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ISM-44931

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AGENCY FOR INTERNATIONAL DEVELOPMENT
United States A.I.D. Mission to Guatemala
American Embassy
Guatemala City, Guatemala, C.A.

Document No.: 520-0329-G-00-4073-00

July 20, 1984

Colonel James Osborn
Vice-President
The Salvation Army World
Service Office (SAWSO)
1025 Vermont Ave., N.W.
Washington, D.C. 20005

Subject: Grant No. 520-0329

Dear Col. Osborn,

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Salvation Army (hereinafter referred to as "Grantee"), the sum of Five Hundred Sixty-three Thousand Two Hundred and Fifteen U.S. Dollars (\$563,215) to provide support for an assistance project in the departments of Huehuetenango, Quetzaltenango, San Marcos and Quiche on basic sanitation, health care, household improvements, agriculture improvements, shelter materials and tools as described in the Schedule of this Grant, Attachment 1, and Program Description, Attachment 2.

This Grant is effective as of July 18, 1984, and obligation is made as of the date of the signature of the Grant Agreement, and shall apply to commitments made by the Grantee in furtherance of project objectives during the period beginning with the effective date and ending March 31, 1985. Under the terms of such effective/obligation dates, the Grantee may be reimbursed for necessary project procurements immediately following the date of this Agreement.

This Grant is made to The Salvation Army on condition that the funds will be administered in accordance with the terms and

conditions as set forth in Attachment 1, the Schedule; Attachment 2, entitled "Program Description"; Attachment 3, entitled "Standard Provisions"; and Attachment 4, Assurance of Compliance with USAID Regulations under Title VI of the Civil Rights Act of 1964, which have been agreed to by your organization.

Please sign this letter to acknowledge your receipt of the Grant, and return it to USAID/ Guatemala.

Sincerely yours,



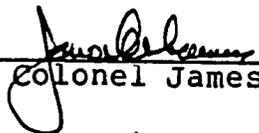
Charles E. Costello
Director

Attachments

1. Schedule
2. Program Description
3. Standard Provisions
4. Assurance of Compliance with USAID Regulations under Title VI of the Civil Rights Act of 1964

Acknowledged:

THE SALVATION ARMY

By: 
Colonel James Osborn

Title: Vice-President

Date: August 31, 1984

FISCAL DATA

Appropriation:	<u>72-1141021.3</u>
Budget Plan Code:	<u>LDAA 84 25520 AG13</u>
PIO/T No.:	<u>N/A</u>
Project No.:	<u>520-0329</u>
Total Estimated Amount:	<u>\$500,000</u>
Total Obligated Amount:	<u>\$500,000</u>
IRS Employer Identification Number:	<u>N/A</u>
Funding Source:	<u>AID/W _____ USAID <input checked="" type="checkbox"/></u>
Appropriation:	<u>72-11X1035</u>
Budget Plan Code:	<u>JFDX 84 29520 HG41</u>
PIO/T No.:	<u>N/A</u>
Project No.:	<u>520-0329</u>
Total Estimated Amount:	<u>\$63,215</u>
Total Obligated Amount:	<u>\$63,215</u>
IRS Employer Identification Number:	<u>N/A</u>
Funding Source:	<u>AID/W _____ USAID <input checked="" type="checkbox"/></u>

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for displaced persons in the departments of Huehuetenango, Quetzaltenango, San Marcos and Quiche, as more specifically described in Attachment 2, "Program Description."

B. Period of Grant

1. The effective date of this grant is July 18, 1984. The obligation date is the date of final signature of the Grant Agreement.

2. Funds obligated hereunder are available for program expenditures for the estimated period from July 18, 1984, until the Project Assistance Completion Date (PACD) of March 31, 1985.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$563,215.00 for purposes of this grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provision 11, entitled "Payment-Periodic Advances."

D. Financial Plan

The following is the Financial Plan for this Grant, including local cost financing items. Revisions to this Plan shall be made in accordance with Standard Provision No. 9 of this Grant (Attachment 3) entitled "Revision of Financial Plans."

