

BASIC DESIGN STUDY REPORT

ON

THE PROJECT FOR

MALARIA CONTROL THROUGH USE OF ITNs

IN

THE REPUBLIC OF MALAWI

September 2003

Japan International Cooperation Agency

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September 2003

Japan International Cooperation Agency

PREFACE

In response to a request from the Government of the Republic of Malawi, the Government of Japan decided to conduct a basic design study on the Project for Malaria Control and entrusted the Study to the Japan International Cooperation Agency (JICA).

JICA sent to Malawi a basic design study team from February to March 2003.

The team held discussions with the officials concerned of the Government of the Republic of Malawi, and conducted a field study at the study area. After the team returned to Japan, further studies were made. As this result, the present report was finalized.

I hope that this report will contribute to the promotion of the project and to the enhancement of friendly relations between our two countries.

I wish to express my sincere appreciation to the officials concerned of the Government of the Republic of Malawi for their close cooperation extended to the team.

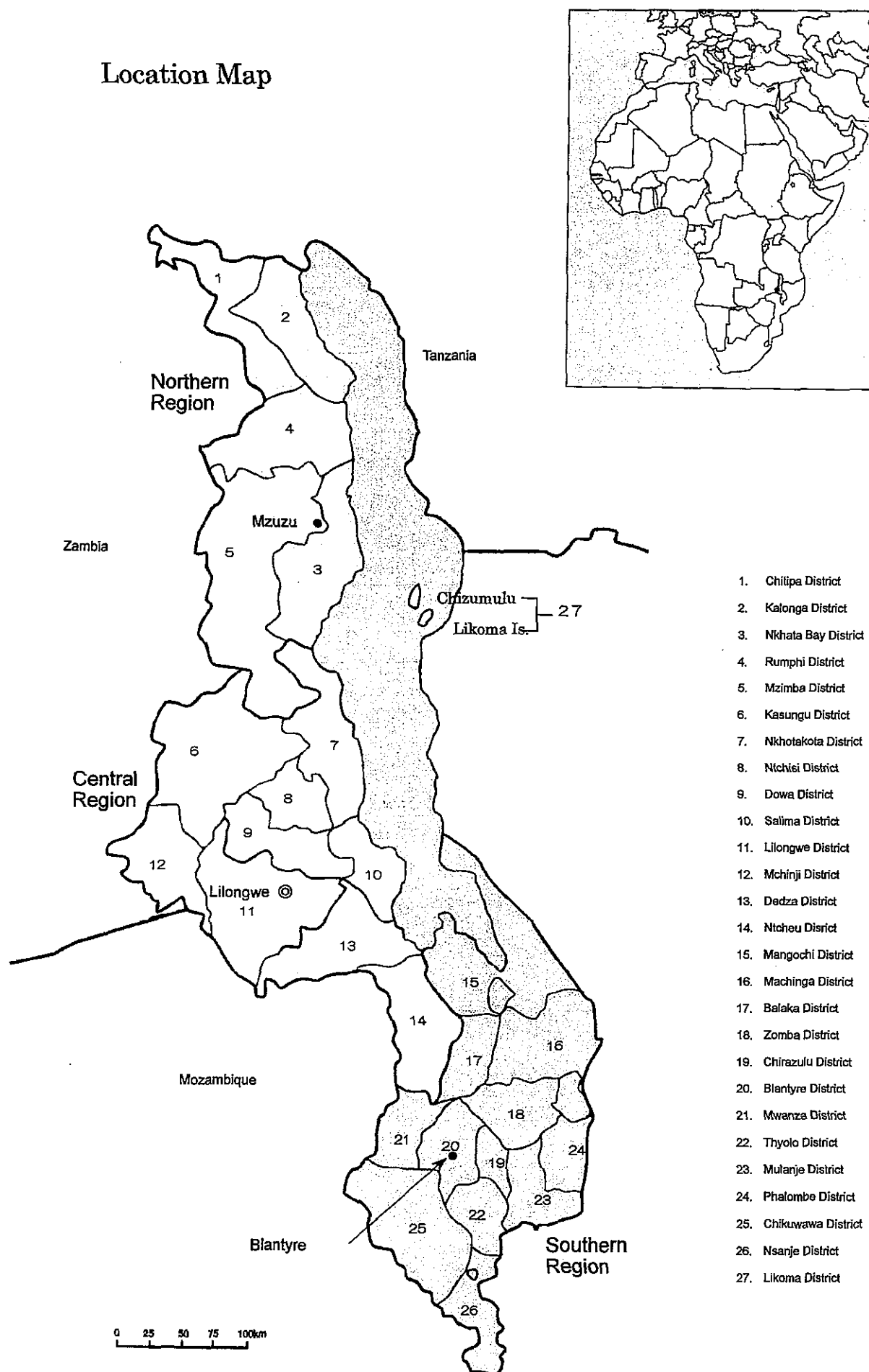
September 2003

Takao Kawakami

President

Japan International Cooperation Agency

Location Map



Abbreviations

BHN	Basic Human Needs
BIMI	Blantyre Integrated Malaria Initiative
CHSU	Community Health Sciences Unit
CMS	Central Medical Store
DEHO	District Environmental Health Officer
DHMT	District Health Management Team
DHO	District Health Office/ Officer
DHS	Demographic and Health Survey
EPI	Expanded Programme on Immunization
HIV	Human Immunodeficiency Virus
ITMs	Insecticide Treated Materials
ITNs	Insecticide Treated Nets
LLITNs	Long-lasting Insecticide Treated Nets
MA	Medical Assistant
MMR	Maternity Mortality Rate
MCH	Maternal and Child Health
MOHP	Ministry of Health and Population
NMCC	National Malaria Control Committee
NMCP	National Malaria Control Programme
PHS	Preventive Health Service
PSI	Population Services International
RBM	Roll Back Malaria
RHO	Regional Health Office/ Officer
USAID	United States Agency for International Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WHOPES	WHO Pesticide Evaluation Scheme
WHO	World Health Organization

