



Australian Government

AusAID

Mr. Eric G. Postel
Assistant Administrator
Economic Growth, Agriculture and Trade Bureau
U.S. Agency for International Development
1300 Pennsylvania Ave., N.W.
Washington, DC 20523

Re: Gift for All Children Reading: A Grand Challenge for Development

Dear Mr. Postel

This letter is to inform you that the Australian Agency for International Development ("AusAID") wishes to collaborate with the United States Agency for International Development ("USAID" and, together with AusAID, the "Parties") on a project to support All Children Reading: A Grand Challenge for Development (the "Program"), as described in the memorandum of understanding (the "MOU") among AusAID, USAID, World Vision US and World Vision Australia, dated December 16, 2011. AusAID and USAID agree that the satisfaction of the obligations and terms and conditions with respect to the Program set forth in this gift agreement (the "Gift Agreement") are conditions to the Gift. AusAID and USAID agree that this gift agreement is not an international treaty and is not binding under international law.

Use of Gift Funds. AusAID's Gift funds are to be applied towards grants to be awarded under the Program ("ACR Grants"); provided that up to 10% of the Gift funds may be applied towards administrative expenses associated with issuing and managing the ACR Grants. Any funds unexpended or uncommitted by September 30, [2015] (or such other date as agreed in writing by the Parties) must be promptly returned to AusAID, unless otherwise agreed by the Parties. AusAID acknowledges that its funds may be pooled with funds from other donors, including USAID, in the award of grants under the Program, and that in the event funds have been pooled and must be returned to AusAID pursuant to this Gift Agreement, USAID will provide AusAID its pro rata share of any such funds.

Selection of Grants. AusAID acknowledges that the selection of grants under the Program will be made pursuant to the terms and conditions set forth in a Request for Applications (RFA) issued by USAID and the processes set forth in the MOU. AusAID further acknowledges that grants funded pursuant to this Gift Agreement will be made in accordance with all laws, regulations, policies and procedures applicable to USAID.

Administration and Oversight of Grants; Grant Reports. AusAID acknowledges that ACR Grants awarded with USAID and AusAID funds will be managed by USAID staff subject to USAID's legal, policy and procedural requirements. In addition to the Governance arrangement set forth in the MOU, USAID agrees to provide AusAID with copies of annual

progress reports (including with respect to milestones, if any), annual reports, and audit reports received by USAID with respect to ACR Grants. AusAID may review all such reports and provide views and guidance to USAID with respect to the ACR Grants. All final decisions, approvals, or other actions to be taken with respect to ACR Grants will be made by USAID.

Payments. This table shows the schedule for gift payments. AusAID may authorize changes to the payment schedule from time to time where appropriate and will confirm any such changes in writing.

US Government Fiscal Year for Expected Obligation of Funds	Payment Date	Payment Amount
FY2012	Within 30 days following receipt of the countersigned Gift Agreement	\$2,000,000 Australian Dollars (AUD)*
FY2013, or as otherwise agreed by the parties	Date to be jointly determined by USAID and AusAID	\$3,000,000 Australian Dollars (AUD)*

* Each Payment Amount shall be transferred to USAID on the respective Payment Date, pursuant to the transfer instructions to be provided by USAID to AusAID. Payments will be made in AUD currency, the exchange rate of the day of transfer will prevail.

Termination. AusAID has the right at its discretion to terminate or suspend the gift or withhold payment if USAID fails to comply with any material term or condition of this Gift Agreement. This Gift Agreement may be terminated by mutual agreement or by either Party at any time, provided that the Party so terminating shall endeavor to provide 30 days advanced written notification to the other Party. Notwithstanding any other provision of this agreement, on termination, if requested by AusAID, USAID agrees to promptly return to AusAID any gift funds that have not yet been committed or obligated (as of the date of termination) previously distributed to USAID by AusAID for the Program. In the event that funds have been pooled and must be returned upon a termination of this Gift Agreement, USAID will provide AusAID its pro rata share of any such funds.

Announcements; Public Reports and Use of AusAID and USAID Name and Logo. Pursuant to the terms agreed by the Parties in the MOU, the Parties intend to include information about this Program in periodic public reports and may make information about this Program public.

Counterparts. This Gift Agreement, including any amendments, may be executed in counterparts which, when taken together, will constitute one agreement.

