

# UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



Tel: (012) 323-8869

P.O. Box 55380  
Arcadia, Pretoria 0007

Fax: (012) 323-6443

August 9, 1993

Ms. Dinah Lefakane, Director  
English Literacy Project, Active Voice  
13th Floor, RSA Centre  
82 Jorissen Street  
Braamfontein  
2001

AUG 1993

Subject: South Africa Education Support and Training  
Project; Grant Agreement with English Literacy  
Project, Active Voice (ELP); Agreement No. 674-0302-  
G-SS-3086-00

Dear Ms. Lefakane:

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 Literacy Project (hereinafter "ELP" or the "Grantee") and obligates the sum of \$130,000 to provide support for a program described in Attachment 1, entitled "Schedule," and Attachment 2, entitled "Program Description," of this Agreement.

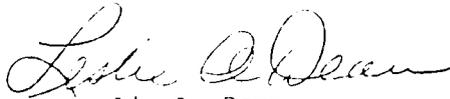
This Agreement is effective and obligation is made as of August 1, 1993. The Agreement and obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on the effective date of August 1, 1993 and ending December 31, 1994.

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

BEST AVAILABLE DOCUMENT

We request that you and a member of the Board of Trustees of the ELP sign the original and one (1) copy of this letter and then return the original to USAID/South Africa.

Sincerely,



Leslie A. Dean  
Director, USAID/SA

Date: Aug 9, 1993

ACKNOWLEDGED AND ACCEPTED  
English Literacy Project

\_\_\_\_\_  
By: Ms. Boitumelo Mofokeng  
Title: Chairperson  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: Ms. Dinah Lefakane  
Title: Director  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: Mr. Jabu Radebe  
Title: Editor, Active Voice  
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)

BEST AVAILABLE DOCUMENT

ATTACHMENT 1  
SCHEDULE

I. OVERVIEW OF AGREEMENT

This Agreement provides funding to the English Literacy Project (ELP), a non-governmental, nonracial organization which produces literacy materials for black semi-literate learners. ELP publishes Active Voice, a four-page adult basic education newspaper targeting adults with little or no formal education. Through this Agreement, ELP will expand its monthly circulation of Active Voice from 7,000 copies to 105,000 copies through insertion in five community-based newspapers distributed in townships and rural communities. Through this Agreement, Active Voice will also publish a voter education series leading up to South Africa's first democratic election; will conduct six workshops for literacy teachers; will develop and distribute a related teacher's guide; will conduct an evaluation on the efficacy of Active Voice as a literacy tool and the efficiency of distribution mechanisms; and will receive technical assistance for organizational and staff development.

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 December 31, 1994 meaning that no USAID funds under this Agreement shall be applicable to goods not furnished or services not performed for the program by this date.

III. AGREEMENT FUNDING AND PAYMENT

A. USAID hereby obligates the amount of \$130,000 for eligible program expenditures under this Agreement.

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

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 (salary and benefits)	113,835
Travel	5,964
Training/Technical Assistance	5,000
Other Direct Costs	177,801
Administrative Support Costs	37,400
Audit	14,000
Evaluation	10,000
Total	<u>364,000</u>

#### 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 R2.80 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. 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 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 period April 1 - September 30 and October 1 - March 31. 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. ADMINISTRATIVE SUPPORT COSTS

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

#### VII. TITLE TO PROPERTY

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

#### VIII. AUTHORIZED GEOGRAPHIC CODE

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

#### IX. SPECIAL PROVISIONS

##### A. Procurement

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

2. Policy. In the procurement of goods and services in South Africa, the Grantee shall, to the maximum extent practicable, award contracts to individuals who or organizations which have been disadvantaged by apartheid and are responsive and appropriate providers of goods and services.

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

The Republic of South Africa includes the so-called "independent" and "self-governing" homelands.

B. Competition

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

C. Staff Recruitment

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

D. Travel and Per Diem

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

E. Political Affiliation

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

F. Condition Precedent

There shall be no disbursement of any Agreement funds until USAID has determined, through a financial review, that the Grantee has adequate financial management capability to administer Grant funds. English Literacy Project will inform USAID, in writing, when they are ready for the follow-up financial review to be conducted.

