



CREA SOUTH AFRICA

Bank Forum Building, 2nd Floor (Lobby 2), 337 Bronkhorst St, New Muckleneuk 0181
P O Box 40285, Arcadia 0007, Pretoria, South Africa
Telephone No: (012) 460-2890 Fax No: (012) 460-2894

GMTA - CONTRACTOR QUARTERLY PERFORMANCE REPORT 01 January 2001 - 31 March 2001

Contractor: Creative Associates International, Inc.
Contract #: 674-0322-C-00-7091-13 (674-C-00-97-00091-13)
Grants Management and Technical Assistance (GMTA) to USAID/SA/SO#1
Dollar Value of Contract : \$42,107,901 - 09/26/1997
Obligated Contract Amount: \$20,807,375
Reporting period : 01/01/01 - 31/03/01

A. Narrative:

This report, the twelfth submitted under this contract, covers the status of those activities identified as "in progress" in the previous report as well as all new activities requested by USAID during this reporting period.

1. Contract Objective:

The objective of the contract is to provide services to USAID/South Africa's Democracy and Governance Strategic Objective Team (SO#1) in the areas of: grants management support for new and existing grants and cooperative agreements; long and short-term technical assistance; logistical support assistance for workshops, conferences and consultations; feasibility study and recommendations on developing endowment/trust/foundation mechanisms; and sectoral assessments and environmental impact studies over a period of five years.

2. Administrative Actions:

During this reporting period, Crea received approval from USAID (the RCO, with COTR concurrence), to increase the salaries of three GMTA employees. The increases were based on promotion of the individuals following reorganization of what was initially set up as a grants management section and the resultant changes to the duties and responsibilities of the individuals working in that area; Chimene Chetty (promoted from Grants Manager to Program Director), Lynne Kruger (promoted from Assistant Grants Manager to Program Manager), and Boitumelo Mahape (promoted from Grants Assistant to Assistant Program Manager).

Also during this reporting period, CAII/DC hosted a workshop entitled "Making Connections" for all the team leaders in its field offices world-wide. The workshop provided an opportunity to share experiences and become better acquainted with all the company's operations, those which are handled in the field as well as those in the home office. Funding for the GMTA Chief of Party to travel to Washington for this week-long workshop was shared equally between USAID and CAII.

3. Status of SOW Actions Previously Reported as IN PROGRESS

- 98/006 - (RLU) Black Lawyers Association (BLA) Grant

The BLA was successful in resolving its dispute with Gobodo & Associates about auditing only the period 20/05/98 to 31/03/99 and Crea has received the audit report which now covers the period 20/05/98 to 31/03/01. Crea received BLA's progress report covering the November-February 2001 period. The report indicated that the project was on track and they were not experiencing any major problems. A question arose regarding payment for candidate attorneys placed during January and February 2001 under BLA's 12 month placement program. Since this time frame extends beyond the current expiration date of the grant, Crea advised BLA that Crea would not be able to pay any costs incurred after the expiration date of the grant. Thomas Bokaba, the BLA Program Director, indicated that there would be funds remaining in the budget to cover these costs and he would be seeking a no-cost extension to the grant to permit payment for the full period of the placements. Activities under the BLA grant are expected to remain **IN PROGRESS** at least through December 2001.

- 98/016 - (RLU) RFAs for Rights Education Cooperative Agreements (3)

(1) NIPILAR

At the end of the 90_day deadline for final liquidation of all costs under the NIPILAR agreement, Crea had still not been given anything to support the big debt NIPILAR owes to South African Revenue Service (SARS). NIPILAR had been advised via fax in February that Crea would need a breakdown of how much NIPILAR had paid to SARS and for which months in order to determine whether the debt included amounts Crea had already paid to NIPILAR.

One of the biggest problems Crea has had with NIPILAR has been in verifying that payment is actually made for the invoices they provide to support their advance requests; i.e., unpaid invoices are presented to Crea, Crea advances the money, then NIPILAR is supposed to provide proof of payment in order to liquidate the advance. That's how we agreed to handle funding during the final months of the grant; however, even that arrangement has proven to be problematic. NIPILAR's second to last liquidation voucher failed to provide valid documentation to support expenses totaling R48,659.41. Their latest voucher requests an advance of R20,199.49 (supported by unpaid invoices) and reimbursement for paid expenses which total to R69,617.12.

Crea is very concerned about giving NIPILAR any more money without proof that legitimate costs are actually being paid. Crea intends to deduct the R48,659.41 remaining unliquidated from the previous voucher before processing this latest voucher. We will still have the issue of R20,199.49 on the latest voucher for which there is no proof of payment. The unpaid invoices are for eligible program costs and NIPILAR has promised to submit proof of payment if given the money to cover the costs.

With regard to the SARS debt, NIPILAR does not appear to have made a sincere effort to obtain the required documentation. Crea's experience with SARS has been that the information can be obtained upon request and, in fact, we have obtained such information without a problem whenever Crea has needed to reconcile its records against SARS. NIPILAR has also not identified an audit firm to conduct final audit of grant activities. It was agreed in the 24 January 2001 meeting that Crea would contract for the final audit and NIPILAR would identify the firm to be used. Although asked several times to provide the name of a firm, they still have not done so. It is important to have NIPILAR on board with the choice of firm in order to insure their cooperation during the audit. This activity will continue to be reported as **IN PROGRESS** until all closeout actions have been completed.

