

PD-ABL-140

Agreement  
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8161  
9003

(0301/0230-8161)

Office of Development Affairs  
December 30, 1988

Trust for Christian  
Outreach and Education  
P.O. Box 2283  
Pietermaritzburg, 2000

Subject: Trust for Christian Outreach and Education  
Agreement No: 674-0230-G-SS-9003-00

Dear Mr. Bulman:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter "USAID") hereby enters into this Agreement with the Trust for Christian Outreach and Education (hereinafter "the Recipient" or "the Trust"), and obligates the sum of US \$60,000 to provide support for a program described in Attachment No. 1, entitled "Schedule", and Attachment No. 2, entitled "Program Description", of this Agreement.

This Agreement is effective and obligation is made as of the date of this letter. The Agreement and obligation shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning January 1, 1988 and ending February 30, 1989.

This Agreement is entered into with the Trust on condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, "the Schedule", Attachment 2, "Program Description", and Attachment 3, "Standard Provisions". This letter, and the three attachments just described, which have been agreed to by your organization, constitutes the Agreement.

Please sign the original and six (6) copies of this letter. Please then return the original and five (5) copies of this letter to USAID/Pretoria.

Sincerely,



Dennis P. Barrett  
Counselor for Development Affairs

ACKNOWLEDGED AND ACCEPTED

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By: Roderick R.V. Bulman

Title: Trustee

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N.D. Moletsane

Director

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

Trust for Christian Outreach and Education

Fiscal Data:

Agreement No. 674-0230-G-SS-9003-00

Project No. 674-0230.00

Appropriation: 72-1191014

BPC: GSSA-89-21674-KG13

Total Amount: \$60,000

Resv. cont. no. B890007

Drafted: JBisgard <sup>JB</sup> PDO: 12/20/88

Clearances:

M. Johnson, SPDO JB

H. Wilkinson, PROG JB

D. Keene, RLA JB telephone conversation w/QB on 12/28/88 w/ comments

M. VanDoren, CONT JB

W. Stickel, DD JB

Funds Available: A. Choudrey AC 12/22/88

Trust for Christian Outreach and Education

Fiscal Data:

Agreement No. 674-0230-9-SS-9003-00

Project No. 674-0230.00

Appropriation: 73-1191014

BPC: 2SSA-89-21674-K413

Total Amount: \$60,000

RESV acct NO 8890007

Drafted: JBisgard: <sup>JB</sup> PDO: 12/20/88

Clearances:

M. Johnson, SPDO WA

H. Wilkinson, PROG WA

D. Keene, RLA WA

M. VanDoren, CONT WA

W. Stickel, DD \_\_\_\_\_

per telephone conversation with QB on 12/29/88 w/ comments

Funds Available: A. Choudrey AC 12/22/88

ATTACHMENT NO. 1

SCHEDULE

I OVERVIEW OF AGREEMENT

This Agreement will finance, on an emergency basis, bursary expenditures of the Trust for Christian Outreach and Education resulting from the extraordinary costs of students at the University of the Western Cape during the 1988 academic year. This Agreement will fund university fees incurred for project purposes commencing on or after January 1, 1988.

II PERIOD OF AGREEMENT

The effective date of this Agreement is December 30, 1988. The expiration date is February 30, 1989, meaning that no USAID funds under this Agreement shall be applicable to goods not furnished or services not performed for the project/program by this date. Costs incurred for project purposes commencing on or after January 1, 1988 are eligible for payment under this Agreement.

III AGREEMENT FUNDING AND PAYMENT

USAID hereby obligates the sum of \$60,000 for purposes of this Agreement.

IV FINANCIAL MANAGEMENT

A. The Trust shall be responsible for accounting for all funds provided under this Agreement. Reimbursement for expenses incurred shall be in the form of a monthly submission of invoices marked paid, cancelled checks, signed payroll sheets, etc. as further described in Part B of this Section. Execution of this Agreement, for AID's internal purposes, earmarks and commits all funds obligated under the Agreement. Any interest earned from funds provided under this Agreement will be returned to USAID.

