

DD-ABJ-949



Contract Information Management System (CIMS)

DIRECT ACTION DATA FORM FOR GRANTS & COOPERATIVE AGREEMENTS

1. Basic Award Number 674-0301-G-SS-4025-00

2. Recipient Name HEWU Advice Center

3. Award Description The purpose of this Grant is to fund the development of voter education and registration activities so as to encourage widespread participation of the disadvantaged communities in the first non-racial national election of South Africa.

4. Principal Place of Performance South Africa

5. Benefiting Country South Africa

6. Project Officer Office Symbol: COLD Name (Last, First): Masihleho, Nomea

7. Grant Agreement Type: [X] C. Other Than Those Listed Above

8. Basic Purpose: [X] C. Train. Services to Host Country

7a. Extent Competed: [X] G. Not competed (unsolicited proposal)

9. Taxpayer Identification Number

10. Business Organization Type: [X] H. Voluntary Organization

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

12. If obligated amount is in local currency, provide U.S. Dollar amount \$124,500

13.a. Negotiator (Last, First, MI) Masihleho, Nomea A.

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

Pir AP33-949

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



Tel: (012) 323-8869

P.O. Box 55390
Arcadia, Pretoria 0007

Fax: (012) 323-6443

1994 -02- 07

Mr. Vusumzi Mandindi
Voter Education Co-ordinator
Hewu Advice Center
P O Box 136
Whittlesea
5360

Subject: South Africa Community Outreach and
Leadership Development Project; Grant Agreement with
HEWU Advice Center (HAC); Agreement No. 674-0301-G-
SS-4025-00

Dear Mr. Mandindi:

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 Agency for International Development (hereinafter "USAID") hereby enters into this Grant Agreement (hereinafter "Agreement" or "Grant") with HEWU Advice Center (hereinafter "HAC" or the "Grantee") and obligates the sum of \$124,500 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 January 31, 1995.

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 members of the Management Board sign the original and one (1) copy of this letter and then return the original to USAID/South Africa.

Sincerely,



Leslie A. Dean
Director

Date: Feb 5, 1994

ACKNOWLEDGED AND ACCEPTED

HEWU Advice Center Voter Education Project

By: Mr. Vusumzi Mandindi
Title: Coordinator
Date: _____

By: Mr. Michael S. Quwe
Title: Chairperson
Date: _____

By: Mr. Andile Baai
Title: Treasurer
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)

ATTACHMENT 1
SCHEDULE

I. OVERVIEW OF AGREEMENT

The objective of this Grant Agreement is to encourage the widespread participation of voters from the disadvantaged communities of South Africa to vote in the first non-racial, national election. The Grant will allow the HEWU Advice Office to carry out voter education and registration activities.

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 January 31, 1995, 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 \$124,500 for eligible program expenditures under this Agreement.

B. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 4 "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."

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

Page 1-1

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Financial Plan
South African Rand (SAR)

<u>Item</u>	<u>Total</u>
Compensation	215,353
Travel and Per Diem	70,700
Capital Expenditures	28,703
Training Program Costs	32,644
Administrative Support Costs	47,200
Audit	<u>10,000</u>
	404,600
 Total	

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 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 progress report on the numbers of voters educated and their locations, the number of voters registered and the general performance of activities funded under the Agreement through July 31, 1994. Additional content of the progress report will be mutually agreed upon by the Parties but should include a brief description of program accomplishments and a discussion of any problems encountered and how they were resolved. In addition, the Grantee will submit a final report on all activities funded under this Grant through January 31, 1995.

The final report will contain data and other information the Grantee has collected and compiled on the number of people who have participated in voter education programs, workshops held, locations, and other information regarding accomplishments funded under the Grant.

VI. ADMINISTRATIVE SUPPORT COSTS

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 black, "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 "black", "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 any 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. Trainers and other 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, training, conference

findings, or planning toward any political party or grouping during their participation in the activities supported by this Grant.

G. Collaboration with Other Voter Education Activities

HAC will collaborate with other voter education and support activities to the extent necessary to ensure that voter materials are shared and that new materials are not developed that already exist. Also, HAC will coordinate voter education outreach activities with other groups in South Africa to avoid unnecessary duplication and replication of program activities.

H. Financial Management Capability

HAC agrees to upgrade its financial management capability in form and substance satisfactory to USAID. Funds to be provided as the initial advance will be used for the purpose of upgrading the financial management systems and for voter education activities. A follow-up financial management review will be conducted four months from the effective date of this Agreement to confirm the implementation of financial management improvements. HAC will inform USAID in writing when they are ready for a follow-up financial review. Further disbursement of funds under the Agreement will be contingent upon a satisfactory follow-up financial review of the grantee's financial management capability.

