

PD-ABL-645  
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



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07 JUN 1993

Mr. Ken Wollack  
President  
National Democratic Institute  
for International Affairs  
1717 Massachusetts Ave., N.W.  
Suite 503  
Washington, D.C. 20036

Subject: South Africa Community Outreach and  
Leadership Development Project; Grant Agreement with  
National Democratic Institute for International  
Affairs (NDI); Agreement No. 674-0301-G-SS-3061-00

Dear Mr. Wollack:

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 the National Democratic Institute for International Affairs (hereinafter "NDI" or the "Grantee") and obligates the sum of \$549,500 to provide support for a program described in Attachment 1, entitled "Schedule," and Attachment 2, entitled "Program Description," of this Agreement.

This Agreement is effective and obligation is made as of the date this letter is signed by an authorized USAID representative. The Agreement and obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning May 15, 1993 and ending June 30, 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, "A.I.D. Geographic Code 935 List," and Attachment 5, "Grantee Certifications". This letter and the five attachments just described, which have been agreed to by your organization, constitute the Agreement.

We request that you sign the original and one (1) copy of this letter and then return the original to USAID/Pretoria, Department of State, Washington, D.C. 20521-9300.

Sincerely,

*Leslie A. Dean*

Leslie A. Dean  
Director

Date: *June 7, 1993*

ACKNOWLEDGED AND ACCEPTED

National Democratic Institute for International Affairs

By: Mr. Ken Wollack  
Title: President  
Date: \_\_\_\_\_

Attachments:

1. Schedule
2. Program Description
3. ~~Standard Provisions and Additional Provisions as Applicable~~
4. A.I.D. Geographic Code 935 List
5. Grantee Certifications (Grantee Signatures Required)

ATTACHMENT 1  
SCHEDULE

I. OVERVIEW OF AGREEMENT

In support of the first democratic elections in South Africa, the National Democratic Institute for International Affairs (NDI), the International Republican Institute (IRI) and the Joint Center for Political and Economic Studies (JCPES) propose to undertake a comprehensive year long program of assistance in the development of political organizations which are competing for the first time in multi-party elections. The objectives of this program are to enhance, on a non-partisan and impartial basis, the capability of democratic political organizations to effectively identify and educate voters; to enable these organizations to compete responsibly in South Africa's first democratic elections and to encourage confidence in the political institutions by the previously disenfranchised population. This Agreement specifically covers the component of the program to be undertaken by NDI; however, it provides a description of the overall NDI/IRI/JCPES program. The overall program will be carried out as a joint effort by the three organizations and will be conducted, to the maximum extent practicable, in an open manner without favoritism or prejudice or the appearance thereof.

II. PERIOD OF AGREEMENT

The effective date of this Agreement is the date the cover letter is signed by an authorized USAID representative. Retroactive payment for eligible program expenses is authorized from May 15, 1993. Unless otherwise agreed to by USAID in writing, the expiration date is June 30, 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. The total estimated amount of USAID funds to be provided under this Agreement for the period shown in Section II. above is U.S. \$891,000.

B. USAID hereby obligates the amount of U.S. \$549,500 for eligible program expenditures during the estimated period of May 15, 1993, through January 31, 1994.

C. Payment under this Agreement shall be made by means of a Letter of Credit (LOC) in accordance with the terms

and conditions of the LOC and any instructions issued by A.I.D.'s Office of Financial Management, Cash Management and Payment Division, Letter of Credit Branch (FM/CMP/LC). As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by FM/CMP/LC constitute payment conditions of this Grant, superseding and taking precedence over any other provision of this Grant concerning payment.

D. Additional funds up to the total amount of the Agreement as shown in Section III.A., above, may be obligated by USAID subject to the availability of funds, the agreement of the Parties hereto to proceed with the Grant program, and to the requirements of the Mandatory Standard Provision, Attachment 3 to the Agreement, paragraph 3, entitled "Revision of Grant Budget."

#### IV. 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 II, Section VI., is a more detailed Illustrative Financial Plan.

Table 1

#### Financial Plan (U.S. Dollars)

<u>Item</u>	<u>Obligated Total</u>
Salaries and Benefits	\$120,703
Foreign Office Space and Utilities	16,650
Supplies and Equipment	17,575
Communications	43,375
Travel and Per Diem	172,188
Contractual Services	39,040
Consultants	14,400
Other Direct Costs	<u>7,897</u>
Subtotal Direct Costs	431,828
Indirect Costs @ 27.20%	<u>117,457</u>
Total	\$549,285
	Rounded to: \$549,500

## V. REPORTING

### A. Programmatic Reports

The Grantee will submit to USAID, in a timely manner written quarterly progress reports to USAID on activities funded and general performance under the Agreement. The content of the quarterly reports will be mutually agreed upon by the Parties hereto but should include a brief description of program accomplishments during the preceding quarter and a discussion of any problems encountered and how they were resolved. These reports shall also be provided by IRI and JCPES. The quarterly reports shall also include quantitative information on the level and type of assistance provided to each political party or organization during the reporting period. The Grantee will also submit, in a timely manner and in a format mutually agreed upon in writing by the Parties hereto, a written final report on all activities financed by the Agreement.

### B. Financial Reports

The Grantee will submit to USAID, in a timely manner, quarterly written financial reports showing disbursements against the budget line items in the detailed Illustrative Financial Plan for the previous quarter. These reports shall be submitted to the USAID Project Officer.