B. Disbursement Procedures

Local currency disbursements from USAID to the Trust will be made through monthly reimbursements for expenses incurred during the previous month. Each reimbursement request will include (a) a summary sheet listing in a format compatible with the budget the purpose and amount of all (individual) expenses incurred with a sub-total for each budget line-item and a grand total; and (b) copies of paid invoices (not proforma invoices), checks, or other documentary evidence showing that funds were expended and the payee received such funds; e.g. an invoice stamped "paid", a cancelled check, a payroll sheet signed by the employee.

V FINANCIAL PLAN

A. The Illustrative Financial Plan for this Agreement is set forth in Table I. Revisions of this Plan shall be made in accordance with Standard Provision 4 of this Agreement, located in Attachment 3 and entitled "Revision of Agreement Budget". All line-item adjustments must receive prior USAID approval.

Table 1  
Illustrative Financial Plan  
US\$

<u>Line Item</u>	<u>US Dollars</u>	<u>SA Rands</u>
University Fees	\$60,000	R132,000

B. Level of Assistance

The budget line items provided in Table 1 have been calculated by taking the amounts required by the Trust in South African Rands and then converting these to U.S. Dollars at an exchange rate of R2.20/US\$1. While the Rand amounts are included for illustrative purposes, the U.S. Dollar total, and not its Rand equivalent, constitute the binding level of USAID assistance.

Due to exchange rate fluctuations, South African Rands available under any individual item financed under this Agreement may exceed levels budgeted for by the Trust, and thus allow other items to be financed as well. In such an event, the Trust will consult with USAID on the priority use of these funds, and arrangements will be made to amend the Agreement to provide for their expenditure. However, should changes in the exchange rate result in fewer South African Rands being available than budgeted for, the Trust must finance the shortfall since the U.S. dollar amount prevails.

VI REPORTING

The Trust will submit a final report upon disbursement by USAID and expenditure by the Trust of the total amount of this grant, the format for which will be agreed upon between the two Parties hereto at a later date. This brief, three to five page, report will include policy guidelines on the Trust's tertiary bursary programs and explain the steps the Trust is taking to avoid a similar situation in the future.

VII OVERHEAD RATE

Not Applicable.

VIII TITLE OF PROPERTY

Title to all property purchased under this Agreement shall vest in the Recipient in accordance with the terms of Attachment 3, Additional Standard Provision 19, entitled "Title to and Use of Property".

IX AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for all procurement with AID funds under the Agreement is the United States and Republic of South Africa, meaning that all goods and services financed by this Agreement shall have, with respect to goods, their source and origin and, with respect to services, their nationality in the United States or the Republic of South Africa.

X LOCAL COST FINANCING

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

XI COVENANTS

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 off-shore procurement could otherwise occur.

(2) Policy. In the procurement of goods and services in South Africa, the Recipient shall, to the maximum extent practicable, award contracts to individuals or organizations which are disadvantaged by apartheid and which 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 and, for the purposes of implementing this provision, Namibia.

B. Except as provided in Section A.1. above, all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, free and open competition.

XII STANDARD PROVISIONS

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

## Attachment 2

### Program Description

#### I. SUMMARY

Approximately 150 students supported partially under one of the Trust for Christian Outreach and Education's bursary programs have had severe difficulties paying the increased fees at the University of the Western Cape. Increased costs were a direct result of protests against the South African Government attempts to control the University's policies and admissions. Students have been allowed to finish exams but the University will not release results until all fees have been paid. This \$60,000 emergency grant to the Trust will cover those costs retroactively to January 1, 1988.

#### II. BACKGROUND

The Trust for Christian Outreach and Education was established in 1983 in an attempt to empower black communities by assisting them to undertake community development projects and to act upon their self-defined developmental initiatives.

It operates throughout South Africa in a number of regions, and encourages communities to evolve into organizations independent of the Trust as they become more self-reliant, partly in order to re-program resources to other areas, but also to reduce the possibility of regions becoming too dependent.

