

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



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July 27, 1993

Ms. Rosemary Bennett
Administrative Director
English Language Teaching Information Center
P.O. Box 32398
Braamfontein
2017

Subject: South Africa Basic Education Reconstruction
Project; Grant Agreement with English Language
Teaching Information Center (ELTIC);
Agreement No. 674-0314-G-SS-3089-00

Dear Ms. Bennett,

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 English Language Teaching Information Center (hereinafter "ELTIC" or the "Grantee") and obligates the sum of \$650,000 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 and obligation is made as of August 1, 1993. The Agreement shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on August 1, 1993 and ending July 30, 1996.

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.

We request that you and a member of ELTIC's board of trustees sign the original and one (1) copy of this letter and then return the original to USAID/South Africa.

Sincerely,



William R. Ford
Acting Director

Date: 7/27/93

ACKNOWLEDGED AND ACCEPTED

English Language Teaching Information Center

By: Rosemary Bennett
Title: Administrative Director
Date: _____

By: Laurence Bam
Title: Chairperson of the Management Committee
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 Signature Required)

ATTACHMENT 1
SCHEDULE

I. OVERVIEW OF AGREEMENT

This Agreement provides funding to the English Language Teaching Information Center (ELTIC), a non-governmental, nonracial organization which offers in-service teacher development for rural primary schools in the Skeerpoort/Hekpoort, Magalies, and Midrand areas of the PWV, and is currently working in the Brits and Bronkhorstspuit areas. Through this Agreement USAID will support ELTIC's continued development and expansion of its teacher education and support programs in farm schools.

II. PERIOD OF AGREEMENT

The effective date of this Agreement is August 1, 1993. Unless otherwise agreed to by USAID in writing, the expiration date is July 30, 1996, 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. \$650,000 for eligible program expenditures under this Agreement.

B. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Additional Standard Provision J, entitled "Payment - Periodic Advance," and as provided for 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 more detailed illustrative financial plan.

Table 1

Illustrative Financial Plan
South African Rand (SAR)

<u>Item</u>	<u>Total</u>
Compensation (salaries)	1,163,820
Travel and Per Diem	67,488
Other Direct Costs	135,367
Evaluation	50,616
Audit	84,360
Subtotal	1,501,651
Overhead (21.2%)	318,350
TOTAL	1,820,001

B. Level of Assistance

The total Rand amount in the Illustrative 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 R2.80 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. B 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, in a timely manner, written semi-annual progress reports to USAID on activities funded and general performance under the Agreement. The semi-annual reports 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. These reports will cover the periods between April 1 - September 30 and October 1 - March 31. The Grantee will also submit, in a timely manner and in a format to be agreed upon by both parties, a written final report on all activities financed by the Agreement.

VI. OVERHEAD RATE

A predetermined overhead rate of 21.2% of all direct costs applies to this Agreement to support ELTIC's programs.

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 goods and 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 African, "colored" or Asian descent whose principal place of business is in the Republic of South Africa; and (2) private partnerships or commercial firms which are incorporated in or organized under the laws of the Republic of South Africa, whose principal place of business is in the Republic of South Africa, and which are more than 50 percent beneficially owned by South African persons of black African, "colored" or Asian descent. The Republic of South Africa includes the so-called "independent" and "self-governing" homelands.

B. Competition

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

C. Staff Recruitment

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

D. Travel and Per Diem

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

E. Political Affiliation

The Grantee agrees that programs funded under this Agreement will be made available to individuals and groups regardless of their political beliefs or affiliations. The Grantee shall not discriminate in its hiring practices or in the provision of its services against individuals or organizations who associate themselves with any particular political

philosophy. The Grantee shall periodically review the level of actual provision of its services to assure that persons or organizations sympathetic to certain political groupings or philosophies are not intentionally excluded from activities financed by USAID.

X. STANDARD PROVISIONS

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

ATTACHMENT 2
PROGRAM DESCRIPTION

I. SUMMARY

This Agreement provides funding to the English Language Teaching Information Center (ELTIC), a non-governmental, nonracial organization which offers in-service teacher development for rural primary schools in the Skeerpoort/Hekpoort, Magalies, and Midrand areas of the PWV, and is currently working in the Brits and Bronkhorstspuit areas. Through this Agreement USAID will support ELTIC's continued development and expansion of its teacher education and support programs in farm schools; materials development and curriculum design for the intensive teacher training courses; and staff and teacher development.

