

INVESTMENT OPPORTUNITY



BRAZIL: RENOVATION OF GYM HELPS COMMUNITY REBUILD

GYM WILL BE USED FOR COMMUNITY CELEBRATIONS, EVANGELISM AND DISCIPLESHIP EVENTS



Children play at the current House of Hope gym. Because there is no roof, the concrete floor gets very hot during the day. The new gym will have a roof that protects children from the rain and heat.

PROJECT OVERVIEW

CONTEXT: The Anglican Diocese of Recife, the largest parish in Brazil, is located in Pernambuco state. Recife is the country's sixth-largest metropolitan area and home to 3.7 million people. It was once known for its vast slums, violent crime and drug dealers. Life in Pernambuco is changing as the region sees new industries open that help it recover from an economic slump. Families have begun to hope for a better future and faith in their communities, and they are seeking to revitalize their neighborhoods.

NEED: The Diocese of Recife seeks to bolster the lives of residents in Pernambuco community by renovating a dilapidated gym to better meet the social, spiritual and economic needs of the community. The current gym lacks a roof, exposing users to the rain or tropical sun. Most of the people that the diocese serves are slum dwellers who have few options to meet their basic needs. The gym will complement other diocesan services provided through the *Casa de Esperanza*, or House of Hope.

SOLUTION: The diocese will renovate a multi-purpose gym in Pernambuco that will serve members of the community and complement House of Hope's outreach programs. With the renovated space, the Diocese of Recife will be able to offer programs that boost the lives of community members. It will be used for fellowship, afterschool programs, weekend evangelism, outreach to children and care for mothers.

LIFE IMPACT

Benefits 900 people, some in multiple ways:

- 65 children who will have a new play space to develop their extra-curricular skills
- 25 children who will attend the after-school program twice per week
- 50 children who will participate in weekly soccer clinics every Saturday, gaining team skills
- 40 people who will gather for Saturday night worship at the gym
- 120 parents and guardians of the children who will experience the benefits of an education for their children
- Up to 600 people per year who will use the facility for community events, such as weddings and retreats

PROJECT PROFILE

ID: ARDF-0716-Recife

Lead Ministry

**ANGLICAN DIOCESE OF RECIFE,
HOUSE OF HOPE**



LIVES IMPACTED 900

SECTOR COMMUNITY DEVELOPMENT

AMOUNT REQUESTED \$71,887

COST PER BENEFICIARY \$79.87

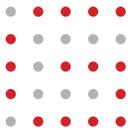
TIMELINE 1 YEAR

IN THEIR OWN WORDS

"I study at Casa Da Esperanza. I would like [to be able to play soccer in an enclosed soccer field.] When we are playing, the ball goes to the neighbors' houses and the neighbors complain. When we play football, we get blisters under our feet [due to the hot pavement]. And when it rains, there is a lot of mud, and we can fall and hurt ourselves. That's why I am asking for a roof where all of us from the community can come to play and do all the activities."

— Ana Beatriz, 11, a participant at Casa de Esperanza





WHAT IT'S LIKE NOW



"The major cities [of Brazil] experience the effects of persons addicted to illicit drugs. Street assaults, robberies,

and other criminal activity generate proceeds to support their addictions. Brazil is the number-two consumer of cocaine in the world, behind the U.S. As such, a large proportion of crime is drug-related."

— U.S. State Department, **Brazil 2015 Crime and Safety Report: Recife**, www.osac.gov/pages/ContentReportDetails.aspx?cid=18843

"Between 1980 and 2000, the number of people of Recife living in marginalized areas deprived of essential services grew from 43.1 percent to 51.1 percent, while the number of households in the same situation increased from 42 percent to 50.9 percent. ... The city has been historically affected by water-related infections that affect mostly the poor, marginalized neighborhoods. It is clear that the main causes of both the success and failure of these interventions are social, and particularly political issues."

— Interview with Dr. Esteban Castro on poverty and the lack of essential water and sanitation systems in Brazil, March 15, 2016, European Union Research on Social Sciences. <https://ec.europa.eu/research/social-sciences/index.cfm?pg=newspage&item=160225>

PROJECT DESIGN

The Diocese of Recife hosts the House of Hope, which provides holistic outreach to the community. Through the House of Hope, the diocese engages the community with the Gospel in a variety of ways. It operates a daycare and after-school program to meet the needs of largely vulnerable children living in this urban slum community. The program takes in children of working single mothers and other at-risk children with the goal of bringing them to wholeness and academic excellence. It also operates a thrift shop and offers evangelistic outreach through its many small groups. The House of Hope team is comprised of four teachers, one coordinator, seven support and administrative staff members and the president. A pool of volunteers who previously benefited from the program also help out at the center.

