

AUG 29 1988

O.F./ANE
Project 268-0342
B.C.30

Mr. Neal Keny
Regional Director
Middle East/North Africa
Save the Children Federation
54 Wilton Road
Westport, Connecticut 06880

Subject: Grant No. ANE-0342-G-SS-6070-00

Dear Mr. Keny:

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 makes a grant to the Save the Children Federation (hereinafter referred to as "SCF" or "Grantee") in support of SCF's relief services in Lebanon. These services will include, but not be limited to a Small Scale Enterprise Rehabilitation Activity, Health Development and Delivery of Emergency and Primary Care and Rehabilitation Services Activity and Immediate Relief Assistance to Conflict Affected (including displaced) Families in Lebanon.

This Grant is effective and obligation is made as indicated in Attachment A and shall apply to commitments made by the Grantee in furtherance of program objectives through 30 September 1988. Although the anticipated amount of the total grant is \$7,000,000, the amount available for reimbursement and the amount presently obligated is \$5,500,000. The balance of the estimated amount may be made available during the term of the grant by (a) further obligation(s) of funds by grant amendment.

This Grant is made to SCF on condition that the funds will be administered in accordance with the terms set forth in the Statement of Work, Attachment B, and that those same funds will be administered in accordance with the terms and conditions set forth in Attachment A, the Schedule and Attachment C entitled "Standard Provisions", which have been agreed to by your organization.

Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the Grant, and return the original and six (6) copies to this office.

Sincerely yours,



Morton Darwin.
Grant Officer
Overseas Division
Office of Procurement

Attachments:

- A. Schedule
 - B. Statement of Work
 - C. Standard Provisions
 - 1. Mandatory Standard Provisions
 - 2. Optional Standard Provisions
- Nos. 1, 4-9, 11, 13, 14, 20, 24 and 25

ACKNOWLEDGED

Save the Children Federation

BY: *Matt A. Lundy*
 TITLE: VICE PRESIDENT Finance + Controller
 DATE: 8/11/86

FUNDS AVAILABLE

Stoddard
AUG 29 1986

o/c 4180
Program Acctg Fin Division
Office of Financial Management

FISCAL DATA

- a. PIO/T No.: 268-0342-3-6636726
 Appropriation No.: 72-1161037
 Budget Plan Code: QESA 86-37268-KG-13
 Total Obligation Amount: \$630,000
- b. PIO/T No.: 268-0342-3-6636727
 Appropriation No.: 72-11X1037
 Budget Plan Code: QESX 86-37268-KG-13
 Total Obligation Amount: \$4,870,000
- c. Total Estimated Cost of Grant: \$7,000,000
 Total Obligated Amount: \$5,500,000
 Duns Number: 072129919

Attachment A

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for Save the Children Federation's relief services in Lebanon, as more specifically described in Attachment B "Statement of Work".

B. Period of Grant

The effective date of this Grant, for the purpose of the allowability of costs, for the Small Scale Enterprises Rehabilitation subproject is 1 Jan 86, for the Emergency Relief Assistance subproject is 1 Oct 86 and for the Health subproject is 1 Sep 86. The estimated completion date is 30 September 1988.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$5,500,000 for purposes of this Grant.
2. The Total Estimated Cost of this Grant to the Government is \$7,000,000.
3. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision entitled "Payment - Letter of Credit."

D. Financial Plan

The following is the Financial Plan for this Grant. Revisions to this Plan shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget."

<u>Cost Element</u>	<u>Amount</u>
1. Emergency Relief Assistance	
a. Basic Supplies and Vital Foods	\$ 100,000
b. Medical Assistance	25,000
c. Environmental Sanitation	75,000

d. Emergency Shelter/ Housing Repairs	425,000	
e. Emergency Service/ Community Rehabilitation	740,020	
f. Social/Recreational Services	25,000	
g. Administration	100,000	
h. Headquarters Overhead	<u>9,980</u>	
Total		1,500,000
2. Small Scale Enterprises Rehabilitation		
a. Administrative Personnel	\$ 316,415	
b. Travel	17,000	
c. Operational Expenses	155,000	
d. Direct Aid (Principal, Consultants, Training and Field Worker Expense)	3,101,403	
e. Capital Assets	52,000	
f. Overhead	<u>358,182</u>	
		4,000,000
3. Health		
a. Administrative Personnel	\$ 289,277	
b. Travel	18,000	
c. Other	99,095	
d. Direct Aid	904,322	
e. Capital Assets	58,500	
f. Overhead	<u>130,806</u>	
Total		1,500,000
GRAND TOTAL		<u>\$7,000,000</u>