The Trust operates in specific regional locations which are managed by regional management committees. The national body of the Trust is run by a National Management Committee. It is politically non-aligned and does not prescribe an ideology for its members. Similarly, although it is called the Trust for Christian Outreach and Education and is organized under the Federal Theological Seminary, it has characterized itself as a community-based development organization, rather than a religious organization.

The Trust assists communities to undertake projects designed to meet their self-defined needs. Its activities are all community-based and concerned with community development and education, and fall broadly into the categories of resource and information centers, literacy training, bursaries, vacation schools, career guidance and counselling, day educare provision, youth groups, and self-help projects. It operates in both urban and rural areas.

The Trust currently operates in the Western Cape, the Eastern Cape, the Border Region, North Eastern Transvaal, Natal, and the Orange Free State. The specific nature of the activities assisted in each region depends on the situation within the region, the socio-economic problems faced by communities, the self-defined needs and aims of communities, and the possibilities for development. Thus, for example, Masifunde, based in the Eastern Cape focuses on the need for University trained individuals through providing partial bursaries for poor students attending the University of the Western Cape.

### III. PROBLEM

The University of the Western Cape (UWC) is at the forefront of the current struggle to transform tertiary education into multi-racial institutions responsive to all students' cultural, academic and other needs. 1988 was the year the South African Government chose to confront and indeed attempt to defeat this stand. Through legislation affecting University subsidies the SAG attempted to gain control of university policies and admissions. The progressive universities rallied together to protest such control, and students joined with strong protests. Fortunately, the universities succeeded, but not without some costs, one of which was increased tuition bills by 15-25% in the midst of the 1988 Academic Year.

The higher tuition bill, already ill-afforded by many black students, combined with other factors increasing the cost of their 1988 Academic-year. One result of the students' anti-government protests was increased University closures which require students to leave campus and return home. These additional trips entailed higher transportation costs.

The Trust's Bursary Program does not provide full coverage of all student costs. Generally, in the past students have been able to raise the additional required funds from other bursary programs, parents' contributions, and their own earnings. Obviously, the radical increase in their budgets was not anticipated. An additional exacerbating factor is the general economic downturn and a high inflation rate resulting in a Cape province-wide industrial retrenchment. Therefore, the cost of living has risen along with the tuition bill at the same time families have experienced decreased earning power.

In all there are 158 students requiring assistance. All are from the Eastern Cape and from poor families. The Trust verifies their need for bursaries through extensive interviews and written applications. These students, half of which are women, are in various stages of completing their undergraduate degrees. In spite of not paying their fees, UWC agreed to allow them to complete their final exams but has withheld their results until payment is made. Likewise, UWC will not allow them to enroll for the next Academic Year until fees are paid.

The Trust did appeal to other donors, such as Mobil Foundation, Shell Corporation and the Norwegian Embassy. Thus far, these efforts have been unsuccessful as most of these donors are running their own bursary programs.

### IV. PURPOSE

The purpose of this Agreement is to partially fund emergency student expenses in an amount not to exceed \$60,000, retroactively to January 1, 1988, under the Trust's bursary program in order to permit students to finish the 1988 Academic year.

V. PROGRAM DESCRIPTION

Implementation of this emergency assistance Agreement to the Trust comprises the reimbursement of a share of the costs associated with the Masifunde Trust bursary program, retroactive to January 1, 1988. The costs eligible for reimbursement are tuition fees, including the R50 per student late payment fee, for the University of the Western Cape.

Owing to the emergency relief nature of this Agreement, it is likely that the Agreement will be disbursed in a single payment accompanied by appropriate documentation. If more than a single disbursement is required, the Trust may invoice in accordance with the provisions in Section IV of Attachment I, FINANCIAL MANAGEMENT.

As the Trust is a current grantee under the Community Outreach and Leadership Development (COLD) Project (674-0301), a financial review has been performed, and the Trust has been approved for the receipt and management of AID funds.

VI. ILLUSTRATIVE FINANCIAL PLAN

The budget line items have been calculated by taking the amounts required by the Trust in South African Rands and then converting these to U.S. Dollars at an exchange rate of R2.20/US\$1.

