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Volunteers for Economic Growth Alliance

VEGA South Africa Annual Program Statement Small Grants Administration (SAAGA)

Quarterly Performance Report: January 1 – March 31, 2007 Quarter 2, Fiscal Year 2007

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I. Quarterly Summary

The Annual Program Statement (APS) supports USAID/South Africa's program to increase market-driven employment. The program is designed to stimulate employment through the growth of Historically Disadvantaged (HD) agribusinesses and small, medium and micro-enterprises (SMMEs). In support of these objectives, the Volunteers for Economic Growth Alliance (VEGA) South Africa APS Grants Administration Program (SAAGA) signed subagreements with four South African organizations that were competitively selected to support USAID employment creation objectives through their proposed projects.

The reported quarter is the final quarter for the four subgrantees under the FY 2006 Annual Program Statement (APS), whose close out activities have been completed. Final reports will be submitted from these subgrantees by 30 April 2007. These reports will include a summary of third quarter activities and results as well as a comprehensive cumulative report covering the life of each project. World Education and Natural Botanicals have spent all funds awarded to them under the FY06 APS and achieved program targets. MDA have spent most of the funds awarded with a small portion being unspent; they have achieved most of their program targets. ECI Africa have spent 75% of their funds awarded and have not achieved all program targets due to management issues, which they have been unable to overcome and has slowed project progress.

Local Volunteer activities continued in February and March 2007, with one local volunteer providing technical assistance and training to two subgrantees, in the areas of marketing and bookkeeping skills. An international Volunteer Expert will be assisting one of the subgrantee organizations in May with marketing and export sales.

Program activities for all five new subgrantees began in February 2007 under a Pre-award Authorisation for each which was signed in February 2007. The subagreements will be signed in April 2007. Four out of the five new subgrantees have submitted reports for this quarter covering their startup activities in February and March.

Representatives from each new subgrantee organization as well as VEGA SAAGA field staff attended a comprehensive seminar on USAID administrative compliance and grants management in Johannesburg at the end of March. Three of the five subgrantee organizations have not managed USAID grants previously and were particularly appreciative of the content and timing of this seminar as they have just started their programs.

A work plan detailing planned VEGA SAAGA program activities from 2007 to 2008 was finalized during February 2007 and is attached.

II. VEGA SAAGA Second Quarter FY 07 Activities

Key Meetings

Meeting with USAID: Jason Jaecksch and VEGA SAAGA staff

Kim Lucas and Tina Dooley-Jones of USAID/South Africa met with VEGA SAAGA staff and Jason Jaecksch, Financial Controller, IESC Washington on 22 January 2007. The purpose of the meeting was to introduce Mr. Jaecksch to USAID/South Africa and to discuss the overall status of the SAAGA program.

Meetings with Subgrantee: ECIAfrica

VEGA SAAGA staff held three meetings with ECIAfrica to discuss key concerns with respect to the programmatic and financial management of the ECIAfrica subgrant. The first meeting was held at VEGA SAAGA offices in Bryanston, Johannesburg on 23 January 2007 and Jason Jaecksch was present to assist with discussions. The second meeting took place at ECI Africa's offices in Woodmead, Johannesburg on 15 February 2007 and the third meeting took place at VEGA SAAGA offices in Bryanston, Johannesburg on 19 February 2007 and included Jan Rockcliffe-King, VEGA SAAGA M&E Specialist, who also conducted a site visit to ECIAfrica's project based in Bloemfontein, South Africa. Minutes of all three meetings are attached. ECIAfrica's spending and implementation have been slow, and they will spend only 75% of their total funding award.

New subgrantee meeting (FY 07 APS)

A meeting with all five FY 07 APS subgrantees, VEGA SAAGA staff and M&E Specialist Jan Rockcliffe-King was held at VEGA SAAGA offices, Bryanston, Johannesburg, on 15 March 2007. The purpose of the meeting was for the FY 07 subgrantees to meet each other, network and identify possible synergies and to discuss various program related issues, such as financial and M&E reporting, branding requirements and volunteer expert activities. A copy of the presentation given by VEGA SAAGA staff is attached.

Meeting IESC Monitoring & Evaluation Manager Lauren Newhouse

A meeting was held on 12 March 2007 between VEGA SAAGA staff and Lauren Newhouse at VEGA SAAGA offices in Bryanston, Johannesburg. The discussions centered on evaluating the impact of subgrantee programs—both current and new subgrantees. Of particular interest is a follow-up evaluation of the current subgrantee organizations which were not chosen for follow-on funding—ECIAfrica and Mineworkers Development Agency to assess how their programs fare after their subgrants end. The structure, timing and logistics of the impact evaluations will be discussed further in the third quarter of the program.

Budget Meetings FY 07 APS Subgrantees

In January 2007, individual meetings were held with representatives from each of the subgrantee organizations who were awarded funding under the FY 07 APS. In

attendance were subgrantee project and financial managers, VEGA SAAGA staff and IESC's Financial Controller Jason Jaesch to discuss their program budgets in detail and to discuss the content and requirements of their subagreements, which were in the process of being drafted. The budgets and subagreements will be finalized and signed in April 2007. Pre-award expenditure authorizations based on subgrantee expected expenses for February and March 2007 were signed in February. Each meeting gave VEGA SAAGA staff an opportunity to gain insight into the subgrantee organizations and their capacity to manage USAID grant funds. Several follow up meetings were held with some of the subgrantees before finalization of their budgets which form part of their subagreements.