Entire Agreement; Severability and Amendment. This Gift Agreement constitutes the entire agreement of the parties and supersedes any prior oral or written agreements or


communications between them regarding its subject matter. The provisions of this Gift Agreement are severable so that if any term or provision is found for any reason to be invalid, illegal, or unenforceable, such finding shall not affect the validity, construction, or enforceability of any remaining term or provision. This Gift Agreement may be amended or modified only by a mutual written agreement of the parties.

Availability of Funds. All undertakings of the United States Government (USG) under this Gift Agreement are subject to the transfer of funds from AusAID to USAID. Nothing in this Gift Agreement shall be construed to constitute an obligation or commitment of USG appropriated funds.

AusAID will await USAID's formal acceptance of the conditions set forth herein and acknowledgement of the proposed AusAID gift as evidenced by the signature below.

Please sign and return this letter to Sally-Anne Henfry, Education Thematic Group, Sally-Anne.henfry@ausaid.gov.au, (61) 2 6206 4860. Please keep a copy for your records. If you have questions, please contact Sally-Anne Henfry.

Sincerely


Sue Elliott
Acting Assistant Director General
Health, Education and Scholarships Branch
Australian Agency for International Development

16 December 2011
Date

United States Department of State, by its authorized representative at the United States Agency for International Development, agrees to the terms and conditions of this Gift Agreement.

Eric G. Postel
Assistant Administrator
Economic Growth, Agriculture and Trade Bureau
U.S. Agency for International Development

Date

MEMORANDUM OF UNDERSTANDING

All Children Reading: A Grand Challenge for Development Among the United States Agency for International Development, World Vision, Inc. (U.S.), World Vision Australia, and the Australian Agency for International Development (collectively “Founding Partners”)

I. Purpose

The United States Agency for International Development (USAID) is seeking game-changing innovations with the potential to solve long-standing development challenges. Such challenges include inadequate reading skills and low literacy rates among primary grade children. Through a multi-year initiative called All Children Reading: A Grand Challenge for Development (ACR), USAID will collaborate with World Vision U.S. and World Vision Australia (collectively “World Vision”), the Australian Agency for International Development (AusAID), and other future partners (hereinafter collectively referred to as the “Partners”) to achieve the goal of global action to improve child literacy. For purposes of making any decisions under this Memorandum of Understanding (MOU), World Vision will be considered one entity.

USAID, World Vision, and AusAID (hereinafter each referred to as a “Founding Partner” and collectively as “Founding Partners”) share the common goal of advancing international development through quality education and child literacy around the world. For this reason, the Founding Partners seek to share their respective strengths, expertise, technologies, methodologies, and resources (including in-kind services, in-kind goods, and monetary) in order to pursue activities of mutual interest focused on supporting a range of specific initiatives that advance the common goal of improving child literacy. USAID, World Vision, and AusAID anticipate the joining of new partners in the ACR.

The Founding Partners will marshal their respective resources, networks, and expertise to:

- a. Define the core problems to be solved;
- b. Determine and articulate the critical barriers to successfully overcoming those problems;
- c. Fund the design and implementation of wide-scale solutions that promote early grade reading; and
- d. Convene stakeholders to further knowledge exchange, research and evaluation around promising practices.

The ACR, which will include multiple activities to achieve the objective of improved child literacy, will initially focus on addressing barriers to access to quality learning materials and education data to inform decision-making in reading interventions. As appropriate, innovative uses of information and communications technology (ICT)s will be included in ACR activities to surmount these barriers, including for example, exploring the uses of technology to promote learner access to reading materials.

Under the auspices of this MOU, the Founding Partners will seek to work together on activities that contribute to the shared goals under the ACR. The purpose of this MOU is to set forth the understandings and intentions of the Founding Partners with regard to these shared goals. This

MOU provides the framework and scope within which specific projects may be jointly developed and implemented. Under the ACR, two initial components have been identified, and it is anticipated that additional components will be identified throughout the course of the ACR.

The first major component in support of the ACR is the *All Children Reading Grants Program* (the "Initial ACR Grants"), which will provide grants to catalyze innovations and support rigorous research and evaluation. The structure and management of the Initial ACR Grants will be decided jointly by the Founding Partners.