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 Literacy Project (ELP), a non-governmental, nonracial organization which produces literacy materials for black semi-literate learners. ELP publishes Active Voice, a four-page adult basic education newspaper targeting adults with little or no formal education. Through this Agreement, ELP will expand its monthly circulation of Active Voice from 7,000 copies to 105,000 copies through insertion in five community-based newspapers distributed in townships and rural communities. Active Voice will also publish an ongoing voter education series, leading up to South Africa's first democratic election; will conduct six teacher training workshops; will develop and distribute a related teacher's guide; will conduct an evaluation on the efficacy of Active Voice as a literacy tool and the efficiency of distribution mechanisms; and will receive technical assistance for organizational and staff development.

II. BACKGROUND

A. Education Support and Training Project

This Agreement is financed under USAID's Education Support and Training (ESAT) Project. The purpose of ESAT is "to support indigenous nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of human resources by the apartheid education system."

Based on extensive consultations with progressive educators, community leaders, parents, students and nongovernmental organizations, priority is given to projects which: help disadvantaged South Africans cope with and overcome the inadequacies of apartheid education; are nonracial yet affirm black culture and history; promote community involvement in education; or provide a foundation for nonracial education in a post-apartheid South Africa.

The ESAT Project focuses on seven key areas:

- a) the development of models for decentralized education;
- b) development of curriculum and education planning for a post-apartheid society;
- c) qualitative improvement of black education;
- d) expanded access to secondary education;

- e) development of post-secondary remediation;
- f) development of applied adult literacy training; and
- g) development of pre-school preparation programs.

## B. English Literacy Project (ELP)

The English Literacy Project (ELP), a non-profit organization committed to adult basic education and literacy, has been in operation since 1983. Located in Braamfontein, ELP's purpose is to produce literacy materials for black semi-literate learners. In addition to publishing Active Voice on a bi-weekly basis, ELP currently works with 150 learners in workplaces in and around Johannesburg and is producing an English Literacy and Numeracy Course for Adults.

ELP has produced and distributed Active Voice, a four-page adult basic education supplement, since 1986. Active Voice, which began as Ukukhanya, was launched as an easy-English newspaper designed to serve as a forum for literacy learners to practice newly acquired reading and writing skills. Over time, the newspaper began to include news, political analysis, functional information on health, life skills, the environment and culture. The readership also expanded to include poorly educated adults outside of literacy classes.

Active Voice has several goals: to provide literacy and numeracy material for teachers and learners in literacy programs; to promote a culture of reading; to provide a forum for voices of people who do not normally have their work published; to promote self-education for adults not enrolled in literacy programs; to support and publicize the work of literacy programs in church groups, labor unions, community centers, mines, and businesses; and to contribute to the process of democratization by providing accessible information for adults to make informed choices.

ELP's decision to make Active Voice an adult basic education (ABE) supplement resulted from a substantial marketing exercise which presented the limitations of increasing the circulation of the current newspaper beyond 7,000 copies. It was determined at that time that it would be more cost-effective and useful for Active Voice to expand its operations through insertion in existing newspapers and magazines, particularly in community-based publications. Subsequently, ELP underwent a process of discussion and negotiation with community-based newspapers regarding the inclusion of Active Voice as an ABE supplement. Agreement was reached with the following newspapers: Vaal Vision, Tholulwazi Ngemfundo, Horison, Seipone, and Graaf-Reinet Advertiser. USAID funding under this Grant Agreement will provide for the printing and distribution costs involved in this activity.

During the Grant Agreement period, Active Voice will receive support for: increased distribution of the newspaper; teacher training workshops; a teacher's guide; a voter education series; an evaluation; and organizational and staff development.

This Agreement represents the first time that ELP has been a recipient of USAID funding.

### III. PROBLEM

Throughout South Africa an estimated 12-15 million adults, young and old, urban and rural, male and female, have not acquired levels of permanent and useful literacy. Many of these have not attended school on a regular basis; others have dropped out of school because of the discouraging educational system or because of social disruptions. Illiteracy, the greatest obstacle to the development and empowerment of the poor and disadvantaged, is also a major block to the successful democratization of South African society. Raymond Suttner, head of the ANC's Department of Political Education, argues that "The question of literacy is vital to the liberation of our people. People's power means very little to those who cannot fully participate in democratic processes, where access to written literature is a fundamental mode of communication."