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Chapter 1 Background of the Project

In response to the Africa Summit/Abuja Declaration issued in April 2000, which identified malaria control as a global issue, the Government of Malawi formulated the “Malawi Roll Back Malaria Strategic Plan” and “Guidelines for the Distribution of ITNs/Materials”. Major causes of death and diseases in Malawi include malaria, diarrhoeal disease, respiratory tract infection, tuberculosis, and malnutrition. Of these, malaria ranks first among the top major diseases in Malawi, and it is the subject with the highest priority in the present health sector. In particular, the government is emphasizing the nationwide distribution of ITNs (Insecticide Treated Nets) on a large scale as a preventive measure against malaria. However, the budgetary measures of the Government of Malawi and cooperation from other donors are insufficient for this sector.

That being the case, the MOHP (Ministry of Health and Population) submitted a request to Japan for ITNs and ITM (Insecticide Treated Material) kits necessary in order to execute the formulated malaria control plan, as well as for vehicles, a power generator, computers, a digital projector and other equipment associated with the distribution of those items.

The contents of the request include:

- ITNs (910,000 nets to be distributed over 3 years)
- ITM kits (1.82 million kits)
- Trucks (7t x 1 and 3t x 1)
- 4-wheel drive vehicles x 3
- Ordinary passenger cars (provided with audio-visual equipment) x 1
- Portable generator x 1
- Computers (desktop x 5 and laptop x 2)
- Digital projector x 1

Chapter 2 Contents of the Project

2-1 Basic Concept of the Project

The Project is aimed at the prevention of malaria infection through the use of ITNs and ITM kits necessary in order to execute the nationwide malaria control plan of Malawi, based on the "Malawi Roll Back Malaria Strategic Plan" and the "Guidelines for the Distribution of ITNs/Materials" formulated by the Government of Malawi.

2-2 Basic Design of the Requested Japanese Assistance

2-2-1 Design Policy

1) Basic policy

The lead organization that will supervise the Project in its entirety is the MOHP, which entrusts all activities in association with the distribution of ITNs and ITM kits to PSI (Population Services International). PSI has established a distribution system for this purpose, with adequate facilities, transportation vehicles and Public Relations equipment and materials. For this reason, the vehicles, power generator, computers and digital projector that were originally requested by the Government of Malawi have been excluded from the Project. In return, the Project focuses on ITNs and ITM kits and on providing as many of these as possible. The design policy is as follows.

The Government of Malawi has calculated that 6 million ITNs are required in order to disseminate ITNs to the nation's total population of about 10 million (provided that 1 family consists of 5 family members on average, and 3 nets will be distributed to each of 2 million families.) The Government of Malawi is planning to achieve this goal in a phased manner, and hence has requested each donor to provide a fraction of the required quantity. The Government of Malawi has also requested Japan to provide 910,000 nets (approximately 300,000 nets x 3 years) plus insecticide.

In response to this request, the Project is designed to supply 600,000 ITNs and 600,000 ITM kits. These quantities were derived from the following estimation.

Following the assistance being provided by UNICEF between November 2002 and the end of 2003, there is no assistance from other donors scheduled. The Government of Malawi, therefore, strongly hopes that as many ITNs as possible will be supplied under this Project. Since the request appears to be of a necessity, the quantities feasible in terms of manufacturers' capacities as well as the storage and transportation abilities of the recipient country have been studied. By this means, the total number of ITNs to be distributed from 1999 to 2004 is calculated as approximately 2.5 million, as shown in Table 1, which satisfies

42% of the required quantity. However, replacement required due to service life limitations or breakage of the ITNs is not taken into account in this calculation. The supply beyond 2004 is to be studied upon receipt of another request from the Government of Malawi. The number of ITM kits for re-treatment is not taken into account in this Project due to the fact that almost no re-treatment of nets is carried out in the country, and therefore the quantity will be the same as that of the ITNs.

The same type of ITNs as those supplied by UNICEF and WHO will be used for the Project. LLN (Long-Lasting Nets), which can be used effectively over a longer period of time, will not be used in this Project because their efficacy is still being verified, and because they are comparatively more expensive than an ITN paired with an ITM kit.

K-O TAB is selected as the insecticide, as it is currently being used and has been approved and recommended by WHOPES (WHO Pesticide Evaluation Scheme). The MOHP of Malawi promotes dissemination of this tablet-type insecticide rather than the liquid type due to its usability and its effective duration of over one year. This is the type most commonly used today. Mixture with other types of chemicals, such as the liquid type, must be avoided in order to prevent confusion at each site.

Table 1. Record of Assistance by the Various Donors

	Donor	1999	2000	2001	2002	2003	2004	Total (nets)
ITN Assistance	UNICEF	72,000	131,000	174,776	372,911	960,000	TBD	1,710,687
	WHO			10,000	80,000	100,000	TBD	190,000
	JAPAN						600,000	600,000
	Total	72,000	131,000	184,776	452,911	1,060,000	600,000	2,500,687
Financial Aid	USAID	Financial aid for PSI activities: A sum of 1.404 billion yen between 2002 and 2007.						

