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AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

SEP 26 1985

Dr. William B. Walsh
Chief Executive Officer
The People-to People Health Foundation, Inc.
The Project Hope Health Sciences Center
Millwood, Virginia 22646

Subject: AID Grant No. IAC-0616-G-SS-5127-00

Dear Dr. Walsh:

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 provides to The Person-to-Person Health Foundation, Inc. (hereinafter referred to as "Project HOPE" or "Grantee") the sum of One Million One Hundred Thousand Dollars (\$1,100,000) in support of a program entitled "Inter-country Technical Transfer: Child Survival Initiative in Northeast Brazil," as more fully described in Attachment 1 of this Grant entitled "Schedule," and 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 through the estimated completion date of September 30, 1988. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program for AID is \$1,100,000, of which \$500,000 is hereby obligated. AID shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount. However, subject to the availability of funds, and program priorities at the time, AID may provide additional funds during the grant period up to a maximum of \$1,100,000. It is anticipated that the obligated amount will be sufficient to cover program expenses through February 28, 1987.

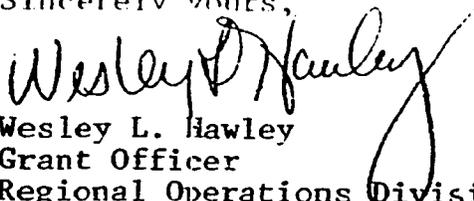
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This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, the Schedule, Attachment 2, the Program Description, and Attachment 3, the Standard Provisions, including Alterations, which have been agreed to by your organization.

Please acknowledge receipt and acceptance of this Grant by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned, being sure to return the original and all copies marked "Funds Available".

Sincerely yours,



Wesley L. Hawley
Grant Officer
Regional Operations Division-LAC
Office of Contract Management

Attachments:

- 1. Schedule
- 2. Program Description
- 3. Standard Provisions

ACKNOWLEDGED:

The People's People Health Foundation, Inc

BY: William Kulschmidt

TYPED NAME: _____

TITLE: Vice President, Finance

DATE: Sept 30, 1985



FISCAL DATA

PIO/T No.: 598-0616-512-03-01
Appropriation No.: 72-1151021.8
Budget Plan Code: LDAA85-25512-CG12
Allotment No.: 548-60-512-00-69-51
This Obligation : \$ 500,000
Total Estimated Amount: \$1,100,000
Total Obligated Amount: \$ 500,000
E.I. No.: 53-0242962
Technical Office: LAC/DR
Funding Source: AID/Washington
DUNS No.: 09-866-1135

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for a program entitled "Intercountry Technical Transfer: Child Survival Initiative in Northeast Brazil," 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 the date of the Cover Letter and the estimated completion date is September 30, 1988.

2. Funds obligated hereunder are available for program expenditures through approximately February 28, 1987 as shown in the appended Financial Plan

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1. above is \$1,100,000.

2. A.I.D hereby obligates the amount of \$500,000 for program expenditures during the period set forth in paragraph B.2. above and as shown in the appended Financial Plan.

3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Standard Provision No. 7A. entitled "Payment - Letter of Credit (August 1984)."

4. Additional funds up to the total amount of the Grant shown in paragraph C.1. above may be obligated by A.I.D subject to the availability of funds, program priorities at the time, and the requirements of the Standard Provision No. 6 of this Grant entitled "Revision of Financial Plans."

D. Financial Plan

The Financial Plan for this Grant is attached as Appendix 1. The Grantee may not exceed the total estimated amount or the obligated amount, whichever is less (see Section C. above). Except as specified in Standard Provision No. 6 of this Grant entitled "Revision of Financial Plans", as shown in Attachment 3, the Grantee may adjust line item amounts within the grand total as may be reasonably necessary for the attainment of program objectives.

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F. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with Standard Provision No. 7A. of this Grant entitled "Payment - Letter of Credit (August 1984)," as shown in Attachment 3.

b. The original and two copies of all financial reports shall be submitted to A.I.D, Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D.C. 20523. In addition, three copies of all financial reports shall be submitted to the Technical Office, LAC/DR/HPN, in the A.I.D./Washington office.

All financial reports shall contain the following data on the face sheet:

Grant No.: LAC-0616-G-SS-5127-00
Project No.: 598-0616
Project Office: LAC/DR/HN

2. Program Performance Reporting

a. The Grantee shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform A.I.D as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any A.I.D assistance needed to resolve the situation.

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(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

c. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in Standard Provision No. 6. of this Grant entitled "Revision of Financial Plans", the Grantee shall submit a request for budget revision.

d. Five copies of each program performance report shall be submitted to the AID Representative in Brasilia, Brazil, and one copy to the LAC/DR/HN Office in AID/Washington.

