

PIA-1507-301
1507-49934

SPECIFIC SUPPORT GRANT

March 27, 1985

520-0336-G-00-5079-00

Mr. Edward E Brand
Director
Cooperative for American Relief
Everywhere (CARE)
6a. Avenida 20-25 Zona 10
Guatemala, Guatemala

Subject: CARE Water Project Grant No. 520-0336

Dear Mr. Brand,

Pursuant to the authority contained in Sections 104 and 106 of 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 Cooperative for American Relief Everywhere (hereby referred to "CARE" or "Grantee"), the sum of ONE MILLION U.S. DOLLARS (\$1,000,000) to provide support for a program in the construction and use of rural water and sanitary services systems as described in the Schedule of this Grant and the Attachment 2, entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of Program objectives during the period beginning with the effective date and ending June 30, 1988.

This Grant is made to CARE, 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, "Program Description," and Attachment 3, "Standard Provisions".

Please sign and return to USAID/Guatemala the Statement of Assurance of Compliance (Attachment 4) and this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Sincerely yours,



Charles E. Costello
Director

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. Assurance of Compliance with USAID Regulation under Title VI of the Civil Rights Acts of 1964.
5. Project Proposal

ACKNOWLEDGED:

Cooperative for American Relief
Everywhere
(CARE)

BY: 
Edward E. Brand

Title: _____
Director

Date: March 27, 1985

FISCAL DATA

Appropriation:	72-114/51021	<u>Health (72-114/51021)</u>
		<u>Special Development</u>
		<u>Activities (72-114/51021)</u>
Budget Plan Code:	\$ 500,000	<u>LDA4-85-25520-CG13</u>
	\$ 500,000	<u>LDA4-85-25520-DG13</u>
PIO/T No.:		<u>N/A</u>
Project No.:		<u>520-0336</u>
Total Estimated Amount:		<u>\$1,000,000</u>
Total Obligated Amount:		<u>\$1,000,000</u>
IRS Employer Identification Number:		<u>N/A</u>
Funding Source:	AID/W	<u>USAID X</u>

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ATTACHMENT 1
SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for the construction and use of potable water and sanitary systems as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

1. The effective date of this Grant is March 27, 1985. The expiration date of this Grant is June 30, 1988.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$1,000,000 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Standard Provision 12 entitled "Payment - Reimbursement".

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 Provisions of this Grant, entitled "Revision of Financial Plans."

Financial Plan

(000)

	<u>Year</u> <u>1</u>	<u>Year</u> <u>2</u>	<u>Year</u> <u>3</u>	<u>Total</u>
A. CARE Managed Inputs				
1. A.I.D.				
a. Materials and Equip- ment	268	269	269	806
b. Training	21	17	19	57
c. Other costs	16	17	18	51
d. Overhead (9.38%)	<u>28</u>	<u>29</u>	<u>29</u>	<u>86</u>
Subtotal	333	332	335	1000
2. Non-OPG Costs (DESCOM)				
a. Personnel & Operations	33	36	39	108
B. Non CARE Managed Inputs				
1. DESCOM (Technical Assistance Administration, and Materials)	212	229	247	688
2. Participant Muni- cipalities (skilled labor)	54	56	59	169
3. Participant Communities				
a. Local Construction Materials	32	34	36	102
b. Unskilled Labor	77	78	79	234
c. Right-of-Way Water Source Rights	50	50	50	150
Total	791	815	845	2451

