

-PD-ABJ-714 FSN-91303 -

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION TO ZIMBABWE

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P.O. Box 6988  
Harare Zimbabwe



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October 23, 1991

Mr. Archa Knowlton  
Vice President for Africa and Asia  
International Executive Service Corps  
8 Stamford Forum  
Stamford Connecticut 06904-2005  
United States

Dear Mr. Knowlton:

Subject: International Executive Service Corps Grant No.  
613-0232-G-00-2001-00

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "USAID") hereby grants to the International Executive Service Corps (hereinafter referred to as "IESC" or "Grantee") the sum of U.S. Dollars 1,000,000 to be used to support business development and linkage services to Zimbabwean enterprises, described in the Grant Attachment 1 entitled "Schedule" and Attachment 2 entitled "Program Description".

This Grant is effective and obligation is made as of the date this letter is signed and shall apply to expenditures made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending July 31, 1994, except for reimbursement of certain activities, specified in this Grant, carried out by IESC in Zimbabwe between October 1, 1990 and the effective date of the Grant.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule), Attachment 2 (the Program Description), Attachment 3 (the Standard Provisions), and Attachment 4 (Reimbursable Activities Schedule), all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the Grant, and return the original and all but one copy to USAID/Zimbabwe.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Ted D. Morse'.

Ted D. Morse  
Mission Director

ACCEPTED:

INTERNATIONAL EXECUTIVE SERVICE CORPS

BY: Archa O. Knowlton  
Archa O. Knowlton

TITLE: Vice President

DATE: October 28, 1991

FISCAL DATA:

Appropriation : 72-111/21014  
Budget Plan Code : GSS1-91-21613-KG12  
Oblig. Doc. No. : 613-0232-G-00-2001-00  
Total Obligated  
Amount : US\$1,000,000.00  
Total Estimated  
Amount : US\$1,801,300.00  
RCN : G102320  
Project No : 613-0232  
Project Office : Project Development, Implementation and Support  
Project Officer: : Jim Harmon

ATTACHMENTS:

1. Schedule
2. Program Description
3. Standard Provisions
4. Reimbursable Activities Schedule

Clearances:

CPDIS: PKBuckles (Draft) Date: 10/10/91  
TIA: DGreenberg (Draft) Date: 10/10/91  
CONT: MLewellen Date: 10/23/91  
RLA: TRiedler (Draft) Date: 10/1/91 fax  
RCO: DOSinski (Draft) Date: 10/18/91 fax

