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**Society for Family Health  
No.8 Port Harcourt Crescent  
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Nigeria**

File Ref: CNR 200808311

Date: 18 August 2015

Contract Amendment No: 3

**CONTRACT FOR: ENHANCING NIGERIA RESPONSE TO HIV/AIDS (ENR)**

**CONTRACT NUMBER: CNTR 200808311/PO 4531**

With reference to the contractual letter dated 16 January 2008 whereby your firm was engaged to carry out the Terms of Reference as detailed in Section 3 therein (as most recently amended by the letter of 06 May 2015), I confirm that the UK Government wishes to make the following further amendments to the letter of 16 January 2008:

**1. Section 1(3) – Commencement and Duration of Services:**

- DELETE "... shall complete them by 30 June 2015" and replace with "... shall complete them by 31 December 2016".

**2. Section 3 – Terms of Reference**

- DELETE existing Terms of Reference and REPLACE with revised Terms of Reference enclosed.

**3. Section 4 – Financial Limit**

- DELETE £54,999,661 ("The Financial Limit") and REPLACE with £61,509,110 ("The Financial Limit").
- DELETE existing budget and REPLACE with revised budget for the period 01 July 2015 to 31 December 2016 submitted on 03 August 2015 (enclosed).

**4.** This contract amendment relates to the extension of the current contract until 31 December 2016 and an increase of £6,509,449 in the Financial Limit in order to allow for this. The costs will be met from programme income.

**5.** The purpose of this amendment is to ensure the continued operation of the ENR programme to implement the objectives discussed and agreed with DFID.

**6.** It is a Condition of this Contract by virtue of this amendment that DFID liability will be limited and allow early exit should the projected programme income not materialise at the level required to fund this amendment through to December 2016.

**7.** Please confirm in writing by signing and returning one copy of this letter that you accept the amendments set out herein.

**8.** Please note the provision in the contractual letter that the financial limit of the UK Government's liability to the Supplier under this engagement shall not exceed the sum specified unless the amount of any such excess has been agreed by the Department for International Development in writing before the Supplier takes any action which might result in the financial limit being exceeded.

For and on behalf of the  
Secretary of State  
for International Development

Name:

Position: Procurement &  
Commercial Manager

Signature:

Date: 18 August 2015

For and on behalf of  
Society for Family Health

Name:

Signature:

Date:

### **Section 3**

#### **DFID Nigeria Multi-sectoral Programme to Enhance Nigeria's National HIV Response**

#### **TERMS OF REFERENCE FOR SERVICE PROVIDER FOR A TWO YEAR NO-COST EXTENSION**

DFID's existing HIV and AIDS programme, the Enhancing Nigeria's Response to HIV and AIDS (ENR) started in 2009 and was scheduled to end in December 2014. However, a two year no-cost extension has been approved for the programme to focus on the condom social marketing component. During the extension period, the programme will also focus on transitioning condom supply from a heavy dependence on DFID subsidies to a sustainable full cost recovery model.

##### **1. Objective**

The objective of this contract amendment is to extend the end date of ENR programme from 30 June 2015 to 31 December 2016 and to enable the programme implement a no-cost extension for a full two years' period.

##### **2. Recipient**

The services will be provided to the Government of Nigeria (GoN) at the federal and state levels; the private sector and the general public.

##### **3. Programme Outputs**

The SP will prepare a proposal outlining the approach it will adopt in order to deliver the extension phase of the ENR programme outputs (below) by 2016.

By the time the extension phase of the ENR programme is completed in 2016, it aims, through the SP, to have delivered the following outputs:

- Improved appropriate behaviours conducive to safer sexual practices as a result of increased knowledge & access (availability and affordability) to condoms and services among poor and vulnerable groups.
- The tracking indicator will be an increase in percentage of 15-49 year old females and males who used condoms at last high risk sex in selected states in Nigeria (mainly the 8 ENR states); there will be an increase from 66% (M) and 49% (F) in 2012 to 67% (M) and 52% (F) by the end of 2016.
- Other Indicative results in the extension period include:
  - a) A 50% reduction in existing subsidy regime with balance of 50% further reduction planned over the 2017 and 2018 FY for Gold Circle
  - b) A brand extension for the Gold Circle condoms (Gold Circle Flex) by February 2015 at full cost recovery and its rapid market expansion with a target of at least 3 million units by end 2016.