## VI. INDIRECT COSTS

Indirect costs under this Agreement will be reimbursed at a predetermined indirect cost rate. This rate is 27.20% against a base which is equal to all direct costs. The total of the indirect costs reimbursable under this Agreement shall not exceed \$117,457.

## 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 21, 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. Condition Precedent to Disbursement

Prior to the disbursement of any funds under this Agreement, NDI shall enter into a triparty Memorandum of Understanding (MOU) with the International Republican Institute (IRI) and the Joint Center for Political and Economic Studies (JCPES) which will clearly set forth the roles and responsibilities of each party and state how each of the participating organizations (NDI, IRI and JCPES) will collaborate, coordinate and interact with each other in the implementation of the Grant program. The MOU shall cover coordination, interaction and communication among NDI, IRI and JCPES related to all aspects of the program including policy, program development and implementation, administration and programmatic and financial reporting. The MOU must be approved in writing by USAID prior to its signing by the three parties. Any substantive modifications to the MOU will also require USAID approval.

### B. Compliance with MOU

NDI covenants and agrees to comply with the terms of the Memorandum of Understanding to be signed by NDI/IRI/JCPES. Should NDI violate or otherwise fail to comply with any of the terms and conditions of the MOU, USAID reserves the right to suspend and/or terminate the disbursement of funds under the Agreement.

### C. 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.

#### D. Competition

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

#### E. 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.

#### F. 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. Travel and per diem rates allowable under this Grant Agreement 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.

#### G. Political Affiliation

The Grantee agrees that programs funded under this Agreement will be made available to individuals and groups eligible to receive assistance or participate in activities financed under this Agreement 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 and that are eligible to receive assistance or participate in activities financed under this Agreement are not intentionally excluded from activities financed by USAID.

#### H. Bi-partisanship

NDI covenants and agrees that all teams constituted and all activities conducted under this Agreement will be bi-partisan (i.e., Democratic and Republican) in nature.

#### I. Selection Criteria for Participation in Political Party Training

NDI agrees that participation in individual training programs funded under this Agreement is available only to political parties, movements, organizations and coalitions or alliances that:

1. have not previously competed in multi-party national elections; and
2. have publicly subscribed to the principle of non-violence, in form and substance satisfactory to USAID; and
3. whose support is drawn principally from the historically disenfranchised segments of the population.

#### J. Selection Criteria for Participation in the Multi-Party Forums

NDI agrees that participation in the multi-party forums will be open to all groups (political parties or organizations, churches, non-governmental organizations, trade unions) and organizations that: (1) have publicly subscribed to the principle of non-violence, in form and substance satisfactory to USAID; (2) are directly involved in the elections process; and (3) are committed to the democratic process.

#### K. Prohibited Activities Under the Agreement

1. NDI covenants and agrees that no funds provided under this Agreement, including funds for multi-party round-tables, forums or workshops, will be used: (1) to influence the outcome of any election; (2) for any direct or indirect support to campaigns for political office; (3) in the areas of political platform development, political spying or other "dirty tricks" tactics; or (4) to provide material or commodity support or assistance, including, but not limited to, vehicles or equipment to any political party or organization.

2. NDI agrees to adhere to the specific prohibitions list below and that any costs associated with any of these prohibited items will not be considered allowable under the Grant.

Parameters for Assistance to Political Parties in South Africa--

- a. Direct appeals for support to the electorate on behalf of or by any political party or candidate for public office.
  - b. Any media message that endorses or supports a political party or candidate for public office.
  - c. Any payments to individuals that are intended to influence their votes.
  - d. Any cash contribution to a political campaign, political party, party official or candidate.
  - e. Any communications goods (e.g., t-shirts, flags, banners, posters, literature, buttons) that endorse or support a candidate for public office or a political party.
  - f. Any salary or other payments to an individual for work not related to activities permitted under the grant.
  - g. Any salaries, wages, fees, honoraria or similar payments to candidates, political party leaders, or campaign officers.
  - h. Public meetings that endorse or feature a candidate for public office.
  - i. Private polls designed to develop political campaign strategies in favor of a candidate, political party, or alliance.
  - j. Retention and use of equipment after the expiration of a grant for activities not consistent with the original purposes of the grant.
3. It is USAID policy that all resources it finances or provides make a positive contribution to development. Accordingly, no funds provided under this Agreement shall be used for the procurement of commodities normally considered luxury goods, including alcoholic beverages.
- L. NDI agrees to refrain from any activities in South Africa, whether or not funded under this Grant, that are inconsistent with the purposes of this Grant.

X. STANDARD PROVISIONS

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

Attachment 2  
Program Description

I. Overview

In support of the first democratic elections in South Africa, the National Democratic Institute for International Affairs (NDI), the International Republican Institute (IRI) and the Joint Center for Political and Economic Studies (JCPES) propose to undertake a comprehensive year long program of assistance in the development of political organizations which are competing for the first time in multi-party elections. The objectives of this program are to enhance, on a non-partisan and impartial basis, the capability of democratic political organizations to effectively identify and educate voters; to enable these organizations to compete responsibly in South Africa's first democratic elections and to encourage confidence in the political institutions by the previously disenfranchised population. This Agreement specifically covers the component of the program to be undertaken by NDI; however, it provides a description of the overall NDI/IRI/JCPES program. The overall program will be carried out as a joint effort by the three organizations.