M&E Meetings FY 07 APS Subgrantees

In February and March 2007, meetings were held with each of the FY 07 APS subgrantees between subgrantee project managers, VEGA SAAGA staff and Jan Rockliffe-King. The purpose of these meetings was for Jan Rockliffe-King to discuss quarterly and M&E reporting with the subgrantees. Jan Rockliffe-King provided guidance on USAID Performance Indicators applicable to each subgrantees and presented a Quarterly Report Template to each.

Closeout Meetings with FY 2006 Subgrantees

Meetings to discuss closeout of the FY 06 subgrants were held in February and March 2007 with World Education, Natural Botanicals, Mineworkers Development Agency and ECIAfrica. The subgrantees were given guidance on final reporting requirements—both financial and program—as well as other closeout activities. The deadline for these reports to be submitted to VEGA SAAGA is 30 April 2007.

Site Visits

Jan Rockliffe-King conducted a site visit to ECI Africa's project site based in Bloemfontein, Free State. Accompanied by ECI Africa project management staff, she visited two of ECIAfrica's assisted enterprises under the VEGA SAAGA project. Jan Rockliffe-King highlighted concerns at each of the assisted enterprises. She also met with project staff at the project offices, based in Lengau, Bloemfontein to discuss the collection and reporting of M&E data giving advice and assistance to ECIAfrica project staff in this area.

Training

Lynette van Niekerk, VEGA SAAGA Program Coordinator attended the USAID Administrative Compliance and Grants Management Seminar held in Johannesburg, South Africa from 25-30 March 2007. Dana Mullins, VEGA SAAGA COP, attended a portion of the seminar in order to resolve subgrantee program and budget issues related to the pending subagreements.

Partnerships

The VEGA SAAGA office continues working to leverage the abilities of local South African business volunteer experts in providing technical assistance to the grantees.

The Memorandum of Understanding (MOU) signed between VEGA SAAGA and Salesbytes, in 2006, expired on 25 February 2007, and a new MOU extending this relationship to 28 February 2008 has been signed. Salesbytes have provided volunteer experts to Natural Botanicals (NB) and Mineworkers Development Agency (MDA) to build capacity in the areas of entrepreneurship, marketing, sales, bookkeeping and financial management.

A representative from Triple E Holdings attended the new subgrantee meeting in March 2007 to learn about their respective programs and the possible ABET training needs of their assisted enterprises. It is anticipated that an MOU will be signed between VEGA SAAGA and Triple E Holdings for the provision of numeracy/literacy training on a cost-share basis under the FY 07 APS. Triple E Holdings, a local for-profit organization, provides Adult Basic Education Training (ABET) and has access to funds from the Skills Development Fund (SDF), a South African government fund used for adult training initiatives.

Volunteer Activities

Local Volunteers

Karin Aupiais' a local volunteer under the Salesbytes MOU conducted volunteer assistance to two FY 06 APS subgrantees. Karin Aupiais visited MDA's assisted enterprise, Marula Natural Products (MNP) on 26 February 2007 to conduct bookkeeping and financial management technical assistance and training. She was unable to complete the assignment due to a power failure at MNP offices but her assignment was rescheduled for March 2007. The assignment is now complete and Karin Aupiais will submit her final assignment report in April 2007. MDA are pleased with the results achieved by Karin Aupiais under difficult conditions at the assisted enterprise site.

Karin Aupiais traveled to Natural Botanicals from 2-3 March 2007 to provide bookkeeping training to 6 ladies working for Red Cedar, Natural Botanicals assisted enterprise. This assignment went very well and Karin Aupiais will submit her final report during April 2007.

International Volunteers

A new international volunteer, Colette Bennett, based in Canada, was identified and has agreed to provide technical assistance to Natural Botanicals under the FY 07 APS from 18 May 2007 to 12 June 2007. The areas of her technical assistance will be in export markets and international small business marketing.

VEGA SAAGA staff met with all FY 07 APS subgrantees in March 2007 to identify areas where International volunteer assistance is needed in each of their programs. The

necessary Scopes of Work for each are in the process of being finalized so that sourcing of the volunteers may begin.

Subagreements under the FY 07 APS will be signed during April 2007 following pre-award expenditure authorizations, which were given to all subgrantees in order that their project implementation may begin in February 2007. The subgrantees have submitted their first quarterly reports, reporting start up activities for February and March 2007. A summary of their reports appears in section III of this document.

Monitoring and Evaluation

In this quarter, monitoring and evaluation efforts were focused on FY 07 APS subgrantees, who received guidance on M & E Reporting and Quarterly Reporting from VEGA SAAGA staff and Jan Rockliffe-King.

III. Summary of FY 07 APS Subgrantee Second Quarter 2007 Reports

Note: FY 06 APS subgrantee second quarter FY 07 reports shall be incorporated into their Final Reports to be submitted to VEGA SAAGA by 30 April 2007.

A. World Education: Ntinga Link 2007 (Subagreement 10872)

1. Program Summary

World Education was awarded USAID funding under APS FY 06 entitled LINK II (subgrant number 10775) and has been awarded further funding under APS FY 07. The Link 2007 program is designed to grow SMMEs as a means to generate meaningful employment and reduce income inequities in the construction, mining and industrial transport sectors. Specifically, LINK 2007 intends to promote SMME competitiveness and firm-level upgrading through basic and advanced training, mentoring and other interventions; facilitate the availability of quality business support services through capacity building and utilization of a comprehensive SMME database management tool; facilitate access to finance; promote best practices in public-private partnerships, genuine Black Economic Empowerment (BEE) and local economic development that is inclusive of Historically-Disadvantaged (HD) SMMEs; and help realign and equalize knowledge and power relationships through effective implementation of existing policy and joint venturing.