II. BACKGROUND

A. South Africa Basic Education Reconstruction (SABER) Project (674-0314)

1. Objectives

The purpose of SABER is to increase and strengthen innovative educational models and policy systems which improve the quality of primary education for historically disadvantaged South Africans.

2. Activities

The SABER project focuses on improving the quality of pre-primary and primary education in the following areas:

1. teacher training; 2. curriculum development; 3. school administration; and 4. materials and technology provision. Some of the cross-cutting issues addressed include: improvement of NGO and, eventually, new government monitoring capacity; promotion of nonsexist role models; and development of new educational policies.

B. English Language Teaching Information Center (ELTIC)

Founded in 1973, ELTIC's main purpose is to improve English language teaching across the curriculum in South Africa through teacher education; library services; publications; research; and networking. The Farm Schools Project began in 1985 with a year-long research study which investigated the social and educational context of rural schools for the children of black farmworkers. ELTIC now offers teacher training programs for farm school teachers. Six intensive courses are spread over the two years with a high degree of contact with teachers in the classroom. An elected teachers' committee progressively takes over responsibility for the program; each committee is presently setting up a resource

center to service their area. The programs have a strong emphasis on teacher participation in project decision-making and curriculum design. Currently ELTIC runs full-time programs in Bronkhorstspruit South and North and a follow-up program in Brits for a total of 42 schools and 137 teachers. The training has an impact on approximately 5,000 farm school children.

In addition to teacher training and support, ELTIC has played a major role in setting up a multi-sectoral network of organizations involved in rural education and in related issues such as child labor; the Rural Education Forum was launched in December 1991 as an independent organization to campaign for equity in rural education. ELTIC contributed to the National Education Policy Investigation (NEPI) last year by convening the Multilingual Classrooms research group.

III. PROBLEM

Farm school teachers constitute a disempowered community in a variety of ways: they are technically employed by the Department of Education and Training (DET), but are de facto employees of the farmers on whose land the schools are located; the land is owned by farmers who may decide to close down a school at will; farm school teachers tend to be less qualified than urban teachers and thus, are constantly threatened by retrenchment; they have little access to training programs, either in-service or formal upgrading; the school facilities are generally without water or electricity; the number of teachers assigned to a farm school is based on number of classrooms rather than number of grade levels, and, therefore, most teachers have several grades in one room; there is no transportation to and from the schools; farmworkers' communities are unstable due to the insecurity of tenure, continued application of apartheid legislation, the widespread existence of migrant labor, and the absence of labor legislation to protect farmworkers' rights. In addition, migrant labor practices force children to change schools frequently, and poor wages lead parents to accept child labor to supplement family income.

ELTIC's contact with teachers in rural farm communities assists in empowering them through its collaborative training programs and workshops where teachers are brought together and become part of their own learning process. In addition, ELTIC's support assists these communities in becoming their own advocates for improving rural education.

IV. PURPOSE

This Grant will strengthen and expand ELTIC's in-service training and teacher enrichment in farm schools in the PWV area.

V. PROGRAM DESCRIPTION

USAID's assistance will provide funding for a) expansion of ELTIC's farm schools project which provides teacher training and support to rural farm school teachers; b) materials development and curriculum design for the intensive teacher training courses; c) staff and teacher development.

A. Project Activities

This Agreement provides funding for the following activities:

1. ELTIC's Farm School Project (FSP)

The program will concentrate on in-service teacher training over a two-year period for farm school teachers. This program consists of six intensive courses spread over the two years with a high degree of contact with teachers in their classrooms between courses.

2. Curriculum Development Project

The Grant will support materials development, curriculum design and publication of the curriculum for the Farm School Project's in-service teacher training. A series of ten course units will be developed and published based on feedback from courses delivered through the FSP, discussions with teachers, and classroom observation by the project team. In addition, ELTIC will hold joint materials development workshops with teachers.

The pilot unit will be tested in the Bronkhorstspuit North program during intensive teacher training. The unit will be reviewed and revised with the teachers. The proposed units include: student communication; student writing; teacher/student interaction; analyzing school text; processing school text; different discourses; creative classroom activities; learning aids; testing; language and learning. This illustrative list may be revised based on classroom observations and teachers' needs. The entire course pack (ten units) will be piloted with teachers enrolled in ELTIC's full-time program in Bronkhorstspuit North; the Bronkhorstspuit South program, now in its final year; in the Skeerpoort/Hekpoort, Brits, Magalies, Midrand schools which have completed ELTIC training; and in Oukasie where ELTIC has not held any training.

