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Form **990-PF**
Department of the Treasury
Internal Revenue Service

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052
2010

For calendar year 2010, or tax year beginning , **2010, and ending** , **20**

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Name of foundation
Merck Company Foundation

A Employer identification number
22-6028476

Number and street (or P O box number if mail is not delivered to street address)
One Merck Drive, P.O. Box 100

Room/suite

B Telephone number (see page 10 of the instructions)
908-423-1000

City or town, state, and ZIP code
Whitehouse Station, NJ 08889

C If exemption application is pending, check here ▶ ☐
D 1. Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 291,071,373

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____ *(Part I, column (d) must be on cash basis)*

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ▶ ☒ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,438,944	1,438,944		
	4 Dividends and interest from securities	4,362,746	4,362,746		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule) Stmt #1	12,598,128	12,598,128		
	12 Total. Add lines 1 through 11	18,399,818	18,399,818	0	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	153,099	153,099		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) #2	364,934			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) Stmt #3	439,938			439,938
	24 **Total operating and administrative expenses.** Add lines 13 through 23	957,971	153,099	0	439,938
	25 Contributions, gifts, grants paid	47,673,821			47,673,821
	26 **Total expenses and disbursements** Add lines 24 and 25	48,631,792	153,099	0	48,113,759
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	-30,231,974			
	b **Net investment income** (if negative, enter -0-)		18,246,719		
	c **Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	0	77,509,577	77,509,577
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶	370,652	370,652	370,652
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)			
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ (attach schedule)			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)	332,350,313	213,191,144	213,191,144
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ (attach schedule)			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	332,720,965	291,071,373	291,071,373
Liabilities	17 Accounts payable and accrued expenses	16,178,794	43,799	
	18 Grants payable	411,204	506,412	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	16,589,998	550,211	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ X			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	316,130,967	290,521,162	
	30 **Total net assets or fund balances** (see page 17 of the instructions)	316,130,967	290,521,162	
	31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	332,720,965	291,071,373	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	316,130,967
2	Enter amount from Part I, line 27a	2	-30,231,974
3	Other increases not included in line 2 (itemize) ▶ To reconcile	3	4,622,169
4	Add lines 1, 2, and 3	4	290,521,162
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	290,521,162

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a				
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				0
b				0
c				0
d				0
e				0

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			0	0
b			0	0
c			0	0
d			0	0
e			0	0

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	0
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009			0.0000
2008			0.0000
2007			0.0000
2006			0.0000
2005			0.0000

2	**Total** of line 1, column (d)	2	0.0000
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.0000
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	0
5	Multiply line 4 by line 3	5	0
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	0
7	Add lines 5 and 6	7	0
8	Enter qualifying distributions from Part XII, line 4	8	0

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	364,934
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	364,934
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	364,934
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 164,356		
b	Exempt foreign organizations-tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 200,578		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	364,934
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	0
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ **Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ _____ (2) On foundation managers ▶ $ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ NEW JERSEY			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ NONE

14 The books are in care of ▶ TAXPAYER Telephone no ▶ 908-423-1000

Located at ▶ ONE MERCK DRIVE, WHITEHOUSE STATION, NJ ZIP + 4 ▶ 08889-0100

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶	16		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b		X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No If "Yes," list the years ▶ _____, _____, _____, _____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see page 22 of the instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ _____, _____, _____, _____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a	During the year did the foundation pay or incur any amount to				
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No		
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	☒ Yes	☐ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No		
b	If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?			5b	X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☒ Yes	☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)				
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes	☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			6b	X
	If "Yes" to 6b, file Form 8870.				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☒ No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?			7b	

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE ATTACHED STATEMENT #4		0		

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 SEE STATEMENT #4A	23,240,727
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3 ▶	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	
b	Average of monthly cash balances	1b	299,526,366
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	299,526,366
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	299,526,366
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	4,492,895
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	295,033,471
6	**Minimum investment return.** Enter 5% of line 5	6	14,751,674

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6			1	14,751,674
2a	Tax on investment income for 2010 from Part VI, line 5	2a	364,934		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	364,934
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	14,386,740
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	14,386,740
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	14,386,740

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	48,113,759
b	Program-related investments - total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	48,113,759
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	48,113,759

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				14,386,740
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
b Total for prior years 20____,20____,20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005 35,928,383				
b From 2006 39,086,242				
c From 2007 41,908,198				
d From 2008 21,576,905				
e From 2009 27,186,634				
f **Total** of lines 3a through e	165,686,362			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 48,113,759				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2010 distributable amount				14,386,740
e Remaining amount distributed out of corpus	33,727,019			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	199,413,381			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions			0	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	35,928,383			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	163,484,998			
10 Analysis of line 9				
a Excess from 2006 39,086,242				
b Excess from 2007 41,908,198				
c Excess from 2008 21,576,905				
d Excess from 2009 27,186,634				
e Excess from 2010 33,727,019				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling . . . . . ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a	0	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed .					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0	0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter (1) Value of all assets . . .					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . .					0
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income .					0

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year - see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed Ellen Lambert, Exec. VP 908-423-1000, The Merck Company Foundation, PO Box 100, Whitehouse Station, NJ 08889-0100

b The form in which applications should be submitted and information and materials they should include

SEE ATTACHED STATEMENT #5

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

SEE ATTACHED STATEMENT #5

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHED STATEMENT #6				47,673,821
Total ▶ **3a**				47,673,821
b *Approved for future payment*				
SEE ATTACHED STATEMENT #7				11,683,773
Total ▶ **3b**				11,683,773

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	1,438,944	
4 Dividends and interest from securities			14	4,362,746	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a OTHER INCOME			14	12,598,128	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		18,399,818	0
13 **Total.** Add line 12, columns (b), (d), and (e)					18,399,818

(See worksheet in line 13 instructions on page 29 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

BRJ [signature] | 8/26/11 | Assistant Treasurer

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

STATEMENT #1

MERCK COMPANY FOUNDATION
FORM 990-PF 2010
OTHER INCOME
PART 1, LINE 11

REALIZED GAIN ON SECURITIES	$ 12,598,128
TOTAL	$ 12,598,128

STATEMENT #2

MERCK COMPANY FOUNDATION
FORM 990-PF 2010
EXCISE TAX DETAIL
PART 1 LINE 18

2009 Credit per T/R	$69,356.00
5/15/2010	$15,000.00
6/15/2010	$20,000.00
9/15/2010	$30,000.00
12/15/2010	$30,000.00
Paid With 1st Extension	$200,578.00
TOTAL	$364,934.00

STATEMENT #3

MERCK COMPANY FOUNDATION
FORM 990-PF 2010
OTHER EXPENSE
PART 1, LINE 23

BANK CHARGES	26,442
OUTSIDE SERVICES	282,241
OPERATING EXPENSES	131,255
MISCELLANEOUS EXPENSES	-
	439,938

STATEMENT #4
MERCK COMPANY FOUNDATION
FORM 990-PF PAGE 6 PART VIII INFORMATION ABOUT OFFICERS
2010

(a) NAME AND TITLE	(b) AVE HOURS/WEEK	(c) COMPENSATION	(d) EMPLOYEE BENEFITS	(e) EXPENSES & ALLOWANCE
Geralyn S Ritter, President	0	0	0	0
Timothy Dillane, Assistant Treasurer	0	0	0	0
Ellen Lambert, Executive Vice President	0	0	0	0
Ingrid A Novak, Assistant Vice President	0	0	0	0
Richard T Clark, Chairman of the Board	0	0	0	0
Celia A Colbert, Secretary	0	0	0	0
Leslie M Hardy, Vice President	0	0	0	0
Mark E McDonough, Treasurer	0	0	0	0
Stephen C Propper, Assistant Treasurer	0	0	0	0
Sean T Mooney, Assistant Treasurer	0	0	0	0
Joseph Promo, Assistant Treasurer	0	0	0	0
Katie Fedosz, Assistant Secretary	0	0	0	0

THE MERCK COMPANY FOUNDATION
FOUR LARGEST GRANTS MADE IN 2010

STATEMENT #4A, FORM 990-PF 2010, PAGE 7, PART IX-A

AFRICAN COMPRHENSIVE HIV/AIDS PARTNERSHIP – Total contribution of:
$6,000,000
to support the improvement of HIV/AIDS prevention, care and treatment in Botswana.

MERCK INSTITUTE FOR SCIENCE EDUCATION – Total contributions of:
$5,920,801
made to this organization, which works with elementary and secondary schools and teachers to improve the teaching of science in selected areas of New Jersey and Pennsylvania.

CHINA – MSD HIV/AIDS PARTNERSHIP – Total contributions of:
$6,950,000
to support the partnership with China's Ministry of Health to strengthen HIV/AIDS prevention, patient care, treatment and support programs.

MERCK CHILDHOOD ASTHMA NETWORK – Total contributions of:
$4,369,926
to support this organization focused on approving access to quality asthma care and management for children in the United States.

MERCK COMPANY FOUNDATION **STATEMENT #5**
FORM 990-PF, PAGE 10
2010

Part XV, Question 2b

Requests may be submitted by letter containing a brief summary of the organization, including documentation of its federal tax-exempt status, objectives of the project and means for accomplishing the goal, the budget, sources of other funding, and amount of the grant request Evidence of a sound program, competent leadership, and the ability to accomplish objectives must be shown.

Part XV, Question 2d

Requests are evaluated on the basis of relevance to the philanthropic priorities of the Merck Company Foundation, the interests of Merck & Co., Inc. the location of its major facilities, and the concerns of its employees.

Grants are not made to political, labor, or sectarian groups, nor for endowments, publications, or media productions. Except within Foundation programs, grants are not given for scholarships, fellowships, or to individuals.

The Merck Company Foundation Expense for 2010			
	STATEMENT #6		
	FORM 990-PF, PAGE 11, PART XV, 3a		
	Payee		Amount
115	Charitable Organization		$ 200,000 00
125	Boys & Girls Club of Lodi		$ 15,400 00
127	American Red Cross		$ 500,000.00
167	Be The Change		$ 50,000.00
171	HomeSharing Program of Somerset County, Inc.		$ 10,000 00
209	Foundation of UMDNJ		$ 50,000.00
233	Community Hope, Inc.		$ 50,000 00
239	American Australian Association, Inc.		$ 25,000 00
251	Drexel University		$ 400,000.00
253	Ethics Resource Center		$ 50,000.00
261	Ethics Resource Center		$ 188,000 00
269	Jewish Renaissance Foundation		$ 25,000.00
273	Princeton University		$ 63,000.00
281	Project Hope		$ 25,000.00
287	Harvard School of Public Health		$ 250,000.00
293	Save the Children USA		$ 25,000.00
299	U.S. fund for UNICEF		$ 100,000.00
393	American Australian Association, Inc.		$ 100,000 00
397	Raritan Valley Concerts, Inc.		$ 27,000 00
483	Hunterdon Drug Awareness Program, Inc.		$ 15,000.00
497	Jewish Family Service of Somerset, Hunterdon and Warren		$ 25,000 00
565	Cathedral Soup Kitchen, Inc.		$ 20,000.00
579	Jewish Family Service of Central New Jersey		$ 30,000.00
581	Bergen Family Center		$ 30,000.00
595	Caucus Educational Corporation		$ 50,000 00
627	Anderson House, Inc.		$ 4,000 00
655	Mercer Street Friends		$ 25,000 00
657	Boys & Girls Club of Garfield, Inc.		$ 50,000.00
691	Center for Educational Advancement		$ 30,000.00
693	Opportunitiy Project, Inc.		$ 20,000.00
695	Interfaith Hospitality Network of Hunterdon County, Inc.		$ 15,000.00
711	South Branch Watershed Association		$ 10,000.00
713	Valerie Fund		$ 50,000.00
723	Saint Barnabas Medical Center Foundation		$ 26,250.00
797	New Jersey After 3, Inc.		$ 20,000 00
813	Rescue Mission of Trenton		$ 30,000.00
823	Rahway Community Action Organization		$ 33,000.00
833	Community Children's Museum		$ 5,000 00
841	SAGE Eldercare, Inc.		$ 30,000.00
853	George Street Playhouse, Inc		$ 35,000.00
871	New York Blood Center		$ 48,890.00
885	Boys & Girls Club of Hawthorne		$ 5,000.00
887	CONTACT USA, dba CONTACT We Care, Inc.		$ 10,000.00
893	Heightened Independence and Progress		$ 49,640.00
899	Donors Choose.org		$ 25,000.00
903	Newark Boys Chorus School		$ 24,000 00
909	Reach Out and Read Inc.		$ 50,000.00

The Merck Company Foundation Expenses for 2010

1025	American Red Cross		$	500,000.00
1051	New Jersey Symphony Orchestra		$	200,000.00
1111	American National Red Cross		$	75,000.00
1173	Hunterdon County Division of Senior, Disabilities & Veteran Services		$	10,000.00
1229	Children's Inn at NIH		$	100,000.00
1231	Children's Inn at NIH		$	1,500,000.00
1491	Kentucky Research Foundation, University of		$	77,912.00
1511	McCarter Theatre		$	25,000.00
1687	Pro Bono Institute		$	150,000.00
1697	Goods for Good, Inc.		$	40,051.00
1705	Community Soup Kitchen and Outreach Center, Inc.		$	15,000.00
1721	Chicago, University of		$	40,000.00
1723	Temple University - Of the Commonwealth System of Higher Education		$	40,000 00
1729	George Mason University		$	40,000.00
1731	North Carolina at Chapel Hill, University of		$	40,000.00
1733	Trustees of the University of Pennsylvania		$	40,000.00
1737	Rockingham Memorial Hospital		$	150,000.00
1739	New Jersey Performing Arts Center Corp.		$	200,000.00
1741	James A Michner Art Museum		$	30,000.00
1751	Teach for America, Inc.		$	75,000.00
1829	Union County Economic Development Corp.		$	50,000 00
2021	Interfaith Neighbors, Inc.		$	50,000.00
2027	NJ Commission for the Blind and Visually Impaired		$	48,000.00
2071	NORWESCAP		$	12,000.00
2073	180 Turning Lives Around		$	25,000.00
2107	Youth Development Clinic of Newark, Inc.		$	50,000 00
2125	Brighton and Sussex University Hospitals NHS Trust		$	200,000 00
2131	Task Force for Global Health		$	200,000.00
2143	PhD Project Association		$	25,000.00
2183	Parker Family Health Center		$	40,000 00
2187	SAFE in Hunterdon, Icn.		$	26,609 00
2211	Sesame Workshop		$	1,000,000.00
2221	Yaldeinu School		$	50,000.00
2223	Trustees of Columbia University in the City of NY		$	475,855 00
2227	New York University School of Medicine		$	125,000.00
2229	Grantmakers in Health		$	5,000.00
2231	Hunterdon Prevention Resources		$	15,000 00
2239	Barton College		$	34,600.00
2241	East Carolina University Foundation, Inc.		$	15,390.00
2243	Child and Parent Support Services CAPSS - Center for Child & Family Health		$	30,000.00
2245	Communities in School of Durham, Inc.		$	20,000 00
2249	Friends of NC State Museum of Natural Sciences		$	20,000.00
2251	Harrisonburg Children's Museum		$	50,000.00
2253	Wilson County Technical Institute Foundation, Inc.		$	25,000.00
2255	HAR, Inc.		$	5,000.00
2257	Wilson County Schools		$	25,000.00
2277	Newark Museum Association		$	25,000.00
2281	Land Conservancy of New Jersey		$	5,000.00
2291	Boys & Girls Clubs of Newark		$	50,000.00

The Merck Company Foundation Expenses for 2010

2309	Flemington Area Food Pantry		$	25,000.00
2311	Interfaith Food Pantry, Inc.		$	50,000.00
2329	Volunteer Guardianship One-n-One, Inc.		$	2,000.00
2339	Boys & Girls Club of Union, Inc.		$	50,000.00
2367	Meals on Wheels Association of America		$	300,000.00
2385	Baylor Health Care System Foundation		$	376,918.00
2387	Sundance Research Institute		$	370,132 00
2389	Cooper Foundation		$	400,000 00
2393	Chicago, University of		$	400,000.00
2396	Regents of the University of Michigan		$	350,000.00
2397	Healthy Memphis Common Table		$	396,576.00
2411	Maryland Baltimore Foundation, Inc., University of		$	200,000 00
2485	Citizen Schools, Inc.		$	30,000.00
2487	Rutgers University Foundation		$	58,260 00
2571	Project HOPE		$	25,000 00
2577	Cooperative for Assistance and Relief Everywhere, Inc.		$	1,250,000 00
2611	Raritan Valley Community College Foundation		$	50,000.00
2661	Concern Worldwide US		$	150,000.00
2743	American Red Cross		$	10,000 00
	Dollars for Doers		$	62,000.00
	Merck Partnership for Giving		$	9,127,907.00
	P4G January Payments		$	2,741,593.00
	Subtotal 2010 TMCF Contributions Expense		**$**	**25,394,983.00**
	Less Adjustments			
	Credit for Contribution Expense		$	(954,517 00)
	Credit for Contribution Expense		$	(7,372.29)
	Subtotal TMCF Adjustments		**$**	**(961,889.29)**
	Total TMCF Contributions Expense After Adjustments		**$**	**24,433,093.71**
	Additional Merck Company Foundation Funding for Fiscal Year 2010			
	Merck Institute for Science Education		$	5,920,801.00
	Merck Childhood Asthma Network		$	4,369,926.00
	ACHAPS		$	6,000,000.00
	C-MAP		$	6,950,000.00
	Total		**$**	**23,240,727.00**
	Grand Total Contributions Expense for Fiscal Year 2010		**$**	**47,673,820.71**

STATEMENT #7

FORM 990-PF
2010

PART XV, 3b

The Merck Company Foundation Pledges

Multi Year Commitments

Organization Grant Amount	Total Paid	2010	2011	2012	2013	2014	2015	Remaining Balance
American Australian Association Inc	$300,000 00	$100,000 00	$100,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
$500,000 00 *5-year (2007-2011) $500,000 pledge to support the United States Studies Center program of The American Australian Association*								
American Austalian Association, Inc.	$0 00	$0 00	$25,000 00	$25,000 00	$25,000 00	$25,000 00	$0 00	$0 00
American National Red Cross	$500,000 00	$500,000 00	$500,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
$1,500,000 00 *Funding to support ARC's LARRA (Latin America Risk Reduction Activity) project 1 of 3*								
Baylor Research Institute	$668,967 00	$0 00	$372,164 00	$378,142 00	$278,833 00	$0 00	$0 00	$0 00
$1,868 967 00 *Five-year (2009-2013) grant to support comprehensive diabetes program in Dallas as part of Merck Alliance to Reduce Disparities in Diabetes*								
Brighton and Sussex University Hospitals NHS Trust	$600,000 00	$200,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$800,000 00 *Four-year (2007-2010), $800 000 pledge to support establishment of new MVN-A training center in Zambia as part of Merck Vaccine Network-Africa (MVN-A)*								
Children's Inn at NIH, Inc	$300,000 00	$100,000 00	$100,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
$500,000 00 *Renewal of 5-year (2007-2011), $500,000 Challenge Grant to support annual operations and program services*								
Children's Inn at NIH, Inc	$2,000,000 00	$0 00	$1,000,000 00	$1,000,000 00	$1,000,000 00	$0 00	$0 00	$0 00
$5,000,000 00 *Five year (2009-2013), $5 million pledge to support a new transitional housing program at The Children's*								

Inn								
The Cooper Foundation, Inc	$800,000 00	$0 00	$400,000 00	$400,000 00	$400,000 00	$0 00	$0 00	$0 00
$2,000,000 00 *Five year (2009-2013) pledge to support comprehensive diabetes program through Camden Coalition of Healthcare Providers, as part of Merck Alliance to Reduce Disparities in Diabetes*								
Drexel University	$200,000 00	$400,000 00	$400,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
$1,000,000 00 *Three-year (2009-2011) $1 000,000 pledge to support the creation of the Center for Community Nutrition and Child Health*								
Ethics Resource Center	$167,000 00	$188,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$355,000 00 *Support for the EthicsSA Center phase down 2009-2010*								
George Mason University	$80,000 00	$40,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$120,000 00 *Support for three-year (2008-2010) $120 000 fellowship in biostatistics, as part of "Merck Quantitative Sciences Fellowship Program "*								
Goods for Good, Inc.	$0 00	$40,051 00	$114,469 00	$129,527 00	$0 00	$0 00	$0 00	$0 00
Havard School of Public Health 2 of 3 "('09 - '11) human rights	$250,000 00	$250,000 00	$249,311 00	$0 00	$0 00	$0 00	$0 00	$0 00
Healthy Memphis Common Table	$790,251 00	$0 00	$392,176 00	$399,886 00	$395,249 00	$0 00	$0 00	$0 00
$1,990,251 00 *Five year (2009-2013) pledge to support comprehensive diabetes program in Memphis, as part of Merck Alliance to Reduce Disparities in Diabetes*								
James A Michener Art Museum	$90,000 00	$30,000 00	$30,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
$150,000 00 *Five year pledge (2007-2011), $150 000 in support of the centennial compaign*								
Kentucky Center for Poverty Research University	$0 00	$77,912 00	$77,912 00	$0 00	$0 00	$0 00	$0 00	$0 00
Liberty Science Center, Inc	$0 00	$0 00	$250,000 00	$275,000 00	$275,000 00	$0 00	$0 00	$0 00
McCarter Theatre	$25,000 00	$25,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$50,000 00 *Two-year (2009-2010) $50,000 pledge for general funding support*								

New Jersey Performing Arts Center $1,000,000 00 *Five year pledge (2009-2013), $1,000,000 to support "The Campaign for NJPAC " Funding to be alloted toward capacity-building work to strengthen & grow NJPACs arts education programs*	$200,000 00	$200,000 00	$200,000 00	$200,000 00	$200,000 00	$0 00	$0 00	$0 00
New Jersey Symphony Orchestra - *Music Education & Community Engagement Initiatives and NJSO Broadcast Series*	$0 00	$200,000 00	$200,000 00	$200,000 00	$0 00	$0 00	$0 00	$0 00
The PhD Project Association $75,000 00 *Three-year (2009-2011), $75 000 pledge to support PhD Project's Diversity in the Workplace programs 1 of 3*	$25,000 00	$25,000 00	$25,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
Presidents and Fellows of Harvard College $749,311 00 *3-year (2009-2011) $749 311 pledge to support Phase II project focused on "Current Debates on Realizing Health and Human Rights - Roles & Responsibilities of the Pharmaceutical Industry "*	$500,000 00	$0 00	$249,311 00	$0 00	$0 00	$0 00	$0 00	$0 00
The Regents of the University of Michigan $1,650,000 00 *Five year (2009-2013) pledge to support National Program Office of the Merck Alliance to Reduce Disparities in Diabetes*	$600,000 00	$0 00	$350,000 00	$350,000 00	$350,000 00	$0 00	$0 00	$0 00
Rockingham Memorial Hospital $500,000 00 *Four year (2007-2010), $500,000 funding support for the Rockingham Memorial Hospital pharmacy capital building campaign (Sign to displayed in pharmacy recognizing TMCF's gift) $50,000 in 2007, $150 000 2008-2010 3 of 4 2009 NOC - Elkton*	$350,000 00	$150,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
Sesame Workshop *Sesame Workshop "Food for Thought"*	$0 00	$1,000,000 00	$1,000,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
Spanish Theatre Repertory, Ltd	$0 00	$0 00	$25,000 00	$35,000 00	$45,000 00			
Sundance Research Institute, Inc $1,937,697 00 *Five year (2009-2013) pledge to support comprehensive diabetes program among Eastern Shoshone*	$737,697 00	$0 00	$378,328 00	$386,885 00	$395,661 00	$0 00	$0 00	$0 00