2. Program Implementation for Period February – March 2007:

World Education did not undertake any activities during the month of February under the APS 2007 program, but its activities during the month of March are as follows:

2.1 Hiring, orientation and mentoring of an additional Business Linkages Officer (BLO)

Ms. Judy Blom was hired to augment the existing two person BLO team. Her responsibilities will include program outreach, developing new stakeholder relationships,

coordinating and managing SMME training and mentorship and managing revised monitoring evaluation systems.

2.2 Program implementation and strategy review discussions

During the course of March, two major all-day team meetings were held to: develop a program implementation plan and timetable; review the existing program strategy in light of the preaward authorization obtained from VEGA SAAGA in February; and, schedule introductory meetings and discussions with current and potential partners with an emphasis on establishing long-term relationships with SMME opportunity holders and/or support agencies (to encompass delivery of LINK training and mentorship over a 6-9 month period with the added benefit of enhancing capacity of these institutions and enabling current and consistent monitoring and data collection for reporting purposes).

2.3 Revising and redesigning of mentorship initiatives

The impact and monitoring success of the Contractor Mentorship Initiative, piloted under the LINK II program, has led to a strategy of pursuing this selective and targeted approach to working with smaller groups of high-potential SMMEs in sectors or geographic locations with a higher prevalence of contract and sales opportunities. The BLO team developed outlines for mentorship in the construction and transport sectors including revised selection criteria. Lists of potential mentorship candidates have been prepared and the process of selecting and orienting candidates will take place during April and May 2007.

2.4 Review of informational and training materials

As part of LINK 2007's strategy of expanding its service partnerships, the team has revised its program informational handouts that summarise achievements to date and highlight some of the planned activities and potential benefits of engaging with the program. In addition, the Tendering for Success and Joint Venture Management courses were identified to be updated due to changes in South African legislation and the local operating environment. Also, two pilot courses on Fleet Management and Construction Management (developed under the LINK II program) have been added to the menu of program services under the LINK 2007.

2.5 VEGA SAAGA partners meeting and discussion of Volunteer Expert resources

Two World Education SA representatives attended the 15 March 2007 new grantees meeting held at the VEGA SAAGA office in Bryanston. The discussion on the potential use of international Volunteer Experts was particularly informative and helpful. In addition, World Ed met with Jan Rockcliffe-King to discuss USAID performance indicators and World Education's M&E plan.

3. Planned Activities for next quarter:

3.1 Training workshops—a minimum of 25 SMME participants targeted

- Tendering for Success workshops — two workshops (2 days each) will be conducted during both the months of May and June.
- Introduction to Fleet Management — one (1) day workshop will be offered in May
- Joint Venture Management – one (1) day workshop in May and one in June

- Construction compliance—one (1) day workshop offered in June
- Mining compliance—one (1) day workshop offered in June
- Advanced Costing and Pricing for Contractors—two (2) day workshops will be offered in June
- Access to Resources and Opportunities seminar—one (1) day seminar will be offered in June. This event targets a minimum of 80 participants.

3.2 SMME mentorship groups—a minimum of 12 SMMEs will be targeted

The construction mentorship group will commence in May and the manufacturing mentorship group will start in June working with high-potential SMMEs.

3.3 Direct SMME advice and referrals--a maximum of 50 SMMEs will be targeted in 2007

This will be provided by Business Linkage Officers on site (walk-in or phone-in) and consists of: referrals to providers of essential services (e.g., accounting finance, supplies, registration, approvals, etc.); assessment of business status and needs provision; sharing, publicizing of opportunities and tenders; and, occasional support with costing and pricing.

3.4 Database introduction and utilization

During the months of May and June, training on Business Linkages strategies and database use will take place at an urban business support agency. The target client base is a minimum of 30 clients. Over the same time period, a computer database will be installed in the World Education offices and a compilation of mentored SMMEs will be created. The purpose of this database is to improve linkage and networking capacity as well as skills development for project outreach.

3.5 Supporting SMME access to finance

During the months of May and June, it is anticipated that innovative financial mechanisms such as the ABSA pilot venture and the Indlu finance initiative will be “rolled out” with the assistance of LINK Business Linkages Officers to SMME clients.

B. Natural Botanicals (Subagreement 10871)

1. Program Summary

Natural Botanicals was awarded USAID funding under APS FY 06 (subgrant number 10778) and as a follow on has been awarded further funding under APS FY 07. The goal of the current project is to take Red Cedar Cosmetics in Wupperthal, Cape Province to a higher level and improve their overall sustainability. The project will include continued training of the original 6 women who make rooibos tea cosmetic products and be extended to include extensive training to 4-6 additional women on basket weaving techniques as well as basic business management skills. The basket weaving will compliment the cosmetic products.

2. Program Implementation for Period February – March 2007

Activities in February and March 2007 are reported as follows:

- Raw materials and equipment necessary for basket weaving were purchased and delivered to Red Cedar;
- Training was delivered to 6 potential basket weavers in the use of an electric drill and jigsaw;
- Training was delivered to 6 potential basket weavers on planning and time keeping;
- Planning and assistance was given to the basket weavers on the execution of an order for 20 basket trays;
- Pastel Partners (a bookkeeping and financial management software program) was installed at Red Cedar;
- The 6 Red Cedar soap makers were given basic training on Pastel software by a local volunteer under the VEGA SAAGA program;
- Upgrading and furnishing of the exhibition area began;
- Training was given to both soap makers and basket weavers on quality control; and,
- Three new rooibos based cosmetic products were developed.

3. Planned Activities for Next Quarter

The following activities are planned for the period April – June 2007:

- Upgrading and furnishing of the exhibition area will continue and be completed;
- Implementation of new packaging and labeling;
- Implementation of three new products (rooibos based lip balm, room spray and body lotion);
- Detailed assessment of training needs of 6 member soap makers and 6 contract basket weavers;
- One exchange visit is planned for the coming quarter;
- Two new markets for soap and basket products will be exploited (after the new packaging and labeling has been implemented);
- At least one article of Red Cedar activities will be placed as an editorial in a local magazine; and,
- Best practice and quality control training will continue.