E. Overhead Rate

Pursuant to the provisions of the clause of the Standard Provisions of this Agreement entitled "Negotiated Overhead Rates - Nonprofit Organizations Other Than Educational Institutions", a rate or rates shall be established for each of the Recipient's accounting periods during the term of the Agreement. The rate for the initial period shall be as set forth below:

<u>Type of Rate</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Provisional	9.98%	Total Direct Cost Excluding Equipment and Commodities	until amended

F. Reports

A final report and financial statement is required detailing the expenditures made under this Grant and the result of the Grantee's effort during the term of this Grant. One copy shall be submitted to USAID/Lebanon, three copies shall be submitted to AID/ANE/TR/ARD and one copy shall be submitted to the Office of Procurement, OS/ANE, Agency for International Development, Washington, D.C. 20523.

G. Special Provisions

1. The authorized geographic code for procurement of goods and services (including seven (7) motor vehicles) under this Grant is 935.
2. Ocean shipping financed by A.I.D. under this Grant shall, except where otherwise agreed in writing by the Grant Officer, be financed only on U.S. flag vessels.
3. Notwithstanding the provision Revision of Grant Budget the grantee shall not transfer or use funds as between subprojects without the prior approval, in writing, of the AID project Officer.

ATTACHMENT B

SCOPE OF WORK

A. PURPOSE. The purpose of the program is to support Save the Children Federation's (SCF) emergency and relief assistance to families in Lebanon affected by war-related events. The program will fund three subproject activities targetted at the following purposes:

- to provide emergency and rehabilitation loan capital to restore the productive capabilities of war affected farmers and small scale entrepreneurs;
- to provide a framework for the development and delivery of emergency and primary health care services in coordination with rehabilitation assistance to six war-affected impact areas; and
- to provide immediate relief assistance to those families currently affected by conflicts or displaced.

B. BACKGROUND AND ACTIVITIES.

1.) Small-Scale Enterprise (SSE) Rehabilitation:
Sustainable support for the economic rehabilitation of war-affected farmers and businessmen remains an essential means for responding to the wide-scale destruction of villages and displacement of families. For example, between March and May 1985, over 250 businesses were directly damaged in the Sidon/Jezzine village area. Given the wide-scale destruction, most of the population (about 12,000 families) was forced to relocate and seek more secure refuge. Other regions such as Chouf and Aley have been the scenes of violent and destructive conflicts, but are now relatively secure and stable. As villagers return to these areas to reestablish farms and enterprises, modest capital inputs will be essential to their success. For a large number of permanently displaced villagers currently residing in the Greater East Beirut area, the need continues for immediate emergency supplies and assistance, and also for small-sized loans to undertake income-generating activities.

Since 1977, AID has supported a revolving loan fund administered by SCF as a source of emergency rehabilitation and development capital along with technical assistance to small scale farmers, small cooperatives and entrepreneurs throughout Lebanon. In response to deteriorating economic conditions, this new subproject builds on these earlier efforts and will enable SCF to expand credit opportunities, to further improve financial management and loan process procedures, and to complete the institutionalization process. The primary purposes of the SSE program are:

- 1.) to provide additional local capital for rehabilitating and restoring the productive capabilities of war-affected farmers and small-scale entrepreneurs,
- 2.) to stimulate commercial lending for small-scale enterprises through the provision of guarantees and other incentives and by enabling small-scale borrowers to build up a credit history, and
- 3.) to establish a viable credit institution for small-scale farmers and entrepreneurs.

Specific targets relating to these objectives are detailed in SCF Letter of 11 Jul 85. Further elaboration on the strategies SCF will employ in this subproject activity regarding loan repayment and establishment of a viable credit institution is provided in SCF's letter of 2/14/86.

SCF will focus priority attention on attracting private funding and effectively managing loan funds to ensure that this subproject activity can be maintained by SCF and continue beyond the period of this grant.