Tribe, as part of Merck Alliance to Reduce Disparities in Diabetes								
Task Force for Global Health	$600,000 00	$200,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$800,000 00								
Four-year (2007-2010), $800,000 pledge to support establishment of new MVN-A training center in Uganda as part of Merck Vaccine Network-Africa (MVN-A)								
Teach for America - NJ	$0 00	$75,000 00	$75,000 00	$0 00	$0 00	$0 00	$0 00	$0 00
Temple University	$80,000 00	$40,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$120,000 00								
Support for three-year (2008-2010) $120 000 fellowship in biostatistics, as part of "Merck Quantitative Sciences Fellowship Program "								
Trustees of Columbia University in the City of New York	$392,858 00	$475,855 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$868,713 00								
Two year (2009-2010) $868 713 grant to support for the Millennium Villages Health Worker training program at the Earth Institute ($475,855 due in 2010)								
Trustees of Columbia University in the City of New York	$0 00	$0 00	$500,000 00	$300,000 00	$200,000 00	$0 00	$0 00	$0 00
Trustees of the University of Pennsylvania	$80,000 00	$40,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$120,000 00								
Support for three-year (2008-2010) $120,000 fellowship in biostatistics, as parat of "Merck Quantitative Sciences Fellowship Program "								
Trustees of Princeton University	$187,000 00	$63,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
University of Chicago	$80,000 00	$40,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$120,000 00								
Support for three-year (2008-2010) $120,000 fellowship in health economics as part of "Merck Quantitative Sciences Fellowship Program "								
University of Chicago	$800,000 00	$0 00	$400,000 00	$400,000 00	$400,000 00	$0 00	$0 00	$0 00
$2,000,000 00								
Five year (2009-2013) pledge to support comprehensive diabetes program in south side of Chicago as part of Merck Alliance to Reduce Disparities in Diabetes								
Foundation of the University of Medicine and Dentistry of New Jersey	$200,000 00	$50,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00

$250,000 00 *Five-year (2006-2010), $250 000 pledge to support the Public Health Research Institute's research in drug targets for TB*								
Foundation of the University of Medicine and Dentistry of New Jersey	$0 00	$0 00	$190,000 00	$184,106 00	$0 00	$0 00	$0 00	$0 00
University of North Carolina at Chapel Hill	$80,000 00	$40,000 00	$0 00	$0 00	$0 00	$0 00	$0 00	$0 00
$120,000 00 *Support for three-year (2008-2010) $120,000 fellowship in epidemiology, as part of "Merck Quantitative Sciences Fellowship Program "*								
United Negro College Fund, Inc	$0 00	$0 00	$0 00	$1,518,447 00	$1,518,447 00	$1,518,447 00	$1,518,447 00	$0 00
Worldwide Orphans Foundation	$0 00	$0 00	$150,000 00	$300,000 00	$300,000 00	$250,000 00	$0 00	$0 00
Grand Total	$11,683,773 00	$4,549,818 00	$7,753,671 00	$6,481,993 00	$5,783,190 00	$1,793,447 00	$1,518,447 00	$0 00

中国-默沙东
艾滋病
合作项目

China-MSD
HIV/AIDS
Partnership

China- MSD HIV/AIDS Partnership (C-MAP)

2010 Annual Expenditure Summary

Feb. 2011

Contents

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Background

Memorandum of Understanding – To address the HIV/AIDS epidemic in China, in May of 2005, the Chinese government and Merck & Co., Inc. signed a Memorandum of Understanding to launch a public-private Comprehensive HIV/AIDS Prevention and Control Cooperative Project, known as "China-MSD HIV/AIDS Partnership (C-MAP)". Merck has committed 30 million USD in this partnership, while the Chinese government, led by the Ministry of Health (MoH), is facilitating the development and implementation of the project. This is the first large-scale public-private partnership in China in the fight against HIV/AIDS.

Governance Structure – An Oversight Committee (OC) comprising of key members from relevant parties was established to set the strategic directions, evaluate progress, approve Project Annual Work Plan, review and approve progress reports and findings, and advocate for the Project. In the light of decisions made at the C-MAP Oversight Committee meeting on December 21, 2006, the NCAIDS, China CDC, under the leadership of the MOH, drafted a new C-MAP Governance Structure This new C-MAP Governance Structure was released by the MOH on September 17, 2007. According to the new Governance Structure, one National Project Office was established in Beijing to be responsible for day-to-day management of the Project. Two other Project Offices locates in Chengdu City and Xichang City, Sichuan Province, to manage local implementation respectively at provincial level and prefecture level.

Objectives – C-MAP aims at mitigating the public health impact of HIV/AIDS and preventing the HIV/AIDS epidemic from having a potentially devastating impact on China's economic growth and stability through developing a comprehensive, efficient, measurable and replicable model to support the Chinese Government to implement its HIV/AIDS control strategies and action plans.

Strategies – With the agreement of both parties, C-MAP developed following 6 strategies: 1) Provide training and education on HIV/AIDS to raise awareness & reduce discrimination among general population, 2) Deploy integrated risk-reduction approaches to decrease HIV transmission in high-risk and vulnerable population, 3) Establish a comprehensive service network to provide PLHA with successive treatment, care & support services, 4) Provide support and social relief to orphans and families affected by HIV/AIDS to reduce the negative impact of HIV/AIDS, 5) Build the capacity of professional staffs & organizations and develop new anti-HIV/AIDS strategies & techniques to ensure optimal, sustainable, long-term development on responding to HIV/AIDS, 6) Strengthen HIV surveillance, monitoring & evaluation and data analysis to track program implementation, evaluate outcomes, summarize and replicate best practices.

Target Areas – C-MAP started up 3 counties in Liangshan Prefecture of Sichuan Province, which is home to the largest group of the Yi ethnic minority and is hard hit by HIV/AIDS epidemic. As C-MAP faced difficulties of big mountainous terrain, differences of Yi culture & language, poverty, illiteracy, highly-mobile population, limited resource & infrastructure, incapacities of healthcare workers and expanding HIV transmission mainly driving by intravenous drug users (IDU) during its implementation, this Project is believed to be the most challenging project in the world. To achieve broader impact, the Project expanded to cover 62 counties/districts in Sichuan Province in 2010.

Beneficiaries - Beneficiaries of C-MAP include people living with HIV/AIDS and their families, intravenous drug users (IDU), female sex workers (FSW), men who have sex with men (MSM), sex transmitted disease (STD) clinic outpatients, local populations with potentially high-risks behaviors, pregnant women, youth, health workers, the general population, etc.

I. C-MAP Governance & Operations

(1) Oversight Committee Meeting

Two Oversight Committee (OC) meeting were held in Mar. and Sep. 2010 respectively. To better meet the demand of HIV/AIDS control and prevent in program areas, the first OC meeting was held in Chengdu and approved:

1. Support to human resources in 6 key counties:
2. Procurement of 8 MMT vehicles to expand the services to surrounding areas;
3. Endorsement of Public communication plan;
4. Mid-term evaluation of the program to be completed in the latter year of 2010.

The second OC meeting was held in Beijing to review:

1. Mid-term evaluation report made by Sichuan University;
2. Expansion of the project implementation period.

Given the current fund expending status and local capacity, it is estimated that 7million USD can be implemented at the end of 2011, with 3.79 million USD not being implemented. Therefore, project implementation period extended to the end of 2012.

(2) Mid-term evaluation

CMAP mid-term evaluation report has completed by West China School of Public Health, Sichuan University, with the input from WHO and UNAIDS Beijing Office. Final report is attached in separate file for review of Merck Foundation.

The objectives of the evaluation was to evaluate the outcome of program implementation; identify good experiences and models in program management and mechanisms; identify issues and provide evidence for strategy adjustment.

The report acknowledge the achievements made by CMAP in terms of

1. Increased coverage of target population
2. Awareness of HIV/AIDS knowledge and condom usage have increased significantly
3. Breakthroughs in HIV/AIDS efforts were made

4. Disclosed potential HIV epidemic, promoted the government to give more attention HIV/AIDS prevention
5. Government support responsibility mechanisms have been established, promote HIV/AIDS service
6. Set up testing network, identify HIV/AIDS proactively
7. Initiate human resource support
8. Service providing capabilities have been improved greatly due to investment in equipment and commodities
9. Comprehensive HIV/AIDS prevention and control models that meet local needs have been explored
10. Great difficulties that were brought by the earthquake were overcome in order to ensure that program activities were being implemented smoothly
11. Established the first large scale public-private partnership HIV/AIDS prevention and control model
12. Innovation of program management mechanisms and models

Meanwhile, it also highlights the challenges CMAP has faced over the past year with regard to difficulties in interventions among DUs, non-commercial sex behavior intervention and PMTCT, low coverage of ARV treatment, management of people living with HIV/AIDS as well as commercial sex transmission intervention.

In conclusion, the mid-term evaluation report believes that CMAP so far fulfilled the program targets; it promoted HIV/AIDS prevention and control in Sichuan, especially in Liangshan, and has achieved good social impact.

(3) C-MAP Beijing Representative Office

After successful registration for Beijing Representative Office in the MCA on Sep.18th 2007, C-MAP has had independent fund management and optimized payment flows thereafter. As MOH and MCA request all foreign Foundations to submit annual project report and audit report every March, C-MAP Beijing Rep. Office completed an independent audit through a professional audit firm and will soon submit C-MAP 2010 Project Annual Report attaching with finance audit report to MOH and MCA by end of March, 2011.

(4) Public Communication

To increase the visibility of CMAP to policy makers, general public and international community, we successfully implement the Public Communication Plan which is endorsed by the first OC meeting in Mar. 2010. A list of communication activities, materials and the timeline is listed as below

Global Communication:

Activities	Responsible	2010	2011	Status

Sharing & Learning in the International Harm Reduction Conference (IHRA), Liverpool, UK	Chen Hong	Apr 25-29		***Done***
Abstract/Poster in the AP AIDS Conference (ICAAP), Pusan, Korea	Chen Hong		Sep	Submission in Q1/2011
Abstract/Poster/Presentation in the International AIDS Conference, Vienna	Chen Hong	Jul 18-23		***Done***
Abstract/Poster in the Conference on HIV Pathogenesis, Prevention & Treatment (IAS), Rome, Italy	Li Hui		Jul 17-20	Submission in Q1/2011
Best practice sharing among C-MAP, Botswana, Romania Projects	Hugues Malonne	Sep		Proposal in Q1/2011
Case reports on international AIDS journals/ WHO Bulletin	Li Hui	Dec	Dec	Submission in each Apr & Jun
Case reports on international AIDS websites (KAISER, GBC, UNAIDS)	Chen Hong, Lili Wang	Aug Dec	Aug Dec	***Done***
C-MAP story on Discovery, National Geographical Channel, Phoenix, BBC	Hugues Malonne, Jane Wu	Q4	Q2 Q4	in progress
C-MAP story on Times, Newsweek, Weekly Magazines	Hugues Malonne, Jane Wu	Q4	Q2 Q4	in progress
Public Event to wrap up C-MAP	Hugues Malonne			Proposal in Q4/2011

National Communication:

Activities	Responsible	2010	2011	Status
Case reports on national AIDS journals	Li Hui	Q4		Done
Case presentations in the Conference of International Cooperation Program (MOH/NCAIDS)	Li Hui		Nov	Submission in each Aug
Activity reports on MOH/NCADS websites	Lili Wang	monthly	monthly	On going
Special column on AIDS website (chain net cn)	Lili Wang	monthly	monthly	On going
C-MAP website	Lili Wang	Q1		On going
HIV photo campaign	Lili Wang	Q3		***Done***
Symposium for supporting the development of minority region	Lili Wang	Oct		*Done*
C-MAP story on CCTV	Lili Wang, Jane Wu	Q3		in progress
C-MAP story on national news papers (China Daily,	Lili Wang,			Done

Peoples' Daily)	Jane Wu			
Industrial Summit Meeting to encourage total society involvement	Wang Xiaoye	Q2		Done
Annual Sum-Up Meeting – press release	Li Hui	Q1		On going

Local Communication:

Activities	Responsible	2010	2011	Status
Activity reports on local CDC/BOH websites	Lili Wang	monthly	monthly	On going
Activity reports on local TV/newspapers/ magazines	Li Hui, Wan Shaoping, Li Chongxing, Lili Wang	Dec 1	Dec 1	Done
C-MAP Newsletter (twice a year)	Lili Wang	Apr Aug	Apr Aug	Done
C-MAP DVD (once a year)	Hugues Malonne	Q3	Q3	in progress
C-MAP Leaflet	Lili Wang	Q3	Q3	Done
C-MAP Posters/Exhibition Stands	Lili Wang	Q3	Q3	Done

In particular, we made some milestone achievement in publicity and initiation of key events which further enhanced the corporate image of Merck, Sharp& Dohme.

The First Industry Summit on Corporate Social Responsibility on Fighting against HIV/AIDS

The industry Summit on the Fight against HIV/AIDS, initiated and sponsored by C-MAP, was later put under the auspices of the State Council AIDS Working Committee and took place in the morning of Dec. 2, 2010 at the Great Hall of People. Nearly 300 enterprises, including, multinationals, state owned and private enterprises and 50 key media participated in this important event.

Huang Mengfu, Vice Chairman of National Political Consultative Conference and Vice Chairman of All China Federation of Industry and Commerce, Yin Li, Vice Health Minister and Director of State Council AIDs Working Committee office delivered opening remarks at the Summit. Adam Schechter, President of Global Human Health, Merck & Co. Inc. delivered a keynote speech on C-MAP, the first and largest public private partnership program in the fight against HIV/AIDs in China, presenting it as a role model to call on businesses of all nature to commit to corporate social responsibility and help prevent the spread of HIV/AIDS. At the end of the

ceremony, nearly 300 entrepreneurs had signed the Beijing Declaration of Corporate Commitment on Fighting against HIV/AIDS.

To secure the coverage of this important summit, for the first time in MSD's corporate history, C-MAP invited CCTV NEWS, the English news channel of China Central Television (CCTV) and the nation's largest national broadcasting network for a one-on-one interview with Adam Schechter, President of Global Human Health, Merck & Co, Inc. and Michel Vounatsos, MSD China President. The interview was then broadcasted during the CCTV's main 20h news (China 24 hours) on the same day.

Treatment as Prevention Strategy Seminar

Initiated by C-MAP and supported by NCAIDS and China CDC, the Treatment as Prevention Strategy Seminar, one of the hottest topics in the field, was held on Nov 22, 2010 in Beijing. For its first policy forum ever, C-MAP invited well-known international scientific leaders active in HIV/AIDS , MOH officials, and key domestic experts (serving as members of MOH advisory board of HIV/AIDs treatment) to gather and discuss the scientific evidences supporting or refuting this new approach.

Dr. Julio Montaner, Former President of International AIDS Society delivered a keynote speech, sharing his views on the HAART expansion as a strategy to reduce AIDS morbidity and mortality as well as its dissemination. Other speakers from the WHO, Gates Foundation, and Pangea Foundation also shared their thoughts on how to improve access to treatment and care for those in needs in China.

The group discussion between international experts and leading domestic experts were extremely animated and productive. Challenges faced by many health professional, particularly at grassroots level such as suboptimal first line therapy, the lack of investment in local HC providers and infrastructures, lack of motivation and adequate incentive were raised and openly discussed.

C-MAP will continue to build up this type of platform to discuss policies, strategies and technical issues, as we believe it is the best way to mobilize senior policy makers and promote innovation in the ways China addresses the HIV-AIDS epidemic.

C-MAP Presents at the 18th International Aids Conference in Vienna in July

On July 18th, 2010, C-MAP presented at the 18th International Aids Conference which was held in Vienna. In the Satellite Meeting on "Realizing Quality Services on AIDS in China: Past, Present and Future". Hugues Malonne, Chief Representative of C-MAP Beijing Office, gave a presentation on Public-Private Partnership and Social Responsibility of Corporations on HIV/AIDS Control. He introduced the progress and achievements C-MAP has made and how C-MAP contributes to HIV/AIDS

prevention and control in Sichuan and Liangshan Prefecture.

Meanwhile, four abstracts regarding C-MAP outcomes have been posted in the Conference, featuring how to improve HIV integrated management in ethnic minority areas with high HIV prevalence, MSM intervention models in China, a study on the factors of drop-out rates of methadone maintenance treatment, as well as a strategy on PITC in resource-limited settings in South West China

(5) Financial Management

During 2010, two audits were conducted by independent professional audit firm. One was requested by Ministry of Health & Ministry of Civil Affairs for annual examination purpose with focus on previous accounting period, and the other was conducted on left of former C-MAP Beijing Representative Office Chief Representative, Daniel Tsai. The audit result indicated that C-MAP financial statements fairly presented financial position of C-MAP operation in all material respects.

Auditing on implementing organizations at three levels responsible for 2008 initiatives has also been carried out by auditing firms at different level. Although no material misconduct was found, there were still areas for improvements. Problems found in the auditing have been listed as priorities of our own financial management of field check.

During 2010, two financial training workshops were provided to implementing organizations from Sichuan province and Liangshan prefecture respectively. More than 200 financial staff received training. For 2010, on-going follow ups, periodical on-site checks and annual audit have been planned to ensure continuous policy compliance.

II. Project Progress

(1) Initiative Number

From Jul. 2009 till Dec. 2010, C-MAP implemented total of 175 initiatives out of 179 planned initiatives. National Project Office manages 31 initiatives, Sichuan Project Office manages 61 initiatives, and Liangshan Project Office manages 83 initiatives.

(2) Outcomes

The following metrics started from Jul. 2009 till Dec. 2010.

Code	Metrics	Planned	Achieved	%
Strategy 1				
1101	# of coordinate meeting with county level government	70	73	104%
1103	# of government leaders participated in on-the-spot investigation	60	60	100%
1201	# of rural residents & migrant workers received HIV information	105000	255600	243%
1204/1205/1206	# of Yi drama/play launched	85	85	100%
	# of population covered by Yi drama/play	65000	117920	181%
1302	# of HIV related information delivery with mass media	1872	7398	395%
1304	# of middle school students received HIV training	350000	633024	181%
1402	C-MAP public communication	global initiatives in 2010 (10 activities planned with 3 has been done) national initiatives in 2010 (13 activities planned with 11 has been done/on going) local initiatives in 2010 (6 activities planned with 6 has been done/on going)		
Strategy 2				
2201/2202	# of IDU received intervention (registered in MMT or needle exchange sites, community-based intervention)	22100	49560	224%
	Person time of IDU received intervention (community and detox center)	154700	196672	127%

2208	# of MMT branch site	15	15	100%
2201/2202	# of IDU covered by needles exchange	8450	16805	199%
2203/2204	# of FSWs received intervention (condom, HIV test, education)	24400	51796	212%
	Person time of FSWs received intervention (condom, HIV test, education)	222000	300332	135%
	# of condoms for FSWs, MSM, HIV/AIDS, STD clinics outp'ts	3500000	4106965	117%
2205	# of STD outpatients received intervention (HIV test, counseling)	6000	7347	122%
2206/2207	# of MSM received intervention (condom, HIV test, education)	18600	23620	127%
	Person time of MSMs received intervention (condom, HIV test, education)	74800	160249	214%
	# of lubricants for MSMs	110000	195796	178%
2209/2210	# of people involved in house to house intervention in Butuo county	NA	31615	NA
Strategy 3				
3102/3103	# of people received PITC service	227000	386214	170%
3202/3204	# of pregnant women receive HIV/syphilis test	48000	65583	137%
3202/3204	# of pregnant women involved in PMTCT services	627	384	61%
3302/3303	Person time of HIV+ covered by comprehensive management (follow up and epidemic profile)	32700	41142	126%
3302/3303	# of new identified HIV+ & AIDS p'ts received CD4 testing	12200	13809	113%
3302/3303	# of diagnosed AIDS p'ts received ART	1500	1634	109%
3304	# of PLWHA & their families join "New Rural Cooperative Medical Scheme"	17100	15105	88%
Strategy 4				
4101	Seminar support model for PLWHA	1 Summit Forum care and support for HIV/AIDS related children 2 Tour of Chengdu for HIV/AIDS related children in Liangshan		
4102	No of HIV/AIDS care activities held at county level in Sichuan	NA	1034	NA
Strategy 5				
5200	# of implementing org staffs receive project management training	885	975	110%

5300	# of health care workers receive HIV/AIDS professional training	7001	10909	156%
	Procurement of needed equipment for project areas	A number of 8 ELISA test lab, 6 CD4 test lab as well as equipment in all levels lab in Liangshan prefecture		
5401	Provide technical assistance for the project areas (national /NCAIDS, Provincial and Prefectural level)	Experts in NCAIDS provide filed support and guide Experts from Universities and hospitals at central/provincial/prefectural levels provide filed support and guide		
5404	Procurement of HIV test reagents	A number of 299,714 test kits include Rapid test/ELISA/WB/CD4/syphilis/HCV test, 179,000 consumable kits		
5405	Human resources support	789	789	100%
5406/5407/5410	Vehicles	10	10	100%
Strategy 6				
6104/6105	# of FSWs receive surveillance	9580	9543	100%
	# of IDUs receive surveillance	8850	9181	104%
	# of MSM receive surveillance	2400	1764	74%
	# of students receive surveillance	41600	42399	102%
	# of general population receive surveillance	83200	83501	100%
	# of migrant population receive surveillance	2410	2464	102%
6201/6202/6302	M&E site checks at all levels (province, prefecture, county, township, village)	670	495	74%
6107/6108	C-MAP project progress reports, finance reports, annual reports, data management	1 Quarterly reports submitted 2 Annual reports submitted to MOH, MOCA 2 Data base worked well		
6304	Mid-term evaluation	Submit draft to CMAP foundation		
6400	OC meeting, work plan development meetings, experience exchange meetings, symposia, project update meetings, project summary meetings	1 OC meeting held in March and September,2010 2 Several meetings for 2011 work-plan held 3 Project update meetings held by quarterly basis at 3 levels of health authority		

(3) Progress of Key Indicators

Item	Metrics	Planned	Achieved	%
Strategy #1 Mass Education				
1	# of rural residents & migrant workers received HIV information	105000	255600	243%
2	# of HIV related information delivery with mass media	1872	7398	395%
3	# of middle school students received HIV training	350000	633024	181%
Strategy #2 Interventions				
4	# of people received interventions (IDUs,FSWs, MSMs, STD clinic outp'ts)	79,550	149128	187%
5	# of IDU covered by needles exchange	8450	16805	199%
6	# of lubricants for MSMs	110000	195796	178%
7	# of condoms for FSWs, MSM,HIV+/AIDS, STD clinics outp'ts	3500000	4106965	117%
Strategy #3 Testing & Treatment				
8	# of people tested for HIV (PITC initiative)	275,000	451797	164%
9	Person time of HIV+ covered by comprehensive management (follow up and epidemic profile)	32700	41142	126%
10	# of new identified HIV+ & AIDS p'ts received CD4 testing	12200	13809	113%
11	# of diagnosed AIDS p'ts received ART	1500	1634	109%
Strategy #4 Care & Support				
12	# of PLWHA & their families join "New Rural Cooperative Medical Scheme"	17100	15105	88%
13	No of HIV/AIDS care activities held at county level in Sichuan	NA	1034	NA
Strategy #5 Capacity Building				
14	# of implementing org staffs receive project management training	885	975	110%
15	# of health care workers receive HIV/AIDS professional training	7001	10909	156%
Strategy #6 Monitoring & Evaluation				
16	# of target populations received surveillance	24986	28023	112%

III. Financial Summary

(1) Funding Commitments

Overall, the Merck Company Foundation committed US$30 million to fund the administration and program of C-MAP.

