

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID/South Africa

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April 26, 1993

Ms. Evelyn S. Rabaje
Phambili Women's Organisation
P.O. Box 23697
Claremont
7735

Subject: South Africa Community Outreach and Leadership
Development Project
Grant Agreement with Phambili Women's Organisation
(PWO)
Agreement No. 674-0301-G-SS-3016-00

Dear Ms. Rabaje:

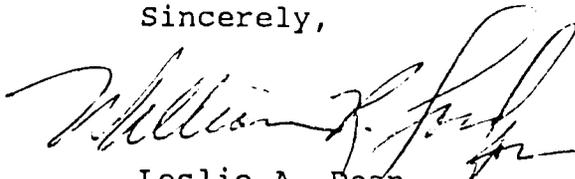
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Comprehensive Anti-Apartheid Act of 1986, as amended, the Agency for International Development (hereinafter "USAID") hereby enters into this Grant Agreement (hereinafter "Agreement" or "Grant") with Phambili Women's Organisation (hereinafter "PWO" or the "Grantee") and obligates the sum of \$105,000 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 the date this letter is signed by an authorized USAID representative. The Agreement shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on the effective date of this letter and ending May 31, 1995.

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

We request that you and a member of the board or trustee of the Phambili Women's Organization sign the original and one (1) copy of this letter and then return the original to USAID/South Africa, P.O. Box 55380, Arcadia 0007.

Sincerely,



Leslie A. Dean
Director

Date: 7/26/93

ACKNOWLEDGED AND ACCEPTED
Phambili Women's Organisation

By: Evelyn Rabaje
Title: Director
Date: _____

By: _____
Title: _____
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).

ATTACHMENT 1
SCHEDULE

I. OVERVIEW OF AGREEMENT

This Agreement supports the AIDS Education in Rural South Africa (AERSA) Program of the Phambili Women's Organisation. Specific activities funded under the Agreement are more fully described in Attachment 2, Program Description.

II. PERIOD OF AGREEMENT

The effective date of this Agreement is the date the cover letter is signed by an authorized USAID representative. Unless otherwise agreed to by USAID in writing, the expiration date is May 31, 1995, meaning that no USAID funds under this Agreement shall be applicable to goods not furnished or services not performed for the program by this date.

III. AGREEMENT FUNDING AND PAYMENT

A. The total estimated amount of USAID funds to be provided under this Agreement for the period shown in Section II. above is U.S. \$200,000.

B. A.I.D. hereby obligates the amount of U.S. \$105,000 for eligible program expenditures during the estimated period of the effective date of this Agreement through May 31, 1994.

C. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Additional Standard Provision 1, entitled "Payment - Periodic Advance," and as provided for in Attachment 4, "Disbursement of and Accounting for Agreement Funds."

D. Additional funds up to the total amount of the Agreement as shown in Section III.A., above, may be obligated by A.I.D. 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, entitled "Revision of Grant Budget."

IV. FINANCIAL PLAN

A. Illustrative 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.

Table 1

Illustrative Financial Plan
South African Rand (SAR)

<u>Item</u>	<u>Total</u>
Compensation (salaries)	129,950
Travel and Per Diem	20,000
Training and evaluation	44,000
Equipment and procurement	17,300
Grant activities and materials	20,000
Administrative support costs	40,000
Recipient audit	<u>28,000</u>
Total	299,250

B. Level of Assistance

The total Rand amount in the Illustrative Financial Plan (Table 1) above is the maximum Rand amount available under this Agreement. The conversion rate from U.S. Dollars will be the prevailing rate at the time of conversion as determined by the Controller, USAID/South Africa. To determine the U.S. Dollar amount of the Agreement, an exchange rate of R2.85 to one (1) U.S. Dollar will be used. Notwithstanding the above, in no event will the total Rand amount provided to the Grantee under the Agreement exceed the obligated Dollar amount provided for in Section III. B. above.

Due to exchange rate fluctuations, the total amount of Rands available after converting the total obligated 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 written, semi-annual progress reports to USAID on activities funded and general performance under the Agreement. The semi-annual reports shall include a brief description of program accomplishments during the preceding six months and a discussion of any problems encountered and how they were resolved. The semi-annual reports shall be submitted to USAID by September 30 and March 31 during each year this Agreement is effective. The Grantee will also submit a written final report on all activities financed by the Agreement within 60 days of the expiration of 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 goods and services, their nationality in the United States, the Republic of South Africa or in other countries included in A.I.D. Geographic Code 935. To the maximum extent practicable, goods and services financed with funds provided under this Grant should be procured from the United States. Please refer to Attachment 5 for a list of countries included in Code 935.