This project will provide the House of Hope with a renovated multi-purpose gym, air conditioning, a roof over a recreation space and rooms for hosting vocational training programs for making handmade goods. The gym will host spaces for teen mothers and single mothers in weekly support groups where they receive assistance on prenatal and postpartum healthcare. The after-school program will provide sports and recreational opportunities at the gym to help keep children off the streets and away from life's negative influences. The gym will also be used for events such as youth extravaganzas, community health days, weekend church retreats and evangelism services.

House of Hope will draw on previous construction experience and will hire a team to renovate the building. The community will provide some of the labor.

Measuring impact. Project leaders will track progress on the renovation and report to the bishop on a regular basis. Project leaders will account for the number of people attending the different programs offered at the gym.

TRACK RECORD

House of Hope has undertaken other construction projects during its 18 years of ministry in Recife. Between May 2007 and May 2008, Holy Spirit Anglican Parish, which hosts House of Hope, received funding through the Anglican Relief and Development Fund (ARDF) to conduct the Videira program in Greater Recife. Through this program, 105 pregnant women and their families were exposed to the Word of God. ARDF has continued to fund several other projects for the Diocese of Recife, including the 2014 construction of a similar gym in the city of Conde, which now serves more than 700 people in the diocese.

PROJECT BUDGET

ITEMS

Salaries and labor	\$24,217
Roofing materials and a crane	\$22,338
Monitoring and evaluation	\$9,377
Masonry work	\$6,507
Painting, ceramics and finishing	\$6,360
Foundation block, clearing, demolition, rubble, cement and walls	\$1,573
Electric fittings and AC	\$1,515
TOTAL	\$71,887¹

SOURCES OF FUNDS

REQUESTED FUNDS

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HOW YOU CAN CONTRIBUTE

- For \$52.22, one child can use the completed gym.
- For \$1,515, you will cover the electric fittings of the whole gym.
- For \$6,360, you will cover the cost of painting and finishing the gym.
- For \$2,000 per person, eight people can pay for a new roof for the gym.

NOTES

¹ House of Hope had originally requested \$47,000 for this project, but that proposal was based on last year's construction rates. This request includes \$62,510 in construction costs and monitoring and evaluation fees.

IMPLEMENTER FINANCIALS*

This project adheres to some or all of this sector's established best practices

INCOME	2013	%	2014	%	2015	%
Donations	106,415	100	87,262	100	73,140	100
TOTAL	106,415		88,078**		73,140	
EXPENDITURES	2013	%	2014	%	2015	%
Personnel	90,498	74	81,802	84	55,606	76
Program, office administration	31,008	26	15,539	16	17,464	24
TOTAL	121,506		97,341		73,070	
SURPLUS / (DEFICIT)	(15,091)		(9,263)		70	

NOTES:

* income and expenditures reported in U.S. dollars

** see note regarding immaterial sales in 2014 below

INCOME: Donations, the only source of income presented in the financial statements (except for immaterial sales in 2014), dropped an average of 20 percent each year reviewed. This is partly related to the change in leadership as relationship-based fundraising is often impacted by changes in top leadership. The director of the organization focused on developing relationships with the churches. It is hoped this will change the tide as churches are informed about the vision for the center and how they can be involved.

EXPENSES: Total expenses were greater than income in 2013 and 2014. For 2015, expenses fell very close to the amount of donations. Program costs were not separated from administration costs in the financial statements. Personnel costs comprise an average of 78 percent of total income for each year reviewed. Because of the type of program, having personnel costs as the biggest expense is reasonable.

RISK ANALYSIS



Low: 1, Low/Medium: 2, Medium: 3, Medium/High: 4, High: 5



CONCEPT: 1

This project is located within the poorest region of Brazil, an area that also has a high illiteracy rate and large gaps in available social and economic services. Through this project, children and families at large will have the opportunity to learn new skills including sports, life skills and the Gospel in a safe and clean environment. The renovated facility will enable the diocese, through the House of Hope, to solidify its presence as a source of hope and transformation through acts of love inspired by the Gospel.

PROGRAM DESIGN & EXPERIENCE: 2

The diocese is heavily invested in this community and has been implementing holistic ministries for more than 18 years through the House of Hope. It has clear indicators of engagement, defining them as both short-term and long-term goals. This building will enhance its capacity to provide much-needed services for children, youth, women and the broader community. However, while the diocese has conducted other construction programs, care must be taken to ensure that the plans for the renovated building are clearly spelled out and the work is carried out well. House of Hope received estimates from a respected construction firm that will also be supervising the renovation to mitigate the risk.

