Key Intervention/SR 1.4. Sustainable financing plan developed with the MoH and other related GoE agencies for the Exempted Services Package**

The exempted services package, meant to be provided free-of-cost to all citizens of Ethiopia, comprises a selection of critical public health services such as immunization of mothers and children under-5, ante- and post-natal care, delivery, family planning, treatment and diagnosis of TB, HIV/AIDS. However, a big concern for the continuity and sustainability of this program is its predominant dependence on donor funding, including U.S. Government/PEPFAR and Global Fund for AIDS, TB, and Malaria. It is of critical importance that a sustainable financing plan is developed for the exempted services package to fill the gaps that might arise with possible reduction in donor support. This is another reason why it is paramount to develop a phased plan for increased government allocations to health together with the implementation of new funding sources based on innovative financing.

Within the framework of the award, USAID/Ethiopia suggests to incorporate this exercise as another task of the Technical Working Group on Additional Domestic Mobilization for Health, and work together with the GoE counterparts (FMoH, FMoFED and other relevant agencies) in
coming up with a phased plan for sustainable financing of the exempted services package based on domestic sources.

i. **Illustrative Activities**

The following are illustrative activities that relate to this key intervention.

- Provide technical support to the government in projecting/assessing the long-term financing needs for the exempted services package
- Provide technical support in the development of a phased plan for sustainable financing of the exempted services package from domestic sources

ii. **Illustrative Indicators**

The following are illustrative indicators that relate to this key intervention.

- Report on projection of the long-term funding needs for provision of the exempted services package
- Phased plan for sustainable financing of the exempted services package from domestic sources

**IR2: Streamlined Risk-Pooling Mechanisms for Wider Access to PHC Services with Reduced Financial Barriers**

To facilitate greater access of individuals to health care with reduced financial barriers, two schemes are underway in Ethiopia:

- A payroll tax based Social Health Insurance Scheme (SHI) for the formal sector (public and private); and
- A nominal enrolment fee conditioned Community-Based Health Insurance (CBHI) for the informal sector.

Although health insurance schemes are typically risk-pooling mechanisms across their members, to enable better equity, inclusiveness and UHC, the GoE has added a social protection for health risks component to it by subsidizing free enrolment of the poorest of the poor/indigent households in the CBHI schemes that are unable to pay for themselves. The pre-payment pools are also considered as source of additional funds for the health sector.

USAID/Ethiopia has been a major partner in supporting the risk-pooling initiatives since their early inception and will continue to remain so in scaling up the CBHI schemes to additional woredas, but more importantly, in solidifying and consolidating further the CBHI program and institutionalizing the operational systems and processes for its sustained continuation, along with proper safety-net arrangements for the poor/indigents. USAID/Ethiopia will also work with the local counterparts in facilitating the commencement and implementation of the SHI program.
A. Key Intervention/SR 2.1. Implemented strategies on further consolidation of the CBHI schemes and institutionalization of the CBHI implementation systems in the rural districts of the four agrarian regions (Tigray, Amhara, Oromia and SNNP)

The CBHI scale-up has used a phased approach – first in 13 pilot woredas within Amhara, Oromia, SNNP and Tigray regions (during 2011-2013), later expanded throughout those regions, and more recently to select woredas in four more new areas, namely Benishangul-Gumuz and Harar regions and Addis Ababa and Dire Dawa city administrations. As of now, CBHI coverage (at different stages of implementation) comprises a total of 399 woredas in eight regions (out of a total of approximately 1,000 woredas in the 11 regions of Ethiopia).

Findings from an earlier evaluation showed that health services utilization improved among CBHI members to almost double of the national average, and CBHI members were 26% more likely to seek health care at time of sickness compared to non-members. Also, CBHI member households were less likely to be impoverished due to health expenditure than the non-member ones. The EPMES evaluation revealed that CBHI pools served as important source of increased financial mobilization, too.

Over the last three years, the CBHI schemes mobilized around US$29 million. Prompted by the encouraging outcomes stated above, the GoE aspires to extend CBHI coverage to 80% of the eligible population in 80% of the country’s woredas by 2020. However, in going forward with the additional scale-up, there are at least two issues of paramount importance: (i) Sustain the continuation of the CBHI schemes together with the benefits and successes they have been producing in the regions and woredas already implementing them – through developing a robust institutionalization mechanism at the local levels; and (ii) Solidify and consolidate further the CBHI schemes and their gains by adopting appropriate measures to augment their insurance capabilities.

Indeed, the above-mentioned encouraging results notwithstanding, there are concerns about the financial sustainability of the CBHI schemes. The audit findings for the CBHI program in Amhara region showed that among the 61 audited schemes, 23 had excessive expenditure over revenue. This prompted a need to revise the level of enrolment fee in those schemes. But no economic analysis was undertaken in this regard to justify the revised rate and assess its probable implications for the future income-expenditure scenario. No actuarial analysis was conducted so far in the country to determine the right premium level for CBHI enrolment. Except for Amhara region, no audit was performed for the CBHI schemes in other regions. Another important concern is to ensure more quality services and higher availability of drugs for the CBHI members. However, to support the provision of more quality services and higher availability of drugs, even greater mobilization of financial resources will be required.

At the backdrop of the above discussions, it is important that additional strategies and refinements are explored and tried to increase the size and viability of the CBHI pools. The greater the funding size of the insurance pool would be, more effective and viable it shall be in terms of sharing/cross-subsidizing the health risks and costs across its members – thereby ensuring improved access and equitable utilization of the needed health care for the members.
Admittedly, several options could be explored in this regard such as raising increased money for the pools by adopting more effective strategies to attract greater enrolment/re-enrolment, forming larger pools (‘zonal’ or ‘regional’ pools instead of the current ‘woreda-based’ fragmented pools), introducing differential/progressive enrolment fee/premium rates (based on the wealth status of the informal sector households in place of the existing one flat rate for all informal sector households), and putting into place appropriate ‘reinsurance’ mechanisms.

The Program will make it a priority to enable sustained continuation of the CBHI schemes by consolidating and institutionalizing their implementation systems and processes within the rural woredas in the four agrarian regions of Tigray, Amhara, Oromia and SNNP, and explore strategies to solidify further the financial viability and size of the CBHI pools. The outcomes and lessons learned from these activities will offer useful feedback to the successful and sustainable realization of the GoE plans for massive expansion of the CBHI coverage, including the emerging regions of Afar, Benishangul-Gumuz, Gambelli and Somali.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

- Support the continuation of the CBHI schemes in Tigray, Amhara, Oromia and SNNP, with emphasis on improved strategies for enrolment and re-enrolment
- Work with the regional/zonal/kebele administrations and CBHI scheme managers in Tigray, Amhara, Oromia and SNNP in identifying and finalizing the systems and processes required for institutionalizing sustained continuation of the CBHI schemes (institutional structures at various levels, their precise roles and responsibilities, operational and monitoring procedures/manuals, orientation/training/capacity building needs and local arrangements for the orientations/trainings)
- Graduate the CBHI implementation processes and systems in Tigray, Amhara, Oromia and SNNP regions toward transition to local administrations/counterparts for sustained continuity of the CBHI schemes
- Work with the regional/zonal/woreda administrations and EHIA other related government agencies on implementing options for strengthened CBHI pools with greater size and viability (larger/higher-level pools, differential premiums/enrolment fees, reinsurance arrangements, etc.)
- Document and disseminate the lessons learned from the above activities, including limited technical assistance (TA) in the form of experience-sharing to the emerging regions in implementing the CBHI schemes

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

- Yearly numbers for households enrolled/re-enrolled in the CBHI schemes (both absolute and relative figures)
- Number and type of capacity and systems development activities implemented
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- Number of woredas in Tigray, Amhara, Oromia and SNNP regions graduated in taking charge of the continuity of CBHI in their woredas
- Number and type of CBHI pool solidification strategies designed and implemented
- Number of training programs conducted and officials trained on the new solidification strategies
- Amount of financial resources mobilized through the new strategies (before/after)
- Income-expenditure ratio (claims ratio) within the revised pools with the new strategies
- Number of reports/policy briefs produced/disseminated, and limited TA activities implemented in the emerging regions

**B. Key Intervention/SR 2.2. Supported the rollout and consolidation of CBHI schemes in the urban settings within the seven implementation regions (the four agrarian regions, Harar, and Addis Ababa and Dire Dawa City Administrations)**

Another critical activity in the country-wide expansion of the CBHI program is to adapt the CBHI implementation systems and processes to the urban contexts. Understandably, the urban setting is considerably different from the rural one in terms of socioeconomic background of the residents, their health needs and health-seeking behavior, as well as the health delivery systems. The Program will support the rollout and consolidation of CBHI schemes in the urban areas within the seven implementation regions (the four agrarian regions, Harar, and Addis Ababa and Dire Dawa City Administrations).

   **i. Illustrative Activities**

The following are illustrative activities that relate to this key intervention.

- Provide technical assistance for promotional and advocacy interventions to expand CBHI in the urban settings within the seven implementation regions
- Conduct orientation and trainings for health providers and local administrations on CBHI scheme management
- Work with the urban administrations in refining the CBHI schemes to the urban context
- Continue to provide technical assistance to the implementation and consolidation of CBHI schemes in the urban settings within the four agrarian regions, Harar region, and Addis Ababa and Dire Dawa City administrations

   **ii. Illustrative Indicators**

The following are illustrative indicators that relate to this key intervention.

- Number of urban woredas newly covered by CBHI schemes
C. Key Intervention/SR 2.3. Safety-net provisions strengthened/expanded to include the poor/indigents in CBHI program

The CBHI charges a flat enrolment fee (premium) of around ETB 240 (approx. US$9) per rural household per year. A ‘general’ subsidy from the federal government matches 10% of the CBHI enrolment proceeds. This amount was 25% in the past. The CBHI enrolment fee initially was ETB 180. But it had to be raised lately in the light of declining subsidy supports. As a result, according to the HSFR/HFG database, a reduction by around 21 thousand households in the number of indigents covered under the CBHI schemes took place between 2014/15 and 2015/16.

The enrolment contribution (premium) exemption system is a mechanism established to protect the ‘poorest of the poor’ against the financial barriers to accessing health care, created by the user fees. According to the current safety-net practices for including the poor/indigent households in the CBHI scheme, eligible beneficiaries are screened and identified through a community participation approach. The enrolment-fee payment for the exempted, indigent households is shared between the respective regional and woreda governments: region generally paying 30% and woreda paying 70%. There are, however, some variations across regions in these shares. The regional and woreda ‘targeted subsidy’ funds, however, are not adequate to cover all of the poor/indigent households in their respective areas that must be eligible for fee-exempted enrolment in the CBHI schemes. The subvention funds can currently afford to pay only for a part of the poor/indigent eligible households. A community selection approach is, therefore, employed to decide on the subset of ‘most needed’ poor/indigent households to be chosen for free CBHI enrolment. This process, however, needs to be streamlined to enable a more prioritized selection of the ‘poorest of poor’ households – well-matched with other available means test based household listings, such as the Productive Safety Net Program (PSNP) social protection scheme for the vulnerable households.

There is, thus, a critical need to increase the resources for expanding the safety-net provisions of free enrolment in the CBHI schemes to most or all eligible poor/indigent households. This is paramount to the move toward UHC and equity. There are actually two distinct ways to address this issue. One is to work with the federal, regional and woreda governments in channeling more money to the subvention funds. Another is to explore and implement ways and means to increase the CBHI pooled funds. The Program looks to work with the local counterparts on both of these variants.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.
• Work with the federal, regional and woreda governments in finding more ways to increase the size of the ‘general’ and ‘targeted’ subsidy funds

• Collaborate with UNICEF, WB and other relevant development partners and programs (e.g., PSNP) in improving the prioritization process for selection of enrolment-fee exempted poor/indigent households compatible with the PSNP household listing

• Explore/pilot possibilities for bringing ‘non-health’ money to the CBHI subsidy funds for free enrolment of the poorest/indigent households unable to pay, to support mitigation of catastrophic health risks for them (e.g., Social welfare/social protection ministry/program contributions)

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

• Number of poor/indigent households enrolled in CBHI scheme on fee-exemption basis

• Amount of money spent on ‘general’ and ‘targeted’ subsidy for free enrolment of poor/indigent households in CBHI

• Number of woredas/kebeles using improved selection process for enrolment-fee exempted poor/indigent households

D. Key Intervention/SR 2.4. Worked with Ethiopian Health Insurance Agency (EHIA) and FMoH in supporting the implementation of SHI program

Although the legal framework to implement the Social Health Insurance scheme for the formal sector was endorsed back in 2010, its implementation has not taken effect yet. The GoE postponed its commencement on more than three occasions so far. However, the GoE has established the EHIA, and its 24 branches are spread across the country, employing about 750 staff.

According to the findings of the key informants’ interview with the EHIA within the EPMES evaluation, a number of issues raised during consultations with the general public on SHI implementation have contributed to the government’s decision for postponement of the SHI. These issues, among others, include: doubt among people about the readiness of public health facilities to provide quality health care, perception that the SHI contribution rate is high, and dissatisfaction about the SHI provision that both husband and wife should contribute if both of them are formal sector employees.

Without the above issues addressed and the SHI program kicked off, it will hardly be possible to initiate the move towards a UHC, and also, observe any major qualitative change in the health service delivery systems. Despite the remarkable scale-up of the CBHI program, it is estimated that only some 13% of the total population is covered currently by health insurance (HSFR/HFG database), as against the target national coverage rate of 20% for the activity. The under-
coverage is largely due to the delay in initiating SHI. The commencement of the SHI in shortest possible time is a goal of the Program.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

- Support the formation and operationalization of a Technical Working Group under the leadership of EHIA and comprising members from FMoH, FMoFED and other relevant GoE agencies and donor agencies, to expedite the implementation of SHI
- Provide technical support to the development of a phased plan for initiating and scaling up SHI
- Provide technical assistance in strengthening the skills and capacity of EHIA and its branches to initiate the implementation of SHI

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

- Number of meetings of the Technical Working Group held
- Phased implementation plan for initiation and scale up of SHI
- Number of regions and woredas with SHI implementation initiated
- Number of members/households enrolled in the newly-commenced SHI

IR 3: Improved Arrangements for Strategic Purchasing of Health Services from Public and Private Providers

Purchasing of health services in Ethiopia is predominantly done by public agencies that spend money mostly to provide services directly. The purchaser of health services, thus, also manages the provision of health services. This could potentially leave clientele needs and interests unfulfilled or improperly addressed. To enable strategic purchasing of efficient and effective health services, USAID maintains the need for streamlining the institutional structure, role and capacity in managing the pooled funds, refining the provider payment systems to create the basis for a competitive health services’ delivery system with participation of the private providers alongside the public providers, and strengthening the accreditation system that will be equally mandatory for all public and private health facilities to qualify as the designated health providers under the CBHI and SHI programs.

A. Key Intervention/SR 3.1. Management structures, roles and capacities streamlined for the pooling (insurance) programs to ensure better interface between them and functional split between health providers and purchasers
Despite the existing organizational structure of the EHIA, with 750 staff and 24 geographically dispersed branches, its role for the CBHI scheme is not clear. There is yet no legislative framework endorsed for the CBHI. While the EHIA is explicitly assigned to administer the SHI, how it would interface with the CBHI schemes remains to be clarified yet. Currently, CBHI scheme management is integrated and works within the woreda structure, but the institutional arrangement varies from region to region. In some regions, it is housed under woreda administration, in others, under the woreda health office. Woreda governments employed three staff per CBHI scheme, and also cover the operational costs of running the scheme. There is no clarity on the role of EHIA and who should take the lead on CBHI implementation: woreda administration, woreda health office or EHIA and its branch offices. There is also a high turnover of scheme staff due to low salaries and absence of career path.

