

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



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Mr. Tahir Salie
Careers Research Information Center
P.O. Box 378
Athlone 7760
Cape Town

Subject: South Africa Support to Tertiary Education
Project; Grant Agreement with the Careers Research
Information Centre (CRIC); Agreement No. 674-0309-G-
SS-3101-00

Dear Mr. Salie:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Comprehensive Anti-Apartheid Act of 1986, as amended, the Agency for International Development (hereinafter "USAID") hereby enters into this Grant Agreement (hereinafter "Agreement" or "Grant") with Careers Research Information Centre (hereinafter "CRIC" or the "Grantee") and obligates the sum of \$620,000 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 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 September 30, 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.

BEST AVAILABLE DOCUMENT

1

We request that you and a member of the Board of Trustees of CRIC 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: Aug 31, 1993

ACKNOWLEDGED AND ACCEPTED
Careers Research Information Centre

By: Mr. Tahir Salie
Title: Director
Date: _____

By:
Title: Board 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

This Agreement provides financial assistance to The Careers Research Information Centre (CRIC), an independent, nonracial organization providing information and assistance to historically disadvantaged communities on education and career choices, technical skills training, leadership, decision making and conflict resolution, and on issues such as unemployment and social problems in the black community.

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 September 30, 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 U.S. \$620,000 for eligible program expenditures during the estimated period of September 1, 1993 through September 30, 1995.

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

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.

Set forth in Attachment 2, Section VI., is a Detailed Illustrative Financial Plan.

Table 1
Financial Plan
South African Rand (SAR)

<u>Item</u>	<u>Total</u>
Compensation (salaries)	955,000
Travel and Per Diem	70,000
Capital Expenditures	107,000
Other Direct Costs	288,600
Predetermined Overhead	260,400
Audit	30,000
Evaluations	25,000
 Total	 1,736,000

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 R2.8 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 written, semi-annual progress reports on activities funded and general performance under the Agreement. The content of the semi-annual reports will be mutually agreed upon by the Parties but should include a brief description of program accomplishments during the preceding six months and a discussion of any problems encountered and how they were resolved. The Grantee will also submit, in a timely manner, and in a format to be

mutually agreed upon by the Parties, a written final report on all activities financed by the Agreement.

VI. PREDETERMINED OVERHEAD RATE

A predetermined overhead rate of 18% has been 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.

X. STANDARD PROVISIONS

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

BEST AVAILABLE DOCUMENT

ATTACHMENT 2
PROGRAM DESCRIPTION

I. OVERVIEW OF AGREEMENT

This Agreement provides financial assistance to The Careers Research Information Centre (CRIC), an independent, nonracial organization providing information and assistance on education and career choices, technical skills training, leadership, decision making and conflict resolution, and on issues such as unemployment and social problems in the black community.

II. BACKGROUND

A. Support to Tertiary Education Project

This Agreement is financed under USAID's Support to Tertiary Education Project (STEP). The goal of STEP is to ensure that black South Africans are full contributors to and participants in the political, social, economic and intellectual life of their nation. To support the realization of the program's goal, the purpose of STEP is to prepare and empower black South Africans and selected institutions for positions of leadership and importance in order to promote peaceful change and transition to a nonracial democracy that is envisioned in the nation's future. STEP is, therefore, designed to promote leadership, develop human resources and support the success of black students in tertiary education institutions. Based on extensive consultations with educationists, community leaders, parents, and students, and based also on the Mission's own assessment of the Bursary Project, priority is given to education projects which: help disadvantaged South Africans cope with and overcome the inadequacies of apartheid education; are nonracial yet affirm black leadership within the organization; promote communication and resource-sharing with organizations providing similar services; and support the development of nonracial education in a post-apartheid South Africa.

B. The Careers Research and Information Centre

CRIC, which is based in Cape Town, began as a non-formal education center providing information about career and training requirements and opportunities to black secondary school students preparing to enter tertiary level education. In response to the socio-cultural situation resulting from South Africa's education crisis, CRIC moved its program focus away from predominantly educational institutions and formal education, to community-based institutions and a more broad-based approach of empowering young people to make well

informed choices and recognize their role within the community.