FINANCIAL PLAN
FROM JULY 18, 1984, TO MAY 31, 1985

	<u>Obligated Amount</u>	
	<u>FY 1984</u>	
	<u>US\$</u>	<u>Local</u> <u>Currency</u>
1. Personnel	85,346.00	--
2. Per Diem	14,760.00	--
3. Transportation	64,200.00	--
4. Commodities	293,225.00	--
5. Vehicles	12,334.00	--
6. Office Costs and Rent	5,800.00	--
7. Technical Assistance, Administration Audit and Evaluation	28,150.00	--
8. Overhead (8.71% for Grantee, 11.56% of the amount of any contract made by the Grantee with field organizations subject to applicable AID regulations)	<u>59,400.00</u>	<u>--</u>
TOTAL	563,215.00	--

E. Reporting and Evaluation

The Grantee shall submit the following reports in English.

1. The first report (2 copies in English) will be due in the offices of USAID/Guatemala within 5 workdays of the end of the first month. It shall summarize the status of the activities required under month one of the Implementation Plan.

2. The second report (2 copies in English) will be due in the offices of USAID/Guatemala within 5 working days of the end of the third month. It shall contain a summary of villages

contacted and organized, commodities ordered, commodities received, results, unforeseen problems and successes, and any recommendations deemed necessary.

3. The third report (2 copies in English) shall provide the same information as the second and shall be due at the same place within 5 working days of the end of the fifth month.

4. The fourth report shall consist of a proposal for a second project phase and shall include, but not be limited to, recommended target areas, estimates of displaced persons to be served, commodities and services necessary, and a budget.

5. The final report (2 copies in English) shall summarize number of people served, amount of commodities delivered, and recommendations.

6. An original and two copies of SF-270, "Request for Advance or Reimbursement," and SF-269, "Financial Status Report," as required by Standard Provision Number 11, Attachment 3, to the Director, USAID/Guatemala.

In addition, the project will be audited on a regular basis by the financial secretary of the Salvation Army program in Central America, or his designee. The Salvation Army Central America Territorial Headquarters is located in Mexico City.

Disbursement and monitoring of project funds and reporting to USAID/Guatemala will be handled by The Salvation Army World Service Office (SAWSO), 1025 Vermont Avenue, N.W., Washington, D.C. 20009. In-country project management will be conducted by the Regional Officer of the local Salvation Army unit, Ejercito de Salvacion, 13 Avenida 17-76, Zona 11, Guatemala City. The Regional Officer will report quarterly to SAWSO on project progress and expenditure.

F. Special Provisions

1. The following Standard Provisions are hereby deleted: 2, 8, 10, 15, 21, 26, 28, 34, 35.

2. Project activities as described within Attachment 2, Project Description, which were initiated after July 18, 1984, include the purchase of materials, equipment and training up to \$30,000.00. Specifically, the Salvation Army will procure with its own funds 10 scrambler motorcycles for the project. It will be reimbursed by A.I.D. upon presentation of vouchers after the signature date of the Agreement.

A.I.D., on the other hand, agrees to procure \$18,000 in medicines for the project from the Gorgas Hospital in Panama. Such direct A.I.D. procurement, however, will only take place once the Grant Agreement has been signed.

G. Overhead Rate

An overhead rate of 8.71% of direct costs has been negotiated by AID/W with the grantee, 11.56% with each possible field organization.

H. Title to Motorcycles Procured under the Project

Title to motorcycles procured under the project is given to the Grantee for the term of the Project and will be turned over to AID upon completion of the project.

I. Source and Origin of Goods and Services

Except for ocean shipping, goods and services financed by A.I.D. under the Project shall have their source and origin in the United States or in countries of the Central American Common Market, except as A.I.D. may otherwise agree in writing ocean shipping financed by A.I.D. under the Project shall be financed on flag vessels of the United States.

Program Description
Displaced Persons Assistance Program

A. Purpose of this Grant

The purpose of this Grant is to provide immediate, basic short-term assistance to approximately 5,000 displaced families in the departments of San Marcos, Huehuetenango, Quetzaltenango and El Quiche.

