

PD-ABJ-719



Contract Information Management System (CIMS)

DIRECT ACTION DATA FORM FOR GRANTS & COOPERATIVE AGREEMENTS

1. Basic Award Number 674-0301-G-SS-4045-00

2. Recipient Name National Women's Resource and Service Center (NWRSC)

3. Award Description (This description will be seen by high level Agency officials, as well as members of Congress.) The recipient shall provide voter education for the women voters in the KwaZulu-Natal area.

4. Principal Place of Performance

South Africa

5. Benefiting Country

South Africa

6. Project Officer

Office Symbol

CDD/GDO/Election Activity

Name (Last, First)

Pillay Surykumarie

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7. Grant Agreement Type

- Disaster Assistance, American Schools & Hospitals Abroad (ASHA), Other Than Those Listed Above, Title XII Authority

8. Basic Purpose

- Tech. Services to Host Country, Commodities, Train. Services to Host Country, Research, Arch. & Engineering Services, Construction

7a. Extent Completed

- Completed by the Technical Office, Completed by the Contracting Office, Not completed (unsolicited proposal), Not completed (predominant capability, etc.)

9. Taxpayer Identification Number

N/A

10. Business Organization Type

- Corporation, Individual, University or College, Historically Black College or University, Educational Organization, International Center, Research Organization, Voluntary Organization, Foundation, Hospital, Hispanic American College or University, Other

11. If U.S. University, Host Country Institution

N/A

12. If obligated amount is in local currency, provide U.S. Dollar amount

\$31,500

13.a. Negotiator (Last, First, MI)

Wendel, Dennis

13.b. Signature

[Handwritten signature]

14.a. Contract Officer (Last, First, MI)

Dean, Leslie A.

14.b. Signature

[Handwritten signature]

COPY OF AWARD DOCUMENT MUST BE ATTACHED TO THIS FORM

PL-ABJ-119

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



Tel: (012) 323-8869

P.O. Box 55380
Arcadia, Pretoria 0007

Fax: (012) 323-6443
1994-02-28

1994-02-28

National Women's Resource and Service Center
c/o Mrs. S.D. Nene
60 De Korte Street
Braamfontein
2001

Subject: South Africa Community Outreach and
Leadership Development (COLD) Project; Grant
Agreement with National Women's Resource and Service
Center (NWRSC); Agreement No. 674-0301-G-SS-4045-00

Dear Mrs Nene:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the South African Democratic Transition Support Act of 1993, the U.S. Agency for International Development (hereinafter "USAID") hereby enters into this Grant Agreement (hereinafter "Agreement" or "Grant") with the National Women's Resource and Service Center (hereinafter "NWRSC" or the "Grantee") and obligates the sum of \$31,500 to provide support for a program described in Attachment 1, entitled "Schedule," and Attachment 2, entitled "Program Description," of this Agreement.

This Agreement is effective and obligation is made as of the date this letter is signed by an authorized USAID representative. The Agreement and obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on the effective date of this letter and ending August 31, 1994.

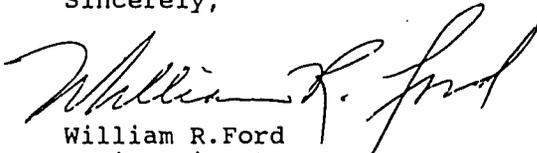
This Agreement is entered into with the Grantee on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, "Schedule," Attachment 2, "Program Description," Attachment 3, "Standard Provisions," Attachment 4, "Disbursement of and Accounting for Agreement Funds," Attachment 5, "A.I.D. Geographic Code 935 List," Attachment 6, "Guidelines for Financial Audits Contracted for by Foreign Recipients," and Attachment 7, "Grantee Certifications". This letter and the seven attachments just described, which have been agreed to by your organization, constitute the Agreement.

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We request that you and a member of the Board of Trustees of National Women's Resource and Service Center sign the original and one (1) copy of this letter and then return the original to USAID/South Africa. The "Grantee Certifications" in Attachment 7 should also be signed and sent to USAID/South Africa.