C. Milk Producers Association (MPO) (Subagreement 10873)

Due to internal administrative delays, MPO did not submit their quarterly report in time to be presented in this document. Their report will be sent as an addendum to this report once it has been received by the VEGA SAAGA field office.

D. Cape Town Regional Chamber of Commerce and Industry (Subagreement 10870) (Cape Chamber)

1. Program Summary

Through its structured training and mentoring program, the Cape Town Regional Chamber integrated business development program assists SMME owners to consolidate their businesses, identify new opportunities and develop business growth plans, thereby improving the competitiveness of HD SMMEs. In addition, the Cape Chamber program strengthens business development service providers and promotes active partnerships with other business agencies.

2. Program Implementation for Period February – March 2007

2.1 Start up Activities

- Reviewed and assessed SMME development needs (based on prior programs of 2005 and 2006);
- Analyzed lessons learned from previous programs to improve design of current program;
- Finalized work plan and activity timeline;
- Finalized human resource requirements for program; and,
- Redesigned program application forms for prospective SMME owners and mentors participating in program.

2.2 Marketing and promotion

- Developed database of stakeholders from government, NGOs and corporate sectors. More than 150 stakeholders are in this database;
- From database assessed marketing target groups and messages to be transmitted. The names in the database were grouped together and different messages for the corporate sector and the government/ NGO sector created;
- Established a clear marketing strategy for the program. In view of the target group (> 1 year in business, turnover > R 300.000) it was decided to concentrate the marketing effort on an email campaign and an advertising campaign in local and targeted newspapers;
- Designed marketing and communication material on the basis of the above assessment. An email letter in compressed format to minimize transmission time that appears on the recipients screen (no attachments) was designed with the assistance of a marketing company;
- Designed and developed appropriate advertisements for various media, e.g. Big News for Small Business, Westlander, Swartlander, George Herald. Developed and wrote various articles for publication in local community newspapers and regional community newspapers;
- Distributed printed brochures in line with marketing strategy. Leaflets were distributed on the Chamber's behalf by some of the stakeholders (CCDI, LED Managers); and,
- Disseminated program information via email campaign to target groups, e.g. PetroSA, SEDA, Red Door, local municipalities, and a number of other organizations. The Cape Chamber also used the Chamber's own database to send bulk e-mails to all members. All stakeholders in the database were sent personalized letters outlining the programs and their various elements.

2.3 Stakeholder consultation and planning

- Established email and telephone contact and set up presentation meetings with stakeholders. The key stakeholders were visited by the project manager, the mentor and training coordinator and the program administrator. The Chamber canvassed their support and discussed what roles they could play to ensure businesses are strengthened through the program and to obtain their general support. The response was overwhelmingly positive and managed to obtain their support to: promote program through their own networks and database provide suitable training venues for program;

- From stakeholder database and above marketing initiatives, identified potential SMME owners to approach. A separate letter aimed at prospective SMME's was distributed to the stakeholders to be forwarded to their SMME client base.

3. Planned Activities for Next Quarter

3.1 Monitoring and Evaluation (M&E)

- Contract a local M&E specialist to develop M&E system and processes.

3.2 Selection and Induction of Mentors

- Design application form and disseminate via email to stakeholders to obtain suitable mentors for program;
- Assess mentor applications and curriculum vitae submitted against set criteria in terms of experience in mentoring other businesses and competencies in marketing, operations, management and finance;
- Conduct telephonic interviews and appoint 30 of the most suitable mentors;
- Offer employment contract to mentors and sign agreements for duration of program; and,
- Orientate and train mentors in the following modules:
 - program philosophy and mentoring best practice
 - USAID and Cape Regional Chamber requirements
 - general mentor tasks and responsibilities
 - reporting processes

3.3 Recruitment of SMME Owners

- Receive applications from prospective SMME owners as result of marketing activities mentioned above;
- Assess and shortlist c. 200 applicants against the following criteria:
 - SMME owners should be in business for than one year
 - SMME owners should have an annual turnover of more than R300,000
 - SMME owners should have a complement of at least three staff
- Mentors to conduct site visits to SMME businesses to evaluate the suitability of the SMME to be accepted on the program and to confirm veracity of information submitted in the application;
- Mentor to gather baseline data from SMME businesses for M & E process; and,
- Based on the combination of application form and site visits conducted by mentors, the finalisation of the selection of participants will take place.

3.4 Training of SMME Owners (6 courses)

- Prepare training venues:
 - equipment
 - catering
 - course material
- Train SMME owners in the following modules:
 - Importance and value of business planning
 - Entrepreneurship characteristics
 - Market research and strategy
 - Effective and efficient operations
 - Organization and management

- Financial management
- Based on an evaluation form which will be developed, SMME owners will submit an assessment and evaluation after each training session.

E. Business Skills South Africa (BSSA) (Subagreement 10869)

1. Program Summary

The BSSA program entails the training and mentoring and the strengthening of the competencies of 75 Business Development Service (BDS) providers across three provinces in South Africa, being Mpumalanga, Free State/Northern Cape and Eastern Cape. Twenty-five BDS providers per province will be taken through BSSA's training program for business advisers, called PROCESS, after first being introduced to the Build a Better Business (BBB) diagnostic tool. PROCESS consists of six modules — each module will be dealt with in a classroom environment for four days, followed by one week's practical individual fieldwork. The first day of each intervention will be set aside for report back on the previous session's fieldwork.

