

MODIFICATION OF GRANT

PD-AAZ-828
62617

1. Amendment No. 1	2. Effective Date July 31, 1989	3. Grant No. 520-0336-G-00-5079-00	4. Effective Date March 27, 1985
5. Grantee (Name and Address) COOPERATIVE FOR AMERICAN RELIEF EVERYWHERE (CARE) 6a. Avenida 20-25, Zona 10 Guatemala City, Guatemala		6. Administered by- Regional Contracting Office USAID/GUATEMALA APO Miami 34024	
7. P10/T No - 520-0336-3-90230 Appropriation No. 72-1191021 Budget Plan Code LDSA-89-25520-KG13: \$100,000 LDHA-89-25520-KG13: \$200,000		8. Previous P10/T's- N/A	
t. Obligated Prior to this Am. \$1,000,000			
t. Oblig. by this Amendment \$ 300,000			
Total Obligated Amount \$1,300,000			

9. The above numbered Grant is hereby modified as follows:

A. COVER LETTER

1. In the first paragraph change the "sum" to read "One Million Three Hundred Thousand U.S. Dollars (\$1,300,000)."
2. In the second paragraph change the ending date (PACD) to read "December 31, 1991".
3. Add the following additional Fiscal Data:

FUNDS AVAILABLE
Date <u>7/31/89</u>
Initials <u>CLB</u>

AID TECHNICAL OFFICE:

10. This amendment is entered into pursuant to the authority of the Foreign Assistance Act of 1961, as amended. Except as herein provided, all terms and conditions of the grant referenced in Block #3 remain unchanged and in full force and effect.

11. Grantee is required to sign this document and return 7 copies to issuing office.

12. GRANTEE

BY: [Signature]
James Coberly
(Name typed or printed)

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

BY: [Signature]
Raymond J. Potocki
(Name typed or printed)

TITLE: Country Director CARE-Guatemala

TITLE: Regional Contracting Officer

"Appropriation:	72-1191021	:	Water, Women and Health
Budget Plan Code:	\$100,000	:	LDSA-89-25520-KG13
	\$200,000	:	LDHA-89-25520-KG13
PIO/T No.		:	520-0336-3-90230
Project No. :		:	520-0336
Obligation This Amendment		:	\$300,000
Total Obligated Amount		:	\$1,300,000
Total Estimated Amount		:	\$1,500,000
Funding Source		:	USAID"

B. ATTACHMENT I - SCHEDULE

1. Paragraph A, Purpose of Grant, is amended to incorporate the additional Statement of Work, for the period January 1, 1990 through December 31, 1991, attached hereto as Attachment I.
2. Delete paragraph B in its entirety and substitute the following in lieu thereof:

"B. Period of Grant

1. The effective date of this Grant is March 27, 1985. The expiration date is December 31, 1991.
 2. Funds obligated hereunder are available for program expenditures for the estimated period ending December 31, 1990, as shown in the financial plan below."
3. Delete Paragraph C in its entirety and substitute the following in lieu thereof:

"C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1 above is \$1,500,000.
2. AID hereby obligates the amount of \$1,300,000 for program expenditures during the period set forth in B.2 above and as shown in the Financial Plan below.
3. Payment shall be made to the Grantee in accordance with procedures set forth in the Attachment III - Standard Provision entitled "Payment - Reimbursement".
4. Additional funds up to the total amount of the Grant shown in C.1 above may be obligated by AID subject to the availability of funds, and to the requirements of the Standard Provision of the Grant, entitled "Revision of Financial Plans."

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4. Paragraph D, Financial Plan, is hereby modified to incorporate the Budget Breakdown for FY 1990 and FY 1991 as indicated in Table II to Attachment I hereto.
5. Add a new Paragraph F as follows:

"F. Indirect Cost Rate

Pursuant to the Standard Provisions of this Grant entitled "Negotiated Indirect Cost Rates - Predetermined", and "Negotiated Indirect Cost Rates - Provisional", a rate or rates shall be established for each of the Grantees accounting periods during the term of this Grant. Pending establishment of final overhead rates, payments on account of allowable indirect costs shall be made on the basis of the following overhead rate(s) applied to the base(s) set forth below:

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Final	9.13%	a	7/1/85 - 6/30/86
Final	9.24%	a	7/1/86 - 6/30/87
Final	8.77%	a	7/1/87 - 6/30/88
Provisional	9.19%	a	7/1/88 - 6/30/89
Predetermined	8.50%	b	7/1/89 - 6/30/90

- a. Total direct cost but excluding value of agricultural commodities, in-kind contributions, and ocean freight costs.
- b. Total direct costs less exchange fluctuations; less ocean freight; less non cash donations including agricultural commodities, ocean freight and contributions in-kind, and less U.S. Government grants that due to legal restrictions, do not permit indirect cost recovery.