B. Background

Between 1980 and 1983, the Guatemalan Highlands were torn by civil strife and political violence. Due to the conflict large numbers of families or remnants of families fled their villages. The Project Hope displaced persons study calculated some 209,992 people affected of a total population in the study area (San Marcos and Quetzaltenango departments) of 872,740.

Highly Affected	10,621
Affected	65,547
Indirectly Affected	<u>132,824</u>
TOTAL	209,992

A "Highly affected" area means that there exists a high number of refugees and displaced persons (R/DPs), widows and orphans, damage to housing and infrastructure, acute interruption of the agricultural cycle, and acute interruption of services. An "affected" area is one with acute interruption of agriculture and services, and/or damage to housing and infrastructure with many returned R/DPs in these areas. "Indirectly affected" means interruption of agriculture and services.

In late 1982, a period of relative tranquility started and some people began to return to their communities or settle in new communities. In many cases these people have and are returning to abandoned, burned out villages. Many have to start all over again. The most affected have no home, no food, no land, no tools and no money. In many cases they are malnourished and in ill health. For the most part, they live under sub-minimal conditions. Overcrowding, lack of potable water

and sanitation contribute to the desperate conditions under which they struggle for even a meager existence. The incidence of respiratory and gastro-intestinal infections is reportedly very high and is exacerbated by the chronic lack of medications and the malnutrition. With few exceptions, medical assistance, food distribution and agricultural assistance are deficient or totally lacking. These are exacerbated by an already harsh existence. Health indicators for the Highlands are uniformly poor. Life expectancy is 43 years, infant mortality is estimated at 160/1,000, eighty percent of children under five years of age are malnourished, incomes are low, and population growth rate is high.

In November, 1983, USAID began to work with Programa para Ayuda para los Vecinos del Altiplano (PAVA), a group of volunteers then in the process of organizing as a Guatemalan PVO, in their efforts with displaced persons in Chimaltenango. Realizing that the magnitude of the problem in the zones of conflict was not known, in early 1984, the Mission financed PAVA to do a study in the affected areas of Huehuetenango, El Quiche and Peten departments and Project Hope in San Marcos and Quetzaltenango. Large pockets of highly affected areas that are receiving little or no aid were discovered in the surveyed areas. Immediate, short-term priority needs identified by the people interviewed by both PAVA and Hope include: food, health care, basic sanitation, agricultural assistance, clothing, and basic shelter materials.

C. Project Objective

Based on the two surveys and other information available to the mission, a total of \$563,215 was allocated by AID/W to begin to provide short-term assistance to the most highly affected people. It was decided to concentrate on the most immediate basic human needs: food, shelter, clothing, and agricultural materials that will enable these families to begin to return to the agricultural cycle.

The Mission will make a grant to the Salvation Army to provide assistance to approximately 5,000 families in the following municipios: Tacana, Sibinal, Tajumulco, San Pablo, San Cristobal Cuche, San Pedro Sacatepequez in San Marcos[San Martin Sacatepequez, Concepcion Chiquirichapa, San Juan Ostuncalco in Quetzaltenango[Nenton, San Miguel Acatan, San Rafael La Independencia, San Sebastian Coatan, San Mateo Ixtatan, Barillas in Huehuetenango[and Playa Grande, Nebaj, Cotzal and

Chajul in El Quiche. The Salvation Army will be responsible for all procurement, transportation of food and other commodities, fiscal management, administration, and reporting. It will sub-contract with two other private voluntary organizations for the field work necessary to the project. It is understood that the project area could vary due to unforeseen circumstances (fluidity of situation and security considerations). It will be the Salvation Army's responsibility to assure that all required commodities are obtained and delivered to their destination in a timely manner. The Salvation Army will hire under a contract a General Project Supervisor who, in addition to directing the project, will act as a field liaison between the Salvation Army and the PVO's to assure optimum communication and coordination among them. The Salvation Army will also be responsible for the fiscal staff necessary to do the bookkeeping and financial reporting for this project, purchasing staff to obtain commodities and transportation staff who will be responsible for all commodity transportation. The Salvation Army will begin the purchase of the commodities based on requests from the field organizations and arrange for a coordinated delivery schedule. Field people will be sent to the above designated municipios. Once there, the field people will do a specific needs survey of the individual villages that will determine the amount and type of available commodities needed and will establish a volunteer system that will organize the communities to receive and utilize the commodities.