2. Program Implementation for Period February – March 2007

2.1 Meetings and recruitment of learners

This quarter's activities consisted mainly of meetings with stakeholders in order to create awareness of the program and gain support and the beginning of recruitment activities.

At the *National Level*, the following meetings took place:

- A meeting was held with John Francis, head of capacity building at the Small Enterprise Development Agency (SEDA). A letter was sent by John Francis to all provinces indicating SEDA's intention to partner with BSSA and assist where possible (for example with recruitment).
- Similar meetings were held with Business Partners, GTZ, InWent, Khula and ECI Africa. GTZ will make available to BSSA the results of their research into BDS provision in two provinces in which BSSA's project activities will occur.

At *Provincial Level*:

- Meetings were held with provincial managers of SEDA. In all cases, an individual was assigned at branch level within SEDA to help recruit participants for BSSA's project.
- Meetings were held with other stakeholders including Stainless Steel Initiative, Community Self Employment Centre (COMSEC) and Coega Development Corporation.

In Mpumalanga Province, it was agreed with regional manager of SEDA that the training initiative would take place in the Nelspruit area. A local BSSA trainer is assisting with recruitment of learners. The Stainless Steel Initiative is sending one or two of its business advisors to work in program outreach.

In Free State/Northern Cape Province, nine possible participants have been identified as the result of BSSA meetings with three local BDS providers.

2.2 Training needs assessment and repackaging of materials

BSSA have met with the Service Seta assessor and moderator to select competency outcomes which are aligned to specific unit standards of the Business Adviser National Qualification (NQF) Framework 5 qualification. The approval of assessment outcomes for the unit standards rests with the Service Seta.

2.3 Scheduling and Logistics

Most of the participants in the training program will need to spend in their businesses in between the training and practical work sessions. A schedule has been drawn up and agreed upon by the stakeholders and recruiters and trainers have been assigned to each intervention. Training venues have been agreed upon in the Free State and Mpumalanga. In the Eastern Cape, COMSEC will provide the venue (at their usual fee) and access to businesses in their area for practical work.

3. Planned Activities for Next Quarter

The main activities for next quarter include:

- finalization of recruitment of possible participants — 150 potential learners;
- conducting of training needs assessment workshops — 120 participants;
- final selection of participants — 75 learners to be selected;
- selection and repackaging of training materials; and,
- commencement of the training intervention beginning with Build a Better Business (BBB) — 75 learners to be trained.

IV. VEGA SAAGA Subgrantee Performance Data – Market Driven Employment Strategic Objective

With the assistance of the VEGA SAAGA monitoring and evaluation specialist, subgrantee M & E plans will be finalized in the third quarter and performance data (baselines, targets and actuals) will be presented in the VEGA SAAGA report for that quarter.

V. VEGA SAAGA Third Quarter FY 07 Planned Activities

VEGA SAAGA Management

The VEGA SAAGA team will continue to oversee the current subgrants management process, and provide assistance to subgrantees in the closing out of their programs and writing of their final program reports.

VEGA SAAGA management will be responsible for the implementation of the FY 07 APS subawards and in the third quarter will oversee the subgrants management process, providing technical support to the subgrantee organizations where necessary in an effort to improve the overall efficiency and timeliness of their monthly and quarterly financial

and program reporting. At the same time, VEGA SAAGA staff will manage the closeout process for the FY 06 subgrants.

The program assistant, Dorah Menoe, was employed on a 6 month contract from 1 December 2006 to 31 May 2007. An assessment of the need for her services after this date will be considered, and should it not be deemed necessary this contract will terminate naturally.

Subgrantee Program Implementation

VEGA SAAGA staff will assist FY07 APS subgrantees with the compilation of their first Quarterly Reports and will continue to provide assistance to new subgrantees on all issues related to their program implementation.

Volunteer Activities

VEGA SAAGA staff will assist FY07 APS subgrantees with the identification of Volunteer Expert opportunities in their programs and will source and field both local and international volunteers accordingly.

Monitoring and Evaluation

The VEGA SAAGA M & E Advisor, Jan Rockliffe-King, will continue to work with the FY 07 subgrantees to establish sound M&E systems. In conjunction with VEGA SAAGA office staff, she will also assist the FY 06 subgrantees with the close-out report formats.

USAID Interaction

Representatives from USAID will be informed by VEGA SAAGA staff of special events or other opportunities to visit current and/or new subgrantee program sites during the course of the quarter.

Site Visits

It is anticipated that site visits to the new subgrantee programs (particularly Cape Chambers of Commerce, Milk Producers Organization and Business Skills South Africa who have no prior experience with USAID) will commence in May 2007. Site visits to current subgrantee programs will be organized around specific program needs such as Monitoring and Evaluation issues or closeout activities. A site visit by Lynette van Niekerk to Cape Chambers in Capetown has been organized for the first week in May. This visit will include meetings with key personnel, extensive capacity building with the financial manager to improve monthly financial reporting and a visit to a program training site. During the same period, Lynette van Niekerk will visit Natural Botanicals to meet key personnel and visit a local market to identify sales opportunities for Red Cedar products.

**MEETING BETWEEN ECIAFRICA AND VEGA SAAGA
23 JANUARY 2007**

Attendees:

Dana Mullins (DM) – VEGA SAAGA
Lynette van Niekerk (LvN) – VEGA SAAGA
Khanya Mahlati (KM) – ECIAfrica
Gerhard Coetzee (GC) – ECIAfrica
Jason Jacksch (JJ) – IESC, Washington

DM outlined that the reason for the meeting was to discuss the management and overall programmatic and financial status of the ECIAfrica project under the VEGA SAAGA program. DM outlined the background to all concerns stating that VEGA SAAGA are aware of various management and staffing issues which ECIAfrica have had to face, but a revised financial pipeline and outline of what program activities could realistically be done by the end of March was requested in November 2006 and has not as yet been forthcoming.