The total accumulative income of C-MAP during the 6 years period (2005~2010) is $23,434,710 which includes cash transfer from the Foundation, donation from MSD China and CMAP bank interest. The total accumulative cost during the 6 years is $19,051,760 which includes administration expenses and programs. The total accumulative net income during the 6 years is $ 4,382,950.

(2) C-MAP Expenditures in 2010

As of December 31, C-MAP has spent an amount of $7,465,909 during the year, which includes $446,396 on administration expenses and $7,019,513 on programs.

Administration Expenditures
The administration expenses included staff costs, office expenses, business travel, office telecommunications, translation, legal and other outside services, depreciation, gains or losses due to exchange rate changes. In 2010, the recording currency of CMAP books has maintained as RMB according to local regulations. The 2010 Income Statement and Balance Sheet were converted from RMB to USD by using 2010 year-end exchange rate of RMB 6.6227/ USD 1.

Program Expenditures
As of 31 December 2010, C-MAP spent a cumulative amount of $7,019,513 on programs during 2010 with six strategic focuses.

Strategy 1 Awareness and Mass Education	812,298
Strategy 2 Intervention with High Risk Populations	1,084,932
Strategy 3 Treatment, Care & Support	1,487,449
Strategy 4 Alleviating the Negative Impact of HIV/AIDS	79,824
Strategy 5 Innovation & Capacity Building	2,546,707
Strategy 6 Surveillance, Monitoring & Evaluation	1,008,303
Total Programs	**$7,019,513**

(3) Accounting for Grant from the Merck Company Foundation

1. Grant and Transfer of Funds

The Merck Company Foundation made grant in one installment of $6,950,000 to C-MAP in January of 2010.

2. Cash flow During 2010

Total actual cash spent in 2010 was $5,859,505 on administration and programs. The overall cash flow resulted in a closing cash balance of $1,976,342 on 31 December 2010, including interest income. The closing cash balance will be carried forward and utilized to support programs and administration expenses of 2011.

Summary Table

TMCF + MSD Contribution + Interest Income

	Carryover from Last Year	Funds Received	Funds Spent	Remaining Balance
2005	0	1,150,371	0	1,150,371
2006	1,150,371	3,608,388	1,078,745	3,680,013
2007	3,680,013	4,145,388	1,675,774	6,149,627
2008	6,149,627	3,032,907	5,695,155	3,487,379
2009	3,487,379	4,521,169	7,149,169	859,378
2010	859,378	6,976,468	5,859,505	1,976,342

The C-MAP 2010 financial statement is attached at the end.

3. Capital Spending

There was no capital purchase occurred in 2010.

4. Expenditure Responsibility

During 2010, all program funds were used for C-MAP and all administration funds were used in support of C-MAP programs. For programs initiated in 2009 and continued in 2010, a grant of $758,672, $1,619,522 and $2,938,795 were made to Chinese Center for Disease Control and Prevention, Sichuan Provincial Health Bureau and Liangshan Prefecture Health Bureau respectively on National, Provincial and Prefecture levels based on the 2009 - 2010 Work Plan developed jointly by above three levels and approved by the C-MAP Board.

5. Use of Funds

All grant funds were expended for the purposes set forth in the grant letters from The Merck Company Foundation, and none of the funds were diverted from the purpose of the grants. None of the funds were used for any of the purposes described in section 4945(d) of the Code. No funds were used to carry on propaganda or otherwise attempt to influence legislation. No funds were used to influence the outcome of any

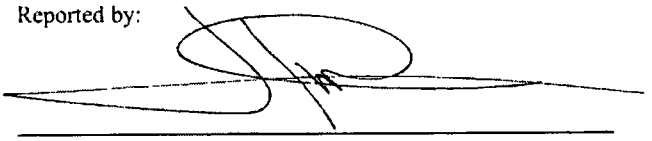
specific public election or to carry on, directly or indirectly, any voter registration drives. The grants made by C-MAP to other organizations above are all related to its charitable purpose of advancing HIV/AIDS prevention, care, treatment and support in China. C-MAP does not undertake any activities for a non-charitable purpose.

######

ANNEX : C-MAP Financial Statement as of 31 December 2010

2010 Annex

Reported by:



Hugues Malonne
Chief Rep of CMAP BJ Rep Office

February 25, 2011

Merck Childhood Asthma Network, Inc. (MCAN)
Expenditure Responsibility Report
2010

RESOURCES

Funding and Support The most important resource for MCAN is The Merck Company Foundation, which provides grant funding for operations (including salaries) and programs. Merck provides equipment, information technology, technical, financial, legal, and human resources support. MCAN reports administratively through Merck's Global Public Policy and Corporate Responsibility division.

Advice and Consultation MCAN benefits greatly from the expertise of its Board of Trustees and National Advisory Board (NAB). In 2010, MCAN utilized the consultation services of JTxCo, LLC, Visionary Health Education Consulting Services, LLC and the communications services of the Health360 Strategies team of the Chandler Chicco Agency LLC.

2010 ACTIVITIES

MCAN's Phase 2 Strategic Plan was approved by MCAN's Board of Trustees and the Merck Company Foundation in September 2009. Funding for Phase 2 began in 2010; activities are focused on MCAN's Phase 2 Goals.

Goal 1: Improve *access* to and the *quality* of asthma healthcare for children, especially the vulnerable and medically underserved

Community Health Center Project

With significant input from scientific and technical experts, other asthma clinical and applied research investigators, and trusted advisors, MCAN decided to invest in a multi-year, multi-site implementation (translational) research program using a common protocol focused on risk assessment and evidence-based interventions tailored to the child with asthma and his or her family. Throughout 2010, MCAN worked with George Washington University School of Public Health and Health Services (GWU) and Rho, Inc., to develop and refine the program for implementation in federally qualified community health centers. The study concept is to implement a hybrid of two evidence-based asthma interventions (the National Cooperative Inner-City Asthma Study and the Inner-City Asthma Study) and test the feasibility of implementing these adaptations in community health centers, the 'front door' to care for many low income children with asthma. The "hybrid" intervention was field-tested in MCAN Phase 1, for children with asthma following Hurricane Katrina between 2007 and 2009 and was called the Head-off Environmental Asthma in Louisiana (HEAL) Project.

After working with GWU and Rho to refine the first draft of the program proposal, MCAN assembled an external review committee to provide feedback on feasibility, study design and environment (i.e. health centers), outcome measures, capability of personnel, and level of funding requested. At the advice of the external review committee, additional study consultants were engaged in the program design and in October 2010, MCAN awarded GWU a four year, $4 million grant to begin the project. Rho, Inc. was awarded a four year contract as the data coordinating center. By the conclusion of 2010, project workgroups had been established and implementation had begun.

Care Coordination Program Sites

Through the Care Coordination grant portfolio, MCAN is seeking to demonstrate the feasibility and effectiveness of implementing and sustaining care coordination models that were developed in MCAN Phase 1 in communities with significant childhood asthma morbidity and/or outcome disparities.

In early 2010, MCAN developed a targeted invitation for proposals detailing care coordination goals and the specifications for developing and submitting proposals. The 'Guidelines for Proposals' was reviewed by MCAN National Advisory Board members and distributed to the five originally funded MCAN Program Sites. Proposals were reviewed and scored by an external review committee comprised of experts in childhood asthma evidence-based interventions, implementation research and asthma outcome disparities. Four of the five originally funded Program Sites were awarded a four year $900,000 grant from July 1, 2010 to June 30, 2014:

1. **Los Angeles Unified School District, 'Yes We Can Children's Asthma Program'**
   The program involves a care coordination and education model that will extend beyond the immediate school clinic to include system changes between health, educational and community settings. The program will triage students and families into the appropriate level of intervention, improve the coordination of care between schools, clinics and community providers, and will focus on measuring symptom reduction and school days missed.

2. **Respiratory Health Association of Metropolitan Chicago, 'Addressing Asthma in Englewood'**
   The program centers around a community educator model and links children with asthma to appropriate services, education programs in schools, community groups, and local agencies; and a home visit case management program to enhance asthma education, identification and mitigation of asthma triggers.

3. **RAND Corporation, 'La Red de Asma Infantil de Merck de Puerto Rico'**
   The program involves evidence-based interventions as part of an asthma care coordination program across home, health care and community settings. Implemented in the Nemesio Canales Housing Project in San Juan, Puerto Rico, "La Red" aims to promote asthma-friendly communities throughout the island of Puerto Rico and to enhance access to quality asthma healthcare for this highly vulnerable and underserved community.

4. **Children's Hospital of Philadelphia, 'Asthma Health Care Navigator Program'**
   Asthma health care navigators located within four primary care centers operated by the hospital will work with primary care providers as an integral member of the family's asthma care team assisting families in the identification and reduction of asthma triggers in the home, providing self-management education, and other support and resources for families of high risk children with asthma.

Care Coordination Program Sites will participate in a Cross-site Evaluation process and outcome measures focused on care coordination and childhood asthma outcomes. The Cross-site Evaluator is the Center for Managing Chronic Disease at the University of Michigan.

HEAL II Project

In early 2010, MCAN engaged in several exploratory meetings with HEAL Phase 1 stakeholders, and New Orleans/Louisiana-based organizations with an interest in quality healthcare to locate an appropriate partner for the second phase of the HEAL project. MCAN was invited to present the results and study design of the HEAL project to the Louisiana Department of Health and Hospitals' Louisiana Asthma Management and Prevention Program (LAMPP), funded by the Centers for Disease Control and Prevention. MCAN learned of their efforts to address asthma management in Orleans Parish and their willingness to collaborate. MCAN subsequently invited a member of the LAMPP Evaluation Workgroup (Dr. Leonard Jack, Director of the Xavier University College of Pharmacy, Center for Minority Health and Health Disparities Research and Education) to submit a proposal to lead the HEAL II initiative.

MCAN awarded a four year, $1.79 million grant to Xavier University's Center for Minority Health and Health Disparities Research and Education to implement the asthma case management model proven effective in HEAL I into health care settings for medically underserved pediatric populations in Orleans parish. The project, Head-off Environmental Asthma in Louisiana II (HEAL II), includes several HEAL I project staff members, including two certified Asthma Counselors and Community Health Workers. Potential clinical partners in New Orleans include Daughters of Charity health centers and other safety net health care providers for children. Study protocol, evaluation methodology and outcome measures are being developed with input from a community advisory group and expert scientific advisory board.

Comprehensive Asthma Project

The Comprehensive Asthma Project (CAP) is a collaboration between MCAN and the American Academy of Pediatrics (AAP). The purpose of CAP is to improve the quality of asthma care provided to pediatric patients by providing support to chapters and member practices to implement asthma guidelines established by the National Heart Lung and Blood Institute (NHLBI). The CAP program has two phases: 1) Chapter Quality Network (CQN) Asthma Pilot Project; and 2) the Medical Home Chapter Champions Project on Asthma (MHCCPA).

- **Phase 1: Chapter Quality Network (CQN) Asthma Pilot Project**
  The CQN Asthma Pilot Project involved 49 practices and 282 clinicians in AAP Chapters in Alabama, Oregon, Maine and Ohio and concluded MCAN-supported activities in fall 2010. The project provided support to the member practices to use Quality Improvement methodologies to integrate the latest asthma guidelines into their standard of care. As of September 2010, the 49 practices reported that 85% of the children with asthma whom they treat were receiving optimal care[1], an increase of 50% from the baseline measure of 35% collected in October 2009. In addition, AAP has granted the CQN venture capital funding to test a model to finance the continuation and growth of the program over the next fiscal year beginning July 1, 2010.

- **Phase 2: Medical Home Chapter Champions Project on Asthma (MHCCPA)**
  The MHCCPA facilitates the dissemination of best practices and advocacy related to the implementation of the NHLBI asthma guidelines within medical homes at the AAP chapter and/or state level(s). As of November 2010, 49 pediatricians had been

[1] optimal care measure represents the percent of asthma patients with all of the following: a. Validated instrument used to assess asthma control; b. Stepwise approach is used to identify treatment options or adjust therapy; c. Patients 6 months or older with a flu shot or flu shot recommendation; d. Asthma action plan

indentified to serve as medical home chapter champions constituting approximately 83 percent of all AAP Chapters.

Goal 2: Advance *policies* that expedite dissemination, implementation, and sustainability of science-based asthma healthcare

Changing pO_2licy: The Elements for Improving Childhood Asthma Outcomes
Commissioned by MCAN in collaboration with the RCHN Community Health Foundation (RCHN CHF) this report resulted from a landmark study by health policy researchers at GWU to determine: 1) why children in the US are not benefiting more from science-based asthma treatment and management; and 2) what policy reforms are essential to improve asthma outcomes.

MCAN, RCHN CHF and GWU released the report on February 23, 2010 with a briefing at the US Capitol Visitor's Center in Washington DC. Over 70 participants attended, including key representatives from government agencies (EPA, CDC, HHS and NHLBI), congressional offices (New Jersey, Minnesota, Puerto Rico and Montana) and stakeholder organizations (the American Lung Association, the Children's Health Fund, National Association of School Nurses). In addition, MCAN and RCHN CHF hosted a national webinar in which GWU authors provided an overview of report and the policy recommendations followed by an expert panel discussion. Over 200 people registered for the webinar, and 145 participated representing +30 states including representatives from the federal government; state and local departments of health, divisions of health or other agencies; asthma and pediatric health related stakeholders; providers; insurers; school health stakeholders; academia and others.

Following the release of the report, MCAN, RCHN CHF and GWU provided in-depth briefings on the findings of the report and the policy recommendations to several federal agencies and departments as well as non-governmental asthma community stakeholders:

- **March 3rd HRSA Briefing:** GW/MCAN/RCHN team met with Mary Wakefield (Administrator), Kyu Rhee (Chief Public Health Officer) Jim Macrae (Dir., Bureau Primary Health Care), and Seiji Hayashi (Chief Medical Office, BPHC).
- **March 22 CMS Briefing**: GW/MCAN/RCHN team met with Cindy Mann, Director, Center for Medicaid and State Operations (CMSO). Cindy expressed interest in leading an interagency working group to address the asthma healthcare.
- **May 1st AAFA Briefing:** MCAN presented report recommendations to Board of Directors
- **May 10 HUD Briefing:** GW/MCAN/RCHN team met with Jon Gant, Dir., Office of Health Homes and Lead Hazard Control (OHHLHC) and Peter Ashley, Director of Policy and Standards Division for OHHLHC. HUD staff expressed interested in collaborations involving public housing and community health centers as well as MCAN activities in New Orleans.
- **May 12 CDC National Asthma Partners Meeting** –Floyd Malveaux attended annual meeting in Chicago
- **May 19 Nat'l Governor's Association Webinar:** ***Children with Asthma: State Options for Improving Health Outcomes and Containing Costs*** Floyd Malveaux, panelist, discussed findings and recommendations from the Policy Report. (100 + participants)
- **June 1 CDC Briefing**: MCAN & GW Team met with Paul Garbe, Chief, Air Pollution and Respiratory Health Branch, CDC. Focus of the meeting was implementation of the Policy Report recommendations including asthma monitoring and surveillance systems at the community level.

- **June 17 - 18 EPA National Asthma Forum:** MCAN & GWU presented policy report recommendations
- **October 14 Center for Medicaid, CHIP, and Survey and Certification:** GW/MCAN/RCHN team met in follow-up to March meeting, to suggest a strategic approach centering on formation of a CMCS-led multi-agency asthma work group, whose meetings would culminate in a comprehensive update of the agency's January 19, 2001 State Medicaid Directors Letter focusing on asthma.
- **November 1 Federal Task Force on Environmental Health and Safety Risks to Children:** MCAN/GW presented report recommendations in webinar in preparation for Workshop in December 2010
- **December 16-17 Federal Task Force on Environmental Health and Safety Risks to Children:** MCAN was invited to participate in this workshop. Federal Task Force on Environmental Health and Safety Risks to Children is a Cabinet level, inter-agency task force co-chaired by the EPA Administrator and DHHS Secretary.

Policy Brief and Webinar: The Affordable Care Act, Medical Homes, and Childhood Asthma: A Key Opportunity for Progress This policy brief, authored by GWU, and supported by MCAN and RCHN CHF was released in August, 2010 and distributed electronically to over 2,000 stakeholders. As a follow-up to this report, MCAN, GWU, and the National Association of Community Health Centers participated in a webinar on December 2nd hosted by the RCHN Community Health Foundation. Over 200 registrants included primary care clinicians and administrative staff from community/migrant health centers in the US.

NIH Asthma Outcomes Workshop

The concept behind the NIH Asthma Outcomes Workshop began in 2007 when MCAN commissioned RAND to conduct a meta-analysis and provide consensus estimates for the cost and benefits of better asthma care for children. RAND was not able to compare outcomes data across studies to obtain these estimates because there was little standardization in outcome definitions and metrics. These findings were presented at MCAN's State of Childhood Asthma Conference in December 2006 and one of the recommendations resulting from this conference was that the NIH lead a consensus process to establish and promulgate a set of standard definitions and recommended metrics for key variables in asthma-related clinical trials and other research. In January 2008, MCAN held a briefing with representatives from the National Heart, Lung, and Blood Institute (NHLBI) and the National Institute of Allergy and Infectious Diseases (NIAID), the two primary federal funders of asthma clinical research. MCAN presented them with this recommendation and the rationale behind it. Both Institutes immediately saw the need and benefit of the initiative and established an executive planning committee which eventually included the National Center for Minority Health and Health Disparities, National Institute of Child Health and Human Development, and the National Institute of Environmental Health Sciences, and the Agency for Healthcare Research. In addition, MCAN engaged the Robert Wood Johnson Foundation for support of the workshop.

The workshop took place March 15-16, 2010 in Bethesda, MD. Participants included over 130 leaders in NIH sponsored asthma clinical research, representatives of government agencies and members of communities who rely on clinical research findings, such as developers of clinical practice guidelines, health care providers, insurance providers, pharmaceutical companies, and community organizations. Workshop proceedings will be published, and NHLBI and NIAID will promote the use of outcome definitions and will beta-test outcome measures in their NIH clinical research networks.

Goal 3: Increase *awareness* and *knowledge* of childhood asthma and quality asthma care

"Managing Asthma in the School Environment: What NEA Members Need to Know"

MCAN partnered with the National Education Association Health Information Network (NEA HIN) to develop an online professional development course for teachers, and education support professionals (school secretaries, bus drivers, custodians, teachers aides) about asthma and the best ways to help students manage it within the school environment. The free curriculum was launched in December 2010, on www.neaacademy.org, and includes an overview of asthma including its causes; signs and symptoms; tips for controlling and treating asthma; and, strategies for creating asthma-friendly schools.

RAND-MCAN Study: Assessing the Business Case for Better Asthma Care

In 2007-2008, MCAN commissioned RAND to examine the relationship between asthma maintenance drug adherence and health care utilization by looking at a sample of asthmatic patients from medical claims records filed with private insurers. One of the findings of this study was that, in general savings generated by a reduction in high-cost events like emergency department visits don't offset the increased payments for maintenance drugs. However, this was not the case for adherent, high-risk patients. In 2010, RAND authors published results from this study in the *Journal of Asthma*, "Anti-inflammatory Medication Adherence and Cost and Utilization of Asthma Care in a Commercially Insured Population" (Mattke et. al, 2010).

In 2009, RAND and MCAN applied this same research question among children in Medicaid and CHIP. The findings from this phase of the study suggest that a business case for disease management interventions that aim to improve adherence to anti-inflammatory drugs cannot be made because of the increased costs of care. RAND presented the results of this phase of the study in a poster: 'Anti-Inflammatory Medication Adherence and Health Care Utilization and Expenditures among Medicaid and CHIP Enrollees with Asthma' at the 2010 ATS International Conference in New Orleans, Louisiana.

3rd Annual NIH Conference on the Science of Dissemination and Implementation, March 16, 2010

Principal Investigators from the MCAN Phase 1 Program Sites presented findings from their programs at the NIH Conference on the Science of Dissemination and Implementation in a think-tank panel entitled, "Measuring Fidelity of Evidence-Based Interventions (EBI) in Communities"

Supplement to *Health Promotion Practice*

MCAN, RTI International, Inc., and the Principal Investigators from the MCAN Phase 1 Program Sites submitted the first drafts of 8 manuscripts for a supplement to the journal *Health Promotion Practice*. The supplement, "Translation of Evidence-Based Pediatric Asthma Interventions in Community Settings: The MCAN Experience" will be published in late 2011.

American Public Health Association 138th Annual Meeting and Expo, Film & Media Festival, November 9, 2010

MCAN, RCHN CHF and GWU's video, "Changing pO_2licy: The Elements for Improving Childhood Asthma Outcomes," which details the findings of the policy report, was featured at the APHA Film & Media Festival in Denver, CO.

AsthmaCommunityNetwork.org

This redesigned website, supported by the U.S. Environmental Protection Agency in partnership with Allies Against Asthma, a program of the Robert Wood Johnson Foundation and MCAN was launched at the 2010 EPA Asthma Forum. The website is designed for community-based asthma programs and organizations that sponsor them—including representatives of health plans and providers, government health and environmental agencies, nonprofits, coalitions, and schools, to connect and learn about best practices and improve their comprehensive asthma management programs.