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E. Special Provisions,

1. Source and Origin of Goods and Services, Goods and services, except for ocean shipping, financed by A.I.D. under the Project shall have their source and origin within the Central American Common Market-CACM or in the United States, except as A.I.D. may otherwise agree in writing.
2. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.
3. Prior to any disbursement or the issuance of any commitment documents under the Grant Agreement to finance the budget line item "Materials," CARE shall furnish for prior A.I.D. approval, an illustrative list of items to be purchased with A.I.D. funds.
4. Prior to AID's earmarking of funds for the first year of the project (to June 30, 1985), CARE must submit to AID for its approval implementation and financial plans for all activities to be undertaken within the initial period.
5. Prior to AID's earmarking funds for Project activities for each year commencing with the period July 1986 to June 30, 1987, CARE must submit to AID by June 30 of each year, an implementation and financial plan indicating all activities to be undertaken during the next year (July 1 to June 30).
6. The Grantee will follow the procurement policies set forth in the Procurement Section of the CARE Overseas Operations Manual, which has been accepted by A.I.D.
7. The Grantee will provide AID with a Planning, Implementation and Evaluation (PIE) Report every four months as well as an End of Project Final Report utilizing CARE's normal reporting format.
8. Prior to purchase of non US or non CACM commodities, CARE must submit to AID for its review and approval documented justification for the procurement.
9. The following Standard Provisions given in Attachment 3 are not applicable to this Program: 2, 6, 8, 18, 20, 21, 24, 25, 26, 28, and 34.

F. Overhead Rate

CARE will be reimbursed for overhead at a rate of no more than the rate currently approved by AID/Washington. This rate will be reviewed and adjusted if necessary by AID/Washington on an annual basis.

G. Title to Property

Title to vehicles, motorcycles, and equipment to be purchased with AID Grant funds will be given to CARE.

ATTACHMENT 2
PROGRAM DESCRIPTION

I. Goal & Purchase

The goal of this program is to increase the standard of living of Guatemala's rural inhabitants. The purpose is to provide these rural inhabitants with improved health conditions.

In order to achieve this goal for about 54,000 rural inhabitants in the Departments of Huehuetenango, San Marcos, Quezaltenango, Sololá, El Quiché, Totonicapán, and Baja Verapaz, the 3-year project will provide 60 villages with:

- a. improved water supplies and house connections,
- b. improved waste disposal systems with use of family latrines,
- c. improved family health by reaching village women through health extension workshops, and
- d. established maintenance tariff systems through functioning community water committees.

II. Background

Water-related diseases are cited as being among the three major causes of illness and death in rural Guatemala. The poor environmental sanitation conditions are the results of, a) insufficient water of good quality, b) inadequate human waste disposal, and c) lack of education in proper sanitary practices.

The infant mortality rate (0-1 year of age) is estimated at 64 per 1000 live births, and the child mortality rate (1-4 years of age) at 43 per 1000 live births. Children under five years are particularly vulnerable as evidenced by the fact that approximately half of all deaths in Guatemala occur in children less than 5 years of age. This statistic represents one of the highest rates in Latin America.

The Government of Guatemala recognizes the magnitude of its water supply problem which is underscored by its high percentage of rural population (an overall 64%, up to 81% in the project region).

Less than 24% of villagers presently have access to safe drinking water and an even smaller percentage have family latrines. Hundreds of villages have already submitted their requests to the Government for a safe water supply but must wait several years for their systems because the Government has more requests than it has resources.

More particularly, basic sanitation services in the project region present an extremely unsatisfactory situation. Of a total of 6,465 communities, only 427 communities (7%) are served with safe drinking systems.

Gastrointestinal infections are a major health problem in those rural villages and the inter-relationship between diarrhea and malnutrition is a well known vicious circle.

Currently, it is not uncommon that Guatemalan women and children walk up to 3 Kms. to reach their water source (which often as not is contaminated).

A study of water-collection activities for an average family in Sololá indicated that approximately 45 person-days per family were spent by women and children on water collection. Suffice it to say, adequate and accessible clean water is simply not available to meet the daily needs of most rural families.

In summary, the problems relating to rural water supply in Guatemala are many. Nevertheless, the Government has developed a Basic Rural Health Program, which has identified goals and priority areas for improved water services. The project is both compatible and realistic in assisting the Government in improving family health in rural Guatemala.

III. Program Description

The program includes four components to impact on the project region's health needs.

COMPONENT I. Commencing in July, 1985, twenty water systems will be constructed each project year for a total of sixty systems by June 30, 1988. The installations will be simple gravity flow systems which tap perennial springs and will provide safe drinking water through house connections to every participating family.