Sincerely,



William R. Ford
Acting Director
Date: 2/22/94

ACKNOWLEDGED AND ACCEPTED
National Women's Resource and Service Center

By: Ms S.D. Nene
Title: Executive Director
Date: _____

By: Ms D Mabiletsa
Title: Chairperson
Date: _____

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions and Additional Provisions as Applicable
4. Disbursement of and Accounting for Agreement Funds
5. A.I.D. Geographic Code 935 List
6. Guidelines for Financial Audits Contracted for by Foreign Recipients
7. Grantee Certifications (Grantee Signatures Required)

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ATTACHMENT 1
SCHEDULE

I. OVERVIEW OF AGREEMENT

The primary purpose of this Grant Agreement is to assist the National Women's Resource and Service Center (NWRSC) to provide voter education to women in the KwaZulu Natal area so that this disadvantaged group can participate in the April 1994 election. A long term aim and objective of the organization is to assist women to participate fully in the transformation of South Africa to a post-apartheid, democratic country.

II. PERIOD OF AGREEMENT

The effective date of this Agreement is the date the cover letter is signed by an authorized USAID representative. Unless otherwise agreed to by USAID in writing, the expiration date is August 31, 1994, meaning that no USAID funds under this Agreement shall be applicable to goods not furnished or services not performed for the program by this date.

III. AGREEMENT FUNDING AND PAYMENT

A. USAID hereby obligates the amount of \$31,500 for eligible program expenditures under this Agreement.

B. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 4 entitled "Disbursement of and Accounting for Agreement Funds."

C. Additional funds up to the total amount of the Agreement as shown in Section III.A., above, may be obligated by USAID subject to the availability of funds, the agreement of the Parties hereto to proceed with the Grant program, and to the requirements of the Mandatory Standard Provision, Attachment 3 to the Agreement, paragraph 4 entitled "Revision of Grant Budget."

D. Local Cost Financing

The amount of U.S. dollars authorized to be used for local cost financing is the entire amount obligated under this Agreement.

IV. FINANCIAL PLAN

A. Financial Plan

The Financial Plan for funds obligated under this Agreement is set forth in Table 1 below. Revisions of this Plan shall be made in accordance with Mandatory Standard Provision 4 of this Agreement, located in Attachment 3 and entitled "Revision of

Grant Budget." The Grantee is authorized a 15% deviation between line items, provided that USAID is notified in writing of such budget changes in the Grantee's following Disbursement Report. However, any deviation in excess of 15%, or any increase in the total Grant, must be approved in advance in writing by the Director, USAID/South Africa.

Table 1
Financial Plan
South African Rand (SAR)

<u>Item</u>	<u>Total</u>
Compensation (salaries)	35,900
Travel and Per Diem	15,944
Administrative Support Costs	19,300
Workshop Costs	23,710
Accounting Services	5,000
Contingencies	<u>2,521</u>
Total	102,375

Set forth in Attachment 2, Section VI., is a Detailed Illustrative Financial Plan. This Attachment 2, Detailed Illustrative Financial Plan, incorporates the planned total A.I.D. contribution over the life of the Grant.

B. Level of Assistance

The total Rand amount in the Financial Plan (Table 1) above is the maximum Rand amount available under this Agreement. The conversion rate from U.S. Dollars will be the prevailing rate at the time of conversion as determined by the Controller, USAID/South Africa. To determine the U.S. Dollar amount of disbursements to the Grantee under the Agreement, an exchange rate of R3.25 to one (1) U.S. Dollar will be used. Notwithstanding the above, in no event will the total Rand amount provided to the Grantee under the Agreement exceed the obligated Dollar amount provided for in Section III. A., above.

Due to exchange rate fluctuations, the total amount of Rands available after converting the total obligated U.S. Dollar amount into Rands may exceed the Rand Budget. If the Grantee desires to use such excess Rands to finance additional eligible program expenses, it may submit to USAID, not sooner than six months prior to the expiration date of the Grant, a written proposal for use of such funds. If USAID is in agreement with the Grantee's proposal, the Agreement may be modified to provide for the authorized expenditures. USAID reserves the right to deobligate any Dollars in excess of those needed to fund the Rand Budget. However, should changes in the exchange rate result in fewer South African Rands being available than budgeted for, the Grantee will be responsible for financing the shortfall, since the U.S. Dollar amount

prevails.

V. REPORTING

The Grantee will submit to USAID, in a timely manner, a written final progress report on activities funded and general performance under the Agreement. NWRSC will indicate in their final report the number of persons trained under this program, the number of women voters reached, the locations and dates of voter education workshops, and any other relevant information regarding this program activity. The Grantee will also include a brief description of program accomplishments, lessons learned, an informal evaluation of the impact of the program, and recommendations (if any). This information may be used for assessment purposes by USAID. The written final progress report will be due by July 31, 1994.

VI. ADMINISTRATIVE SUPPORT COSTS

Limited administrative support costs are provided for activities funded under this Grant as specified in the Financial Plan.