News/Media Highlights

Changing pO2licy· The Elements for Improving Childhood Asthma Outcomes

- Telemundo, the second largest Spanish speaking broadcast network, ran a live segment on the national newscast about childhood asthma on February 23, 2010 following the release of the report. MCAN Principal Investigator, Dr. Marielena Lara was interviewed regarding her project in Puerto Rico.
- HealthDay, a consumer health-focused wire service, ran a story on the report using quotes directly from the MCAN release; appeared as top story on healthday.com and in over 80 other online publications including:
    - Government published site/outlets (HHS Allergy and Asthma Newsletter, womenshealth.gov, Medline Plus)
    - Newsweekly and consumer sites (Business Week, AOL News, YahooNews, Real Age, U.S. News and World Report)
    - General Health Sites (health.com, HealthScout)
    - Local Newspaper and Broadcast News Web sites (WSFA, Atlanta Journal Constitution)
    - Women Focused Sites (EmpowHER)
    - Asthma/Respiratory Trades (ATS Morning Minute)
    - Pediatric Health Site (AAP SmartBrief)
    - Hospital Web sites (Holland Hospital)

"Childhood Asthma and Environmental Health" by Floyd J Malveaux, MD, PhD, on The Huffington Post

- 'Blog' post during Asthma Awareness month (May), highlighting the policy report, and the role the environment plays in asthma outcomes on Huffington Post, a news and politics website that reaches up to 22 million unique visitors per month and is considered one of the most influential information hubs on the Web.
- Linked to the following websites: New York Times (over 20 million unique visitors a month), US Weekly (2.3 million unique visitors per month), YahooNews!, NPR

"Taking Back Our Children's Health, One Breath at a Time" by Floyd J. Malveaux, MD, PhD, Guest Columnist, National Newspaper Association

- Column in National Newspaper Association highlighting the prevalence of childhood asthma among the African American community and ways the recent policy recommendations might affect this community.
- Column posted on BlackPressUSA.com, the only national website featuring news exclusively from African-American journalists and Black community publications.
- Column was picked up in the print and online editions of *The Dallas Examiner* (audience reach 20,000), the *Louisiana Weekly* (audience reach: 6,500), the *Pasadena Journal* (audience reach 12,500), the *Michigan Chronicle* (audience reach: 31,872)

MCAN Press Release, 8/26/10: "Heightened Sensitivity to Post-Katrina Mold, Other Environmental Triggers Increase Severity and Number of Asthma Symptoms and Attacks In Children"

- The Associated Press, a newswire that provides content for more than 1,700 newspapers, ran a story that led with the new funding for the HEAL program. The article included quotes from Dr. Floyd Malveaux, HEAL II Principal Investigator, Dr. Leonard Jack and highlighted key findings from HEAL Phase I.
    - The article was picked up by at least 34 websites including major consumer sites MSNBC, *USA Today*, Yahoo! News and AOL News; it was also featured in Louisiana-based newspapers and websites including *The Times-Picayune* and NOLA.com. In total, these outlets have the ability to reach 140 million people.
- FoxNews.com ran a feature story about the lingering health effects of Katrina that included information about the HEAL I findings and HEAL II funding. The article, which was featured on the home page of the website for 72 hours, featured two quotes from Floyd Malveaux. FoxNews.com reaches 9.9 million readers each month, broadening MCAN's reach to a new and large consumer audience.
    - The story on FoxNews.com was also picked up by 25 websites, including *The Daily Caller, The Houston Chronicle* and *Louisiana Medical News*. It was also a top story on Google News. These outlets are visited by 50,000 people each month.
- SmartPlanet.com, a consumer site owned by CBS published a story about the HEAL program. It was based on an interview with Floyd and was written in Q&A format. The story included messages on the need for sustaining community health programs. It also included information about the new funding and findings from the first phase of the project. SmartPlanet.com reaches 97,255 unique viewers per month

MCAN Press Release, 11/10/10: "MCAN Announces Major Funding for Care Coordination Asthma Management Programs in High Risk Communities Across the United States"

- As a result of the press release, the Associated Press ran a story reporting on childhood asthma in Puerto Rico, including information on the MCAN program and quotes from Dr. Floyd Malveaux and MCAN Principal Investigators, Dr. Marielena Lara and Dr. Gilberto Ramos.
    - Reposted on several major media websites such as Washington Post, MSNBC, NPR, ABC News, CBS News, FOX news, Forbes.com, Yahoo!News, Puerto Rico Daily Sun, San Francisco Examiner, The Washington Times, The Atlanta Journal-Constitution, The Miami Herald, and The Kansas City Star
    - Most of the stories include at least one photograph of young Jaycco Paris, age 6, who lives inside a public housing complex in San Juan and is a participant in the MCAN project in Puerto Rico.

Ongoing Communications Activities

eMCAN Alerts

In 2010, MCAN communicated with stakeholders, partners, Merck colleagues, and policymakers through an electronic newsletter called an 'eMCAN Alert.' Sent out on a periodic basis, this email communication provided important groups with pertinent and timely information on exciting MCAN happenings such as the launch of the Changing pO_2licy Report, the funding of the HEAL II Project, or the distribution of the Medical Homes policy brief. The eMCAN Alerts in 2010 had an average "click-through" rate of 27.3% (meaning 27.3% of readers clicked through at least one

of the links in the email). This rate was higher than the industry standard for government agencies (6.9%) and non profits (11.6%).

MCAN Exhibits
MCAN sponsored and participated in exhibits at the following meetings in 2010: American Thoracic Society, American Academy of Allergy, Asthma and Immunology, American Academy of Pediatrics, American College of Chest Physicians, and the American College of Asthma, Allergy and Immunology. Exhibits highlighted MCAN's programmatic activities by distributing MCAN brochures, CDC National Center for Health Statistics' State of Childhood Asthma, United States, 1980-2005, the MCAN sponsored report, "Changing pO_2licy: The Elements for Improving Childhood Asthma Outcomes" and the policy brief, "The Affordable Care Act, Medical Homes, and Childhood Asthma: A Key Opportunity for Progress ," and materials on AsthmaCommunityNetwork.org.

MCAN Website *www mcanonline org.*
MCAN continued to update and maintain its website as a comprehensive childhood asthma information portal with information on the Project Sites and other MCAN initiatives. Total visits in 2010: 111,387 (up from 69,461 total visits in 2009).

ACCOUNTING FOR GRANT FROM THE MERCK COMPANY FOUNDATION

The Merck Company Foundation made a grant to MCAN of $5,399,956 during 2010. Of this amount, $4,142,457 was spent during 2010 on MCAN operations and programs. There were payments to consultants and a grant that were made and intended for 2010 but because of the migration to the new payment system, they were not processed in time. The total amount that was not paid in 2010 as a result was $227,469 and will be reflected in the 2011 Annual Report. Financial statements for 2010 are available. All additional expenditures referred to above were approved by The Merck Company Foundation. All of MCAN's activities are related to its charitable purpose of supporting and advancing evidence-based programs that improve the quality of life for children with asthma and their families and reducing, through the dissemination of effective interventions, the burden of the disease on them and society.

Floyd J. Malveaux, MD, PhD
Executive Director
March 15, 2011

Merck Institute for Science Education

2010 Annual Report
Cover Sheet

Grant from the Merck Company Foundation to MISE	$7,359,650
Unspent funds	$874,805

Carlo Parravano

Dr. Carlo Parravano
Executive Director
Merck Institute for Science Education

Jan 11, 2011
Date

Merck Institute for Science Education
2010 Grant Report

Program	Amount Budgeted	Spent Funds	Unspent Funds
MISE K-12	$4,179,650	$3,344,845	$834,805
Barnard College	$30,000	$30,000	0
Merck/AAAS Undergraduate Science Research Program	$600,000	$560,000	$40,000
NAHH/Merck *Ciencia* Scholars	$800,000	$800,000	0
UNCF/Merck Science Initiative	$1,500,000	$1,500,000	0
UNCF STEM Initiative	$100,000	$100,000	0
Washington & Jefferson College	$150,000	$150,000	0
TOTAL	**$7,359,650**	**$6,484,845**	**$874,805**

Merck Institute for Science Education
Highlights
First Quarter, 2010

2010 Professional Development Design Workshop
The MISE Professional Development Design Workshop (PDDW), held on March 4 – 6 was attended by 39 science teachers and content specialists, district personnel and MISE staff. The design for the PDDW was intended to develop the knowledge and skills of Instructional Team members to provide purposeful implementation of curriculum modules for new and experienced teachers. Tier 1 Instructional Team members designed workshops for teachers who are new to using the curriculum modules and need basic familiarity with the instructional materials. Tier 2 Instructional Team members designed workshops for experienced teachers who have taught the modules and can focus more deeply on how students learn the science content in the instructional materials.

All team members experienced professional development to increase their knowledge of how students learn science and of instructional strategies to actively engage all students. Teams also learned to use module-based frameworks and matrices "tools" that guide teachers in their understanding of how key concepts are developed within a science module.

The Instructional Teams will facilitate five Tier 1 Peer Teacher Workshops and six Tier 2 Peer Teacher Workshops across the Partnership this summer.

The Academy for Leadership in Science Instruction Academic Year Sessions – Cohort 1 and Cohort 2
Two academic year sessions for the Academy for Leadership in Science Instruction were held in Princeton, NJ. On March 11 Cohort 2 school-based teams and six district-based teams participated in Day 7 of the Academy curriculum. Similarly, On March 25, twenty-two Cohort 1 school-based teams and six district-based participated in Day 14 of the Academy curriculum. A total of two hundred forty participants were involved in the sessions.

Day 7 of the Academy curriculum is considered to be a "pivotal" day for the school-based teams. In the morning, each Cohort 2 school-based team discussed the work they had accomplished in their districts and reflected on their progress toward achieving the three Academy goals. This experience developed awareness among the teams that by working to achieve the three goals, they had exemplified leadership. In the afternoon, teams culminated their year-long research study by developing their first draft of a vision of effective science instruction. Each team member had the opportunity to articulate that vision to other Academy colleagues and receive feedback.

On Day 14 of the Academy curriculum, Cohort 1 teams continued to sharpen their vision of effective science instruction and increased their understanding of how to use School Based Inquiry (SBI) to strengthen their school leadership in science instruction. Dr. Misty Sato worked with the teams to deepen their understanding of the purpose of SBI and increase their comfort in using it as a leadership tool. Teams developed "inquiry-journey maps" which illustrated the year-long progress they have made through SBI. By engaging in a gallery walk, teams were able to view and discuss other teams' SBI journeys. In the afternoon, teams wrote advocacy messages describing the potential impact of SBI on improving science instruction. Participants had the opportunity to practice articulating their advocacy message to a colleague to get feedback. The practice was designed to increase each team member's confidence in describing the importance of SBI as the vehicle for improving science instruction in his/her school.

Throughout Days 7 and 14, district-based teams worked alongside the school-based teams providing support and resources.

UNCF•Merck Science Initiative (UMSI): Selection of 2010 Fellows

A total of 234 applications were received via the UNCF Online Portal, distributed among the award levels as follows: Undergraduate = 61 applications, Graduate = 108 applications, Postdoctoral = 65 applications. This represents a 10% increase over the number of applicants in 2009. The UMSI provides fellowships, internships, mentoring and institutional support through grants to the science departments of fellowship recipients' schools.

All applications were reviewed by selection committees of MRL scientists who volunteer their time. The committees met in mid-February and early March to select the Fellows:

Postdoctoral Fellows

Chelsea C. Pinnix - Univ. of Texas-Anderson Cancer Center
Norman Atkin - Northwestern University
Winnette S McIntosh-Ambrose. - National Institutes of Health
C. Brandon Ogbunugafor- Yale University
Toby L Nelson - Carnegie-Mellon University
Tanya D Russel - University of Colorado-Denver
Dawn A. Delfin - Ohio State University
Mary Farrow - California Institute of Technology
Regina Campbell-Malone - Woods Hole Oceanographic Institution
SusAnn M. Winbush - The Scripps Research Institute

Graduate Fellows

Adebola O Ogunniyi - Massachusetts Institute of Technology
Azurii K. Collier - Northwestern University
Olusegun Williams- UC-San Francisco
Denise C Cornelius - University of Mississippi Medical Center
Dannielle S Figueroa - Drexel University
Akwasi Apori - UC-Berkeley
Jacqueline D Jones - Tuskegee University
Qyana G. Griffith - Boston University
Deirdre S Davis - UC-Riverside
Alex Stewart - Albert Einstein College of Medicine
Anoklase J. Ayitou - North Dakota State University
Jennifer L McLarty- University of South Carolina

Undergraduate Fellows

Janae Hunter - Oakwood University
Sherman Coleman - Dillard University
Xochina El Hilali - Carnegie Mellon University
Dannielle Foster - Xavier University of Louisiana
Alexandra Herndon - University of Washington
Itisha Jefferson - Spelman College
Steve Morgan - Xavier University of Louisiana
Michelle Munyikwa - College of William and Mary
Oluwadamilola Oladeru - Yale University
Daniel Salahuddin - Saint Leo University
Candice Sherwood - Georgia Institute of Technology

Ashley Spann - Samford University
Makendra Umstead - North Carolina Central University
Rama Yakubu - Clarkson University
Leopoldl Green – Hampton University

National Conference on Science Education
MISE presented three sessions at the National Conference on Science Education held by the National Science Teachers Assocation on March 18-21 in Philadelphia, PA. Two of the sessions, led by MISE staff and district colleagues, disseminated lessons learned through MISE's sustained experience in professional development design, highlighting the Academy for Leadership in Science Instruction. The third session was part of the Research Dissemination Conference and focused on how MISE has used *Ready, Set, SCIENCE!* in professional development.

Additionally, MISE provided travel and registration funds to support 38 teachers and administrators from our six Partner school districts to attend the conference. The National Conference is a significant professional development event, providing opportunities for educators to learn more about effective science teaching, preview new classroom materials, and network with other educators. Attendees typically return with notes, handouts, and information to enrich the professional lives of their school and district colleagues.

MISE's New Video: Creating Communities of Learners
MISE released a new promotional video, "The Merck Institute for Science Education: Creating Communities of Learners." This video was filmed in elementary, middle and high school classrooms in Partnership districts, as well as at the Academy for Leadership in Science Instruction. In the video, Academy participants (both teachers and administrators) speak about the impact of MISE programs on their practice. This is supported by student interviews, classroom footage, and interviews with MISE staff.

The video is intended for use by a variety of audiences. It was first shared with Academy participants during an Academic Year Session, where it was integrated into the curriculum and then posted to the Academy website for future use. The video has been disseminated to MISE's Partnership districts so it can be posted to their district websites and shared with school board members, parents, and potential future Academy educators. It has also been used as an outreach tool to engage potential MISE volunteers. Finally, work is underway to create a shorter version to be posted on merck.com.

Walter O. Krumbiegel Middle School Family Math and Science Night (Hillside School District)
The district's second annual Family Math and Science Night was held on March 9 at the Walter O. Krumbiegel Middle School for grade 6 - 8 students and their parents. Approximately 200 adults and children participated in this event, which focused on Measurement Science. Families were divided into three sections, so each smaller group would have adequate instruction and materials for their activity. One activity involved the use of the Intel QX3 digital microscopes connected to laptop computers to look at various household materials such as poppy seeds, cotton fabric, and newsprint. A second activity focused on the growth trends of human bodies. Various measurements of the wrist, arm, hand, leg, and head on both children and adults showed similarities when their ratios were calculated. The third activity modeled the planet sizes in our solar system and gave participants an understanding of the significant differences between the outer gaseous planets and the rocky inner planets. Twelve teachers from the middle school instructed and assisted the families in the activities. The feedback from the parents and students showed that it was a very successful event.

West Point – Family Science Day for Young Learners
This year's Family Science Day event was held on February 27 and engaged young learners in grades

K – 2 and their parents in activities focused on The Five Human Senses. There were 31 Merck employee volunteers who led activities and interacted with this young group of scientists. Two 2½ -hour sessions (morning and afternoon) were held with a total attendance of 320 adult and child participants. The young children and their parents were engaged in several activities for each sense, such as making various sounds for hearing using common items such as combs, wax paper, popsicle sticks, corn kernels and film canisters. Tasting activities involved sweet, bitter, salty and sour materials such as sugar cubes, baking chocolate, potato chips, and lemons. All materials used were common household items, and families were able to take some of the materials home with them. At the end of each morning or afternoon session, every family was given a science activity book on the Five Senses so they could work together on additional sense-related activities at home.

Holland Brook School Astronomy Night

Approximately 130 adults and children participated in the school's second Astronomy Night event held on March 25 at the Holland Brook School in Readington Township. Ms. Wendy Reardon, a team leader for the school's Academy Cohort 2 team, coordinated with MISE to engage families in a space science activity called *3D Earth – Moon Model.* Two other activities that families participated in were a Starlab presentation by Readington teachers and stargazing through telescopes provided by Raritan Valley Community College. Eight teachers from the school were involved in leading the Starlab and Earth/Moon activities.

Citation from Readington

The Readington Township Board of Education passed a resolution "recognizing the support and commitment of the Merck Institute for Science Education to the teachers, students and community of Readington Township." The resolution cites MISE's "unwavering dedication to the pursuit of high quality learning environments" through our professional development programs. Dr. Parravano attended the meeting and accepted a copy of the resolution and a plaque. The Board President, Superintendent and Assistant Superintendent were very generous in their remarks and expressed their gratitude for MISE support.

Merck Institute for Science Education
Highlights
Second Quarter, 2010

The Academy for Leadership in Science Instruction Retreat
A three-day, residential Academy Faculty Retreat for Cohort 1 was held on May 19 – 21. The retreat was attended by 17 participants including district faculty members, MISE staff and consultants with expertise in science content, pedagogy and professional development design. This year's curriculum focused on life science, specifically natural selection, as well as school culture, leadership development and School Based Inquiry.

Over the three days, time was allotted for engaging in science practice and facilitating study group sessions on reading selections pertaining to natural selection, school culture, and leadership. Through their experiences, the Academy Faculty could offer feedback which the Academy design team subsequently incorporated into the curriculum.

Effective facilitation strategies for adult learners were also the focus of retreat discussions. Moreover, the residential aspect of the retreat allowed for extended planning time and content sessions to support all of the Academy Faculty members in their understanding and implementation of the new curriculum.

MISE New Brochure: Advancing Excellence in Science Teaching and Learning
MISE released a new capabilities brochure, "Advancing Excellence in Science Teaching and Learning." This newly-updated document tells the story of MISE, highlights our philosophy and mission, and describes our partnership and major programs. The brochure consists of six fixed pages and six inserts, a design which allows information to be updated as major programs grow and develop. Additionally, each of the inserts is designed to stand alone, so that they can be a resource for highlighting a particular program.

Merck State Science Day
On June 4, twenty-two New Jersey high school students were honored by MISE and the New Jersey Science Teachers Association (NJSTA) for their performance in the 60th annual Merck State Science Day competition. The twenty-two students, known as Merck Scholars, received their awards at a ceremony and luncheon at Merck Research Laboratories in Rahway.

A total of about 1,600 students from almost 100 high schools in New Jersey competed in the Merck State Science Day academic competition, which gives students an opportunity to demonstrate their knowledge of science. Participating students take a test in either biology, chemistry, physics, integrated science, or advanced integrated science. Integrated science competitors are usually sophomores and juniors. Students taking the other tests are usually juniors and seniors. MISE and NJSTA gave awards to the four highest scoring students on each test.

Since 1950, Merck has recognized New Jersey high school students with exceptional abilities in science through its support of the Merck State Science Day competition. Current sponsorship of the competition is overseen by MISE. In their partnership, MISE supports the NJSTA as the competition organizer while ensuring resources for administering the competition and recognizing outstanding students and school teams.

Youth Policy Summit
In June, MISE sponsored a Youth Policy Summit for teams of high school students and a sponsoring teacher. The six-day residential program was held at Montclair State University from June 25 to July 1.

Thirty students and teachers attended the program which was one of several similar programs organized annually by the Keystone Center of Keystone, Colorado. The Youth Policy Summits challenge high school students in addressing a spectrum of critical issues involving environmental policy. The New Jersey regional Youth Policy Summit focused on policy issues around Water Quality and Human Health. Prior to the Summit sessions, the students conducted library and media research so as to be fully prepared to work with all participating students. Early in the six-day program the students prepared questions and engaged a panel of experts whose daily work involves or impacts regional water quality. These experts represented organizations including: New Jersey American Water Company, U.S. Environmental Protection Agency, the Passaic River Coalition, Merck & Co, Inc., The New Jersey Environmental Federation, DuPont Engineering, Research and Technology, USGS New Jersey Water Science Center, New Jersey Department of Environmental Protection, and the NY/NJ Baykeeper.

The New Jersey Regional Summit concluded with the students presenting their water policy recommendations to invited guests. The policy recommendations will be formatted into a publication and information-distribution format for students to use in sharing their recommendations with local officials and groups that can influence policy adoption.

UNCF/Merck Science Initiative Fellows Day

The 2010 UNCF/Merck Science Initiative (UMSI) Fellows Day and allied events were held June 19 through June 23 at the Merck facility in West Point, PA and the Normandy Farms Conference Center, Blue Bell, PA. Highlights of the Fellows Day include scientific colloquia, poster sessions, laboratory tours, workshops, events and dinners hosted by the Association of UNCF/Merck Fellows and the Merck Black Employees Network, and an awards dinner and ceremony which featured guest speakers and award presentations by Mr. Richard Clark, Dr. Peter Kim, Dr. Michael Lomax and Dr. Merv Turner.

The Alliance/Merck *Ciencia* Hispanic Scholars Program

A total of 143 applications were received for the *Ciencia* Scholars Program which provides annually ten four-year awards to Hispanic high school seniors intending to major in a STEM field. The applications were drawn from the Elizabeth, NJ, Brownsville, TX and Los Angeles, CA school districts—districts which have long-standing partnerships with MISE and the National Alliance for Hispanic Health. Each of the awards includes a scholarship, summer laboratory internships and mentoring opportunities. See Table 1 for a list of the *Ciencia* Scholars. In addition, the National Scholarship Program received a total of 187 applications representing 30 states and Puerto Rico, up from 16 states in 2009. The top ranked 25 students were selected to receive one-year scholarships and are listed in Table 2.

Table 1: The 2010 Alliance/Merck *Ciencia* Scholars

NAME OF STUDENT	COLLEGE/UNIVERSITY	DECLARED MAJOR
Jina Balogh Brownsville Independent School District	Texas A&M University	Engineering
Laura Garcia Brownsville Independent School District	University of Texas at Austin	Biology
Reymundo Gutiérrez Brownsville Independent School District	Massachusetts Institute of Technology	Computer Science
Amalia Merino Brownsville Independent School District	University of Texas at Austin	Engineering

Table 1: The 2010 Alliance/Merck *Ciencia* Scholars (continued)

NAME OF STUDENT	COLLEGE/UNIVERSITY	DECLARED MAJOR
Maria Castro Elizabeth Public Schools	Union County College	Pharmacology
Angie Ossa Elizabeth Public Schools	Kean University	Pre-medicine
Jonathan Roldán Elizabeth Public Schools	Rutgers University	Biology
April Bello Los Angeles Unified School District	Wellesley College	Environmental Sciences
Jennifer Chávez-Lanza Los Angeles Unified School District	California Lutheran University	Mathematics
Alejandro Ramírez Los Angeles Unified School District	University of California, Berkeley	Computer Science

Table 2: The 2010 Ciencia National Scholarship Winners

NAME OF STUDENT	COLLEGE/ UNIVERSITY	DECLARED MAJOR	EXPECTED DATE OF GRADUATION
Casey Boyle	University of Michigan – Ann Arbor	Mechanical Engineering	April 2013
Richard Calatayud	University of Florida	Mechanical Engineering	May 2012
Alejandro Cervantes	California Polytechnic State University	Computer Science	June 2013
Armando De los Santos	University of California – Los Angeles	Electrical Engineering	December 2011
Gerardo Dominguez	Chicago State University	Information Systems	May 2011
Joely Guzman	SUNY at Stony Brook	Chemical Engineering	June 2012
Orval Hernandez-Marcial	California State University- Los Angeles	Engineering	June 2012
Maria Jaime	Manhattanville College	Mathematics	May 2013
Danielle Joaquin	University of Illinois – Urbana Champaign	Biomedical Engineering	May 2012
Andre Kiss	Ursinus College	Biology	May 2013
Miguel Larios	University of California – Los Angeles	Biology	June 2013
Ana Lazcano	California State University - Fresno	Chemistry	May 2013
Marco Lem	California State University – Sacramento	Civil Engineering	December 2011
Dario Lopez	Portland Community College	Electrical Engineering	January 2012
Austin Loza	Schreiner College	Mathematics	May 2012
Heidi Marquez	Regis University	Biology	May 2011
Alexa Mieses	CUNY City College	Biology	May 2011
Celeste Montengro	East Los Angeles College	Electrical Engineering	September 2013
Jose Navarro	Eastern Washington University	Computer Sciences	June 2013
Romina Ortiz	Johns Hopkins University	Biology	May 2011
Oscar Rodriguez	Oxnard College	Mechanical Engineering	May 2011

Table 2: The 2010 Ciencia National Scholarship Winners (continued)

NAME OF STUDENT	COLLEGE/ UNIVERSITY	DECLARED MAJOR	EXPECTED DATE OF GRADUATION
Karina Tlaxcala	Regis University	Biology	May 2012
Alondra Vega	Loyola Marymount University	Mathematics	May 2012
Ana Zarco	Reedley College	Civil Engineering	May 2011
Sandra Zungia	Reinhardt College	Mathematics	May 2012

Kenilworth – Family Science Day

The inaugural Family Science Day (FSD) event held at Merck's Kenilworth site occurred on May 15 and was very successful in many ways. First, nearly 300 adults and children participated in this event which focused on general science topics and was titled "**Science for Curious Minds.**" Second, 22 legacy Schering-Plough volunteers from the Kenilworth, Summit, Union and Roseland sites participated both as activity leaders and assistants. Another eight volunteers from the Rahway site added to the total volunteer pool of 30.