The Salvation Army will set up a procurement and transportation system to serve the project. When making procurement decisions, the Salvation Army will take into account prices and logistics of procuring and transporting from the city and from the rural areas to make maximum use of the resources at hand.

The Salvation Army may allow any contracted PVO one field supervisor to act as project director. In addition each contractor will hire approximately 24 person months of field personnel to do the on-site work. The supervisor and field people will be responsible for targeting the specific aldeas within the above named municipios for aid, for identifying their specific needs, and for organizing them to receive the assistance and participate in the projects. Each community will provide the non-skilled labor required to execute the project. These activities should be carried out through already existing committees in each community.

The following services and commodities will be provided to the affected communities in accordance with their individual needs identified by the field staff with financing provided by the Grant and additional commodities provided by the World Food Programme and the National Reconstruction Committee.

- 1) Food Distribution.
- 2) Basic Sanitation (minor repair of violence-damaged water systems, establishment of simple, temporary captation systems and construction of latrines).
- 3) Health Care: provision of health teams where possible, plus additional medications to be used by existing Ministry of Health facilities and health promoters to include such items as: antibiotics, oral rehydration packets, anti-diarrheal medicines, anti-intestinal parasite medications, vitamins and iron supplements.
- 4) Agriculture: a beginning supply of seeds and tools.
- 5) Livestock: small animals.
- 6) Household: basic kitchen utensils and home improvements.
- 7) Material for Clothing: material and thread appropriate for repair or manufacture of locally acceptable clothing.
- 8) Shelter materials and tools: wood, nails, saws, chainsaws and home maintenance.

To carry out these services each field worker will be provided with a motorcycle (10 motorcycles will be procured immediately following authorization) per diem and mileage as established in the budget.

In addition to these commodities and services, the Salvation Army will procure all necessary food commodities from World Food Programme (WFP) and the National Reconstruction Committee (NRC). A memorandum of understanding between the WFP and the NRC will be required. All roofing materials necessary (laminas) will be procured in a similar manner from the NRC. A memorandum of understanding on this item will also be necessary. Both memoranda of understanding will detail the quantity and type of resources being committed by WFP or NRC to the

project, with a timetable indicating when these resources will be made available to the project.

In addition, the Gorgas Memorial Laboratory/Panama, will provide a complete medical team for two weeks. The project will be responsible for repaying the cost of the medications used by the team. Gorgas Memorial Laboratory will provide a total of \$18,000 of medicines in the categories before listed for use in the project area. Such additional medications will be provided by the Grant.

The Salvation Army will run the program from its already established offices in Guatemala City. Two field offices are authorized.

The aforementioned services and commodities will be rendered and delivered within six months of the signing of the contract. The delivery of food commodities will be the priority activity. The beneficiaries of the project will be selected with care by the field teams, giving priority to widows and orphans and families most affected by the violence.

D. Implementation Plan

The project will be implemented within seven months of the signing of the agreement.

Implementation Plan

Month 11

Signing of Subcontract(s)
Selection of Field Personnel
Procurement of Vehicles
Establishment of Field Offices
Establishment of Commodities Procurement System and Initial Procurement
Establishment of WFP Commodities Procurement System
Establishment of Transportation System
Initiation of Contacts with Villages in Target Area

Month 12

Contacts with Villages in the Target Areas
Begin Distribution of Commodities

Month 13

Village Contacts
Distribution of Commodities

Month 14

Village Contacts
Distribution of Commodities
Work Plan and Budget review by Salvation Army and the Mission
Based on Increased Knowledge of Needs and Locations

Month 15

Village Contacts
Distribution of Commodities

Month 16

Village Contacts
Distribution of Commodities

Month 17

Evaluation and Audit.