At the kebele level, the CBHI scheme does not have its own structure and staff. Kebele managers perform scheme-related activities in addition to their other duties. It is necessary to firm up the kebele-level organizational arrangement for CBHI: either a suitable new mechanism to establish or to introduce an incentive and sanction mechanism to get the kebele managers play a systematic role in enrolment, and collection and depositing the premiums. A system of periodic auditing of the CBHI schemes was not established in most of the regions. The EPMES Evaluation has found that the number of CBHI scheme staff at the woreda level is inadequate, particularly for data management and medical auditing.

With the rapid expansion of the CBHI and imminent commencement of the SHI, it is critical to strengthen the institutional arrangements and capacity for managing these pools. There is a lack of the needed technical capacities for coverage/enrolment/re-enrolment, revenue, service utilization, claims, costs and actuarial analyses. The reporting and information systems also need improvements to ensure that required data for these analyses are collected and available.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

- Work with FMoH, EHIA, and other related government agencies in clarifying and strengthening the interface between the two insurance programs, and streamlining their management structures and roles
- Finalize the institutional/organizational structure and management process for the CBHI pools at regional/zonal, woreda and kebele levels, with the specific roles and responsibilities and reporting mechanisms defined for each tier together with appropriate compensation and career movement provisions for the staff
- Provide technical assistance to EHIA and CBHI managers at all levels on capacity building in areas like coverage/enrolment/re-enrolment, revenue, service utilization, claims, costs, medical auditing and actuarial analyses
- Finalize the system components for institutionalizing the above training/capacity building activities (Training materials/programs, Training of trainers (ToT) within the appropriate region/woreda institutions/universities – who can subsequently take the responsibility of conducting such trainings)
• Develop the reporting and health information systems for the SHI and CBHI to ensure that required data for the above analyses are collected and available
• Finalize a periodic auditing plan and mechanism for the insurance schemes

ii. **Illustrative Indicators**

The following are illustrative indicators that relate to this key intervention.

• Legislative framework for CBHI adopted
• GoE order clarifying the interfacing arrangements between the two schemes issued
• Approved institutional/organizational structure and management process for the CBHI pools at regional, woreda and kebele levels – with the specific roles and responsibilities and reporting mechanisms defined for each tier
• Number of training materials/programs developed for capacity building of SHI and CBHI managers at all levels in coverage/enrolment, revenue, service utilization, claims, costs, medical auditing and actuarial analyses
• Number of ToTs conducted and Master Trainers developed
• Number of insurance schemes audited per the auditing plan

**B. Key Intervention/SR 3.2. Tool and skills institutionalized for periodic revision of the user-fee schedules**

As mentioned earlier, at the backdrop of chronic under-financing of the public health facilities, extra-budgetary generation of revenues through collecting user-fees for certain services has been in practice in Ethiopia for over half a century. Public financing mainly covers the personnel (salary) costs and a small part of other operational costs. It also accounts for the capital and infrastructure costs of public health facilities. The user-fees charged at these facilities are in essence ‘partial’ fees based largely on the ‘non-salary operational costs’ that are not financed out of the public funds. The user-fees do not account for the capital and salary costs.

Also, the user-fee schedules may vary by woredas and regions. In most cases they were determined long ago and were not revised since then. For instance, user-fees in some regions such as Amhara have never been revised, and some of the service charges do not adequately cover the costs of services. The tool and process for a systematic revision of the user-fees have not been institutionalized as yet, and regions lack the necessary capacity to carry out cost-based revisions. The Program will support institutionalization of the tool, process and skills for periodic revision of the user-fees at the regional, district and health facility levels.

i. **Illustrative Activities**

The following are illustrative activities that relate to this key intervention.

• Develop simple, user-friendly computerized tool suitable for full (capital and recurrent) costing of the health care services at the Health Centers and PHC hospitals
Health Financing Improvement Program
RFA No.: 72066318RFA00001

- Develop the operational manual on the use of the tool
- Design and conduct capacity-building training programs for the economist/finance personnel within the RHBs and WHBs and the health facility managers (Health Centers and hospitals) on the use of the tool and the costing results for revising the user-fees
- Disseminate the tool, operational manual and training materials

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

- Simple, user-friendly computerized tool suitable for full (capital and recurrent) costing of the health care services developed together with the operational manual
- Number of trainings conducted on capacity-building
- Number of participants completed the capacity-building trainings
- Number of tools, operational manual and training materials distributed

C. Key Intervention/SR 3.3. New provider payment approaches explored and piloted, particularly within the urban insurance programs that also facilitate better participation of private sector health providers

According to the approved legislation, SHI members are allowed to choose between public and private health providers for the medical care they would need. Since the CBHI legislation has not been finalized yet, it is not clear if it would also allow its members to choose between public and private health providers. Because of lesser availability of private-sector providers in rural areas, CBHI members may have to continue to depend predominantly on public providers.

The participation of private-sector providers, under a formal accreditation and sound supervision system, can create a healthy competition among the public and private health providers that ultimately contributes to efficiency and quality improvements for the health sector overall. This also helps attract private investments in the health sector. Arguably, a fair health financing system should create equal conditions for private-sector access to public money as well as public-sector access to private money (the Public Wing in public hospitals serves the latter). Instead of financing being made based on ownership or for supporting the infrastructure, it should follow the health services/health care dispensed to people. The new Health Financing Strategy of Ethiopia (2017-2025) also emphasizes the need for setting the provider payment methods appropriately to boost efficiency in the health sector.

Involvement of the private-sector providers in the insurance schemes will necessitate an acceptable basis for payment of their services. The current user-fee schedules are partial cost-based, and reimbursements made on the basis of these rates, admittedly, will not attract private-sector participation. It will be, therefore, imperative to explore and pilot new provider payment approaches. This would be rational to try first within the urban programs in Addis Ababa and Dire Dawa cities.
The most challenging issue for any provider payment approach is to support an efficient, effective, and affordable health care system together with minimizing the perverse incentives for over- or under-provision of health services. International experience demonstrates that a per capita provider payment system based on an essential package of promotive and preventive services works better for the outpatient PHC sector, and case-based financing is more applicable for the hospitals, inpatient services. In Rwanda, for information, CBHI members are not allowed to use private health providers, but the formal sector health insurance program (Medical Scheme/SHI) allows its members to choose between public and private providers. It has been following a fee-for-service approach for provider payment until recently, but is in the way to implementing a diagnosis-related group (DRG) based case payment system of late. The Program will encourage joint work with the FMoH, EHIA and other relevant GoE agencies in exploring and piloting new provider payment approaches, particularly in the urban cities of Addis Ababa and Dire Dawa.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

- Support the formation and operationalization of a Technical Working Group on New Provider Payment approaches, with members from FMoH, EHIA, FMoED, Addis Ababa/Dire Dawa city health administrations, and other relevant GoE agencies
- Provide technical support in the accomplishment of a review of international experience with Per Capita Financing of PHC and Case-based Financing of hospitals, along with the required steps in developing and implementing them in Ethiopia
- Support the completion of the required technical steps for Per Capita Financing of PHC and Case-based Financing of hospitals
- Provide technical support to the design and implementation of limited pilots on the new provider payment approaches in urban areas
- Conduct trainings for health managers and officials in the pilot areas on the new strategies
- Extend technical assistance in the monitoring and evaluation of the pilot results
- Document and disseminate the lessons learned from the pilots

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

- Per capita rate for PHC and case-based payment schedules for hospital services developed
- Number of pilots on the new payment approaches
- Number of training programs conducted and officials trained
- Revenue-expenditure ratio for the health providers within the pilots with new provider payment system
• Utilization rate of PHC services and average length of stay (ALoS) at the hospitals within the pilots (before/after)
• Number of reports/policy briefs produced/disseminated

D. Key Intervention/SR 3.4. Health facility accreditation requirement made mandatory for all public and private providers under the SHI and CBHI programs

Putting in place regulatory systems including facility accreditation is an important pre-requisite to improving quality of health services to ensure client satisfaction. Accreditation requirements should form the pre-condition for contracting under the SHI and CBHI. This, in turn, facilitates enhanced attention of the health providers to quality improvement and effective service provision. Accreditation and attainment of defined quality standards must be the contractual obligation for all public and private health providers alike. The Program will work with the EHIA and other relevant agencies in developing the specific accreditation requirements and quality standards under the CBHI and SHI.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

• Collaborate with government stakeholders and other pertinent entities to establish the specific accreditation requirements and quality standards that should serve as the pre-condition for public and private health providers contracted under the SHI and CBHI
• Support the development of standard operation procedures, guidelines and standards for strengthening the health facility accreditation systems
• Support the development and implementation of supervision and monitoring tools and mechanisms for the fulfilment of the accreditation requirements and quality standards

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

• Number of health facilities under CBHI and SHI accredited
• Number of health facilities functioning as per the standards

2. IR4: Strengthened Governance, Management, and Evidence Generation for the Health Financing Reforms and Health Facilities

Proper institutional structures within the health administrations and health facilities at all levels (regional/woreda/kebele), with the roles and responsibilities of each of them clearly defined, are critical to local ownership, institutionalization and sustainability of the health reform interventions. The key goal for USAID’s future engagement in health financing in Ethiopia is to ensure expanded health financing options through strengthened systems with improved
governance, sustainability and resilience. These are utmost important pre-requisites for the journey to attaining UHC.

A. Key Intervention/SR 4.1. Institutional structures and roles defined and capacities strengthened for spearheading and managing the health reforms at all levels of the health system

Despite the long-standing collaboration between USAID programs and the local governments and health facilities at all levels and the commendable commitment from many of them, there is still a lack in the systems-building work that is pivotal to localization and continuation of the health financing reforms. The EPMES Evaluation concluded that the capacity of the Regional Health Bureaus, Woreda Health Bureaus and health facilities to lead and manage the health care reforms remains largely weak, mainly due to (i) Lack of a well-defined structure to lead and manage the process; (ii) Lack of staff to carry out the reform functions; and (iii) Inadequate capacity to continue with the reforms without external technical assistance. The Program will address the above issues.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

- Technical assistance to the RHB and WHB in defining the institutional structure/arrangement within the regional and woreda health administrations as well as within the health facilities that will be responsible to spearhead/coordinate and manage the implementation of the health financing reforms at the respective levels
- Define the specific roles and responsibilities for each of these institutional structures/coordinating arrangements
- Identify the skills/capacity strengthening needs for each of these institutional structures/coordinating arrangements in implementing the health financing reforms
- Develop and finalize the needed training/capacity strengthening arrangements (Training materials/programs, Training of trainers (ToT) within the appropriate region/woreda institutions/universities – who can subsequently take the responsibility of conducting such trainings)
- Initial supportive supervision to reinforce functioning of the above system-strengthening arrangements

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

- Number of regions, woredas and health facilities with well-defined institutional structures/coordinating arrangements for leading and implementing the health financing reforms
Health Financing Improvement Program
RFA No.: 72066318RFA00001

- Number of training materials/programs developed for skills/capacity strengthening of the above institutional structures/coordinating arrangements
- Number of ToTs conducted and Master Trainers developed

**B. Key Intervention/SR 4.2. Transition/Institutionalization arrangements completed for rollout and sustained continuation of Facility Governance Boards for health facilities with community representatives**

Facility Governance Boards (FGB) and Facility Management Committees (FMC) are remarkably successful interventions in ensuring better governance and management of the health facilities through community participation and enhanced accountability of health providers. These mechanisms are designed to reduce the administrative complexity, improve effectiveness and efficiency of management, increase accountability for public funds, create a sense of ownership by management, increase the role of the local community, respond better to local needs, and improve resource mobilization by allowing local decision-making. Major activities for both the boards and management committees include:

- Approving the strategic plan for the facility, reviewing and approving the budget and action plan;
- Proper and timely use of retained internally-generated revenues to improve quality of services at the health facility;
- Reviewing quarterly and annual performance results, including the revenue retention and utilization reports;
- Following up on the financial performance of the facility;
- Control and oversight of the technical and administrative systems performance; and
- Ensuring community participation in the entire process.

Currently, a total of 3,350 Health Centers and 295 Hospitals have boards and committees.

The EPMES Evaluation observed high willingness and readiness among local counterparts for institutionalization of the national rollout of this intervention. It has further revealed that FGBs with a relatively stable composition of members over time (low turnover of members) functioned more competently and routinely (than ones with high turnover of members), and boards led by one member of the woreda cabinet were more likely to function well (as opposed to all woreda cabinet members in the FGB for a single facility). The initial training in health care financing reforms provided to the FGB and FMC members by the HSFR/HFG activity served as the foundation for them to operate with minimal external support. The guidelines and manuals that the activity helped develop became the key learning tools for the new members who joined later (because of member turnover) and did not have the training. There is, however, a need for updating the guidelines and manuals on the basis of the current realities in the field and lessons learned – such as on composition of the boards, the positive and negative lists, alignment with the ongoing health center and hospital reforms, CBHI boards. Also is important to institutionalize the training/capacity-strengthening activities with community representations.
A key emphasis of the Program, during the first two years of its implementation, will be to work with the health administrations at all levels to complete the local institutionalization process for sustained continuation of the FGB/FMC interventions and their further rollout – on the basis of an agreed, systematic exit strategy. Also, the Recipient is encouraged to suggest innovative strategies that facilitate community-participated governance, transparency of operations, and accountability of health service provision.

i. **Illustrative Activities**

The following are illustrative activities that relate to this key intervention.

- Support accomplishment of the system elements for institutionalization of sustained continuation of the FGB/FMC interventions and their further rollout, with appropriate community representation and women participation in the boards/committees (Decide on the institutional structure/arrangement within the woreda health administration and health facilities that will spearhead and manage the implementation and rollout of this intervention in their respective sites; Define the specific roles and responsibilities for each of these institutional structures in managing the implementation of the interventions; Revise and disseminate the operating procedures/manuals/guidelines for implementation and monitoring of the interventions – with needed refinements and updates; and Finalize the needed training/capacity building arrangements for future implementation and continuation of the interventions, including local training arrangements for new FGB/FMC members)
- Technical assistance and supportive supervision arrangements to facilitate the scale-up of the FGB/FMC interventions in the newly-joined health facilities, with appropriate community representation and women participation
- Technical assistance in the design and implementation of additional interventions on strengthened governance and management of health facilities with community representation and women participation
- Strengthen capacity of health administrators and managers in improved facility governance and management with participation of local communities
- Analysis of regularity of functioning of the FGB/FMC and participation of community members in the decision-making process

ii. **Illustrative Indicators**

The following are illustrative indicators that relate to this key intervention.

- Number of regions and woredas with the FGB and FMC institutionalization process and their rollout completed, with appropriate community representation and women participation in the boards/committees
- Number of health facilities functioning with FGB and FMC, with appropriate community representation and women participation in the boards/committees
- Number of health facility managers and FGB/FMC members trained in improved governance and management
• Report on regularity of functioning of the FGB/FMC and participation of community members in the decision-making process

C. Key Intervention/SR 4.3. Transition/Institutionalization arrangements completed for operating Private Wings within public hospitals to support improved staff retention and revenue-generation

This is another facility management intervention of Ethiopia that enabled strengthened operation of the public-sector hospitals. It improved retention of specialized doctors in the intervention hospitals, generated additional extra-budgetary revenues for them, and additionally, offered the users with an alternative choice to for-profit private hospital services. As of now, 63 Hospitals across all regions of the country are operating private wings or rooms. The EPMES Evaluation found widespread willingness and readiness among local counterparts for institutionalizing the national rollout of this intervention as well. The Program will support this process. During the first two years of its implementation, it will work with the health administrations at all levels to complete the local institutionalization process for operating private wings within public hospitals – on the basis of an agreed, systematic exit strategy.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

• Support accomplishment of the system elements for institutionalization of the running private wings in public hospitals (Decide on the institutional structure/arrangement within the woreda health administration and health facilities that will spearhead and manage the implementation and rollout of this intervention in their respective sites; Define the specific roles and responsibilities for each of these institutional structures in managing the implementation of the intervention; Revise and disseminate the operating procedures/manuals/guidelines for implementation and monitoring of the intervention – with needed refinements and updates; and Finalize the needed training/capacity building arrangements for future implementation and continuation of the intervention)

• Technical assistance and supportive supervision arrangements to facilitate the scale-up of the private wing interventions in the newly-joined public-sector PHC hospitals

• Analysis of additional revenue generation and physician/specialized/technical medical staff retention from the intervention

ii. Illustrative Indicators

The following are illustrative indicators that relate to this key intervention.