During the event, families were divided into four groups. Each group participated in a specific science activity. One activity, Balloon Rockets, challenged participants to make their inflated balloon rocket (attached to a piece of drinking straw) glide along a fishing-line track and stop at a specific point. A second activity focused the families on engineering by having them design a container to hold 293 kernels of popped popcorn, starting with only five kernels, some construction paper, tape, and a ruler. The third activity focused on the science of Solids and Liquids by having the participants freeze liquid cream (with sugar and flavors) into ice cream. The final activity, Ink Chromatography, explored ink mixtures, found in water-based markers and food colorings, and how they can be separated using the process chromatography.

Rahway Middle School Family Math & Science Night

Rahway Middle School began their sixth year of bringing Family Math & Science Night to students and their parents by having approximately 160 adults and children participate in three activities under the general science topic of **Science and Design**. Families were divided into three groups. One activity involved Balloon Rockets where families were challenged to make their balloon rocket glide along a fishing-line track and stop at a specific point. A second activity focused on designing a container to hold 293 kernels of popped popcorn, starting with only five kernels, some construction paper, tape, and a ruler. The third activity challenged the families to design a marble chute that had five changes of direction and allowed the marble to fall five feet in exactly five seconds. Eight teachers, many from the Rahway Middle School Academy team, participated as activity leaders and assistants. Parents and students responded on their evaluations that they had a productive and enjoyable time learning science and that this event was very successful.

Citizen Schools New Jersey STEM Summit

On April 28, representatives from MISE helped to facilitate and participated in the Citizen Schools New Jersey STEM Summit. This event brought together organizations that have a significant stake in developing the STEM pipeline of future scientists, technologists, engineers and mathematicians in New Jersey. The focus of the agenda was small group sessions, some of which were facilitated by MISE representatives, to examine existing partnerships and their successes, the benefits of these partnerships, and potential next steps. One outcome of the meeting is that MISE has begun working with Citizen Schools, a national nonprofit organization that partners with middle schools to expand the learning day for low-income children, to place MISE volunteers into Citizen School sites.

Merck Institute for Science Education
Highlights
Third Quarter, 2010

The Academy for Leadership in Science Instruction

Two cohorts attended the Academy for Leadership in Science Instruction this summer in Princeton, NJ. Cohort one, comprised of 106 educators and twenty-two K-12 school-based teams, entered into their second year of the Academy curriculum. Cohort two, comprised of 97 educators and eighteen K-12 school-based teams, experienced their first year of the Academy curriculum. The six district-based teams joined the school-based teams for one day in July and two days in August.

Cohort two attended the Academy from July 19th – 23rd. This cohort continued their study of the research on effective science instruction through engaging as learners in a series of activities designed with a primary goal of exploring how students build conceptual understanding. New content was also added to the Academy curriculum to build the capacity of these leadership teams and to provide new leadership tools: the analysis of school culture and School Based Inquiry. The analysis of school science culture enabled the teams to identify strengths and areas of improvement in their instructional environments. These strengths or areas needing improvement became topics for examination through School Based Inquiry. The School Based Inquiry process is designed to engage colleagues in examining important issues relative to the improvement of science instruction. Through data collection, analysis and evidence-based decision making, School-based Teams will lead their colleagues in making progress toward the goal of improving science instruction for all students.

Cohort one attended the Academy from August 2nd – 6th. This cohort continued their study of the research on effective science instruction through experiences that modeled the Nature of Science and how knowledge is constructed in science. In this year, all of the major elements of the Academy content -- developing a clear vision of *effective science instruction*, practicing and implementing *norms of collaboration* as a tool for functioning productively as a community of learners, understanding *school culture* in the context of leadership, and implementing *School Based Inquiry* as a tool to enact leadership -- have been introduced. The week was focused on providing teams with opportunities to refine these skills and deepen their understanding of these core elements of the curriculum while emphasizing equitable access to effective science instruction for all students in their schools.

Peer Teacher Workshops

In June and August, 11 Peer Teacher Workshops were held in Elizabeth and Readington Township, NJ and North Penn, PA, attended by 165 educators from throughout the Partnership. Four of the workshops were Tier 1, or implementation workshops. These introductory workshops are designed for teachers new to a set of instructional materials and provided participants the opportunity to experience each investigation in the modules, with a focus on conceptual development, classroom management techniques, assessment opportunities and alignment to the New Jersey Core Curriculum Content Standards and Pennsylvania State Standards. Additionally, there were six Tier 2 workshops, designed for teachers who had experience using the instructional materials in their grade level to deepen their understanding of the science content in order to support meaningful implementation of the modules. Tier 2 workshops made use of Curriculum Frameworks, tools developed by Horizon Research, Inc. (HRI) to identify the key concepts in the module and how the activities within the modules support understanding of the key concepts. For the second year in a row an implementation workshop for high school Biology teachers was also offered, focused on asking questions to probe student ideas and predictions, asking questions to challenge student thinking, setting the purpose with a focus question and/or goal statement, and making explicit links between science ideas and activities. Participants studied each tool using video

and text case studies in order to discuss how teachers could effectively implement the chapter activities in class in a way that supports student thinking and conceptual development.

Tier 1 and Tier 2 PTWs were designed and facilitated by instructional teams composed of two to three teachers including an accomplished teacher with experience with the curricular materials focused on at the workshop, a content specialist, who is someone identified as having deep content knowledge in the subject area, and an experienced professional developer, who has facilitated a PTW in the past. The high school Biology PTW was designed and facilitated by two representatives from BSCS, who have also facilitated a workshop for the same group of teachers in previous years.

HRI Observation Training

On September 23, four MISE staff members and 12 teachers and science education leaders from MISE Partnership school districts participated in a full-day training session to become familiar with a standard protocol for observing instruction in science. Led by a consultant from Horizon Research Incorporated (HRI), the session provided experience in using an observation and data recording system that is derived from many years of observation work done by HRI in evaluating NSF-funded projects. The data collection and recording forms (or "tools") will enable MISE staff and Partner district leaders to be consistent in observing classroom instruction with the goal of identifying impacts of the Academy for Leadership in Science Instruction as well as the impact of teacher participation in other Partnership professional development activities. The tools focus observers' attention on aspects of instruction that are based on research and that have been emphasized in Academy sessions as well as MISE Partnership sponsored Peer Teacher Workshops. The tools guide observers to identify: the purposes of instruction; how instructional materials are used; how instruction deepens content knowledge; the classroom culture; and, student opportunities to learn.

White House Event and Recognition

The Merck Institute for Science Education was recognized by the White House as a model science education initiative at an event held on September 16. In a press release, President Barack Obama said, "Our success as a nation depends on strengthening America's role as the world's engine of discovery and innovation. I applaud Merck and MISE for lending their resources, expertise, and their enthusiasm to the task of strengthening America's leadership in the 21st century by improving education in science, technology, engineering and math." The event was part of the President's "Educate to Innovate" nationwide campaign focused on excellence in STEM education, and marked the kick-off of Change the Equation (CTEq), a newly formed organization to mobilize corporate support behind improved STEM education. Merck was represented at the White House by its chairman and chief executive officer, Richard T. Clark; MISE was represented by Carlo Parravano; and the school districts were represented by Cindy Apalinski, a Linden teacher, and Clifford Janey, superintendent of the Newark Public Schools.

2010 Ciencia Scholars Summer Symposium

A component of the Alliance/Merck Ciencia Hispanic Scholars Program is the annual symposium for the Ciencia Scholars. The purpose of the symposium is to provide a forum for the Scholars to present their research, participate in workshops developed specifically for the Scholars, share experiences and build a community of peers.

The first Ciencia Summer Symposium was held August 15-18, 2010 in Washington, DC. During the three-day symposium, the students participated in sessions on developing effective presentation skills, managing their academic development, and maximizing internship and networking opportunities The Scholars also visited the Food and Drug Administration, the National Institutes of Health and the National Science Foundation. At each institution, leaders in the scientific community gave presentations on their research, career options and led the students in tours of the labs and facilities. At each institution, the

students met with accomplished Hispanic scientists and/or engineers who were quite impressed with this cohort of students.

The program evaluator, Emorcia V. Hill, Director, Research and Evaluation Office for Diversity and Community Partnership at Harvard University Medical School, attended the Ciencia Summer Symposium. Dr. Hill attended all events and conducted focus groups and interview sessions with the Scholars. A survey of the students is underway and an interim report is expected by the end of the year. However, the Scholars openly expressed that the Symposium expanded their horizons and exposed them to many new possibilities.

Merck Institute for Science Education
Highlights
Fourth Quarter, 2010

Advisory Board Meeting
MISE's Advisory Board convened on November 17 in Whitehouse Station for the 18th annual meeting. The morning was spent discussing the progress of the Academy for Leadership in Science Instruction. Dr. Curtis Dietrich, superintendent, North Penn School District; Mr. Lee McCaskill, principal, Hillside High School; and Ms. Nicole Brighouse, teacher, Rahway Public Schools, attended the meeting and provided insight about their experiences at the Academy as school district administrators and participants on School- and District-based teams. In the afternoon, the Board provided significant and useful input on developing plans to work with MISE's new partner, the Newark Public Schools.

The Academy for Leadership in Science Instruction
Two academic year sessions for the Academy for Leadership in Science Instruction were held in Princeton, NJ. On October 20 Cohort 2 School-based Teams and six District-based Teams participated in Day 13 of the Academy curriculum. Similarly, On October 28, twenty-two Cohort 1 School-based Teams and six District-based Teams participated in Day 20 of the Academy curriculum. A total of two hundred forty participants were involved in the sessions.

Day 13 of the Academy curriculum provided the Cohort 2 School-based Teams with an opportunity to debrief their experiences of communicating the School Based Inquiry process to their non-Academy school colleagues. The teams then discussed "lessons learned" from their first cycle of School Based Inquiry. School- and District- based Teams then came together to hear a presentation on data analysis given by Dr. Misty Sato. Using data collected from the first cycle of the School Based Inquiry, each team, joined by a District-based Team member, then met to analyze their data and make decisions about the next steps in their inquiry cycle.

Day 20 of the Academy curriculum provided the Cohort 1 School-based Teams with an opportunity to practice articulating their vision of effective science instruction. Individual team members created "vision organizers" that were designed to select key points from the School-based Team's written vision document and arrange that information in a format that would be easy to reference. Each person then practiced communicating their vision to other Academy colleagues who represented various stakeholders, i.e. parents, a principal, a Board of Education representative. This helped team members increase their comfort and fluency in articulating their vision of effective science instruction. Then, in district teams, SbTs and DbTs met to begin to develop a five-year plan to support the work of the Academy for Leadership in Science Instruction in their districts and in the Partnership.

Assessment Working Group
As part of it's approach to supporting school district use of student achievement data, MISE convened a working group to examine and recommend student assessment tools and techniques. On December 2, representatives from Partnership school districts, four MISE staff, and two consultants from Horizon Research, Inc. (HRI) met with several purposes in mind. The first was to make an objective examination of the purposes for student science assessments. Then the group identified the priorities for student assessment within the Partnership. After the consultants presented the implications for using assessment information in evaluating the Partnership's professional development and Academy work, the group considered potential approaches to building a plan for a Partnership student assessment system.

Rahway Family Science Day

This event engaged young learners in grades K – 2 and their parents in activities focused on The Five Human Senses. There were 25 volunteers from three Merck sites (Rahway, Kenilworth, and Summit) who led activities and interacted with this young group of scientists. Two 2½ -hour sessions (morning and afternoon) were held with a total attendance of approximately 200 adult and child participants. The young children and their parents were engaged in several activities for each sense, such as making various sounds for hearing using common items such as combs, wax paper, popsicle sticks, corn kernels and film canisters. Tasting activities involved sweet, bitter, salty and sour materials such as sugar cubes, baking chocolate, potato chips, and lemons. All materials used were common household items, and families were able to take some of the materials home with them.

Rahway Middle School Family Math & Science Night

Rahway Middle School held an Astronomy Family Math & Science Night for middle school students and their parents. Approximately 170 adults and children, divided into three groups, participated in two space-science activities and attended a presentation in the MISE Starlab planetarium. One activity involved the simulation of a comet using water, dry ice and other materials. A second activity focused on a model of the Solar System where planetary sizes and distances remained accurate. Two Merck employees from the Rahway site presented a "What Can I See in Tonight's Sky" session in the MISE Starlab. Twelve teachers, many from the MISE Academy middle school team, participated as activity leaders and assistants. Parents and students responded on their evaluations that they had a productive learning experience and that this event was very successful.

New Jersey Science Convention

On October 12-13, representatives from MISE attended the New Jersey Science Convention in Somerset, NJ. The Convention, a two-day event, was planned to support K-12 science teachers and supervisors in enhancing the teaching of science. The Convention included approximately 250 teacher-led workshops along with exhibit booths hosted by close to 80 publishers, equipment vendors, and science program support agencies. MISE participated in the Convention as an exhibitor providing information about our programs and resources as well as copies of useful publications and MISE tote bags to the approximately 900 visitors to its booth.

Visit to India

Dr. Carlo Parravano was invited by MSD India to assist in the development and implementation of a precollege science education initiative. Dr. Parravano, along with representatives from the Merck Company Foundation and Teachers College, spent one week in Delhi meeting with science educators and principals, and visiting schools to become familiar with the strengths and challenges associated with teaching science in grades K – 8. A new program designed to meet the needs identified as a result of the trip and subsequent discussions, is expected to be implemented in 3rdQ, 2011.

GLOBAL HEALTH PROGRESS REPORT FORM

BILL & MELINDA GATES *foundation*

Please refer to the Progress Report Guidelines for instructions on completing this form

I. Summary Information

GRANT INFORMATION

Project Name ACHAP Phase II

Organization Name African Comprehensive HIV/AIDS Partnerships (ACHAP)

Grant ID# 52352

Foundation Program Officer Dr. Luke Nkinsi

Date Grant Awarded *September 2009*

Project End Date *December 31, 2014*

Grant Amount *$29,813,113*

Project Duration *60*

Report Period From *January 2010*

To *December 2010*

Report Due *March 30, 2011*

Has this project been granted a no-cost extension? *No*

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Geographic Location(s) of Work		Geographic Area(s) Served	
Location	**$$**	**Location**	**$$**
BOTSWANA	*$29,813,113*	BOTSWANA	*$29,813,113*

II. Progress and Results

General Progress

2010 marked the first full year of grant activity for ACHAP's Phase II project A number of successes were experienced throughout the year most notably the launch of Phase II with participation from the President of Botswana and a number of local dignitaries In addition ACHAP contracted SMC teams, finalized a timeline for transitioning ACHAP's support of the treatment program to the government of Botswana and supported the completion of a of TB/HIV integration policy.

While the year was marked by a number of successes, continued discussions between the partners on respective roles and responsibilities for objective 1: SMC and the decision to revise the strategy for Objective 2: Young Women's Prevention resulted in delays in meeting some of the targets set for 2010 The delays were unfortunate, but the discussions and strategy development have left ACHAP in a better position to implement in more cost effective and result focused methods for the rest of the project, supporting us in achieving our ultimate targets

Specific Results

Describe the planned milestones, outputs, or outcomes[1] for the reporting period and whether they were achieved or delayed	**If achieved: What source of evidence[2] do you have to support the result? If delayed: What was the cause of delay?**
Objective 1: Safe Male Circumcision	
Recruitment of human resources for SMC scale up completed by 31 December 2010.	This was achieved. Recruitment was completed in 2010, though some staff reported for work in early 2011.
5 vehicles procured or reallocated from current ACHAP fleet by 31 December 2010.	Delayed. Three vehicles were procured to support the work of the ACHAP operational area teams including support for SMC The purchase of the five vehicles specifically planned for SMC was delayed until 2011 to ensure the SMC teams were in place.
At least 10 doctors signed contracts by 14 November 2010.	Achieved The doctors started work. ACHAP continues to work with the Ministry of Health to optimize their efforts for SMC service delivery
At least 10 lay counselors signed contracts by 14 November 2010.	Delayed. Recruitment of the 10 lay counselors was completed in December 2010. They reported for work in January 2011
At least 10 Health Care Auxiliaries / Nurses signed contracts by 14 November 2010.	Delayed. Recruitment of the 10 Health Care Auxilliaries was completed in December 2010 they reported for work in February 2011
At least 5 SMC teams deployed in the	Only the ten doctors were deployed to the

operational areas by 31 December 2010	operational areas by December 2010. The recruitment of the other team members was delayed by the process of engaging the doctors who were key to the formation of the team
Rapid Assessment of the short term communication strategy conducted by 31 December 2010.	Delayed.This activity was rescheduled to 2011 to be able to put in place the appropriate technical team to conduct the assessment
National SMC operation plan developed by 31 December 2010	Achieved. This was led by the Ministry of Health under the stewardship of the ACHAP-supported National SMC Coordinator. The plan is available and being used
Development of SOPs for SMC completed by 31 December 2010.	Achieved. The SOPs were finalized and are currently guiding training of health workers as well as programme implementation at facility level.
Objective 2: Young Women's Prevention strategy	
Terms of Reference for strategy development consultant finalized.	Achieved. The TORs were developed and shared with the Board and helped guide the recruitment of the consultant
Consultant Contracted by October 30, 2010	Achieved. The consultant was recruited within the specified period and started work
Objective 4: Transition of Treatment Program	
A transition plan developed and approved by October 30th 2010.	Achieved. Discussions on the transition process concluded and framework for transitioning agreed components of the programme developed and agreed upon.
A transition committee constituted by August 31 2010	Achieved. Transition committee constituted and its scope of work developed, discussed and agreed upon. Three meetings of the committee have been held so far
Agreement between Gov't of Botswana and ACHAP on transition timeline reached by October 30 2010	Achieved. Both ACHAP and Ministry of Health are clear about the timelines for the transition and a formal agreement on the transition process has been reached
Objective 5: TB/HIV Treatment Integration	
Data collection for KAP survey completed by 31 December 2010	Delayed. The identified consulting group pulled out of the process due to other pre-planned engagements.The proposal was finalized and submitted for Human and Research Development Committee (HRDC) approval and was approved December 2010 The study will be conducted in 2011 by a team constituted by both ACHAP and the Ministry of Health.
Data clerks signed contracts by 30 September 2010	Achieved. 15 data clerks were recruited, trained and deployed
Conduct discussion with Gates Foundation regarding TB Strategy	Achieved Initial discussions between the Gates Foundation team and the ACHAP technical team took place in October, additional discussions planned for the first half of 2011 The Ministry of Health has provided formal endorsement and agreed to the 2nd week of May 2011 to conduct the exercise

TB Technical officers recruited by 30 November 2010	Delayed Job descriptions for the technical officers developed and discussed with MOH. Interviews could not be held due to other urgent recruitment processes involving the SMC teams. Recruitment to be finalised in the 1st quarter of 2011
Objective 6: Monitoring, Evaluation, Research and Development	
A draft of the M&E plan produced and reviewed by management by 30 October 2010	Achieved Draft M&E plan produced and reviewed by management
Training of operational area teams on M&E data collection tools conducted by 31 October 2010	Delayed. Operational area teams only fully deployed in January 2011. Data clerks hired in February 2011. Training will be completed by end of April 2011
ACHAP M&E Plan developed and approved by 31 December 2010	Delayed. The plan was finalized in February 2011
ACHAP M&E data base developed and functional by 31 December 2010	Achieved. Database developed, piloting completed in February 2011, and final work on the data base including security features is currently underway
Pre grant assessment procedure guidelines developed by 31 December 2010	Achieved. Pre grant assessment document developed and in use

[1] **Milestone**. Sequential signs of progress toward the ultimate goal of the project
Output The direct and early results of the project activities, the most immediate accomplishments that are necessary to produce outcomes and impacts
Outcome Intermediate observable and measurable changes that may serve as steps toward impact for a population, community, country, or other level of analysis.
[2] **Source of evidence** a routine monitoring report, an evaluation study, or any document such as a project report or even an email message that could be used as evidence that a particular result or milestone has been achieved

UPDATED MILESTONE CHART

Please attach an updated milestone chart as described in the guidelines

OTHER RELEVANT UPDATES

Discussion of additional information such as changes in assumptions, unexpected results, challenges, changes in organization, publications, progress in achieving Global Access, etc.

ACHAP celebrated the official launch of Phase II, with a breakfast followed by visits to selected ACHAP supported programmes. His Excellency the President of the Republic of Botswana, Lt. Gen. Seretse Khama Ian Kama officially launched the Phase II Program and expressed gratitude to the Bill & Melinda Gates Foundation and Merck Company Foundation for their generous contributions in the fight against HIV/AIDS. A number of dignitaries were present at the event including the Hon. Minister of Presidential Affairs and Public Administration Lesego Motsumi and US Ambassador to Botswana Stephen Nolan.

Assumptions:

ACHAP reviewed its assumptions for the safe male circumcision objective in view of the changes in implementation modalities put in place by the Ministry of Health. In the new approach, ACHAP will support the national SMC program versus operating stand-alone or fully partner staffed SMC clinics as had earlier been planned. This will make disaggregation of

ACHAP specific SMC numbers difficult. However, we expect that ACHAP's overall contribution will lead to significant numbers of SMC procedures perfomed across the country. Numbers of all SMCs performed in the country and target districts will be measured as well as numbers contributed by direct ACHAP support to the best of our ability. Where disaggregation is not possible ACHAP will measure inputs as a surrogate. A more complete description of the change in assumptions for the SMC objective is attached as Appendix 1: Safe Male Circumcision Assumptions and Risks.