RP/lrm
(4312G)

STATEMENT OF WORK

I. BACKGROUND

In 1983 UNICEF reported that only 21% of the rural population of Guatemala had access to clean drinking water. The Ministry of Public Health stated in 1986 that intestinal disease was the most common cause of death in Guatemala, and that 63% of all deaths from intestinal diseases were of children under five. The Ministry of Health has recently stated that it wishes to increase water and sanitation coverage by 50% in rural Guatemala.

CARE's health sector has been working to deliver drinking water systems to poor rural communities all over the country since 1965. CARE built its first 17 systems between 1965 and 1966. Later in 1966 CARE signed an agreement with Accion Conjunta, at that time part of the Ministry of Public Health. This partnership was to last until 1971, and formed the basis of how water and health projects were to be organized in the future. CARE provided the materials and logistic support, the counterpart produced the system plans and the technical assistance, and the community directly contributed unskilled labor and local materials. This system of organization was further developed in 1975. With financial assistance from USAID, CARE developed a program including the construction of latrines. However it was not until 1985 that the concept of a health education component was included in the package. CARE has been undertaking the Water Women and Health Project with financial assistance from USAID since 1985. An Amendment to extend the Project will make possible the construction of forty-seven water systems in rural communities in the western highlands of Guatemala by 1991. These water systems will serve 4,630 families and approximately 26,000 people.

CARE's initial counterpart was the Ministry of Development; however, after eighteen months of operation the Project changed counterparts due to their deficient water system designs and the difficulties encountered in the construction phase. In early 1987 CARE signed an agreement with UNEPAR, a semi-autonomous organization

under the direction of the Ministry of Health. UNEPAR has remained the official counterpart for the remaining two and one-half years of the Project, and will continue as the counterpart for this new two-year initiative.

Although health education was programmed from the outset, the Project has only recently initiated this activity. Major difficulties were encountered because the counterpart had accepted the responsibility for its organization and implementation without the necessary resources, experience or know-how. The Project has therefore focused mainly on the construction of water systems without the health education component necessary to change prevalent attitudes and practices that contribute to food and water contamination.

Acknowledging this weakness, CARE has initiated activities in the health education field under the Project. In July of 1988, CARE began to contract and train personnel to implement a health program of group sessions and home visits, targeting women and older school girls. This program began field operations in January 1989.

Following the recommendations made in the evaluation completed in early 1987 and the more recent assessment of the health education component in March 1989, this new two-year Project Amendment will develop and implement comprehensive and carefully targeted water related health education component in addition to the ongoing activities.

II. PROJECT DESCRIPTION

The goal under this Amendment is to improve the health status, as related to water borne and excreta related diseases, of approximately 4,500 rural Guatemalans in the western highlands by 1991. To achieve this goal, the Project will result in an: a) increase in the percentage of project participants who use adequate quantities of safe water for drinking, cooking and washing from 0% to 90% (4,050 people) by the end of 1991, b) increase in the percentage of project participants who dispose of feces in hygienic manner through appropriate use of latrines to 40% (approximately 1,000 latrines) by the end of 1991, and c) increase in the number of families practicing appropriate domestic hygiene practices from approximately 0% to 50% (in 600 households in the ten Project communities) by the end of 1991.

This will be achieved by the implementation of three Project components which are described in detail in the attached proposal entitled, "Water Women and Health". These components are described further below.

Component 1--Service Development/System Construction

Gravity fed drinking water systems will be constructed in ten communities serving approximately 4,500 people in the western highlands of Guatemala. This component will include an operation and maintenance education program directed at targetted members of each community.

Component 2--Latrine Construction

Latrines in the households of all participants in the ten selected communities will be constructed. (See CARE proposal for further discussion on site selection.) Participants will also receive instruction in the use and maintenance of the latrines.

Component 3--Health Education

A health education program targeting approximately 600 women and older school girls in all ten communities will be implemented. This component is designed to improve domestic hygiene practices in the home. Some traditional domestic practices directly contribute to contaminated food and water.

III. PROJECT ADMINISTRATION

The Project will be a coordinated effort between CARE, UNEPAR, a semi-autonomous institution connected to the Ministry of Health, and the selected communities. USAID/Guatemala will oversee Project implementation with CARE as described under the Operational Program Grant Agreement. Each partner under this Project will have specific responsibility for the various tasks of the Project, described briefly below and detailed in a separate Agreement to be negotiated and signed by CARE and UNEPAR.

