

FD-ABC-74

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



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1993 -09- 14

African American Labor Center
Ms. Barbara Lomax, South Africa Representative
118 Jorissen St., Suite 701
Braamfontein 2017

Subject: South Africa Community Outreach and
Leadership Development Project; Grant Agreement with
African American Labor Center (AALC); Agreement No.
674-0301-G-SS-3142-00

Dear Ms. Lomax:

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 African American Labor Center/American Federation of Labor-Congress of Industrial Organizations (hereinafter "AALC" or the "Grantee") and obligates the sum of \$500,000 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 and obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on the effective date of this letter and ending August 31, 1994.

This Agreement is entered into with the Grantee on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, "Schedule," Attachment 2, "Program Description," Attachment 3, "Standard Provisions," Attachment 4, "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.

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We request that you and an authorized representative of the AALC sign the original and one (1) copy of this letter and then return the original to USAID/South Africa.

Sincerely,

Leslie A. Dean
Leslie A. Dean
Director

Date: Sept. 14, 1993

ACKNOWLEDGED AND ACCEPTED
African American Labor Center/AFL-CIO

By: Mr. Patrick J. O'Farrell
Title: Executive Director
Date: _____

By: Ms. Barbara Lomax
Title: South Africa Country Representative
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)

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ATTACHMENT 1
SCHEDULE

I. OVERVIEW OF AGREEMENT

The proposed Grant with AALC will provide support for the development of non-partisan and non-political voter education and support activities with key South African labor union federations. The Grant will enable AALC to assist labor unions to assemble and develop where necessary voter education materials, train union membership and their families and assist with the organization of voter registration/ID programs.

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

III. AGREEMENT FUNDING AND PAYMENT

A. USAID hereby obligates the amount of \$500,000 for eligible program expenditures under this Agreement.

B. Payment shall be made to the Grantee 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 the Grant, superseding and taking precedence over any other provision of this Grant concerning payment.

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 2, Section VI., is a Detailed Illustrative Financial Plan.

Table 1
Financial Plan
U.S. Dollars

| <u>Item</u> | <u>Total</u> |
|---|--------------|
| Compensation (salaries) | 81,847 |
| Travel and Per Diem | 59,500 |
| Local Office Rent, Communications, Supplies | 40,000 |
| Voter Education Programs | 206,250 |
| Sub Total | 387,597 |
| Overhead @ 29% | 112,403 |
| Total | 500,000 |

V. REPORTING

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

VI. INDIRECT COSTS

Indirect costs under this Agreement will be reimbursed at a predetermined indirect cost rate. This rate is 29% against a base which is equal to all direct costs. The total of the indirect costs reimbursable under this Agreement shall not exceed \$112,403.

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. Procurement

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

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

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

B. Competition

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

C. Staff Recruitment

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

D. Travel and Per Diem

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

regulations governing travel and per diem shall apply.

E. Political Affiliation

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

F. Non-Partisan Voter Education Materials and Training

The Grantee agrees that no funds provided under this Grant will be used to influence the outcome of any election and that the voter education and support materials and activities funded hereunder will be developed on a non-partisan, non-political, and impartial basis and without any implied, perceived or actual reference to political parties or groups. Outreach workers and other specialists associated with any aspect of this voter education and support activity will not express or espouse a political preference, encourage a political position or orient education activities toward any political party or grouping during their participation in the training and outreach programs.

G. Collaboration with Other Existing Voter Education Activities

The AALC will collaborate with other voter education and support activities to the extent necessary to ensure that voter materials are shared and that new materials are not developed that already exist.

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

The proposed Grant with the AALC will provide support for the development of voter education and support activities with key South African labor union federations. The Grant will enable AALC to assist labor unions to assemble and develop where necessary, voter education materials, train union membership and their families, and assist with the organization of voter registration/ID programs.