The development of the prevention strategy focusing on girls and young women is on track with support from an AED consultant. The strategy is expected to be finalized in June 2011. In the original proposal, this objective was envisaged to have been implemented for the full period of the project, this will only be implemented for 3 and a half years. ACHAP will put in place measurements and indicators that will allow tracking of progress over the three year period. The implementation of the prevention strategy will be aligned with the National HIV prevention response to ensure ownership by the relevant Ministry's including the National AIDS Coordinating Agency and sustainability of identified interventions.

Agreement on transitioning treatment program has been reached, however important discussions have continued to take place on major developments in the treatment area especially treatment for prevention and resource implications for the revised WHO eligibility criteria.

Challenges:

ACHAP's SMC implementation strategy is to demonstrate efficient SMC implementation to catalyze the use of an effective strategy by government and other partners. With a well developed health service delivery infrastructure in the country, the main challenge for the SMC programme is staffing capacity and use of effective SMC implementation methods. In 2010, there were delays in SMC implementation resulting from lack of consensus on the appropriate model for SMC in Botswana. The GOB preferred a method of systems strengthening or an "integrated SMC" approach, where health care workers would provide SMC along with a number of other health care services. ACHAP and other partners advocated for a focused deployment of staff, where teams were dedicated to SMC services given the improbability of meeting national or project SMC targets or significantly impacting HIV incidence with the integrated model. ACHAP delayed providing human resources for SMC until there was agreement on the SMC method, to provide some leverage in the decision making process.

Government's decision making processes and progress on agreements was adversely affected by the structural changes within country's health system with transfer of responsibility of district clinical and preventive services from the Ministry of Health to the Ministry of Local Government from April 2010. The impact of this change on health service planning and challenges of management of this transition tied up key decision making levels in the health services for several months, which halted the roll out of SMC implementation. In addition, there was high turnover of leadership in the HIV/AIDS Department which is responsible for SMC implementation, as well as turnover at the Deputy Permanent Secretary/Director of Health Services who provides oversight to the service planning and delivery departments for SMC services. All these changes impacted both the pace of decision making and led to revisions of established agreements by the new teams. This resulted in significant delays for ACHAP and other partners in the country.

Late in 2010, the GOB agreed to a facility based focused deployment approach and ACHAP completed recruitment for SMC staff. However, in February 2011 following changes in several critical positions in the SMC programme, the Ministry of Health revised the November 2010 agreement. As a result of intense engagement with the Ministry of Health there is now greater clarity on the way forward. While changes made to the SMC coordinating team have caused significant delays, the MOH now has greater capacity to manage the national SMC program. Advocacy by ACHAP at the department and executive levels at the Ministry has played an important role in helping create a more conducive and effective framework for SMC service delivery. These efforts will continue for 2011 as we work closely with the new SMC team and leadership in the Ministry of Health providing ongoing technical support.

One challenge that remains for the treatment transition program is transitioning the KITSO training program. While transition work has begun, including government taking on staff for the KITSO training coordination unit; there remain some concerns regarding government ability to financially support the training program. ACHAP, GOB and the Botswana Harvard Partnership continue to discuss long-term options for sustainable delivery of this program after ACHAP support ends.

Changes:

Several new staff joined ACHAP in 2010 including an Administration Manager, Human Resources Manager, Communications & Advocacy Director and Grant Management Specialist. In adition, a new Programmes Director and Chief Operating Officer were recruited in 2010 and began work in early 2011. ACHAP's management team is now fully staffed.

The original proposal included communications & advocacy work as a part of the Knowledge Management Objective. Due to the significance of the activities within the communications and advocacy scope and since we are in the process of developing a formal strategy for communications and advocacy, we have budgeted and described it as a stand alone objective. It is anticipated that the draft strategy will be completed by the end of March 2011. The key anticipated challenge is the prioritisation and selection of recommended interventions and initiatives as these may have budget implications in 2011 whose costing were not considered in the 2011 budget. The improved capacity within the Communications and Advocacy function and implementation of the strategy should significantly benefit programme delivery and performance.

III. Plans for the Next Reporting Period

Discussion of project plans for the next period, including expected results (including anticipated source of evidence),anticipated challenges, and plans for monitoring and evaluation.

Objective 1 Scaling Up Safe Male Circumcision:

ACHAP committed itself to supporting government's efforts in achieving its intended target of 467,262 (0-49 years) by 2014 by directly contributing about 127 000 (27.2%) of the national target among males aged 15-29 years. During 2010, the focus was preparation for SMC scale up by finalising the SMC Operational Plan, recruiting and training staff and procurement of supplies and commodities.

A total of ten thousand eight hundred and thirty six (10,836) circumcisions were conducted since inception of the SMC program in 2009 up to 2010. The support provided by ACHAP in the form of technical assistance, equipment, consumables and demand creation has contributed to the national total of 10,836. In 2011, ACHAP will work together with district health teams under the coordination of the Ministry of Health to implement accelerated results initiatives that will include dedicated SMC teams working at static health facilities and outreach sites and will use multiple approaches for community mobilization.

Focused, targeted demand creation and community mobilization activities will be designed and implemented working together with CBOs and local celebrities to inform potential clients of the benefits of SMC and effectiviely refer them for service. The design of the long term community mobilisation interventions will be informed by the results of the rapid assessment of the short term communication strategy that will be conducted during the 2nd quarter of 2011. Referral mechanisms with HIV counseling and testing centres will be strengthened and supported to make them effective and ensure potential clients access to SMC services.

It is expected that through ACHAP support, 20,000 SMCs will be perfomed in 2011. Data will be collected at health facilities through data clerks that have been recruited with ACHAP support. Data clerks will work with existing monitoring and evaluation officers at DHMTs and within the context of the district data management system to collect, collate and analyse data using tools developed by the Ministry of Health.

ACHAP programme teams at the Operational Area offices will work closely with health facility teams and district health management teams supported by the technical team at the ACHAP head office. ACHAP teams at both national and district level will ensure timely procurement and distribution of supplies and support of training personnel with the Ministry of Health and Districts Health teams.

Scaling up SMC requires a well organised health system with the required human resources and a supportive environment. The current staffing levels at health facilities are not sufficient. The new SMC doctors and other health staff being recruited are joining an environment that is understaffed, and not optimally configured. It is expected that SMC will be given priority as an HIV prevention strategy and that government will ensure that existing vacancies in the health system are filled so that health care workers recruited with partner support dedicate their time to SMC implementation. There has been recent progress in the appreciation by Government of the needs for effective SMC service delivery capacity. Formal acceptance of the need for SMC focused teams at the highest levels in the Ministry has been received, which will enable effective deployment of partner supported staff. Additional staff has been provided to improve the capacity of the SMC team at the Ministry of Health with the appointment of a coordinator, and the designation of counselling, community mobilisation/demand creation focal point persons. This will enable partner resources to now be more effectively dedicated to service scale up and the provision of technical support at national and district levels.

Objective 2.
Design and implement an innovative evidence-informed package of interventions at the individual, small group and community level focusing on young women in Botswana.

Through a consultancy with AED, ACHAP will lead the development of an HIV prevention package of innovative, evidence-based interventions focusing on girls and young women aged 15-29 years to be implemented through 2014. This is being done through a process of rapidly reviewing the current literature for evidence-based and promising approaches, and agreeing on steps on how to best combine social and behavior change communication expertise with innovations in communication research and social design. The review of peer reviewed and Botswana specific grey literature has enabled the identification of key issues contributing to the very high vulnerability of women and young girls to HIV, and the social and other dimensions that need to be addressed as part of this effort. The resulting information will inform a prevention implementation package and monitoring and evaluation plan with the highest potential for impact. When taken to scale, this package is expected to have a significant impact on the reduction of HIV transmission in the target populations.

The prevention implementation package will be completed by the second quarter of 2011, and implementation of the package will begin in the third quarter of 2011.

Objective 3: Communications & Advocacy: To position ACHAP as a successful country led Public – Private Partnership in the Global HIV/AIDS response now and in the future through focused and sustained stakeholder relations and engagement.

This objective entails developing a comprehensive communications and advocacy strategy that will support and enhance the organisation's programme and external relations. The strategy will also seek to promote the long term sustainability of ACHAP through the development of resource mobilisation tactics that will help deliver and sustain a long term agenda for ACHAP. This strategy will support close collaboration of the communications and advocacy function with the behaviour change and prevention program efforts and more seamless collaboration with the research and documentation function to fully integrate communications related interventions to the full scope of ACHAP's work.

The strategy will look broadly at issues related to sustaining the programmes supported for the duration that they are relevant. It will also define areas of ACHAP's comparative advantage and promote the sustainability of the organisation and its continued contribution to the national HIV response in Botswana as appropriate.

In the first quarter of 2011 a communications and advocacy strategy will be completed and submitted for approval. Specific interventions are still being determined but some of the potential initiatives include:

Intervention 1 : Communication and advocacy intiatives in support of ACHAP's overall programme goal of supporting Governments National HIV, AIDS and TB programmes; including some of the following initiatives:

- E- Advocacy initiative using new technology in support of SMC and HIV prevention among young vulnerable women.
- Issues sponsorship and endorsement programme that will lend a second voice to issues that will assist in addressing identified barriers to programme implementaion. The issue sponsorship and ensorsement will also serve as a voice in highlighting the achievements of ACHAP's private public partnership model.

Intervention 2: The promtion and longterm sustainability drive to ensure ACHAP's visibility and presence through:

- The development of an ACHAP Business Development/Long Term Sustainability Strategy.
- Support in the documentation and dissemination of successes and key learnings of ACHAP Phase I and Phase II programme implementation.
- Engagement of local media support through the establishment of a media forum that can be used as a platform for disseminating information on ACHAP to the media while at the same time building media capacity on issues of HIV and AIDS.
- Collaboration with Merck /The Merck Company Foundation and the Bill & Melinda Gates Foundation communications functions to ensure a sustained regional and global media outreach.

Intervention 3: Organizational identity management and information dissemination among internal and external stakeholders.

As ACHAP embarks on it's second phase programme of implementation and sustainability initiatives it will be important to protect the organisation's reputation and image through the development and use of communications tools such as a media engagement protocol, messaging guide, and corporate identity guidelines. Reputation audits will be carried out at appropriate intervals.

Objective 4. To systematically transition the support to the ART treatment programme to the Government of Botswana by December 2011 and enable the national programme to sustain quality and maintain treatment coverage.

In 2011, ACHAP will support the training of nurses to facilitate the scale up of the treatment services to satellite clinics. About 80 nurses are expected to be trained on patient management skills during the year so that some patient management tasks can be competently undertaken by nurses at hospitals and primary care facilities such as clinics. A key component of the training programme will be the monitoring of the training activities through regular meetings with MOH and the training team to discuss the training reports. This will be done quarterly to ensure that the training is on course and the appropriate cadres are being trained.

As the organisation transitions treatment support, 2011 will be the first year of scaling down the Merck medicines donation programme which has been a critical part of the treatment programme. Projections for the scale down have been developed and agreed and will be modified as necessary while government scales up alternative supply over the next 4 years until the end of 2014.

There are emerging issues and areas where continued ACHAP support could still make a difference in the implementation and management of the ART programme in Botswana. As part of its commitment to ensuring a successful programme, ACHAP will in 2011 support the development of a failure management strategy and a database for capturing and storing data from secondary resistance surveillance. In addition ACHAP will support an effort to develop projections on the resource implications for the adoption of the WHO/UNAIDS treatment eligibility criteria revisions from CD4 250 to CD4 350. This will feed into a broader initiative in

which government is developing projections on resource needs for the national HIV response and identifying approaches where greater efficiency can be achieved given the significant resource gap.

Specific Objective 5
To strengthen the National TB Programme in order to improve access to and utilization of integrated HIV and TB services on a national scale by 2014

During 2011 ACHAP will support dissemination of the TB/HIV Collaborative Policy which is viewed as paramount in the successful implementation of TB/HIV collaborative activities. This policy will guide districts, facilities and partners in planning to implement the agreed collaborative activities and achieving set targets. To facilitate utilisation of this policy training of Health Care Workers and other health service providers will be supported. It is expected that by the end of 2011 all the ACHAP supported districts will have TB/HIV joint plans and about 360 Health Care workers will have been oriented on the policy framework.

ACHAP will also support the conduct of a Knowledge Attitudes and Practice study to facilitate planning of ACSM (advocacy, communication and social mobilisation) activities for TB control. A TB/HIV communication strategy will be developed and disseminated once the knowledge attitude and practises have been ascertained. ACHAP will facilitate development and dissemination of IEC materials that will facilitate patient demand and appropriate service provision. To facilitate accessing of HIV services by TB patients, and vice versa, ACHAP will support a training needs assessment in the partner districts and collaborate with BNTP and Masa to facilitate training in the identified areas (i.e. TB Case management, KITSO, PMTCT and TB Infection control etc). In addition opportunities will be sought to enable the use of district HIV community resources and programmes to include TB programme support so that TB HIV service integration occurs at the community, health facility, district and national levels as articulated in the TB/HIV policy.

The increasing number of patients with MDR- TB remains a critical challenge to TB management in a population with high burden of HIV. Treatment success rate in Botswana has remained low due to loss to follow up. To improve treatment success, ACHAP will support the involvement of civil society organisations to bring treatment close to where TB patients work and live. The NGOs will be supported to provide a package of services that includes; treatment support, HIV Counselling and Testing, linkages to appropriate services, defaulter tracing and sputum follow up encouragement.

To support all these efforts at the operational area level, ACHAP will hire four TB/HIV technical officers to provide hands on technical support to the implementation of the community TB care activities as well support TB/HIV intergration processes.

As we continue to implement our current work plan, it will be important that we review our TB/HIV strategy so that we include learnings from other countries and developments in this area. During 2011 ACHAP will work with the TB technical team from the Bill & Melinda Gates Foundation, the WHO STOP TB Department and other partners to review our strategy for TB/HIV service delivery and facilitate the development of a revised and strengthened approach.

Objective 6: Monitoring Evaluation Research and Documentation

Implementation of an internal ACHAP M & E system: ACHAP will finalise the implementation of a robust internal ACHAP M&E system including completing the development of an M&E database, implementing indicator protocols and updating data collection forms and processes. A major priority is providing training and ongoing technical support for staff and implementing partners in managing program data, especially SMC data. Current challenges include; lack of access to internet at some district offices. The finalised system will support ACHAP in generating and sharing knowledge in a timely, accurate and complete manner, and will also enable the development of organization-wide monitoring of ACHAP's performance.

Strengthen national strategic information systems: In 2011, ACHAP will continue to provide support to government to strengthen the national information system by provision of selected M&E technical expertise to government departments. ACHAP will also support the development of a secondary resistance surveillance database for the national ARV treatment programme.

Documentation: ACHAP will strengthen knowledge sharing and learning by documentation of key achievements and lessons learnt; including documentation of capacity needs assessments of implementing partners and successes from Phase I program, as well as developing abstracts for presentation in conferences. The documentation activities are a key strategy in developing ACHAP as a model for prevention, treatment, and scale-up. To optimize ACHAP documentation capacities the department will collaborate closely with the communications and advocacy function.

Research: In 2011, ACHAP will conduct a number of studies to build knowledge to support programme design and implementation. The studies are aimed at informing programmes and interventions to be implemented during Phase II and supporting the transition of Phase I The studies are an evaluation of the SMC short term communication strategy, formative research to assist the development of a prevention intervention targeting women and young girls, finalisation of the Models of Care treatment cost analysis study and assistance to MOH to conduct a KAP study on TB/HIV integration. A priority in 2011 will be to conclude discussions on the feasibility and cost effectivess of an SMC impact evaluation given the estimated costs of such a study. Consideration had been given to collabortation with various partners including government.

IV. Financial Update for the Reporting Period

BUDGET NARRATIVE

Variances for the Reporting Period

An amount of $7,123,437 was spent in 2010. Program expenditure was $4,978,102. Program implementation and spending across all objectives was delayed by a number of planning activities including a decision to focus on strategy development for Objective 2 and negotiations with the government regarding the specific methods for Objective 1. The organization decided to delay spending against some items until the budget could be revised from a 3 to 5 year budget and approved; budget revision was at the funders request and was approved in April.

The budget developed for ACHAP's proposal budgeted indirect cost according to a calculation in the worksheet as a product of direct modified costs. ACHAP's actual operational costs are larger than the 15% calculated by the spreadsheet as ACHAP operations also provide grants management and related services to two other projects. For ACHAP managed programs (Champions and Sesigo-Libraries) ACHAP brings in a management fee of roughly $190k a year. The projects also share the ACHAP office building and pay a portion of the rent.

In 2010 operational expenditure amounted to $2,145,335; the cost drivers for operation costs were personnel costs at $1.1m, office at $500k most significantly rent ($400k), and general administration at $400k. In 2010 the most significant cost in general administration were consultants at $308k, most of which was spent to support consultancy costs for the interim COO's. General administration costs will be significantly lower in 2011 ($165k), but personnel costs will increase ($1.6m) as a result of 6 operational staff joining in 2011 ($416k), 5 staff members who were hired during 2010 (so only a portion of their salary was accounted for in the 2010 actual report) and inflation. Botswana's national inflation rate was 8% in 2010; however the budget includes provision for cost of living adjustments of 5 to 7% from April. Supplies and services are budgeted at $724k, which includes a reduced office cost ($416k) as a result of reconfiguring the office and sub-leasing a portion. Total 2011 Operational costs are forecasted at $2.5m, which is 17% of the total 2011 budget.

Objective 1: Safe Male Circumcision $627,564

Challenges discussed above delayed progress within the SMC objective, with under expenditure across all line items.

Main cost drivers in 2010 were funds to support ten SMC doctors which were engaged by ACHAP through the Ministry of Health from October 2010 ($178k) and procurement of supplies including HIV tests kits ($154k), and IEC materials ($73k).

Objective 2: Youth (15-29) HIV Prevention Program $604,427
Objective 2 was under spent across all cost categories as a direct result of the decision to hold activities and revise the strategy. Academy for Education Development (AED) was engaged to lead the exercise and work started in November 2010. The 2011 budget includes plans for implementation activities, which will be defined during the strategy development. Although specific activities are not determined timing constraints and the significance of the objective require budgeting for activities immediately following strategy completion. The development of the strategy is currently on track for Q2 completion.

Objective 4: Transitioning ACHAP Supported Treatment $839,075
An amount of $278,816 was spent on seconded staff under the treatment objective. A sub award contract with Harvard for the KITSO training program ending 31st December 2011 was finalized and an amount of $546,158 was disbursed to for period Jan to September 2010. An additional amount of $100,000 was accrued for Harvard's for Q4 activities. Some cost savings were also realised on the KITSO project.

Objective 5: Integration of HIV and TB Services $254,734
Expenditure was on personnel costs, travel, advertisement for the TB KAP study and advertisement for project staff. The TB KAP study which was awarded to Participatory

Education Evaluation and Research (PEER) was eventually cancelled with this consultant. ACHAP together with the Ministry of Health has called for proposals to continue with the study.

Fifteen data clerks were recruited for the TB project, an amount of $43,000 was disbursed to the Ministry of Health to pay salaries for period August 2010 to March 2011 and $36,000 was spent on computers and supplies for the same cadre. Delay in contracting Community TB Care was a significant cause of under expenditure; the contract was completed in Q1 2011.

Objective 6: Increase Generation and Utilization of Strategic Information $1,151,931
Actual spending is personnel costs for ACHAP MERD core staff, seconded M&E staff and project M&E personnel at the ACHAP partner districts total $519,118.

An amount of $80,430 for consultants was paid for the Madikwe Forum documentation consultancy ($20k final payment), impact of PrEP on HIV Epidemic in Botswana UCLA ($45.2k), SAFAIDS publications ($7.5k) and HDA NSF national operational plan consultancy ($6.9K). An amount of $510,512 was paid to Harvard for the Models of Care Study. The ACHAP M&E server was procured at an amount of $5,196.

Program Management $1,343,909
In addition to personnel expenses for staff working across multiple objectives, costs were incurred on participation in the Vienna International AIDS Conference, advertising for recruitment of the Programs and Communications Directors, IT costs, communications and operational area office costs.

The communications department spent an amount of $159,942. The Communications Director came on board mid July 2010 significantly delaying Communications & Advocacy costs.

Total Information Technology (IT) expenditure stood at $82,782 for the year. The costs were for procurement of computers for new staff members, accounting system upgrade, software and general IT maintenance.

An amount of $39k was spent for the Molepolole operational area vehicle. Expenditure at the Palapye Operational area stood at $104k for a vehicle, office equipment, partitioning, AC and networking, an amount of $76,803 for the same items was incurred at the Francistown office.

Interest
ACHAP earned $140k in foreign exchange gains and $220K in interest. The gains will remain in retained earnings to balance against possible future exchange losses.

Budget for the Coming Year

In 2011 ACHAP plans to spend roughly $14.7 million across all objectives. We intend to request a release of $6 million from the Merck foundation and $2 million from BMGF in 2011 to fund program implementation in 2011 and Q1 of 2012.

Objective	2010 Actual	2011 Budget	Spent/Committed Q1 2011
Objective 1 SMC	$640 427	$3 960 685	$1 099 809
Objective 2 Prevention	$617 433	$1 032 553	$343 003
Objective 3 Communications	$0	$955 413	$154 894
Objective 4 ARV Transition	$855 007	$881 616	$236 290
Objective 5 TB/HIV	$262 570	$1 568 762	$250 509
Objective 6 M&E	$1 175 140	$1 449 451	$205 851
Program Management	$1 427 524	$2 373 971	$619 454
Operations	**$2 145 335**	**$2 504 383**	**$814 715**
Grand Total	**$7 123 437**	**$14 726 834**	**$3 724 524**

Objective 1 SMC accounts for 27% ($4 million) of the 2011 budget. The SMC budget includes several changes from the previous report; including

- An increase in SMC project personnel, with the roll out of 5 additional SMC teams in June and another 5 in July of 2011. These SMC personnel will be engaged on 12 month contracts to allow for accelerated implementation in 2011 without permanently increasing project personnel costs. These personnel are contingent on continued agreement with MOH on implementation methods.

- An increase in SMC supplies to cater for additional disposable SMC kits, assist the transition to reusable SMC kits which are a more cost effective sustainable solution, and provide for electro-cautery machines which will increase effectiveness of SMC teams.

- An increase in SMC services to account for district implemented demand creation and community mobilization activities. The reduction in subcontract costs reflects that that some of the initially budgeted costs will be handled through one time services, events and activities versus long term contracts

- A decrease in the SMC equipment line item is a result of the decision to focus on using already established high-volume facilities for more cost-effective SMC implementation.

The 2011 forecasted expenditure for SMC ($4 million) is significantly more than the 2010 expenditure of ($640k). As of the end of March 2011 $1.1m has been spent or formally committed against Objective 1, roughly 28% of the budget.