drafted: Harmon

GRANT BUDGET

***** IRSC PROGRAMMING COSTS (SEE NOTES BELOW) *****	YEAR 1 (U.S.\$)	YEAR 2 (U.S.\$)	YEAR 3 (U.S.\$)	TOTAL (U.S.\$)
COUNTRY DIRECTOR (CD) - DIRECT COSTS (1)				
COUNTRY DIRECTOR - PER DIEM (2)	25,000	26,000	28,000	79,000
ASSISTANT PROGRAM OFFICER	20,000	21,000	22,000	63,000
SECRETARY	10,000	11,000	11,000	32,000
BENEFITS, ETC @ 25% (HEALTH, LIFE, DENTAL)	15,600	16,500	17,500	49,600
COUNTRY DIRECTOR HOUSING ALLOWANCE	12,000	13,000	14,000	39,000
TRAVEL (LOCAL & INTERNATIONAL)	10,000	11,000	11,000	32,000
TRAVEL/ROUND TRIP U.S.	11,000	12,000	13,000	36,000
UTILITIES, INS, ETC	10,000	11,000	12,000	33,000
OFFICE EXPENSE (COMMUNICATIONS, EQUIPMENT SUPPLIES, AUTO GAS/MAINT, ETC) (3)	20,000	15,000	15,000	50,000
MEETINGS & CONFERENCES	4,000	4,000	4,000	12,000
EVALUATION/AUDIT	2,000	2,000	2,000	6,000
COMPUTER CONSULTANT (20 DA @ \$500/DA) (4)	10,000	0	0	10,000
INDEPENDENT ACCOUNTING FIRM (SYSTEMS DESIGN/MONITORING) (5)	11,600	1,800	900	14,300
VOLUNTEER BRIEFING PACKAGES (DESIGN/PRINT)	5,000	0	0	5,000
MARKETING PROGRAM EXPENSES	20,000	15,000	15,000	50,000
OTHER DIRECT COSTS	5,000	5,000	5,000	15,000
AUTOMOBILE EXPENSE - FIXED ASSET (6)	19,000	0	0	19,000
COMPUTER EQUIP & SOFTWARE- FIXED ASSET	12,700	0	0	12,700
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SUBTOTAL - CD EXPENSES	222,900	164,300	170,400	557,600
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TECHNICAL ASSISTANCE PROJECT (TA) COSTS				
30 PROJECTS @ \$22,000	660,000	0	0	660,000
23 PROJECTS @ \$24,000	0	552,000	0	552,000
23 PROJECTS @ \$26,000	0	0	598,000	598,000
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SUBTOTAL - TA PROJECTS (TAS)	660,000	552,000	598,000	1,810,000
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INFORMATION SEARCHES - ABLES (25 PER YR) (7)	75,000	75,000	75,000	225,000
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JOINT VENTURE SEARCHES - JVS (3 PER YR) (8)	42,000	44,000	46,000	132,000
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IRSC ADMIN COST ALLOC (13% OF JVS)	5,500	5,700	6,000	17,200
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SERVICE MODULE SUBSIDY FUND (VE/ABLE/JV) (9)	24,000	24,000	24,000	72,000
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IRSC INDEPENDENT AUDIT/U.S.	7,000	7,000	7,000	21,000
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REIMBURSEMENT FOR '90-'91 VES (10) (@ ACTUAL NET IRSC COSTS FOR VES NTE \$10,000/VE & \$1,350/ABLE)	100,000	0	0	100,000
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TOTAL CD @ PROJECT COSTS	1,136,400	872,000	926,400	2,934,800
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*****
IESC REVENUES - CLIENT CONTRIBUTIONS
*****
TECHNICAL ASSISTANCE PROJECT (YR) COSTS
  2 PROJECTS @ $0                0      0      0      0
  2 PROJECTS @ $22,000           44,000  0      0  44,000
  3 PROJECTS @ 75% OF $22,000    49,500  0      0  49,500
  17 PROJECTS @ 50% OF $22,000   187,000 0      0 187,000
  5 PROJECTS @ 25% OF $22,000    27,500  0      0  27,500
  2 PROJECTS @ $24,000            0  48,000  0  48,000
  3 PROJECTS @ 75% OF $24,000     0  54,000  0  54,000
  11 PROJECTS @ 50% OF $24,000    0 132,000  0 132,000
  7 PROJECTS @ 25% OF $24,000     0  42,000  0  42,000
  2 PROJECTS @ $26,000            0      0  52,000  52,000
  3 PROJECTS @ 75% OF $26,000     0      0  58,500  58,500
  11 PROJECTS @ 50% OF $26,000    0      0 143,000 143,000
  7 PROJECTS @ 25% OF $26,000     0      0  45,500  45,500
-----
SUBTOTAL - TA PROJECTS (YRS) - (11) 308,000 276,000 299,000 883,000
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INFORMATION SEARCHES- ABLRS (25 PER YR)-(12) 37,500 37,500 37,500 112,500
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JOINT VENTURE SEARCHES - JVS (3 PER YR)-(13) 21,000 22,000 23,000 66,000
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PARASTATAL/MULTINATIONAL CONTRIBUTION TO CD
COSTS- 8 PER YR @ $3,000 EACH (14) 24,000 24,000 24,000 72,000
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TOTAL CLIENT CONTRIBUTIONS 390,500 359,500 383,500 1,133,500
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AID GRANT FUNDING REQUIRED (15) 745,900 512,500 542,900 1,801,300
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*****
FIXED AMOUNT REIMBURSEMENTS (FAR) BY AID
*****
YRS
  28 @ ONE-HALF OF $22,000 (16) 308,000 0 0 308,000
  2 @ $22,000 (16) 44,000 0 0 44,000
  23 @ ONE-HALF OF $24,000 (17) 0 276,000 0 276,000
  23 @ ONE-HALF OF $26,000 (18) 0 0 299,000 299,000

ABLRS - 25/YR @ ONE-HALF OF $3,000 (19) 37,500 37,500 37,500 112,500

JVS- 3/YR @ ONE-HALF OF $14,000 (20) 21,000 22,000 23,000 66,000
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TOTAL FAR 410,500 335,500 359,500 1,105,500
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Notes to IESC Grant Budget

- (1) Costs are reimbursable under the grant, subject to submission of prescribed documentation. Local costs were budgeted at an exchange rate of Z\$3.40 to US\$1.00.
- (2) Reimbursable not to exceed prevailing U.S. Government "Meals and Incidental Expense" (MIE) rate.
- (3) Year 1 includes additional office furniture.
- (4) Computer consultant to establish information systems/databases for client tracking, program implementation monitoring and impact evaluation, with approval of system by USAID/Zimbabwe. Estimated daily rates assume consulting firm, with overhead included. Payment to individuals cannot exceed current ceilings established by AID and must be supported by salary history.
- (5) Costs include \$8,000 in yr 1 for systems design plus costs to cover compliance monitoring/technical assistance by systems design consultant as follows: yr 1: \$150/day X 2 da/mo X 12 mo; yr 2: \$150/da X 1 da/mo X 12 mo; yr 3: \$150/da X 1 da every 2 mos. Rates charged must be supported by salary histories.
- (6) Reimbursable up to \$13,000 for one new vehicle and up to \$6,000 for repairs to existing IESC vehicle.
- (7) Estimated cost of \$3,000 per ABLE.
- (8) Estimated cost of \$14,000 per JV in yr 1, \$14,667 in yr 2 and \$15,333 in yr 3.
- (9) Generations from parastatal/multinational VEs or JVs (rate calculated @ \$3,000 per activity) to be utilized by CD as a subsidy to reduce client contributions for VEs, ABLEs and JVs, based on CD's determination of a client's ability to pay.
- (10) NET IESC COSTS equal total allowable VE and ABLE costs for each module that is eligible for reimbursement under the grant, during period Oct. 1, 1990 through Sept. 30, 1991, less client contributions for each respective module (see Attachment 4 for listing from which eligible modules will be approved by USAID). The maximum reimbursement for each eligible module is as follows: VEs - Net IESC Cost not to exceed (NTE) \$10,000 per VE; ABLEs - Net IESC Cost not to \$1,350 per ABLE.
- (11) Based on the scheduled percentages of VE client contributions noted in the budget.
- (12) Based on client contributions of one-half of total estimated costs of ABLEs.
- (13) Based on client contributions of one-half of the total estimated costs of JVs.