(2) CLRDC

The situation between CLRDC and HRT remains unresolved. CLRDC has refused to disburse any more funds to HRT until such time as the budget issue regarding over-expenditure in the administrative line item has been negotiated. Although HRT had previously agreed to continue activities within the remaining budget, they have since submitted a proposal requesting that the budget be revised in order to provide them with more funds for administrative expenses. CLRDC claims that HRT has also refused to open a separate bank account for USAID funds until such time that the budget issues are resolved. HRT wrote a letter in March to CLRDC threatening legal action and stating that members of their board of trustees will now take an active role in resolving the dispute between CLRDC and HRT. CLRDC attempted to set up a meeting with HRT, CHR, USAID and Crea in March but was not able to find a date that was convenient for all parties. HRT maintains that the presence of Crea and USAID are not necessary for resolution of the dispute but CLRDC insists that all parties must be included.

CLRDC has commenced the recipient audit for the year ended December 2000 and it is expected that the report will be completed by the end of April 2001. This activity is expected to remain **IN PROGRESS** until 31 July 2001.

(3) CSLS

All programs appear to be proceeding in good order. CSLS submitted a letter requesting a no cost extension. A response was sent indicating that USAID had no objection in principle with granting the extension; however, the agreement will be monitored through May 2001 in order to provide a more accurate level of funds available before final approval is granted for an extension. Unless extended, activities under this request are expected to remain **IN PROGRESS** until the end of August 2001.

- 99/021 - (CSU) KZN Peace Initiatives Cooperative Agreement

While the program component has been completed and financial reports submitted, Crea cannot complete closeout actions on this cooperative agreement until the final audit has been submitted. Audit of activities under this agreement was scheduled to be done concurrently with IMPD's annual audit in March 2001. A copy of the report should be available during the next reporting period. This activity will remain **IN PROGRESS** until all close-out actions have been completed.

- 99/028 - (LGU) LGSP Assistance II (MSI)

All performance under this MSI task order has been completed but Crea has

not had confirmation that all billings have been submitted. The category of **IN PROGRESS** remains unchanged until this confirmation is received.

- 99/033 - (RLU) Assistance to National Directorate of Public Prosecutions

Bi-weekly meetings between Crea, USAID and the NDPP continue and activities under this request will remain **IN PROGRESS** through July 2001. Most of the activities under the NDPP work plan for year 2000/2001 have been approved and are being implemented. Status of current NDPP activities is as follows.

1) The OD study was amended at the request of the NDPP. Due to circumstances beyond the control of the contractor, certain delays had been experienced, along with a requirement to redefine several of the deliverables. One of the major factors precipitating the need for the amendment was the transfer of some operational functions from the DOJ to the NDPP. USAID agreed to provide R451,440 (\$60,192) in additional funding for the amendment which also extends the completion date for the study to 30 June 2001.

2) The services of a forensic accountant to the AFU, provided by Deloitte and Touche, continue without interruption and are scheduled to expire on 14 September 2001.

3) As noted in our last quarterly report, a revised work plan was negotiated with Cheadle, Thompson and Haysom for the work on the Legal and Policy Manual. The contract has been amended to reflect a new schedule for the deliverables with all work to be completed not later than 31 May 2001.

- 99/041 - (CSU) SANGOCO NGO Week Grant

Final financial reports have still not been received from SANGOCO for this grant. Crea has advised SANGOCO that failure to liquidate the advances under this grant may impact upon requests for advances under their new grant. This request will be considered **IN PROGRESS** until completion of all close out requirements.

- 99/047 - (LGU) Planact Cooperative Agreement

Crea attended a JPSC meeting in February 2001. The purpose of this meeting was to finalize the agenda for the workshop planned during February for the Ward Councillors of the greater BBT area. There were discussions regarding the Ward elections scheduled for March and costs associated with these elections. The budget limitation was raised by Planact and Crea. The JPSC asked Crea if it would be possible to request additional funding for the project. Crea explained that there were constraints on USAID funding at present and that USAID is interested in seeing what has been accomplished with the money provided to date. It was also explained that USAID would be looking at the 22 ongoing projects under the LGSP as it determines the way forward for a second round of activities under this element of the LGSP. Planact agreed to put together a comprehensive budget for USAID consideration on the costs of elections and also reflecting the Council's in-kind contributions.