GC responded that he had been appointed in November 2006 to assist the current project manager, Juliana Rwelamira, get the project back on track. He conducted a site visit in January 2007, when he saw the project for the first time, and confirmed that it did have severe problems. GC authorized immediate steps towards resolving some of the programmatic issues including:

- 1) extending the project focus from horticulture and chicken farming into beef and pork farming;
- 2) begin working with larger farmers with immediate effect;
- 3) Seconding an experienced ECIAfrica employee in the field to conduct an in depth assessment of where the project is and what can realistically be achieved.

GC put forward that as he sees the current status, there are two options:

- 1) the project closes with immediate effect
- 2) ECIAfrica request a no cost extension which would give them an additional three or four months to achieve their program objectives.

DM put forward that a third option would be for ECI to assess what could realistically be achieved within the existing timeframe (i.e until 30 March 2007) and what funds would be required to achieve that.

GC agreed that he was waiting for the detailed assessment from the field on what could be salvaged from the project thus far, and that he would ask the field person to provide the above information which can then be used to make a decision on which would be the best option.

GC proposed that *ECIAfrica* withdraw all submitted Quarterly Reports and produce a cumulative report on the project to date. He agreed that the latest Quarterly Report could not be used by VEGA SAAGA in its current format and undertook to try to get better information to VEGA SAAGA by the end of this week. DM confirmed that the overall Quarterly Report, of which *ECIAfrica*'s forms a part, is due to be submitted by 26 January 2007. However, in the interests of us submitting better quality information *ECIAfrica*'s information could be submitted late as an addendum.

ECIAfrica have now submitted their financial reports for October, November and December 2006. There are two outstanding items to be supplied to SAAGA:

- 1) a copy of Herman van Schalkwyk's contract
- 2) the Exchange Rate used by the bank on receipt of November 2006 funding (with proof of that).

It was agreed that KM would provide 1) and 2) above and that LvN would submit their financials to IESC in Washington. As it is unlikely that on submission of 3 months financial reports all expended funds would be replenished, LvN shall request a transfer to *ECIAfrica* of their operating balance at the end of December 2006.

LvN confirmed that Deborah Kahatano had been trained to input TraiNet (A USAID training database requirement) information, but that the data capturing had not been kept up to date. LvN will provide GC with the documents used for capturing the training information, and stated that USAID would be available to provide additional training and assistance for *ECIAfrica* to get the data capturing up to date.

It was agreed that a further meeting would be held on 8th February at 10am at VEGA SAAGA offices in Bryanston.

The meeting then closed.

**MEETING BETWEEN ECIAFRICA AND VEGA SAAGA
15 FEBRUARY 2007**

Attendees: Juliana Rwelamira (JR)
Deborah Kaetano (DK)
Dana Mullins (DM)
Lynette van Niekerk (LvN)

The purpose of the meeting was to discuss in detail the budget and pipeline presented to VEGA SAAGA by ECIAfrica (P/L) for the period covering January 2007 to March 2007.

JR opened by asking if it was possible to build in costs for the Project Coordinator, Challa Moahloli, and the Project Assistant, Lieketseng Kolitsang, for the first 10 working days of April 2007, (that is to 17 April, 2007) in order for them to wrap up project activities and assist with the compilation of the project final report. DM responded that VEGA SAAGA would confirm that this is in order with management, in Washington, DC.

DM noted that Gerhard Coetzee had undertaken at the last VEGA SAAGA/ECIAfrica P/L meeting to provide a revised cumulative quarterly report and that this had not as yet been done. It was agreed by the meeting however, that the project teams efforts should rather be focused at this point on the project final report and thus would not be necessary.

JR asked when the final report would be due. DM responded that VEGA SAAGA would confirm this in due course but that it was likely to be 30 days from the project end date. DM also informed DK and JR that we are working on a final report template which would be sent to all subgrantees shortly.

A detailed discussion of the budget followed:

LvN undertook to confirm the Rand balance of obligated funds, ECIAfrica P/L have available as at the end of January 2007. It was to be noted; however that January 2007 financial reporting for ECIAfrica P/L had not yet been finalized.

LvN and DM asked that JR and DK re-work the budget in order to get it as realistic in terms of actual expected expenses as possible. This is necessary in order for a sub agreement modification in which the amount of current obligated funds remaining was in fact likely to be spent would be stipulated.

JR and DK undertook to provide an In-kind Contributions report as ECIAfrica P/L had not used any of their volunteer days and due to the fact that Lean van der Westhuizen, Herman van Schalkwyk and University of Freestate had all given In-kind Contributions. This report will form a part of the final report.

JR and DK undertook to provide VEGA SAAGA with a copy of the minutes of the project committee meeting, which was held during the week 5 – 9 February 2007.

JR also undertook to follow up with Khanya Mahlati (KM) regarding LvN's queries on ECIAfrica P/L Attach 5, financial reporting for January 2007. LvN e-mail to KM dated 12 February 2007 refers to this.

The meeting between VEGA SAAGA and ECIAfrica P/L to discuss M & E for their program, scheduled for Monday 19 February 2007 at VEGA SAAGA offices was confirmed.

The meeting then closed.