- (14) \$3,000 contribution to Country Director's Subsidy Fund per parastatal and multinational module provided by IESC, calculated by dividing CD costs (\$545,000) by total 184 projected number of activities during period of grant activities (76 VEs, 75 ABLEs, 9 JVs and 24 non-grant funded parastatal/multinational modules).
- (15) IESC Total Programming Costs LESS Client Contributions.
- (16) VE (executive with spouse) Fixed Amount Reimbursement (FAR) cost build-up for yr 1 detailed below. FAR rates for yrs 2 and 3 to be revised based on actual costs incurred in previous year, using the cost structure below.

Recruiting	US\$ 2,200
Enroute travel	1,000
International Travel	11,000
Field Support	1,200
Per Diem @ \$117 per day (ave of 45 days)	5,300
Per Diem enroute @ \$250 per day (2 days)	500
Contingency for IESC	1,000
TOTAL FAR	22,200
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- (17) Fixed Amount Reimbursement (FAR) to be reviewed and revised as appropriate, based on actual costs from year 1.
- (18) FAR to be reviewed and revised as appropriate, based on actual costs from year 2.
- (19) ABLE FAR rate to be revised for yrs 2 and 3 based on costs incurred in previous year.
- (20) FAR calculated at \$14,000 per activity cost in year 1, escalated to \$14,667 in year 2 and \$15,333 in year 3. JVS (executive only) FAR cost build-up for yr 1 detailed below. FAR rates for yrs 2 and 3 to be revised based on actual costs incurred in previous year, using the cost structure below.

Recruiting	US\$ 2,200
Enroute travel	500
International Travel	5,500
Field Support	1,200
Per Diem @ \$80 per day (ave of 14 days)	1,200
Per Diem enroute @ \$250 per day (2 days)	500
U.S. Travel and per diem @ ave total \$2,500	2,500
Contingency for IESC	500
TOTAL FAR	14,100
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In addition to the AID Grant, contributions by clients of IESC will be made in local currency in an amount equivalent to approximately \$1,133,500 in payment for technical and support assistance from IESC as executing agency. Such IESC support will cover local and other costs of IESC operations payable in local currency. Total funding for the project, including both AID and client contributions, will be equivalent to approximately \$2,934,800.

E. Reporting Requirements

1. Progress Reports

- a. The Grantee will submit, on a quarterly basis, progress reports to USAID/Harare, Project Development, Implementation and Support Office. These progress reports are expected to cover: progress made against the implementation schedule of this Grant detailing brief descriptions of each Volunteer Executive, Joint Venture, and ABLE project carried out during the reporting period; progress made in responding to recommendations of the April 1991 Deloitte and Touche financial assessment; client tracking, implementation monitoring and impact evaluation data with format to be developed by IESC and computer consultant (see budget, footnote 4); issues that impinge upon the future implementation and direction of the activity; actions to be taken during the next quarter; and information on any matter which USAID or Government of Zimbabwe may reasonably request. The Grantee shall also submit to USAID/Harare a final report reviewing project accomplishments, findings and conclusions. The format of the progress reports will be agreed between USAID and the Grantee.
  
- b. The Grantee shall prepare and submit 2 copies of the final report and evaluation report required by this Grant to the AID Bureau for Program and Policy Coordination, Center for Development Information and Evaluation, Development Information Division (PPC/CDIE/DI). All documents should be mailed to:

PPC/CDIE/DI  
Acquisition  
Room 209, SA-18  
Agency for International Development  
Washington, D.C. 20523

The title of all reports forwarded shall include a descriptive title, the author's name(s), Grant number, the project number and title, contractor's or grantee's name, name of the A.I.D. project office, and the publication or issuance date of the report.

2. Financial Management

a. Financial Reports

In addition to the financial reports required under the Standard Provision entitled "Payment--Periodic Advances", the Grantee will submit on a quarterly basis written reports that provide: a summary of the U.S. Dollar disbursements under the Grant, client contributions and Country Director, Project and other costs, presented in the format of the grant budget; detailed U.S. and Zimbabwe dollar costs incurred for each Volunteer Executive, Joint Venture, and ABLE service module carried out during the reporting period, Fixed Amount Reimbursements (FAR) under the Grant, and client contributions for each module, converted to a U.S. dollar equivalent at the highest exchange rate not unlawful in Zimbabwe on the date of the client contribution; and a complete sources and uses accounting of local currency in the Service Module Subsidy Fund. Reports are to be submitted 20 days after the end of each calendar quarter. Final accounts will be submitted at the beginning of each calendar year for the preceding year. Disbursement will be shown by line item category for the previous quarter and cumulatively. Categories shall be the same as those shown in the project budget estimate in the Grant Agreement. Any current and anticipated financial implications shall be clearly noted and explained in the report. Financial issues requiring resolution by USAID shall be highlighted. Should the need arise for a particular financial report format, the USAID/Harare controller will provide necessary guidance in a Grant Implementation Letter.

b. Payment (Periodic Advances)

(1) Periodic advances shall be limited to the minimum amounts needed to meet current disbursement needs for operating cash of the CD and exclusive of costs reimbursable under E.2.b(4) below. These advances shall be scheduled so that the funds are available to the grantee as close as is administratively feasible to the actual disbursements by the Grantee for program costs. Advances may not exceed immediate disbursing needs for a maximum of 90 days. Cash advances made by the Grantee to secondary recipient organizations or the Grantee's field organization shall conform substantially to the same standards of timing and amount as apply to cash advances by A.I.D. to the grantee. All advances may be deposited in a separate, non-commingled interest bearing account. Interest earned must be reported annually. The Grantee should return to USAID all interest earned on an annual basis.