VII. TITLE TO PROPERTY

Title to all property purchased under this Agreement shall vest in the Grantee in accordance with the terms of Attachment 3, Additional Standard Provision 18, entitled "Title to and Use of Property."

VIII. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for all procurement with A.I.D. funds under the Agreement is the United States, the Republic of South Africa and countries included in A.I.D. Geographic Code 935, meaning that all goods and services financed by this Agreement shall have, with respect to goods, their source and origin and, with respect to the suppliers of services, their nationality in the United States, the Republic of South Africa or in other countries included in A.I.D. Geographic Code 935. To the maximum extent practicable, goods and services financed with funds provided under this Grant should be procured from the United States. Please refer to Attachment 5 for a list of countries included in Code 935.

IX. SPECIAL PROVISIONS

A. Procurement

1. Scope. This provision is applicable to the extent that local cost financing is otherwise authorized by the Agreement. It does not require procurement in South Africa where offshore procurement could otherwise occur.

2. Policy. In the procurement of goods and services in South Africa, the Grantee shall, to the maximum extent practicable,

award contracts to individuals who or organizations which have been disadvantaged by apartheid and are responsive and appropriate providers of goods and services.

3. Definitions. Individuals and organizations disadvantaged by apartheid shall mean: (1) South African individuals of African, "colored" or Asian descent whose principal place of business is in the Republic of South Africa; and (2) private partnerships or commercial firms which are incorporated in or organized under the laws of the Republic of South Africa, whose principal place of business is in the Republic of South Africa, and which are more than 50 percent beneficially owned by South African persons of African, "colored" or Asian descent. The Republic of South Africa includes the so-called "independent" and "self-governing" homelands.

B. Competition

Except as otherwise provided in Sub-Section A. above, all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, free and open competition.

C. Staff Recruitment

The Grantee agrees that all staff recruitment for positions funded by USAID will be carried out through an appropriate competitive process and that salary levels will be in accordance with community and professional standards.

D. Travel and Per Diem

The Grantee will provide for USAID approval a copy of its travel and per diem policy covering both domestic and international travel for its staff and for program participants. The travel and per diem rates established under such policy shall not exceed U.S. Government rates. In the event the Grantee does not establish a policy, U.S. Government regulations governing travel and per diem shall apply.

E. Political Affiliation

The Grantee agrees that programs funded under this Agreement will be made available to individuals and groups regardless of their political beliefs or affiliations. The Grantee shall not discriminate in its hiring practices or in the provision of its services against individuals or organizations who associate themselves with any particular political philosophy. The Grantee shall periodically review the level of actual provision of its services to assure that persons or organizations sympathetic to certain political groupings or philosophies are not intentionally excluded from activities financed by USAID.

F. Non-Partisan and Non-Political Activities

The Grantee agrees that funds provided under this Grant will not be used to influence the outcome of an election and that conferences, planning, management, coordination and technical assistance funded under this Agreement will be developed and presented on a non-partisan and impartial basis and without any implied, perceived or actual reference to political parties or groups. Specialists associated with any aspect of this Grant Agreement will not express or espouse a political preference, encourage a political position or orient any of the activities, voter education, or planning toward any political party or grouping during their participation in the activities supported by this Grant.

G. Collaboration with Other Existing Voter Education Activities

The Grantee will collaborate with other voter education and support activities to the extent necessary to ensure that methods of voter education training are shared and that new procedures and materials in this area of work are coordinated. NWRSC will also coordinate their activities with other voter education outreach programs in South Africa to avoid unnecessary duplication and replication of program activities and permit sufficient integration of activities.

H. Covenant to Disbursement of Grant Funds

There shall be no disbursement of any Agreement funds until the NWRSC has provided USAID with an engagement letter from an accounting firm. The letter should state that the accounting firm will maintain monthly financial records over the period of the Grant.

X. STANDARD PROVISIONS

The Standard Provisions applicable to this Agreement are contained in Attachment 3, entitled "Standard Provisions."

ATTACHMENT 2
PROGRAM DESCRIPTION

I. OVERVIEW OF AGREEMENT

The primary goal of National Women's Resource and Service Center (NWRSC) is to provide voter education to women in the KwaZulu - Natal area so that this disadvantaged group can participate in the April 1994 election. A long term aim and objective of the organization is to assist women to participate fully in the transformation of South Africa to a post-apartheid, democratic country.