2) Policy on natural conditions

Materials to be supplied are ITNs and ITM kits, both of which require no conditioning with regard to any factors such as the climate of the country.

3) Policy on socio-economic conditions

No consideration is required in terms of customs or religions. The goods to be supplied require no electricity or gas.

4) Policy on operation and maintenance abilities of the implementing agency

The ITNs and ITM kits will be of the same specifications as those currently in wide use in the country, in order to avoid confusion incurred by mixing different types.

5) Policy on the grade of the equipment, etc.

The ITNs and ITM shall conform to the guidelines established by the MOHP. The specifications meet the current ones that have been approved by WHO and adopted by UNICEF. Bayer's K-O TAB has been designated as the insecticide, and is a tablet type that has an effective duration of over one year.

6) Policy on procurement method and schedule

Since Malawi is a landlocked country, the goods to be supplied will be transported over land from major neighboring countries. Since this is a standard procurement project, the implementation schedule will extend over a single fiscal year.

2-2-2 Basic Plan (Equipment Plan)

Table 2. Contents and Scale of the Project

No.	Materials	Contents	Quantity	Purpose
1	ITNs	Polyester textured yarn of 75 deniers or higher. 1.5m(h)x1.8m(w)x1.8m(l) Shape: Rectangular Color: Green Border: 15-20cm (designated by the MOHP, in compliance with the quality standards established by WHO/UNICEF) Container bag printed as designated (same as sample)	600,000 nets	To protect against malaria mosquito vectors
2	ITM kits	K-O TAB (designated by the MOHP, in compliance with the quality standards established by WHO/UNICEF) Disposable gloves Plastic measuring bag printed with scale marks Instruction manual printed as designated (in Chewa, same as sample)	600,000 kits	To infiltrate ITNs and roll back and kill malaria mosquito vectors

① ITNs

The ITNs will be made of polyester, which is most adequate in terms of its lightness and drug absorption capability. Cotton, which has a higher absorption capability, would require excessive drugs, and nylon, which has a lower absorption capability, would not maintain the effects of the drug. Textured yarn is designated because particles of insecticides will adhere between threads, which will not easily come off due to cleaning or friction, and hence the

chemical effects will be better maintained, as well as in light of air permeability.

The denier, which is the indicator for the thickness of the thread as well as the strength of the net, will be 75 or higher, because 70 or lower will lack durability. The border is implemented so as to reinforce the ITNs, and at the same time weight the nets appropriately to eliminate any gap between the net and floor so that no mosquitoes can enter.

The size and shape of the nets will be suitable for pregnant women and children under 5, the targets of the Project, and the color will be stain-resistant green, to differentiate the nets from the blue nets sold in the commercial sector.

In this way, ITNs with the same specifications as those designated by the MOHP and currently supplied by WHO/UNICEF will be procured. In addition, from a public relations standpoint, each ITN will have a tag showing the Rising Sun mark indicating the Japanese flag sewn on it as a Cooperation Marking and each instruction manual will also have the Rising Sun mark printed on it.

② ITM kits

As for insecticides used to infiltrate the ITNs, the following are available: Deltamethrin, Lamdacyhalothrin and Alphacypermethrin (generic names), and Iconet, Powerchem, Fendoma and K-Othrine, (product names). All of these are liquid types, meaning that the chemical effects last as little as six months. In light of the current situation in Malawi where almost no chemical re-treatment takes place, there is no recourse but to use K-O TAB (Deltamethrin), a tablet type, which can last over a year. Furthermore, the tablets contained in a packet per ITN are easier to handle at the time of insecticide treatment in the individual households and are safer (in terms of protecting against erroneous use) than liquids in vials.

In addition, K-O TAB is promoted and recommended by the MOHP and is in fact supplied by UNICEF to Malawi at present. It has also been approved by WHOPES.

Each kit also contains a plastic bag with scale marks for measuring the drug solution, disposable gloves, and an instruction manual written in the local language with color illustrations, so as to draw users' attention to the use of the insecticide. Like the ITNs, the instruction manual will have the Rising Sun mark of the Japanese flag printed on it.

2-2-3 Implementation Plan

2-2-3-1 Implementation Policy

This Project is a procurement project for equipment and materials, and hence the materials to be supplied under the Project will be procured in accordance with the

following policies. The goods can be purchased from Japan, Malawi or a third country. Procurement will be implemented through open tendering, assigning a Japanese trading firm as the supplier. Pre-shipment inspection will be commissioned to a third party inspection organization. Delivery of the goods to be supplied to the final destinations will be carried out through PSI.

2-2-3-2 Implementation Condition

- 1) ITNs: Will be transferred from Arusha, Tanzania, to the PSI storehouse in Blantyre in containers or standard trucks.
- 2) ITM kits: Will be transferred from Johannesburg, South Africa, in standard trucks.

2-2-3-3 Scope of Works

The scope of works to be undertaken by Malawi and Japan is outlined in the table blow.

Scope of Work	Contents
Japan	Procurement of materials Delivery of the supplies to the handover site (Blantyre)
Malawi	Delivery of the supplies from the handover site to the final destinations

The undertakings by Malawi will be no problem since similar assistance projects are currently underway (and will continue to the end of 2003).