(2) Grantees shall submit requests for advances (SF-270) at least quarterly to the controller USAID/Harare, P.O. Box 6988, Harare, Zimbabwe. Request for advances shall state the estimated disbursements to be made during the period covered by the request, less the estimated balance of cash on hand at the beginning of the period and the advance amount being requested. Within 90 days following the expiration of the Grant, the Grantee will submit a report (SF-269) showing total disbursements, total advances received and any cash remaining on hand, which will be refunded to A.I.D.

(3) If at any time, the USAID Controller determines that the Grantee has demonstrated an unwillingness or inability to: (1) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof; (2) timely report cash disbursements and balances as required by the terms of the Grant; and (3) impose the same standard of timing of advances and reporting on any subrecipient or any of the grantee's overseas field organizations, the USAID Controller shall advise the grant officer who may suspend or revoke the advance payment procedure.

(4) Service Module Unit Cost Reimbursement Procedure:

Payment for service modules (VEs, ABLEs and JVS) shall be made to the Grantee in accordance with A.I.D. "Fixed Amount Reimbursement" (FAR) procedures following satisfactory

completion of each service module, based on the unit cost amounts of \$11,000, \$7,000 and \$1,500 respectively for VEs, ABLEs and JVS for the first year following the effective date of this grant. FAR payments for years 2 and 3 will be calculated at the beginning of each year, based on actual costs incurred for respective service modules in the previous year. The reimbursement process will be initiated by the USAID Controller based on receipt by the USAID Project Manager of written notification by the IESC Country Director that a particular VE, ABLE or JVS service module has been satisfactorily completed. This statement will include the names of the volunteer and the client company, the nature of the service provided, the period of time covered and the total cost of the the project, including those expenses paid by the client. Reimbursement will cover projects undertaken with private sector clients only, except for those as may be approved on a case by case basis by USAID in accordance with procedures set forth in Section IV.A of Attachment 2, Program Description.

#### F. Special Provisions

##### 1. Procurement

Except as otherwise provided herein, the procurement procedures of IESC will apply to this Agreement. The authorized geographic code for procurement of goods and services under this grant is Code 935. Goods and services shall be procured from the U.S. to the maximum extent practicable.

##### 2. Title of Property

Title to all property purchased with A.I.D. funds under this Agreement shall vest in IESC during the life of this Agreement. Upon termination or expiration of the Grant, the matter of title to property shall be determined in accordance with the provisions of the applicable project agreement between the A.I.D. and the Government of Zimbabwe. Should the applicable project agreement not contain any such provisions, then the matter shall be a subject of consultations between A.I.D. and IESC, pursuant to the standard provision of this Grant entitled "Government Property - Grantee Title".

## Program Description

### I. Background

IESC is a private, non-profit organization that provides business advisory services through its corps of over 12,400 retired volunteer executives and technical experts. Headquartered in Stamford Connecticut, the organization has a council of local business leaders in each country of operations who help direct the activities of that particular branch. IESC's mission is to help business in developing countries to upgrade management skills, improve basic business technologies and promote better trade relations around the world.

In achieving its mission, IESC has provided three basic services in Zimbabwe, which are:

Volunteer Executives (VE) - who offer in-country management or technical expertise directly to client firms.

ABLE projects which are in-depth information services giving clients access to technology sources, marketing opportunities and funding availability.

Joint Venture Searches (JVS) which encourage joint ventures between U.S. companies and firms in developing countries.

IESC has operated in Zimbabwe under AID financing since September 13, 1985, when \$100,000 was provided through a subgrant, authorized under a bilateral grant between the Governments of the United States and Zimbabwe. The subgrant, with a PACD of September 30, 1986, provided funding for the establishment of a local office, coverage of operating expenses, and the provision of per diem and travel for volunteer executives. Under this initial subagreement, IESC successfully achieved the stated purpose of the program to provide low cost technology transfer and management expertise to Zimbabwe in the form of VEs and supply information through ABLE projects.

The IESC subgrant was subsequently amended four times to bring total project funding to \$560,000 and extend the PACD to September 30, 1990. These amendments demonstrated the need for the IESC program in Zimbabwe which has completed over 80 VE projects, with a number of companies having more than one VE. Since 1988, 11 ABLE projects have also been completed. Although eligible for funding, no JVS have been completed.

### II. Problem

The Zimbabwe business community experiences many problems which include a lack of industry specific technical expertise, technical assistance linked to trade and investment promotion, and accurate information, as well as inadequate promotion of specific venture opportunities through industry networks.

### III. Purpose

The purpose of the IESC program is to supply low cost business development and linkage services to Zimbabwean enterprises in a manner which will enhance the viability and growth of Zimbabwe's private sector, encourage exports and stimulate U.S. and other foreign investments.