• Number of regions and woredas with the Private Wing within public-sector PHC hospital intervention’s institutionalization process and its rollout completed
• Number of public-sector PHC hospitals with Private Wing established
• Report on additional revenue generation and physician/specialized/technical medical staff retention

D. Key Intervention/SR 4.4. Generation of evidence and documentation and dissemination of lessons learned improved for policy refinement and decision-making on the health financing reforms and health facility management

There are a number of issues that pose challenges to the financial sustainability and further advancement of Ethiopia’s health financing reforms. These include mobilizing more resources from domestic sources, ensuring adequate government financing of the exempted services, increasing CBHI funds, finding efficient institutional arrangements to support transition of the nationwide rollout and sustained continuation of the supply-side first-generation reform elements, solidification of the demand-side second-generation interventions on the risk pooling mechanisms, and expansion to new areas like output-based provider payment systems, innovative financing. There will, therefore, be a huge need to document the processes and findings of the activities and interventions that address the above issues, generate evidence on what works and what doesn’t and thereby identify the best practices in going forward.

Hence, there is a rich learning agenda that needs to be duly pursued in the course of program implementation, to inform the GoE reform agenda and thereby support the needed policy refinements and evidence-based decision-making. The Recipient will extend technical assistance to generation of evidence and documentation and dissemination of the lessons learned through the illustrative activities and indicators described below. To this end, it is expected that the Recipient will use sub-grant arrangements, as appropriate, with competent local academic/professional/consulting institutions.

i. Illustrative Activities

The following are illustrative activities that relate to this key intervention.

• Develop the systems and tools for strengthening the monitoring and evaluation (M&E) of the results of each of the financing reform interventions, including capacity building of EHIA/regional/district/kebele personnel on M&E of SHI and CBHI schemes
• Support the next National Health Accounts (NHA) survey(s), with particular focus on OOP expenditure and health utilization rates for insured/uninsured households and other pertinent financing and utilization issues
• Undertake operation research and studies/surveys on various pertinent topics such as strategies for greater mobilization of domestic resources and innovative financing for health, phased planning of sustainable financing for the exempted health services from domestic sources, strategies for strengthening the CBHI pools through larger pools, differential (stratified/sliding) premiums, copayments, re-insurance, alternate provider payment systems, involvement of private-sector providers under the urban health insurance schemes, linkage
between CBHI and PSNP, effects of health insurance on service utilization and overall health outcome

- Accomplish the development and dissemination of reports, success stories/newsletters on the results, lessons learned, and programmatic and policy implications
- Provide technical support to the design, development and review of health financing policies and strategies

ii. **Illustrative Indicators**

The following are illustrative indicators that relate to this key intervention. Agreement will specify the actual indicators used.

- Number of systems and tools developed and operationalized for documenting the processes and findings of the financing reforms
- Number of NHA surveys/reports and secondary analyses supported
- Number of OR/studies/surveys conducted and results/reports disseminated/published
- Number of reports, success stories/newsletters developed and disseminated
- Number of dissemination events/policy dialogues organized
- Number of policies and guidelines developed or changed to improve the health financing reforms

**B. AUTHORIZING LEGISLATION/APPLICABILITY of 2 CFR 200**

This award is authorized in accordance with the Foreign Assistance Act of 1961, as amended. 2 CFR 200 and 2 CFR 700 are applicable to an award to a U.S. organization made under this RFA. The following provision will be included in any award to a U.S. entity resulting from this RFA.

**APPLICABILITY OF 2 CFR PART 200 (MARCH 2015)**

(a) All provisions of 2 CFR Part 200 and all Standard Provisions attached to this agreement are applicable to the recipient and to sub recipients which meet the definition of "Recipient" in Part 200, unless a section specifically excludes a sub recipient from coverage. The recipient shall assure that sub recipients have copies of all the attached standard provisions.

(b) For any sub awards made with Non-US sub recipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Grantees." Recipients are required to ensure compliance with monitoring procedures in accordance with OMB Circular A-133.
SECTION II - FEDERAL AWARD INFORMATION

A. ESTIMATE OF FUNDS AVAILABLE AND NUMBER OF AWARDS CONTEMPLATED

Subject to funding availability, USAID/Ethiopia intends to provide approximately $40 million in total USAID funding for the life of the activity. USAID/Ethiopia intends to award one (1) Cooperative Agreement pursuant to this RFA. However, this amount may be adjusted at the discretion of USAID/Ethiopia based on the circumstances. USAID/Ethiopia reserves the right to fund any or none of the applications submitted.

B. START DATE AND PERIOD OF PERFORMANCE

The period of performance anticipated herein is five (5) years. The estimated start date will be upon the signature of the award, on or about October 1, 2018.

C. TYPE OF AWARD

USAID plans to negotiate and award an assistance instrument known as a Cooperative Agreement with the successful applicant for this program. A Cooperative Agreement implies a level of “substantial involvement” by USAID. This substantial involvement will be through the Agreement Officer, except to the extent that the Agreement Officer delegates authority to the Agreement Officer’s Representative (AOR) in writing. The intended purpose of the substantial involvement during the award is to assist the recipient in achieving the supported objectives of the agreement. The anticipated substantial involvement elements for this award are listed below (this list does not include approvals required by Standard Mandatory Provisions for Non-US NGOs or other applicable law, regulation or provision):

- Approval of implementation plans annually, including planned activities for the following year and any subsequent revisions of the implementation plan; …
- Approval of key personnel;
- Agency and Recipient Collaboration or Joint Participation in implementation, including, but not limited to, participation in advisory committees and direction and/or redirection of activities specified in the program description due to GoE priorities and guidance as well as interrelationships with other programs;
- Approval of the Monitoring Evaluation & Learning Plan – the ME&L Plan will be developed in consultation with USAID/Ethiopia. During the initial project planning period, the recipient shall work closely with USAID/Ethiopia to ensure that the ME&L plan clearly links the Recipient’s activity with the objectives and targeted outcomes of the Program Description. The jointly developed ME&L plan shall be submitted within 120 days of the award; and
- Approval of all sub awards not included and approved in the original Cooperative Agreement
SECTION III - ELIGIBILITY INFORMATION

A. ELIGIBLE APPLICANTS

There are no restrictions on eligibility for this solicitation. Qualified applicants may be any U.S. or non-U.S. organization, individual, non-profit, or for-profit entity. Faith-based and community organizations that fit the criteria above are also eligible to apply. In support of the Agency’s interest in fostering a larger assistance base and expanding the number and sustainability of development partners, USAID encourages applications from potential new partners which have not previously received financial assistance from USAID.

When considering making an award to an organization with limited or no previous USAID experience, or for any other reason determined by the Agreement Officer, USAID/Ethiopia might determine to conduct a pre-award survey which is a risk assessment to determine the organization’s capabilities to complete the proposed activities. For Non-U.S. Organizations, the Pre-award Survey Guidelines and Support is available in the following link: http://www.usaid.gov/sites/default/files/documents/1868/303sam.pdf.

The Recipient must have established financial management, monitoring and evaluation processes, internal control systems, and policies and procedures that comply with established U.S. Government standards, laws, and regulations. The successful applicant(s) will be subject to a risk assessment by the Agreement Officer (AO).

B. COST SHARING OR MATCHING

Cost Sharing is not required for this activity, though it is encouraged and the use of cost share funds may lead to a program with greater impact.

C. OTHER ELIGIBILITY REQUIREMENTS

Applicants can only submit one (1) application (there is no limitation on whether an individual associated with an organization can also submit an application). Applicants are directed to review the other requirements for applications specified herein, including, but not limited to, Sections IV and V herein.
SECTION IV - APPLICATION AND SUBMISSION INFORMATION

A. POINT OF CONTACT FOR APPLICATION PACKAGE

The application package can be accessed at www.grants.gov. Applicants may also contact Tsegereda Gebremedhin or Henok Amenu Oljira via email at tgebremedhin@usaid.gov or hamenu@usaid.gov for copies of the application package if they have accessibility problems (see Section VII below for more information regarding point of contacts).

B. CONTENT AND FORM OF APPLICATION SUBMISSION

For the purposes of this RFA, the term “applicant” is used to refer to the legal entity or organization submitting the application. The application received by the deadline (see Section IV.D) will be reviewed for responsiveness to the guidance set forth below, including, but not limited to, the application format. Applications that are incomplete or not directly responsive to the terms, conditions, and provisions of this RFA may be eliminated from further consideration at the discretion of the Agreement Officer. Pre-applications, letters of intent, concept papers or white papers are not required and will not be considered.

Applications shall be prepared in English. Applications in any other language may be eliminated from further consideration. The application should be submitted in two parts: 1. Merit Review Application; and 2. Cost and Other Relevant Information Application. These parts shall be prepared according to the structural format set forth below.

1. Merit Review Application Format

The Merit Review Application shall include: (1) an Executive Summary (not to exceed two (2) pages); (2) a Merit Review Application Body (not to exceed thirty (30) pages); (3) Annexes (resumes, references, letters of commitment, and other documents specified below). The technical application must be on standard 8-1/2” by 11” paper (210mm by 297mm paper) or A4 paper, single-spaced, Times New Roman, 12-point font or larger, and have at least one inch margins on the top, bottom, and both sides. While tables, graphs, and charts may be used with a smaller font, USAID/Ethiopia reserves the right to take appropriate action, including elimination of the application from further consideration, if the use of smaller font in tables, graphs, and charts in the application is abused.

Annexes should be numbered (e.g. Annex 1) and can include the resumes of key personnel, and other supporting documents as specified below. Note: If any part of the Merit Review Application exceeds the page limits specified above, USAID/Ethiopia may decide to consider and review ONLY those pages up to the applicable limit when evaluating the Application.

Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for merit review purposes, should:

(a) Mark the title page with the following legend:
"This application includes data that shall not be disclosed outside the U.S. Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this application. If, however, a grant is awarded to this applicant as a result of - or in connection with - the submission of this data, the U.S. Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting grant. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets ____; and

(b) Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."

Specific guidance on each of the components of the technical application is provided below.

a. **Cover Page:** A single page with the names of the organizations/institutions involved in the proposed application, with the lead or primary applicant clearly identified. In addition, the Cover Page should include information about a contact person for the prime applicant, including this individual’s name (both typed and his/her signature), title or position with the organization/institution, address, e-mail address, and telephone. Also state whether the contact person is the person with authority to contract for the applicant, and if not, that person should also be listed. This does not count against the page for the Technical application.

b. **Executive Summary:** Not to exceed two pages. This summary shall allow technical reviewers to quickly understand the proposed activities, goals, purposes and anticipated results and capabilities to accomplish the desired results, technical and managerial resources of the applicant’s organization. The Executive Summary must summarize the key elements of the applicant’s Technical application, including, but not limited to, the technical approach, and any public-private partnerships, if applicable.

c. **Merit Review Application Body:** The Application Body will contain the main parts of the technical application and shall include the following sections:

   i. Technical Approach;

   ii. Management Approach and Staffing;

   iii. Implementation and Monitoring, Evaluation & Learning Plans; and

   iv. Experience.

The basic purpose of the Merit Review Application Body is to provide the information necessary to allow USAID/Ethiopia to fairly and completely evaluate the applicant under each of the technical merit review criteria specified in Section V of this RFA. Additional specified guidance for each Section of the Merit Review Application Body is set forth below.
(i) Technical Approach

The Technical Approach Section should include information sufficient to evaluate the application under the Technical Approach Criterion. This section should not exceed 15 pages.

The Technical Approach Section shall demonstrate a clear understanding of the objectives of the Activity and demonstrate a feasible and credible approach to achieve them. The Technical Approach Section shall demonstrate applicants’ expertise with respect to achieving the goal of this Activity. It shall be specific, complete and presented concisely. This Section should include, but not limited to, a discussion of the following issues:

- How the activity objectives and specific interventions contribute to the overall objectives of the award;
- How the activity objectives are supported by evidence for relationships between activities, outputs, and purpose;
- The timeline and decision points in implementing the proposed activity as well a clear discussion of the feasibility and meaningfulness of the results, outcomes and the expected impacts;
- How the results, outcomes and impacts of the proposed activities build on or add to past and ongoing USAID programs and have clear implications and value for future programs.
- The logical framework for the Activity

(ii) Management Approach and Staffing

The Management Approach and Staffing Section should include information sufficient to evaluate the application under the management approach and staffing criterion. This Section should not exceed 7 pages, and should include, but not limited to, a discussion of the following issues:

- A clear management plan for the proposed activity including key personnel, sub-award structure, technical and administrative management oversight;
- Partnership and coordination with stakeholders, and oversight of design, development of key initiatives and capacity strengthening activities;
- The composition of both full time and non-full time staff for the Recipient and all sub-recipients. The narrative should describe the roles, responsibilities and lines of authority of key personnel/staff, partners and subcontractors. the staffing plan, team composition, and proposed personnel that will provide the technical, analytical, management, and interpersonal skills and experience to convincingly demonstrate the Applicants’ ability to effectively and efficiently achieve, oversee, coordinate, and report;
- If sub-awards with other organizations are proposed, to the extent possible, explicitly define the technical roles, management relationships, and levels of effort (LOE) of the organizations and individuals involved in the sub-award.
A brief discussion of the skills, experience and education of the three key personnel positions, which are considered essential for implementation of the activity. These key personnel positions are:

1. Project Director/Chief of Party
2. Health Financing and Insurance Advisor
3. Health Systems and Governance Advisor

Guidance on qualifications for each of these positions is set forth below.

1. **Project Director/Chief of Party – 100% Level of Effort**

The Project Director (PD)/Chief of Party (COP) will be based in the Country Office (Addis Ababa). The PD/COP will be responsible for the overall program leadership, management, and technical direction of staff and consultants, project activities such as implementation, monitoring, reporting and evaluation, and partner coordination. S/he is supposed to serve as key liaison with USAID, government counterparts, and local partners. The Director will manage and supervise the work of program personnel and subcontractors/ sub-grantees and ensure that all program assistance is technically sound and appropriate. He/she also oversees program work planning, performance management, and strategic communication. The following qualifications are desirable and will increase the probability that the candidate can successfully perform this key personnel role:

- PhD or Master's in Health Economics, Economics or related areas, with deep understanding and knowledge of health financing in developing countries.
- At least 15 years of demonstrated experience of operations, project management and administrative duties for internationally funded programs.

2. **Health Financing and Insurance Advisor – 100% Level of Effort**

The Health Financing and Insurance (HFI) Advisor will be based in the Country Office (Addis Ababa). The HFI Advisor will be responsible for the technical lead of IR 1 and IR 2. S/he will ensure that the key interventions under the respective IRs are successfully implemented in accordance with the goal, objectives and expected results of the project. The following qualifications are desirable and will increase the probability that the candidate can successfully perform this key personnel role:

- PhD or Master's in Health Economics, Economics or related areas, with deep understanding and knowledge of health financing.
- At least 10 years of demonstrated experience in working in developing countries on health financing and insurance schemes, preferably under internationally funded programs.

3. **Health Systems and Governance Advisor – 100% Level of Effort**

The Health Systems and Governance (HSG) Advisor will be based in the Country Office (Addis
Ababa). The HSG Advisor will be responsible for the technical lead of IR 3 and IR 4. S/he will ensure that the key interventions under the respective IRs are successfully implemented in accordance with the goal, objectives and expected results of the project. The following qualifications are desirable and will increase the probability that the candidate can successfully perform this key personnel role:

- PhD or Master’s in Public Health, Health Management or related areas, with deep understanding and knowledge of health financing.
- At least 10 years of demonstrated experience in working in developing countries on health systems strengthening and health policy and governance areas, preferably under internationally funded programs.