**MINUTES OF 19 FEBRUARY 2007
MEETING BETWEEN ECIAFRICA AND SAAGA**

Attendees:

Dana Mullins (DMu)
Lynette van Niekerk (LvN)
Jan Rockliffe-King (JR-K)
Dorah Menoe (DM)
Juliana Rwelamira (JR)
Deborah Kahatano (DK)
Sydney Zharare (SZ)

DMu began by summarizing the status of the *ECIAfrica* program. Financially, *ECIAfrica*, at end-January 2007, has approximately R332,000 of current obligated funds available and, based on *ECIAfrica*'s historical program burn rate, this should be sufficient for them to wrap up the program activities as well as compile all necessary reports by the end of March 2007 (the end date of the subagreement). VEGA SAAGA have considered *ECIAfrica*'s request to budget 10 additional working days in April 2007 for selected staff to do program report writing. DMu confirmed that this was not possible and that all program and report writing activities should be budgeted from current obligated funds.

DMu asked SZ for an update on the program achievements, particularly the livestock sales which were expected to be confirmed during the week 12 – 16 February, 2007. SZ responded that one sale had been confirmed and that another was expected during the week 26 February – 2 March, 2007. SZ remained confident that they would reach their sales targets.

DMu asked JR to give an overall discussion on what is to be expected on the visit that JR-K will have with them on the 20th February 2007. JR replied that they would do field visits to various assisted enterprises around Bloemfontein. This would be followed by lunch and an afternoon meeting to discuss *ECIAfrica*'s M&E status, particularly for their final program report. They would also pay a courtesy visit to the Dean of the University of Freestate (UFS) at approximately 5pm.

JR confirmed that a template for a data collection exercise has been developed for the 23 SMME's, with which *ECIAfrica* have been working since the start of the project, as well as the 17 new livestock SMME's. She also confirmed that they are only going to look at transactions and sales, and not number of jobs created.

DMu then asked DK and JR to explain the baseline of 168 jobs vs. 331 current jobs (per their quarterly report). JR then explained that the 168 jobs were those which existed at the project from the start, and therefore served as a baseline. The current number of jobs was calculated using the USAID guidelines of full time equivalents.

JR-K asked how the data of the number of people employed by the assisted enterprises is captured and JR explained that Lieketseng Kolitsang (the project assistant) has a data collection template; she goes to each SMME, holds an interview with each and records their responses. JR explained that the project has one laptop, which is used by Challa Moahloli (Project Coordinator) and that UFS had taken back their loan computer in December 2006. Since then Lieketseng Kolitsang has had to go to UFS to capture the M&E information electronically.

It was agreed that JR-K field visits would focus on 3 projects under this assistance: 2 deemed successes and 1 adjudged to have not succeeded. JR-K would assess these from an M&E point of view and advise *ECIAfrica* accordingly. JR-K would also go through the data collection system. SZ and JR informed all that 2 or 3 successful projects would be transferred to *ECIAfrica's* PAL program.

DMu and LvN went through *ECIAfrica's* revised budget, as submitted to VEGA SAAGA, earlier in the week. DMu reiterated that they would need to operate within the current obligated funds available as of end-January 2007 and suggested that the pipeline be revised to reflect February and March, 2007, as January 2007 expenses had been submitted (although not finalized). Normal NICRA would apply but, in terms of historical spending and program achievements, VEGA SAAGA could not justify requesting that the unobligated portion of *ECIAfrica's* budget be obligated, at this point in time.



**ATTACHMENT D
VEGA SAAGA WORKPLAN 2007- 2008**

South African APS Grants Administration (SAAGA) Program
USAID/South Africa Associate Cooperative Agreement
No. 674-A-00-05-00067-00
Leader with Associates Cooperative Agreement (LWA)
No. EEM-A-00-04-00002-00

Work Plan

Submitted by:

Volunteers for Economic Growth Alliance (VEGA)
1900 L Street
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1.0 INTRODUCTION

1.1 Background and Approach

The Volunteers for Economic Growth Alliance (VEGA) was awarded Associate Cooperative Agreement Number 674-A-00-05-00067-00 under its Leader with Associate Award (LWA), Number EEM-A-00-04-00002-02, from the United States Agency for International Development (USAID) on September 26, 2005 to implement the 2006 South African Annual Program Statement Grants Administration (SAAGA) program in South Africa. The total budget of that award is \$ 1,737,290 to be implemented by February 25, 2007. On September 29, 2006, a modification to the Associate Cooperative Agreement was signed, providing additional funding of \$2,297,168 and bringing the total amount of the award up to \$4,000,907. Additionally, the Associate Cooperative Agreement was modified with a one-year extension, providing a new end date of February 25, 2008.

VEGA's implementing member organization for the SAAGA program is the International Executive Service Corps (IESC). SAAGA, through its South African based management team, will continue to manage the current subgrantee programs while carrying out a new Annual Program Statement (APS) cycle of proposal reviews and awards as well as subgrant administration.

1.2 Time Period Covered by Workplan

The SAAGA program extension will be implemented from September 29, 2006 to February 25, 2008, per the modified grant agreement between USAID and VEGA. This work plan incorporates grant management activities which will take place simultaneously — administration and closeout of FY 2006 subgrantee programs which end in March 2007 and administration of new subgrantee programs awarded under the FY 2007 APS which will end in February 2008.

1.3 USAID Objectives

The objective of the of the FY 2006 and FY 2007 APS is to support USAID/South Africa's Strategic Objective to increase market-driven employment through activities that promote growth of historically disadvantaged small, medium and micro-enterprises (SMME's) in South Africa.

The SAAGA program works to meet the objective of the APS through focusing on three key program objectives, under the FY 2006 APS and FY 2007 APS which include:

- 1) Identify and develop markets for SMMEs, including agribusinesses;
- 2) Enhance the capacity of historically disadvantaged SMMEs, including agribusinesses, to respond to market opportunities; and
- 3) Increase access to finance for historically disadvantaged agribusinesses and SMMEs.