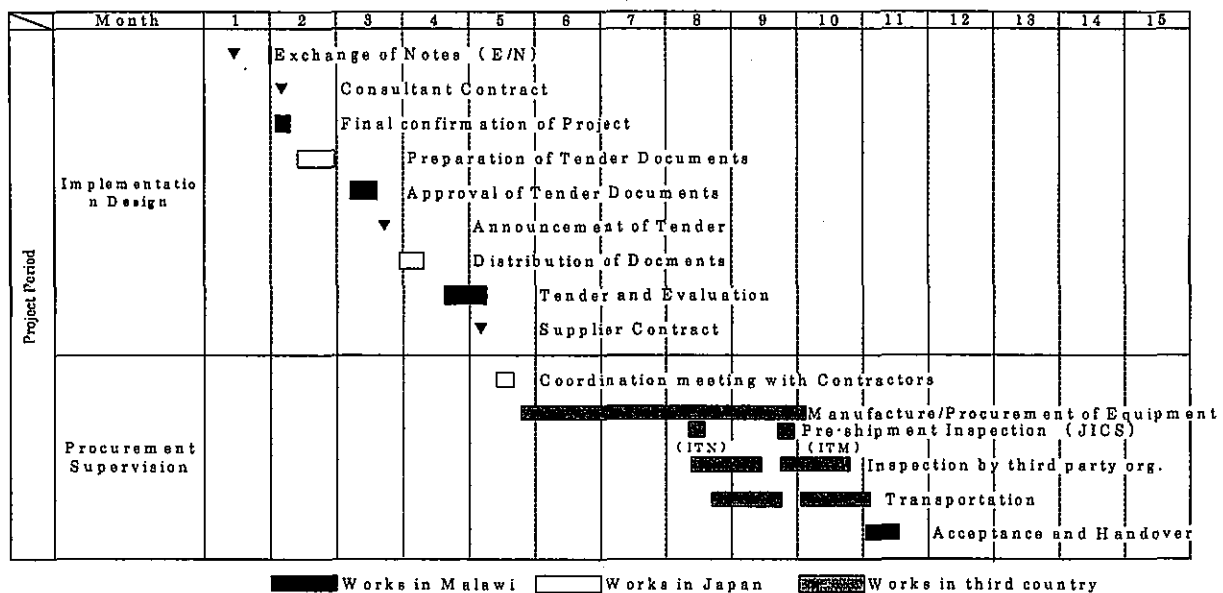
2-2-3-4 Consultant Supervision

As for acceptance inspection and handover of the procured materials in Malawi, a Japanese supervisor will be dispatched to Malawi in accordance with the delivery schedule of the materials.

2-2-3-5 Procurement Plan

This Project only involves the procurement of ITNs and ITM kits, and hence no repair or maintenance services are required. Instruction pertaining to the ITNs, guidance relating to the ITM kits, and other follow-up activities will be carried out by PSI.

2-2-3-6 Implementation Schedule



2-3 Obligations of the Recipient Country

The undertakings of the Malawian side in implementing the Project consist of the following:

- To ensure the storage spaces necessary to keep the materials to be procured under this Project
- To pay fees related to the issuance of the Authorization to Pay (A/P) according to the Banking Arrangement (B/A) for the implementation of the Project.
- To ensure that the Japanese personnel will be exempt from tariffs, domestic taxes or any other taxes for the materials or services to be provided based on the signed contract.
- To provide the necessary conveniences for the Japanese personnel to enter and stay in the country in the course of providing services based on the signed contract.
- To secure that the materials to be procured under this grant aid project will be maintained and used adequately and effectively, in order to implement the Project successfully. To secure the necessary personnel for the implementation of the Project, and to pay all necessary expenses arising out of maintenance and management of the Project, apart from the expenses to be covered by the grant aid.
- To transport and deliver the goods to be supplied under the Project to the target destinations in the country.
- To submit the ITNs Distribution Plan and Project Evaluation Report to JICA Malawi Office.

2-4 Project Operation Plan

The materials to be supplied under the Project will be delivered to the PSI storehouse in Blantyre, and will then be distributed to Health Centers throughout the nation via branch storehouses in Lilongwe, Mzuzu and Mangochi. At each Health Center, nurses, assistant nurses and maternity nurses will be engaged in selling the ITNs and ITM kits and providing instruction in how to use them. Each District Malaria Coordinator will supervise the health centers in his/her jurisdiction, and Malaria Zonal Officers in the Northern region, the Central region and the Southern region and the head of the CHSU (Community Health Sciences Unit) under the MOHP at the center will supervise the progress of the Project.

Similar assistance is being provided by UNICEF at present (until the end of 2003), and hence the organizational and staffing systems necessary for operation and maintenance of the Project are already in place and require no further administration.

2-5 Cost of Estimation for the Project

The total cost for implementing the Project is estimated at approximately 277 million yen. This cost estimate is provisional and would be further examined by the Government of Japan for the approval of the Grant. The breakdown of the cost estimate according to the scope of work is calculated based on the parameters listed below:

1) Cost to be borne by Japan

Republic of Malawi, the Project for Malaria Control through the use of ITNs

Estimated Total Project Cost

Approx. 277.2 million yen

Item		Estimated cost (million yen)
Materials	ITNs	171.4
	ITM kits	80.4
Detailed Design/ Procurement Supervision		25.4

2) Parameters of Calculation

① As of April, 2003

② Exchange Rate: 1 US \$ = 118.66 yen

1 MK (Malawi Kwacha) = 1.31 yen

③ Duration : FY 2003 (single fiscal year)

④ Other: The Project will be implemented according to the framework of the Japanese grant aid.

3) Cost to be borne by Malawi

The Project only involves the procurement of ITNs and ITM kits, and PSI will carry out the distribution in its entirety using its own organization and facilities. As the Project will utilize these existing systems, the Malawian side will not incur additional expenses for the operation and maintenance of the Project.