Literacy is an important building block in the development of human potential. So too, is primary health care, employment opportunities and free and compulsory education, issues regularly covered in Active Voice. Freely available adult basic education resources are necessary if disadvantaged and semi-literate South Africans are to play a constructive role in communities, workplaces, and society at large.

While the number of illiterate and semi-literate South African adults grows daily, very little funding or effort has gone into expanding adult literacy efforts. It is estimated that only one percent of the target population is reached through existing literacy programs. Active Voice newspaper has played an important role in providing easy reading literature for adults with low levels of education, particularly those who are not formally enrolled in literacy classes.

### IV. PURPOSE

This grant will assist ELP's efforts to promote literacy through the increased distribution of Active Voice. It will also assist ELP's efforts to train literacy teachers, motivate learners, distribute voter education information, and promote democratic values.

## V. PROGRAM DESCRIPTION

**BACKGROUND:** Under this Grant Agreement, ELP will receive support for the expanded publication and distribution of Active Voice as an Adult Basic Education (ABE) supplement in five free, community-based newspapers in township and rural areas; for publication of a voter education series; for six workshops targeting literacy teachers; for development and distribution of a related teacher's guide; for an evaluation; and for organizational and staff development. Project activities include the following:

### A. PRINTING/COMMUNITY INSERTS

Distribution of Active Voice as an ABE supplement will occur through insertion in the following:

- 1) Vaal Vision: With a distribution of 50,000, this newspaper is distributed in the Vaal Triangle townships, including Sharpeville, Sebokeng, Boipatong, Bophelong and Zandeia, as well as smaller communities. The publisher estimates that there are between six and eight readers per copy.
- 2) Tholulwazi Ngemfundo: With a distribution of 8,000 copies, this educational newspaper is distributed in schools and community centers in Maputaland, a rural area in Natal.
- 3) Horison: With a distribution of 25,000 and estimated readership of 100,000, this bi-weekly newspaper is distributed in Western Coloured Township, Eldorado Park, Newclare, Bosmont and other so-called coloured townships.
- 4) Seipone: With a distribution of 15,000, this newspaper is distributed in Ikageng, a township in Potchefstroom. This publication is trying to raise funds in order to increase their distribution to 60,000, covering areas such as Carltonville and Rustenberg.
- 5) Graaf-Reinet Advertiser: With a distribution of 7,000, this free newspaper is published and distributed in the Eastern Cape region.

### B. TEACHER TRAINING WORKSHOPS

Training for literacy teachers will occur through six workshops targeting literacy teachers in five regions. Workshops are tentatively scheduled to take place in the Natal, Transkei, Port Elizabeth, Orange Free State, and two in the Northern Transvaal.

The purpose of the workshops is to: contribute to the development of literacy trainers who have little access to training materials; promote the use of Active Voice in literacy classrooms; train teachers how to use Active Voice, as well as the voter education series; offer techniques and provide support for learners wishing to publish their work; and provide advice on the establishment of local literacy newsletters to publish learners' stories.

Each two-day training workshop will be divided into modules, consisting of presentations, discussions, and practical activities. Module topics include: planning and teaching lessons drawn from Active Voice materials; creating supplementary resource materials; and encouraging and publishing learner writing. A question and answer period seeking feedback and guidance from attendees on Active Voice will also be included.

Workshop participants will receive copies of appropriate Active Voice handouts, voter education information and a teacher's guide. (All interested Active Voice subscribers may also purchase the teacher's guide.)

#### C. VOTER EDUCATION ACTIVITIES

Voter education activities provided for under this Grant Agreement include the publication of an ongoing voter education series in Active Voice and the compilation of a "Voter Education Review" using reprints from the newspaper. The Voter Education Review, to be published in the first quarter of 1994, will also be made available, upon request and at cost, to all literacy teachers.

FINANCIAL PLAN: USAID funding under this Agreement will go towards salaries, administrative support, teacher training workshops, materials development; travel, printing and distribution and technical assistance.

#### A. SALARIES

USAID will provide partial funding for salary and benefits for the following full-time employee.