- c) Development of a long term sustainable procurement system for condom in light of recent foreign exchange payment challenges in managing third party procurement through Crown Agents Nigeria.

#### **4. Scope**

In the remaining 18 months of this no cost extension, the SP will work with DFID to implement the cost recovery regime (cost recovery market for condoms and other commodities with an equity face) , roll out gold circle flex (new variant to the existing gold circle condoms and finalise sale volume targets. Within this period, SP is to also implement work plan for delivery of log-frame targets within the no-cost-extension period.

This no cost extension will be operational across Nigeria's 36 states and the FCT, with focal hubs in seven strategic and three market locations including: Kano, FCT, Port Harcourt, Lagos, Enugu, Benin, Ibadan and Onitsha.

The 2 years no cost extension is designed to build on the developments and lessons learned from the programme implementation over the last six years (Jan 2009 – Dec 2014)

The work of the SP will focus on the following areas:

- Provision of technical assistance towards development of a healthy total market for commodity (condoms) security in support of Nigeria's HIV and AIDS response.
- Strengthen the private sector to deepen cost recovery model for condoms.
- Deliver HIV prevention interventions including behaviour change communications and advocacy with a special focus on using mass and new media.
- Strengthening demand side issues, to achieve raised awareness of the public to their entitlement to HIV prevention, treatment, care and support services, and enhanced capacity of the public to prevent HIV infection.
- Reduce DFID subsidy on condoms while maintaining supply and uptake of condoms as a key prevention intervention.
- Transition the current subsidised commodity social marketing programme to a sustainable non-profit, full cost recovery social enterprise model.
- Strengthen and improve the links between sexual and reproductive health care and HIV and AIDS services.
- Actively engage in national and regional fora with government and other donors including participation in policy and operational coordination fora related to HIV prevention, and condom provision and procurement.
- Work closely with DFID to support annual reviews, and a project completion report at the end of the programme.

- Work closely with the approved procurement agent who will procure condoms, consumables and equipment under the programme
- Work with DFID to contribute to DFID's performance management, such as monthly financial reviews (MRF) and six monthly strategic reviews (SMR).
- Improve availability of information through strengthening the national M&E system, and carrying out priority research to provide quality data for policy formation and programme development, and to provide the baseline to monitor implementation and progress of the ENR programme against objectives.

## **5. Method**

- Develop an appropriate management structure for delivering these terms of reference, and identify and mobilise consultants to provide technical assistance with the implementation of the programme.
- Meet with the DFID health programme team and report against the log frame on a quarterly basis.
- Contract a qualified accountant to monitor programme expenditure and undertake internal audits of the programme. The SP will also be required to provide financial forecasting information based on project spend for each financial year.
- Develop and implement a robust management information system to track performance of the NCE.
- Produce annual work-plans with time bound objectives, budgets progress reports and statements of expenditure and a yearly report.

## **6. Monitoring and Evaluation**

The SP will build on existing management information system to track sales performance and the measuring access and performance survey to track access to commodities. In addition, ability to pay studies will be conducted to track impact of cost recovery on equity. Surveys will also be conducted to measure condom use in the general population.

## **7. Reporting**

Purpose and output level indicators for programme monitoring are included in the logical framework.

Within this context, the SP will:

1. Produce and implement a costed work plan on annual basis which includes time bound deliverables.
2. Prepare annual procurement plan detailing the technical assistance, equipment and other requirements for goods and services.
3. Produce quarterly programme progress reports, in a format agreed with DFID, outlining project progress and issues.