In addition to the information authorized in this section, the following annexes relate to the evaluation of the management approach and staffing criterion and are authorized:

i. An Organizational Chart that illustrates the management structure to be used to achieve the objectives of the Program;

ii. Resumes and letters of commitment for staff specifically identified in the application, with resumes and letters of commitment for the three key personnel position candidates being mandatory.

iii. Grants Manual that outlines the competition process, selection criteria, types of grants to be utilized, the expected distribution of grants over the life of the award, the proposed distribution of the grants over the life of the award that aligns with the activities and milestones of the Health Financing Improvement Program, as well as all grants templates.

(iii) Implementation and Monitoring, Evaluation & Learning Plans

The Implementation and ME&L Plans Section should include information sufficient to properly evaluate the application under the Implementation and ME&L Plans Criterion. This section should not exceed 5 pages, and should include, but not be limited to, a discussion of the following issues:

➢ A general description of the planned activities for the respective years and how the activities and sequencing of activities will effectively implement the technical approach proposed; and

➢ How the Applicant will approach ME&L and how it will establish an ME&L framework that addresses the need to refine theories of change over time.

In addition to the information authorized in this Section, the following annexes relate to the evaluation of the management approach and staffing criterion and are authorized:

➢ A Draft Year One Implementation Plan that addresses the planned activities and sequencing of activities consistent with the technical approach proposed and should clearly indicate the outcome of each intervention; this should include clearly articulated start up tasks, major interventions, knowledge
planned events, international travel, international meetings, research studies/protocols, training and other capacity building efforts, activity locations and beneficiary populations and expected results for the first year.

Applicants must include a notional (quarterly) outline for subsequent years that reflects proposed timing of phasing-in of major tasks and activities; and

- A draft ME&L Plan, with indicators and clear and appropriate metrics/ measurement arrangements.

(iv) Experience

The Experience section should include information sufficient to properly evaluate the application under the organizational capability and experience criterion. This Section of the technical application should not exceed 3 pages.

Applicants should discuss their capability and experience, and also that of any partner, and how that experience is relevant to successfully implementing this activity. Applicants should discuss their relevant capabilities and experience involving the program areas set forth in the Program Description, including, but not limited to, a discussion of their experience working on Healthcare Financing in resource poor countries on relevant activities of comparable scale.

This discussion of experience includes experience in (i) the scientific area, (ii) ability to critically assess products through the development process, (iii) collaborating with multiple stakeholders, (iv) developing research capacity in low- and middle-income countries and (iv) managing and implementing projects of similar technical scope and complexity.

In addition to the information authorized in this section, the following annexes relate to the evaluation of the management approach and are authorized:

i. Capabilities statements or other description of the capabilities and experience of the Applicant and/or its partners;

ii. Reference Information: The Applicant shall provide reference information for itself and each major sub-awardee (one whose proposed cost exceeds 20% of the Applicant’s total proposed cost) with respect to the following projects: (A) any projects discussed in the Experience section and (B) the Applicant’s five most-recently completed projects (contracts, task orders, cooperative agreements, grants, or other implementing mechanisms) that involved international development [if a project meeting this criteria is discussed in the Experience section of the merit review application, then this list can be less than five]. For each project referenced, provide the following information:

A. Agreement, grant, contract, order or other identifying number;
B. Agency or entity providing the funding;
C. Description of the program or scope of work, including, but not limited to a brief discussion of the complexity/diversity of tasks;
D. Primary location(s) of program or work;
E. Period of performance;
F. Skills/expertise required;  
G. Dollar/value;  
H. Type of agreement, contract, order or grant, e.g. fixed-price or amount or cost; and  
I. Contact information for two persons, including name, job title, mailing address, phone numbers and e-mail address.  
J. Capabilities statements or other description of the capabilities and experience of the Applicant and/or its partners;  
iii. Letters of commitment partners and/or sub-recipients.

d. Annexes: The following six annexes are authorized. No additional annexes and other supporting documentation will be reviewed and evaluated:

Annex 1 – Organizational Chart

This annex should consist of a chart showing the proposed organization for the Program; this chart should include, but is not limited to, a representation of the staff reporting lines and relationships between the different positions that fully illustrates the management structure of both full time and non-full time staff for the Recipient and all sub-recipients; it should be sufficient to illustrate the complete human resources needs necessary to achieve the objectives of this Program.

Annex 2 – Resumes/CVs & Letters of Commitment

This annex should include a complete and current resume/CV for each key personnel position, detailing the requisite qualifications and experience of the individual and references with contact information. Resumes may not exceed five (5) pages in length. Qualifications, experience and skills shall be placed in chronological order starting with most recent information. Each resume shall be accompanied with a commitment letter from each candidate indicating his or her: (a) availability to serve in the stated position, in terms of days after the award; (b) intention to serve for the stated term of service; and (c) agreement to the compensation levels which correspond to the levels set forth in the cost application. Each resume shall include a minimum of three (3) references of professional contacts within the last five years; with complete current contact information, including email addresses and telephone numbers, for each proposed key personnel candidates. Resumes and letters of commitment may also be provided for other personnel identified in the Merit Review Application.


This annex should consist of a draft grants manual chart that outlines, at a minimum, the competition process, selection criteria, types of grants to be utilized, the expected distribution of grants over the life of the award, the proposed distribution of the grants over the life of the award that aligns with the activities and milestones of the Health Financing Improvement Program, as well as all grants templates. The Manual must describe, in detail, the full spectrum of the Recipient’s grant management processes. The Agreement Officer’s Representative (AOR) will be closely involved in the above process with the recipient and will provide input, review drafts, etc. Once the Grants Manual is approved by the AO, the AOR will have the authority to approve the grant recipient selection.
Annex 4 - Draft Year One Implementation Plan

This annex should set forth a draft implementation plan for year one of the activity that addresses the planned activities and sequencing of activities consistent with the technical approach proposed and should clearly indicate the outcome of each intervention; this should include clearly articulated start up tasks, major interventions, knowledge planned events, international travel, international meetings, research studies/protocols, training and other capacity building efforts, activity locations and beneficiary populations and expected results for the first year. Applicants must include a notional (quarterly) outline for subsequent years that reflects proposed timing of phasing-in of major tasks and activities.

Annex 5 – Five-Year Draft ME&L Plan

This annex should set forth a detailed results framework and indicator table for the five years of the activity. The format will be developed by the Applicant and should clearly include information sufficient to clearly indicate appropriate metrics and measurement information.

Annex 6 – Partner Letters/Capabilities Statements.

The Applicant may provide letters or memoranda of understanding from partners (sub-awardees or otherwise) signed by relevant officials indicating their commitment to collaboration (if applicable, i.e. if sub-awards are within the applicant’s proposed management and implementation plan) and, if appropriate, specifying the expertise that the proposed partner will provide (if applicable). Other documents that state the capabilities of the Applicant’s partners may also be included.

Annex 6 - Past Performance/Experience Reference Information

The Applicant shall provide reference information for itself and each major sub-awardee (one whose proposed cost exceeds 20% of the Applicant’s total proposed cost) with respect to the following projects: (a) any projects discussed in the Experience Section and (b) the Applicant’s five most-recently completed projects (contracts, task orders, cooperative agreements, grants, or other implementing mechanisms) that involved international development [if a project meeting this criteria is also discussed in the Experience Section of the Merit Review Application, then this list can be less than five]. For each project referenced, provide the following information:

A. Agreement, grant, contract, order or other identifying number;
B. Agency or entity providing the funding;
C. Description of the program or scope of work, including, but not limited to a brief discussion of the complexity/diversity of tasks;
D. Primary location(s) of program or work;
E. Period of performance;
F. Skills/expertise required;
G. Dollar/value;
H. Type of agreement, contract, order or grant, e.g. fixed-price or amount or cost; and
I. Contact information for two persons, including name, job title, mailing address, phone numbers and e-mail address.

USAID/Ethiopia reserves the right to verify the experience and past performance record of cited projects or other recent projects by reviewing Contractor Performance Reports (CPARs), other performance reports, or to interview cited references or other persons knowledgeable of the Applicant’s performance on a particular project. USAID/Ethiopia may check any or all cited references to verify supplied information and/or to assess reference satisfaction with performance. The Agreement Officer may also consult other resources and references not provided by the applicant related to the applicant’s past performance.

2. Cost Application

The following are the instructions and review criteria for cost application.

a) Cost Application Instructions

The Cost and Other Relevant Information Application (Cost Application) is to be submitted separately from the Technical Application. While there is no page limit for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary details. The Cost Application must include completed SF-424 forms which can be downloaded from the web site listed below under section IV.B.3.

In addition, the following information should be provided in the Cost Application.

(i) Guidelines:
   ➢ The Cost Application should be for a period of 60 months.
   ➢ Budget should be stated in US Dollars and the USAID/Ethiopia support should total approximately $40 million.
   ➢ Applicants should assume notification of an award as set forth in Section II.B.

(ii) An overall budget should be included in the Cost Application that provides, in detail to the individual line item, a breakdown of the costs anticipated. The types of costs should be organized based on the cost categories in the SF-424 budgets. All budgets shall include a sheet relating to the entire 48-month period and separate sheets for each 12 month program year [applicants can alternatively include one worksheet that includes the detailed cost breakdown per year AND a 60-month summary]. The electronic version of the budgets should be provided in the unprotected Microsoft Excel format.

(iii) The budget shall include a summary and breakdown of the costs allocated to any sub-recipient or sub-contractor involved in the activity (unless the agreement or contract is on a fixed-amount basis). The applicant has the option of including separate sub-agreement or subcontract budgets for the sake of clarity, again as an unprotected Microsoft Excel spreadsheet.
Budget notes are required. These budget notes must provide an accompanying narrative by line item which explains in detail the basis for how the individual line item costs were derived. The budget notes must be sufficient to ensure that USAID/Ethiopia can determine the purpose of every cost item proposed, as well as understand the basis for the cost estimate (units and unit cost).

The following Section provides guidance on Line item costs.

**Salary and Wages** - Direct salaries and wages should be proposed in accordance with the organization's personnel policies. Details on the basis of estimate for each proposed salary should be sufficiently addressed in the budget narratives for all positions [key, consultants, and non-key personnel]. Any proposed salary increase [initial or annual] must be sufficiently justified and supported with the organization’s personnel policies.

**Fringe Benefits** - If the organization has a fringe benefit rate that has been approved by an agency of the U.S. Government, such rate should be used and evidence of its approval should be provided. If a fringe benefit rate has not been so approved, the application should propose a rate and explain how the rate was determined. If the latter is used, the narrative should include a detailed breakdown comprised of all items of fringe benefits (e.g., unemployment insurance, workers compensation, health and life insurance, retirement) and the costs of each, expressed in dollars and as a percentage of salaries.

**Travel and Transportation** - the application should indicate the number of trips, domestic and international, and the estimated costs. Specify the origin and destination for each proposed trip, duration of travel, and number of individuals traveling. *Per Diem* should be based on the applicant's normal travel policies (applicants may however choose to refer to the Federal Standardized Travel Regulations for cost estimates).

**Other Direct Costs** - This includes communications, report preparation costs, passports and visas fees, medical exams and inoculations, insurance (other than insurance included in the applicant's fringe benefits), equipment (procurement plan for commodities), office rent abroad, branding/marking supplies, etc. The narrative should provide a breakdown and support for all and each other direct costs.

**Indirect Costs** - Local/ regional or other organizations that do not have a Negotiated Indirect Cost Rate Agreement (NICRA) with the U.S Government, these organizations should exclude all indirect costs from the cost estimate and instead use the de minimis rate of 10% of modified total direct costs as specified in 2 CFR 200.414(f) if appropriate. Otherwise, shared costs should be treated as direct and a basis for the allocation should be provided.

**Seminars and Conferences** - The application should indicate the subject, venue, and duration of proposed conferences and seminars, and their relationship to the objectives of the program, along with estimates of costs.
Foreign Government Delegations to International Conferences - Funds in this agreement 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 AOR [http://www.info.usaid.gov/pubs/ads/300/refindx3.htm].

Source and Nationality Requirements - The authorized Geographic Code for this Agreement will be 935.

Training Costs - If there are any training costs to be charged to this Agreement, they must be clearly identified.

Audit Fees - If the applicant proposes expending more than $300,000 of USAID funding during a single fiscal year of the applicant, the applicant must include funds within the budget to contract an audit, with the Statement of Work approved by USAID. Any sub awards for more than $300,000 per year or $750,000 in total are required to be audited.

(vi) Cost Assumptions: With respect to estimating the costs in the Cost Application, please consider the following non-binding guidance (this guidance is solely for the purposes of the cost application and actual costs will be determined by actual implementation of the awarded Cooperative Agreement, including the implementation planning process):

A. The estimate for strategic purchasing of health services and research and ME&L Website development and dissemination is $5,529,200 evenly divided over five years; and
B. The estimate for sub-awards to local organizations is $1,410,000 evenly divided over five years.

(vii) Joint Venture. In the case of an application where the entity receiving the award is a joint venture, partnership or some other type of group where the proposed applicant is not a legal entity, the Cost Application must include a copy of the legal relationship between the prime applicant and its partners. The application document should include a full discussion of the relationship between the applicant and its partners, including identification of the applicant with which USAID will directly engage for purposes of Agreement administration, the identity of the applicant which will have accounting responsibility, how Agreement effort will be allocated and the express Agreement of the principals thereto to be held jointly and severally liable for the acts or omissions of the other.

(viii) The required Certifications, including the SF 424s, should be included with the Cost Application.

(ix) The Cost Application should describe headquarters and field procedures for financial reporting. Discuss the management information procedure you will employ to ensure
accountability for the use of U.S. Government funds. Describe program budgeting, financial, and related program reporting procedures.

(x) Indicate if financial commitments were made among partners during the preparation of the application. Budgets shall indicate the amounts committed to each member of the team. Letters of commitments from partners should be included in an annex in the Technical application.

(xi) If requested by USAID after submission of applications, please provide information on the Applicant’s financial and management status, including:

A. Audited financial statements for the past three years;
B. Organization chart, by-laws, constitution, and articles of incorporation, if applicable; and
C. If the applicant has made a certification to USAID that its personnel, procurement and travel policies are compliant with applicable OMB circular and other applicable USAID and Federal regulations, a copy of the certification should be included with the application. If the certification has not been made to USAID/Washington, the applicant should submit a copy of its personnel (especially regarding salary and wage scales, merit increases, promotions, leave, differentials, etc.), travel and procurement policies, and indicate whether personnel and travel policies and procedures have been reviewed and approved by any agency of the Federal Government. If so, provide the name, address, and phone number of the cognizant reviewing official.

(xii) If applicable, approval of the organization’s accounting system by a U. S. Government agency including the name, addresses, and telephone number of the cognizant auditor.

(xiii) The Cost Application should also address the applicant’s resources and capacity in the following areas in narrative form:

1. Have adequate financial resources or the ability to obtain such resources, as required during the performance of the award;
2. Has the ability to comply with the agreement conditions, considering all existing prospective recipient commitments both nongovernmental and governmental;
3. Has a satisfactory record of performance. Generally, relevant unsatisfactory performance in the past is enough to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance or the applicant has taken adequate corrective measures to assure that it will be able to perform its functions satisfactorily;
4. Has a satisfactory record and business ethics; and
5. Is otherwise qualified to receive an award under applicable laws and regulations.
(xiv) If requested by USAID/Ethiopia after submission of applications, the Applicant shall provide any additional information relating to risk assessment considered necessary in order for the Agreement Officer to evaluate risk. Please note that a positive risk assessment is a requirement for award, and all organizations will be subject to a review to verify the information provided and substantiate the determination, including, but not limited to, checking references and, possibly, a pre-award survey.

(xv) Cost Sharing: Cost sharing is not required for this activity.

Prior to negotiating an actual award, the Agreement Officer will review the apparently successful applicant’s budget to ensure that costs are in compliance with OMB’s and USAID’s policies. The costs proposed must be determined to be reasonable, based on the Cost Application and other information, before award can be made.