The project is proceeding according to schedule; however, Bloemfontein recently directed a letter to Planact and copied USAID and Crea indicating that the Council had hired Ms. Leola Ramble as an independent consultant. Ms. Ramble was previously employed by Planact on this project. Her scope of work for Bloemfontein would be to complete the "Review of

Communications Strategy" and the final "write up of the project". The Council felt the project needed to be fast-tracked and that it would be better for these two components to run parallel to the training of Ward Councillors. Mr. Silwana asked that USAID and Crea meet separately with representatives from Bloemfontein. In a separate meeting held at USAID offices, Bloemfontein explained their reasons for wanting to hire Ms. Ramble; they expressed concerns about the capacity of Planact and stressed that their initial request to work with Planact had been based on the personnel who were originally involved in the project. The Council was concerned about the subsequent turnover of staff and were not convinced that Planact still had the capacity to fulfill the needs of the project. Since Planact indicated that it could not work with Ms. Ramble, USAID suggested that Planact submit the names of other consultants who specialize in this type of work for JPSC consideration. The Council representatives indicated they were amenable to this approach if it could be shown to be beneficial to the project.

A special meeting was held in Bloemfontein on 17 March at which time Planact suggested contracting with Mr. Hassan Mohammed, the previous CEO of Planact, to undertake the Review of the Communication Strategy and the final write up of the project. Planact will capture the information on time frames as agreed in the meeting, and forward them to Council, USAID and Crea, while Cheryl and Mzwandile will closely monitor the remaining project activities. Bloemfontein expressed agreement with these recommendations and with the appointment of Mr. Mohammed to work on the final two components of the project.

All scheduled reports have been submitted; however, Crea has asked that the reports contain more detail and Planact has agreed to submit a more substantive report to Crea by the end of March. Crea had not advanced any funds to Planact since January because there was a problem involving the type of bank account Planact established for receipt of Crea/USAID funds. Crea discovered that Planact had been utilizing a call account for this purpose, then transferring the funds to its regular chequing account for disbursement. Since this violates the prohibition against co-mingling of funds, Crea advised Planact that it would be necessary to establish a separated current (cheque) account to be used solely for the receipt and disbursement of Crea advances. On 26 March Planact advised Crea that a separate cheque account had been successfully opened for the project. Crea processed an advance for Planact on 27 March 2001. This activity will remain **IN PROGRESS** until the expiration of the cooperative agreement which is currently scheduled for 30 September 2001.

- 99/048 - (LGU) District Six Intern Assistance - Phase II

District Six selected a new intern to fill the vacancy left by the intern who resigned in December and Crea issued a purchase order to cover this individual. This activity will remain **IN PROGRESS** until budgeted funds are exhausted.

- 99/049 - (LGU) District Six Historical Valuation Project
Lauren Waring of the Land Claims Commission confirmed that all work on the land valuations had been completed satisfactorily by Jerry Margolius and that there were no more outstanding claims that would require further work under his contract. Upon receipt of this confirmation in writing, Crea processed final payment to Jerry Margolius under the fixed price contract. This activity has now been classified as **COMPLETED**.

- 00/051 - (LGU) Credit Control Study - MSI

Crea arranged to have the credit control manual edited by Prof. McKenzie and forwarded to the MSI Team Leader, Dr. Chris Kapp, for comments. Dr. Kapp was satisfied with the editing and Crea has paid Prof. McKenzie for his work. Dr. Kapp has been requested by DPLG to compile a "Cabinets Memorandum" which is basically a 5-10 page summary of the manual. He has also been requested to do additional editing to the document; i.e., to remove the references in the document indicating where revisions are required and to place these in a separate annex as recommendations. If DPLG makes no further requests for changes, it is anticipated that all work under the contract will be finalized by the current completion date of 31 March 2001. Our previous quarterly report indicated that Dr. Kapp had been asked to do two presentations, one to NEDLAC and one to the Parliamentary Portfolio Committee. DPLG has advised that it will assume in-house responsibility for these presentations. The National Workshop on the Indigents Guidelines was put on hold during the last reporting period and no new date has yet been set for this workshop. Crea arranged for two thousand (2000) copies of the Indigents Guidelines to be copied and delivered to DPLG offices in early February 2001. Final payment has been made to the vendor, Page Arts, for this work. This activity will remain **IN PROGRESS** until Crea can confirm that MSI has billed and been paid for all costs related to this task order.

- 00/059 - (LGU) Knysna/Hermanus Contract

During the last reporting period Crea indicated that the review of implementation internationally of local government performance management systems would be finalized on the 1st of March. That date was incorrect and should have read 30 March 2001. The contractor (Deloitte & Touche) has advised Crea that the report on this activity should be ready to present to DPLG at the end of March 2001, as scheduled. Activities are well underway in Hermanus. Knysna was slow to start initially as D&T did not have a specified contact person to work with in that municipality. At a meeting held on 8 February 2001, an individual was identified in the Knysna Municipality who would be seconded to the project to work with D&T on the PMS project. Deloitte & Touche have submitted the Organizational Review Report for both Hermanus and Knysna, the Best Practices Report for Hermanus and the Provisional Revised IDP and Organizational Structure Report for Knysna. Crea will make payment once approval has been received from the municipalities. Activities under this request can be expected to remain **IN PROGRESS** until completion of the awarded contract which is currently scheduled for 30 June 2001.