LEADERSHIP: 1

The Diocese of Recife is highly regarded within the community and has several skilled staff leading and

implementing this project. The president of House of Hope is from the community and understands the vast needs of the people she serves. The project is strongly recommended by the area bishop, who has been a champion for life transformation through the Gospel for many years.

FINANCIAL CONTROL: 3

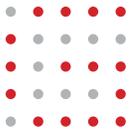
The House of Hope ministry as part of the Diocese of Recife has stable management. It is run as a separate ministry with its own financial accounting. It lacks audited financial statements, although they will be externally audited as of this year. It does not have independent governance as all board members are members of the Anglican Church. They have had deficits in two of the years analyzed but are currently running within budget.

SUSTAINABILITY: 2

Continued access to funds is necessary to maintain this project in the first years until it can be self-sustainable. House of Hope has attracted support from nongovernmental and governmental organizations to run its core programs. However, given the low-income community it serves, the diocese will continue to need ongoing support from the diocese to run the overall operations at House of Hope.

EXTERNAL: 2

The region is subject to political and economic instability. However, the Diocese of Recife has a proven track record of successfully implementing projects despite these conditions.



LEADERSHIP PROFILES

Ana Paula Araujo is the president of House of Hope. Her background includes:

- a nursing degree from Universidade Federal de Pernambuco in Recife, Brazil
- a post-graduate diploma in obstetrics and gynecology and training as a midwife
- employed for three years at the public hospital in Recife
- volunteered at the House of Hope for four years prior to joining as a coordinator of programs in 2012 and being named president in 2013

The Rt. Rev. Miguel Uchoa has been the bishop of the diocese since 2012. His background includes:

- rector of the Paróquia Anglicana Espírito Santo, (Anglican Church of the Holy Spirit) in Jaboatão dos Guararapes, Pernambuco
- elected fourth bishop of the diocese in succession to the late Dr. Robinson Cavalcanti

REFERENCES

“The House of Hope is located at the Carolina Favela [slums], and the need there is just immense. The children at the House of Hope are offered five meals per day [and] a secure and loving place to be during the day while their guardians are able to work. Many of those kids – I would dare to say the majority of them – do not have enough food at home for their families. These are extremely poor families who rely on the House of Hope for the most basic necessities. Not just the children, but the families in that community have been deeply impacted by the influence of the leadership at the House of Hope, as well as all that is provided to help and support the community. There are different programs, as well as the daycare, that functions from Monday to Friday to help not just the children, but their teenagers, their young adults, their parents, their seniors. By helping them renovate their gym, you are helping every family in that favela.”

– Mari Feitosa, a long-time supporter of the House of Hope

“Bishop Miguel and the diocese continue to help bring people to faith in Jesus Christ, disciple them, and deploy them into what I think might well be the most full Gospel expression of any Anglican Diocese in the world. Of course I haven’t been to every diocese in the Anglican Communion ... but I have been to many – in 37 of the 39 provinces. Some kids today would praise the work going on in the Diocese of Recife by saying, “Recife is da bomb,” not literally of course – it just means that they are really good – spiffy, in fact.”

– The Rt. Rev. Bill Atwood, bishop of the ACNA International Diocese and an American Anglican Council contributing author

RESEARCHER’S STATEMENT



Rhoda Gathoga
Sr. Research Analyst
July 2016

The Diocese of Recife through its House of Hope outreach programs provides a much-needed safety net to the community of urban slum dwellers it serves. A renovated gym will enhance its ability to build up an impoverished community and empower the people to see their worth first in God’s sight. They will be able to reach children and instill in them strong values from a very young age. The holistic programs offered at the multi-

purpose center will strengthen families and the community at large to better withstand the challenges they face. House of Hope has contracted a professional company to renovate the building to help ensure that the residents have a facility they can use for years to come.

IMPLEMENTER’S INSPIRATION

“He rescued us from the power of darkness and brought us safe into the kingdom of his dear Son.”
– Colossians 1:13, GNT

HOW TO FUND THIS PROJECT

PROJECT RECAP

ID - ARDF-0716-Recife
Timeline - 1 year
Requested - \$71,887
Modified - 092016

For information about the Fund or Projects, write to:
800 Maplewood Ave.
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(724) 251-6045
www.ARF.org



The Anglican Relief and Development Fund™