3. Evaluations

There will be annual internal evaluations carried out by the HOPE headquarters staff. It is agreed that external evaluations will be carried out eighteen months after program implementation begins and at the end of the program by evaluators mutually acceptable to AID, HOPE and the Brazilian counterparts.

Five copies of each evaluation report shall be submitted to the AID Representative in Brasilia, Brazil, and one copy to the Technical Office, LAC/DR/HN, in the A.I.D/Washington office.

G. Indirect Cost Rates

Pursuant to the Standard Provision of this Grant entitled "Negotiated Overhead Rates - Nonprofit Organizations Other than Educational Institutions," a rate or rates shall be established for each of the Grantee's accounting periods which apply to this Grant. Pending establishment of revised provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to this Grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which are set forth below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Provisional	31.7%	Direct Salaries and Wages	Effective date of Grant, until amended

H. Title to Property

Title to all property purchased under this Grant shall be vested in the Grantee.

I. Authorized Geographic Code

The authorized geographic code for this Grant shall be "000" and Brazil.

J. Special Provisions

1. For the purposes of this Grant, references to "OMB Circular A-122" [A-21 for educational institutions] in the Standard Provisions of this Grant shall include the A.I.D implementation of such Circular, as set forth in subpart 731.7 [731.3 for educational institutions] of the A.I.D Acquisition Regulations (AIDAR) (41 CFR Chapter 7).

2. In accordance with Standard Provision No. 11 entitled "Local Cost Financing With U.S. Dollars," the Grantee is authorized to use local currency financing for the procurement of goods and services in Brazil as depicted in the appended Financial Plan.

K. Alterations and Additions to Standard Provisions:

1. The following Standard Provisions are not applicable to this Grant:

- a. Provision 5A : Negotiated Overhead Rates - Predetermined
- b. Provision 7B : Payment - Periodic Advance
- c. Provision 7C : Payment - Reimbursement
- d. Provision 10A : Procurement of Goods and Services Under \$250,000
- e. Provision 13B : Title to and Use of Property (U.S. Government Title)
- f. Provision 13C : Title to and Care of Property (Cooperating Country Title)

2. The Standard Provisions of this Grant are hereby amended to include the attached "Alterations in Grant" dated November 1984.

PROGRAM DESCRIPTIONI. Background:

Brazil's Northeast remains one of the poorest, least developed areas in the world. Diarrheal disease in infants remains the leading cause of death at all ages. The infant mortality rate is well over 100 per 1000 live births and vaccine preventable diseases cause significant deaths annually.

Project HOPE has worked in the State of Ceara in Northeast Brazil in cooperation with the University of Virginia and the Federal University of Ceara for over two years in a research inquiry into the causes and management of diarrheal disease. A practical outcome of this research has been a program implemented in three areas of the state over the last two years. This program involves the use of indigenous healers (rezadeiras) to deliver oral rehydration salts, a cost effective treatment for diarrhea. The project will also provide immunizations and health education.

Since 1972 Project HOPE has been receiving assistance from AID for Brazil under the American Schools and Hospitals Abroad (ASHA) Program. The ASHA grants provided resources for child survival activities including: prenatal care, well baby care, family planning, immunizations, public health training and training in the management of diarrheal disease. The activities included in the present agreement build on this experience, but do not duplicate those supported by ASHA.

II. Title: Intercountry Technology Transfer Project: Child Survival Initiative in Northeast BrazilIII. Objective:

The overall objective of the project is to lower morbidity and mortality from diarrheal disease and vaccine-preventable diseases in the specified population. Project HOPE will work in 29 rural health posts (PAPS clinics) to establish an oral rehydration therapy, immunization and health education delivery system to serve approximately 113,500 children under five and women aged 15-44 years, in Northeast Brazil.

Specifically, HOPE will:

1. Extend the availability of ORT into a wider area of the state of Ceara and possibly into neighboring states of Northeast Brazil.
2. Utilize the confidence developed among poor mothers in ORT to help them better understand, in a culturally acceptable way, better hygiene and nutrition.
3. Utilize this confidence to strengthen immunization acceptance, and thereby coverage, among the target group.

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IV. Statement of Work:

Project Hope will meet the objectives of this project by combining the use of traditional rezadeiras with community health workers(CHW's).

Project HOPE will train and support fifty (50) community health workers and will support the services of ten local public health nurses and two U.S. physicians. Participation of all traditional healers in the project area will be sought in delivering ORT packets and in health education efforts.

The CHW's serve as a bridge from the official health system to the local health system for follow-up care, ORT, immunizations, growth monitoring and health education.

The ten Brazilian public health nurses will function as area supervisors: maintain supervisory contact with the community health workers, oversee health education, well-baby care and immunizations at the health posts and prepare and submit data for the project. Depending on the number of posts assigned to each nurse, she will visit, at least weekly, each post under her supervision and make home visits with each worker at least every other week. They will also do the basic training of the community health workers.