CRIC is a black led organization with 26 of its 28 staff members being black and of the total, 17 are female. CRIC's nine member board of directors included 8 blacks and 2 women. CRIC is a distinguished organization with proven capacity to improve and expand its program while maintaining excellence in its outreach, guidance and information dissemination programs.

CRIC previously received a USAID grant under the COLD project beginning in August 1988 and ending in December 1991. The amount of the Grant was \$325,000. This grant supported CRIC's efforts in the areas of research, training, information, counselling and consultancy, which services both its other programs and provides the outreach it offers to other community-based organizations. The Grant was then amended for a period of one year.

CRIC's current activities involve several different components: 1.) The Organizational Development and Training Unit 2.) An extensive secondary and post-secondary outreach program 3.) The individual and group counselling training component 4.) A national subscriber resource network consisting of educational institutions and organizations forming the information dissemination component. 5.) The rural outreach component developed as a rural resource network of organizations which are being supported by CRIC through the provision of training programs. The components which USAID will fund under this Agreement are described in detail in Section V., Program Description.

III. PROBLEM

Apart from the political disadvantages caused to black South Africans, the apartheid system has alienated black South Africans from a fair and equal education. This inequitable system of education has left large numbers of black South Africans without skills to gain employment and effectively participate in the economy.

The situation of the black youth in South Africa has worsened in recent years due to escalating unemployment, the breakdown of the school system especially in urban areas, and social problems which develop as young peoples' chances of receiving formal education deteriorate due to political and economic factors. There are inadequate support networks to provide information on alternative means of employment and similarly there is little opportunity for young people to acquire skills and to be exposed to training in areas such as decision making, problem solving and conflict resolution.

The following data confirms the urgency of the situation. In 1988, 63 blacks graduated in the fields of computers and 89 blacks in engineering while for whites, the comparative

figures are 645 and 447 respectively. Unemployment is estimated at between 6 and 7 million. Furthermore, evidence suggests that only 1 in every 10 school leavers is able to find employment in the formal sector. This adds to the growing number of "marginalized", unemployed and unemployable youth.

If education and training programs are to impact the lives of those disadvantaged by apartheid, the programs will have to be linked to the national human resources needs of South Africa. Therefore, capacity-building of NGOs working in the education and training sector has become a crucial issue. The strategic location of career centers in this regard, as a bridging mechanism between education training and employment, is recognized. The need therefore to build the capacity of the career guidance sector is of paramount importance.

IV. PURPOSE

This Grant will assist CRIC's efforts to build a national capacity in order to develop and improve career guidance delivery systems and to address curriculum development and policy formulation and implementation issues on career guidance for black students. Specifically, funding under this Grant will be utilized in the following areas: Organizational Development and Training, Multi-media, Rural Outreach and Information Management and Research.

V. PROGRAM DESCRIPTION

Project Activities

USAID's assistance under this Grant will provide funding for CRIC's newly designed career and education guidance activities which include activities in the following areas: Organizational Development and Training, Multi-media, Rural Outreach and Information Management and Research.

A. Organizational Development and Training

The Career Development Unit, (CDU), provides organizational development support and training programs to urban and rural organizations on a national basis. The unit's outreach extends as far afield as Pietersburg, Namaqualand, the Karoo, Transkei, Bophuthatswana, and the Eastern Cape. All the programs are "on-site" training programs, with a strong, built-in evaluation and follow-up component. The new challenges posed for the program involve a two pronged approach concerning capacity building: to render CRIC's direct (basic) service provision redundant and in the long term, to render CRIC's basic organizational development and training service redundant through empowering regional centers to assume this function. This will be accomplished by focusing on the training of trainers and CDU expansion.

B. Outreach

An extensive secondary and post-secondary outreach program for students and teachers forms part of the training unit's outreach program which provides formal training modules to university students as well as in-service training (INSET) courses for teachers wanting to upgrade skills. The latter training programs occur both in a formal and non-formal context. A very popular work experience program is also operating in some of the schools in the Western Cape. Rural outreach is of a major concern to CRIC and therefore its primary focus. The Karoo Resource Centre (KRC) represents CRIC's major rural outreach program. It is an established center and its current program functions include information provision (bursaries, training opportunities, employment, and education and general resources), counselling, educational programs in the 111 primary and secondary schools it serves and youth development programs. This Grant will fund in part the continuation of the above activities as well as newly embarked upon activities: developing a network of youth groups to encourage the development of skills and the gaining of experience, coordinating the development of advice centers, facilitating teacher development programs and placing rural outreach needs on a national agenda. KRC will also engage in related intensive research.