The second major component, running concurrent with the Initial ACR Grants, is the *Mobiles for Reading* initiative. The activities undertaken through this initiative will be focused on knowledge sharing events on the use of mobile applications (broadly defined to include phones, e-readers, tablets, micro-projectors, and other technologies) for promoting early grade reading. Anticipated activities include, but are not limited to, supporting face-to-face and virtual information exchange among interested stakeholders and supporting research and evaluation. Geographic focus and activities undertaken through the *Mobiles for Reading* initiative under this MOU will be jointly decided by the Founding Partners.

II. Founding Partners

Cooperation among the Founding Partners as outlined in this MOU is not to be considered or construed as a general or limited partnership or other type of legal entity; use of the term "Partner" herein means collaborator, and no Founding Partner will be jointly or severally liable for the acts, omissions, debts or liabilities of any other Founding Partner.

Each Founding Partner is to accept full and sole responsibility for any and all expenses it may incur relating to this MOU. Nothing in this MOU is to be construed as superseding or interfering in any way with any agreements or contracts unrelated to this MOU entered into between the Founding Partners, either prior to or subsequent to the signing of this MOU. Nothing in this MOU is to be construed either as an exclusive working relationship or as an endorsement of a specific entity. The Founding Partners specifically acknowledge that this MOU is not an obligation of funds, nor does it constitute a legally binding commitment by any Founding Partner or constitute a legally binding commitment by any Founding Partner or create any rights in any third party under this MOU or any project- or activity-level MOU.

The Founding Partners are entering into this MOU while wishing to maintain their own separate and unique missions and mandates, and their own accountabilities. The cooperation between the Founding Partners is as outlined in this MOU.

III. Contributions

Founding Partners will provide financial contributions to support the goals of the ACR. USAID, subject to availability of funds, anticipates contributing \$7 million by September 30, 2012 and a cumulative minimum of \$10 million over the life of the ACR. AusAID, subject to availability of funds, anticipates contributing \$5 million Australian Dollars (AUD) (approximately \$5.043 million calculated on the exchange rate published by the Reserve Bank of Australia on Nov 16, 2011) by September 30, 2013. World Vision subject to availability of funds, anticipates collectively contributing \$5 million by September 30, 2014 over the life of the ACR. It is expected that World Vision's contribution will cover grants issued by World Vision as well as its

own reasonable administrative expenses associated with issuing and managing such grants (as specified in section V, B) Grant Management. The contributions of the Founding Partners referenced above are collectively referred to as the “Founding Partner Contributions.” The Founding Partner Contributions may be used to fund the Initial ACR Grants, Mobiles for Reading, as well as other components of the ACR, as determined by the Founding Partners.

IV. New Partners

Founding Partners shall jointly agree on the level of involvement of any new partners, including but not limited to each new partner’s respective rights and obligations, and on any resulting amendments to this MOU. New partners will be able to contribute financial, in-kind or technical resources to the ACR, including to ACR grant solicitations. Upon joint agreement of the Founding Partners, a new partner may be able to participate in the design and development of grant solicitations other than 1) solicitations whose design and development have significantly progressed prior to its accession to the ACR; or 2) solicitations previously agreed to and issued by existing Founding Partners. Notwithstanding the above, new partners will not be able to participate in the design and development of the first solicitation for the Initial ACR Grants.

V. Roles and Responsibilities

A) Governance

Founding Partners of the ACR will select one representative to serve on a Steering Committee that will work together to further oversee the strategic and managerial aspects of the ACR, including but not limited to:

1. Conducting outreach regarding the ACR;
2. Developing a new brand, and being represented in communications and public launches;
3. Participating in key decision-making, promotional and high-visibility meetings related to the ACR, including the ACR DevelopmentXChange;
4. Participating in the design of procurement mechanisms under this ACR, including technical evaluation criteria and focus areas;
5. Identifying personnel to serve on ACR Technical Evaluation Committees, which will evaluate applications for ACR funding; and
6. Participating in the monitoring, evaluation and management of ACR awards.

B) Grant Management

All ACR grants will be awarded through a collective process based on the agreed technical evaluation criteria for allocating funding, and consistent with the spirit of partnership. Unless otherwise agreed, the Founding Partners will participate in the drafting of the grant solicitation, review of applicants’ proposals, and grantee selection.

World Vision will manage all grants awarded with World Vision funds. World Vision funds will be awarded only to grantees implementing programs in World Vision Area Development Programs (ADPs).