The ramp up of SMC costs in 2011 is driven by three main expenses; project personnel ($1.4m) SMC kit procurement ($1.1m) and demand creation activities ($470k) through services and sub-

contracts. The personnel budget of $1.4 million is 66% ($920k) committed to personnel currently under contract. The remaining funds ($480k) are reserved for SMC teams who we plan to contract in June and July of 2011. Recruitment activities for these positions will soon be underway. ACHAP has spent or committed $959K of the $1.1m SMC kit budget, so we are highly likely to fully expend the supplies budget. Demand creation to date has been through the service and supply budget, as we wait for finalization of District led demand creation plans. The district plans are set to be finalized in April and based on the proposals and budgets received to date the demand creation budget is highly likely to be fully utilized in 2011.

Objective 2: Young Women's Prevention accounts for roughly 7% of 2011 spending at $1 million. Objective 2 was originally forecast at $2.8 million for 2011. The decision to revise the strategy for the objective has delayed implementation costs. The strategy is anticipated to be completed mid 2011 with implementation occurring for 3 or 4 months of the year based on an implementation plan. Given that the strategy is still under development the forecast amount is admittedly indicative, and an activity based budget will not be completed until the implementation plan is completed in June. However we have developed the indicative budget to the best of our ability, taking into account spending against similar past initiatives and reducing the amount for implementation significantly to account for the late start in implementation, ACHAP set aside $405k for project implementation, since specific activities have not been developed for this objective yet, there is a 50% likelihood of fully expending the budget. A significant amount ($500k) is related to strategy development, with roughly $70k for consultancy costs and an additional $380k to support think tank travel and meeting costs, formative research and M&E system and communication development. Of the $500k strategy development portion, ACHAP has spent or committed $353k to date, since there is an additional think tank to fund it is likely we will fully expend the strategy development budget.

Objective 2 spending in 2010 was $617k; and by the end of Q1 2011, ACHAP had spent $343k, or 33% of the annual budget.

Objective 3, Communications & Advocacy has been set up as an independent objective; to include Communications costs that were previously placed under program management and knowledge management. The Communications & Advocacy draft strategy was completed at the end of March, and implementation activities will begin in Q2 2011. Because 2011 is the first year of implementation against the strategy there is a 65% probability of fully expending the total budget. A major focus of the strategy will be using technology in particular social media to aid the organization's prevention initiatives. Major cost drivers of the 2011 budget are personnel ($312k) which includes one position that will be hired mid-year, and supplies and services ($437k). Major cost drivers under supplies and services include $109k to support national level SMC demand creation, $60k to support development of communication materials for sustainability efforts, $40k to develop electronic media platforms to discuss issues around ACHAP's activities, and $70k to commission the expansion of the Phase I documentary into a broadcast series.

As of the end of March 2011 ACHAP has spent or committed $154k against the Communications budget, roughly 12% of the annual budget.

Objective 4, ARV Transition accounts for 6% of the 2011 budget ($881k). The costs for ARV transition are closely aligned with spending in 2010 ($855k) and are significantly less than what was originally forecasted for 2011 ($1.1 million), with savings against the personnel cost

category as a result of removing an ARV SPO and the Supplies cost category as a result of removal of a planned workshop on failure management.

The major cost drivers for ARV are the KITSO training program ($375k) which is in its final year of implementation and has spent consistently against its budget for the life of the project, seconded personnel ($279k) who work with various ministries to support the treatment program and treatment transition work and are all currently in place and $140k to support the development and dissemination of failure management strategies and tools. Conversation with government continues on the failure management work and there is a 65% likelihood of completing the failure management work in 2011. As of the end of March 2011 ACHAP has spent or committed $236k, roughly 27% of the annual budget.

Objective 5, TB/HIV Integration is 11% of the budget at $1.6 million. TB costs are significantly higher than the 2010 spend ($262k) due to a substantial increase in project personnel. The personnel budget for 2011 is $467k. ACHAP hired 15 project personnel TB focal persons to work with the ministry late in 2010. Four core staff members were hired early in 2011 to work as Technical Officer's based in the district offices. The personnel are contracted with the exception of a physician and nurse budgeted at $70k, who will support the Infection Control work. Interviews for the physician and nurse positions have been completed which makes it highly likely that we will fully utilize the personnel budget as well as the $150k budgeted for TB Infection control trainings for health care workers, which will be facilitated by the Physician and Nurse. Additional major cost drivers include sub-contracts, and two major activities in the supplies and services cost category a TB KAP Study and dissemination of the TB/HIV integration policy. In 2011 $300k for sub-contracting TB/HIV community care organizations was budgeted, one contract was finalized in February 2011 and we intend to begin an additional contract late in 2011, making it highly likely we will fully expend the sub-contract budget. The TB KAP study ($113k) was initially budgeted for 2010, but as mentioned earlier the consultant resigned. The protocol was approved in December of 2010 and we currently have proposals for the study in hand, which should allow the project to start in May. Printing and dissemination of the TB/HIV Integration guidelines ($125k) was also initially budgeted for 2010, but approval of the guidelines was delayed until December 2010. Now that the guidelines are approved, it is highly likely that we will fully expend the printing and dissemination budget.

Finally, the 2011 TB/HIV budget includes money for meetings and materials around assessing the strategy. We are in the process of contracting consultants to complete that work. An amount of $150k has been budgeted to begin implementation against the revised TB strategy in 2011, there is roughly a 65% likelihood of expending the $150k budgeted for implementing the revised TB strategy. As of the end of March 2011 TB/HIV has spent $392k or 16% of the annual budget.

Objective 6, Monitoring, Evaluation Research and Development accounts for 10% of the 2011 budget at $1.4 million, and reflects roughly a 20% increase from the 2010 expenditure of $1.2m.

Costs in MERD for 2011 were originally budgeted at $4 million. Roughly $350k was removed to support the reallocation of Communications and Advocacy as a separate budget. The majority of the reductions are a result of the decision to delay SMC impact study.

Major drivers of the 2011 M&E budget are personnel costs at $664k, the Models of Care sub-contract at $397k and SMC impact at $150k. Of the 12 personnel in the M&E budget, 11 are currently under contract; 7 are project staff (direct implementers) 1 is a seconded position

working with the government and 4 are core staff. The Models of Care sub-contract is currently in place and scheduled to complete in October 2011, making it highly likely that the full budget will be expended in 2011. Finally, the $150k set aside for SMC impact was determined based on expectations of finding additional support for the project from other funders, however if additional support is not identified, ACHAP plans to use the funds for modeling activities. As of the end of March 2011 M&E has spent $205k or 14% of the annual budget.

Program Management is budgeted for $2.4 million, and represents a significant increase from the 2010 expenditure of ($1.4m). The increase is almost completely driven by personnel ($1.6m) including a number of staff being moved from objective 2 to program management; as they work across several objectives ($353k), and the addition of 8 staff members at the operational area offices and the program director ($555k). Travel increased to support the new staff members and a $65k increase in consultancy costs to support collaboration software and supplies for the operational offices ($203k) which includes rent, insurance and communication costs for the three offices which are exclusively used for phase II project work. Other program management costs were fairly static. As of the end of March 2011, Program Management has spent $619k or 26% of the annual budget.

Sub-grantees and Subcontractors
Report all amounts in U.S. dollars.

Organization Name	Location (city, country)	Total contracted amount	Actual disbursement for this reporting period
Harvard School of Public Health (KITSO)	Boston, USA	$1,250,000	$546,158
Harvard School of Public Health (Models of Care)	Boston, USA	$2,823,599	$510,512

Other Sources of Project Support
Report all amounts in U.S. dollars.

Donor	Amount	Received or Potential
Merck Company Foundation	$30,000,000	received

V. Optional Attachments

CLINICAL STUDIES AND REGULATED RESEARCH QUESTIONS

Question	Yes or No
Does your project involve a clinical trial[1]?	No
Does your project involve research using human subjects[2] and/or vertebrate animals?	Yes
Does your project involve the use of recombinant DNA?	No
Does your project involve the use of biohazards or genetically modified organisms or plants?	No
Will the project involve the use of pathogens/toxins identified as select agents[3] by U.S. law?	No

[1] clinical trials
[2] human subjects
[3] select agents

If you answered "yes" to any of the questions above, you must complete the Clinical Studies and Regulated Research Assurances Attachment and submit it along with your progress report

TECHNOLOGY AND INFORMATION MANAGEMENT QUESTIONS

Please provide a response to the following questions using the definition of terms provided below. If you have submitted an annual report previously and nothing has changed from your previous submission, please indicate "no change".

Question	Yes/No/No Change
Do any Third Parties[1] have Rights[2] to Background Technology[3]?	No
Do any Third Parties have Rights in Project Technology[4]?	No
Have you filed any copyright registrations for or patent applications claiming any Project Technology?	No

[1] **Third Parties** All individuals, organizations or companies that have not executed a foundation approved collaboration agreement associate with the project
[2] **Rights:** (i) Any interest in patents, patent applications and copyrights (e g license, ownership, option, security interest and (ii) the rights to use any technologies, information, data or materials
[3] **Background Technology** All technologies and materials, and all associated Rights, used as part of your project that were created prior to or outside of the project.
[4] **Project Technology** All technologies and materials created, conceived or reduced to practice as part of your project and all associated Rights

If you answered "yes" to any of the questions above, you must complete the Technology and Information Management Attachment and submit it along with your progress report.

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Appendix 1: Safe Male Circumcision Assumptions and Risks

Assumptions/Risks	Status/ Risk Mitigation
ACHAP supports the national SMC program versus operating stand-alone clinics which makes disaggregation of ACHAP specific SMC numbers difficult.	Numbers of all SMCs performed in the country and target districts will be measured as well as numbers contributed by direct ACHAP support to the best of our ability Where disaggregation is not possible ACHAP will measure inputs as a surrogate.
Continued support and collaboration from government and other partners on SMC efforts especially application of approaches that rapidly scale up service provision	Government has agreed to an approach that considers high volume sites and dedicated SMC teams. ACHAP is actively looking at methods of optimizing operational procedures include electro-cauterizing.
Ability to rapidly provide SMC outreach services (route SMC teams to areas where demand for SMC has been mobilized)	ACHAP continuously works with the government to devise methods of routing SMC teams to areas where demand has been created and increase efficiencies of the SMC teams. ACHAP will work with private sector for them to provide SMC services at reasonable costs.
Appropriate commodities and supplies procured and distributed on time to allow service delivery ACHAP is directly providing a number of supplies, but is collaborating with other funding partners for some supplies.	Continued communication with other funders helps mitigate this risk Use of disposable SMC kits may help to quickly put in place required supplies
Demand creation activities draw sufficient number of MC candidates within desired age group.	Focused mass circumcision campaigns are a major component of the demand creation Demand creation activities include national, district and community based strategies targeting desired age group
Based on government policy ACHAP must provide services to those outside of 15-29 year age range, which may put target at risk because of inclusion of circumcisions outside of desired age group	Additional impact will be realised as ACHAP circumcises negative men outside the agreed target of 15-29 year olds. Specifically a significant impact will occur from circumcising men 30-49 years old who are one of the primary drivers of the epidemic.
ACHAP and other partners are able to validate number of SMCs performed on men within age and HIV status requirements specified in target.	Currently approximately 6.5% of men circumcised have an unknown HIV status; in addition government policy requires clinics to provide SMC to HIV positive men who insist on circumcision where there are no other contraindications Circumcision of HIV positive men does not contribute toward reduction of HIV risks in the community, but the number of circumcisions provided on men who are HIV positive and men with unknown HIV status will be monitored and reported.
Data systems will be developed that generate required data elements to capture SMC data at required level of detail	To manage burden of routine data collection, the Ministry of Health is working with partners to develop a common M & E plan and recording and reporting systems for male circumcision in Botswana. This common data collection and recording system may compromise ability to collect data at required level of detail ACHAP and other partners will continue to negotiate with the government to develop data systems with required data elements. In addition, ACHAP will make continuous effort to access early data to monitor, demand, capacity and performance and improve operational efficiency.

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ND OBJECTIVE INFORMATION

Enter information in blue data entry cells -Click on an input cells for additional information
ALL CELLS ARE REQUIRED

Organization Name	ACHAP
Project Title	AFRICAN COMPREHENSIVE HIV/AIDS PARTNERSHIPS (ACHAP)
Grant ID	OPP52352
Principal Investigator/Project Manager Name	Themba Moeti
Reporting Year (Enter 1 through 10)	2
Financial Reporting Period: From Start Date	1-Jan-10
To End Date	31-Dec-10
Are any expenses estimated (Enter Yes/No)	Yes
Report Completed by (Name, Title)	Francinah Serumola
Report Prepared Date	2011/03/14

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Organization Name: ACHAP
Project Title: AFRICAN COMPREHENSIVE HIV/AIDS PARTNERSHIPS (ACHAP)
Grant ID: OPP52352 PI/Proj Mgr: Thomba Moeti
Reporting Year: 2 RATIO GATES /MERCK 1
Reporting Period From Start Date: 2010/01/01 To End Date: 2010/12/31
Report Completed by (Name): Francinah Serumola Report Date:

GRANT EXPENDITURES

Approved Budget By Year
Enter from Approved Budget Worksheet

Actual / Projected Expenditures By Year
Enter Actual or Projected spend as positive values

Current Year Variance

CUMULATIVE VARIANCE

Totals by Budget Category and Objective	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total Budget	Actual Yr 1	Actual Yr 2	Projected Yr 3	Projected Yr 4	Projected Yr 5	Projected Yr 6	Total Actual / Projected	Current Year Variance $ (Over)/Under	Current Year Variance % (Explain >10%)	Cumulative Budget	Cumulative Actual	Cumulative Variance $ (Over)/Under	Cumulative Variance % (Explain >10%)
Total Direct FTE	0	3 148 451	4 559 923	4 483 468	4 036 102	3 762 965	19 990 909	0	2 534 717	4 846 815	5 049 940	4 037 149	3 531 588	19 990 909	613 734	19%	3 148 451	2 534 717	613 734	19%
Objective 1 - EMC		308 828	982 787	1 456 210	1 139 215	871 940	4 451 950	0	314 678	1 412 685	1 442 999	641 844	641 844	4 451 950	5 850	-2%	308 828	314 678	5 850	-2%
Objective 2 - Youth Prevention		779 814	577 293	609 158	398 383	418 802	2 709 149	0	176 745	147 553	67 308	78 539	185 353	1 281 538	132 269	19%	709 014	576 745	132 269	19%
Objective 3 - Comms & Advocacy							0	0	0	112 277	3 8 492	326 035	337 850	1 298 550	0		0	0	0	
Objective 4 - ARV Transition		369 721	388 287	112 656	0	0	870 485	0	294 747	288 286	284 272	0	0	870 485	74 974	20%	369 721	294 747	74 974	20%
Objective 5 - TB/HIV Integration		328 851	531 985	470 892	368 236	179 842	1 929 277	0	177 385	462 982	471 170	498 404	498 404	1 929 277	151 466	46%	328 851	177 385	151 466	46%
Objective 6 - MERD		599 754	748 087	87 158	851 698	621 779	3 257 054	0	542 327	963 805	879 426	687 173	687 173	3 257 054	57 426	10%	599 754	542 327	57 426	10%
Project Management		832 282	1 332 478	1 481 505	1 534 560	1 011 309	6 772 893	0	628 874	1 966 227	1 673 863	1 781 173	1 759 218	6 924 055	203 409	24%	832 282	628 874	203 409	24%
Total Direct Travel	0	700 700	753 736	459 797	403 050	385 991	2 703 280	0	118 702	388 723	687 503	790 847	719 505	2 703 280	581 998	83%	700 700	118 702	581 998	83%
Objective 1 - EMC		58 100	63 064	103 645	52 078	65 472	342 047	0	9 023	73 000	80 500	86 892	86 892	342 047	47 077	84%	58 100	9 023	47 077	84%
Objective 2 - Youth Prevention		33 600	51 175	51 875	52 670	35 055	224 935	0	0	25 000	90 845	67 978	65 312	224 935	33 600	100%	33 600	0	33 600	100%
Objective 3 - Comms & Advocacy		0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Objective 4 - ARV Transition		38 000	36 000	0	0	0	74 000	0	0	10 000	15 000	0	0	25 000	38 000	100%	38 000	0	38 000	100%
Objective 5 - TB/HIV Integration		13 500	34 916	41 210	34 9 8	22 359	143 598	0	35 6 7	41 750	42 286	42 585	50 360	212 537	23 117	-239%	10 500	35 617	25 117	-239%
Objective 6 - MERD		403 500	330 300	31 500	37 500	37 500	840 300	0	6 283	46 300	264 672	264 672	186 921	768 556	397 217	98%	403 500	6 283	397 217	98%
Project Management		161 000	237 500	225 350	225 300	225 150	1 074 400	0	67 779	184 819	203 354	329 250	309 250	1 074 400	93 221	58%	161 000	67 779	93 221	58%
Total Direct Consulting	0	974 801	248 552	399 100	142 000	222 000	1 986 453	0	119 097	1 074 217	508 139	115 000	170 000	1 986 453	855 704	88%	974 801	119 097	855 704	88%
Objective 1 - EMC		200 000	14 000	34 000	0	0	248 600	0	0	0	18 600	15 000	0	30 000	200 000	100%	200 000	0	200 000	100%
Objective 2 - Youth Prevention		174 000	0	0	0	0	174 000	0	34 252	454 450	75 000	0	0	563 702	139 748	80%	174 000	34 252	139 748	80%
Objective 3 - Comms & Advocacy		0	0	0	0	0	0	0	0	119 457	111 227	0	0	530 384	0		0	0	0	
Objective 4 - ARV Transition		23 000	0	0	0	0	23 000	0	0	23 000	0	0	0	23 000	23 000	100%	23 000	0	23 000	100%
Objective 5 - TB/HIV Integration		153 000	0	0	0	0	153 000	0	3 059	175 500	50 000	0	0	228 559	149 941	98%	153 000	3 059	149 941	98%
Objective 6 - MERD		228 300	141 552	300 000	100 000	180 000	955 852	0	80 434	198 909	170 000	50 000	170 000	668 343	147 871	65%	228 300	80 434	147 871	65%
Project Management		196 501	87 000	65 100	42 000	42 000	432 001	0	1 357	85 900	88 312	50 000	0	183 869	195 144	99%	196 501	1 357	195 144	99%
Total Direct Supplies & Other >$10k	0	3 341 494	4 051 764	3 151 285	2 010 117	1 247 124	13 801 785	0	1 026 374	3 489 699	4 272 630	2 398 348	2 706 715	13 801 785	2 318 120	69%	3 341 494	1 026 374	2 316 120	69%
Objective 1 - EMC		1 003 250	1 417 500	1 392 000	682 000	252 000	4 906 750	0	316 765	1 705 000	2 149 829	69 211	476 945	4 906 750	686 485	68%	1 003 250	316 765	686 485	68%
Objective 2 - Youth Prevention		257 714	917 450	303 637	179 167	172 532	1 830 500	0	0	106 550	574 583	574 083	574 083	1 830 500	257 714	100%	257 714	0	257 714	100%
Objective 3 - Comms & Advocacy							0	0	0	437 875	446 833	340 181	340 181	1 564 869	0		0	0	0	
Objective 4 - Transition		267 650	270 000	0	0	0	531 650	0	14 101	167 250	68 649	0	0	350 000	247 549	95%	281 650	14 101	247 549	95%
Objective 5 - TB/HIV Integration		424 152	379 500	213 000	115 500	69 498	1 143 650	0	45 508	568 600	169 514	165 514	169 514	1 143 650	377 641	89%	424 150	46 508	377 641	89%
Objective 6 - MERD		174 975	160 875	102 250	31 500	31 500	502 500	0	30 392	35 400	100 083	110 009	121 000	396 792	143 983	83%	174 375	30 392	143 983	83%
Project Management		1 220 753	913 437	1 040 359	791 951	621 624	4 896 735	0	618 608	370 224	656 842	687 458	1 072 092	3 809 224	601 748	49%	1 220 358	618 606	601 748	49%
Total Direct Supplies & Other <$10k	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Subtotal of Modified Direct Costs (MDC)	0	8 165 446	9 813 976	8 493 681	6 591 276	5 618 081	38 682 427	0	3 798 890	9 607 154	10 509 232	7 239 344	7 127 808	38 682 427	4 366 556	53%	8 165 446	3 798 890	4 366 556	53%
Allowable Indirect Costs on MDC	0	1 224 817	1 442 066	1 274 048	988 691	842 712	5 772 364		2 037 335	4 300 309	1 414 780	0	0	5 772 364	812 519	66%	1 224 817	2 037 335	812 519	66%
Subtotal of Modified Direct Costs and Indirect C	0	9 390 263	11 056 071	9 767 698	7 579 968	6 460 793	44 254 791	0	5 836 225	13 907 463	11 923 992	7 239 344	7 127 808	44 254 791	3 554 037	38%	9 390 263	5 836 225	3 554 037	38%
Total Sub-Contracts	0	4 390 000	4 507 429	1 478 800	1 081 240	1 054 802	12 512 271	0	1 063 106	2 022 990	3 009 743	3 058 213	2 788 213	12 612 271	3 326 894	76%	4 390 000	1 063 106	3 326 894	76%
Objective 1 - EMC		170 000	830 000	630 000	310 000	260 000	2 000 000	0	0	500 000	510 000	495 000	495 000	2 000 000	170 000	100%	170 000	0	170 000	100%
Objective 2 - Youth Prevention		0	577 429	595 800	621 240	644 802	2 442 271	0	6 436	700 000	729 945	711 945	711 945	2 442 271	0		0	6 436	6 436	
Objective 3 - Comms & Advocacy		0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Objective 4 - Transition		750 000	500 000	0	0	0	1 250 000	0	146 158	3 6 000	345 842	0	0	1 250 000	203 842	27%	750 000	146 158	203 842	27%
Objective 5 - TB/HIV Integration		370 000	100 000	50 000	150 000	150 000	920 000	0	0	300 000	300 000	300 000	0	1 200 000	370 000	100%	370 000	0	370 000	100%
Objective 6 MERD		3 100 000	2 700 000	100 000	0	0	5 900 000	0	910 512	527 990	558 958	1 591 268	1 591 268	5 190 000	2 539 488	84%	3 100 000	910 512	2 589 488	84%
Project Management							0				0	0	0	0	0		0	0	0	

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Organization Name	ACHAP
Project Title	AFRICAN COMPREHENSIVE HIV/AIDS PARTNERSHIPS (ACHAP)
Grant ID	OPP52352 PI/Proj Mgr Themba Moeti
Reporting Year	2 RATIO GATES /MERCK 1
Reporting Period From Start Date	2010/01/01 To End Date 2010/12/31
Report Completed by (Name)	Francinah Serumola Report Date