3. Staff and Teacher Development

Staff and teacher development will be funded under this Grant to strengthen ELTIC's staff through workshops and training programs. Teacher development will be provided outside of ELTIC's in-service training through the joint materials workshops, organizational meetings with the school committees and informal meetings with other teachers and schools.

B. Financial Plan

USAID funding to ELTIC under this Agreement will assist with salary support and benefits, travel and per diem, other direct costs, audit, evaluation and overhead expenses, as described below:

1. Salaries: All salaries provided are for full-time employees and will include benefits and a 13th check each year.

a) Materials Developer: This staff member will be responsible for the development and drafting of the coursework for the FSP. Travel to all areas serviced by the FSP and participation in the intensive full-time courses in Bronkhorstspuit South and North will be required. Initially one unit will be piloted and reworked with input from the teachers and classroom observation. Approximately ten units will be designed and published.

b) Curriculum Development Expert: This person will be responsible for the design and implementation of the training units at the farm schools. This will require travel to all areas serviced by the FSP and participation in the intensive full-time courses in Bronkhorstspuit South and North. Responsibilities also include conducting workshops and demonstrations, discussing curriculum content with teachers and observation of classroom work and teaching methods.

c) Project Facilitators: This Grant will fund two staff positions to implement the courses, including the pilot units at farm schools. The facilitators will also be responsible for assessing the curricula through class-based visits, and ongoing monitoring and evaluation of the programs.

d) Administrative Support: One full-time staff member will be hired to support the administrative infrastructure, the FSP and curriculum development activities.

2. Travel and Per Diem

Under this budget line item, USAID will provide funding for project team members to travel to and from farm schools in five program areas. This also includes reimbursement to teachers for travel to workshops, meetings and conferences, using the rate of R1.10 per km. to cover petrol and maintenance, based on an official log kept by ELTIC staff. Taxis may also be reimbursed for local travel. In addition, per diem will be provided as necessary.

Airfares for ELTIC staff to attend meetings, workshops, conferences and other projects within S. Africa will be reimbursed. Airfares and per diem used to visit research projects in other African countries may be reimbursed under this Grant with prior approval by the SABER Project Officer.

As per Section IX.D. of Attachment 1 of this Agreement, ELTIC will either provide USAID with a copy of its travel and per diem policy or it will abide by official U.S. Government travel regulations.

3. Other Direct Costs

a) Materials/Publications

This Agreement will fund the costs associated with the design, production, and reproduction of course units (approximately ten). One unit will be produced for piloting in September 1993 with farm school teachers enrolled in a full-time course; the remaining units will be produced for teachers in all six areas of the FSP. The design, production and dissemination of a journal (three issues/year) for teachers will also be funded under this line item.

b) Resources

For purposes of research and development of course/curriculum material, this Grant will fund resource books and other materials, such as videos, which will remain at ELTIC's Resource Center. These additional resources will focus on topics, such as: multicultural/multilingual education; language teaching and learning (theory and methodology); discourse analysis; language testing; language and cognition; language policy. All materials will be available to teachers, university students, and researchers through ELTIC's library loan system. In addition, a small core collection of resource books is provided for each teacher resource center set up by ELTIC.

c) Staff Development

To strengthen ELTIC's staff capabilities, funding is provided for registration and other fees for conferences/workshops/seminars and short courses.

d) Computer Equipment

In support of the production of the ten unit course packs and the teachers' journal, this Grant will fund the purchase of one personal computer, printer and related software to be used in ELTIC's Johannesburg office. Before purchasing such equipment, ELTIC agrees to discuss its equipment needs with at least three suppliers and receive written quotes from these suppliers. ELTIC will then prepare for USAID a short memo describing which supplier was chosen, the reasons for selecting that supplier and requesting USAID concurrence with the purchase of the computer equipment from that supplier.

5. Evaluation

The Agreement will fund a comprehensive evaluation of ELTIC's program, with a focus on project impact. The scope of work,

evaluation team and budget for the evaluation will be mutually agreed upon by ELTIC and USAID at a later date.

6. Audit

Funding is provided within the Agreement for an independent audit to be conducted at the end of each of ELTIC's fiscal years.