2-6 Points to be Noted in Implementing the Project

The distribution of the goods to be supplied fully depends on PSI, an NGO. PSI has effectively conducted similar projects in the past, and therefore there should be no problems in implementing the Project.

PSI is well aware of the status and needs at each distribution site, but in the meantime, it is desirable that DHO take charge of deciding distribution destinations and supervising the progress of the Project.

Chapter 3 Project Evaluation and Recommendations

3-1 Project Effect

1) Direct effects

Supplying 600,000 ITNs will bring ITNs to an additional 200,000 households/1 million residents, which will directly lead to prevention of malaria infection. As a result, disease and mortality rates caused by malaria can be expected to decrease.

2) Indirect effects

The distribution of the ITNs will first lower the malaria disease rate and consequently the malaria cost (medical costs incurred because of malaria), which have been a burden on poor families, by US\$ 35/year (equivalent to 7.2% of the average annual income as of 1994, 28% of that of the poor.) Reducing the mortality rate may improve labor productivity in the malaria zones and consequently contribute to economic development of the country.

3-2 Recommendations

The ITNs and ITM kits will be procured with assistance from various donors. Malawi is not capable of procuring the necessary quantity of ITNs on its own at this point in time. In order to ensure the continued effect of the Project, coordination and liaison with other donors in a long-term perspective are essential.

[Appendices]

1. Member List of the Study Team
2. Study Schedule
3. List of Parties Concerned in the Recipient Country
4. Minutes of Discussions (M/D)
5. References

Appendix

Appendix 1. Member List of Study Team

(1) Tetsuo Yabe	Team Leader	JICA, Grant Aid Management Department
(2) Hiroshi Kitajima	Equipment Planning	Japan International Cooperation System
(3) Hitomitsu Ohashi	Procurement Planning and Costing	Japan International Cooperation System

Appendix 2. Study Schedule

		Yabe (Team Leader)	Kilajima (Equipment Planning)	Ohashi (Procurement Planning and Costing)
1	2003/2/9 Sun.	Malawi and other projects	Dept. Narita 17:40 (JL735) Arr. Hong Kong 21:45 Dept. HK 23:40 (SA7801)	Same as left
2	2003/2/10 Mon	Malawi and other projects	Arr. Johannesburg 06:30 Dept. Johannesburg 10:20 (SA170) Arr. Lilongwe 12:50	Same as left
3	2003/2/11 Tue	Meeting with JICA office, courtesy call at MOHP and MOF	Same as left	Same as left
4	2003/2/12 Wed	Meeting with USAID, UNICEF, and WHO, Travel from Lilongwe → Blantyre	Same as left	Same as left
5	2003/2/13 Thu	Meeting with PSI office, inspection of PSI projects	Same as left	Same as left
6	2003/2/14 Fri	Visit to MOHP Health Centers, etc.	Same as left	Study on procurement situation in Blantyre
7	2003/2/15 Sat	Data organization	Same as left	Same as left
8	2003/2/16 Sun	Travel from Blantyre → Lilongwe	Travel from Blantyre → Mwanza (Southern Region)	Travel from Blantyre → Lilongwe
9	2003/2/17 Mon	Minutes discussion, meeting with other donors	Visit to Mwanza District Hospital, travel back to Blantyre	Minutes discussion, meeting with other donors
10	2003/2/18 Tue	Minutes discussion, signatory, reporting to offices	Visit to Zomba Health Center	Minutes discussion, signatory, reporting to office
11	2003/2/19 Wed	Dept. Lilongwe 13:30 (QM201) Arr. Johannesburg 15:50	Discussion with PSI office	Study on procurement situation in Lilongwe
12	2003/2/20 Thu	Dept. Johannesburg 10:00 (BA6251) Arr. Lusaka 12:00 Reporting to the Embassy.	Visit to the Central Medical Store, discussion with PSI office	Study on procurement situation in Lilongwe
13	2003/2/21 Fri	Dept. Lusaka 12:00 (SA063) Arr. Johannesburg 14:10 Dept. Johannesburg 17:20 (SA286)	Travel from Blantyre → Lilongwe	Study on procurement situation in Lilongwe
14	2003/2/22 Sat	Arr. Hong Kong 12:30 Dept. HK 15:30 (NH910), Arr. Narita 20:15	Data organization	Same as left
15	2003/2/23 Sun		Investigation of net sales stores	Travel from Lilongwe → Mzuzu (Northern Region)
16	2003/2/24 Mon		Inspection at Kasungu District Hospital & Health Centers	Study on procurement situation in the Northern region
17	2003/2/25 Tue		Inspection at Mchinji District Hospital & Health Centers	Study on procurement situation in the Northern region
18	2003/2/26 Wed		Discussion with UNICEF/CHSU	Travel from Mzuzu → Lilongwe, discussion with UNICEF/CHSU
19	2003/2/27 Thu		Discussion with MOHP, reporting to the JICA office, meeting with other donors	Same as left
20	2003/2/28 Fri		Discussion with MOHP & CHSH, survey on drug prices at medicine manufacturers	Same as left
21	2003/3/1 Sat		Data organization	Same as left
22	2003/3/2 Sun		Dept. Lilongwe 08:25 (QM181) Arr. Lusaka 10:05	Same as left
23	2003/3/3 Mon		Reporting to the Embassy	Same as left
24	2003/3/4 Tue		Dept. Lusaka 14:00 (SA063) Arr. Johannesburg 16:10	Same as left
25	2003/3/5 Wed		Dept. Johannesburg 13:00 (SA7800)	Same as left
26	2003/3/6 Thu		Arr. HK 07:45 Dept. HK 10:10 (JL730), Arr. Narita 14:55	Same as left