II. BACKGROUND

The NWRSC is the outcome of efforts by several leading South African women in various fields of community and academic endeavor who resolved in 1991 to work towards the building of a resource and service center at a national level which will operate in cooperation with the regional networks. This effort culminated in the establishment of the center in June 1993. The NWRSC is a non-partisan NGO whose aims and objectives are the following:

1. Developing women's capacity to participate in, and to engage in structural changes taking place within the country with regard to a democratic dispensation.
2. Working towards a non-sexist society that will empower women in all fields of work which will encourage development of the country and the advancement of women in particular.
3. Establishing gender sensitive programs in local, regional and national structures with regard to policy -making that impact on women's lives.
4. Establishing and managing a women's resource center in all the regions of the country.

NWRSC is a black-led women's organization. The Board of Trustees consists of 10 members who oversee the management functions of the organization. The Administrative staff consists of three part-time facilitators, and a secretary. The executive director is directly involved in the voter education project. Funding for this organization will not only assist women voters but will contribute towards institution building for black women in South Africa.

III. PROBLEM

Statistics reveal that black women in South Africa are in their largest numbers rural-based, illiterate, and occupy unskilled jobs, thus being the most "at risk" groups. Women are not found in decision-making roles and find the political process very intimidating. Women's issues and their needs have often been neglected if not completely ignored. By educating and informing women about the electoral process one not only encourages proper representation but also institutionalizes the process for greater participation by women.

IV. PURPOSE

The purpose of this Grant is to provide voter education to women from the disadvantaged majority in the KwaZulu - Natal areas. The program will address the specific problems experienced by women voters. This grant will also strengthen the grantees capabilities to prepare beneficiaries to participate in the broader transformation process.

V. PROGRAM DESCRIPTION

The program activity proposes to educate women from the disadvantaged communities in KwaZulu - Natal areas so that they can participate in the forthcoming national election. The geographical area has approximately 130 magisterial districts with an estimated population of 5.5 million people. Women are estimated to form a 1/3 of this population. The voter activities consists of two parts. The first concentrates on actual voter education training and subsequent workshops in the specified area. The "voter educators" will be trained by IMSSA at various centers in Natal. The organization will operate through pre-existing structures of women's organizations. The second component of the voter education activity is the organization's involvement in the radio and T.V. media. The latter activity has no cost implications for USAID.

USAID will provide financial support to NWRSC for: salaries, workshops, travel and per diem, publications and administrative costs.

The Grantee will maintain records of the persons trained, the locations and dates of workshops, and the total number of voters reached. A total of approximately 1.6 million women will be reached through this program. NWRSC will also furnish USAID with a final progress report on the activities funded, lessons learnt and general performance under the Agreement.

**VI. DETAILED ILLUSTRATIVE FINANCIAL PLAN
(South African Rand) (SAR)**

<u>ITEM</u>	<u>AMOUNT</u>	
Compensation		35,900
Director R4 500 X4	18,000	
Facilitator R2 500 X3 (part time)	7,500	
Secretarial/Technical Assistant X4	8,000	
Messenger 600 X 4	2,400	
TRAVEL & PER DIEM		15,944
Director		
JHB-DBN X 4X650	2,600	
Car Hire 4 X R1716	6,864	
Travel ±3000 excess @ R1.26 pk	3,780	
Car Insurance	300	
Petrol R400 X4	1,600	
Parking R200 X 4	800	
ADMINISTRATIVE COSTS		19,300
Rent @ R2 500 pm X 4	10,000	
Water R200 pm X 4	800	
Electricity R275 X 4	1,100	
Stationery	2,000	
Telephone	4,000	
Fax	1,000	
Postage	400	
WORKSHOPS COSTS		23,710
Training of Trainers @ 10X R1000 per centre (IMMSA & incidentals)	10,000	
Subsidized travel for trainers @ R500 X 10 per centre	5,000	
Educational kits (IMMSA) @ R173X20	3,460	
T-shirts for staff X 10 X 25	250	
Publicity, photocopying	1,000	
Venues R300 X 10	3,000	
Catering at workshops/office	1,000	
Contingencies		2,521
Accounting Services		5,000
Total		102,375

FISCAL DATA AND CLEARANCES:

1. Fiscal Data:

Agreement No: 674-0301-G-SS-4045*-00

Grantee: National Women's Resource and Service Center(NWRSC)