IX. SPECIAL PROVISIONS

A. Procurement

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

2. Policy: In the procurement of goods and services in South Africa, the Grantee shall, to the maximum extent practicable, award contracts to individuals who or organizations which are 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. Evaluation

Within 3 months of the initiation of this Agreement, Grantee agrees to meet with its USAID Project Officer in order to devise a written plan of action for on-going assessment of the project's operation and interventions. This action plan shall include a proposal for an overall evaluation of the impact of this project within its target populations.

G. Conditions Precedent

There shall be no disbursement of any Agreement funds, other than to appoint a bookkeeper and to contract with a public accounting firm, if a satisfactory follow-up financial review of the Phambili Women's Organization has not been completed. The Phambili Women's Organization will inform USAID, in writing, when internal control and accounting systems have been implemented and when a bookkeeper has been appointed. A follow-up financial review will then 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. OVERVIEW OF AGREEMENT

Funds under this Agreement are provided to the Phambili Women's Organization to support its AIDS Education in Rural South Africa Program. The program is fully described in Section V. below.

II. BACKGROUND

Phambili Women's Organization was founded in 1990 by under-employed/unemployed semi-literate women residents of Khayelitsha squatter area. These women came from the country's rural areas, particularly from the homelands of South Africa. At the outset, the fundamental question for Phambili Women's Organization was "To what extent does AIDS education reach the most disadvantaged members of our society?". The considerations that have been highlighted and interactions with disadvantaged communities in South Africa has led to the development of the project entitled "AIDS Education in Rural South Africa" (AERSA) identifying rural women as the prime target. This is consistent with USAID/South Africa's commitment to support HIV prevention activities which target the prevention of sexual transmission of HIV; reduction of the impact of HIV/AIDS on individuals, groups and societies; and the prevention of perinatal transmission of HIV.

The current staff of the Phambili Women's Organization includes seven full-time permanent, two full-time temporary and two part-time members. Its board of trustees is comprised of eight individuals.

III. PROBLEM

The burden of AIDS complicates the already complex health situation in developing countries which is characterized by preventable infectious diseases, poverty-related diseases and an increasing burden of life-style related chronic diseases.

The increase in heterosexual transmission of AIDS and rapidly increasing rates of HIV infection among women of child-bearing age further complicates the problem. According to the World Health Organization, about one third of the 8-10 million people infected with HIV worldwide are women, while in Sub-Saharan Africa approximately equal numbers of men and women are infected.

Black women in South Africa are faced with triple oppression in terms of class, race and gender. These inequalities contribute to their low status in society and lead to a host of problems uniquely experienced by women: economic dependence on men, lack of access to education and health care, violence and sexual coercion by men. These factors all impact on the ability of women to protect themselves from HIV infection. The implications of a society plagued by AIDS are much greater for women. Apart from having to care for themselves, women are the care-givers to their children as well as their partners. It is thus inevitable that the burden of caring for those infected with HIV and dying of AIDS rests on the women in the communities. Rural women have the lowest literacy levels in the country and this has made most AIDS education programmes inaccessible to them.

In South African communities, women have been the targets of many myths and misconceptions about HIV/AIDS, for example, commonly heard statements include "AIDS is a disease of prostitutes" and "AIDS is a disease called 'Boswagadi' caused by widows who engage in sexual activities without being cleansed by traditional healers." It is thus important that any successful AIDS education program should take cognisance of the traditional beliefs of the people while empowering women and challenging the traditional myths surrounding HIV/AIDS.

IV. PURPOSE

The purpose of this Agreement is to support the AIDS Education in Rural South Africa program of the Phambili Women's Organization. The aim of this program is to educate women in specific rural and peri-urban communities about HIV infection and AIDS using a development and participatory approach in order to prevent the growing spread of HIV in South Africa.

V. PROGRAM DESCRIPTION

The objectives of this project are:

1. To educate 100 community health workers (CHWs) about HIV/AIDS and to train them as AIDS educators by December 1993;
2. to assess the level of knowledge and awareness about HIV/AIDS in the target communities;
3. to implement the AIDS Education Program; and
4. to evaluate the impact of the project in the target communities.

The target group of this project will be women in rural areas in Western Transvaal and Southern Natal, and peri-urban communities in the Western Cape who live in conditions of severe poverty. Secondary target groups, namely literacy facilitators and traditional healers, have also been identified.