USAID will manage all grants awarded with USAID and AusAID funds.

In awarding the grants, the Founding Partners must not discriminate for or against on the basis of their religious character or affiliation. Furthermore, the grant recipients must not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the programs or services directly funded under the ACR. If the recipient engages in inherently religious activities, such as worship, religious instruction, and proselytization, it must offer those services at a different time or location from any programs or services directly funded by this award, and participation by beneficiaries in any such inherently religious activities must be voluntary.

All ACR grants will be awarded in accordance with the terms of the jointly developed procurement mechanisms. All ACR grants awarded with USAID and AusAID funds will be subject to USAID's requirements, and all ACR grants awarded with World Vision funds will be subject to World Vision's requirements. The Founding Partners expect to share with each other all information received from awardees.

Each Founding Partner acknowledges that it will not be eligible to compete for any award funded with the Founding Partner Contributions. Each Founding Partner acknowledges that it is not, by its participation in this MOU, waiving its eligibility to compete for future USAID awards beyond those funded with Founding Partner Contributions. Each Founding Partner further acknowledges that decisions regarding the eligibility of a Founding Partner to compete in USAID competitions, including those issued under or related to the ACR, are made by USAID on a case-by-case basis in light of the facts surrounding a particular competition.

A new partner may identify itself, or a Founding Partner, to manage future ACR grants awarded with its funds, as jointly agreed by the Founding Partners.

The Founding Partners will continue to define their roles and responsibilities as they jointly develop specific initiatives that advance the common goal of improving child literacy.

VI. Media, Marketing and Intellectual Property

The Founding Partners will seek to collaborate in the development of outreach and education materials regarding the ACR for external audiences, including development of a website that includes joint-branding for Founding Partners.

The Founding Partners may undertake public communications activities in accordance with their respective legal, policy and procedural requirements, which aim to have appropriate publicity provided for the ACR and suitable attribution given to each Founding Partner.

Joint branding may be used with the agreement of all Founding Partners. Each Founding Partner may make its logo available for use on specific ACR materials at its sole discretion. Each Founding Partner must provide approval prior to the publication of all high visibility information and materials, including but not limited to the website, press releases, marketing brochures, videos, etc., that contain other Founding Partner's logo. Where materials are co-branded and co-marked, subject to agreement among the Founding Partners otherwise, it is expected that they would give equal prominence to each Founding Partner.

The Founding Partners agree to work together to develop a joint communications and branding plan for the ACR that outlines how project activities and communications materials will be branded and how common messages will be developed, and that identifies opportunities for joint public communications by the Founding Partners.

VII. Confidentiality, Non-Disclosure, and Technical Evaluation Committee Member Conflicts of Interest

ACR grant awards will be made through a competitive process. Accordingly, the Founding Partners will follow confidentiality and non-disclosure policies for procurement, source selection, and applicant information, and technical evaluation committee member conflicts of interest.

VIII. Designated Points of Contact

Each Founding Partner has appointed a primary point of contact and liaison (hereinafter called the "Relationship Manager") responsible for the management and development of the relationship between the Partners under this MOU as follows:

USAID	World Vision, Inc.	World Vision Australia	AusAID
U.S. Agency for International Development 1300 Pennsylvania Avenue, NW Washington, DC 20523	World Vision 300 I Street, NE Washington, DC 20002	World Vision Australia 1 Vision Drive East Burwood VIC 3151	AusAID 255 London Cct Canberra ACT 2601 GPO Box 887
Anthony Bloome Education Technology Specialist USAID/EGAT/ED Telephone: +1 (202) 712-5797 abloome@usaid.gov	Terry Ferrari Vice President, Resource Development and Management Telephone: +1 (202) 572-6591 tferrari@worldvision.org	Christine Latif Grants Manager Program Resourcing & Partnerships Telephone: + 61 3 9287-2741 christine.latif@worldvision.com.au	Sally-Anne Henfry, Education Thematic Group Sally- Anne.henfry@ausaid.gov.au (61) 2 6206 4860

XIII. Effective Date, Duration, Amendments, and Termination

Activities under this MOU may commence once signed by the Founding Partners and are expected to continue through September 30, 2015. However, the Founding Partners may decide, in writing, to extend or shorten this period. In addition, this MOU may be modified in writing by mutual agreement of the Founding Partners. A Founding Partner may terminate its participation