### IV. Program Description

The IESC/Zimbabwe program consists of the following business development and linkage "Service Modules".

#### A. Volunteer Executives (VEs) - Specific Technical Assistance

This IESC service module will provide specialized technical and managerial assistance to privately-owned enterprises. The focus of the Volunteer Executive program will be to deliver specialized technical assistance to work with individual firms for one to three weeks. This includes the provision of technical expertise to Zimbabwean firms for:

- 1) establishing cost-effective ways of improving access to new markets, technologies, and opportunities in fields such as product design, packaging and engineering, etc.;
- 2) developing improved management/financial/production/training systems, research and business practices for efficient delivery of goods and services, and
- 3) increasing the ability to formulate marketing/sales advertising strategies and to sell goods and services in domestic and external markets.

Parastatals may be eligible for assistance funded under this grant agreement if such assistance is needed to prepare for the privatization or commercialization of the parastatals' operations or ownership. Multinationals may be eligible for assistance funded under the grant if such assistance makes an outstanding contribution to widening the base of ownership or control of productive assets in the economy. Prior written approval of USAID/Zimbabwe is required before IESC commits to providing AID funded assistance to parastatals or multinationals. USAID will not approve such assistance if it involves establishing or expanding production of a specifically identified commodity for export that is likely to compete with exports of similar U.S. commodities and cause substantial injury to U.S. producers of such commodities.

Note: A parastatal is defined as a firm with 50% or greater effective Government of Zimbabwe ownership, whether direct or indirect. A multinational is defined as a firm with 50% or greater effective ownership by a firm domiciled outside of Zimbabwe. In the case of any ambiguities in definition of a firm's ownership with regard to financing under this agreement, the decision of USAID/Zimbabwe will be final.

USAID/Zimbabwe, with assistance from the IESC Country Director, will assess the viability of recruiting and using volunteer experts from the autonomous IESC project in South Africa. If this option appears to be technically as well as politically feasible, the provision of volunteer experts from IESC South Africa may be included under this agreement as an amendment.

The VE service module, in addition to delivering specialized, one-on-one technical and managerial assistance to individual Zimbabwean firms, will also provide two VEs in year one to conduct analyses of two high potential sectors; non-traditional agribusiness and tourism. These sector analyses involve up to 60 individual company surveys and short-term training assistance visits. The contacts made during these sector analyses will promote a desire among company decision-makers for positive change - including new venture exploration, the introduction of equipment and technological change and innovation. Successful identification of firm-specific needs and the ability to address those needs effectively, will strengthen the confidence of the emerging enterprises to manage change independently in the future. The terms of reference for the sector analyses will be mutually agreed upon by USAID/Zimbabwe and IESC. If successful, the grant may be amended to include other sector analyses.

#### **B. American Business Linkage Enterprise (ABLE)**

ABLE will provide low-cost, custom-tailored information services to individual Zimbabwean businesses. An ABLE research report (ave. 60 hrs) identifies key issues and outlines the information required by the host country enterprise seeking U.S. markets and/or linkage to U.S. partners, including market studies, potential partner identification, and product line extension recommendations. IESC industry experts advise on and guide the research of efforts of each ABLE project.

ABLE can also provide individual firms with other export facilitation assistance such as preparation of product presentation materials (brochures, etc.) and sample distribution (priced individually).

#### **C. Joint Venture Searches (JVS)**

JVS projects use the expertise of VEs and ABLE to work with individual firms both in Zimbabwe and the U.S. JVS volunteers help assess company potential and then assist linkages with U.S. companies for joint and coventures, and investment, i.e.

- 1) helping firms identify, acquire and install necessary new or improved technology;
- 2) provide access to sources of information on overseas markets, products, pricing, etc.;
- 3) increase and facilitate trade and investment linkages between businesses in Zimbabwe, the U.S. and other foreign countries through:
  - - gap analyses to help identify a firm's objectives (where would it like to be relative to its current position and capabilities);
  - - short-term technical advice;
  - - research and development assistance to help firms internationalize their operations;
  - - partner searches for high-potential firms in each industry; and
  - - linkage facilitation.

D. Client Contributions

1) Volunteer Executive

Client contributions are structured to cover, on average, one half of the cost of providing a VE project. This cost has been calculated in the budget at the U.S. dollar and local currency equivalent of U.S.\$ 22,000 in the first year of the agreement, with budgeted costs estimated to increase to \$24,000 in year 2 of the agreement and \$26,000 in year 3. Although the average of client contributions will be one-half of the cost of a VE project, the grant will utilize a mechanism to provide flexibility to setting the amounts of individual client contributions. This flexibility will allow the IESC Country Director to assist smaller firms by collecting client contributions based on his/her assessment of that client's ability to pay. As broken out in the budget of this agreement, it is envisaged that client contributions for approximately one-half of the VE projects in a given year will be set at 50% of the estimated activity cost, with several client contributions set at 75% of costs and several at full cost coverage. This will allow the Country Director to provide VEs to a number of smaller enterprises at client contributions set at approximately 25% of cost coverage. As part of quarterly reporting to AID detailed in this agreement, IESC will include a brief rationale for the decision to set each client contribution at the level charged.