II. BACKGROUND

The African-American Labor Center is the arm of the American Federation of Labor-Congress of Industrial Organizations. The AALC has provided labor union training programs and other institutional strengthening programs under a Cooperative Agreement with USAID since 1983. The AALC within the past two years has made significant progress in establishing a technical relationship with key labor unions in South Africa. The AALC has established a local office in Johannesburg and has accelerated labor union institutional support programs. The USAID is planning, subject to the availability of funds and agreement of the Parties to proceed with the Grant Program, on extending the Cooperative Agreement with AALC/AFL-CIO to 1997 which will enable the continuation of AALC/AFL-CIO institutional strengthening programs through the transition to majority government phase.

The proposed Grant builds on AALC's institutional strengthening and civic education programs funded under the Cooperative Agreement with USAID. The proposal for voter education and support activities was developed from a assessment carried out by a team of three (3) political education specialists from the AFL-CIO's Committee on Political Education (COPE). The COPE team identified areas of potential support to South African labor unions for voter education.

The proposed Grant with the AALC directly supports the Community Outreach and Leadership Development Project objectives of empowering black leadership and promoting democratic processes. The AALC proposal also directly addresses the Mission-wide Strategic Target of helping to prepare for a free and fair election.

III. PROBLEM

The majority of the population of South Africa has never

participated in a national election nor have been permitted to exercise their democratic right to vote for the most fundamental civic activities. In addition, approximately half of the population of South Africa is functionally illiterate and innumerate. As a result, the disadvantaged population is largely uninformed about the procedures and practices of a national election. As South Africa moves to its first ever majority, national election, most of its citizens are largely uninformed about basic elements of a civil society, elections processes, accountability and the steps and procedures for polling. The proposed Grant to AALC will strengthen South African labor union voter education programs to inform its membership on the basic elements of a civic society, accountability in a democratic society, the elections processes, and polling.

IV. PURPOSE

This Grant will enable the AALC to strengthen selected labor union voter education, voter registration/ID and voter support programs.

V. PROGRAM DESCRIPTION

The AALC will develop programs to strengthen labor union voter education and voter registration activities. The AALC will also assist South African labor unions to:

1. develop election and political education departments;
2. assemble and develop voter education materials;
3. organize voter information and education programs and mobilize membership; and
4. develop voter education and registration/ID programs and mobilize members of labor unions and their families.

The Grant will enable the AALC to provide labor union election specialists to support South African labor union voter education activities, conduct workshops, train trainers for voter education and develop voter education and registration materials.

The AALC will work primarily with two major national labor union federations: Congress of South African Trade Unions (COSATU) and the National Congress of Trade Unions (NACTU). The AALC voter education specialists will train approximately 50 trainers each from COSATU and NACTU. These 100 trainers will in turn train other trainers in the labor union branches and affiliates.

It is anticipated that the voter education and support program will be carried out in 9 labor union regions that make up the national federation membership throughout South Africa. Approximately 14 branches within the COSATU affiliate and 23

branches within the NACTU affiliate will receive training. The network of labor union affiliates and trainers will allow approximately 983,000 COSATU and 258,000 NACTU membership and their families to be trained in voter education, civil society and polling procedures.