1) Editor/Office Head, Active Voice: USAID will provide salary and benefits amounting to R113,835 for this full-time position for a 17-month period. The Editor/Office Head's responsibilities include administration of all activities related to the publication and distribution of the newspaper. This person will also oversee the implementation of teacher training workshops and the creation of the voter education series and teacher's guide.

B. TRAVEL

USAID funding of R5,964 will cover expenses for two ELP staff members to travel as required to conduct six teacher training workshops and for staff development training purposes. USAID will reimburse the AA rate per kilometer based on an official log kept by ELP staff. As per Section (IX(D) of Attachment 1 of this Agreement, ELP 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.

Additional workshops expenses such as food and accommodation are to be covered by the host literacy groups.

C. TECHNICAL ASSISTANCE

USAID will provide up to R5,000 under the Grant Agreement to cover the costs of securing technical assistance to strengthen the organization's financial management capabilities. This activity will include the computerization of ELP's financial management system. Before disbursing funds under this line item, USAID requires that ELP supply the Project Officer with the consultant or organization's C.V., budget, and Scope of Work for official USAID approval.

D. TEACHER TRAINING WORKSHOPS

USAID funding of R11,304 will cover the cost of developing materials for six teacher training workshops, involving up to 30 teachers in each session.

E. INSERTS/COMMUNITY NEWSPAPERS

Under this Grant Agreement, ELP will expand its monthly distribution of Active Voice through insertion in five free, community-based newspapers. USAID funding of R162,997 will contribute to the costs of printing and distribution of Vaal Vision, Tholulwazi Ngemfundo, Horison, Seipone, and Graaf-Reinet Advertiser newspapers.

F. VOTER EDUCATION SERIES

USAID funding of R3,500 will contribute to the costs of research and development for a voter education series, leading up to the date of South Africa's first democratic election and the compilation of a "Voter Education Review" in the first quarter of 1994.

G. EVALUATION

USAID funding of R10,000 will contribute to the costs of an evaluation to be conducted by an outside evaluator by the twelfth month of this Agreement. A copy of the evaluation will be delivered to USAID no later than August 31, 1994. The evaluation will focus on, among other things, the efficacy of Active Voice as a literacy tool and on the efficiency of distribution through the free, community-based newspapers. ELP and USAID will mutually agree upon the Scope of Work for such an evaluation and ELP shall submit for formal USAID approval the evaluator's C.V. and budget before funds under this line item will be disbursed.

H. FINANCIAL AUDIT

USAID funding of R14,000 will contribute to the costs of the USAID mandated annual audit as described in Attachment 6.

I. ADMINISTRATIVE SUPPORT COSTS

Administrative support costs (which represent approximately 12% of Grant Agreement funding) are provided for activities funded under this Agreement as specified in the Financial Plan. This results in payment of R37,400 over 17 months between August 1, 1993 and December 31, 1994 and will be disbursed quarterly in equal amounts of R6,600 with R4,400 remaining for the final two months of the Grant Agreement.

Administrative support costs, which must be claimed for on a quarterly basis by the Grantee, will cover general operating expenses such as rent, telephones, faxes, photocopying, insurance, stationery, cleaning and maintenance, etc. USAID will not fund major capital expenditures, such as vehicles, buildings and major equipment.

VI. DETAILED ILLUSTRATIVE FINANCIAL PLAN

(see next page)

VI. DETAILED ILLUSTRATIVE BUDGET

Cost Element	South African Rands (SAR)		
	Planned Grant Budget Years		
	Current Year 8/93-12/93	Future Year(s) 1/94-12/94	Total
=====			
1. Compensation:			
Editor	30,294	65,637	95,931
Medical Aid for 1 employee	2,015	5,400	7,415
Provident Fund for 1 employee	3,085	7,404	10,489
2. Travel for 6 Workshops:	1,500	4,464	5,964
3. Training and Technical Assistance:	5,000	0	5,000
Computerization of business accounting system			
4. Other Direct Costs:			
Workshop Resources/Teacher's Guide	1,500	9,804	11,304
Inserts/Community Newspapers:	55,500	107,497	162,997
Voter Education Resources	200	300	500
"Voter Education Review" reprints	0	3,000	3,000
5. Administrative Support Costs:	10,388	27,012	37,400
6. Recipient Audit:	0	14,000	14,000
7. Evaluations:	0	10,000	10,000
8. Totals (Rands):	109,482	254,518	364,000

c:\elplotus

**ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA**

DATE: July 8, 1993

FROM: William G. Duncan, <sup>WGD</sup>Chief, PHRDO

SUBJECT: South Africa Education Support and Training Project (674-0302); English Literacy Project Agreement No. 674-0302-G-SS-3086-00