7. Overhead

A predetermined overhead rate of 21.2% of the total estimated costs will be applied to this Grant to support ELTIC's programs. These support costs include such items as office space, insurance, maintenance, administration, printing, phone and fax. This results in payment of R318,350 over 36 months between August 1, 1993 and July 30, 1996 and will be disbursed quarterly in equal amounts of R26,529. This rate can be renegotiated based on mutual agreement between ELTIC and USAID. USAID will not fund major capital expenses, such as vehicles, buildings and major equipment.

VI. ILLUSTRATIVE FINANCIAL PLAN

On the following pages, detailed financial tables are provided in support of the Agreement Financial Plan found in Attachment 1, Section IV, which is the binding financial plan for purposes of the Agreement.

12% inflation/year

The English Language Teaching Information Ce
Table 1
Detailed Illustrative Budget
South African Rands

LINE ITEM	YEAR 1	YEAR 2	YEAR 3	TOTAL
1. Salaries and Benefits				
a) Materials Development	79,389	88,916	99,586	267,890
b) Project Trainer	79,389	88,916	99,586	267,890
c) Admin. Support	58,657	65,696	73,579	197,932
d) Project Facilitator	63,731	71,379	79,944	215,054
e) Project Facilitator	63,731	71,379	79,944	215,054
SUBTOTAL	344,897	386,285	432,639	1,163,820
2. Travel & Per Diem	20,000	22,400	25,088	67,488
3. Other Direct Costs				
a) Materials & Public.	23,330	26,130	29,265	78,725
b) Resource Books	4,000	7,000	7,000	18,000
c) Staff Development	7,000	7,840	10,802	25,642
d) Computer Equipment	13,000	0	0	13,000
4. Evaluation	15,000	16,800	18,816	50,616
5. Audit	25,000	28,000	31,360	84,360
SUBTOTAL	107,330	108,170	122,331	337,831
TOTAL ESTIMATED COSTS	452,227	494,454	554,970	1,501,651
6. Overhead (21.2%)	95,872	104,824	117,654	318,350
TOTAL COSTS PLUS OVERHEAD	548,099	599,279	672,624	1,820,001 \$650,000

*Spreadsheets done on lotus 123. Slight discrepancies in numbers are due to rounding.

Calculations for ELTIC Overhead

Office Space & Security	19,024	21,307	23,864	64,195
Office Equipment Maintenance	3,000	3,360	3,763	10,123
Postage, Phone, Stationary	7,500	8,400	9,408	25,308
Repairs & Maintenance	800	896	1,004	2,700
RSC Levy	800	896	1,004	2,700
Office Supplies	5,000	5,600	6,272	16,872
Printing & Duplicating	8,000	8,960	10,035	26,995
Project Director (1/3)	26,773	29,986	33,584	90,343
Admin. Director (1/3)	24,282	27,196	30,459	81,937
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Total	95,179	106,600	119,393	321,172
Percentage of total	0.210	0.216	0.215	0.214

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ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: July 15, 1993

FROM: William G. Duncan, Chief, PHRDO (006-D)

SUBJECT: South Africa Basic Education Reconstruction (SABER) Project (674-0314); The English Language Teaching Information Center (ELTIC); Agreement No. 674-0314-G-SS-3089-00

I. PROBLEM

Your approval is required to obligate U.S. \$650,000 of FY 1993 funds under the South Africa Basic Education Reconstruction (SABER) Project (674-0314), through a Grant Agreement with the English Language Teaching Information Center (ELTIC), as described herein.

II. AUTHORITY

Pursuant to Redlegation 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

ELTIC, located in Johannesburg, is a non-governmental, nonracial, non-sexist educational center founded in 1973 to improve English language teaching in South Africa through teacher education; library services; publications; research; and networking. Through its Farm Schools Project, ELTIC offers teacher training/upgrading programs to black farm school teachers. Six intensive courses are spread over the two years with a high degree of contact with teachers in the classroom. An elected teachers' committee progressively takes over responsibility for the program; each committee is presently setting up a resource center to service their area. The programs have a strong emphasis on teacher participation in project decision-making and curriculum design.

Currently ELTIC runs full-time programs in Brits and in Bronkhorstspuit and plans to open a new Farm Schools Program in the Bronkhorstspuit North area, increasing the number of farm schools it services to more than seventy. Teachers are dedicated to improving their skills, and the programs focus on the particular needs of black farm school teachers and children, such as multi-level classroom teaching. Although conditions are particularly harsh and underdeveloped, teachers in rural areas

prefer teaching at farm schools to schools in townships because the children are more motivated and less politicized. ELTIC's training programs have had an impact on approximately 5,000 black farm school children, the ultimate beneficiaries.