Most of the target group speak Nguni (Western Transvaal), Sotho and Tswana. All aspects of the project will be conducted in the preferred language of the target communities.

A. Training of Community Health Workers

Community health workers from local communities will be trained. The training program will take the format of short courses, seminars, workshops, conferences, participation in health campaigns and other health-related activities. The latter includes activities involving traditional healers. The content of the training program will be planned in collaboration with organizations already providing AIDS training, for example the AIDS Training Information Centre, Progressive Primary Health Care Network and AIDSCOM. Technical assistance and training expertise will be drawn from these and other organisations, particularly women's organizations, who share similar principles in development.

The training process will have three stages: training in core modules (to provide the basic knowledge, e.g., AIDS education, communication skills, health promotion theory, evaluation etc.), training in specialised modules (to provide additional skills required by the CHW, e.g., practical life skills, counselling skills, record keeping, community research and literacy training) and fieldwork training. During the training period, tool kits and AIDS education material and media will be developed for use in the following phase.

The first fieldworker training task will be to undertake a pilot survey to assess the level of knowledge and awareness about HIV/AIDS in the community. At the end of the training process the survey will be conducted again, thus giving the CHWs baseline information that is essential for the planning of the AIDS Education Program.

Throughout the implementation of the project, refresher courses and additional specialised modules will be provided to ensure continued development of the CHWs. Phambili's philosophy of development and participation will provide the framework for the training program and the interaction with the CHWs. This will contribute to the sustainability and success of the project.

The output of this phase will be:

- Three regional and one national training workshop.
- 100 CHWs who have been trained as AIDS educators.
- AIDS Education material and media.
- Information for planning of the Education Program in the form of a manual.
- Baseline data for use in the evaluation phase.

B. Implementation of the AIDS Education Program

The AIDS Education Program will aim to raise the knowledge and awareness about HIV/AIDS, to impart skills to avoid the transmission of HIV/AIDS (including condom usage), to help families cope with HIV infection and AIDS and to assist communities to develop a home-based care system for people with AIDS.

The methodology that will be followed to raise knowledge and awareness will be community or women's meetings, story telling, poetry, drama, street theatre and puppetry. Although community or women's meetings and story-telling will be the main education strategy used, the specific approach for each community will depend on local conditions, resources available and needs of the local community. Media activities, for example posters, audio tapes, textile printing, pamphlets, etc., will complement the other educational activities. These will coincide with church activities such as youth group meetings, United Women's Groups and other cultural events in the communities.

The number of CHWs that will be employed will depend on the size of each village, but it is estimated that 100 CHWs will be required. The fieldwork will be task-oriented and each CHW will be allocated to the particular geographic part of the village where they will interact with churches, cultural and women's groups and other community structures. The CHW will also provide pamphlets with information about AIDS to the community at large and distribute condoms. Each CHW will keep a diary of all activities and their assessment of progress and future plans. Surveys and focus-group discussions will be used to assess, among others, knowledge about HIV/AIDS, attitudes toward people with AIDS and changes in sexual behaviour.

In each region there will be a local project co-ordinator who will oversee the CHWs. He/she will be responsible for the management of the regional office, co-ordinate local activities and facilitate regional progress assessments and strategy planning meetings. He/she will liaise with the national project co-ordinator who will be based in the national office in the Western Cape.

C. Evaluation

An ongoing participatory evaluation approach will be followed by developing people's abilities and skills to monitor their own progress. This approach enhances the collective responsibility for the project among the CHWs and contributes to a sense of ownership of the project.

The information from the CHWs' diaries and records will be used in the evaluation process. Regional progress assessment and strategy planing meetings will be held periodically utilising this information. During the evaluation the input process and output measures will be evaluated. Some of the indicators that have been identified are: knowledge about HIV/AIDS, community support and attitudes toward people with AIDS, availability and condom usage, changes in sexual behavior and availability of health care for people with AIDS.