Appropriation: 72-114/S1014

BPC: C1554-94-21674-KG13

Reservation Control No.: B940083

Amount: \$31,500

† Total Project Obligations To Date including Current Grant
Obligation: \$

Total Project Authorization Amount: \$110,000.000

Agreement Completion Date: August 31, 1994

Project Assistance Completion Date (PACD): December 31, 1998

Funds Available: Q FUNDS AVAILABLE

ACCT: Cda Costa

Date: 02/17/94

2. Clearances for Action Memorandum, Grant Agreement Letter and Attachments 1-7:

Drafted: Surykumarie Pillay, CDD

Clearance:

DWendel: CDD DW

JBeebe: GDO JBeebe

FMangera: PRO

DKeene: RLA DK

GHensley: CONT GHensley

WFord: DD WFord

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SLJ

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: February 2, 1994

FROM: Sury K. Pillay, CDD

S. Pillay

SUBJECT: South Africa Community Outreach and Leadership Development Project (674-0301); National Women's Resource and Service Center (NWRSC) - Voter Education, Agreement No. 674-0301-G-SS-4045-00

I. PROBLEM

Your approval is required to obligate U.S. \$31,500 of FY1994 funds under the Community Outreach and Leadership Development (COLD) Project (674-0301) through a Grant Agreement with the National Women's Resource and Service Center (NWRSC), as described herein.

II. AUTHORITY

Pursuant to Redelegation of Authority No. 452, the Director, USAID/South Africa, has authority to authorize and execute grants, and amendments thereto, with nongovernmental organizations (NGOs) in an amount not to exceed \$5.0 million per grant.

III. DISCUSSION

The NWRSC is the outcome of efforts by several leading South African women in various fields of community and academic endeavor who resolved in 1991 to work towards the building of a resource and service center at a national level which will operate in cooperation with the regional networks. This effort culminated in the establishment of the center in June 1993. The NWRSC is a non-partisan NGO whose aims and objectives are the following:

1. Developing women's capacity to participate in, and to engage in structural changes taking place within the country with regard to a democratic dispensation.
2. Working towards a non-sexist society that will empower women in all fields of work which will encourage development of the country and the advancement of women in particular.
3. Establishing gender sensitive programs in local, regional and national structures with regard to policy making that impact on women's lives.
4. Establishing and managing a women's resource center in all the regions of the country.

With these aims and objectives in mind, the NWRSC see's its

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Section

· immediate task as providing voter education to predominantly black women in South Africa. The organization proposes to embark on voter education program for women in the Kwa-Zulu Natal area. The voter activities consists of two parts. The first concentrates on actual voter education training and subsequent workshops in the specified area. The "voter educators" will be trained by IMSSA at various centers in Natal. The organization will operate through pre-existing women's organization structures. The second component of the voter education activity is the organization's involvement in the radio and T.V media. The latter activity has no cost implications for USAID.

Statistics reveal that black women in South Africa are in their largest numbers rural-based, illiterate, and occupy unskilled jobs, thus being the most 'at risk' groups. Women are not found in decision-making roles and find the political process very intimidating. Women's issues and their needs have often been neglected if not completely ignored. By educating and informing women about the electoral process one not only encourages proper representation but also institutionalizes a process for greater participation by women. The geographical area that this program will cover is crucial. The KwaZulu - Natal area has approximately 130 magisterial districts with an estimated population of 5.5 million. Women are estimated to form a 1/3 of this population. This is also an area where women in particular have been the worst victims of political violence and crime which has precipitated levels of anxiety and insecurity.

IV. ISSUES

Through the development of this Agreement, the following issues have been identified and addressed as presented below:

A. Action Plan and Strategic Objective(s) - This proposed Agreement was discussed during the FY94 Community Outreach and Leadership Development Project (COLD), Action Plan reviews dated January 28, 1994 and approved. This activity is consistent with the Strategic Objective to ensure that the majority population participates more fully in the political development of the country. The activity also complies with the Strategic Target: to help prepare for a free and fair election.

B. Grantee's Illustrative Budget and Cost Negotiation - The Community Outreach and Leadership Development Division (CDD) conducted verbal negotiations with NWRSC to establish its priorities for funding. The major cost components are for voter education training; workshops; publications; accommodation; travel and per diem; and staff salaries. Limited support will be provided for managing the activity and other program-related activities. The budget and costs have been reviewed within the Mission as part of the grant approval process and have been determined to be fair, reasonable and allowable for a grant of

this nature. The grant file contains sufficient support for this determination.