2.) Emergency Community Health Service Delivery and Primary Health Care Outreach: Eleven years of war have left Lebanon's health care system in shambles, particularly outside of the major hospitals. In some areas the health care delivery system has completely broken down, and in others it is severely overburdened. Community networks which permit self-help have atrophied or completely disappeared. The chaos of war has disrupted the provision of basic health services. Among the urban and rural poor and displaced, environmental conditions have deteriorated and the enormous refugee population creates patterns of shifting emergency needs which cannot be met by a significantly weakened, centralized health system. Infants and children do not have access to clean drinking water, immunizations or basic health services. The GOL's Ministry of Health is not in a position to turn this situation around. A new framework is needed to meet emergency health needs and to provide for effective primary health care delivery networks.

In this subproject, SCF will concentrate on meeting the most severe and immediate needs of the communities in six target areas. It will also continue to provide: a) necessary supplies and medications to cover the emergency needs of SCF mobile medical clinics now operating in Greater East Beirut and Jezzine areas; SCF Health Centers in the southern suburbs, Jbail, and South Lebanon, and for other health clinics providing special emergency and displaced family care. It will work on building up primary health care (PHC) networks and provide extensive training of community members to facilitate

progress toward improved health status for targetted families. It will develop 6 comprehensive care centers and PHC networks located in the target areas of Sidon, South Litani, Western Chahaar, Hay es-Sullum, Rural Jbail, and the Bebnine vicinity. Thirty-one communities will be served benefitting about 152,000 people. The geographic areas have been selected on the basis of level of need, accessibility, availability of manpower and readiness for community participation. In all of the six target areas, activities will be phased to ensure that priority attention is directed initially at meeting the communities' immediate relief needs. Regarding PHC service delivery, the project will target women of childbearing age, all pregnant women, infants and children at risk. A continuous care register will be established and maintained on these groups by SCF.

Health centers established by SCF will be operated on a cost-recovery basis by contributions and community fees for curative and pharmaceutical costs. SCF will be responsible for not only ensuring that emergency health needs are met and effective PHC networks established, but also that the project can continue, even on a reduced scale, if AID funds are phased out. It will seek to design and implement various financing schemes, e.g., local insurance, to expand its private funding base to cover recurring costs associated with preventive services.

3.) Emergency Relief Assistance: Sectarian fighting continued in Lebanon during 1985. As a consequence of the worsening situation, the Lebanese economy has weakened seriously, and the Government has functioned at only a minimal level. As a result of these events, there is a growing number of displaced families and injured people. While the needs will vary from family to family, they continue to require basic supplies and vital foods for children, medical assistance, sanitary conditions and adequate shelter.

Consistent with its current emergency program, SCF will continue to target families as truly needy and requiring direct emergency assistance. These will comprise displaced families who are either living in Centers (e.g., monasteries, convents, unfinished apartment buildings, old hotels and public buildings) or who may be classified as vulnerable based on such factors as number of children under 12 years (especially children under five), presence of a pregnant or lactating mother, absence of a wage-earner, and presence of handicapped or disabled persons.

Illustrative activities include:

1. Provision of essential supplies and vital foods for children and their families living in Centers or identified as vulnerable. Supplies include blankets, mattresses, and

kitchen sets -- though in accordance with strict criteria and supervision. Vital foods include milk powder, cereal formula and infant formula for children.

2. Provision of necessary supplies and medications to cover the emergency needs of SCF mobile medical clinics now operating in Greater East Beirut and Jezzine areas, SCF Health Centers in the southern suburbs, Jball, and South Lebanon, and for other health clinics providing special emergency and displaced family care

3.) Improvement of sanitary conditions for displaced families in Centers by providing supplies, as required, such as detergents, mops and brooms, garbage bags and pails, water containers, by making emergency plumbing and sewage repairs/arrangements, and by organizing pest-control and insect spraying campaigns.

4.) Provision of social service activities by (a) providing essential social services for handicapped children and the elderly who are displaced and require special care, and (b) organizing recreation and social activities on an informal basis for war-affected children.

5.) Improvement of living conditions for war-affected families by providing for the upgrading of Centers to meet minimal standards of decency and by providing for minor emergency repairs of damaged homes.

6.) Provision of emergency service awards designed to involve displaced, needy persons in carrying out emergency service and community rehabilitation projects. These projects include the clearing and removal of potential health hazards, garbage collection, shelter improvements (Centers), minor road and sewage repairs, and basic repairs of community facilities (schools, clinics, reservoirs, parks, etc.).