CARE will supervise and oversee all aspects of the Project, and will accept responsibility for all stated Project goals and outputs. In addition, CARE will be responsible for the financial administration and disbursement of Project funds made available by A.I.D. and

the purchase of all materials and equipment necessary for the construction of the systems. All purchases will be made according to CARE procedures, and will adhere to the guidelines described in the OPG Agreement. CARE will also be responsible for the development and implementation of the health education component.

UNEPAR will be responsible for the topographical surveys, the system designs and the preparation of the initial budget for systems in each participating community. UNEPAR will also supervise the construction work at the community level, and assure that the work is completed in a timely fashion. A trained mason, who will report to the regional UNEPAR supervisor, will be posted at each site and will be responsible for all construction work on a day-to-day basis.

The community will be responsible for acquiring the legal right to the water source, and if necessary, the right to lay pipes from the water source to the village. They will also be responsible for the provision of sand, rocks and gravel for various construction purposes. Manual labor will also be provided by the community, and each beneficiary will be required to contribute to a degree depending on the size of the system and the number of community inhabitants. The community will also be required to form a water committee for the management, operation and maintenance of the water system after it has been constructed. This committee will play an active role in the management of the construction phase of the system in coordination with CARE and UNEPAR.

The selection of the sites will be undertaken by both CARE and UNEPAR. Both organizations receive requests from communities needing assistance to construct potable water systems. CARE will review the requests with UNEPAR, which will then confirm the existence of an adequate supply of water, check the legal status of the water source, and help the community to form and legalize a water committee. CARE and UNEPAR will then organize a meeting at the regional level (Quetzaltenango), and together make an initial list of potential sites from which CARE will make a final selection.

The Project will be using participative extension methods to develop problem solving and decision making skills within the community. The extension program will be directed towards those responsible for the operation and maintenance of the water system, namely the village water

committees, and groups of self selected women who will participate in the group sessions and home visits to be organized by the health education extension team.

The total value of the two-year Project will be US\$711,050 of which USAID will contribute US\$500,000 under this Grant. CARE USA will contribute \$15,000 in cash for the purchase of a vehicle and \$15,000 in kind for fixed costs. UNEPAR will contribute the Quetzal equivalent of \$37,550 in cash and \$61,550 in kind, and the communities will contribute US\$82,000 mainly in unskilled labor and local materials. Attachment II contains the detailed budget of all counterpart contributions and activities.

IV. MONITORING REPORTS AND EVALUATION PLAN

Monitoring reports will be submitted to USAID on a quarterly basis, and will include information in form and substance acceptable to A.I.D. on the progress of each of the Project components, their financial status and a discussion of problems related to implementation. In addition, an end-of-project report will be submitted to USAID which summarizes the achievement of Project objectives, recommends future activities in this area and incorporates the findings of the final Project evaluation.

An internal evaluation will be carried out after one year of operation to assess the progress of the Project and recommend ways in which the design and implementation can be improved. This evaluation will be carried out by CARE's Regional Technical Advisor for the health sector.

The Project will have a final evaluation at the end of the two-year project period which will be organized by CARE, and financed with Project funds. The form and content of the evaluation and the scope of work will be a product of a coordinated effort between USAID and CARE.

TABLE I

BUDGET OVERVIEW

	USAID	FY86 -89		FY90	FY91	TOTALS
		CARE	UNEPAR			FY90 & FY91
1. International Personnel	\$152,962	\$39,000		\$36,524	\$40,176	\$76,700
2. National Personnel	\$36,636			\$45,948	\$50,543	\$96,491
3. Fixed Costs	\$10,956			\$18,630	\$20,493	\$39,123
4. Vehicle Purchases				\$23,000		\$23,000
5. Vehicle Operations	\$12,968			\$17,128	\$19,841	\$35,969
6. Travel & Lodging	\$9,173			\$15,106	\$15,617	\$31,723
7. Construction Costs	\$684,558		\$76,657	\$129,318	\$50,164	\$179,482
8. Training	\$5,062			\$7,000	\$5,000	\$12,000
9. Consultancies	\$150			\$12,000	\$1,000	\$13,000
10. Evaluations and Audits				\$3,720	\$14,000	\$17,720
11. CARE New York Overhead	\$87,535			\$25,376	\$16,916	\$42,292
SUB-TOTALS	\$1,000,000	\$39,000	\$76,657	\$333,750	\$233,750	\$567,500
12. UNEPAR in-kind Contribution			\$503,078	\$39,000	\$22,550	\$61,550
13. Community in-kind Contribution			\$369,375	\$49,500	\$32,500	\$82,000
TOTALS	\$1,000,000	\$39,000	\$949,120	\$422,250	\$289,300	\$711,050