II. Background

In April 1993, NDI/IRI/JCPES cosponsored, in conjunction with several South African organizations, a conference for South Africa political organizations entitled "Competing in Democratic Elections." Building on this basic introduction, NDI/IRI/JCPES will conduct a series of needs assessments and intensive consultations designed to impart strategic advice and information to each party\* individually throughout the pre-election period. The proposed project will utilize individual party advisories, training workshops and all-party forums to address the subjects of concern to political organizations competing in elections. The subjects might be specific to a particular organization, such as internal staff communication or universal to all parties, such as access to the media. To adequately address the political environment in South Africa, the U.S. based organizations will collaborate on overall strategy, implementation and presentation while dividing the responsibility and each taking a lead in an agreed-upon area of expertise. Careful attention will be given to ensure that there is an effective division of labor with the necessary overlap to provide a comprehensive and

\*The term party has been used throughout this Agreement as a matter of convenience; however, the term is meant to also include coalitions or alliances of more than one political party, organization or movement.

politically responsive program format. Regular and coordinated communication between the two Institutes and JCPES will ensure that the program is able to adapt to the reality of the changing political environment in South Africa in this pre-election period.

The NDI and IRI consultations will concentrate on identified areas of interest for each party in election organization and technology such as grassroots organization, voter contact and targeting, polling and research, media strategy, resource allocation and operations management. In coordination with these consultations, JCPES will periodically convene round-table discussions with representatives from all of the parties on subjects of mutual interest and importance such as voter registration, media access, election security, code of ethics or election pollwatching. These forums will impart practical information on the subjects as well as facilitate dialogue and, where possible and appropriate, coordination among the parties.

### III. Problem

Throughout South Africa's modern history, the white minority, which makes up less than 15 percent of the country's population, has exercised exclusive control of economic and political power. For the last three years, the country has been undergoing a political transition from this system of apartheid to what is anticipated to be a new democratic constitutional state in which all South Africans enjoy full rights of citizenship. A tumultuous process of empowering the majority population and redefining the role of the powerful minority which has held power takes place during a period of severe economic recession and exponential growth in political and criminal violence.

The dramatic changes of the last decade in both the region and the world have had an important impact on South Africa. South Africa entered the arena of democratic transition in late 1989 with many other countries in Africa, Eastern Europe, and Latin America. However, the course of events in South Africa has been comparatively much slower. Initial expectations that the transition would lead to a total transfer of power from the minority to the majority have been overtaken by the reality that more compromise is necessary for the process to move forward. Negotiations have reached a stage now where there is a recognition that there is no sole winner. It is generally acknowledged that 1993 will be the culmination of the negotiating phase which will lead to elections (probably in early 1994) and a new form of government. This transitional government will provide the first opportunity for the majority black population to assume positions of authority within a power sharing arrangement that affords protection of minority rights.

Critical differences still exist between the government, the ANC, Inkatha and other parties on fundamental issues of process and governance. While the government and the ANC have made impressive gains in reaching an agreement on the course for the transition, Inkatha has yet to be accommodated. The various parties will need to resolve two primary issues before South Africa can proceed with elections.

- \* the power and authority of the all party conference as opposed to an elected constitution making body; and
- \* the choice between a unitary or federalist system of government for the future of South Africa.

At the same time, South Africans are experiencing the worst political and criminal violence in the history of the modern apartheid state. There is considerable debate as to whether elections would exacerbate or alleviate the violence. However, it is generally accepted that elections should not be held hostage by the perpetuation of violence.

As the debate and negotiations proceed, all parties are aware of the objective reality of time constraints that face them. If an election does not occur by May of 1994, according to the existing constitution, another all-white election would be scheduled. None of the parties, with the exception of the white conservative political organizations, are interested in such a result. Therefore, the process is evolving with an effort to ensure that there will be adequate time for electoral preparations.

#### IV. Purpose

#### V. Program Description

##### A. Overview

In support of the proposed elections in South Africa, NDI/IRI/JCPES propose to undertake on a non-partisan and impartial basis a comprehensive program of assistance to enhance the capability of the democratic political organizations to effectively identify and educate voters and to compete responsibly in South Africa's first democratic elections.

NDI, IRI and JCPES believe that effective political organizations are crucial to the conduct of the upcoming elections and to the consolidation of a democratic political system. Providing assistance to political parties and organizations is particularly important in South Africa where liberation movements and homeland governments are undergoing the transformation to political parties and will be competing for the first time in democratic elections. In this situation, as in many similar circumstances, the history of

oppression breeds an environment of intolerance and distrust that, without strong and constructive political organizations, could endanger the conduct of democratic elections and the transition process. This danger is exaggerated by the existence of white political parties that utilize the most sophisticated election technology in conducting their election activities. This creates a situation in which there is a significant disparity between the developed and undeveloped political organizations. This is one of the by-products of apartheid which could seriously destabilize a transitional election.

The Institutes and JCPES will seek to enable political organizations to develop so that they can compete constructively, are secure in their capacity to communicate with their constituents and can organize electoral support. The ultimate goal of the program is to promote the development of political parties which are necessary to assure the long-term stability of accountable democratic government. In this program, NDI, IRI and JCPES will maintain a strict commitment to political neutrality and impartiality which is particularly important when working with political parties.

#### B. NDI/IRI Program

NDI and IRI will conduct a joint program which stresses the procedure and skills needed for effectively communicating with voters and maximizing participation in the first democratic election. To this end, the Institutes will each identify a number of professionals in organization, communication and mobilization who will be organized into functional bi-partisan teams based on their technical expertise and specialty, i.e., voter contact, polling and research, communications. The teams will collaborate in multiparty forums sponsored by JCPES and MPD, on issues and areas of common concern and interest.