- 00/060 - (LGU) Southern Cape Karoo - Contract

The final presentation to the Forum has not yet taken place. The Forum requested Mr. Barnard of ELEXPERT to have a special meeting on 3 March to bring the new councillors up to speed on the project. Mr. Barnard had expected to make a final presentation at the end of March, after which the Forum would be given the opportunity to debate and make suggested changes to the final document. Due to the lack of time that the councillors can/will devote to the project, it is not practicable to expect that the process can be finalized by end of March as anticipated back in November. The change in political parties resulting from the municipal elections has required more time for the new councillors to acquaint themselves with the project; therefore, two additional meetings have been scheduled, one in April and one in May. The contract has been amended to extend the period of the activity at no additional cost until 30 June 2001 to enable ELEXPERT to revise and submit final reports after the final presentation. This request will remain **IN PROGRESS** until all contract activities have been completed and final payment has been made.

- 00/061 - (LGU) Revenue Management - Cooperative Agreement

Project activities have not been proceeding as well as expected as some delays were experienced during the last reporting period. Overall, progress has been severely compromised by the elections and the fact that there is a considerable change in the membership of the Councils. Problems were experienced in setting up meetings in all four areas to brief councillors on the project and developments under the project. Many new councillors have never heard of the project and cannot be relied upon in the short term to give the required support. In meetings held with the four councils, Vulindlela has repeatedly stated that additional funding is needed for the project due to demarcation. In a USAID/CREA conference call to James Copley and Langa Shangase of Vulindlela, a series of concerns were raised and discussed regarding delays in the project and ways of getting it back on track. USAID reminded Vulindlela that no commitment has been made to provide additional funding and that they should still be working within the original budget. The project is estimated to be 128 days behind schedule at this point. A no-cost extension will be considered by USAID once paperwork has been submitted by Vulindlela requesting the extension. This activity will remain **IN PROGRESS** until the expiration of the agreement which is currently scheduled for 30 April 2001.

- 00/063 - (LGU) Gariep Dam - Contract

The contract was amended, increasing the total price and extending the completion date to 30 June 2001, in order to permit MLA to assist Gariep Dam in implementing two of the five business plans developed by MLA, namely the Weavers Group and the Youth Hostel. Activities are proceeding well and MLA is preparing presentations of the business plans to be submitted to the Local Economic Development Fund for consideration. This activity will remain **IN PROGRESS** until completion of the amended contract; i.e., 30 June 2001.

- 00/064 - (LGU) Eastern Tubatse/Origstad - Cooperative Agreement

The development of the training manual has begun and IMPD have been asked to meet with Planact (currently working on the Bloemfontein Project) to share lessons learned on both projects. The program is proceeding smoothly although IMPD underwent a significant reduction in staff during the last reporting period. In spite of IMPD's overall reduction in staff, it appears that there was no impact on the training unit which was not reduced appreciably. Crea was notified that Jozette, our previous contact person in IMPD, had resigned effective 14 February 2001. Ntombi Futhi replaced Jozette as the contact person effective 15 February 2001.

IMPD continues to be involved in a legal battle with the ex-financial manager who is claiming unfair dismissal. For this reason, they are still unable to recruit a new Financial Manager and the accounting functions are being supervised by the audit firm of Fisher Hoffman & Sithole. IMPD is hopeful that additional funding from other donors will be obtained in the near future which will alleviate the present financial crisis. This activity will continue to be classified as **IN PROGRESS** until after expiration of the agreement on 31 October 2001 and completion of all close out actions.

- 00/066 - (LGU) Drakensberg - Contract

Work under this activity is proceeding well without any complications. A workshop was held in Aliwal North on 26-27 February 2001 to discuss the organigram for all five (5) municipalities falling within the jurisdiction of the Drakensburg District Council. The workshop went well and the model on organizational restructuring in the Ukwahlamba District Municipality has been accepted. The chairperson for the Transformation Facilitation Committee (Reverend Brown) has asked the contractor, Bigen Africa, to make a presentation on this model to provincial officials as well. Crea has received documentation and progress reports on contract deliverables according to schedule and the contractor's first five invoices have been paid. Activities under this request will remain **IN PROGRESS** until completion of the awarded contract which is currently scheduled for 23 August 2002.

- 00/067 - (LGU) IDP Cluster - Contract

As mentioned in the previous reporting period, activities under this contract have been moving slowly; however, Plan Practice have assured all stakeholders that the project will be completed on schedule as there will be opportunity to fast-track certain activities during the life of the contract. Meetings took place with all four councils during the last reporting period. The purpose of these meetings was to allow the contractors to introduce themselves and to give new councillors/officials a presentation of the work that has been done to date. Another matter raised in the previous reporting period was the level at which each of the councils wanted this initiative to take place; i.e., district level or local level. In all four of the councils a resolution was put forward that the IDP be done at local level. Prior to the meetings with the four councils, Plan Practice had prepared and submitted to Crea a proposal for additional funding. Taking legislation into account, Plan Practice had assumed that the councils would want the IDP done at district level; therefore, the proposal was for additional funding for district level IDPs and for the impact of demarcation, detailing all the changes brought about by demarcation in the four councils.