The systems will include galvanized iron and PVC pipe and accessories, iron and cement. These materials are available in Guatemala. The systems will provide at least 70 liters per

capita per day for each house connection which is the minimum daily standard recommended by the World Health Organization. DESCOM will design the systems and provide on-going technical assistance and supervision of the works.

The villagers will lay the pipeline according to the Desarrollo de la Comunidad Organization (DESCOM) design with both CARE and DESCOM supervision.

COMPONENT II. This module is a concomitant activity to Component I and covers the installation of family latrines. Introduction of latrines into rural communities is a least cost solution to disposal of human waste material in uncongested areas. The latrines will be properly located, constructed and maintained to meet public health requirements. The program will introduce innovative dry compost latrines in certain sites in lieu of the traditional pit latrine. Dry compost latrines have several advantages over the pit latrines and are often the only alternative in those areas where the water table is high.

DESCOM will provide technical supervision in the installation of the latrines as well as some of the construction material. CARE will provide materials such as cement and roofing sheets. The community will contribute their labor and local materials.

COMPONENT III. There is a great need to include public health education as a necessary component in any village water supply project. Public health and hygiene practices are poor in rural Guatemala. If the more common disease transmission cycles are to be effectively interrupted, village women must be reached to better their knowledge and understanding of basic health practices.

The extension sessions will be developed and coordinated with The Institute of Nutrition for Central America and Panama (INCAP) and Education Extra-Escolar of the Ministry of Education. They will work directly with small groups of village women in the participating villages to improve their well being and that of their families by exposure to diversified health education.

More specifically, those ideas which must be communicated to the village women will include:

- a. the nature of fecal-oral transmission mechanism,
- b. the health hazard of using contaminated water supplies,
- c. knowledge of ways in which existing water supplies are likely to be contaminated,

- d. how to improve personal hygiene such as washing of hands before meals and after latrine use, and bathing more frequently,
- e. why and how to protect stored water,
- f. the importance of eliminating human and animal fecal matter from home environment and keeping the houses and yards clean, and
- g. the importance of using and maintaining clean latrines.

CARE will directly support the development and implementation of the health extension workshops. Inputs will include support of technical assistance, training materials, equipment and curriculum development.

COMPONENT IV. As part of project strategy, each site must meet certain technical and community criteria before its inclusion in the program. The DESCOM ensures that, concomitant with the feasibility study of the water source, village interest and participation is secured. Guarantees of land title to the water source and right-of-way are mandatory criteria for inclusion.

Another pre-implementation criterion will be the creation of a legally authorized committee, according to Government regulations, to collect fees, administer and operate a tariff fund for each system. DESCOM will organize these community water maintenance committees for the express purpose of maintaining the installed infrastructure of the system. Each committee will consist of at least five villagers and within the committee shall exist such officers as president, secretary and treasurer, of whom one of the last two must be able to write and read.

The committee will collect from each household that receives a water tap, a monthly fee of at least Q1.00 per month. Twenty centavos of this monthly fee will be set aside for the operation and maintenance of the community water system. The remaining amount will become available to finance future expansion to the water system, other community projects for water related health improvement to the communities as well as for community projects relating to the improvement in the role of women and health in general. The DESCOM will review and approve all community requests to use these funds.

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IV. PROGRAM IMPLEMENTATION

Implementation will be under the joint auspices of CARE and DESCOM with community participation. DESCOM is a Government agency working since 1964 in the development of rural areas of Guatemala. This agency has a mandate to promote integrated rural development, community organization, public health education, carry out basic infrastructure works such as schools and water systems, and coordinate central institutional actions at the community and municipality level.

DESCOM will provide approximately thirty one percent of the total project cost. This will include non-local construction materials, and the necessary technical, administrative and health education personnel to ensure attainment of project objectives.

CARE will provide through the OPG up to forty-two percent of program costs which will include non-local construction materials, project promotion, supervision and direct support of the health extension workshops.

The community and municipality will provide approximately twenty-seven percent of the total program cost. Their input includes the cost of the skilled and unskilled labor in addition to local materials. See the financial plan given in Attachment I for individual inputs and costs.