2) ABLE

Client contributions will be set at the local currency equivalent of U.S.\$1,500 per ABLE financed under this agreement. Budgeted costs have not been escalated in years 2 and 3 since all direct costs of providing an ABLE are incurred in the U.S., and IESC experience has indicated that they have not been subject to a marked influence over time by inflation.

### 3) Joint Venture Searches

As is the case with VEs, client contributions are structured to cover, on average, one half of the cost of providing a JVS project. This cost has been calculated in the budget at the U.S. dollar and local currency equivalent of U.S.\$ 14,000 in the first year of the agreement, with budgeted costs estimated to increase to \$14,667 in year 2 of the agreement and \$15,333 in year 3. The IESC Country Director will utilize flexibility in setting client contributions similar to the method used for VEs. Since there are only 3 JVS activities envisaged per year, a formal schedule for structuring contributions is not included in the budget as is the case with VEs.

#### E. Fixed Amount Reimbursement

The agreement will provide Fixed Amount Reimbursements (FAR) in the amount of one-half of the estimated average costs of each VE, ABLE and JVS module. These FAR rates have been calculated at certain levels for each type of module in year one and will be provided under the grant at those rates for each module completed by IESC during the first year of grant implementation. Although FAR amounts have been budgeted in years 2 and 3, the exact FAR amounts provided under the grant for each type of module in years 2 and 3 will be calculated at the start of each year of the agreement. As described above, two sector survey VEs will be wholly financed under the agreement in year one, with no client contribution.

Fixed Amount Reimbursements are detailed below.

Module Type	FAR		
	Year 1	Year 2*	Year 3*
VE	11,000	12,000	13,000
ABLE	1,500	1,500	1,500
JVS	7,000	7,333	7,667

\*Note: To be revised.

#### F. Service Module Subsidy Fund

The flexibility of the Country Director to provide VE, ABLE and JVS assistance to smaller businesses, based on his/her judgement of their ability to pay, will be enhanced by the Service Module Subsidy Fund. The Fund will be financed by a fixed contribution of the local currency equivalent of U.S.\$3,000 from parastatals and multinationals which receive IESC assistance not funded under this agreement. The rationale for collecting a fixed contribution from parastatals and multinationals is to recover a proportionate share of A.I.D. financed Country Director indirect costs associated with the delivery of IESC services, even though direct costs of providing those services are not financed under this agreement.

The Service Module Subsidy Fund will be established in a separate account used solely for this purpose, with deposits, withdrawals and brief rationale for each project subsidy granted to be provided in quarterly reports.

#### G. Reimbursement for Activities Prior to Execution Of Grant

During the period from the September 30, 1990 expiration of the previous IESC grant until the effective date of this Grant, IESC carried out a number of VE and ABLE modules as detailed in Attachment 4. On a case by case, USAID/Zimbabwe approval basis, this grant will fund the reimbursement of actual Net Outlays to IESC, up to maximum amounts set forth below, for certain of those VEs and ABLES included in Attachment 4 which meet the selection criteria for funding under the previous AID-funded grant. Net Outlays to IESC are defined as Actual Direct Costs to provide a VE or ABLE less the U.S.\$ equivalent value of the client contribution for that module, calculated at the highest rate of exchange not unlawful in Zimbabwe at the time of the client contribution. In accordance with the previous A.I.D.-funded IESC grant, no reimbursement will be made for VE or ABLE modules provided to parastatals or multinationals, as defined in Subsection IV.A of this Program Description. The maximum U.S. dollar reimbursements for modules provided prior to the execution of this Grant are: \$10,000 for VEs and \$1,350 for ABLES.

#### V. ROLES AND RESPONSIBILITIES

##### A. IESC Country Director

The IESC Country Coordinator will have overall in-country responsibility for the activities of all Service Modules of the IESC/Zimbabwe program, reporting to IESC Headquarters in Stamford, CT. Duties will include:

- Management
- Planning and managing IESC VE technical assistance projects and program staff;
- Supervising and directing all IESC activities including coordination of ABLE and VE project development in the US;
- Liaison and coordination with IESC HQ;
- Interfacing with USAID mission staff relative to program objectives in Zimbabwe
- Procurement and Supervision of Services

To develop and install appropriate financial management and control systems, train IESC staff, and provide part time follow-up professional services throughout the duration of grant implementation to ensure proper compliance with AID financial reporting procedures.

To set up client tracking, monitoring and impact evaluation, and other management systems and databases.

To establish country briefing sheet for volunteers.

- Reporting

In addition to other reports detailed in this agreement, at the end of each quarter and yearly, the IESC Country Director will present for review all IESC/Zimbabwe program information accumulated through IESC's client tracking, monitoring and impact evaluation and other management information systems and databases. At a minimum, this information will include:

- - Number of Specialized TA Project Completed
- - Clients served & category
- - VE man days contributed
- - Technical Assistance (short and long-term) delivered
- - Information services delivered -- including number of ABLE studies
- - JVS Activities

Final format of the reports will be developed in consultation with USAID/Zimbabwe.

B. Program Assistant -- supports CD, extends IESC services.

- developing client participation, with special emphasis on small businesses;
- coordinating VE sector surveys, JVS & ABLE activities;
- assisting and supporting all CD and in-country activities of VEs;
- managing client tracking, monitoring and impact evaluation data bases, and other management information systems and data bases; and
- maintaining accounting records and supervision of the secretary in the performance of accounting record maintenance.