X. STANDARD PROVISIONS

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

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ATTACHMENT 2
PROGRAM DESCRIPTION

I. OVERVIEW OF AGREEMENT

The objective of this Grant Agreement is to encourage the widespread participation of voters from the disadvantaged communities of South Africa to vote in the first non-racial, national election. The Grant will allow the HEWU Advice Office to carry out voter education workshops and facilitate voter documentation workshops.

II. BACKGROUND

The HEWU Advice Center (HAC), a black-led nongovernmental organization, was founded in December 1992. It is based in the Whittlesea, a small rural town in Ciskei and services a community of approximately 350,000 people. The main objective of HEWU Advice center is to assist the rural community of HEWU with legal assistance and advice and increase their awareness about their rights. In addition, HAC conducts other development related activities such as career counselling, AIDS education and awareness and a winter school supplementary program. These activities are funded by SCAT.

The organizational structure of HEWU consists of a management board comprising seven elected members. The board is responsible for determining policy, fund raising and the direction of program activities. The staff consists of coordinator, administrator, and two field workers.

The need for voter education cannot be over emphasized, especially in rural communities. HAC has accordingly proposed to conduct a voter education and registration project so as to facilitate the preparation of the HEWU community for the first non-racial, national elections in South Africa. The proposed project directly responds to the USAID's strategic target of helping prepare for free and fair elections.

III. PROBLEM

Black people in South Africa have been excluded from democratic processes. While some residents of Ciskei have been exposed to township, tribal and bantustan government elections, these have not prepared the residents for a real multi-cultural and pluralist political dispensation. The majority of the people in rural areas of Ciskei are largely uninformed about the elections and democracy issues and do not know about voting procedures. A survey of 10,800 participants, conducted by HAC in September revealed that, almost 50% do not have identity documents.

completion date.

VI. DETAILED ILLUSTRATIVE FINANCIAL PLAN

A detailed illustrative budget is provided below to assist with the monitoring of the Grant. The detailed illustrative budget corresponds to the Financial Plan Budget, Table 1, described in the " Schedule", Attachment 1 at page 2-1 of the Grant Agreement.

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

<u>ITEM</u>	<u>AMOUNT</u>
1. <u>COMPENSATION</u>	
1.1 Educators' allowance x4xR2,000x12	96,000
1.2 Coordinator's allowance R2,500x12	30,000
1.3 Admin/Bookkeeper R1,800x12	21,600
1.4 Benefits (UIF, Medical Aid, Pension Fund Contributions)	<u>67,753</u>
Sub-total	215,353
2. <u>TRAVEL AND PER DIEM</u>	
2.1 Car rental x2	50,000
2.2 Petrol/maintenance costs	11,000
2.3 Accommodation and Subsistence	<u>9,700</u>
Sub-total	70,700
3. <u>CAPITAL EXPENDITURES</u>	
3.1 Photocopier	11,166
3.2 Computer and Software	10,000
3.3 Facsimile machine	3,076
3.3 Office Furniture(Filling Cabinet, 2xChairs, 1xOffice Desk, and Stationery cupboard)	<u>4,461</u>
Sub-total	28,703
4. <u>TRAINING PROGRAM</u>	
4.1 Workshop costs (hiring of venue, catering participants travel)	16,000
4.2 Materials, audio/visual aids (including video recorder and television monitor)	<u>16,644</u>
Sub-total	32,644

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FISCAL DATA AND CLEARANCES:

1. Fiscal Data:

Agreement No: 674-0301-G-SS-4025-00

Grantee: HEWU Advice Center (HAC)

Appropriation: 72-114/51014

BPC: GSS4-94-21674-KG13

Reservation Control No.: B9400 50

Amount: \$124,500

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

Total Project Authorization Amount: \$¹¹⁶65 million

Agreement Completion Date: January 31, 1995

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

Funds Available: 61 FUNDS AVAILABLE

ACCT: Costa

Date: 02/03/94

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

Drafted: NMasihleho, GDO/CDD NS

Clearance: DWendel: GDO/CDD DM

DRathbun: GDO RM

FMangera: PRO Not available

DKeene: RLA DK

GHensley: CONT GH

WFord: DD WF

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ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: January 27, 1994

FROM: Nomea Masihleho ~~MS~~ / CDD

SUBJECT: South Africa Community Outreach and Leadership Development Project (674-0301); Hewu Advice Center Voter Education Training; Agreement No. 674-0301-G-SS-4025-00

I. PROBLEM

Your approval is required to obligate U.S. \$124,500 of FY1994 funds under the Community Outreach and Leadership Development Project (674-0301) through a Grant Agreement with the Hewu Advice Center (HAC), as described herein.