In order to most effectively facilitate the transfer of practical advice and relevant skills and information to the political parties, NDI and IRI will employ a consultation-based structure for the program. Recognizing the polarization that occurs during the election period, it is necessary to develop party-specific relationships to build trust and consistency into the assistance and advisory effort. NDI and IRI will use teams of professionals in each phase of the program, as well as a continual in-country staffing presence, allowing for the development of a familiarity with the individual party structures and personnel and, most importantly, trust by the recipient party towards the NDI and IRI representatives. The NDI and IRI political experts will work on a strictly pro-bono basis with the parties and organizations in their role as ongoing advisors. It will be explicitly laid out in the Institutes terms of reference for the program that international participants take part with the agreement that they will not enter into any client relationship with a political party in South Africa.

As an election date and framework is established and political organizations begin to prepare, each party will have different needs. These factors will be the index by which NDI and IRI will design the specifics of the programs. This type of assistance is designed in the short term to help a party compete more effectively in the elections, but also to strengthen party organizations which will be called upon to assure stability in the post-election environment. The objective of this effort is to instill confidence in the electoral process among perspective voters as well as maximize voter participation.

The critical elements of the Institutes' assistance programs will be the bi-partisan approach and the tailoring of the program to the self-identified needs of each party. These will be determined primarily in extensive pre-training consultation which will examine the needs at the national, regional and local levels.

The format for this program will be for NDI and IRI to each identify bi-partisan teams of professionals in several substantive areas such as planning and organization, issue research and presentation, press and media communication, voter contact and field organization. Special attention will be focused on the women's and youth vote. The teams will participate in multi-party round-tables and periodic briefings on their subject matter organized by JCPES. Of equal importance is the relationship that develops between the political leaders and the NDI and IRI political experts through individual party consultations. The Institutes gain a better understanding of each political parties' needs and the parties learn what is applicable to their individual situation. By working in bi-partisan teams, the NDI/IRI experts are able to convey the universality of election techniques and the practical application of these skills. Additionally, the presence of NDI/IRI experts in the party's election operations enables the experts to identify and promote the diversity of talent within the party structure and the important contribution of women and young people to the political process.

It is NDI and IRI experience that to have effective political party training, the leaders of the party operations need private access to the talent that is made available. It is reasonable that parties competing in elections are not comfortable asking questions or making statements on issues of strategic importance in public all-party forums. These individual consultations are targeted to areas where the party has requested assistance and the international experts will work on an on-going basis with a party, focusing on the development of the party's visibility and contact with voters. Constant attention will be given to ethical standards for competing in elections and creating an environment for the peaceful competition of ideas and personalities.

C. JCPES Program

JCPES will use its institutional resources and expertise in information dissemination, group mediation and facilitation, voter participation and training to develop a series of multi-party round-table discussions during the year-long program. The organization and orchestration of the multiparty forums will fall under the purview of JCPES in cooperation with the Institute for Multi-Party Democracy (MPD). These round-tables will not only highlight the need for cooperation among the parties, but also provide a respected and neutral forum to work on strategy for dealing with issues of critical importance to all the parties competing in the election. JCPES will also draw on its research capacity to present and disseminate papers and background information on the topics under consideration.

JCPES will collaborate with the Institutes to identify areas of mutual interest and importance for South African political organizations. While it is very important to build the organizational capacity of the political organizations, the round-table series will provide a neutral forum where issues important to all parties participating in the election can be discussed in an environment conducive to free and fair elections. The round-table discussions will not only provide information, but will also facilitate the non-violent resolution of political conflicts.

JCPES and MPD will determine round-table topics based on the dominant issues that emerged from the earlier conferences on various elections related topics. JCPES and MPD will also consult with the NDI/IRI technical teams to discuss inclusion of other relevant issues brought forward by the political organizations during the technical consultations. Possible round-table topics are:

CIVIC EDUCATION AND VOTER TRAINING-- discussion of ways that all parties can organize civic education training sessions in conjunction with the election authorities. Collaborative opportunities to develop and inform the electorate and mobilize voter participation would be stressed.

VOTE MONITORING AND ELECTORAL LAW--organization of monitoring efforts overseen by individual parties or in a collaborative effort; assessment of the comfort level with vote counting procedures as determined by South African Electoral Commission; discussion of concerns before election day, and discussion of the role of parties to ensure a fair count.

SECURITY ISSUES--discussion of the potential for widespread violence in South Africa during the campaign and on election day. Target the areas most likely to experience violent outbursts. Present collaborative

inter-party strategies to minimize the electorate's fear and anxiety. Discuss election day security at polling places.

CODE OF CONDUCT FOR POLITICAL PARTIES--resolution of inter-party disputes; restricted use of inflammatory language and actions that may result in voter intimidation; election day requirements and restrictions; inter-party cooperation on investigating reports of irregularities; security issues; conduct for meetings, rallies, debates and campaigning.

MEDIA ACCESS--topics such as laws governing access of political organizations to media; political advertising laws; news coverage of parties and candidates; standards of fairness; non-partisan provision of public information.

PUBLIC OPINION SURVEYS AND ANALYSIS--discussion of data breakdown and analysis of the benchmark survey; building research capacity within organizations; using survey research with policy development and election communication.

THE ROLE OF INTERNATIONAL OBSERVERS--role of international observers in bolstering public confidence, promoting participation, deterring electoral fraud and reporting to the international community on the process; the legal status of international observers; questions of intervention and sovereignty; terms of reference; the basis for evaluating an election; the relationship of political parties to private and government sponsored observer missions.