Appendix 3. List of Parties Concerned in the Recipient Country

Affiliation

Ministry of Health and Population

Dr. Richard Pendame	Secretary
Dr. H. Somanje	Director of Preventive Health Services
Dr. S. Kabuluzi	Programme Manager of Malaria Control Programme
Mrs D. Ali	Deputy Malaria Programme Manager of Malaria Control Programme
Mr. J. Zoya	Malaria Officer of Malaria Control Programme
Mr. Ben M. Kalonga	Malaria Control Zone Manager, Blantyre
Norio Kasahara	Health Service Planning Advisor

CHSU MCP	Community Health Services Unit Malaria Control Programme
Mr. Evans Kaunda	Mzuzu Manager

Ministry of Finance and Economic Planning

Mr. Ambrose Mzoma	Deputy Director, Debt and Aid Management Department
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UNICEF

Dr. Jane Muita	Project Officer
Mr. Henry Melebme	Project Officer
Mr. Henry M. Neyville	Asst. Logistics Officer
Mr. Tim Douglas	Malaria Consultant

WHO

Mr. Wilfred Dodoli	Malariologist
Mr. Ben Chanbiyamba	Disease Prevention & Control Officer

USAID

Mr. Mexon Nyironso	Health Population Nutrition Team Leader
Mr. Cheri Kamin	Health Population Nutrition

PSI

Dr. Desmond Chavasse	Resident Director/Blantyre
Mr. Charles P. Yuma	ITN Product Manager/Blantyre
Mr. Tom Chiphzoanya	Lilongwe Manager
Mr. Chales Dzumzini	Mzuzu Manager

CDC

Mr. Cari H. Campbell	Centers for Disease Control and Prevention, USA
	BIMI Officer
	Blantyre Integrated Malaria Initiative

Central Medical Store

Mr. Daniel B. M. Nyirenda	Lilongwe
	Chief Stores Officer

Central Medical Store (South)

Mr. Aaron Sosola	Blantyre
	Regional Pharmacist in Charge

Central Medical Store (North)

Mrs. Christine Pihiri	Mzuzu
	Regional Pharmacist in Charge

Mpemba Health Center/ Blantyre

	Nurse in Charge
--	-----------------

Zingwangwa Health Center/ Blantyre

Mrs. GEFRUDE CHAGONA	Nurse In Charge
Mr. KINGWELL NYASULU	Committee Member
	Nkolo Kosa A.G. Church

Muwanza District Hospital

Mr. D.A. NKAOMA	Clinical Officer
Mr. FELIX MANJOLO	Malaria Coordinator, Clinical Officer
Mr. STAMBULI K. MTEKAMA	ITN Coordinator
	Assistant Environment Health Officer

Thondwe Health Center/ Zomba

Mrs. CHRISTINE CHIBWANA	Nurse in Charge
Mr. STEVE NYASULU	Health Assistant

Kasungu District Hospital

Mr. A.W. MBOWE	Principal Clinical Superintendent
Mr. JOSEPH W.P. CTTIIZME	Senior Health Assistant, ITN Coordinator

Santhe Health Center/Kasungu

Miss T.D. DHLAMINI	Nurse Midwife
Mr. M.R.L. MOYO	Health Assistant

Muchinji District Hospital

Dr. HALDON NJIKITO	Muchinji District Health Office
Mr. AUSTAINS ALBERT GUMBO	District Malaria Coordinator, Clinical Officer

Mkanda Health Center/Muchinji

Mr. J.F. WALOLA	Medical Assistant in Charge
Mrs. VICTORIA JANE BANDA	EN/M (Enrolled Nurse/Midwife)
Mrs. CHRKY NGOMA	EN/M (Enrolled Nurse/Midwife)
Mr. FREDRICK KATOLE	Health Surveillance Assistant

Farmers Organization LTD.

Mr. JONES T. CHIDOTHE	Sales Manager
	Local Agent for Insecticide

Agricultural Trading Company Ltd ATC

Mr. ADAMSON TONG'O	Company Manager
Mr. DOCTOR MOFFAT NG'OMA	Procurement Officer

Japanese Embassy to Zambia

Koji Kimura	Second Secretary
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JICA Malawi Office

Takashi Kato	Resident Representative
Rie Kawahara	Project Formulation Advisor
Mr. EVANS KACHALE	Aid Coordinator

**MINUTES OF DISCUSSION ON THE STUDY
ON
THE PROJECT FOR MALARIA CONTROL THROUGH USE OF ITNs IN MALAWI**

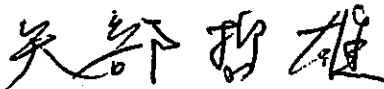
In response to a request from the Government of the Republic of Malawi (hereinafter referred to as "Malawi"), the Government of Japan decided to conduct a study on the Project for Malaria Control through use of ITNs in Malawi (hereinafter referred to as "the Project") and entrusted the study to Japan International Cooperation Agency (hereinafter referred to as "JICA").

JICA sent the study team (hereinafter referred to as "the Team") headed by Mr. YABE Tetsuo, Senior Assistant to the Managing Director, Grant Aid Management Department, JICA to Malawi from February 10 to March 2, 2003.

The Team had a series of discussions with the officials concerned of the Government of Malawi and conducted a field survey.

In the course of discussions and field survey, both parties confirmed the main items described in the attached sheets. The Team will proceed to further works and prepare the study report.