II. AUTHORITY

Pursuant to Redelegation of Authority No. 452, the Director, USAID/SA, 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 HEWU Advice Center (HAC), a black-led nongovernmental organization, was founded in December 1992 with financial assistance from Social Change Assistant Trust (SCAT). The main thrust is to render para-legal service to the rural community of HEWU, in Ciskei. Furthermore, HAC conducts other development related programs such as career counselling and AIDS Education and Awareness.

With the rapid approach of South Africa's first nonracial democratic elections, HAC has realized the need for a voter education program for the rural community of HEWU which comprises forty-four villages. HAC has requested assistance from USAID to expand the voter education training program which started in August 1993, with a community survey on elections and voter documentation.

The proposed voter education activities include the training of trainers, voter education workshops for the community, and assisting potential voters with applying for identity documents. So far 120 trainers have been trained by Voter Election Education Training Unit (VEETU). Additional information is provided in the Program Description, Attachment 2 to the Grant Letter.

IV. ISSUES

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

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A. Action Plan and Strategic Objective(s) - This proposed Agreement was discussed during the FY94 COLD Action Plan review dated December 2, 1993 and approved. The cost of the activity originally discussed at the Action Plan was \$90,000. Through discussions with HAC and a detailed review of the Grant budget requirements, an additional \$34,500 has been planned, to include some capital costs and bookkeeping services, bringing the total estimated cost of this Grant activity to \$124,500. This activity is consistent with Strategic Objective of politically empowering the disadvantaged community in South Africa and the Strategic Target of helping prepare for a free and fair election.

B. Grantee's Illustrative Budget and Cost Negotiation - The Community Development Division (CDD) conducted verbal negotiations with HAC to establish its priorities for funding. A cost evaluation included an examination of the proposed salaries which, according to our consultations, are similar to those of equivalent positions in other non-governmental organizations in the same field. In addition to salaries, cost components of the budget include travel, training, administrative support, capital expenses, and a recipient audit. 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." HAC has submitted an unsolicited proposal, and it is the determination of the CDD that the activity is unique and innovative. HAC has developed a unique, inexpensive outreach model for voter education that can be adapted to virtually any national organization. The voter education activity is also innovative for the implementation area and is highly necessary. Because this activity is consistent with USAID program objectives and is so unique and innovative, acceptance of the HAC 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 discussions with the grantee organization and review of the proposal submitted by the grantee.

E. Financial Management Capability - A financial review of

HAC's financial management systems was conducted on January 20, 1994. The review found that HAC required some financial management strengthening. HAC is a relatively new organization and agrees to implement, with USAID assistance, the recommendations of the financial review. The GDO/CDD recommends that the Agreement include a special covenant which will require HAC to use the initial advance for upgrading the financial management systems and conducting some of the planned voter education activities. HAC will also be required to undergo a follow up review after three months. Further disbursement of funds will be contingent upon a satisfactory follow-up review of HAC's financial management capability.

F. PVO Registration Determination - The proposed Grantee does not qualify as a Private Voluntary Organization, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010 because HAC does not solicit or receive voluntary contributions from the general public.

G. Grantee Contribution - The USAID Mission has made a decision that voter education activities are of special and strategic importance to A.I.D. goals in South Africa, particularly during the crucial period leading up to South Africa's first non-racial, national election in April 1994. Very little time exists before the planned election, millions of people need to be educated about voting procedures and very few organizations have the capacity or knowledge required to carry out activities in this field. Because the activity is so important and so new to South Africa and because of the critical time constraints involved, the CDD recommends that the grantee contribution requirement be waived in this Grant Agreement.

H. Sustainability - The voter education and voter documentation activities funded by this Grant are not currently planned to continue after the April 1994 election and the education for democracy component will continue for brief period of up to six months after the elections. However, a knowledge base will have been developed and the existing structure of support and assistance could be utilized for future local and regional elections.

I. Standard Issues

1. Section 611(a) Requirements - Consistent with Section 611(a) of the FAA, adequate technical and financial planning underlies 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 Redelegation of Authority No. 452, you: (1) approve noncompetitive selection in accordance with the justification provided above; (2) authorize the proposed Agreement to HEWU Advice Center 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/SA

Disapproved: _____

Date: _____

Feb 5, 1994