VI. DETAILED ILLUSTRATIVE BUDGET

U.S. DOLLARS

| <u>Cost Element</u> | <u>Budget Amount</u> |
|---|----------------------|
| 1. Compensation: | |
| a. 1 LT Specialist (6 Months) Salary and Benefits | \$38,847 |
| b. Assistance Coordinator 2 X \$6,000 | \$12,000 |
| c. Secretaries (2 X \$3,000) | \$6,000 |
| d. AFL-CIO Administration | |
| 1. COPE Administrator 1/3 | \$11,500 |
| 2. Secretary Salary 1/2 | \$13,500 |
| 2. Travel and Per Diem: | |
| a. Int'l Travel LT Spec (1 X \$5000) | \$5,000 |
| b. Int'l Travel ST Spec (3 X \$5000) | \$15,000 |
| c. Local Travel (2PAs X \$5000) | \$10,000 |
| d. Local Travel (ST: 3x\$3000) | \$9,000 |
| e. Vehicle Lease and POL LT Spec | \$7,000 |
| f. Per Diem (3STX30dX\$150) | \$13,500 |
| 3. Voter Education and Support Programs: | |
| a. Federation Networking: | |
| 1. Per Diem | \$19,200 |
| 2. Venue | \$2,000 |
| 3. Supplies & Materials | \$10,000 |
| 4. Local Travel (2X\$200X60p) | \$24,000 |
| 5. Material Copy & Distribution | \$20,000 |
| b. Regional Programs: | |
| 1. Venue | \$6,000 |
| 2. Transportation (100pX\$10X6sX2l) | \$30,000 |
| 3. Per Diem (100pX6sX2l) | \$12,000 |
| 4. Supplies & Materials | \$10,000 |
| 5. Trainer Travel (2tX\$200X6sX2l) | \$4,800 |
| 6. Trainer Accomodation (2tX\$80X6sX2l) | \$1,920 |
| c. Media 2 Federations: | |
| 1. Print Media | \$38,000 |
| 2. Audio/Visual | \$28,330 |
| 4. Administrative Support Costs--Local Office | |
| a. Local Office Rent | \$9,000 |
| b. Communications | \$21,000 |
| c. Supplies and Materials | \$10,000 |
| 6. Sub Total | \$387,597 |
| 7. Overhead @ 29% | \$112,403 |
| 8. Totals: | \$500,000 |

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FISCAL DATA AND CLEARANCES:

1. Fiscal Data:

Agreement No: 674-0301-G-SS-3142-00

Grantee: African American Labor Center

Appropriation: 72-113/41014

BPC: GSS3-93-21674-KG13

Reservation Control No.: B930478

Amount: \$500,000

Total Project Obligations To Date including Current Grant
Obligation: \$

Total Project Authorization Amount: \$65,000,000

Agreement Completion Date: August 31, 1994

Project Assistance Completion Date (PACD): December 31, 1998

Funds Available: Q FUNDS AVAILABLE

ACCT: C via Costo

Date: 09/13/93

2. Clearances for Action Memorandum, Grant Agreement Letter and
Attachments 1-5:

Drafted: DWendel:CDD

Clearance: DW

DRathbun:GDO/DD DR

JAddleton:PRO JA

DKeene:RLA DK

GHensley:CONT GH

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ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: September 7, 1993

FROM: Dennis Wendel, CDD *DW*

SUBJECT: South Africa Community Outreach and Leadership Development (COLD) Project (674-0301); African-American Labor Center Agreement No. 674-0301-G-SS-3142-00

I. PROBLEM

Your approval is required to obligate U.S. \$500,000 of FY1993 funds under the Community Outreach and Leadership Development Project (674-0301) through a Grant Agreement with African-American Labor Center/American Federation of Labor-Congress of Industrial Organizations (AALC/AFL-CIO), as described herein.

II. AUTHORITY

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

III. DISCUSSION

The AALC is an arm of the American Federation of Labor-Congress of Industrial Organizations which is supporting democratic labor union practices in South Africa. The AALC labor union training activities are funded in part by USAID under a Cooperative Agreement. The AALC has been working in South Africa since 1986 and has recently established a resident team in Johannesburg. Since 1992, the AALC has improved collaborative ties with South African Labor Unions and significant progress has been made in strengthening democratic institutions.

Under the proposed grant activity, the AALC will undertake a program to strengthen labor union voter education and support activities in South Africa. The AALC will assist South African labor unions to:

1. develop election and political education departments;
2. assemble and develop voter education materials;
3. organize information and education programs and mobilize membership; and
4. develop voter education and registration/ID programs for union membership and their families.

The voter education program is explained in more detail in the AALC Grant Agreement Program Description.

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IV. ISSUES

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

A. Action Plan and Strategic Objective(s) - This proposed Agreement was discussed during the FY93 COLD Project Action Plan review dated June 21, 1993 and approved. This activity is consistent with Strategic Objective of politically empowering disadvantaged groups in South Africa and the Strategic Target of preparing for a free and fair election.