ELTIC has also played a major role in setting up a multi-sectoral network of organizations involved in rural education and in related issues such as child labor; the Rural Education Forum was launched in December 1991 as an independent organization to campaign for equity in rural education. ELTIC contributed to the National Education Policy Investigation (NEPI) this year by convening the Multilingual Classrooms research group.

ELTIC's teacher training, outreach and advocacy for equity in rural education support SABER's goal to assist in developing a democratic, nonracial, compulsory, unitary education system in South Africa. In addition, ELTIC's work will impact on curriculum development and teachers empowerment which will provide a replicable model for the new South African education system.

ELTIC is an excellent organization which is reaching an extremely isolated, disempowered community with little access to other support systems. HRDD requests full funding over three-years for a) an expansion of ELTIC's farm schools project providing teacher training and support to black farm school teachers; b) materials development and curriculum design; and c) staff and teacher development. In addition, we request that funding be retroactive to August 1, 1993 since ELTIC submitted its proposal in October 1992 and was approved for funding in May 1993. ELTIC is in no way responsible for delays in finalizing this Grant Agreement.

IV. ISSUES

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

A. Action Plan and Strategic Objectives - This proposed Agreement was discussed during the FY93 SABER Action Plan review on May 27, 1993 and approved for funding. This activity is consistent with USAID/South Africa's strategic objective to "prepare disadvantaged South Africans to establish an equitable and effective educational system" and the four program targets: 1) increase the number of qualified and skilled black South Africans; 2) develop, evaluate and disseminate models of innovative approaches to education; 3) contribute to the policy debate on the future of South African education; and 4) strengthen selected education institutions and organizations. It also supports other program targets, such as target 1.1: establish and strengthen black-led non-governmental institutions that support black political empowerment and civic development.

ELTIC is a black-led organization. Seventy-one percent of the Board of Trustees is black; six full-time and one part-time position out of ten staff positions are filled by black South Africans.

B. Grantee's Illustrative Budget and Cost Negotiation - The Human Resources Development Division conducted verbal negotiations with ELTIC to establish its priorities for funding. Costing included examining the proposed salaries which, according to our consultations, are similar to those of equivalent positions in other non-governmental organizations in the same field. Based on this review of the budget and costs HRDD determines that these costs are reasonable and appropriate for a grant of this nature.

C. Noncompetitive 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." ELTIC has submitted an unsolicited proposal, and it is the determination of the HRDD that the activity is "unique, and innovative". It is the only organization offering a teacher training and enrichment for farm school teachers in the Brits and Bronkhorstspuit areas. The program also has a strong emphasis on teacher participation in guiding and developing the courses based on their particular needs. Because this activity is consistent with USAID program objectives and is so unique and innovative, acceptance of the ELTIC's 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 an independent evaluation of the Farm Schools Project completed in 1991 and site visits to the project.

E. Financial Management Capability - A financial review of ELTIC's financial management systems was conducted in May, 1993 by Chartered Accountants Pema Lakha, which certified that the Grantee possesses satisfactory accounting systems, books and records for the administration of this Agreement. A copy of this review is on file in the Controller's Office at USAID/South Africa.

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

ELTIC only receives limited donor funding and does not solicit or receive funds from the general public.

G. Grantee Contribution - A Grantee contribution of not less than 25% of total Grant project costs has been provided. ELTIC's office equipment, resource library and extensive use of project vehicles are examples of their contribution.

H. Sustainability - The Grantee is expected to continue activities funded under this Grant and would be a strong player in primary education in the future. USAID will not be the sole funder of ELTIC's project. Major funders for 1992/93 include: Anglo-American Corp, JET, Rockefeller Brothers, Genesis Foundation, British Council, Kagiso Trust.

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.

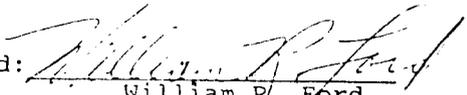
2. Payment Requirements - Payment verification requirements for the Grantee are satisfied by: (a) the specification of financial management and reporting procedures in the attached Agreement; (b) the certification by the USAID Controller of the recipient organizations's ability to handle initial Agreement 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 ELTIC by signing below; and (3) execute said Agreement, as attached, by signing on the appropriate page and line indicated.

Approved: 
William R. Ford
Acting Director
USAID/SA

Disapproved: _____

Date: 7/27/93