After reviewing the work plan for the duration of the project, Plan Practice requested reconsideration of the payment schedule to relieve the

financial burden imposed by the unexpected delays. Plan Practice has drawn up a new payment schedule, linked to the original deliverables, but providing prices for sub-tasks which will allow the contractor to bill on a monthly basis for those sub-tasks completed and approved at the time of invoicing. The COP agreed to these changes on the basis that total contract price would not increase and recognizing that some delays had been beyond the control of the contractor. Crea will amend the original contract to include the new schedules accordingly. Activities under this request can be expected to remain **IN PROGRESS** until completion of the awarded contract, currently anticipated to be 30 September 2001.

- 00/068 - (LGU) Greater Germiston - Contract

The contract with ISIS was amended at no additional cost to extend the completion date from 30 October 2000 to 28 February 2001 with the presentation of the final deliverable to the new Council scheduled for late January 2001. On 1 March 2001, ISIS briefed USAID, Crea, and one representative from the Germiston Council on the results of the needs assessment; however, the required briefing to the entire council has not yet taken place. It was agreed at the 1 March meeting that a further extension would be necessary to ensure that the assessment survey conducted by the contractor was fully presented to the new East Rand Metro Council. An additional time extension would also enable the contractor to develop the learning product deliverable around the issue of how the survey results were utilized by the new council. This latest no-cost amendment extends the delivery date from 28 February 2001 to 31 October 2001. This activity will remain **IN PROGRESS** until completion of all activities under the awarded contract.

- 00/070 - (CSU) IDASA Impumelelo Awards Program

During this reporting period Crea received a request for reimbursement from IDASA along with documentation of all their expenditures under the grant. The documentation was reviewed and the amount requested for reimbursement was paid to IDASA. This activity is now considered **COMPLETED**.

- 00/071 - (RLU) Pretoria Magistrate Children's Court

During this reporting period Crea paid out salary claims for one social worker for time spent providing assistance to the Children's Court. These activities are expected to remain **IN PROGRESS** for approximately two more years.

- 00/072 - IDASA Public Opinion Survey

Although all work has been completed, IDASA has still not submitted its final liquidation voucher and other outstanding financial reports under this grant. Crea contacted IDASA and has been promised that all the necessary liquidations will be submitted in the near future. This request will remain **IN PROGRESS** until all close out actions are complete.

- 00/075 - (LGU) Clarkson Community Trust - Cooperative Agreement

Activities under this grant are proceeding well even though the project was delayed as a result of the elections late last year and the municipal transformation process that caused a great deal of uncertainty in terms of powers and functions. Progress has also been hampered by relationship problems in and outside the community. A range of meetings took place during this reporting period in an effort to clarify relationships between

the different stakeholders; i.e., Clarkson Community Property Trust (CCPT), Western District Council (WDC), Koukamma Municipality and Isandla Partners for Development (IPD). The meeting held on 6 February 2001 allowed IPD, USAID and Crea to introduce the project to the Koukamma Municipality as they are new stakeholders to the project. One of the major issues raised was the roles and responsibilities of the Koukamma Municipality vs. the Western District Council. Koukamma Municipality is presently experiencing financial problems as a result of receiving additional responsibilities over a vast area without receiving any increase in their budget. Although the Koukamma Municipality are fully supportive of the Clarkson project in principal, they have repeatedly indicated that they are unable to pay for the transport of Councillors who have to attend the Clarkson meetings. It should be noted that the Koukamma Municipality was not informed of the project before preparing its budget for 2000/2001. IPD asked the Koukamma Municipality to submit a formal letter requesting financial assistance for transportation costs which IPD could forward with recommendations to Crea and USAID for consideration. In the meantime, IPD offered to collect the councillors for meetings whenever possible.

IPD have submitted a work plan to Crea and USAID for comments. The community survey and status quo report was completed and distributed to the role players at the end of February. This survey/assessment brought to light the desperate financial situation of the CCPT which ran out of funding at the end of February 2001. Because of its own budgetary constraints, the Koukamma Municipality was not in a position to continue rendering critical services to CCPT without payment. The Western District Council agreed to contribute approximately R60,000 toward CCPT administration. IPD and its partners are currently working on the business plan which should be completed during next reporting period.

Crea has received the request from IPD for additional funding to cover added transportation costs, lunches, etc., for meetings to be held over a period of 13 weeks. USAID reviewed the request and agreed to the expenditure of R19,974.00 to be charged to the program. IPD has managed to secure R236 000 from the Department of Labor, along with free accommodation for three months, for an average of eighteen (18) participants for technical training of potential community contractors. This activity will remain **IN PROGRESS** until the end of November 2001.

- 00/076 - Voter Education RFAs

Work under the IMPD agreements for KZN and Eastern Cape was completed in accordance with the work plan but the outreach targets were slightly lower than anticipated. Final reports were submitted by IMPD but the final audit of program activities is still pending. Activities under the KZN Christian Council (KZNCC) were also completed in accordance with the work plan and, in that area, outreach targets were exceeded. Final reports have been submitted. As stated last quarter, KZNCC expressed a need for additional funds due to more citizens attending workshops than anticipated. Crea received approval from USAID to update the exchange rate on the grant in order to provide KZNCC with the additional funds. This request will remain classified as **IN PROGRESS** under all close out actions for the three cooperative agreements has been completed.