VI. Implementation Schedule

A. Summary Outputs

Over a period of 3 years, it is projected that IESC/Zimbabwe will produce the following:

- 1) Specialized Technical Assistance
  - assist 74 individual Zimbabwean firms identified by CDs through VE TA projects and up to 60 firms through 2 VE-led sector analysis projects.

The individual VE Technical Assistance projects involve extensive (1-3 month), one-on-one, "in-company" technical and managerial assistance (i.e. general organization and management, production cost reduction, inventory control, marketing and personnel practices, etc.). It is envisaged that the agreement will fund:

28 VE Projects	Year 1
23 VE Projects	Year 2
23 VE Projects	Year 3

In year One, an additional two USAID-funded VE sector survey projects will provide up to 60 Zimbabwean agribusiness or tourism-related firms with industry-specific trade and investment/linkage and training support to help Zimbabwean firms participate in the emerging global economy -- including short-term diagnoses and technical consultations VEs to assess short and long-term capacity.

2) **Information Services--Tailored Research Services**

American Business Linkage Enterprise (ABLE)

At least 75 Zimbabwean firms will be provided with support for low-cost market/technology information through the American Business Linkage Enterprise (ABLE) information services.

Activities are scheduled for 25 each year.

3) **Joint Venture Searches**

9 Joint Venture Searches will assist development of investments, joint ventures and coventures and will combine the resources of VEs both in Zimbabwe and the U.S. and per project assistance, as needed, from ABLE.

JVS are scheduled at 3 per year.

B. **Summary Inputs**

The following inputs would be necessary to achieve the above outputs:

- The IESC/Zimbabwe program will require USAID support in the amount of \$1,701,300 plus reimbursement to IESC for 1990-91 VE and ABLE projects in an amount not to exceed \$100,000 based on actual IESC costs incurred less client contributions for respective activities. Reimbursements for each ABLE and VE considered for funding under this agreement shall be up to the maximum amounts per activity detailed in the budget to this agreement.

- Approximately 3,812 man days of VE donated services (valued at \$1,788,000 - based on \$469 per man day) which more than satisfies the AID requirement for a 25% non-U.S. Government contribution.
- IESC/Zimbabwe Office: A dedicated full-time professional IFSC staff in Zimbabwe will be required. This staff will include the IESC Country Director, Program Assistant and one secretary.

Additionally,

- - an independent accounting firm will be contracted to develop and install appropriate systems and train staff at the IESC office; accounting services of this firm will be contracted on a part time basis, with the level of effort diminishing over time, to ensure that the system has been properly de-bugged and that all accounting records are maintained properly.
- - a computer consultant will be contracted to help establish a new client tracking as well as monitoring and impact evaluation data base for the IESC program in Zimbabwe.

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APPENDIX 4C

OMB Control No. 0412-0510  
Expiration Date: 12/31/89

MANDATORY STANDARD PROVISIONS FOR  
U.S., NONGOVERNMENTAL GRANTEES<sup>1</sup>

INDEX OF  
MANDATORY STANDARD PROVISIONS

- |                                   |   |
|-----------------------------------|---|
| 1. Allowable Costs                | 8. Debarment, Suspension, and other<br>Responsibility Matters |
| 2. Accounting, Audit, and Records | 9. Nondiscrimination  |
| 3. Refunds                        | 10. U.S. Officials Not to Benefit                             |
| 4. Revision of Grant Budget       | 11. Nonliability  |
| 5. Termination and Suspension     | 12. Amendment   |
| 6. Disputes                       | 13. Notices   |
| 7. Ineligible Countries           |   |

ALLOWABLE COSTS (NOVEMBER 1985)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant, any negotiated advance understanding on particular cost items, and the applicable\* cost principles in effect on the date of this grant.

\* NOTE: For Educational Institutions use OMB Circular A-21; for all other non-profits use OMB Circular A-122; and for profit making firms use FAR 31.2. and AIDAR 731.2.

ACCOUNTING, AUDIT, AND RECORDS (SEPTEMBER 1990) \*

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee's financial management system shall provide for the following:

When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient," "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