Illustrative Financial Plan  
US\$

<u>Line Item</u>	<u>US Dollars</u>	<u>SA Rands</u>
University Fees (including R50/per student late fees)	\$60,000	R132,000

## ACTION MEMORANDUM

DATE: April 6, 1992

TO: Dennis P. Barrett

FROM: Dan Rathbun, A/SPDO

SUBJECT: Amendment to COLD Agreement with the  
Trust for Christian Outreach and Education

I. Problem

Your approval is required to amend the Agreement with the Trust for Christian Outreach and Education to add \$909,000 in funds and extend the Agreement termination by two years to May 31, 1994.

II. Authority

Pursuant to redelegation of Authority No. 452, the Director, USAID/SA, has authority to execute and amend grants with indigenous non-governmental organizations (NGOs) in an amount not to exceed \$5 million.

III. Discussion

The initial Agreement with the Trust was signed in 1988 at a total LOP of \$1,886,045. To date \$1,886,000 has been obligated. The Trust, which has been in operation since 1983, conducts community development programs through its eight regional branches throughout South Africa. Programs funded by USAID have included resource centers, advice offices, a self-help grant fund, adult literacy programs, a secondary school bursary scheme, vacation schools and a cooperative development and training program. Overall administration of the Trust is based at the head office in Pietermaritzburg; however, each region has its own staff and management committee and is responsible for designing its own programs. The head office serves as a coordinating body, and also provides technical assistance to the regional branches.

The Trust initially encountered some difficulty in understanding USAID's policies and procedures, but subsequently project implementation has proceeded smoothly. The Trust has an effective management structure and its financial accountability is very good. The Trust has requested an additional two years of funding from USAID for, with minor exceptions, the same programs it has funded in the past. This request which totals \$1,909,000 over two years represents 40% of the Trust operating budget. The German funding organization EZE is providing another 40% and smaller donations will be sought to make up the final 20%.

We recommend that USAID continue funding the Trust which has, through its regional branches, provided outreach services to

disadvantaged South Africans in remote, hard to reach areas. The Trust's constituency comprises some of the most marginalized of the disadvantaged, and its programs are geared to help people who would otherwise go unassisted.

The proposed amendment will be funded incrementally with \$909,000 obligated now and the remaining \$1 million to be provided in FY 1993, subject to the availability of funds. This obligation brings total obligations under COLD to \$23,206,997 out of an authorized level of \$30 million. The grant termination date of May 31, 1994 is within the COLD Project PACD of 9/30/95. This amendment was approved during the COLD Action Plan review.

#### IV. Issues

A. Evaluation: A special provision has been added to the Agreement requiring the Trust to conduct an independent evaluation of the programs funded by USAID. USAID must approve the scope of work for the evaluation which will be conducted within 12 months of the signing of the amendment.

B. Self-Sufficiency: As stated above, USAID funding will account for 40% of the Trust's total operating budget with other donors contributing the majority of needed funds. Most of programs provided by the Trust are not ones that can easily incorporate cost-recovery measures. In addition, most of the Trust's clientele are among the poorest of the disadvantaged community. The Trust has encouraged its regional offices to conduct their own fundraising campaigns, but large international donors will continue to provide the bulk of the Trust's funding in the medium-term. We plan to ask the Trust to address the issue of self-sufficiency in the evaluation, and will also suggest that the Trust request assistance on this issue from PACT.

To the knowledge of OPMD, all the issues discussed in previous Action Memoranda remain in effect and need not be reiterated. It is anticipated by both OPMD and the Trust that activities will progress as planned and that any implementation issues will be addressed as they arise.

#### V. Recommendation

That, for the reasons cited above, you approve the proposed amendment with the Trust for Christian Outreach and Education by executing the amendment and signing below.

Approved *Dennis P. Bennett*

Disapproved \_\_\_\_\_

Date 4/15/92

drafted: CMango, PDO  
cleared: NMasihleho, PDO (draft)  
DKeene, RLA (draft)  
GHensley, CONT *GH*  
JAddleton, PROG *JA*  
JWeber, AD