- 00/077 - (CSU) NPP Support for Tax Policy Dialogue

In January 2001 the Non-Profit Partnership (NPP) informed Crea that there was to be a delay in the start of the Cost-Benefit Research, due to the advice they had received from colleagues who said that it was not advisable at this stage to do a study of this nature. NPP was advised

that it would be more beneficial to follow a cost-accounting approach. Umhlaba Development Services have been contracted to carry out the research which will begin in early February and last for six weeks. This activity is expected to remain **IN PROGRESS** through April 2001.

- 00/079 - (LGU) CLC Assistance to DPLG

USAID and DPLG have indicated that CLC is performing well and is on schedule. In their last advance request, it was noted that the line item in the budget for administrative expenses had been fully disbursed. With the request from DPLG and USAID for a 6 month no-cost extension, Crea advised CLC to submit a projection of administrative expenses for the additional months to enable Crea to shift funds around in the budget. A projection was received from CLC and R40,000 was shifted out of the equipment rental and into administrative expenses. An amendment to the cooperative agreement was executed in February 2001 incorporating the realignment of the budget and a no-cost extension to 30 June 2001. This activity is expected to remain **IN PROGRESS** until the new completion date.

- 00/083 - (LGU) - LGU Design and Implementation Support #1

The fourth design document for Tshwane (Pretoria) has been completed by Ms. Wooldridge. It is anticipated that this project will be implemented through a USAID direct Fixed Amount Reimbursement Agreement (FARA) and that Crea will not be required to have further involvement in this activity. A request was received from USAID to increase the level of effort in the purchase orders for both Ms. Wooldridge and Mr. Cranko, and to extend the purchase orders through 30 June 2001. Both Ms. Wooldridge and Mr. Cranko have been paid for all work completed and billed to date. This activity will remain **IN PROGRESS** until 30 June 2001.

- 01/086 - (LGU) Logistical Support to LGSP Workshop

The final report from the workshop was received and approved by USAID and copies of the report were made and distributed by Crea to all who attended the workshop. This activity is considered **COMPLETE**.

- 01/087 - (LG) Hillbrow/Berea Inner City Project

The chairperson submitted the TEC memorandum to the Crea COP documenting evaluation proceedings under this competitive activity and negotiations were begun with the Joubert Park Neighborhood Development Association (JPNDA). Debriefing letters were sent to unsuccessful applicants and a pre-award assessment of JPNDA was conducted by Crea financial staff. One of the main concerns with the JPNDA application was that the organization was not yet a legal entity. JPNDA has experienced some problems in finalizing registration; however, as soon as their registration is complete and Crea financial staff has accepted their newly developed financial procedures, Crea will be able to finalize the award of a cooperative agreement to JPNDA. In order to facilitate project start up, the cooperative agreement will be made effective retroactively to 1 March 2001. Because JPNDA is a relatively new organization, the agreement will contain special provisions emphasizing the need for a separate bank account, submission of documentation supporting expenditures and JPNDA willingness to accept technical assistance whenever needed. A project start-up meeting with all relevant stakeholders was held on 8 March 2001 to discuss the project as a whole and the roles and responsibilities for all stakeholders during the course of the project. This activity is expected to remain **IN PROGRESS** until the end of May 2002.

- 01/088 - (CSU) SANGOCO Management of the CIVICUS Index Study

A workshop on the Civil Society Health Index was held on 12 January 2001, hosted jointly by SANGOCO and CIVICUS. The aim of the workshop was to provide a briefing on the CIVICUS Diamond Methodology, selection of relevant indicators and to clarify issues around the project. Following the award of the cooperative agreement to the IDASA/CORE consortium a meeting was held on 02 February 2001 between Crea, USAID, SANGOCO, IDASA and CORE. The aim of the meeting was to discuss the relationship between Crea and USAID, reporting time frames, SANGOCO's management of the project and the setting up of an advisory committee to guide the project. This activity will remain **IN PROGRESS** until the research work has been completed and accepted and all closeout activities have been finalized.

- 01/089 - (CSU) Research Support for Civil Society Index

Following the workshop hosted on 12 January 2001 by SANGOCO and CIVICUS on the Civil Society Health Index, SANGOCO requested that the initial closing date of 15 January 2001 for this RFA be extended to 22 January 2001. Four (4) proposals were received prior to the revised deadline. The TEC convened on 23 January 2001 to receive copies of the applications and a briefing on evaluation procedures. After evaluating all applications, the TEC reached consensus that the application submitted by the IDASA/CORE consortium was the most technically qualified. The chairperson drafted a memorandum documenting the proceedings and requesting COP approval to negotiate with IDASA/CORE. Following award of the cooperative agreement to the IDASA/CORE consortium, a meeting was held on 02 February 2001 between Crea, USAID, SANGOCO, IDASA and CORE to discuss the relationship between Crea and USAID, reporting time frames, SANGOCO's management of the project and the setting up of an advisory committee to guide the project. This activity will remain **IN PROGRESS** until 31 December 2001.