3. Required Forms

All Applicants must submit the application using the SF-424 series, which includes the:

- SF-424, Application for Federal Assistance
- SF-424A, Budget Information – Non-construction Programs
- SF-424B, Assurances – Non-construction Programs

- SF-424, Application for Federal Assistance at: [http://www.grants.gov/agencies/approved_standard_forms.jsp](http://www.grants.gov/agencies/approved_standard_forms.jsp)

The program described in Section I above includes non-construction elements. Therefore, these mandatory forms for non-construction programs must be completed. Costs to non-construction activities should be included on the SF-424A. Copies of these forms are included as part of the application package for this RFA posted at www.grants.gov.

4. Pre-Award Certifications, Assurances and Other Statements of the Recipient

In addition to the certifications included in the Standard Form 424, the Agreement Officer must obtain the following certifications, assurances, and other statements from both U.S. and non-U.S. organizations (except as specified below) before making an award and as otherwise required by the regulations listed in this section. The AO must also incorporate the solicitation standard provisions and provide links to the applicable award standard provisions in all solicitations.

The AO may choose to ask that the applicant submit the certifications either as part of the application or during negotiations. The AO should consider the administrative burden of requiring certifications as part of the application in light of potential delays in making the award.
while waiting for the certifications. The required certifications, assurances, and other statements are:

a. A signed copy of ADS 303mav, Certifications, Assurances, and Other Statements of the Recipient and Solicitation Standard Provisions, which includes:

1. Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs (This assurance applies to Non-U.S. organizations, if any part of the program will be undertaken in the U.S.);
2. Certification on Lobbying;
3. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206, Prohibition of Assistance to Drug Traffickers);
4. Certification Regarding Terrorist Financing Implementing Executive Order 13224;
5. Certification Regarding Trafficking in Persons, Implementing Title XVII of the National Defense Authorization Act for Fiscal Year 2013; and
6. Certification of Recipient.

b. Other certifications and statements found in ADS 303mav, Certifications, Assurances, and Other Statements of the Recipient and Solicitation Standard Provisions:

1. A signed copy of the Survey on Ensuring Equal Opportunity for Applicants;
2. Representation by Organization regarding a Delinquent Tax Liability or Felony Criminal Conviction; and
3. Other Statements of Recipients.

C. DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER AND SYSTEM FOR AWARD MANAGEMENT (SAM)

Each applicant is required to: (i) be registered in SAM before submitting its application; (ii) provide a valid DUNS number in its application; and (iii) continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

The Federal awarding agency will not make a Federal award to the winning applicant until the applicant has complied with all applicable DUNS and SAM requirements. If an applicant has not fully complied with the requirements by the time the Federal awarding agency is ready to make a Federal award, the Federal awarding agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.
D. SUBMISSION DATES AND TIMES

All applications in response to this RFA shall be due at not later than 16:00 p.m. Addis Ababa time on the date indicated on the cover page to this RFA. Consistent with ADS 303.3.6.6, applications that are submitted late may be eliminated from the competition. If a late application is evaluated and considered for award, all similarly-situated late applications (in terms of time of receipt) will also be evaluated and considered for award.

E. FUNDING RESTRICTIONS

Applicants will be reimbursed only for costs that benefit the program description and are allocable, allowable and reasonable. Pre-award costs may be reimbursed under the resulting award, but only with the prior specific written approval of the Agreement Officer.

This program does not have any provision for capital funding or any type of construction assistance. If specific construction activity is approved by the Agreement Officer, the following conditions apply:

1. No construction activities other than those included in an approved implementation plan or amendment thereto may be performed as part of the cooperative agreement;
2. The costs related to construction activities must be incorporated into the budget of the award.
3. A construction activity at a single site must not exceed $500,000.
4. The total cost of construction must not exceed $10,000,000.
5. Where construction activities are financed, the Recipient is encouraged to use fixed price contracts to the extent practicable;

F. REQUIRED CERTIFICATIONS

All required certifications, assurances, and solicitation provisions are included or referenced in this RFA.

G. OTHER SUBMISSION REQUIREMENTS

USAID/Ethiopia will accept applications from the qualified entities as defined in Section III of this RFA. The Applicant should follow the instructions set forth herein. If an applicant does not follow the instructions, the application may be down-graded and may not receive full credit under the applicable merit review criteria, or, at the discretion of the Agreement Officer, be eliminated from the competition. All applications received by the deadline will be reviewed against the merit review criteria in Section V.

1. Submission, Marking and Copies

The Applicant must submit the application electronically. Applications should be submitted through internet email with up to 10 attachments (5MB limit) per email. The following documents should be attached:
a. The Merit Review Application in Adobe Acrobat portable document format (.pdf) (if necessary to comply with email size restrictions, this may be broken into separate, but sequential, parts);
b. The Merit Review Application Body submitted in Microsoft Word;
c. The Cost Application in Adobe Acrobat portable document format (.pdf) (if necessary to comply with email size restrictions, this may be broken into separate, but sequential, parts); and
d. All spreadsheets in un protected Microsoft EXCEL format (must also include subcontractor spreadsheets).
e. Budget note/narrative, Microsoft Word format

Multiple emails may be sent to accommodate the application size and content, but each must contain very clear identification of the attachment and instructions for assembling the application, including, but not limited to, the RFA Title and Number and whether a part of the Technical or Cost Application is included. It would be greatly appreciated if Applicants would also provide one (1) original and two (2) hard copies of the technical application and one (1) original and two (2) hard copies of the cost application, with the goal that these hard copies will be received within three (3) days of the closing date for receipt of applications electronically; please note that lateness of the applications under Section IV.D above will be determined by the electronic submission, not the submission of hard copies.

2. Addresses

Applications shall be electronically delivered to caddis@usaid.gov with a copy to Tsegereda Gebremedhin and Henok Amenu Oljira at tgebremedhin@usaid.gov and hamenu@usaid.gov respectively. Courtesy hard copies should be provided to the following address:

U.S. Agency for International Development
Attn.: Tsegereda Gebremedhin, Acquisition & Assistance Specialist
Office of Acquisition and Assistance
United States Embassy Compound
Entoto Street
P.O. Box 1014
Addis Ababa, Ethiopia

Telegraphic or faxed applications are not authorized for this RFA and will not be accepted.

3. Branding Strategy and Marking Plan

Pursuant to ADS 303.3.6.2.f and ADS 320.3.1.2, the apparently successful applicant will be requested to submit a Branding Strategy and Marking Plan that will have to be successfully negotiated before a cooperative agreement will be awarded. These plans shall be prepared in accordance with the guidance in ADS 320.3.1.2, 2 CFR 700.16 and the references therein.
Please note that the Branding Strategy and Marking Plan shall not be included with the original application but shall be provided only after a written request of the Agreement Officer. Cost of Branding and Marking should be included in cost application.

USAID/Ethiopia does not intend to make an award without an approved Branding Strategy and Marking Plan. ADS Chapter 320 sections concerning "assistance" apply to this RFA. ADS Chapter 320 sections concerning "acquisition" do not apply to this RFA. ADS Chapter 320 can be found on the USAID website: <http://www.usaid.gov/policy/ads/300/320>.
SECTION V - APPLICATION REVIEW INFORMATION

This Section includes information regarding: A. the criteria that will be used; and B. a discussion of the merit review and selection process.

A. Merit Review Criteria

The criteria presented below have been tailored to the requirements of this particular RFA. Applicants should note that these merit review criteria serve to: (a) identify the significant matters which applicants should address in their applications and (b) set the standard against which all applications will be evaluated. The following merit review criteria will be used to make an award decision.

1. Summary

The following criteria will be evaluated. The Selection Committee (SC) will evaluate the various components of the application set forth below in descending order of importance.

   a. Technical Approach
   b. Management Approach and Staffing
   c. Implementation and Monitoring, Evaluation & Learning Plans
   d. Experience

2. Guidance on Specific Merit Review Criteria

The following guidance is provided regarding the specific selection criteria in order to help applicants prepare better applications.

   a. Technical Approach

The Technical Approach Criterion will be evaluated in terms of overall quality and the extent to which the proposed technical approach demonstrates a clear understanding of the objectives of the program and a convincing approach to achieve the expected results. This includes, but is not limited to, the following considerations:

   - How well the application demonstrates an understanding of the objectives of the program and a convincing approach to expected results, including effective professional and institutional capacity development for strengthening healthcare financing activity;
   - How well the Logical Framework and discussion of the technical approach demonstrate a logical connection between activities and the activity objectives and the extent to which this is supported by evidence for relationships between activities, outputs, and purpose; and
   - The strength of the proposed approach and activities in building on or adding to achieved results of past and ongoing USAID activities and have a clear implications and value for future activities; and
The extent to which the expected results are clear, feasible, meaningful and impactful in terms of achieving the overall Activity objectives.

b. Management Approach and Staffing

The Management Approach and Staffing Criterion will be evaluated for the overall quality and responsiveness of the management plan and the qualifications of the staff, especially of key personnel, who will manage, develop and carry out the activity. This includes, but is not limited to, the following considerations:

- The extent to which the management approach demonstrates efficient and effective ways to achieve the scale, scope and targets of this Activity.
- The clarity and effectiveness of the management and staffing plan, the organizational chart that shows lines of authority and line of communications with partners; the narrative that clearly describe the roles, responsibilities and lines of authority of key personnel/staff.
- The extent to which key personnel possess the requisite qualifications, skills, competencies, experiences in leading relevant activities, including experience in integrating gender into activities; and
- The effectiveness and efficiency of the proposed overall staffing plan, such that personnel possess the full range of experience, skill, and expertise required to successfully implement the Activity.

c. Implementation and Monitoring, Evaluation & Learning Plans

The Implementation and ME&L Plans Criterion will be evaluated for the strength, workability, and completeness of the Implementation and ME&L plan. This includes, but is not limited to, the following considerations:

- Effectiveness and relevancy of the suggested activities, processes and their outputs/outcomes;
- The realism of the timeline and decision points to achieve the results, outcomes;
- Appropriateness of the suggested list of objectively verifiable indicators;
- Effectiveness of the means and frequency of verification for the performance and outputs/outcomes of the activities described in the ME&L plan.
- The extent to which the ME&L Plan serves as a valuable tool for measuring the achievement of objectives, and for finding ways to improve integration of cross cutting issues, as well as the extent to which the ME&L plan has a feedback mechanism that leads to learning from experience and adaptation as appropriate to ensure that it meets the agreed up on targets for the results, outcomes, and outputs.

d. Experience

The Experience Criterion will be evaluated on the existing capacity of the applicant and its major sub-recipients as demonstrated by its actual experience in providing similar programs and activities. Specifically, experience in the following areas will be considered:
Strength and relevancy of demonstrated experience in the technical areas set forth in the Program Description, including, implementing and managing Healthcare Financing Project of similar size and complexity; demonstrated experience working on Healthcare Financing management in resource poor countries on relevant activities of comparable scale, in the scientific area and experience demonstrating the ability to critically assess products through the development process are especially relevant;

- Demonstrated experience successfully with activities or programs that have a strong and appropriate gender component;
- Demonstrated experience collaborating with multiple stakeholders;
- Demonstrated experience in managing a project of similar size and complexity; and
- Experience working in the Africa region, including, but not limited to Ethiopia.

B. REVIEW, SELECTION AND AWARD PROCESS

The required format and content for the application are described in Section V. Applications will be evaluated in accordance with the merit review criteria set forth above by a Selection Committee comprised of USAID employees, other U.S. Government representatives, and/or host country experts. The SC will make a recommendation regarding which applicant should receive the award.

Prior to negotiating an actual award, the Agreement Officer will review the apparently successful applicant’s budget to ensure that costs are in compliance with OMB’s and USAID’s policies. The costs proposed must be determined to be reasonable, based on the Cost Application and other information, before award can be made.

Award will be made to the responsible applicant whose application is determined to be the best based on technical and cost factors specified in this RFA. The Agreement Officer must also evaluate risk of the apparently successful applicant and is charged with the final determination of whether to make an award to the apparently successful applicant. Among other issues, the apparently successful applicant’s history of performance will be reviewed using the reference information contained in the Technical Application, along with any other information deemed relevant by the Agreement Officer or Selection Committee. The apparently successful applicant may be requested to prepare and submit the “Program Description” to be incorporated into the resulting Cooperative Agreement for USAID’s review and acceptance.

**Authority to obligate the Government:** The Agreement Officer is the only individual who may legally commit the U.S. Government to the expenditure of public funds. No costs chargeable to the proposed Agreement may be incurred before receipt of either an Agreement signed by the Agreement Officer or a specific, written authorization from the Agreement Officer.
SECTION VI - FEDERAL AWARD AND ADMINISTRATION INFORMATION

A. FEDERAL AWARD NOTICES

The Cooperative Agreement signed by the Agreement Officer is the authorizing document, which shall be transmitted to the Recipient for countersignature to the authorized agent of the successful organization electronically, to be followed by original copies for execution.

Notification will also be made electronically to unsuccessful applicants pursuant to ADS 303.3.7.1.b. USAID/Ethiopia will consider requests for additional information pursuant to ADS 303.3.7.2.

B. ADMINISTRATIVE & NATIONAL POLICY REQUIREMENTS

No deviations are currently contemplated to the standard provisions for the cooperative agreement contemplated by this RFA. The standard provisions to be used will be the Mandatory Standard Provisions for U.S. Nongovernmental Recipients or the Mandatory Standard Provisions for Non-U.S. Nongovernmental Recipients (other types of provisions may be used if other types of eligible organizations, e.g. Public International Organizations, are selected for award).

The following regulations and policies are expected to govern award administration.

- For U.S. organizations, 2 CFR 700, 2 CFR 200 and the Standard Provisions for U.S. Nongovernmental Recipients will be applicable.
- For non-U.S. organizations, the Standard Provisions for Non-U.S., Nongovernmental Recipients will apply. While 2CFR 200 does not directly apply to non-U.S. applicants, the Agreement Officer will use the standards of 2CFR 200 in the administration of the award.
- For Public International Organizations (PIOs), the Standard Provisions for Grants to Public International Organizations, along with selected provisions from the Standard Provisions for Non-U.S., Nongovernmental Recipients and other negotiated provisions, will be used.

These documents may be accessed through the internet as follows:

- 2 CFR 200: http://www.ecfr.gov/cgi-bin/text-idx?SID=058338fa3254c782718e94843a3e4e09&node=pt2.1.200&rgn=div5
- FAR Part 31: https://www.acquisition.gov/far/html/FARTOCP31.html
C. REPORTING REQUIREMENTS

The Recipient shall be responsible to USAID/Ethiopia for all matters related to the execution of the agreement. Specifically, the Recipient shall report to the Agreement Officer (AO) and to the Agreement Officer’s Representative (AOR), who will be designated by the AO prior to award.

The Recipient will be expected to provide the following reports. All approved quarterly, annual reports, implementation plans, ME&L plans, and technical reports shall be posted to the Development Experience Clearinghouse (DEC) as appropriate.

1. Implementation Plans

The Recipient will have submitted a draft year one implementation plan. The Recipient will work closely with the AOR to finalize the year one implementation plan. The final version of the year one implementation plan will be due within the first 90 days of the Cooperative Agreement.

Thirty (30) days before the beginning of each subsequent fiscal year, the Recipient will submit annual implementation plans. The annual implementation plan for each fiscal year will be finalized in consultation with USAID/Ethiopia with approval by the Agreement Officer’s Representative. If during the course of implementation, the Recipient wishes to make changes to the plan, the Recipient must submit the requested changes in writing for technical review. The Implementation Plan will be consistent with the guidance in the Program Description above.

2. Monitoring, Evaluation and Learning Plan

The Recipient will have submitted a draft life-of-project ME&L Plan with the application. The Recipient will work closely with the AOR to establish indicators, as well as baseline data and performance targets for each indicator and to finalize the plan. The final version of the ME&L Plan is due within the first 90 days of the Cooperative Agreement.