GRANT EXPENDITURES

Totals by Budget Category and Objective	Approved Budget By Year (Enter from Approved Budget Worksheet) Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total Budget	Actual / Projected Expenditures By Year (Enter Actual or Projected spend as positive values) Actual Yr 1	Actual Yr 2	Projected Yr 3	Projected Yr 4	Projected Yr 5	Projected Yr 6	Total Actual / Projected	Current Year Variance: Current Year Variance $ (Over)/Under	Current Year Variance % (Explain >10%)	CUMULATIVE VARIANCE: Cumulative Budget	Cumulative Actual	Cumulative Variance $ (Over)/Under	Cumulative Variance % (Explain >10%)
Total Sub-grants to Others Organizations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Subtotal of Sub-grants/contracts	0	4 300 000	1 597 429	1 478 850	1 091 240	1 054 902	12 512 271	0	1 063 105	2 022 908	3 409 745	3 168 213	2 768 213	12 512 271						
Allowable Indirect Costs on Sub-awards	0	158 300	184 714	142 520	130 666	134 222	699 341		106 000	184 714	407 208			699 341	0	0%	108 000	106 000	0	0%
Total Equipment	0	316 282	1 843 571	0	0	0	2 159 853	0	118 105	302 302	1 029 619	621 807	0	2 159 853	200 156	63%	316 282	116 105	200 156	63%
Objective 1 SMC		178 571	904 285	0	0	0	1 142 857		0	180 000	481 429	204 004	0	928 093	178 571	100%	178 571	0	178 571	100%
Objective 2 Youth		0	714 286	0	0	0	714 286		0	0	427 143	29 143	0	714 286	0		0	0	0	
Objective 3 Comms.&& Advocacy		0	0	0	0	0	0		0	0	0	0	0	0	0		0	0	0	
Objective 4 ARV Transition		25 000	0	0	0	0	25 000		0	25 000	0	0	0	25 000	25 000	100%	25 000	0	25 000	100%
Objective 5 TB/HIV Integration		0	0	0	0	0	0		0	0	0	0	0	0	0		0	0	0	
Objective 6 MERD		30 000	0	0	0	0	30 000		5 196	0	0	0	0	5 196	24 804	83%	30 000	5 196	24 804	83%
Project Management		82 690	185 000	0	0	0	247 690		110 909	97 302	91 048	0		489 258	-28 219	-34%	82 690	110 909	-28 219	-34%
TOTAL DIRECT COSTS	0	12 871 708	15 964 975	9 972 451	7 672 515	6 672 883	53 154 531	0	4 978 102	12 222 451	14 548 594	11 510 384	9 885 021	53 154 531	7 893 606	61%	12 871 708	4 978 102	7 893 606	61%
TOTAL INDIRECT COSTS	0	1 332 817	1 626 211	1 416 368	1 119 377	976 932	6 471 705	0	2 145 335	2 504 383	1 821 986	0	0	6 471 705	-812 519	-61%	1 332 817	2 145 335	-812 519	-61%
GRAND TOTAL COSTS	0	14 204 524	17 591 186	11 388 818	8 791 892	7 649 816	59 626 235	0	7 123 437	14 726 834	16 370 580	11 510 384	9 885 021	59 626 236	7 081 087	50%	14 204 524	7 123 437	7 081 087	50%
TOTAL DIRECT COSTS BY OBJECTIVE																				
Objective 1 - SMC	0	1 916 750	4 072 423	3 215 715	2 367 885	1 490 412	13 063 205	0	640 427	3 960 685	4 674 496	1 875 581	1 705 651	12 856 840	1 276 323	67%	1 916 750	640 427	1 276 323	67%
Objective 2 Youth Prevention	0	1 174 328	2 837 580	1 620 500	1 251 459	1 211 273	8 095 140	0	617 433	1 032 553	1 048 024	1 690 588	1 548 633	7 037 230	556 895	47%	1 174 328	617 433	556 895	47%
Objective 3 Comms & Advocacy	0	0	0	0	0	0	0	0	0	855 413	911 321	584 696	896 180	3 247 610	0		0	0	0	
Objective 4 ARV Transition	0	1 485 371	1 184 207	112 556	0	0	2 772 135	0	855 007	861 816	896 863	0	0	2 543 485	610 385	42%	1 465 371	855 007	610 385	42%
Objective 5 TB/HIV Integration	0	1 286 501	977 102	975 076	688 852	382 192	4 269 825	0	262 570	1 568 782	1 834 269	1 520 503	627 918	5 814 023	1 023 931	80%	1 286 501	262 570	1 023 931	80%
Objective 6 MERD	0	4 535 929	4 087 408	1 216 908	770 688	880 773	11 491 706	0	1 175 140	1 449 451	1 770 454	2 663 114	2 716 372	9 774 531	3 360 788	74%	4 535 929	1 175 140	3 360 788	74%
Project Management	0	2 492 528	2 796 254	2 631 673	2 593 830	2 699 233	13 413 820	0	1 427 524	2 373 971	2 803 186	3 084 883	2 581 261	12 280 805	1 065 304	43%	2 492 528	1 427 524	1 065 304	43%
TOTAL	0	12 871 708	15 964 975	9 972 451	7 672 515	6 672 883	53 154 531	0	4 978 102	12 222 451	14 548 594	11 510 384	9 885 021	53 154 531 C	7 893 606	61%	12 871 708	4 978 102	7 893 606	61%

PROJECT INTEREST INCOME

Interest Earnings on Unspent Grant Funds — Interest Income on Unspent Grant Funds for Each Reporting Year: 1	2	3	4	5	6	Total Cumulative Interest Earnings	Expenditure of Interest Earnings — Describe Actual Expenditures of Interest Earnings in Narrative: 1	2	3	4	5	6	Cumulative Expenditures from Interest	Interest Balance: Unspent Balance Interest Earnings
0	367 983					367 983 B							0 D	367 983

PAYMENTS RECEIVED

Grant Payments to Date — Enter payments received from Gates Foundation By Year (Leave Future Years Blank): 1	2	3	4	5	6	Total Payments Received
10 000 000	6 000 000					16 000 000 A

CALCULATION OF UNSPENT GRANT FUNDS AND INTEREST EARNINGS

	Ref Above
Total Grant Payments Received To Date	16 000 000 A
Plus Total Interest Income Received To Date	367 983 B
Less. Total Grant Expenditures to Date	-7 123 437 C
Less. Total Interest Income Exponded to Date	0 D
Equals Unspent Grant and Interest Funds on Hand	9 244 546

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Organization Name	ACHAP
Project Title	AFRICAN COMPREHENSIVE HIV/AIDS PARTNERSHIPS (ACHAP)
Grant ID	OPP52352 PI/Proj Mg Themba Moeti
Reporting Year	2 RATIO GATES /MERCK $
Reporting Period From Start Date	2010/01/01 o End Date 2010/12/31
Report Completed by (Name)	Francinah Serumola Report Date

GRANT EXPENDITURES

Totals by Budget Category and Objective	Approved Budget By Year (Enter from Approved Budget Worksheet) Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total Budget	Actual / Projected Expenditures By Year (Enter Actual or Projected spend as positive values) Actual Yr 1	Actual Yr 2	Projected Yr 3	Projected Yr 4	Projected Yr 5	Projected Yr 6	Total Actual / Projected	Current Year Variance Current Year Variance $ (Over)/Under	Current Year Variance % (Explain >10%)	CUMULATIVE VARIANCE Cumulative Budget	Cumulative Actual	Cumulative Variance $ (Over)/Under	Cumulative Variance % (Explain >10%)
Total Direct FTE	0	1 574 225	2 278 961	2 241 734	2 018 051	1 881 483	9 995 455	0	1 267 338	2 423 258	2 823 470	2 018 674	1 765 794	9 995 455	538 887	19%	1 574 225	1 267 359	306 867	19%
Objective 1 SMC	0	164 414	491 252	527 618	566 608	485 970	2 225 975	0	5 [illegible] 312	706 343	720 462	329 [illegible] 522	3 [illegible] 922	2 225 975	2 905	-2%	164 414	157 319	7 095	2%
Objective 2 Youth Prevention	0	354 507	268 047	309 079	199 191	209 551	1 384 575	0	208 373	73 776	81 154	85 [illegible] 69	96 [illegible] 06	630 769	66 134	19%	354 507	288 373	66 134	19%
Objective 3 Comms & Advocacy	0	0	0	0	0	0	0	0	0	156 [illegible] 08	159 231	164 006	163 920	643 278	0		0	0	0	
Objective 4 ARV transition	0	184 881	184 124	50 278	0	0	435 243	0	47 374	140 683	147 [illegible] 06	0	0	435 243	37 487	20%	184 881	147 374	37 487	20%
Objective 5 TB/HIV integration	0	164 426	265 843	255 431	134 [illegible] 18	64 821	964 638	0	66 683	231 466	236 085	204 202	204 202	964 638	75 733	46%	164 426	88 693	75 733	46%
Objective 6 MERD	0	289 877	373 341	338 [illegible] 53	300 844	318 686	1 620 527	0	271 164	831 778	338 413	343 586	343 586	1 620 527	28 713	10%	289 877	271 164	28 713	10%
Project Management	0	416 141	695 [illegible] 08	730 752	767 [illegible] 29	805 054	3 346 497	0	314 437	763 113	837 931	890 [illegible] 97	640 869	3 442 028	101 704	24%	416 141	314 437	101 704	24%
Total Direct Travel	0	350 350	378 848	229 889	231 528	192 936	1 351 840	0	59 391	193 362	343 752	395 434	359 762	1 351 640	290 999	83%	350 350	59 351	290 999	83%
Objective 1 SMC	0	28 050	41 [illegible] 21	51 953	26 305	32 740	171 023	0	4 512	36 [illegible] 00	43 150	44 931	44 [illegible] 31	171 023	23 538	84%	28 050	4 512	23 538	84%
Objective 2 Youth Prevention	0	16 800	21 [illegible] 66	25 918	26 305	17 [illegible] 34	112 467	0	0	121 [illegible] 30	33 320	32 [illegible] 66	32 [illegible] 66	112 467	16 800	100%	16 800	0	16 800	100%
Objective 3 Comms & Advocacy	0	0	0	0	0	0	0	0	0	4 [illegible] 77	7 560	9 [illegible] 25	9 [illegible] 25	27 902	0		0	0	0	
Objective 4 ARV Transition	0	18 000	18 000	0	0	0	36 000	0	0	6 000	7 560	0	0	12 500	18 000	100%	18 000	0	18 000	100%
Objective 5 TB/HIV integration	0	6 350	17 456	26 008	17 456	11 [illegible] 05	71 788	0	7 866	29 675	21 233	2 [illegible] 13	29 000	106 268	-12 [illegible] 80	-239%	6 350	17 805	12 834	-238%
Objective 6 MERD	0	201 [illegible] 49	165 [illegible] 10	18 750	18 750	18 750	423 156	0	3 141	23 000	132 336	132 [illegible] 01	93 469	384 278	198 809	98%	201 760	3 141	198 809	98%
Project Management	0	80 500	119 [illegible] 50	112 050	112 [illegible] 50	112 [illegible] 50	537 200	0	33 889	92 [illegible] 10	121 [illegible] 51	154 [illegible] 75	154 025	537 200	46 611	58%	80 500	33 889	46 611	58%
Total Direct Consulting	0	487 401	124 274	189 550	71 000	111 000	993 227	0	58 649	537 188	264 070	87 600	85 000	993 226	427 852	88%	487 401	59 549	427 852	88%
Objective 1 SMC	0	100 000	9 000	17 300	0	0	124 300	0	0	0	7 500	7 500	0	15 000	100 000	100%	100 000	0	100 000	100%
Objective 2 Youth Prevention	0	87 000	0	0	0	0	87 000	0	17 126	227 325	37 500	0	0	281 851	69 874	80%	87 000	17 126	69 874	80%
Objective 3 Comms & Advocacy	0	0	0	0	0	0	0	0	0	99 583	65 614	0	0	165 197	0		0	0	0	
Objective 4 ARV Transition	0	11 500	0	0	0	0	11 500	0	0	11 500	0	0	0	11 500	11 500	100%	11 500	0	11 500	100%
Objective 5 - TB/HIV integration	0	76 500	0	0	0	0	76 500	0	1 530	87 756	25 000	0	0	114 286	74 970	98%	76 500	1 530	74 970	98%
Objective 6 MERD	0	114 150	73 [illegible] 78	150 000	50 000	50 000	477 928	0	40 215	78 250	95 000	25 000	65 000	313 465	73 935	65%	114 150	40 215	73 935	65%
Project Management	0	98 [illegible] 51	42 [illegible] 40	32 [illegible] 50	21 000	21 000	216 001	0	678	32 500	33 456	25 000	0	91 634	97 572	99%	98 251	678	97 572	99%
Total Direct Supplies & Other >$10k	0	1 870 747	2 025 582	1 575 643	1 008 859	823 562	8 900 893	0	513 187	1 749 849	2 136 325	1 146 174	1 353 357	8 900 892	1 167 560	69%	1 870 747	513 187	1 167 560	69%
Objective SMC	0	901 625	708 750	606 000	446 000	101 000	2 463 375	0	58 353	857 500	1 078 414	84 608	239 472	2 453 375	343 242	68%	901 625	158 383	343 242	68%
Objective 2 Youth Prevention	0	129 857	498 726	181 633	99 883	56 250	916 250	0	0	52 775	297 492	28 492	264 492	915 250	128 857	100%	128 857	0	128 857	100%
Objective 3 - Comms & Advocacy	0	0	0	0	0	0	0	0	0	215 938	228 316	170 000	170 000	782 434	0		0	0	0	
Objective 4 Transition	0	130 825	135 000	0	0	0	265 825	0	7 051	63 625	54 305	0	0	175 000	123 774	95%	130 825	7 051	123 774	95%
Objective 5 TB/HIV integration	0	212 375	155 250	96 500	57 750	40 250	571 825	0	23 254	294 300	64 [illegible] 47	84 [illegible] 47	84 767	571 825	188 621	89%	212 875	23 254	188 621	89%
Objective 6 MERD	0	87 [illegible] 88	81 438	81 128	16 750	16 750	251 250	0	15 [illegible] 05	7 700	50 000	55 [illegible] 00	60 500	198 398	71 991	83%	87 188	15 196	71 991	83%
Project Management	0	610 [illegible] 77	496 [illegible] 8	540 184	388 075	410 [illegible] 12	2 443 358	0	309 303	185 612	363 [illegible] 028	480 [illegible] 230	511 046	1 804 512	300 874	49%	610 177	309 303	300 874	49%
Total Direct Supplies & Other <$10k	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Subtotal of Modified Direct Costs (MDC)	0	4 082 723	4 805 887	4 248 825	3 285 637	2 909 040	19 241 313	0	1 899 445	4 993 977	5 254 618	3 618 672	3 583 904	19 341 314	2 183 379	53%	4 082 723	1 899 445	2 183 378	53%
Allowable Indirect Costs on MDC	0	612 408	721 043	637 324	494 346	421 [illegible] 36	2 886 162	0	1 [illegible] 8 868	1 [illegible] 134	787 [illegible] 380	0	0	3 886 182	456 219	65%	612 408	1 018 662	406 255	-66%
Subtotal of Modified Direct Costs and Indirect	0	4 695 131	5 528 038	4 883 849	3 785 983	3 330 386	22 127 995	0	2 918 113	6 083 711	5 991 998	3 618 672	3 583 904	22 127 996	1 777 019	38%	4 695 131	2 918 113	1 777 019	38%
Total Sub-Contracts	0	2 195 000	2 253 714	739 400	640 629	527 401	6 256 136	0	631 553	1 011 498	1 504 671	1 629 107	1 379 107	6 256 136	1 683 447	76%	2 195 000	631 553	1 683 447	76%
Objective 1 - SMC	0	65 000	34 [illegible] 000	315 000	166 000	140 000	1 000 000	0	0	250 000	250 000	247 500	247 500	1 000 000	65 000	100%	65 000	0	65 000	100%
Objective 2 Youth Prevention	0	0	285 [illegible] 14	209 400	310 [illegible] 20	222 401	1 221 135	0	3 218	150 000	479 972	355 [illegible] 2	355 972	1 221 135	3 218	100%	0	3 218	3 218	
Objective 3 - Comms & Advocacy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Objective 4 Transition	0	375 000	250 000	0	0	0	625 000	0	273 079	187 500	164 421	0	0	625 000	101 921	27%	375 000	273 079	101 921	27%
Objective 5 TB/HIV integration	0	165 000	90 000	75 000	75 000	75 000	460 000	0	0	155 000	450 000	450 000	0	1 050 000	185 000	100%	165 000	0	165 000	100%
Objective 6 MERD	0	1 560 000	1 [illegible] 000	50 000	0	0	2 850 000	0	255 256	2 [illegible] 998	279 478	772 634	770 634	2 360 000	1 294 744	84%	1 560 000	255 256	1 294 744	84%
Project Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Total Sub-grants to Others Organizations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Subtotal of Sub-grants/contracts	0	2 195 000	2 253 714	739 400	640 629	527 401	6 256 135	0	631 553	1 011 498	1 504 671	1 629 107	1 379 107	6 256 136	1 683 447	76%	2 195 000	631 553	1 683 447	76%
Allowable Indirect Costs on Sub-awards	0	54 000	92 057	71 160	65 343	67 110	349 670	0	54 000	92 057	203 613	0	0	349 670	0	0%	54 000	54 000	0	0%
Total Equipment	0	158 131	921 786	0	0	0	1 079 916	0	58 053	196 161	514 899	310 904	0	1 079 916	100 078	63%	158 131	58 053	100 078	63%
Objective 1 SMC	0	69 286	462 143	0	0	0	571 429	0	0	50 000	240 714	132 [illegible] 2	0	463 043	69 286	100%	69 286	0	69 286	100%
Objective 2 Youth	0	0	35 143	0	0	0	357 143	0	0	0	175 571	176 5	0	357 143	0		0	0	0	
Objective 3 Comms & Advocacy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Objective 4 ARV Transition	0	12 500	0	0	0	0	12 500	0	0	12 500	0	0	0	12 500	12 500	100%	12 500	0	12 500	100%
Objective 5 TB/HIV integration	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	
Objective 6 MERD	0	15 000	0	0	0	0	15 000	0	2 598	0	0	0	0	2 598	12 402	83%	15 000	2 598	12 402	83%
Project Management	0	61 345	84 500	0	0	0	123 845	0	55 454	93 661	98 [illegible] 04	0	0	244 629	14 [illegible] 09	-34%	41 345	55 454	14 109	-34%
TOTAL DIRECT COSTS	0	6 435 854	7 982 487	4 986 225	3 838 257	3 338 441	26 577 265	0	2 489 051	6 111 228	7 274 297	5 759 682	4 843 010	26 577 268	3 946 883	61%	6 435 854	2 489 051	3 946 803	61%
TOTAL INDIRECT COSTS	0	666 408	813 105	708 184	559 869	488 466	3 235 832	0	1 072 668	1 252 192	910 993	0	0	3 235 853	456 259	-61%	666 408	1 072 668	406 259	-61%
GRAND TOTAL COSTS	0	7 102 262	8 795 593	5 694 409	4 398 046	3 824 908	29 813 118	0	3 561 719	7 363 417	8 185 290	5 759 682	4 843 010	29 813 118	3 549 544	50%	7 102 263	3 561 719	3 549 844	50%
TOTAL DIRECT COSTS BY OBJECTIVE																				
Objective 1 SMC	0	958 375	2 036 211	1 807 887	1 193 943	749 706	6 546 102	0	330 213	1 880 343	2 337 348	837 781	852 835	6 328 420	638 161	67%	958 375	320 213	638 161	67%
Objective 2 Youth Prevention	0	587 164	1 418 790	810 250	625 730	805 636	4 047 570	0	308 717	916 378	974 012	845 294	774 316	3 818 618	278 447	47%	587 164	308 717	278 447	47%
Objective 3 Comms & Advocacy	0	0	0	0	0	0	0	0	0	477 706	468 661	343 349	348 083	1 623 808	0		0	0	0	
Objective 4 ARV Transition	0	732 686	697 104	58 278	0	0	1 386 068	0	427 503	440 868	403 431	0	0	1 271 743	305 182	42%	732 686	427 503	305 182	42%
Objective 5 TB/HIV integration	0	643 281	489 581	487 839	334 326	191 096	2 144 782	0	131 288	784 381	617 135	760 251	313 959	2 607 011	511 956	80%	643 281	131 288	511 956	80%
Objective 6 MERD	0	2 267 964	2 043 704	809 454	385 344	440 386	5 745 853	0	587 670	734 726	886 227	1 331 557	1 358 188	4 897 366	1 680 394	74%	2 267 964	587 570	1 680 394	74%

[illegible]	0	1 246 414	1 369 127	1 418 837	1 286 819	1 349 617	6 706 816	0	713 762	1 186 986	1 401 583	1 542 441	1 295 630	6 140 403	533 853	43%	1 246 414	713 762	532 682	43%
TOTAL	0	6 435 854	7 682 437	4 939 215	3 836 257	3 336 441	26 677 265	0	2 439 051	5 111 228	7 274 297	5 759 682	4 943 010	26 677 268 C	3 948 603	61%	6 435 854	2 439 051	3 946 603	61%

PROJECT INTEREST INCOME

Interest Earnings on Unspent Grant Funds
Interest Income on Unspent Grant Funds for Each Reporting Year

1	2	3	4	5	6	Total Cumulative Interest Earnings
183 992	0	0	0	0	0	183 992 F

Expenditure of Interest Earnings
Describe Actual Expenditures of Interest Earnings in Narrative

1	2	3	4	5	6	Total Cumulative Expenditure s from
						0 G

Interest Balance

Unspent Balance Interest Earnings
183 992

PAYMENTS RECEIVED

Grant Payments to Date
Enter payments received from Gates Foundation By Year
(Leave Future Years Blank)

1	2	3	4	5	6	Year Payments Received
10 000 000	0					10 000 000 A

CALCULATION OF UNSPENT GRANT FUNDS AND INTEREST EARNINGS

	Ref Above
Total Grant Payments Received To Date	10 000 000 A
Plus Total Interest Income Received To Date	183 992 B
Less Total Grant Expenditures to Date	3 561 719 C
Less. Total Interest Income Expended to Date	0 D
Equals Unspent Grant and Interest Funds on Hand	6 622 273

Form **8868**
(Rev January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization	**Employer identification number**
File by the due date for filing your return See instructions	Merck Company Foundation	22-6028476
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	One Merck Drive, P.O. Box 100	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Whitehouse Station,NJ 08889	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ TAXPAYER

Telephone No. ▶ 908-423-4620 FAX No. ▶ 908-735-1280

- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 20 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [X] calendar year 20 10 or
▶ [ ] tax year beginning _____, 20____, and ending _____, 20____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 364,934.00
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 164,356.00
c	**Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	3c	$ 200,578.00

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . . ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed)

Type or print	Name of exempt organization	Employer identification number
File by the extended due date for filing your return See instructions	Merck Company Foundation	22-6028476
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	One Merck Drive, P.O. Box 100	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Whitehouse Station, NJ 08889	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ TAXPAYER
  Telephone No. ▶ 908-423-1000 FAX No. ▶ 908-735-1280
- If the organization does not have an office or place of business in the United States, check this box . . . . . ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . . . . . ▶ [ ]. If it is for part of the group, check this box . . . . . ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until NOVEMBER 15, 20 11.

5 For calendar year 2010, or other tax year beginning _____, 20 ____, and ending _____, 20 ____.

6 If the tax year entered in line 5 is for less than 12 months, check reason: [ ] Initial return [ ] Final return
[ ] Change in accounting period

7 State in detail why you need the extension
ADDITIONAL INFORMATION IS NEEDED IN ORDER TO FILE AN ACCURATE TAX RETURN

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$ 364,934
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	$ 364,934
c	**Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$ 0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Katie Fedorz Title ▶ Assistant Secretary Date ▶ 7/25/11