4. New SOW Actions:

During this reporting period (01 January 2001 - 31 March 2001), the GMTA field team (Crea South Africa) received the following requests to carry out activities required by the contract scope of work (SOW):

- 01/090 - (CSU) - Annual Program Statement (APS) for CSSP
- 01/091 - (CSU) - NPO Tax Communication and Support Services Program
- 01/092 - (LGU) - Support in Designing Round 2 of Municipal Assistance
- 01/093 - (RLU) - Organized Crime Study for NDPP
- 01/094 - (RLU) - ISS Criminal Justice Monitor
- 01/095 - (RLU) - Remuneration Structure Study for NDPP
- 01/096 - (LGU) - Knowledge Bank Business Plan for DPLG
- 01/097 - (LGU) - Workshop to Present Element 2/Round 2 of LGSP
- 01/098 - (LGU) - Horizontal Learning & Information Sharing Programme
- 01/099 - (CSU) - Senior Executive Program - Cohort V

5. Status of New SOW Actions:

- 01/090 - (CSU) - Annual Program Statement (APS) for CSSP

Crea was requested to advertise an annual program statement (APS) for the Civil Society Strengthening Project (CSSP) to invite applications from indigenous civil society organizations for activities which contribute to the objectives of the CSSP. Review of applications will be held every

three months and evaluated against the criteria set forth in the APS. Grants awarded must support the three lower level results of the CSSP, namely: CSO-Government capacity for partnering improved, access to better information increased and enabling environment for partnerships enhanced. The notice was published on 09 March 2001 and the closing date for applications is 09 March 2002. This activity is expected to remain **IN PROGRESS** until the final quarterly review of applications has been held.

- 01/091 - (CSU) - NPO Tax Communication and Support Services Program

Crea was requested to competitively award a cooperative agreement to a South African non-profit organization to develop and implement a communication and support services programme to facilitate an enabling tax environment for non-profit organisations. The RFA notice was published on 02 February 2001 and the RFA closes on 17 April 2001. A briefing was held with potential bidders on 23 March 2001. This activity is expected to remain **IN PROGRESS** until expiration of the cooperative agreement to be awarded.

- 01/092 - (LGU) - Support in Designing Round 2 of Municipal Assistance

Crea was requested to execute a purchase order with Ms. Dominique Wooldridge for technical services to assist SOL's Local Governance Unit and South African local government stakeholders in designing the second round of direct municipal assistance under element 2 of the DPLG/USAID Local Government Support Program (LGSP). Ms. Wooldridge was selected for this work because of her in-depth knowledge of the project and the high quality work she produced for implementation of the first round of this assistance. Crea sent the scope of work to Ms. Wooldridge on 23 January 2001. Ms. Wooldridge submitted a joint proposal with Mr. Graham Gotz on 5 February 2001. The proposal was faxed to USAID for approval which was granted on 6 February USAID and purchase orders were then issued to both individuals for a period of 3 months to carry out the work in accordance with their proposal. Work under this request is progressing well, with both consultants conducting required interviews. This activity is expected to remain **IN PROGRESS** until the end of April 2001.

- 01/093 - (RLU) - Organized Crime Study for NDPP

Due to the specialized nature of this study, it was determined that procurement would be through a limited competition. The NDPP provided a list of three organisations to be solicited for proposals. Two of the solicited organisations joined with one other firm to submit the sole proposal received for the study. Due to problems in scheduling with NDPP members of the TEC it was not possible to evaluate the proposal during this reporting period. If the proposal is deemed acceptable by the TEC, Crea anticipates award and commencement of work during the next reporting period, to remain **IN PROGRESS** until expiration of the awarded contract.

- 01/094 - (RLU) - ISS Criminal Justice Monitor

Crea was requested to award a non-competitive grant to the Institute for Security Studies (ISS), a South African non-governmental organization, to support its development of a Criminal Justice Monitor. The Monitor will build on ISS's existing work in tracking the nation's criminal justice sector and will serve as an in-depth mechanism to gather, analyze, and disseminate information about developments in criminal justice in the region. On 9 March 2001 Crea conducted a financial review and ISS was requested to reclassify some of the budget line items and resubmit the budget along with a report on the ISS financial system. On 23 March, Crea

again requested these items from ISS and informed them that no grant could be finalized until we received the documentation requested. Crea received the documentation on 29 March 2001. The grant was developed and forwarded in draft to Antoinette and Keith for review prior to finalization. Crea anticipates award and commencement of work during the next reporting period. The grant will remain **IN PROGRESS** until scheduled completion which is expected to be in April 2003.

- 01/095 - (RLU) - Remuneration Structure Study for NDPP

The procurement for this study which is for the purpose of developing a remuneration structure for the public prosecutors was done through limited competition. A list of nine firms was provided by the NDPP. Only one firm, Phezulu Wicht and Associates, submitted a proposal. The TEC met in March to review the proposal and found certain weaknesses in terms of lack of clarity on the methodology and the implementation plan. Phezulu was asked to send representatives to discuss these concerns with the TEC. After the discussions, the TEC agreed that the firm had addressed the concerns satisfactorily and the contract should be awarded to Phezulu once they have submitted a definitive list of deliverables along with a detailed budget. Award is anticipated and work is expected to commence during the next reporting period and will remain **IN PROGRESS** until 30 June 2001.