I. PROBLEM

Your approval is required to obligate U.S. \$130,000 of FY1993 funds under the South Africa Education Support and Training Project (ESAT) (674-0302) through a Grant Agreement with the English Literacy Project (ELP), 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

The English Literacy Project (ELP), a non-governmental, nonracial organization located in Johannesburg, produces literacy materials for black semi-literate learners, including Active Voice, a four-page bi-weekly newspaper used in formal and informal literacy training. Launched in 1983, Active Voice was initially designed as a forum for literacy learners to practice their newly acquired writing skills through functional exercises. As the paper evolved, it began to include news, political analysis, functional information on health, the environment, cultural personalities, and the stories of ordinary people. The readership also expanded to include poorly educated adults outside of formal literacy classes.

Active Voice has several goals: to provide literacy and numeracy material for teachers and learners in literacy programs; to promote a culture of reading; to provide a forum for voices of people who do not normally have their work published; to promote self-education for adults not enrolled in literacy programs; to support and publicize the work of literacy programs in church groups, labor unions, community centers, mines, and businesses; and to contribute to the process of democratization by providing accessible information for adults to make informed choices.

Currently, there are very few easy-to-read English language magazines or newspapers for semi-literate adults. Distribution of Active Voice in township and rural communities will help reach learners and literacy teachers who have few, if any, resources.

Under this Grant Agreement, ELP will receive support for the expanded publication and distribution of Active Voice as an Adult Basic Education (ABE) supplement in five free, community-based newspapers in township and rural areas; for publication of a voter education series; for six workshops targeting literacy teachers; for development and distribution of a related teacher's guide; for an evaluation; and for organizational and staff development.

The support provided in this Agreement will enable ELP to increase circulation of Active Voice from 7,000 to 105,000 copies. (An estimated pass-along rate of 7-9 persons will place the actual readership at approximately 840,000.)

ELP's decision to make Active Voice an ABE supplement resulted from a substantial marketing exercise which presented the limitations of increasing the circulation of the current newspaper beyond 7,000 copies. It was determined at that time that it would be more cost-effective and useful for Active Voice to expand its operations through insertion in existing newspapers and magazines, particularly in community-based publications.

Agreements to distribute Active Voice as a supplement have already been reached with Lentswe, a small community newspaper in Klerksdorp and with Bona, one of South Africa's most-widely distributed commercial magazines for the black community. (Active Voice will be included in Bona's new 24-page education supplement scheduled for release in August, 1993.)

Continued focus on voter education for all disadvantaged South Africans, particularly those with low levels of literacy, is crucial during this time of political transition. Voter education activities provided for in this Agreement include regular publication of voter education articles and the creation of a "Voter Education Review," offering reprints of Active Voice voter education articles to literacy teachers during the period preceding South Africa's first democratic election. ELP recently conducted a voter education workshop in the Southern Transvaal using material from the Center for Democratic Studies. The editor of Active Voice is currently abroad on a USAID-funded study tour of the United States which includes exposure to the National Issues Forum which may serve, in part, as a model for the Grantee to replicate.

The English Literacy Project also plays an important role in community outreach through the training of literacy teachers. The purpose of the literacy workshops funded under this Agreement are to: contribute to teacher development and training; promote the use of Active Voice in literacy classrooms; train teachers on the use of resources, specifically the voter education series; offer techniques and provide support to learners who wish to have

their work published in Active Voice; and provide advice on the local publication of learners' work. All workshop attendees will receive a teacher's guide, provided for under this Agreement.

ELP recently held two training workshops, one with teachers trained by Training in English Literacy and Language (an ESAT grantee) and the other in KaNgwane with teachers in a pilot literacy project organized by Operation Hunger (a COLD grantee).