C. IMPLEMENTATION.

1.) Small-Scale Enterprise Activities: The primary thrust of this subproject is to develop a credit institution for small-scale borrowers. It is intended that the institution be built around SCF's current SSE program, absorbing its staff, management procedures and policies and organizational structure. The major organizational components of the proposed credit institution are defined on pp. 13-15 of SCF's subproject proposal dated 11 Jul 85.

2.) Emergency Community Health Service Delivery and Primary Health Care Outreach: While the specific steps of implementation will vary based on community needs and

resources, SCF has developed and will utilize a phased approach as outlined in pp. 19-25 of the Health subproject proposal. The organizational structure for the administration of the subproject is presented and detailed on pp. 26-28 of

3.) Emergency Relief Assistance: SCF's emergency relief and rehabilitation activities are organized around three primary centers of operation, the main office in West Beirut and the suboffices in Jounieh and Sidon. The West Beirut office is responsible for overall coordination and administration and for direct relief efforts in West Beirut and southern suburbs, Chouf, Aley and Eqlim Kharroub districts. The Jounieh suboffice is responsible for East Beirut and suburbs, Metn, Kessrouan, and Jbail districts as well as North Lebanon. The Sidon suboffice is responsible for South Lebanon. In addition, a SCF staff person has been based in Jezzine. This individual is responsible for travelling to Marjeyoun weekly to provide assistance there as well.

Priority areas are identified in Paragraph B, above, "Background and Activities." In addition, AID reserves the right to request SCF to give priority attention to certain areas, villages, communities, and families requiring special attention in light of the emergency situation in Lebanon.

To expedite relief efforts and to ensure proper supervision and monitoring of all emergency assistance activities, SCF will deploy 30 field workers. Of this staff, 12 are deployed full-time in emergency relief activities; the others will be responsible for carrying out surveys of displaced families, monitoring distribution of all relief items, supervising housing and shelter repairs and community service projects, and ensuring that SCF criteria and standards are complied with fully. In addition, SCF retains a team of medical professionals and engineers to ensure technical competence and quality care. Cooperative arrangements have also been made with UNICEF and Oger-Liban for further technical support. SCF will also organize local committees to assist in relief efforts and will coordinate its efforts, as appropriate, with local organizations. It will, however, be responsible for ensuring that emergency relief and rehabilitation assistance is implemented with professional accountability and integrity, beyond the reaches of politics and "mixed" local interests.

D. REPORTS.

SCF will be responsible for providing AID with written reports under these three subprojects as detailed below during the life of this project. In addition, SCF will be responsible for apprising AID of any changes in methods of implementation, e.g., staffing changes, during the life of this project.

1. For the SSE Subproject:

- a. Monthly financial reports
- b. Semi-annual reports on status of revolving loan fund
- c. A program progress report covering the first year and a final program progress report, should include descriptive information on SCF's progress in establishing a viable credit institution, and results in terms of SCF's administration and management of the revolving loan fund.
- d. A revised implementation plan for Year Two

2. For the Emergency Community Health Service Delivery and PHC Outreach Subproject: SCF will be responsible for the providing AID with reports as specified on pp. 33-34 of the Health proposal.

3. For the Emergency Relief Subproject: SCF will be responsible for submitting to AID/Lebanon and AID/Washington quarterly written progress reports detailing the status of the program. These reports should contain details regarding the relief and rehabilitation services provided by SCF and should identify the beneficiaries by area and number. A brief summary of accomplishments, problems encountered, and lessons learned should be included. Finally, a financial activity report should detail expenditures and the balance of noncommitted funds under this activity. A final report for the one year period of funding under this subproject activity is to be submitted within 30 days of the termination of funding for this subproject component.

SCF will submit five copies of these reports to ANE/TR/HR, Attention: PVO Officer, Agency for International Development, Washington, D.C. 20523, for distribution to concerned offices.

E. EVALUATION.

Given the severely constrained and difficult circumstances under which the PVOs are operating in Lebanon, formal independent evaluation of the three subproject activities will not be required. SCF will instead design frameworks that will enable it to undertake self-evaluation of progress and impact under these subprojects. The evaluation designs and strategies for these components should be developed in the context of what can realistically be expected in terms of examining these subprojects in such an environment.

SCF will submit an evaluation plan for the SSE subproject to AID/Lebanon within the first six months of the program. Considerable weight will be given to the reports in Paragraph D, above.

The health subproject evaluation plan and reporting timetable are defined on pp. 30-34 of the subproject proposal.