JCPES will provide background material and commission research papers to be presented at each meeting. The papers will provide general reference material for the ensuing discussion. JCPES will draw experts from its domestic and international network, as well as from NDI and IRI's pool of professionals. JCPES will also convene a post-election round-table so that key party strategists can discuss the election in a neutral and relaxed environment. The intent of the final round-table will be to foster political tolerance and cooperation between the political organizations involved in the election.

#### D. Program Implementation

To effectively achieve the objectives, the program will consist of several methods for implementation. All of the suggested methods are based on the experience of the Institutes in political party programs designed to level the playing field in a transitional election environment. As the implementation proceeds, they will undoubtedly undergo modification and refinement.

1. Initial Assessment - NDI and IRI will launch their program with a visit by an assessment survey team. This initial effort will build on the program of the April 1993 conference "Competing in Democratic Elections," and include an in-depth assessment of the party infrastructure and assistance needs. The team will look into basic organization and structure, membership recruitment, intra-organization communication, finance and accounting as well as other aspects of the organization. These consultations will be valuable for the organization leaders to work with NDI and IRI representatives to learn more about the expertise that is available, assess and set priorities for the needs of political organizations and design a program of assistance for the pre-election period.

2. Multi-party Forums - JCPES and MPD, in collaboration with NDI and IRI, will organize a series of round-table discussions with all of the parties and organizations to discuss mutual areas of interest. This process began with the first conference in April co-sponsored by the three U.S. organizations in collaboration with the South African based Centre for Development Studies and the Institute for Multiparty Democracy. For the follow-up meetings, JCPES in collaboration with MPD, NDI and IRI, will bring in teams of professionals with relevant experience and expertise for discussions on issues of critical importance in the pre-election environment.

JCPES and MPD will play the important role of mediators for these discussions. For each of the conferences, JCPES and MPD will ensure that all of the participating political organizations are invited to send representatives. The program will not end with election day. JCPES and MPD will convene the principal officials from the various political organizations in a post-election forum to assess the electoral process and activities. The proceedings will be published as a diagnostic on the first democratic elections from the point of view of the major participants.

3. Publications - After each of the multiparty forums, JCPES and MPD will publish an objective and independent report on the proceedings and issues raised. This work will be open to contributions from participants, South African and international. The papers will be distributed widely within South Africa.

4. Individual Consultations - Based on the evaluations of and response to the initial consultations as well as needs identified in the multi-party forums, NDI and IRI will design a program to work with the parties individually that will take place throughout the election calendar. This program component is intended to deal with the problems political organizations are encountering that would never surface in multi-party forums with their competitors present.

Depending on the nature of the assistance desired by the parties, an international team of political professionals in election strategy, communication and management will be assembled to work with each organization's senior and mid-level leaders from both the national and regional structures. A three-person team may, for example, include two Republicans such as a message specialist and an organization manager and a Democratic grassroots organizer. Teams will be expected to be on-going advisors to the party. While they will not have operational responsibilities, they will work closely with the party on a regular basis.

To reinforce the need to hear and understand the issues of concern to voters, the project includes a nationwide public opinion survey described below. This polling instrument will be used to assist organizations in establishing clear goals and to introduce mechanisms of how to present and achieve those goals in a democratic election. It will also focus on developing an understanding of how to utilize issue research in the development of party policies. Particular emphasis will be placed on the relationship between the political organization and the voter. This will enhance the parties' capacities to effectively advance national goals at the regional and local levels as well as to communicate local and regional strengths to the national level.

The consultations will require five or six visits at critical junctures in the evolution of the election as well as an ongoing availability for telephone advice and assistance. The advisors will work individually with party leaders as well as design and conduct training workshops for the wider all-party fora.

NDI and IRI advisors will use materials collected from political parties and organizations worldwide. The Institutes will utilize a compendium of print and audio-visual materials adapted to the South African context. These will be drawn from NDI and IRI's libraries of international election resources, manuals, videos, workbooks and other materials used in previous programs.

A preliminary assessment would suggest that teams might organize along the following areas of interest and expertise.

**ELECTION MANAGEMENT AND PLANNING** - Election structures, tasks and timetables, volunteer management, budgets and organizational structure.

**VOTER CONTACT AND MOBILIZATION** - Identifying target groups and messages, get out the vote efforts, direct and indirect voter contact, organization of field resources, with particular emphasis on women and youth.

COMMUNICATIONS AND PRESS RELATIONS - Press relations, cohesive message development and dissemination, broadcast and print media strategy.

RESOURCE DEVELOPMENT AND ALLOCATION - Finance organization and budgeting, accounting and reporting procedures.

EVENTS - Organizing high visibility and maximum exposure events, planning and scheduling.

CANDIDATE RECRUITMENT AND DEVELOPMENT - Determining the skills and diversity in background needed to appeal to the voters.

WOMEN'S OUTREACH - Bridging the gender gap, addressing women's issues in manifestos, registering and mobilizing women voters.

YOUTH OUTREACH - Working with youth leaders to register and encourage the youth vote as well as incorporating youth issues and leaders into the main organization.

RESEARCH - Candidate research, survey research, demographic database and targeting.

5. Public Opinion Research - Previously banned political organizations and other parties whose constituency base is the currently disenfranchised population have suffered from a lack of resources and from what have become standard instruments for the development of strategy and tactics in modern democratic politics. Insufficient resources have been the principal restraint on these efforts. There is, however, an interest across the political spectrum in the type of information and analysis that modern public opinion research can provide; data and technology already incorporated into the sophisticated white political organizations.