Two Project HOPE pediatricians will work full-time in project supervision, data collection and analysis and direct continuing education of and support for the nurses and community health workers, as well as work in the Ceara medical community to encourage understanding of the project among Brazilian physicians.

HOPE and University of Virginia consultants will visit the project annually.

V. Commodities:

HOPE will purchase vehicles, office equipment, refrigerators for vaccine storage, infant scales, oral rehydration salts and vaccines for the project. Project HOPE will follow procurement procedures accepted and approved by USAID. HOPE's contract with the Federal Government of Brazil provides for the duty-free importation of project equipment and supplies through their office in Natal, Rio Grande do Norte, from where they will be shipped by air or highway to Fortaleza. The HOPE/UVA/UFC project headquarters in Fortaleza will see to timely arrival of supplies there and distribution to PAPS clinics.

Distribution of oral rehydration packets will be to community health workers by the nurses, and to the rezadeiras by the community health workers. Both the rezadeiras and the CHWs will distribute packets as needed to clients in the community.

VI. Evaluations:

There will be annual internal evaluations carried out by the HOPE Headquarters staff. External evaluations will be carried out eighteen months after program implementation begins and at the end of the project by evaluators mutually acceptable to AID, HOPE, and the Brazilian counterparts.

Illustrative Budget for AID Funds

	<u>Yr. 1</u>	<u>Yr. 2</u>	<u>Yr. 3</u>	<u>TOTAL</u>
<u>Salaries*</u>				
Pediatrician	\$53,361	\$60,023	\$63,149	\$176,533
Pediatrician	-	53,400	55,145	108,545
Public Health Nurse	7,200	7,560	7,938	22,698
Public Health Nurse	7,200	7,560	7,938	22,698
Public Health Nurse	7,200	7,560	7,938	22,698
Public Health Nurse	7,200	7,560	7,938	22,698
Public Health Nurse	-	7,560	7,938	15,498
Public Health Nurse	-	7,560	7,938	15,498
Public Health Nurse	-	7,560	7,938	15,498
Public Health Nurse	-	7,560	7,938	15,498
Public Health Nurse	-	7,560	7,938	15,498
Public Health Nurse	-	7,560	7,938	15,498
Community Health Workers				
20/Yr. @ \$80/mo.	28,800	-	-	28,800
40/Yr. @ \$85/mo.	-	61,200	-	61,200
56/yr. @ \$90/mo.	-	-	90,720	90,720
Secretary	10,500	11,025	11,550	33,075
Driver	4,500	4,725	5,100	14,325
SUBTOTAL	<u>125,961</u>	<u>265,973</u>	<u>305,044</u>	<u>696,978</u>
Travel & Transportation	18,968	20,518	21,668	61,154
Training	3,800	2,800	2,800	9,400
Equipment/Supplies	77,859	19,691	12,500	110,050
Other Direct Costs	12,660	17,460	15,220	45,340
Overhead	29,323	57,060	70,695	157,078
Evaluation	-	10,000	10,000	20,000
TOTAL	<u>\$268,571</u>	<u>\$393,502</u>	<u>\$437,927</u>	<u>\$1,100,000</u>

* Includes salaries and benefits. U.S. general benefits are calculated at 21% of salaries (includes health and life insurance, long term disability, travel/accident insurance, workmen's compensation, pension and social security). Relocation to the country is included, along with a home leave benefit. The benefits for Brazilian nationals is calculated at 50%.

Illustrative Budget for Project HOPE Funds

	<u>Yr. 1</u>	<u>Yr. 2</u>	<u>Yr. 3</u>	<u>TOTAL</u>
International Head- quarters Staff	\$31,490	\$66,493	\$76,261	\$174,244
Consultants	15,416	15,417	15,417	46,250
Travel & Transpor- tation	4,742	5,130	5,417	15,289
Training	950	700	700	2,350
Equipment/Supplies	38,750	32,809	40,000	111,559
Other Direct Costs	3,165	4,365	3,805	11,335
Overhead	7,330	17,435	14,505	39,270
TOTAL	<u>\$101,843</u>	<u>\$142,349</u>	<u>\$437,927</u>	<u>\$400,297</u>

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SUMMARY PROJECT BUDGET

CATEGORY	<u>AID</u>	<u>Project HOPE</u>	<u>TOTAL</u>
Personnel/ Fringe	696,978	174,244	871,222
Consultants	-	46,250	46,250
Travel/Transportation	61,154	15,289	76,443
Training	9,400	2,350	11,750
Equipment/Supplies	110,050	111,559	221,609
Other Direct Costs	45,340	11,335	56,675
Overhead	157,078	39,270	196,348
Evaluation	20,000	-	20,000
TOTAL	<u>\$1,100,000</u>	<u>\$400,297</u>	<u>\$1,500,297</u>