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OPTIONAL STANDARD PROVISIONS FOR  
U.S., NONGOVERNMENTAL GRANTEES

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

- |   |   |
|---|---|
| 1. Payment - Letter of Credit                                 | _____                                     |
| 2. Payment - Periodic Advance                                 | _____ <input checked="" type="checkbox"/> |
| 3. Payment - Cost Reimbursement                               | _____ <input checked="" type="checkbox"/> |
| 4. Air Travel and Transportation                              | _____ <input checked="" type="checkbox"/> |
| 5. Ocean Shipment of Goods                                    | _____                                     |
| 6. Procurement of Goods and Services                          | _____                                     |
| 7. AID Eligibility Rules for Goods and Services               | _____ <input checked="" type="checkbox"/> |
| 8. Subagreements  | _____ <input checked="" type="checkbox"/> |
| 9. Local Cost Financing                                       | _____ <input checked="" type="checkbox"/> |
| 10. Patent Rights   | _____ <input checked="" type="checkbox"/> |
| 11. Publications  | _____                                     |
| 12. Negotiated Indirect Cost Rates - Predetermined            | _____                                     |
| 13. Negotiated Indirect Cost Rates - Provisional              | _____ <input checked="" type="checkbox"/> |
| 14. Regulations Governing Employees                           | _____ <input checked="" type="checkbox"/> |
| 15. Participant Training                                      | _____                                     |
| 16. Voluntary Population Planning                             | _____ <input checked="" type="checkbox"/> |
| 17. Protection of the Individual as a Research Subject        | _____                                     |
| 18. Care of Laboratory Animals                                | _____                                     |
| 19. Government Furnished Excess Personal Property             | _____                                     |
| 20. Title to and Use of Property (Grantee Title)              | _____                                     |
| 21. Title to and Care of Property (U.S. Government Title)     | _____ <input checked="" type="checkbox"/> |
| 22. Title to and Care of Property (Cooperating Country Title) | _____                                     |
| 23. Cost Sharing (Matching)                                   | _____                                     |
| 24. Use of Pouch Facilities                                   | _____ <input checked="" type="checkbox"/> |
| 25. Conversion of United States Dollars to Local Currency     | _____ <input checked="" type="checkbox"/> |

(INCLUDE THIS PAGE IN THE GRANT)

(Appendix Continues on Page 4C-9)

**TECHNICAL CONSULTING PROJECTS CARRIED OUT FROM OCT 1, 90 TO AUG 31, 91 \*\***

IN USD, RATE OF EXCHANGE AT TIME OF PAYMENT

PROJ #	CLIENT	AIRFARE	PER DIEM	ENROUTE EXPENSE	RECRUITING	FIELD SUPPORT	TOTAL IN-COUNTRY COST	CLIENT CONTRIBUTION	NET TO IESC
19588	Swissette	15 363.35	8827						
19642	Cargo Carr	12 283.99	5723	583.76	1727	521	27 022.11	8 000.00	10 000.00
19791	Comm Proc Group	10 266.04	5917	1270.07	1727	521	21 525.06	18 000.00	3 525.06
19375	Booth Cubitt	12 820.74	7372	898.25	1727	521	19 329.29	18 500.00	829.29
19376	Vaida Chem	11 657.92	4947	1190.04	1727	521	23 630.78	7 934.00	10 000.00
19638	Swissette	10 263.94	8827	748.54	1727	521	19 601.46	12 000.00	7 601.46
18533	Hartec	11 940.58	8633	1080.70	1727	521	22 419.64	12 000.00	10 000.00
19744	Comm Supp Assoc	10 768.96	10908	120.00	2208	1302	24 203.58	6 000.00	10 000.00
19948	Agrifoods	12 596.29	9191	226.00	2208	1302	25 412.96	13 667.32	10 000.00
19640	Swissette	12 052.37	9393	1105.94	2208	1302	26 403.23	16 000.00	10 000.00
21086	Highfield	5 703.38	9292	324.93	2208	1302	25 280.30	12 000.00	10 000.00
20706	Supersonic	10 760.25	4545	599.92	2208	1302	19 105.30	20 000.00	NIL
				948.02	2208	1302	19 763.27	17 499.97	2 263.30
		136 477.81	93 575	9096.17	23.610	10938	273 696.98	161 801.29	84 219.11

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**FOOTNOTES**

- 1) Rate of Recruiting charges changed when costs had to be fully recovered through USAID Mission Support.
  - 2) Field support is part of total In-Country Cost reimbursable by USAID Mission, after deducting agreed upon client contribution. field support cost reimbursements agreed upon with AID/PRE, Ms Penny Farley. The reimbursement total is USD84 219.11.
- Project to be included in the above list.

20222	AJAX REFRIG	*13 050.00	*7 598	1000	2200	500	24 348.00	20 000	4 348.00
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\* These prices are approximate pending completion of project.  
 \*\* To be reviewed by USAID and reimbursed on a case by case basis.

REIMBURSABLE ACTIVITIES SCHEDULE

Attachment 4

ABLE / ZIMBABWE

ABLE STUDIES CARRIED OUT FROM OCTOBER 1, 1990 TO AUGUST 31, 1991 IN USD, RATE OF EXCHANGE AT TIME OF PAYMENT. \*\*

<u>ABLE NUMBER</u>	<u>CLIENT</u>	<u>HOURLY STUDY</u>	<u>TOTAL COST</u>	<u>AID CONTRIBUTION</u>	<u>CLIENT CONTRIBUTION</u>
A0439	M Medquip	160	5 400	1 350	5 388.00
A0711	Com Trading	80	2 700	1 350	721.60
A0814	Zim Travel Bureau	60	2 100	1 350	400.00
A0825	Goldleaf Investments	40	1 500	1 350	615.00
A0849	Coffee Grower Assoc	40	1 500	1 350	615.00
A0858	Belmar Fashion	40	1 500	1 350	1 537.50
A0870	RM Cooper	40	1 500	1 350	922.50
A0893	Greenworld	40	1 800	1 350	1 845.00
A1030	Apex Foundry	40	2 250	1 350	2 635.13
A1050	APM	40	2 500	1 350	2 635.13
A1008	Apex Mng	40	1 800	1 350	2 500.00
			24 550	14 850	19 814.86

REF ID: A1008  
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REIMBURSABLE ACTIVITIES SCHEDULE

Attachment 4

\*\* Note: To be reviewed by USAID and reimbursed on a case by case basis.