C. Multi-media

A national subscriber network consisting of schools, universities, technikons, colleges, state libraries, NGOs and companies forms the core of a resource network which utilizes CRIC's educational aids and materials. These materials are produced by the media unit of the organization and include curriculum material for teachers, workbooks for students, posters, newsletters and a host of other publications which cover topics such as unemployment, gender discrimination and financial aid. Production and dissemination of information form the core of the unit's activities. Currently CRIC is involved in educational radio programming; topics include those relevant to youth, education and employment. This area of multi-media is critical in disseminating information and CRIC therefore has on its agenda the development and expansion of this area: 1.) Material Resource Development- New media resources planned include "Women and Work," "Women in Technology" and resources associated with the planned curriculum process. 2.) Learning Roots Newspaper- CRIC is instrumental in assisting to mobilize a number of resource organizations around the need for an effective educational newspaper insert. The Learning Roots Newspaper will be revamped and updated. The newspaper is aimed at youth and generally focuses on education and employment. 3.) Radio - CRIC's radio program is critical to its work since the coverage of this medium is enormous. This Grant will help fund the ongoing radio activities as well as support improvement in this area.

D. Information Management and Research

There are four primary areas of focus and they include computerization, research, CRIC information packs, and training and development. CRIC plans to upgrade its computer facilities so as to increase its database capacity, create an electronic network for shared information between resource centers, allow for direct public access to electronic information and accessing national/international databases. Research will be conducted in related areas by commissioning university students/departments and employing a full-time researcher. The CRIC information packs, which will include invaluable resources for communities and schools, will be developed. In the training and development area, the information team works closely with CDU to develop the resource capacities of the decentralized partner organizations.

Financial Plan

A. Salaries

This Agreement will fund salaries for the following employees for the Grant period:

1. CRIC Coordinator- USAID will provide salary for the first and second funding years of this Grant. The individual's responsibilities include supervising the separate units of CRIC and their respective staff members and coordinating CRIC's internal activities.
2. Administrative Assistant- USAID will provide salary for the first and second funding years of this Grant. The individual is responsible for typing, filing, answering telephones and fax messages and other general administrative tasks.
3. Network Supervisor- USAID will provide salary for the second funding year of this Grant only. The individual will be responsible for maintaining and establishing information exchange networks with outreach centers and other independent career centers.
4. Information Officer- USAID will provide salary for the first and second funding years of this Grant. The individual will be responsible for overseeing the collection and dissemination of information in the form of letters, books, and other forms of information.
5. Outreach Counsellor- USAID will provide salary for the first and second funding years of this Grant. The individual will be responsible for counselling and advising students and others in CRIC's rural field centers, mainly in the Karoo Resource Centre.
6. Researcher- USAID will provide salary for the first and

second funding years of this Grant. The individual will be responsible for updating CRIC's information, gathering entirely new information and researching new methods and effective means of gathering and disseminating information in rural settings and outreach centers.

7. Outreach Trainers (2)- USAID will provide salary for two trainers, each for the first and second funding years of this Grant. The individuals will be responsible for training trainers who will provide information to and train individuals in outreach centers on how to operate and maintain an advising center for students.

8. Resource Development Trainer- USAID will provide salary for the first and second funding years of this Grant. The individual will be responsible for training trainers to teach individuals in the outreach centers how to set up and operate a library of resources in their centers.

9. Information Assistant- USAID will provide salary for the first and second funding years of this Grant. The individual will be responsible for assisting the Information officer in his or her daily tasks.

B. Project Support Activities

Regional Consolidation and Outreach

1. Distance Counselling- This Agreement in part will fund those counselling activities under CRIC's management, those which are conducted in CRIC's main Cape Town office, in the Karoo Resource Centre and in other affiliated outreach centers in South Africa.

2. Rural Fieldwork- This Agreement in part will fund rural field work activities under CRIC's management.

Resource Development

The Agreement will fund the costs of the following line items:

3. Information Gathering and Dissemination- USAID will fund those gathering and dissemination of information activities managed by CRIC. These include a national subscriber network and educational aids and materials produced by the media unit (curriculum material, workbooks, posters, newsletters and other publications).