BUDGET BREAKDOWN

	FY90				FY91			
	USAID	U N E P A R IN KIND	COMMUNITIES CASH	CARE USA	USAID	U N E P A R IN KIND	COMMUNITIES CASH	CARE USA
1. INTERNATIONAL PERSONNEL								
Project Manager	\$23,259				\$25,585			
Country Director	\$7,667				\$3,434			
Assistant Country Director	\$5,538				\$6,157			
SUBTOTAL	\$36,524				\$40,176			
2. NATIONAL PERSONNEL								
Coordinator	\$5,231				\$5,754			
Field Supervisor (Ext)	\$6,637				\$7,300			
Field Supervisor (Tech)	\$6,637	\$5,000			\$7,300	\$5,000		
Secretary	\$2,134	\$500			\$2,347	\$500		
Extensionists	\$14,223	\$2,000			\$15,645	\$2,200		
Warehouse Staff	\$2,444				\$2,698			
Administrative Staff	\$8,642				\$7,509			
SUBTOTAL	\$45,948	\$7,500			\$50,543	\$7,700		
3. FIXED COSTS								
Office Rent	\$5,397	\$2,000				\$2,200		\$5,937
Warehouse Rent	\$5,134							\$5,647
Utilities & Maintenance	\$1,057	\$500				\$550		\$1,163
Communications	\$1,925	\$300				\$330		\$2,118
Furniture & Office Equip.	\$1,050				\$1,155			
Office Supplies	\$1,400	\$200			\$1,540	\$220		
Training (Mission)	\$1,000				\$1,100			
Sundry & Miscellaneous	\$667		\$1,000		\$598	\$1,100		\$135
SUBTOTAL	\$17,630	\$3,000	\$1,000		\$4,393	\$3,300	\$1,100	\$15,000
4. VEHICLE PURCHASES								
1 x 4 Wheel Drive Vehicle				\$15,000				
4 x Motorcycles	\$8,000							
SUBTOTAL	\$8,000			\$15,000				
5. VEHICLE OPERATIONS & MAINTENANCE								
SUBTOTAL	\$17,128	\$4,000			\$18,341	\$4,400		
6. TRAVEL & LODGING								
SUBTOTAL	\$15,106	\$3,500			\$16,617	\$3,850		

	USAID	U N E P	A R	COMMUNITIES	CARE USA	!	USAID	U N E P	A R	COMMUNITIES	CARE USA
		IN KIND	CASH			!		IN KIND	CASH		
7. CONSTRUCTION COSTS						!					
Materials & Equipment (Water)	\$104,096		\$17,750			!	\$30,504		\$17,650		
Material & Equipment (Latrines)	\$7,472					!	\$2,010				
Skilled Labor		\$4,000				!		\$3,300			
Unskilled Labor				\$32,500		!				\$32,500	
Local Materials				\$15,000		!					
Legal Title to Water				\$2,000		!					
System Designs		\$17,000				!					
SUBTOTAL	\$111,568	\$21,000	\$17,750	\$49,500		!	\$32,514	\$3,300	\$17,650	\$32,500	
8. TRAINING						!					
Workshops (Ext.)	\$8,334					!	\$2,000				
Workshops (Maintenance)	\$1,852					!	\$2,000				
Training Materials	\$1,814					!	\$1,000				
SUBTOTAL	\$7,000					!	\$5,000				
9. CONSULTANCIES						!					
Evaluation Specialist	\$400					!					
Health Education Specialist	\$2,200					!					
Consultant Engineer	\$2,400					!	\$1,000				
Consultant Topographical Studies	\$7,000					!					
SUBTOTAL	\$12,000					!	\$1,000				
10. EVALUATION & AUDIT	\$3,720					!	\$14,000				
11. CARE USA OVERHEAD	\$25,376					!	\$16,916				
T O T A L	\$300,000	\$39,000	\$18,750	\$49,500	\$15,000	!	\$200,000	\$22,550	\$18,750	\$32,500	\$15,000

TABLE III
 BUDGET SUMMARY BY COMPONENT

	AID	UNEPAR	COMMUNITIES	CARE USA	TOTAL
1. INFRASTRUCTURE	\$225,044	\$86,650	\$82,000		\$393,694
2. HEALTH EDUCATION	\$122,489			\$15,000	\$137,489
3. EVALUATION AND AUDIT	\$17,720				\$17,720
4. MANAGEMENT AND ADMINISTRATION	\$134,747	\$12,400		\$15,000	\$162,147
TOTALS	\$500,000	\$99,050	\$82,000	\$30,000	\$711,050