Thirty (30) days before the beginning of each subsequent fiscal year, the Recipient will submit an update to the ME&L Plan. The update for the ME&L Plan for each fiscal year will be finalized in consultation with USAID/Ethiopia’s HAPN Office with approval by the AOR. If during the course of implementation, the Recipient wishes to make changes to the plan, the Recipient must submit the requested changes in writing for technical review.

3. Quarterly Progress and Financial Reports

The Recipient will submit separate Quarterly Progress and Financial reports to USAID/Ethiopia within 30 days after the end of each quarter of the fiscal year during the performance period. The Quarterly Progress reports shall include the following information: i) a summary of activities and key achievements; ii) describe progress made during the reporting period actual achievements of the quarter; and iii) assess overall progress to date against: performance indicators agreed upon, and the planned outputs for the quarter in the annual implementation
plan. The progress report should also highlight key accomplishments and any issues that are affecting the timing of SQMDTE interventions, steps being taken or proposals being made to resolve issues, plans and intended outputs for the following quarter.

4. **Geographic Information Systems (GIS)**

USAID/Ethiopia is in the process of building internal capacity to manage GIS-related information within the Mission to support greater utilization of GIS tools among implementing partners, promote coordination among stakeholders, and to share information about USAID-funded activities, their impact in Ethiopia, as well as relevant data about the country. As defined in the USAID Policy Framework (2011-2015), USAID is committed to strategically allocating resources through geographically targeting aid investments, monitoring & evaluating overall aid effectiveness, and upholding the Agency’s open data and transparency goals. Utilizing GIS technology, geographic data, and analysis is essential to effectively achieving these objectives.

The Recipient should apply geospatial methods using GIS technology to support USAID’s effort to incorporate geographic data and analysis into USAID’s overall development planning, design, and monitoring & evaluation. Geographic data collection, analysis, and submission methods should be included in ME&L and the work plan. When geographic data is acquired through data use or ownership agreements with the host-country government or other entity, the Recipient must ensure that the agreement makes it permissible for the geographic data to be submitted to, and used by, USAID and other U.S. Embassy agencies. USAID/Ethiopia does not expect that overly elaborate or costly methods of collecting GIS data is necessary and will work with the Recipient to ensure that this information is provided in the least burdensome and expensive effective manner.

5. **Annual Technical Performance Reports**

The Recipient shall submit an original and two copies of a performance report to the AOR. Annual performance reports are due 60 calendar days after the reporting period. The first annual report will cover the 12 months period following the signature of the cooperative agreement. Subsequent reports will cover the next 12 month periods. At a minimum, Annual Performance Reports shall contain the information listed below:

a) Success stories for each project component;
b) A summary of the actual activities and results during the reporting period compared with the plan established for the reporting period;
c) An explanation of why results were surpassed or were not achieved and why activities were delayed or not carried out during the reporting period. Indicate corrective actions taken or a plan to ameliorate or change performance if appropriate. For each corrective action, the Recipient will designate responsible parties and establish a timeframe for completion;
d) Information on accrued expenditures to date; and
e) A listing of all sub-agreements, including a scope of work with detailed descriptions of the related program, in which the Recipient is engaged during the annual reporting period.

The AOR will acknowledge receipt of all Annual Performance Reports and will provide verbal or written feedback within 30 days after receipt of the report. If the AOR deems it necessary, there will be a meeting with the Recipient to discuss the contents of the Annual Performance Report.

Upon receiving AOR approval, the approved Annual Report shall be submitted to the USAID’s DEC. A copy of all annual reports should be provided to the relevant Office/Directorate within the Federal Ministry of Health of Ethiopia.

6. Final Report

The Final Performance Report will cover the entire period of the award. The Recipient shall submit a draft of the final report to the AOR within 90 days following the estimated completion date of the cooperative agreement. The Recipient shall submit to the AO and the AOR and to one of the following:

- Via E-mail: DocSubmit@usaid.gov;
- Via Fax: (202)216-3515; or

This Final Report will include the following information:

a) A description of the cumulative results achieved;

b) An assessment of the impact of the program, including a summary of lessons learned, and any particularly important success stories; and

c) A summary of progress made in achieving indicator targets from the M&E plan (based on valid data collection and analysis).

Upon receiving AOR approval, the approved Final Report shall be submitted to the relevant Office/Directorate within the Federal Ministry of Health of Ethiopia.

The reports described above are in addition to any financial or performance reporting otherwise required under the standard provisions of the Agreement. Copies of all required financial reports will be submitted to the AOR.

7. Close out Plan

The Recipient will be requested to provide a closeout plan for all activities (administration, information, finance, procurement and management) for review and approval, no less than 90 days before the end date of the Cooperative Agreement.
8. Submission to the Development Experience Clearinghouse and Publications

Per ADS 540.3.2.3, documents and development assistance activity descriptions produced or funded with USAID resources and created in support of Intellectual Work must be submitted for inclusion in the DEC. The recipient must provide the AOR one copy of any Intellectual Work that is published, and a list of any Intellectual Work that is not published.

In addition, the recipient must submit Intellectual Work, whether published or not, to the DEC, either on-line (preferred) or by mail. The recipient must review the DEC Web site for submission instructions, including document formatting and the types of documents to submit. Submission instructions can be found at: http://dec.usaid.gov. For purposes of submissions to the DEC, Intellectual Work includes all works that document the implementation, evaluation, and results of international development assistance activities developed or acquired under this award, which may include program and communications materials, evaluations and assessments, information products, research and technical reports, progress and performance reports required under this award (excluding administrative financial information), and other reports, articles and papers prepared by the recipient under the award, whether published or not. The term does not include the recipient’s information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information.

Each document submitted should contain essential bibliographic information, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) development objective; and 6) date of publication.

The recipient must not submit to the DEC any financially sensitive information or personally identifiable information, such as social security numbers, home addresses and dates of birth. Such information must be removed prior to submission. The recipient must not submit classified documents to the DEC.

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 must be credited to the award unless the schedule of the award has identified the profits or royalties as program income.

D. ENVIRONMENTAL COMPLIANCE

Although the Health Financing Improvement Program is a follow-on activity, the program description has been revised. Therefore, it required having an activity level IEE. The Mission Environmental Officer after review of the program description has made a determination for Categorical Exclusion Request which is currently under processing for concurrence of the Bureau Environmental Officer (BEO) before the award. No activity funded under this Cooperative Agreement will be implemented unless the impending Categorical Exclusion Request is cleared and approved by the BEO.

The amended IEE for this activity will be shared with the apparently successful applicant at a later stage.
1. General

a. The Foreign Assistance Act of 1961, as amended, Section 117 requires that the impact of USAID’s activities on the environment be considered and that USAID include environmental sustainability as a central consideration in designing and carrying out its development programs. This mandate is codified in Federal Regulations (22 CFR 216) and in USAID’s Automated Directives System (ADS) Parts 201.5.10g and 204 (http://www.usaid.gov/policy/ads/200/), which, in part, require that the potential environmental impacts of USAID-financed activities are identified prior to a final decision to proceed and that appropriate environmental safeguards are adopted for all activities. The Recipient’s environmental compliance obligations under these regulations and procedures are specified in the following paragraphs of this Request for Applications.

b. In addition, the contractor/recipient must comply with host country environmental regulations unless otherwise directed in writing by USAID. In case of conflict between host country and USAID regulations, the latter shall govern.

c. No activity funded under this Grant will be implemented unless an environmental threshold determination, as defined by 22 CFR 216, has been reached for that activity, as documented in a Request for Categorical Exclusion (RCE), Initial Environmental Examination (IEE), or Environmental Assessment (EA) duly signed by the Bureau Environmental Officer (BEO). (Hereinafter, such documents are described as “approved Regulation 216 environmental documentation.”)

2. Implementation Plans

a. As part of its initial Work Plan, and all Annual Work Plans thereafter, the recipient, in collaboration with the AOR and Mission Environmental Officer or Bureau Environmental Officer, as appropriate, shall review all ongoing and planned activities under this grant to determine if they are within the scope of the approved Regulation 216 environmental documentation.

b. If the Recipient plans any new activities outside the scope of the approved Regulation 216 environmental documentation, it shall prepare an amendment to the documentation for USAID review and approval. No such new activities shall be undertaken prior to receiving written USAID approval of environmental documentation amendments.

c. Any ongoing activities found to be outside the scope of the approved Regulation 216 environmental documentation shall be halted until an amendment to the documentation is submitted and written approval is received from USAID.
Health Financing Improvement Program
RFA No.: 72066318RFA00001

SECTION VII - FEDERAL AWARDING AGENCY CONTACT(S)

Points of Contact:

Any questions regarding this RFA may be addressed to:

caddis@usaid.gov with a copy to

1. Tsegereda Gebremedhin
   Acquisition and Assistance Specialist
   Email: tgebremedhin@usaid.gov
   USAID/Ethiopia
   +251-11-1316117
   Addis Ababa, Ethiopia

2. Henok Amenu Oljira
   Senior Acquisition and Assistance Specialist
   Email: hamenu@usaid.gov
   USAID/Ethiopia
   +251-11-1316081
   Addis Ababa, Ethiopia
SECTION VIII - OTHER INFORMATION

The following additional information is provided in this Section:

A. USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)

1. 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: pdf.usaid.gov/pdf_docs/PDABQ631.pdf

2. 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.

(END OF PROVISION)

B. CONDOMS (ASSISTANCE) (SEPTEMBER 2014)

Information provided about the use of condoms as part of projects or activities that are funded under this agreement shall be medically accurate and shall include the public health benefits and failure rates of such use and shall be consistent with USAID’s fact sheet entitled, “USAID HIV/STI Prevention and Condoms. This fact sheet may be accessed at: http://www.usaid.gov/sites/default/files/documents/1864/CondomSTIIssueBrief.pdf

The prime recipient must flow this provision down in all subawards, procurement contracts, or subcontracts for HIV/AIDS activities.

(END OF PROVISION)

C. PROHIBITION ON THE PROMOTION OR ADVOCACY OF THE LEGALIZATION OR PRACTICE OF PROSTITUTION OR SEX TRAFFICKING (ASSISTANCE) (SEPTEMBER 2014)

(a) The U.S. Government is opposed to prostitution and related activities, which are
inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

(b)(1) Except as provided in (b)(2), by accepting this award or any subaward, a non-governmental organization or public international organization awardee/subawardee agrees that it is opposed to the practices of prostitution and sex trafficking.

(b)(2) The following organizations are exempt from (b)(1):
   (i) the Global Fund to Fight AIDS, Tuberculosis and Malaria; the World Health Organization; the International AIDS Vaccine Initiative; and any United Nations agency.
   (ii) U.S. non-governmental organization recipients/subrecipients and contractors/subcontractors.
   (iii) Non-U.S. contractors and subcontractors if the contract or subcontract is for commercial items and services as defined in FAR 2.101, such as pharmaceuticals, medical supplies, logistics support, data management, and freight forwarding.

(b)(3) Notwithstanding section (b)(2)(iii), not exempt from (b)(1) are non-U.S. recipients, subrecipients, contractors, and subcontractors that implement HIV/AIDS programs under this assistance award, any subaward, or procurement contract or subcontract by:
   (i) providing supplies or services directly to the final populations receiving such supplies or services in host countries;
   (ii) providing technical assistance and training directly to host country individuals or entities on the provision of supplies or services to the final populations receiving such supplies and services; or
   (iii) providing the types of services listed in FAR 37.203(b)(1)-(6) that involve giving advice about substantive policies of a recipient, giving advice regarding the activities referenced in (i) and (ii), or making decisions or functioning in a recipient’s chain of command (e.g., providing managerial or supervisory services approving financial transactions, personnel actions).

(c) The following definitions apply for purposes of this provision:
“Commercial sex act” means any sex act on account of which anything of value is given to or received by any person.

“Prostitution” means procuring or providing any commercial sex act and the “practice of prostitution” has the same meaning.

“Sex trafficking” means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act. 22 U.S.C. 7102(9).

(d) The recipient shall insert this provision, which is a standard provision, in all subawards, procurement contracts or subcontracts for HIV/AIDS activities.

(e) This provision includes express terms and conditions of the award and any violation of it shall be grounds for unilateral termination of the award by USAID prior to the end of its term.

(END OF PROVISION)

D. SUBMISSION OF DATASETS TO THE DEVELOPMENT DATA LIBRARY (OCTOBER 2014)

a. Definitions. For the purpose of submissions to the DDL:

(1) “Dataset” is an organized collection of structured data, including data contained in spreadsheets, whether presented in tabular or non-tabular form. For example, a Dataset may represent a single spreadsheet, an extensible mark-up language (XML) file, a geospatial data file, or an organized collection of these. This requirement does not apply to aggregated performance reporting data that the recipient submits directly to a USAID portfolio management system or to unstructured data, such as email messages, PDF files, PowerPoint presentations, word processing documents, photos and graphic images, audio files, collaboration software, and instant messages. Neither does the requirement apply to the recipient’s information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information. Datasets submitted to the DDL will generally be those generated with USAID resources and created in support of Intellectual Work that is uploaded to the Development Experience Clearinghouse (DEC) (See M21. SUBMISSIONS TO THE DEVELOPMENT EXPERIENCE CLEARINGHOUSE AND PUBLICATIONS (JUNE 2012).

(2) “Intellectual Work” includes all works that document the implementation, monitoring, evaluation, and results of international development assistance activities developed or acquired under this award, which may include program and communications materials, evaluations and assessments, information products, research and technical reports, progress and performance reports required under this award (excluding administrative financial information), and other reports,
articles and papers prepared by the recipient under the award, whether published or not. The term does not include the recipient’s information that is incidental to award administration, such as financial, administrative, cost or pricing, or management information.

b. Submissions to the Development Data Library (DDL)

(1) The recipient must submit to the Development Data Library (DDL) at www.usaid.gov/data, in a machine-readable, non-proprietary format, a copy of any Dataset created or obtained in performance of this award, including Datasets produced by a subawardee or a contractor at any tier. The submission must include supporting documentation describing the Dataset, such as code books, data dictionaries, data gathering tools, notes on data quality, and explanations of redactions.

(2) Unless otherwise directed by the Agreement Officer (AO) or the Agreement Officer Representative (AOR), the recipient must submit the Dataset and supporting documentation to the DDL within thirty (30) calendar days after the Dataset is first used to produce an Intellectual Work or is of sufficient quality to produce an Intellectual Work. Within thirty (30) calendar days after award completion, the recipient must submit to the DDL any Datasets and supporting documentation that have not previously been submitted to the DDL, along with an index of all Datasets and Intellectual Work created or obtained under the award. The recipient must also provide to the AOR an itemized list of any and all DDL submissions.

The recipient is not required to submit the data to the DDL, when, in accordance with the terms and conditions of this award, Datasets containing results of federally funded scientific research are submitted to a publicly accessible research database. However, the recipient must submit a notice to the DDL by following the instructions at www.usaid.gov/data, with a copy to the agreement officer representative, providing details on where and how to access the data. The direct results of federally funded scientific research must be reported no later than when the data are ready to be submitted to a peer-reviewed journal for publication, or no later than five calendar days prior to the conclusion of the award, whichever occurs earlier.

(3) The recipient must submit the Datasets following the submission instructions and acceptable formats found at www.usaid.gov/data.

(4) The recipient must ensure that any Dataset submitted to the DDL does not contain any proprietary or personally identifiable information, such as social security numbers, home addresses, and dates of birth. Such information must be removed prior to submission.

(5) The recipient must not submit classified data to the DDL.
E. PROHIBITION ON PROVIDING FEDERAL ASSISTANCE TO ENTITIES THAT REQUIRE CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS

- REPRESENTATION (May 2017)

(a) Definitions. “Contract” has the meaning given in 2 CFR Part 200.

“Contractor” means an entity that receives a contract as defined in 2 CFR Part 200.