Lilongwe, February 18, 2003



Mr. YABE Tetsuo
Leader
The Study Team
Japan International Cooperation Agency
Japan



Dr. Richard Pendame
Secretary for Health and Population
Ministry of Health and Population
The Republic of Malawi

With the Witness of



Mr. Ambrose Mzoma
Deputy Director
Debt and Aid Management Department
Ministry of Finance & Economic Planning
The Republic of Malawi

ATTACHMENT

1. Objectives

The Objectives of the Project is to supply ITNs (insecticide treated mosquito nets) for malaria control in Malawi. Target populations are under 5 children and pregnant women.

2. Project Sites

The Project sites are whole of Malawi.

3. Responsible and Executing Agency

Responsible Agency is the Ministry of Health and Population.

Executing Agency is also the Ministry of Health and Population.

4. Items Requested by the Government of Malawi

After discussion with the Team, the Malawian side finally requested the items and the priority described in Annex-1. The Malawian side strongly requested 600,000 ITNs within the first year of the Project to the Japanese side. JICA will assess the appropriateness of the request and will recommend to the Government of Japan for approval, and the Japanese side will decide the final components of the Project after further studies and analysis in Japan.

5. Japan's Grant Aid System

5-1. The Malawian side understood the Japan's Grant Aid Scheme explained by the Team, as described in Annex-2.

5-2. The Malawian side shall take necessary measures as described in Annex-3 for the smooth implementation of the Project on condition that the Government of Japan extends the Grant Aid to the Project.

6. Schedule of the Study

6-1. The consultants will proceed with further studies in Malawi until March 2.

6-2. Based on the Minutes of Discussions and technical examination of the study results, JICA will prepare a study report on the Project and send it to the Government of Malawi around August 2003 provided that the Government of Japan approves the report.

7. Confidentiality

Both sides confirmed that the contents of the study report should be confidential.

In order to keep confidentiality, both sides should not disclose the contents to third parties.

8. Other relevant issues

8-1. The Government of Malawi shall ensure all the necessary measures for the implementation of the project such as allocating budget and personnel and prompting custom clearance and local transportation of all items procured within the Project.

- 8-2. The ITNs to be procured should be carried to Blantyre by the Japanese side.
- 8-3. The Ministry of Health and Population shall submit the distribution plan of ITNs by the end of March 2003. The monitoring report for the progress of distribution of ITNs and the evaluation report one year after the distribution shall be submitted to JICA Malawi Office. One of the indicators to monitor and evaluate the progress of the Project should be improvement of the availability of ITNs to under 5 children and pregnant women. The Ministry of Health and Population shall make it possible to monitor the Project.
- 8-4. Specifications of items will be discussed between the Japanese side, the Ministry of Health and Population and Population Services International(PSI)/ Malawi.
- 8-5. The Government of Malawi presented that the demand of ITNs was increasing year by year and maintained that the Project continues for two more years.
- 8-6. The Project name is changed to "the Project for Malaria Control through use of ITNs in Malawi".

ANNEX 1

No.	Item	Specification	Quantity	Priority
1	mosquito net	green, rectangular	300,000	A
2	insecticide	treatment kit	300,000	A
3	vehicle	4 x 4	3	A
4	computers	Lap top	2	B
5	printer	240 volts	2	B
6	document binder	manual spiral	1	B
7	photocopy	240 volts	1	B
8	fax machine	A4, 240 volts	1	B
9	mobile video van	4 x 4	1	C
10	portable generator	2.5 KVA	1	C
11	LCD digital projector	240 volts	1	C

ANNEX 2

Japan's Grant Aid

The Grant Aid scheme provides a recipient country with non-reimbursable funds to procure the facilities, equipment and services (engineering services and transportation of the products, etc.) for economic and social development of the country under principles in accordance with the relevant laws and regulations of Japan. The Grant Aid is not supplied through the donation of materials as such.

1. Grant Aid Procedures

Japan's Grant Aid Scheme is executed through the following procedures.

Application	(Request made by a recipient country)
Study	(Basic Design Study conducted by JICA)
Appraisal & Approval	(Appraisal by the Government of Japan and Approval by Cabinet)
Determination of Implementation	(The Notes exchanged between the Governments of Japan and the recipient country)

Firstly, the application or request for a Grant Aid project submitted by a recipient country is examined by the Government of Japan (the Ministry of Foreign Affairs) to determine whether or not it is eligible for the Grant Aid. If the request is deemed appropriate, the Government of Japan assigns JICA (Japan International Cooperation Agency) to conduct a study on the request.

Secondly, JICA conducts the study (Basic Design Study), using (a) Japanese consulting firm(s).

Thirdly, the Government of Japan appraises the project to see whether or not it is suitable for Japan's Grant Aid Scheme, based on the Basic Design Study report prepared by JICA, and the results are then submitted to the Cabinet for approval.

Fourthly, the project, once approved by the Cabinet, becomes official with the Exchange of Notes (E/N) signed by the Governments of Japan and the recipient country.

Finally, for the smooth implementation of the project, JICA assists the recipient

country in such matters as preparing tenders, contracts and so on.

2. Basic Design Study

1) Contents of the Study

The aim of the Basic Design Study (hereafter referred to as "the Study"), conducted by JICA on a requested project (hereafter referred to as "the Project") is to provide a basic document necessary for the appraisal of the Project by the Government of Japan. The contents of the Study are as follows:

- Confirmation of the background, objectives, and benefits of the requested Project and also institutional capacity of agencies concerned of the recipient country necessary for the Project's implementation.
- Evaluation of the appropriateness of the Project to be implemented under the Grant Aid Scheme from a technical, social and economic point of view.
- Confirmation of items agreed upon by both parties concerning the basic concept of the Project.
- Preparation of a Basic Design of the Project.
- Estimation of cost of the Project

The contents of the original request are not necessarily approved in their initial form as the contents of the Grant Aid project. The Basic Design of the Project is confirmed considering the guidelines of Japan's Grant Aid Scheme.