NDI and IRI propose to commission a national "benchmark" study to survey the political landscape. This poll, which will be fairly general in nature, will not include traditional "horse race" numbers, but will include organization recognition, testing of policies and message, and mood of the electorate questions. The results and pertinent raw data from this poll as well as the basic analysis will be made available by NDI and IRI to all party organizations participating in the program.

A multi-party forum would be convened to discuss and distribute the results and the analysis of the poll. NDI and IRI will give political organizations and parties the opportunity to add a limited number of questions to the baseline poll for their own research.

E. Program Administration and Coordination

1. South African Secretariat - In order to maintain optimum "on-the-ground" administration of the programs, and due to the difficulties in communication and logistics, NDI, IRI and JCPES will open and staff a program office in South Africa. The office will include senior U.S. program staff members from NDI, IRI and JCPES and South African support personnel. This office will be located in Johannesburg.

The representatives will have primary responsibility for communicating with the political parties and other participating organizations to evaluate and refine the design of the program. In addition, the representatives will be responsible for continually monitoring the changing political and campaign environment. Traveling throughout the country, they will assess the nature of political competition throughout the campaign, the political parties' organizations and operations, as well as preparations for the elections. In-country personnel will establish close working relationships with political party leaders, civic leaders and government officials.

A more detailed description of the role and responsibilities of the South African Secretariat shall be contained in the Memorandum of Understanding to be signed by NDI as a Condition Precedent to disbursement of funds under this Agreement (see Attachment 1, Schedule, Section IX., Special Provisions).

2. Washington Steering Committee - NDI, IRI and JCPES will also establish a Steering Committee in Washington, D.C. to facilitate coordination between the home offices of the three organizations. Senior staff working on the South Africa program from each organization will meet regularly to ensure that each component of the program is proceeding on schedule, that administrative and programmatic issues requiring coordination are addressed and that adequate communication is maintained with the field office.

A more detailed description of the role and responsibilities of the Washington Steering Committee shall be contained in the Memorandum of Understanding to be signed by NDI as a Condition Precedent to disbursement of funds under this Agreement (see Attachment 1, Schedule, Section IX., Special Provisions).

F. Evaluation

NDI, IRI and JCPES plan to monitor and evaluate the program according to established evaluation procedures. In the short-run, the Institutes and the Joint Center will request written critiques from the international participants on elements of the program and will conduct on-site interviews with a sampling of South African participants to assess the utility of the material presented and implementation plans.

Staff from the NDI, IRI and JCPES will use visits to South Africa to determine how information imparted in the consultations is being used by each participating political organization. Party officials, candidates and independent observers, such as journalists, diplomats and voters, will also be interviewed.

Additionally, weekly or bi-weekly meetings in Washington with NDI, IRI, and JCPES program staff for South Africa and other relevant individuals will provide a regular forum for program evaluation and redesign. The Institutes and JCPES are prepared for an intensive and continuous exchange of information between South Africa and Washington and the importance of a rapid response to needs or problems that may develop. The on-going and extensive evaluation process built into this program may lead to recommendations for post-election related programs in South Africa.

If the program approach is found to be ineffective at any juncture, NDI, IRI and JCPES will work with the political organizations and USAID to restructure the program. South Africa is a dynamic political environment and flexibility in programming will be required.

Indicators that will be examined to assess the impact of the program will include the following:

- \* Were the political organizations successful in recruiting more, or more highly qualified, volunteers, staff and/or members?
- \* Did the political organizations utilize the information to develop voter contact and turnout strategies?
- \* Did the political organizations successfully develop, and communicate effectively to the public, a program or policy message?
- \* Did the political organizations come together to constructively discuss areas of cooperation and mutual interest?

One broader indicator, beyond the development of a particular party, would be the rate of voter participation in the first multi-party democratic elections.

FISCAL DATA AND CLEARANCES:

1. Fiscal Data:

Agreement No: 674-0301-G-SS-3061-00

Grantee: National Democratic Institute for International Affairs

Appropriation: 72-113-41014

BPC: GSS3-93-21674-KG13

Reservation Control No: B930-239

Amount: \$549,500

Total Project Obligations To Date including Current Grant Obligation: \$41,017,370

Total Project Authorization Amount: \$65 million

Agreement Completion Date: 6/30/94

Project Assistance Completion Date (PACD): 12/31/98

Funds Available: LA FUNDS AVAILABLE

ACCT: C DA COSTA

Date: 06/02/93

Drafted: CMango, GDO/CDD  
DKeene, RLA *for*

Clearance:

DRathbun:GDO *for*  
DWendel:GDO/CDD *for*  
JAddleton:PRO *for*  
GHensley:CONT *for*  
WFord:DD *for*

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: May 28, 1993

FROM: Daniel Rathbun, Chief GDO

SUBJECT: South Africa Community Outreach and Leadership Development Project (674-0301); Agreements with the National Democratic Institute for International Affairs (Agreement No. 674-0301-G-SS-3061-00), the International Republican Institute (Agreement No. 674-0301-G-SS-3062-00) and the Joint Center for Political and Economic Studies (Agreement No. 674-0301-G-SS-3051-00).

I. PROBLEM

Your approval is required to obligate a combined total of U.S. \$1,832,500 of FY1993 DFA funds under the Community Outreach and Leadership Development Project (674-0301) through Grant Agreements with the National Democratic Institute (NDI) (\$549,500), the International Republican Institute (IRI) (\$627,000) and the Joint Center for Political and Economic Studies (JCPES) (\$656,000).