“Internal confidentiality agreement or statement” means a confidentiality agreement or any other written statement that the recipient requires any of its employees or subrecipients to sign regarding nondisclosure of recipient information, except that it does not include confidentiality agreements arising out of civil litigation or confidentiality agreements that recipient employees or subrecipients sign at the behest of a Federal agency.

“Subaward” has the meaning given in 2 CFR Part 200.

“Subrecipient” has the meaning given in 2 CFR Part 200.

(b) In accordance with section 743 of Division E, Title VII, of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) and its successor provisions in subsequent appropriations acts (and as extended in continuing resolutions), Government agencies are not permitted to use funds appropriated (or otherwise made available) for federal assistance to a non-Federal entity that requires its employees, subrecipients, or contractors seeking to report waste, fraud, or abuse to sign internal confidentiality agreements or statements that prohibit or otherwise restrict its employees, subrecipients, or contractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

(c) The prohibition in paragraph (b) of this provision does not contravene requirements applicable to Standard Form 312, (Classified Information Nondisclosure Agreement), Form 4414 (Sensitive Compartmented Information Nondisclosure Agreement), or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

(d) Representation. By submission of its application, the prospective recipient represents that it will not require its employees, subrecipients, or contractors to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting its employees, subrecipients, or contractors from lawfully reporting waste, fraud, or abuse related to the performance of a Federal award to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information (for example, the Agency Office of the Inspector General).

(END OF PROVISION)
ANNEXES

The following annexes are provided:

Annex 1 – Certifications, Assurances and Other Statements
Annex 2 – Central Contractor Registration and Universal Identifier
Annex 3 – Reporting Sub awards and Executive Compensation
Annex 4 – Trafficking in Persons
Annex 5 – Survey of Ensuring Equal Opportunity for Applicants
Annex 6 – Representation by Organization Regarding a Delinquent Tax Liability or Felony Criminal Conviction
Annex 7 – Past Performance Information
Annex 8 - SF 424 Forms to be accessed at: http://grants.gov/agencies/aapproved
Standard forms.jsp
Annex 9 – Abbreviations and Acronyms – Attachment II
Annex 1: Certifications, Assurances and Other Statements of the Recipient

NOTE: When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement".

Part I – Certifications and Assurances

1. Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs

Note: This certification applies to Non-U.S. organizations if any part of the program will be undertaken in the United States.

(a) The recipient hereby assures that no person in the United States will, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the Cooperative Agreement for which application is being made, it will comply with the requirements of:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(5) USAID regulations implementing the above nondiscrimination laws set forth in Chapter II of Title 22 of the Code of Federal Regulations.

(b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and must be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program.
of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.

2. Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal Cooperative Agreement, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned must complete and submit Standard Form-LLL, “Disclosure of Lobbying Activities,” in accordance with its instructions.

(3) The undersigned must require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients must certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification will be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

“The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned must complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement will be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.”
3. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)

USAID reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned must review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants.

If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

4. Certification Regarding Terrorist Financing, Implementing Executive Order 13224

By signing and submitting this application, the prospective recipient provides the Certification set out below:

1. The Recipient, to the best of its current knowledge, did not provide, within the previous ten years, and will take all reasonable steps to ensure that it does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts, as that term is defined in paragraph 3.

2. The following steps may enable the Recipient to comply with its obligations under paragraph 1:

   a. Before providing any material support or resources to an individual or entity, the Recipient will verify that the individual or entity does not (i) appear on the master list of Specially Designated Nationals and Blocked Persons, which is maintained by the U.S. Treasury’s Office of Foreign Assets Control (OFAC), or (ii) is not included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID to the Recipient.

   b. Before providing any material support or resources to an individual or entity, the Recipient also will verify that the individual or entity has not been designated by the United Nations Security (UNSC) sanctions committee established under UNSC Resolution 1267 (1999) (the “1267 Committee”) [individuals and entities linked to the Taliban, Osama bin Laden, or the Al-Qaida Organization]. To determine whether there has been a published designation of an individual or entity by the 1267 Committee, the Recipient should refer to the consolidated list available online at the Committee’s Web site: http://www.un.org/Docs/sc-committees/1267/1267ListEng.htm

   c. Before providing any material support or resources to an individual or entity, the Recipient will consider all information about that individual or entity of which it is aware and all public information that is reasonably available to it or of which it should be aware.
d. The Recipient also will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

3. For purposes of this Certification -

a. “Material support and resources” means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safe-houses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.”

b. “Terrorist act” means -

(i) an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: http://untreaty.un.org/English/Terrorism.asp); or

(ii) an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or (iii) any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

c. “Entity” means a partnership, association, corporation, or other organization, group or subgroup.

d. References in this Certification to the provision of material support and resources must not be deemed to include the furnishing of USAID funds or USAID-financed commodities to the ultimate beneficiaries of USAID assistance, such as recipients of food, medical care, microenterprise loans, shelter, etc., unless the Recipient has reason to believe that one or more of these beneficiaries commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

e. The Recipient’s obligations under paragraph 1 are not applicable to the procurement of goods and/or services by the Recipient that are acquired in the ordinary course of business through contract or purchase, e.g., utilities, rents, office supplies, gasoline, etc., unless the Recipient has reason to believe that a vendor or supplier of such goods and services commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated or participated in terrorist acts.

This Certification is an express term and condition of any agreement issued as a result of this application, and any violation of it will be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

5. Certification of Recipient
By signing below the recipient provides certifications and assurances for (1) the Assurance of Compliance with Laws and Regulations Governing Non-Discrimination in Federally Assisted Programs, (2) the Certification Regarding Lobbying, (3) the Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206) and (4) the Certification Regarding Terrorist Financing Implementing Executive Order 13224 above.

These certifications and assurances are given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which was approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in these assurances, and that the United States will have the right to seek judicial enforcement of these assurances. These assurances are binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign these assurances on behalf of the recipient.

Part II – Key Individual Certification Narcotics Offenses and Drug Trafficking

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

2. I am not and have not been an illicit trafficker in any such drug or controlled substance.

3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: ____________________________
Date: ____________________________
Name: ____________________________
Title/Position: ____________________________
Organization: ____________________________
Address: ____________________________
Date of Birth: ____________________________
NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

Part III – Participant Certification Narcotics Offenses and Drug Trafficking

1. I hereby certify that within the last ten years:

   a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

   b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

   c. I am not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that USAID may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my USAID training.

Signature: __________________________________________
Name: ______________________________________________
Date: ______________________________________________
Address: ____________________________________________
Date of Birth: ________________________________________

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain participants must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

Part IV – Other Statements of Recipient

1. Authorized Individuals
The recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the recipient in connection with this application or grant:

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Telephone No.</th>
<th>Facsimile No.</th>
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2. **Taxpayer Identification Number (TIN)**

If the recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the recipient’s TIN:

TIN: ________________________

3. **Data Universal Numbering System (DUNS) Number**

(a) Unless otherwise specified in the solicitation using an applicable exemption, in the space provided at the end of this provision, the recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the number that identifies the recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the recipient does not have a DUNS number, the recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the recipient. The recipient should be prepared to provide the following information:

(1) Recipient’s name.
(2) Recipient’s address.
(3) Recipient's telephone number.
(4) Line of business.
(5) Chief executive officer/key manager.
(6) Date the organization was started.
(7) Number of people employed by the recipient.
(8) Company affiliation.

(c) Recipients located outside the United States may e-mail Dun and Bradstreet at globalinfo@dbisma.com to obtain the location and phone number of the local Dun and Bradstreet Information Services office.

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS: ________________________
4. Letter of Credit (LOC) Number
If the recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: _________________________________________

5. Procurement Information

(a) Applicability. This applies to the procurement of goods and services planned by the recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the recipient in conducting the program supported by the grant, and not to assistance provided by the recipient (i.e., a subgrant or subagreement) to a subgrantee or subrecipient in support of the subgrantee’s or subrecipient's program. Provision by the recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) Amount of Procurement. Please indicate the total estimated dollar amount of goods and services which the recipient plans to purchase under the grant: $__________________________

(c) Nonexpendable Property. If the recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the grant, having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

<table>
<thead>
<tr>
<th>TYPE/DESCRIPTION (Generic)</th>
<th>QUANTITY</th>
<th>ESTIMATED UNIT COST</th>
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(d) Source If the recipient plans to purchase any goods/commodities which are not in accordance with the Standard Provision “USAID Eligibility Rules for Procurement of Commodities and Services,” indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source. “Source” means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located in the cooperating country at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received, “source” means the country from which the commodity was shipped to the free port or bonded warehouse. Additionally, “available for purchase” includes “offered for sale at the time of purchase” if the commodity is listed in a vendor’s catalog or other statement of inventory, kept as part of the vendor’s customary business practices and regularly offered for sale, even if the commodities are not physically on the vendors’ shelves or even in the source country at the time of the order. In such cases, the recipient must document that the commodity was listed in the vendor’s catalog or other statement of inventory; that the vendor has a regular and customary business practice of selling the commodity through “just in time” or other similar inventory practices; and the recipient did not engage the vendor to list the commodity in its catalog or other statement of inventory just to fulfill the recipient’s request for the commodity.
Health Financing Improvement Program  
*RFA No.: 72066318RFA00001*

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<td>QUANTITY</td>
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<tr>
<td>ESTIMATED GOODS</td>
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<td>PROBABLE GOODS</td>
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<td>PROBABLE (Generic)</td>
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<tr>
<td>UNIT COST</td>
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<td>SOURCE</td>
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(e) Restricted Goods. If the recipient plans to purchase any restricted goods, indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, intended use, and probable source. Restricted goods are Agricultural Commodities, Motor Vehicles, Pharmaceuticals, Pesticides, Used Equipment, U.S. Government-Owned Excess Property, and Fertilizer.

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<tr>
<td>INTENDED USE (Generic)</td>
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<td>UNIT COST</td>
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<td>SOURCE</td>
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(f) Supplier Nationality. If the recipient plans to purchase any goods or services from suppliers of goods and services whose nationality is not in accordance with the Standard Provision “USAID Eligibility Rules for Procurement of Commodities and Services,” indicate below (using a continuation page, as necessary) the types and quantities of each good or service, estimated costs of each, probable nationality of each non-U.S. supplier of each good or service, and the rationale for purchasing from a non-U.S. supplier.

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<td>PROBABLE SUPPLIER</td>
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<td>NATIONALITY</td>
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<tr>
<td>RATIONALE (Generic)</td>
<td>____________________________</td>
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<tr>
<td>UNIT COST (Non-US Only)</td>
<td>____________________________</td>
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<tr>
<td>FOR NON-US</td>
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6. Past Performance References

On a continuation page, please provide past performance information requested in the RFA.

7. Type of Organization
The recipient, by checking the applicable box, represents that –

(a) If the recipient is a U.S. entity, it operates as [ ] a corporation incorporated under the laws of the State of, [ ] an individual, [ ] a partnership, [ ] a nongovernmental nonprofit organization, [ ] a state or local governmental organization, [ ] a private college or university, [ ] a public college or university, [ ] an international organization, or [ ] a joint venture; or

(b) If the recipient is a non-U.S. entity, it operates as [ ] a corporation organized under the laws of ______________________ (country), [ ] an individual, [ ] a partnership, [ ] a nongovernmental nonprofit organization, [ ] a nongovernmental educational institution, [ ] a governmental organization, [ ] an international organization, or [ ] a joint venture.

8. Estimated Costs of Communications Products

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the grant. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.

Part V – Standard Provisions for Solicitations

1. BRANDING STRATEGY - ASSISTANCE (JUNE 2012)

   a. Applicants recommended for an assistance award must submit and negotiate a "Branding Strategy," describing how the program, project, or activity is named and positioned, and how it is promoted and communicated to beneficiaries and host country citizens.

   b. The request for a Branding Strategy, by the Agreement Officer from the applicant, confers no rights to the applicant and constitutes no USAID commitment to an award.

   c. Failure to submit and negotiate a Branding Strategy within the time frame specified by the Agreement Officer will make the applicant ineligible for an award.

   d. The applicant must include all estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events, materials, and so forth, in the budget portion of the application. These costs are subject to the revision and negotiation with the Agreement Officer and will be incorporated into the Total Estimated Amount of the grant, cooperative agreement or other assistance instrument.

   e. The Branding Strategy must include, at a minimum, all of the following:

      (1) All estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events, materials, and so forth.
      (2) The intended name of the program, project, or activity.
(i) USAID requires the applicant to use the “USAID Identity,” comprised of the USAID logo and brand mark, with the tagline “from the American people” as found on the USAID Web site at transition.usaid.gov/branding, unless Section VI of the RFA or APS states that the USAID Administrator has approved the use of an additional or substitute logo, seal, or tagline.

(ii) USAID prefers local language translations of the phrase “made possible by (or with) the generous support of the American People” next to the USAID Identity when acknowledging contributions.

(iii) It is acceptable to cobrand the title with the USAID Identity and the applicant's identity.

(iv) If branding in the above manner is inappropriate or not possible, the applicant must explain how USAID's involvement will be showcased during publicity for the program or project.

(v) USAID prefers to fund projects that do not have a separate logo or identity that competes with the USAID Identity. If there is a plan to develop a separate logo to consistently identify this program, the applicant must attach a copy of the proposed logos. Section VI of the RFA or APS will state if the Administrator approved the use of an additional or substitute logo.

(3) The intended primary and secondary audiences for this project or program, including direct beneficiaries and any special target segments.

(4) Planned communication or program materials used to explain or market the program to beneficiaries.

(i) Describe the main program message.

(ii) Provide plans for training materials, posters, pamphlets, public service announcement, billboards, Web sites, and so forth, as appropriate.

(iii) Provide any plans to announce and promote publicly this program or project to host country citizens, such as media releases, press conferences, public events, and so forth. Applicant must incorporate the USAID Identity and the message, “USAID is from the American People.”

(iv) Provide any additional ideas to increase awareness that the American people support this project or program.

(5) Information on any direct involvement from host-country government or ministry, including any planned acknowledgement of the host-country government.

(6) Any other groups whose logo or identity the applicant will use on program materials and related materials. Indicate if they are a donor or why they will be visibly acknowledged, and if they will receive the same prominence as USAID.
e. The Agreement Officer will review the Branding Strategy to ensure the above information is adequately included and consistent with the stated objectives of the award, the applicant's cost data submissions, and the performance plan.

f. If the applicant receives an assistance award, the Branding Strategy will be included in and made part of the resulting grant or cooperative agreement.

(END OF PROVISION)

2. MARKING PLAN – ASSISTANCE (JUNE 2012)

a. Applicants recommended for an assistance award must submit and negotiate a “Marking Plan,” detailing the public communications, commodities, and program materials, and other items that will visibly bear the “USAID Identity,” which comprises of the USAID logo and brand mark, with the tagline “from the American people.” The USAID Identity is the official marking for the Agency, and is found on the USAID Web site at http://www.usaid.gov/branding. Section VI of the RFA or APS will state if an Administrator approved the use of an additional or substitute logo, seal, or tagline.

b. The request for a Marking Plan, by the Agreement Officer from the applicant, confers no rights to the applicant and constitutes no USAID commitment to an award.

c. Failure to submit and negotiate a Marking Plan within the time frame specified by the Agreement Officer will make the applicant ineligible for an award.

d. The applicant must include all estimated costs associated with branding and marking USAID programs, such as plaques, stickers, banners, press events, materials, and so forth, in the budget portion of the application. These costs are subject to the revision and negotiation with the Agreement Officer and will be incorporated into the Total Estimated Amount of the grant, cooperative agreement or other assistance instrument.

e. The Marking Plan must include all of the following:

(1) A description of the public communications, commodities, and program materials that the applicant plans to produce and which will bear the USAID Identity as part of the award, including:
   (i) Program, project, or activity sites funded by USAID, including visible infrastructure projects or other sites physical in nature;

   (ii) Technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities, promotional, informational, media, or communications products funded by USAID;

   (iii) Commodities, equipment, supplies, and other materials funded by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs; and

   (iv) It is acceptable to cobrand the title with the USAID Identity and the applicant's identity.
(v) Events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities. If the USAID Identity cannot be displayed, the recipient is encouraged to otherwise acknowledge USAID and the support of the American people.