VI. ILLUSTRATIVE FINANCIAL PLAN

Funds under this Agreement are provided specifically for items identified in the following detailed Illustrative Financial Plan:

ILLUSTRATIVE FINANCIAL PLAN
(South African Rand)

<u>Cost Element</u>	<u>1993/1994</u>
1. <u>Compensation</u>	
Director	14,000
Media Program Coordinator	12,000
Staff Development Trainer	9,600
Program Coordinator	9,600
Field Workers (2)	32,000
Accountant/Bookkeeper	12,250
Data Coordinator	8,000
Community Health Workers (10)	10,000
Resource personnel (3)	14,500
Secretary	<u>8,000</u>
Subtotal	129,950
2. <u>Travel and Per Diem</u>	
Transport	10,000
Per Diem	<u>10,000</u>
Subtotal	20,000
3. <u>Training and Evaluation</u>	
Courses	20,000
Fieldworker evaluation	7,000
Workshops	4,000
Subcontracts to NPPHCN/ATTIC for training	3,000
Subcontract to MRC for project evaluation	<u>10,000</u>
Subtotal	44,000
4. <u>Equipment and Procurement</u>	
Video camera and monitors (X 2)	4,000
Tape recorders (X 20)	1,000
Computer and printer (X 2)	3,000
Cameras	300
Photocopiers (X 2)	2,400
Maintenance	4,000
Fax machines (X 3)	<u>2,600</u>
Subtotal	17,300
5. <u>Grant Activities and Materials</u>	
Printing	12,000
Materials	5,000
Paper	<u>3,000</u>
Subtotal	20,000

6. <u>Administrative Support Costs</u>	
Office rent (X 3)	12,000
Telephone/fax (X 3)	2,000
Utilities (X 3)	3,000
Photocopying	3,000
Stationery	3,000
Postage	1,000
Insurance	3,000
Security system	3,000
Public Accounting firm	<u>10,000</u>
(part-time)	
Subtotal	40,000
7. <u>Recipient Audit</u>	<u>28,000</u>
TOTAL	299,250

Funds under this Agreement may not be used for the purchase of vehicles, liquor, land or buildings, for the construction or renovation of buildings or for the expenses of family or friends of program participants.

FISCAL DATA:

Phambili Women's Organisation

Agreement No: 674-0301-G-SS-3016-00

Appropriation: 72-113/41014

BPC: GSS3-93-21674-KG13

Reservation Control No: B9130190

Amount: \$105,000

Total Project Authorization Amount: \$65 million

Agreement Completion Date: May 31, 1995

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

Funds Available:

Acct.: C1000

Date: 04/20/93

Drafted: JGayle, GDO/CDD ajm
Cleared: CMango, GDO/CDD cm
DRathbun, SGDO DR addl.
WLivengood, DCONT WL
JAddleton, PROG JA
TRiedler, RLA TR
WFord, DD WF

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

Date: April 16, 1993
From: Cecily Mangoni  CDD
Subject: Community Outreach and Leadership Development (COLD)
Project (674-0301)
Phambili Women's Organization
Agreement No. 674-0301-G-SS-3016-00

I. PROBLEM

Your approval is required to obligate U.S. \$105,000 of FY1993 funds under the Community Outreach and Leadership Development (COLD) Project (674-0301) through a Grant Agreement with Phambili Women's Organization, 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

Phambili Women's Organisation was founded in 1990 by underemployed/unemployed semi-literate women resident in the Khayelitsha squatter area. These women come from the country's rural areas, particularly from the homelands of South Africa.

At the outset, the fundamental question for Phambili Women's Organisation was, "To what extent does AIDS education reach the most disadvantaged members of our society?" The considerations that have been highlighted and interactions with disadvantaged communities in South Africa have led to the development of the project entitled, "AIDS Education in Rural South Africa (AERSA)," which identifies rural women as its prime area of focus. This is consistent with USAID/South Africa's commitment to support HIV prevention activities which target the prevention of sexual transmission of HIV; reduction of the impact of HIV/AIDS on individuals, groups and societies; and the prevention of perinatal transmission of HIV.

AERSA will involve outreach strategies through the use of community health workers/educators (CHWs). The CHWs will be especially helpful in working with semi-literate women who would otherwise not be reached via print materials.

IV. ISSUES

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

A. Action Plan and Strategic Objectives - This proposed Agreement was discussed during the FY93 COLD Action Plan review of January 15 and approved. This activity is consistent with the Mission's objectives and targets pertaining to prevention of HIV transmission through prevention education, especially as it related to sexual and perinatal transmission.

B. Grantee's Illustrative Budget and Cost Negotiation - The Community Development Division (CDD) conducted verbal negotiations with Phambili Women's Organisation to establish its priorities for funding. The budget and costs have been reviewed within the Mission as part of the grant approval process and are reasonable and appropriate for an grant of this nature. Salaries covered by this Grant are competitive and reasonable for the regions in which activities are to be conducted and the skills necessary for the tasks. Furthermore, travel costs for rural outreach are reasonable.