4. Research- USAID will fund resource development research activities within CRIC such as materials production improvement, training materials upgrading, research of alternative media sources and other career guidance oriented research.

5. Multi-media- USAID will fund activities conducted within CRIC's Multi-media Unit. These activities include the

production of material resources, the production and improvement of the Learning Roots Newspaper or parts thereof, the continuation and improvement of CRIC's radio programs and audio-visual material development. The above mentioned activities and materials will be utilized by other CRIC units in their career and education guidance activities.

C. Project Materials and Associated Costs

1. Upgrading Computer Facilities

This line item will provide funding for five computers, related software and computer accessories, to be used in CRIC's Cape Town office or CRIC outreach centers. Before purchasing the above equipment, namely the computers and the software, CRIC agrees to discuss its equipment needs with at least three suppliers and receive written quotes from these suppliers. CRIC will then prepare a short memo to USAID describing which supplier was chosen, the reasons for selecting that supplier and requesting USAID concurrence with the purchase from that supplier. These quotes and the justification for selection of a supplier should remain on file and be available for CRIC's annual audit.

2. Photocopier

This line item will provide funding for the purchase of one photocopier to be used in CRIC's Cape Town office. Before purchasing the photocopier, CRIC agrees to discuss its equipment needs with at least three suppliers and receive written quotes from these suppliers. CRIC will then prepare a short memo to USAID describing which supplier was chosen, the reasons for selecting that supplier and requesting USAID concurrence with the purchase of the photocopier from that supplier. These quotes and the justification for selection of a supplier should remain on file and be available for CRIC's annual audit.

3. Training Materials

This line item will provide funding for training materials, such as books, audio-visual aids and other necessary items for outreach training activities.

D. Travel and Per Diem

Under this budget line item, USAID funding will allow CRIC staff to travel as required for outreach and training purposes. For local travel, USAID will reimburse CRIC using the AA rate per kilometer based upon an official log kept by CRIC staff. Taxis will also be reimbursed for local travel. In addition, a small per diem will be provided (including accommodation if necessary).

Per Section IX.D. of Attachment 1 of this Agreement, CRIC will either provide USAID with a copy of its travel and per diem

policy or it will abide by official U.S. Government regulations.

E. Evaluation

The Agreement will fund a comprehensive evaluation of CRIC's project, with a major focus on project impact. The project evaluation will be conducted by an external, private evaluator and the scope of work, evaluation team and budget for the evaluation will be mutually agreed upon by CRIC and USAID at a later date, before funds for the evaluation will be disbursed.

F. Recipient Audit

Funding is provided within the Agreement for two independent audits to be conducted at the end of each of CRIC's fiscal years.

G. Predetermined Overhead Rate

A predetermined overhead rate of 18% of the total estimated costs of each tranche of funding will be applied to this Grant to support CRIC's programs. These support costs include such items as secretarial compensation, phone and fax charges, printing and photocopying, stationary and related materials, electricity and rent. This results in payment of R127,000 over the first 13 month tranche period of the Grant between August 1, 1993, and August 31, 1994, and R133,400 over the second 13 month tranche period between September 1, 1994 and September 30, 1995. Over the first 13 month tranche period, the R127,000 predetermined overhead rate will be disbursed quarterly in equal installments of R29,308 for the first 12 months and R9,769 for the 13th month. For the second tranche obligated under this Agreement, R133,400 will be disbursed quarterly in equal amounts of R30,785 for the first 12 months and R10,261 for the 13th month. This rate can be renegotiated based on mutual agreement between CRIC and USAID.

VI. DETAILED ILLUSTRATIVE FINANCIAL PLAN

On the following page, a detailed financial table is provided on support of the Agreement Financial Plan found in Attachment 1, Section IV, which is the binding financial plan for purposes of the Agreement.