4. Prepare an annual report outlining progress within the project year.
5. Work with DFID to carry out an annual review of the programme to assess progress against the objectives contained in the logframe, to check if the programme is on track and delivering value for money and to determine if any adjustments need to be made to programme implementation.
6. Produce and submit annual project audited statements showing all expenditure for the reporting period.
7. Work with DFID to carry out a programme completion review (PCR) by January 2017, at the end of the programme, to confirm the progress made and the success of the project.

## **8. Programme Income**

The SP will manage all funds under the programme regardless of the source. Any income generated by the SP through the contract is an integral part of the no-cost extension and will be used for the benefit of the programme.

All income generated by the SP during the life of this no-cost extension will be accounted for appropriately to DFID. A separate bank account will be established to clearly identify income generated and subsequent expenditure. Any income, assets and stock remaining at the end of the contract will be transferred to the SP to enable the programme to transition to a sustainable social enterprise which will continue generating developmental benefits after the close of DFID funding..

All programme income will be banked into a dedicated account and the SP will make proposals for its application to DFID for approval every six months as part of the programme annual plans and budget. The SP will also be required to provide quarterly activity reports of commodity sales and expenditure from the programme income account to DFID. DFID reserves the right to commission specialised periodic audits to track receipt and disbursement of programme income at any time in the life of the project.

In addition:

- a. The SP must obtain approval from DFID before making any withdrawal from the programme income account.
- b. The DFID programme officer for ENR will be granted online viewing rights on the programme income bank account, and will receive automatic email notifications from the bank for any transactions on the account. This will enable the DFID programme officer to carry out periodic spot-checks on the account and verify that any withdrawals from the account by the SP were duly approved by DFID.
- c. The SP will send quarterly financial reports on the programme income account along with the quarterly programme report.

## **9. Timeframe**

The no-cost extension is expected to run for two years, from 1 January 2015 to 31 December 2016.

## **10. DFID Coordination**

The SP's point of contact will be DFID Health Adviser and the DFID Programme Officer for ENR.

## **11. Background**

DFID contribution through ENR to Nigeria's AIDS control efforts in the last six years has been tremendous, increasing the access of vulnerable persons to HIV prevention treatment and care interventions by achieving outcome targets for life of project and improving service delivery to Nigerians.

The ENR programme made significant impact across the strategic themes of: Institutional capacity of government for planning, coordination, reporting, resource mobilisation and using evidence to track the epidemic as well as in programmatic and allocative decision making. Other strategic themes include strengthening civil society organisations as service providers and as advocates, HIV&AIDS and health promotion and ensuring expanded access to services across HIV counselling and testing, PMTCT and condom supply in collaboration with other ongoing efforts such as the World Bank HIV&AIDS Development Project 2.

Commodity social marketing is one area where the ENR programme has made remarkable contributions to the response, expanding the total market for and use of condoms from about 190m in 2007 with market share of 92% to 250m as at 2013 with market share of 70%. National condom security is still very dependent on DFID support, accounting for 70% of the market. As ENR slowly winds down, this is the strategic theme which presents a great opportunity to sustain developmental interventions for the long term. It is the area that presents the biggest risk in terms of abrupt cessation of DFID support as it will impact significantly on progress made in HIV prevention to date as well as the sexual and reproductive health of Nigerians.

Expansion of the total market for condoms represents a major triumph for the pioneering efforts of SFH under DFID guidance to grow and deliver a healthy total market for condoms. While sustainability of condom access is not at hand yet, it shows that it is a possible objective for the longer term. ENR has in the last five years developed, implemented and commenced the process of integrating innovative community centred health promotion, Service Demand Creation intervention, skilful mass media and trade promotion into government system. This has led to the expansion in service uptake including condoms, HCT and PMTCT services. This proposal builds on the learning gained to date and intends to transition from a big focus on social marketed distribution of condoms to a total market for condom that allows for a sustainable equity sensitive cost recovery regime in the next two years, allowing for a more seamless exit of ENR and DFID direct support to Nigeria AIDS control effort. This two year period will allow for a managed transition of this situation and ensure long term sustainability.