- 01/096 - (LGU) - Knowledge Bank Business Plan for DPLG

Crea was requested to contract for technical services on a limited competitive basis for the development of a business plan for a local government knowledge management facility for DPLG. Crea was also requested to organize a bidder's conference for the activity. It is anticipated that the RFP will be issued and that the bidders conference will take place early in the next reporting period. Activities are expected to remain **IN PROGRESS** until completion of the contract.

- 01/097 - (LGU) - Workshop to Present Element 2/Round 2 of LGSP

USAID requested Crea to provide logistical support for a one-day workshop of Local Government Stakeholders. The workshop was initially planned for 9 April 2001. The logistical support will include issuing of invitations to representatives from DPLG, LGTP and SALGA, finding a suitable venue, arranging tea, coffee and lunch for the day and arranging for printing and distribution of the program and any other materials required. Crea requested quotations from 3 venues for 9 April 2001. A final decision on selection of venue was received from USAID and a purchase order was issued to the Brooklyn Lodge on Bronkhorst Street, Pretoria. At the close of this reporting period, it appeared that USAID and DPLG would not be ready in time to hold the workshop on 9 April; therefore, the Brooklyn Lodge has agreed to permit Crea to reschedule this event for a later date - to be determined after consultation with DPLG. Activities under this request will remain **IN PROGRESS** until payment has been made for all expenses associated with the workshop.

- 01/098 - (LGU) - Horizontal Learning & Information Sharing Programme

During the last week of the reporting period Crea received this request to compete and award a cooperative agreement to carry out the local governance horizontal learning and information sharing programme which constitutes Element 3 of the LGSP. A notice will be published in the Mail and Guardian newspaper and on the SANGONET early in the next reporting period to announce Crea's intent to issue a Request for Applications (RFA)

for this activity. As a full and open competitive action (limited to South African organizations only) award can be anticipated sometime during the June-July time frame and activities will remain **IN PROGRESS** for the following two years.

- 01/099 - (CSU) - Senior Executive Program - Cohort V

Crea received an invoice from Harvard University for Cohort 5 of the Senior Executive Program which is conducted at Wits University by instructors from Harvard. The invoice also contained a list of public sector participants approved for enrollment for the three modules of this cohort. Although advised by USAID that the request for this activity was in the clearance process, a final signed copy had not been received in Crea by the end of this reporting period. Upon receipt of the signed request, Crea will issue a purchase order in US dollars to cover this tuition and forward it together with the invoice to CAII/DC for payment.

B. Administrative Information (as of 31 March 2001):

1. **Contract Data:**

a. Total Estimated Cost Plus Fixed Fee:	\$42,107,901
b. Total Obligated Amount:	\$20,807,375
c. Expenditures as of 31/12/00:	\$16,638,847
d. Remaining Balance Obligated Amt:	\$ 4,168,528

2. **Expenditures by Contract/Project Components:**

a. Home Office/Field Office General Management		\$3,393,072
b. Technical Assistance		\$2,741,178
1. Technical Support to Grantees	\$1,675,141	
2. Special Studies	\$ 527,469	
3. Workshops for Grantees	\$ 538,568	
c. Logistic Support for Annual SO1/Partners Consultation Meetings, Strategy Workshops/Seminars with Partners, and International Exchanges with Partners		\$ 118,686
d. Grants & Participant Training Tuition		<u>\$10,385,911</u>
TOTAL		\$16,638,847
		=====

Note: The cost information set forth above is preliminary in nature and should be viewed only as a reflection of the division of activities to date. Cost data for activities reported as in progress and some of the cost data for completed activities are not yet available due to the normal time lag between disbursement in the field and recording/reporting to CAII home office. This information will be provided in subsequent quarterly reports as it becomes available.

3. **DIRECT COST INFORMATION (ACTUAL VS BUDGETED) BY REQUEST NUMBER**

Following is a breakdown of direct costs attributable to individual activities identified by USAID Request Number as of the end of this reporting period. The amounts shown as "expended" are the best

information available at this time. The system of tracking direct costs against individual requests was not put in place at the beginning of the contract; therefore, the amounts shown for some of the earlier requests may not be complete. Time spent by regular GMTA staff on individual activities has not been included in this calculation and no attempt has been made to allocate any portion of the GMTA office operations or the CAII indirect costs or fixed fee to individual activities. The system of budgeting and reporting only **direct costs** is a procedure devised by the COTR and agreed to by the COP only as a measure of accountability for individual requests and has no effect on cost recovery by the contractor. (Note: Earlier reports included other direct costs incurred for technical assistance to grantees outside the amount of the grant such as travel by Crea personnel; however, this practice has been discontinued with the concurrence of the COTR since a new system has been devised by SO#1 to allocate Crea costs not specific to individual requests on a pro rata basis to each of the SO#1 projects supported by Crea under this contract. This is an internal allocation made by USAID for recording costs by MACS elements in the USAID accounting system and has no effect upon CAII's reporting or vouchering process.)