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ILLUSTRATIVE BUDGET
 CAREERS RESEARCH AND INFORMATION CENTER
 AGR # 674-0309-G-SS-3101

LINE ITEM	<u>9/93-8/94</u>	<u>9/94-9/95</u>	<u>TOTAL</u>
A. SALARIES			
Internal Consolidation			
1. Coordinator	52000	57000	109000
2. Administrative Assistant	39000	44000	83000
3. Network Supervisor	0	58000	58000
4. Information Officer	<u>44000</u>	<u>51000</u>	<u>95000</u>
<i>SUBTOTAL</i>	135000	210000	345000
Regional Consolidation and Outreach			
5. Outreach Counsellor	47000	55000	102000
6. Researcher	50000	55000	105000
7. Trainers (two individuals)	<u>115000</u>	<u>120000</u>	<u>235000</u>
<i>SUBTOTAL</i>	212000	230000	442000
Resource Development			
8. Trainer	45000	49000	94000
9. Information Assistant	<u>35000</u>	<u>39000</u>	<u>74000</u>
<i>SUBTOTAL</i>	80000	88000	168000
<i>LINE ITEM SUBTOTAL</i>	<u>427000</u>	<u>528000</u>	<u>955000</u>
B. PROJECT SUPPORT ACTIVITIES			
Regional Consolidation and Outreach			
1. Distance Counselling	40000	46800	86800
2. Rural Fieldwork	<u>40000</u>	<u>46800</u>	<u>86800</u>
<i>SUBTOTAL</i>	80000	93600	173600
B. Resource Development			
3. Info. Gathering and Dissem.	25000	30000	55000
4. Research	10000	12000	22000
5. Multi-Media	<u>30000</u>	<u>20000</u>	<u>50000</u>
<i>SUBTOTAL</i>	65000	62000	127000
<i>LINE ITEM SUBTOTAL</i>	<u>145000</u>	<u>155600</u>	<u>300600</u>
3. PROJECT MATERIALS AND ASSOCIATED COSTS			
Internal Consolidation			
1. Upgrading Computer Facilities	35000	0	35000
2. Photocopier	<u>45000</u>	<u>0</u>	<u>45000</u>
<i>SUBTOTAL</i>	80000	0	80000

Regional Consolidation and Outreach			
3. Training Materials	<u>15000</u>	<u>0</u>	<u>15000</u>
<i>SUBTOTAL</i>	15000	0	15000
<i>LINE ITEM SUBTOTAL</i>	<u>95000</u>	<u>0</u>	<u>95000</u>
D. TRAVEL AND PER DIEM	30000	40000	70000
E. EVALUATION		25000	25000
F. RECIPIENT AUDIT	15000	15000	30000
G. PREDETERMINED OVERHEAD RATE (18% on line items)	127000	133400	260400
<i>LINE ITEM SUBTOTAL</i>	<u>172000</u>	<u>213400</u>	<u>385400</u>
	=====		
<i>TOTAL: RAND</i>	839000	897000	1736000
<i>U.S. DOLLARS</i>	299642.8	320357.1	620000
	=====		

(exchange rate: R2.8/\$1)

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ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: September 1, 1993

FROM: William Duncan, ^{WGD}PHRDO

SUBJECT: South Africa Support to Tertiary Education Project (674-0309); Careers Research and Information Centre Agreement No. 674-0309-G-SS-3101-00

I. PROBLEM

Your approval is required to obligate U.S. \$620,000 of FY1993 funds under the STEP Project (674-0309) through a Grant Agreement with Careers Research and Information Centre (CRIC), 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 indigenous non-governmental organizations (NGOs) in an amount not to exceed \$5.0 million per grant.

III. DISCUSSION

CRIC, which is based in Cape Town, began as a non-formal education center providing information about career and training requirements and opportunities to historically disadvantaged communities. CRIC offers assistance through several different components of its activities. CRIC's existing programs include organizational development and training, outreach, counselling, information dissemination and rural outreach.

CRIC is a black led organization with 26 of its 28 staff members being black and of the total, 17 are female. CRIC's nine member board of directors includes 8 blacks and 2 women. CRIC is a distinguished organization with proven capacity to improve and expand its program while maintaining excellence in its outreach, guidance and information dissemination programs.

CRIC has had a four year relationship with USAID. In August of 1988, CRIC was awarded a two year grant to extend through December 1991. The Grant funds amounting to \$325,000, were utilized to further develop the CRIC Training Unit (CTU). The Grant was then amended for an additional year and upon success, it was HRDD's determination to continue funding under a new Grant, after CRIC submitted a proposal in November of 1992 for additional funding. CRIC requested funding to build its own capacity to develop more effective and efficient delivery systems in career guidance.