II. AUTHORITY

Pursuant to Redelelegation of Authority No. 452, the Director, USAID/SA, has authority to authorize and execute grants, and amendments thereto, with U.S. non-governmental organizations (NGOs) in an amount not to exceed \$5.0 million per grant.

III. DISCUSSION

In support of the first democratic elections in South Africa, NDI, IRI and JCPES have proposed to undertake a year-long program of assistance, based on impartiality, non partisanship and neutrality, to help further the development of political organizations which are competing for the first time in multi-party elections. The objectives of the program are to enhance the capacity of democratic political organizations to effectively identify and educate voters; to enable these organizations to compete responsibly in South Africa's first democratic elections and to encourage confidence in the political institutions by the previously disenfranchised population.

In early April 1993, NDI/IRI/Joint Center co-sponsored in conjunction with several South African organizations, a conference for South African political organizations entitled "Competing in Democratic Elections." Building on this conference, NDI/IRI/JCPES propose to conduct a series of needs

assessments and intensive consultations designed to impart strategic advice and information to each party or alliance of parties throughout the pre-election period. The proposed project will utilize individual party advisories, training workshops and all-party forums to address the subjects of concern to political organizations competing in elections. The subjects might be specific to a particular organization, such as internal staff communication, or universal to all parties, such as access to the media. To adequately address the political environment in South Africa, the U.S.-based organizations will collaborate on overall strategy, implementation and presentation while dividing the responsibility and each taking a lead in an agreed-upon area of expertise.

The NDI and IRI consultations will concentrate on identified areas of interest of each party in election organization and technology, such as grassroots organization, voter contact and targeting, polling and research, media strategy, fundraising and resource allocation. In coordination with these consultations, JCPES will periodically convene round-table discussions with representatives from all of the parties on subjects of mutual interest and importance such as voter registration, media access, election security, code of ethics or election poll-watching. These forums will impart practical information on the subjects as well as facilitate dialogue and, where possible and desirable, coordination among the parties.

Due to the political sensitivities of such a program, a number of issues were raised during the course of the negotiation process. These included:

1. Whether USAID would enter into one or three grant agreements.
2. How technical assistance would be allocated among the competing parties or political party alliances.
3. The selection criteria for parties or alliances which can receive assistance under the program.
4. Prohibited areas of technical assistance.
5. The appropriateness of the perceived training and whether USAID would be perceived as favoring political groups or parties and intervening into sovereign affairs.
6. The difficulty of establishing a dialogue with all the political group parties concerned including South Africa and the implementing entities (NDI, IRI and JCPES) and USAID to effectively carry out the objectives of this grant.

These issues have been dealt with through a series of special provisions contained in each agreement and are addressed in greater detail below.

#### IV. ISSUES

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

A. Authorizing Authority - These Grant Agreements are authorized under the Comprehensive Anti-Apartheid Act of 1986 (CAAA), as amended, and the Development Fund for Africa (DFA).

1. CAAA - This activity is authorized under and fully consistent with the CAAA goal and policy objectives of helping to bring about an end to apartheid and establish a non-racial, democratic form of government in South Africa. See attached draft memo from RLA Donald Keene. GC/AFR has been consulted on this subject and has concurred in the opinion by RLA Donald Keene that the subject activities can be authorized under the CAAA. Assistance to help formerly disenfranchised political groups compete on an equal footing with established political parties will contribute to the likelihood that the first democratic election will be successful. A free and fair election is one of the major milestones in attaining the goal of a non-racial democracy.
2. DFA - In addition to being authorized under the CAAA, the proposed activities arguably meet DFA funding criteria. Assistance programs under the DFA must demonstrate long-term development impact. This proposed program of support will enable political organizations which have never participated in the democratic political process to compete effectively in South Africa's first democratic election. The conduct of free and fair elections is absolutely essential if South Africans are to resolve their political problems and begin addressing the pressing economic and social issues that face them. Given the history of apartheid, the parties representing the disenfranchised majority have no experience competing in elections. The proposed program will provide a comprehensive program of technical assistance and training that will increase the capability of these political organizations to compete on a more equal footing with the established political parties. This program will have a direct, long-term impact if the elections are successful and the country can then turn its attention to attracting investment, increasing economic opportunities for its citizens and developing equitable social programs.

B. Action Plan and Strategic Objective - The proposed program was discussed and approved during the COLD Action Plan on March 30, 1993. This activity is consistent with the strategic objective of increasing the capacity of the majority population to participate fully in the political development and governance of South Africa. Further, the activity supports the strategic target of helping black South Africans prepare for the conduct of and participation in a democratic electoral process. This program is also consistent with the COLD Project Paper which contains as one of its five priority areas, assistance for programs which support democratic processes and institutions.

C. Three Separate Grant Agreements - Initially USAID had determined that the best means for ensuring adequate coordination of this complex and potentially controversial program was through one grant agreement. However, neither NDI, IRI nor JCPES would agree to a joint grant agreement with USAID, because of operating restrictions of their own. After much deliberation and consultation, the GDO and RLA determined that entering into three separate grant agreements would be the best course of action. This decision was based on legal, financial and administrative management concerns which would have been difficult to resolve within a single grant agreement. We believe that coordination in this sensitive technical area is a continuing concern and highly problematic. To ensure coordination among the three implementing organizations a Memorandum of Understanding (MOU) among the three parties is required as a Condition Precedent to disbursement under each Agreement (see below).