C. Noncompetitive Justification - Although competition is to be encouraged in the award of grants and cooperative agreements to NGOs (Handbook 13, Chapter 2B), Chapter 2B3a permits exceptions to competition where the proposal "is not solicited by A.I.D." and where the proposal is "unique, innovative, or proprietary and acceptance would be fair, reasonable, and would represent appropriate use of A.I.D. funds to support or stimulate a public purpose." The Phambili Women's Organisation has submitted an unsolicited proposal, and it is the determination of CDD that the activity is "unique, innovative or proprietary." No other NGO project to date has the unique ability to serve the semi-literate rural communities of women with health workers who are trained in special education for low literacy populations, community-based evaluation research methodologies and HIV prevention strategies. Such a concept of community-based health care workers/researchers is both unique and innovative. Because this activity is also consistent with USAID program objectives, acceptance of the Phambili Women's Organisation proposal would be fair and reasonable and would represent an appropriate use of USAID funds.

D. Technical and Management Capability - It is CDD'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 discussion with the grantee organization and members of its board of directors.

E. Financial Management Capability - A financial review of Phambili Women's Organisation financial management systems was conducted on March 19, 1993 which certified that the Grantee possesses inadequate accounting systems, books and records for the administration of this Agreement. Recommendations made were that the Grantee be disbursed funds solely for the appointment of a bookkeeper and to contract with a public accounting firm. After this, a follow-up financial review should precede further disbursements.

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 is not tax-exempt.

G. Grantee Contribution - The Phambili Women's Organization is a fledgling operation which, until this award, has not received substantial funding. It is not feasible at this time for this organization to be expected to provide 25% or more of its project costs, unless the work of its volunteer corps is considered as grantee contribution.

H. Sustainability - It is anticipated that an initiative for rural health promotion such as this might be incorporated within governmental health activities once an interim government is established.

I. Standard Issues

1. Section 611(a) Requirements - Consistent with Section 611(a) of the FAA, adequate technical and financial planning underlie the proposed Agreement and reasonably firm cost estimates have been established. Such planning is evidenced by the Agreement program itself, as described in Attachment 2 of the proposed Agreement, which contains a detailed methodology for implementing Agreement activities and attaining specified Agreement outputs. The Illustrative Financial Plan is based on reasonably firm cost estimates for program activities.

2. Payment Verification Requirements - Payment verification requirements for the Grantee are satisfied by: (a) the specification of financial management and reporting procedures in the attached Agreement; (b) the certification by the USAID Controller of the recipient organization's ability to handle initial Agreement disbursements; and (c) provision in the proposed Agreement for annual audits of use of Agreement funds.

3. Recurrent Costs - Donor financing of recurrent costs, such as salaries, allows the Grantee to provide an essential service that is unmet by the public sector and, due to the limited income of the beneficiaries, cannot be met through normal market channels. Recurrent cost assistance in such cases is justified under category 2 of USAID's Recurrent Cost Policy. The "design considerations" outlined in this policy document have been taken into consideration in the design and negotiation of this Agreement.

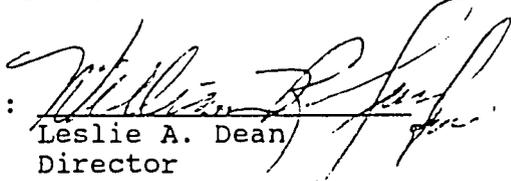
4. Selection of a Grant as the Assistance Instrument - It is the determination of the Community Development Division that, in accordance with Handbook 13, Chapter 6, a grant is the appropriate assistance mode to be utilized, as A.I.D. is not procuring goods or services and does not require a substantial 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.

5. Travel Policies - The Grantee has been requested to provide for USAID approval its travel and per diem policy for travel not to exceed U.S. Government rates. In the case that the Grantee does not establish a travel and per diem policy, the prevailing U.S. Government rates shall apply.

IV. RECOMMENDATION

It is recommended that, pursuant to your authority under Redefinition of Authority No. 452, you: (1) approve noncompetitive selection in accordance with the justification provided above; (2) authorize the proposed Agreement to the Phambili Women's Organization by signing below; and (3) execute said Agreement, as attached, by signing on the appropriate page and line as indicated.

Approved: _____


Leslie A. Dean
Director

Disapproved: _____

Date: 4/26/93

Drafted: JGayle, GDO/CDD MA
Cleared: DRathbun, SGDO (draft)
JAddleton, PROG MA
TRiedler, RLA (draft)
WFord, DD MA
WLivengood, JCONT (draft)