This Agreement provides financial assistance to The Careers Research Information Centre (CRIC), an independent, nonracial organization providing information and assistance on education

and career choices, technical skills training, leadership, decision making and conflict resolution, and on issues such as unemployment and social problems. CRIC wants to move from being one of many direct service providers in the career guidance area to being the national coordinator and intermediate technical service provider in career guidance. To accomplish this feat of CRIC's, this Grant will provide funding for four project areas to strengthen CRIC's capacity for nationwide career guidance: Organizational Development and Training, Multi-Media, Rural Outreach and Information Management and Research.

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 FY93 STEP Action Plan reviews dated May 5, 1993 and approved. This activity is consistent with Strategic Objective 2, to "help establish a more equitable and effective education system" and Strategic Target 2.4, to "increase the number of qualified and skilled black South Africans engaged in education."

B. Grantee's Illustrative Budget and Cost Negotiation - The Human Resources Development Division (HRDD) conducted verbal negotiations with CRIC to establish its priorities for funding. Costing included examining the proposed salaries which are similar to those of equivalent positions in other non-governmental organizations in the same field. Project support activities being funded under this Grant include distance counselling, rural fieldwork and the following resource development activities: information gathering and dissemination, research and multi-media. Project materials and equipment include computers and accessories, related software, a photocopier and training materials. 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. 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" and acceptance would be fair, reasonable, and would represent appropriate use of A.I.D. funds to support or stimulate a public purpose." CRIC has submitted an unsolicited proposal, and it is the determination of the HRDD that the activity is unique and innovative as CRIC is the only organization of its kind in the areas which it serves which provides the type of information and resources being funded under this Agreement. CRIC is dedicated to and successful at reaching individuals in

peripheral areas with important career and educational guidance information. One of CRIC's most unique and innovative projects, which will be funded in part by this Grant, is its radio program with its necessary back-up magazines and news insert (South, Upbeat and Learning Roots). CRIC is currently presenting a regular call-in program targeting school aged youth on radio Xhosa. The program, which reaches an estimated 2 million people, covers popular topics such as unemployment, decision making and bursary information. Because this activity is consistent with USAID program objectives and is so unique, acceptance of the CRIC proposal would be fair and reasonable and would represent an appropriate use of USAID funds.

D. Technical and Management Capability - It is the HRDD'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 a well written and presented proposal and because of the success of USAID grant activities under the COLD project from 1988 to 1991.

E. Financial Management Capability - A financial review of CRIC's financial management systems was conducted in 1987, by Mel Van Dooren, which certified that the Grantee possesses adequate accounting systems, books and records for the administration of this Agreement. CRIC's successful administration of the USAID Grant between the period of 1988 and 1991 additionally certifies that the Grantee possesses adequate accounting systems, books and records.

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 CRIC doesn't solicit and receive voluntary contributions from the general public.

G. Grantee Contribution - A Grantee contribution (financial and/or in kind) of not less than 25% of total grant project costs has been provided. Such contributions include computer upgrading, long distance telephone costs, rental and utilities.

H. Sustainability - One of the anticipated outcomes of the CRIC Agreement is the capacity build up of rural and urban resource centers to ensure the effectiveness of localized career guidance. CRIC intends to further develop the CRIC radio program along with a magazine supplement as a national project and CRIC materials and aids. These will remain a focus of the media unit under which the project falls. Another anticipated outcome is the expansion of the rural outreach program to a national level. This program's primary focus remains education and work although it responds to other areas of need such as poverty alleviation, literacy training, pre-school/educare education and educational provision at farm schools. The final intended outcome is the up-grading of the

production and dissemination of information system. The aim is to make these resources accessible and understandable to a wide range of people. The expansion and improvement of these programs will ensure that CRIC will be a strong provider of information in the career and education sectors in the future

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 HRDD 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 Redlegation of Authority No. 452, you: (1) approve noncompetitive selection in accordance with the justification provided above; (2) authorize the proposed Agreement to CRIC

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: 8/31/93

BEST AVAILABLE DOCUMENT