C. Competitive Procedures or Non competitive Justification - Although competition is to be encouraged in the award of grants and cooperative agreements to NGOs (Handbook 13, Chapter 2B), Chapter 2B3a permits exceptions to competition where the proposal "is not solicited by A.I.D." and where the proposal is "unique, innovative, or proprietary and acceptance would be fair, reasonable, and would represent appropriate use of A.I.D. funds to support or stimulate a public purpose." The NWRSC has submitted an unsolicited proposal, and it is the determination of the CDD that the activity is unique and innovative. This determination is based on the fact that the NWRSC will be addressing the needs of women voters in the forthcoming election. The organization identified the problems associated with women voters and designed a program that addresses these problems. The program is unique in that it actively involves women in the electoral process and in so doing attempts to change the existing unequal relations that transcends all levels of South African society and fosters an understanding and harmony among all its people. The program is innovative because it will access women through pre-existing structures of women's organizations. Furthermore, black women are subjected to a patriarchal system where politics is essentially a male prerogative. The organization will be dealing with these and other issues. No other organization has proposed similar model or outreach program for voter education for women. Because this activity is consistent with USAID program objectives and is so unique and innovative, acceptance of the NWRSC proposal would be fair and reasonable and would represent an appropriate use of USAID funds.

D. Technical and Management Capability - It is the CDD's determination that the subject organization possesses suitable policies and practices to ensure adequate management of USAID funds provided under the Grant Agreement. This determination is based on the fact that the project is overseen by the executive members. A special portfolio exists for an executive director whose specific function it is to manage the project. Sufficient management capability exists which is consistent with the proposed level of funding.

E. Financial Management Capability - A financial review of NWRSC's financial management systems was conducted during February 1994 which reviewed the Grantee's accounting systems, books and records for the administration of this Agreement. The financial review was unsatisfactory but a condition precedent to disbursement of Agreement funds is included in the Agreement.

F. PVO Registration Determination - The NWRSC does not qualify as a Private Voluntary Organization, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010 because the proposed

Grantee does not solicit or receive voluntary contributions of money, staff time or in-kind support from the general public.

G. Grantee Contribution - A Grantee contribution of not less than 25% of total grant project costs has been provided. NWRSC receives funding from other international donors for the establishment and continuation of the resource center.

H. Sustainability - The proposed Grantee is not expected to continue any activities funded under this grant. The aim and objective of the proposed activity is to provide voter education to women voters in the KwaZulu Natal area for the forthcoming election. Once this task is completed the activities and funding is not expected to continue. However the skills and knowledge gained during this process will be an asset to the country for future elections. The organization will however continue its program activities in other areas of interest and USAID will evaluate and consider a future relationship with the organization.

I. Standard Issues

1. Section 611(a) Requirements - Consistent with Section 611(a) of the FAA, adequate technical and financial planning underlie the proposed Agreement and reasonably firm cost estimates have been established. Such planning is evidenced by the Agreement program itself, as described in Attachment 2 of the proposed Agreement, which contains a detailed methodology for implementing Agreement activities and attaining specified Agreement outputs. The Illustrative Financial Plan is based on reasonably firm cost estimates for program activities.

2. Payment Verification Requirements - Payment verification requirements for the Grantee are satisfied by: (a) the specification of financial management and reporting procedures in the attached Agreement; (b) the certification by the USAID Controller of the recipient organization's ability to handle initial Agreement disbursements; and (c) provision in the proposed Agreement for annual audits of use of Agreement funds.

3. Recurrent Costs - Donor financing of recurrent costs, such as salaries, allows the Grantee to provide an essential service that is unmet by the public sector and, due to the limited income of the beneficiaries, cannot be met through normal market channels. Recurrent cost assistance in such cases is justified under category 2 of USAID's Recurrent Cost Policy. The "design considerations" outlined in this policy document have been taken into consideration in the design and negotiation of this Agreement.

4. Selection of a Grant as the Assistance Instrument - It is the determination of the CDD that, in accordance with Handbook

13, Chapter 6, a grant is the appropriate assistance mode to be utilized, as A.I.D. is not procuring goods or services and does not require a substantial degree of operational control or involvement in project implementation. The attached document is, in form and substance, a grant as defined by A.I.D.

V. RECOMMENDATION

It is recommended that, pursuant to your authority under Redefinition of Authority No. 452, you: (1) approve noncompetitive selection in accordance with the justification provided above; (2) authorize the proposed Agreement to NWRSC by signing below; and (3) execute said Agreement, as attached, by signing on the appropriate page and line as indicated.

Approved: Leslie A. Dean
Leslie A. Dean
Director, USAID/South Africa

Disapproved: _____

Date: 2/22/94