(2) A table on the program deliverables with the following details:

(i) The program deliverables that the applicant plans to mark with the USAID Identity;

(ii) The type of marking and what materials the applicant will use to mark the program deliverables;

(iii) When in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking;

(iv) What program deliverables the applicant does not plan to mark with the USAID Identity, and

(v) The rationale for not marking program deliverables.

(3) Any requests for an exemption from USAID marking requirements, and an explanation of why the exemption would apply. The applicant may request an exemption if USAID marking requirements would:

(i) Compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials. The applicant must identify the USAID Development Objective, Interim Result, or program goal furthered by an appearance of neutrality, or state why an aspect of the award is presumptively neutral. Identify by category or deliverable item, examples of material for which an exemption is sought.

(ii) Diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent. The applicant must explain why each particular deliverable must be seen as credible.

(iii) Undercut host-country government “ownership” of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications. The applicant must explain why each particular item or product is better positioned as host-country government item or product.

(iv) Impair the functionality of an item. The applicant must explain how marking the item or commodity would impair its functionality.

(v) Incur substantial costs or be impractical. The applicant must explain why marking would not be cost beneficial or practical.
(vi) Offend local cultural or social norms, or be considered inappropriate. The applicant must identify the relevant norm, and explain why marking would violate that norm or otherwise be inappropriate.

(vii) Conflict with international law. The applicant must identify the applicable international law violated by the marking.

f. The Agreement Officer will consider the Marking Plan's adequacy and reasonableness in the award criteria, and will approve and disapprove any exemption requests. The Marking Plan will be reviewed to ensure the above information is adequately included and consistent with the stated objectives of the award, the applicant's cost data submissions, and the performance plan.

g. If the applicant receives an assistance award, the Marking Plan, including any approved exemptions, will be included in and made part of the resulting grant or cooperative agreement, and will apply for the term of the award unless provided otherwise.

(END OF PROVISION)

3. CONSCIENCE CLAUSE IMPLEMENTATION (ASSISTANCE)- SOLICITATION PROVISION (FEBRUARY 2012)

An organization, including a faith-based organization, that is otherwise eligible to receive funds under this agreement for HIV/AIDS prevention, treatment, or care shall not be required, as a condition of receiving such assistance;

to endorse or utilize a multi-sectoral or comprehensive approach to combating HIV/AIDS; or

to endorse, utilize, make a referral to, become integrated with, or otherwise participate in any program or activity to which the organization has a religious or moral objection; and

Shall not be discriminated against in the solicitation or issuance of grants, contracts, or cooperative agreements for refusing to meet any requirement described in paragraph (a)(1) above.

An applicant who believes that this solicitation contains provisions or requirements that would require it to endorse or use an approach or participate in an activity to which it has a religious or moral objection must so notify the cognizant Agreement Officer in accordance with the Mandatory Standard Provision titled “Notices” as soon as possible, and in any event not later than 15 calendar days before the deadline for submission of applications under this solicitation. The applicant must advise which activity (ies) it could not implement and the nature of the religious or moral objection.

In responding to the solicitation, an applicant with a religious or moral objection may compete for any funding opportunity as a prime partner, or as a leader or member of a consortium that comes together to compete for an award. Alternatively, such applicant may limit its application to those activities it can undertake and must indicate in its submission the activity (ies) it has excluded based on religious or moral objection. The offeror’s proposal will be evaluated based on the activities for which a proposal is submitted, and will not be evaluated favorably or
unfavorably due to the absence of a proposal addressing the activity (ies) to which it objected and which it thus omitted. In addition to the notification in paragraph (b) above, the applicant must meet the submission date provided for in the solicitation.

(END OF PROVISION)”
Annex 2: CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER (OCTOBER 2010), AAPD 11-01

a. Requirement for System of Award Management (SAM). Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently, if required by changes in your information or another award term.

b. Requirement for Data Universal Numbering System (DUNS) numbers. If you are authorized to make subawards under this award, you:

(1) Must notify potential subrecipients that no entity (see definition in paragraph c. of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.

(2) May not make a subaward to an entity unless the entity has provided its DUNS number to you.

c. Definitions. For purposes of this award term:

(1) System of Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at www.sam.gov).

(2) Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at fedgov.dnb.com/webform).

(3) Entity, as it is used in this award term, means all of the following, as defined at 2 CFR 25, subpart C:

(i) A governmental organization, which is a State, local government, or Indian tribe;

(ii) A foreign public entity;

(iii) A domestic or foreign nonprofit organization;

(iv) A domestic or foreign for-profit organization; and

A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
(4) Subaward:

(i) This term means a legal instrument to provide support for the performance of any portion of
the substantive project or program for which you received this award and that you as the
recipient award to an eligible subrecipient.

(ii) The term does not include your procurement of property and services needed to carry out the
project or program (for further explanation, see 2 CFR 200 Subpart F Audit Requirements).

(iii) A subaward may be provided through any legal agreement, including an agreement that you
consider a contract.

(5) Subrecipient means an entity that:

(i) Receives a subaward from you under this award; and

(ii) Is accountable to you for the use of the Federal funds provided by the subaward.

ADDENDUM (JUNE 2012):

a. Exceptions. The requirements of this provision to obtain a Data Universal Numbering System
(DUNS) number and maintain a current registration in the System of Award Management
(SAM) do not apply, at the prime award or subaward level, to:

(1) Awards to individuals
(2) Awards less than $25,000 to foreign recipients to be performed outside the United States
(based on a USAID determination)
(3) Awards where the Agreement Officer determines, in writing, that these requirements would
cause personal safety concerns.

b. This provision does not need to be included in subawards.

[END OF PROVISION]
A. Reporting of first-tier subawards.

(1) Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates $25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

(2) Where and when to report.

(i) You must report each obligating action described in paragraph a.(1) of this award term to www.fsrs.gov.

(ii) For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

(3) What to report. You must report the information about each obligating action that the submission instructions posted at www.fsrs.gov specify.

b. Reporting Total Compensation of Recipient Executives.

(1) Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if

(i) The total Federal funding authorized to date under this award is $25,000 or more;

(ii) In the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(iii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of
Health Financing Improvement Program  
RFA No.: 72066318RFA00001

1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report executive total compensation described in paragraph b.(1) of this award term:

(i) As part of your registration profile at www.sam.gov.

(ii) By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

(1) Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you must report the names and total compensation of each of the subrecipient’s five most highly compensated executives for the subrecipient’s preceding completed fiscal year, if—

(i) In the subrecipient's preceding fiscal year, the subrecipient received—

(a) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) $25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

(ii) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at www.sec.gov/answers/execomp.htm.)

(2) Where and when to report. You must report subrecipient executive total compensation described in paragraph c.(1) of this award term:

(i) To the recipient.

(ii) By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (for example, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions.
If, in the previous tax year, you had gross income, from all sources, under $300,000, you are exempt from the requirements to report:

(1) Subawards, and

(2) The total compensation of the five most highly compensated executives of any subrecipient.

e. Definitions. For purposes of this award term:
(1) Entity means all of the following, as defined in 2 CFR 25:

(i) A governmental organization, which is a State, local government, or Indian tribe;

(ii) A foreign public entity;

(iii) A domestic or foreign nonprofit organization;

(iv) A domestic or foreign for-profit organization; and

(v) A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

(2) Executive means officers, managing partners, or any other employees in management positions.

(3) Subaward:

(i) This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

(ii) The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200 Subpart F Audit Requirements).

(iii) A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

(4) Subrecipient means an entity that:

(i) Receives a subaward from you (the recipient) under this award; and

(ii) Is accountable to you for the use of the Federal funds provided by the subaward.

(5) Total compensation means the cash and noncash dollar value earned by the executive during the recipient’s or subrecipient’s preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
(i) Salary and bonus.

(ii) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

(iii) Earnings for services under nonequity incentive plans. This does not include group life, health, hospitalization, or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

(iv) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

(v) Above-market earnings on deferred compensation which is not tax-qualified.

(vi) Other compensation, if the aggregate value of all such other compensation (for example, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds $10,000.

[END OF PROVISION]
Annex 4: TRAFFICKING IN PERSONS (APRIL 2016); AAPD 11-01

a. The recipient, subawardee, or contractor, at any tier, or their employees, labor recruiters, brokers or other agents, must not engage in:

   (1) Trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime) during the period of this award;

   (2) Procurement of a commercial sex act during the period of this award;

   (3) Use of forced labor in the performance of this award;

   (4) Acts that directly support or advance trafficking in persons, including the following acts:

      i. Destroying, concealing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents;

      ii. Failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if requested by the employee, unless:

         a) exempted from the requirement to provide or pay for such return transportation by USAID under this award; or
         b) the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action;

      iii. Soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment;

      iv. Charging employees recruitment fees; or

      v. Providing or arranging housing that fails to meet the host country housing and safety standards.

b. In the event of a violation of section (a) of this provision, USAID is authorized to terminate this award, without penalty, and is also authorized to pursue any other remedial actions authorized as stated in section 1704(c) of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013).
c. If the estimated value of services required to be performed under the award outside the United States exceeds $500,000, the recipient must submit to the Agreement Officer, the annual “Certification regarding Trafficking in Persons, Implementing Title XVII of the National Defense Authorization Act for Fiscal Year 2013” as required prior to this award, and must implement a compliance plan to prevent the activities described above in section (a) of this provision. The recipient must provide a copy of the compliance plan to the Agreement Officer upon request and must post the useful and relevant contents of the plan or related materials on its website (if one is maintained) and at the workplace.

d. The recipient’s compliance plan must be appropriate to the size and complexity of the award and to the nature and scope of the activities, including the number of non-United States citizens expected to be employed. The plan must include, at a minimum, the following:

(1) An awareness program to inform employees about the trafficking related prohibitions included in this provision, the activities prohibited and the action that will be taken against the employee for violations.

(2) A reporting process for employees to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking, including a means to make available to all employees the Global Human Trafficking Hotline at 1-844-888-FREE and its e-mail address at help@befree.org.

(3) A recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging of recruitment fees to the employee, and ensures that wages meet applicable host-country legal requirements or explains any variance.

(4) A housing plan, if the recipient or any subawardee intends to provide or arrange housing. The housing plan is required to meet any host-country housing and safety standards.

(5) Procedures for the recipient to prevent any agents or subawardee at any tier and at any dollar value from engaging in trafficking in persons activities described in section a of this provision. The recipient must also have procedures to monitor, detect, and terminate any agents or subawardee or subawardee employees that have engaged in such activities.

e. If the Recipient receives any credible information regarding a violation listed in section a(1)-(4) of this provision, the recipient must immediately notify the cognizant Agreement Officer and the USAID Office of the Inspector General; and must fully cooperate with any Federal agencies responsible for audits, investigations, or corrective actions relating to trafficking in persons.

f. The Agreement Officer may direct the Recipient to take specific steps to abate an alleged violation or enforce the requirements of a compliance plan.
g. For purposes of this provision, “employee” means an individual who is engaged in the performance of this award as a direct employee, consultant, or volunteer of the recipient or any subrecipient.

h. The recipient must include in all subawards and contracts a provision prohibiting the conduct described in section a(1)-(4) by the subrecipient, contractor, or any of their employees, or any agents. The recipient must also include a provision authorizing the recipient to terminate the award as described in section b of this provision.

[END OF PROVISION]
Annex 5: SURVEY ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

The Survey on Ensuring Equal Opportunity for Applicants can be found at http://www2.ed.gov/fund/grant/apply/appforms/surveyeo.pdf
Annex 6: REPRESENTATION BY ORGANIZATION REGARDING A DELINQUENT TAX LIABILITY OR FELONY CRIMINAL CONVICTION (AUGUST 2014) AAPD 14-03

(a) As required by sections 744 and 745 of Division E of the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235), and similar provisions, if contained in subsequent appropriations acts, none of the funds made available by that Act may be used to enter into an assistance award with any organization that –

(1) Was “convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency has direct knowledge of the conviction, unless the agency has considered, in accordance with its procedures, that this further action is not necessary to protect the interests of the Government”; or

(2) Has any “unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency has direct knowledge of the unpaid tax liability, unless the Federal agency has considered, in accordance with its procedures, that this further action is not necessary to protect the interests of the Government”.

It is USAID’s policy that no award may be made to any organization covered by (1) or (2) above, unless the M/OAA Compliance Division has made a determination that suspension or debarment is not necessary to protect the interests of the Government.

(b) Applicant Representation:

(1) The Applicant represents that it is [ ] is not [ ] an organization that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

(2) The Applicant represents that it is [ ] is not [ ] an organization that has any unpaid Federal tax liability that has been assessed for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
Annex 7: PAST PERFORMANCE INFORMATION (PPI) to be completed by the applicant

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<tbody>
<tr>
<td>1.</td>
<td>Award Number:</td>
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<td>2.</td>
<td>Contractor/Recipient (Name and Address):</td>
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<td>3.</td>
<td>Type of Award:</td>
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<td>4.</td>
<td>Complexity of Work/Program: Difficult ___ Routine ___</td>
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<td>5.</td>
<td>Description, location, and relevancy of work:</td>
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<td>6.</td>
<td>Dollar Value of Work/Program: _____ Status: Active _ Completed ___</td>
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| 7. | Date of Award: ________  
    Award Completion Date (including extensions): ________ |
| 8. | Type and Extent of Subawards: |
9. Name, Address, Telephone Number, and E-mail Address of the Contracting/Agreement Officer and/or the Contract/Agreement Officer’s Representative:

Annex 8: SF 424

Forms to be accessed at http://grants.gov/agencies/aapproved

Standard forms.jsp
Annex 9: ABBREVIATIONS AND ACRONYMS – Attachment II

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADS</td>
<td>Automated. Directives System of USAID</td>
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<tr>
<td>AIDS</td>
<td>Acquired Immuno-deficiency Syndrome</td>
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<td>ALoS</td>
<td>Average Length of Stay</td>
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<td>ALT</td>
<td>Assets and Livelihoods in Transition</td>
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<td>CBHI</td>
<td>Community-based Health Insurance</td>
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<td>CLA</td>
<td>Collaborating, Learning and Adapting</td>
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<td>DiID</td>
<td>Department for International Development</td>
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<td>DO</td>
<td>Development Objective</td>
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<td>DRG</td>
<td>Diagnosis Related Group</td>
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<td>EHIA</td>
<td>Ethiopian Health Insurance Agency</td>
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<td>EPMES</td>
<td>Ethiopia Performance Monitoring and Evaluation Service</td>
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<td>Federal Ministry of Health</td>
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<td>FP</td>
<td>Family Planning</td>
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<td>Global Financing Facility</td>
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<td>Government of Ethiopia</td>
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<td>GTP</td>
<td>Growth and Transformation Plan</td>
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<td>Health, AIDS, Population and Nutrition</td>
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<td>Health Care Financing Strategy</td>
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<td>Health Financing and Governance</td>
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<td>Humane Immuno-deficiency Virus</td>
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<td>Leadership, Management and Governance</td>
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<td>Length of Effort</td>
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<td>OR</td>
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<td>Revenue Retention and Utilization</td>
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<td>Strengthening Ethiopia’s Urban Health Program</td>
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<td>SHI</td>
<td>Social Health Insurance</td>
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SNNP/R  Southern Nations, Nationalities, and Peoples Region
SO      Strategic Objective
SR      Sub Result
SRF     Strategic Results Framework
TA      Technical Assistance
TB      Tuberculosis
ToT     Training of Trainers
UNICEF  United Nations International Children’s Emergency Fund
Transform HDR  Transform Health in Developing Regions Project
UHC     Universal Health Coverage
USAID   United States Agency for International Development
US$     United States Dollar
WHD     Woreda (District) Health Bureau
WHO     World Health Organization