B. Grantee's Illustrative Budget and Cost Negotiation - The CDD conducted verbal negotiations with the AALC and carefully reviewed the proposed technical support and voter education and registration activities which have been substantially reduced over the level originally proposed. The budget and costs have also been reviewed within the Mission as part of the grant approval process and have been determined to be fair, reasonable and allowable for a grant of this nature. The grant file contains sufficient support for this determination.

C. Competitive Procedures or 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."

The AALC has submitted an unsolicited proposal, and it is the determination of the CDD that the activity is "unique and innovative". The AALC has developed a unique and innovative voter education support program which builds on and supports their ongoing institutional development activities and other labor union programs. The focus of the AALC voter education program is unique since it is directed toward the specific requirements of labor unions and their families. The AALC activity is innovative since it will utilize labor union organizations and structures to educate their membership about civic society, elections, and polling. As a result, the AALC will be able to establish a highly cost effective voter education and support program which will target approximately 1.2 million voters. The voter education and support activity will capitalize on AALC's long term institutional development work with South African labor unions. No other nongovernmental organization has been able to effectively organize labor unions to provide voter education and polling training.

Because this activity is consistent with USAID program objectives and is so unique and innovative, acceptance of the AALC proposal

would be fair and reasonable and would represent an appropriate use of USAID funds.

D. Technical and Management Capability - It is the CDD's determination that the AALC possesses suitable policies and practices to ensure adequate management of USAID funds provided under the Grant Agreement. This determination is based on our discussions with the AALC about the plans and activities to be carried out by AALC and in support of trade union voter education. Our substantial previous experience with the technical and management capabilities of the AALC through our continuing Cooperative Agreement indicates that a strong capability to carry out this grant exists. Also an AALC review team consisting of three political/voter education specialists has carried out a broad review of voter education and institutional development needs with the leading South African labor unions in preparation of this proposal. We have also discussed the proposal and the approach with AALC representatives in the office on numerous occasions. Finally, the level of planning and information in the proposal itself is sufficient and is representative of the capability of the AALC to carry out grant activities satisfactorily.

E. Financial Management Capability - The AALC is an international nongovernmental organization providing labor union support activities throughout the world. The AALC has worked collaboratively with USAID in many overseas Missions. The AALC has established through its central office in the U.S. an accounting system for all labor union activities. We have discussed the financial management and accountability issues with AALC specialists and we are satisfied that sufficient financial management capability, accounting systems, books and records exist for the administration of this Agreement. Since the AALC is a U.S. based organization, reviews of the financial management systems are conducted in the U.S.

F. PVO Registration Determination - The proposed Grantee is registered with USAID as an intermediary Private Voluntary Organization, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010. FAA Section 123 (g) provides that a U.S. PVO must obtain at least 20% of its total annual financial support for its international activities from sources other than the USG to be eligible to receive funding under the PVO grant program. As an intermediary PVO, the AALC is excluded from the 20% non U.S. Government funding requirement.

G. Grantee Contribution - A Grantee contribution (financial and/or in kind) of not less than 25% of total grant project costs has been provided. The AFL-CIO routinely provides a 25% contribution for all AALC program related activities. In addition, the South African labor unions will also provide both in-kind support for technical staff, support facilities and

funding for voter education and support activities. The total contributions for this activity greatly exceed 25% of USAID's total grant costs.

H. Sustainability - The proposed voter education activities are being developed specifically for the election planned for April 27, 1993. Longer term institutional support activities for South African labor unions are addressed in a separate cooperative agreement.

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. A three person team from the AALC has carried out a feasibility analysis for the proposed voter education program contacting key membership within South African labor unions. The team has also discussed their findings with USAID staff. 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 CDD that in accordance with Handbook 13, Chapter 6, a grant is the appropriate assistance mode to be utilized, as A.I.D. is not procuring goods or services and does not require a substantial degree of operational control or involvement in project implementation. The attached document is, in form and substance, a grant as defined by A.I.D.

V. RECOMMENDATION

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

Approved: Leslie A. Dean
Leslie A. Dean
Director, USAID/SA

Disapproved: _____

Date: Sept 14, 1993