The Government of Japan requests the Government of the recipient country to take whatever measures are necessary to ensure its self-reliance in the implementation of the Project. Such measures must be guaranteed even though they may fall outside of the jurisdiction of the organization in the recipient country actually implementing the Project. Therefore, the implementation of the Project is confirmed by all relevant organizations of the recipient country through the Minutes of Discussions.

2) Selection of Consultants

For smooth implementation of the Study, JICA uses (a) registered consulting firm(s). JICA selects (a) firm(s) based on proposals submitted by interested firms. The firm(s) selected carry(ies) out a Basic Design Study and write(s) a report, based upon terms of reference set by JICA.

The consulting firm(s) used for the Study is(are) recommended by JICA to the recipient country to also work on the Project's implementation after the Exchange of Notes, in order to maintain technical consistency.

3. Japan's Grant Aid Scheme

1) Exchange of Notes (E/N)

Japan's Grant Aid is extended in accordance with the Notes exchanged by the two Governments concerned, in which the objectives of the Project, period of execution, conditions and amount of the Grant Aid, etc., are confirmed.

- 2) "The period of the Grant Aid" means the one fiscal year which the Cabinet approves the Project for. Within the fiscal year, all procedures such as exchanging of the Notes, concluding contracts with (a) consulting firm(s) and (a) contractor(s) and final payment to them must be completed.

However, in case of delays in delivery, installation or construction due to unforeseen factors such as natural disaster, the period of the Grant Aid can be further extended for a maximum of one fiscal year at most by mutual agreement between the two Governments.

- 3) Under the Grant Aid, in principle, Japanese products and services including transport or those of the recipient country are to be purchased.

When the two Governments deem it necessary, the Grant Aid may be used for the purchase of the products or services of a third country.

However, the prime contractors, namely, consulting constructing and procurement firms, are limited to "Japanese nationals". (The term "Japanese nationals" means persons of Japanese nationality or Japanese corporations controlled by persons of Japanese nationality.)

4) Necessity of "Verification"

The Government of recipient country or its designated authority will conclude contracts denominated in Japanese yen with Japanese nationals. Those contracts shall be verified by the Government of Japan. This "Verification" is deemed necessary to secure accountability to Japanese taxpayers.

5) Undertakings required to the Government of the Recipient Country

In the implementation of the Grant Aid project, the recipient country is required to undertake such necessary measures as the following:

- ① To secure land necessary for the sites of the Project and to clear, level and reclaim the land prior to commencement of the construction,
- ② To provide facilities for the distribution of electricity, water supply and drainage and other incidental facilities in and around the sites,
- ③ To secure buildings prior to the procurement in case the installation of the equipment,
- ④ To ensure all the expenses and prompt execution for unloading, customs clearance at the port of disembarkation and internal transportation of the products purchased under the Grant Aid,
- ⑤ To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which will be imposed in the recipient country with respect to the supply of the products and services under the Verified Contracts,
- ⑥ To accord Japanese nationals, whose services may be required in connection with the supply of the products and services under the Verified contracts, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work.

6) "Proper Use"

The recipient country is required to operate and maintain the facilities constructed and equipment purchased under the Grant Aid properly and effectively and to assign staff necessary for this operation and maintenance as well as to bear all the expenses other than those covered by the Grant Aid.

7) "Re-export"

The products purchased under the Grant Aid should not be re-exported from the recipient country.

8) Banking Arrangements (B/A)

- a) The Government of the recipient country or its designated authority should open an account in the name of the Government of the recipient country in a bank in Japan (hereinafter referred to as "the Bank"). The Government of Japan will execute the Grant Aid by making payments in Japanese yen to cover the obligations incurred by the Government of the recipient country or its designated authority under the Verified Contracts.
- b) The payments will be made when payment requests are presented by the Bank to the Government of Japan under an Authorization to Pay (A/P) issued by the Government of the recipient country or its designated authority.

9) Authorization to Pay (A/P)

The Government of the recipient country should bear an advising commission of an Authorization to Pay and payment commissions to the Bank.

ANNEX 3

Major Undertakings to be taken by Each Government

No.	Items	To be covered by Grant Aid	To be covered by Recipient Side
1	To bear the following commissions to the Japanese bank for banking services based upon the B/A		
	1) Advising commission of A/P		●
	2) Payment commission		●
2	To ensure unloading and customs clearance at port of disembarkation in recipient country		
	1) Marine (Air) transportation of the products from Japan the recipient	●	
	2) Tax exemption and custom clearance of the products at the port of disembarkation		●
	3) Internal transportation from the port of disembarkation to the project site	(●)	(●)
3	To accord Japanese nationals, whose service may be required in connection with the supply of the products and the services under the verified contract, such facilities as may be necessary for their entry into the recipient country and stay therein for the performance of their work		●
4	To exempt Japanese nationals from customs duties, internal taxes and other fiscal levies which may be imposed in the recipient country with respect to the supply of the products and services under the verified contracts		●
5	To maintain and use properly and effectively the facilities contracted and equipment provided under the Grant Aid		●
6	To bear all the expenses, other than those to be borne by the Grant Aid, necessary for the transportation and installation of the equipment		●

Appendix 5. References

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