D. Memorandum of Understanding (MOU) - As a Condition Precedent to disbursement in each Agreement, the three implementing organizations will be required to sign a joint MOU which clearly states the procedures for coordinating the implementation of the program. The MOU shall include a complete description of coordinating mechanisms to be employed as related to program policy, political issues, program operations, administration, communications and reporting and financial management. The MOU shall be approved in writing by USAID prior to any disbursements under any of the Agreements. Any substantive amendments to the MOU will also require USAID approval. A further special provision in each Agreement states that USAID can suspend disbursements if the Grantee fails to comply with the MOU. The GDO, the RLA and the Controller's office believe that the MOU is a workable means of ensuring the level of coordination necessary for such a politically sensitive program.

E. Special Provisions - Each Agreement also contains a number of other special provisions as described below.

1. Bi-partisanship - The Agreements with NDI and IRI contain a special provision requiring the two

Institutes to ensure that all teams constituted and all activities conducted under the Agreements be bi-partisan (i.e., Democratic and Republican) in nature.

2. Selection Criteria for Participation in Party Training - Participation in individual training programs funded under the Agreements is available only to political parties, movements, organizations and coalitions or alliances that:

--have not previously competed in multi-party national elections; and

--have publicly subscribed to the principle of non-violence, in form and substance satisfactory to USAID; and

--whose support is drawn principally from the historically disenfranchised segments of the population.

3. Selection Criteria for Participation in the Multi-Party Forums - Participation in the multi-party forums will be open to all groups (political parties or organizations, churches, non-governmental organizations, trade unions) and organizations that:  
(1) have publicly subscribed to the principle of non-violence, in form and substance satisfactory to USAID;  
(2) are directly involved in the elections process; and  
(3) are committed to the democratic process.

4. Prohibited Activities - Each Agreement contains a special provision that no USAID funds may be used: 1) to influence the outcome of any election; 2) for any direct or indirect support to campaigns for political office; or 3) for assisting in the areas of political platform development, political spying or other "dirty tricks" tactics. The Agreements further prohibit the procurement of any commodities normally considered luxury goods, including alcoholic beverages.

F. Cost Negotiations - The Mission conducted verbal negotiations with NDI, IRI and JCPES to establish its priorities for funding on April 5, 1993. The budgets of all three organizations contain salaries, travel and per diem, program costs, consultant fees, supplies and equipment and overhead rates. The IRI and JCPES Agreements also contain line items for sub-agreements. Salaries do not exceed top USG daily consultant rates and travel and per diem costs are based on actual prevailing rates. Other costs are within the standard range for this type of activity. 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.

G. 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." NDI, IRI and JCPES have submitted a joint unsolicited proposal, and it is the determination of GDO that the activity is innovative and unique because the concept of a political party training program was initially proposed by NDI in 1992 and the Mission knows of no other program that provides individual training to political parties. Subsequently, NDI entered into a partnership with IRI and JCPES to carry out the proposed program. Because this activity is consistent with USAID program objectives and is so innovative and unique, acceptance of the NDI/IRI/JCPES proposal would be fair and reasonable and would represent an appropriate use of USAID funds.

H. Technical and Management Capability - All three organizations have an impressive track record of carrying out USAID-funded programs.

NDI is currently implementing a voter education program in South Africa under a USAID/SA grant. Implementation of this program has proceeded in a satisfactory manner. IRI has been the recipient of other A.I.D. grants for similar types of programs and, to the knowledge of GDO, there is no reason to question the capability of IRI to carry out this program. JCPES currently serves as the U.S. intermediary for a USAID/SA-funded grant to IDASA which is provided under an umbrella grant to the National Endowment for Democracy (NED). JCPES has served in this position since 1986 and has carried out all the duties required under its sub-grant arrangement with NED in a fully satisfactory manner. Finally, the high quality of the joint NDI/IRI/JCPES proposal and technical discussions with the prospective grantees allowed GDO to determine that the three organizations possess the technical and managerial capability to successfully carry out the proposed program.

I. Financial Management Capability - No USAID/SA funded financial reviews are required for these Agreements. NDI and IRI have been audited by the General Accounting Office, the U.S. Information Agency and A.I.D. They currently possess a Federal Reserve Letter of Credit issued by FA/FM/CMP/LC. JCPES financial systems were examined during the PVO registration process and were found to be satisfactory.

J. PVO Registration - Neither NDI nor IRI qualify as Private Voluntary Organizations, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010 because they do not solicit or receive funds from the general public and are not voluntary organizations. JCPES was registered as a PVO with A.I.D. on May 7, 1993.

K. FAA Section 123(g) Privatness Test and 25% Contribution Requirement - FAA Section 123(g) requires that, to receive DA or DFA funds, a U.S. PVO must obtain at least 20% of its total annual financial support for its international activities from sources other than the U.S. Government. In addition, a 25% non-A.I.D. contribution is required, as a matter of policy, for Mission-funded U.S. PVO or NGO activities supported through grants or cooperative agreements. All three organizations are providing in-kind support and are contributing part of the overhead costs of the planned activities. Since the total sum of the grantees' contribution does not reach 25% of the program's cost, it is the opinion of the GDO and RLA that the requirement be waived given the urgency and political sensitivity of the proposed grant program.

#### 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 Recipient 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) the 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 Recipient 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 Community Outreach and Leadership Development Division 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 Agreements to the National Democratic Institute for International Affairs, the International Republican Institute and the Joint Center for Political and Economic Studies by signing below; and (3) execute said Agreements, as attached, by signing on the appropriate page and line as indicated.

Approved: \_\_\_\_\_

*Leslie A. Dean*

Leslie A. Dean  
Director, USAID/SA

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

*June 7, 1993*