ELP has recently received requests for similar workshops from the NGO community in the Northern Transvaal and Transkei regions. These two requests will be fulfilled as part of this Grant Agreement. ELP has also received requests from S.A. Breweries and a goldmine in Hartbeetsfontein. These workshops are scheduled to take place but will be funded by each commercial operation.

An evaluation, examining the efficacy of Active Voice as a literacy tool and the efficiency of distribution mechanisms, has been provided for under this Agreement.

Organizational and staff development funded under this Agreement include the installation of a computer accounting system. USAID will bear approximately half the costs of this institutional strengthening activity.

The Active Voice staff is comprised of two full-time professionals: Jabu Radebe, editor and Betsy Alkenbrack, writer and sub-editor. A full-time position for a second writer is vacant and will be filled if funding can be secured from another donor. ELP's senior management and Active Voice's editor are black South Africans.

ELP currently receives financial assistance for general operational support from seven other donors. These donors include Kagiso Trust, U.S. Methodist Church, WUS, Steelworker's Humanity Fund (Canada), Catholic Committee for Development (France), Canadian University Services Overseas, and South African Paper Products Industries.

The activities provided for in this Agreement are consistent with ESAT's objective of strengthening selected educational organizations and increasing the capacity of disadvantaged South Africans to govern in a post-apartheid South Africa.

#### 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 ESAT Action Plan review dated May 21, 1993 and approved. This activity is consistent with the Strategic Objective to prepare disadvantaged South Africans to establish an equitable and effective educational system, and Strategic Targets to 1) increase the number of qualified and skilled black South Africans; 2) develop, evaluate, and disseminate models of innovative approaches to education; and 3) strengthen selected educational institutions and organizations. This activity is also consistent with Strategic Objectives developed during the 1992 Mission Retreat, including Target 1.5 to help black South Africans prepare for the conduct of and full participation in a democratic electoral process.

B. Grantee's Illustrative Budget and Cost Negotiation - The Human Resources Development Division (HRDD) conducted verbal negotiations with ELP to establish its priorities for funding. Cost components of the budget include salaries, travel, printing and distribution, materials development, teacher training workshops, an evaluation, an audit and organizational and staff development. 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, 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." ELP has submitted an unsolicited proposal, and it is the determination of the HRDD that the activity is "unique." Active Voice, one of the few literacy and adult basic education newspapers for semi-literate adults in South Africa, will serve as the sole source of adult literacy material for the general population in the geographic areas targeted by the five-community based newspapers. Active Voice has a proven record of success as both a literacy resource and as an information provider and is popular within the black community. It is also in a unique position to provide voter education information to those with low-levels of literacy during a time of political transition. Because this activity is consistent with USAID program objectives and is so unique, acceptance of the ELP 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 ongoing discussions with the grantee and visits to the offices of the Grantee organization.

E. Financial Management Capability - A financial review of ELP's financial management systems was conducted on May 11, 1993 and was determined to be unsatisfactory. Several weaknesses were identified at that time. The Project Officer has since been reassured that the Grantee is addressing these weaknesses with the utmost urgency and will pass a follow-up review, provided for as a Condition Precedent in Section IX, Special Provisions in Attachment 1 of this Grant Agreement. This Grant Agreement will be signed and executed prior to the follow-up review in order to meet obligations regarding the August, 1993 publication of newspaper supplements. There shall be no disbursement of any agreement funds if a satisfactory follow-up financial review has not been conducted. English Literacy Project will inform USAID, in writing, when they are ready for the follow-up financial review to be conducted. Under this Agreement, the organization will install a computerized financial accounting system to improve their management capability. USAID has agreed to reimburse the grantee up to R5,000 for this expense.

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 it does not solicit or receive 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. Grantee contributions include: full funding of one newspaper sub-editor and writer; printing rebates from the South African Paper and Products Industries (SAPPI); provision of housing and per diem for staff during workshop-related travel; and contribution to the cost associated with computerization of a business accounting system.

H. Sustainability - The Grantee is expected to continue activities funded under this Grant so that they may continue to make an important contribution to literacy training in the future. USAID is not the sole funder of ELP's activities. Additional funding sources are being sought by the Grantee and it is actively seeking means to make its activities more self-sustaining.

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 and administrative support 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 ELP 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: August 9, 1993