A new program objective of the FY 2007 APS is 'Improved Quality of the Workforce' which focuses on vocational and technical skills development required for entrepreneurship and productive employment.

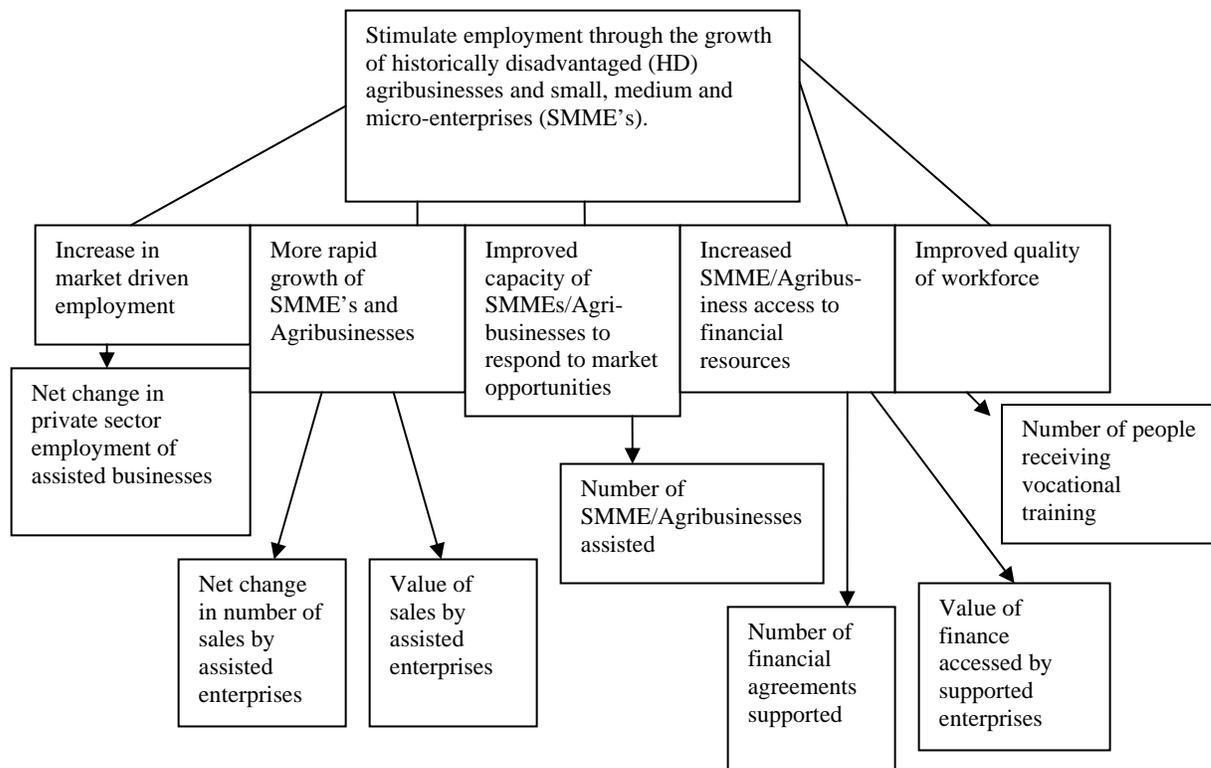
The overall program focus is on activities directly leading to increased employment.

1.4 Overview of Specific Program Outcomes

In support of USAID/South Africa's strategic objectives, VEGA has awarded grants to four South African organizations. The four grantees will track and report on at least one of the following indicators, as set out in the USAID APS:

- Increased market driven employment
- More rapid growth of SMME's and Agribusinesses
- Improved capacity of SMME's/Agribusiness to respond to market opportunities
- Increased SMME/Agribusinesses access to financial resources

1.5 Results Framework



1.6 Coordination with Local Organizations to Recruit Volunteer Experts

During the FY 2006 APS, Memorandums of Understanding (MOU's) were signed with two South African organizations to provide volunteer experts to the subgrantees and their assisted enterprises.

On September 14, 2006, an MOU was signed between SAAGA and Salesbytes, a local for-profit organization which provides sales and marketing training across many industries, as well as coordinating sales and marketing events. Salesbytes has, during its 16-year history, developed a large network of sales and marketing professionals through its various business networking initiatives. A new MOU

shall be signed between SAAGA and Salesbytes, who will continue to provide volunteer experts under the FY 2007 APS.

On September 21, 2006 an MOU was signed between SAAGA and My Fathers House Church (MFH), a registered non-profit organization (Section 21) which has the ability to identify and deliver business professionals on a volunteer basis to small enterprises.

Discussions are also underway with Triple E Training Holdings (Triple E), a South African for-profit organization which, in its 15 years of existence, has delivered Adult Basic Education Training to more than 600 companies throughout South Africa, to provide numeracy/literacy training on a cost/share basis to participants in subgrantee programs. Should there be a requirement from new subgrantees for this type of training an MOU shall be entered into between SAAGA and Triple E to end February, 2008.

The volunteers provided by these organizations will supplement the activities of internationally recruited volunteer experts by providing short-term technical assistance (2-5 days, on average) to the subgrantees. SAAGA management will continue sourcing local South African platforms from which to recruit volunteer experts.

1.7 Key Objectives for Timeframe

A key program objective of awarding three to five grants, under the FY 2006 APS resulted in four selected grantees signing sub-agreements by April 2006. Under the FY2007 APS, five organizations have been selected, and it is anticipated that all five subagreements will be signed by March 1, 2007. Two of the selected subgrantees are follow-on activities from the FY 2006 APS and three are new awardees. Program activities are focused on subgrant administration and include monitoring and evaluation of subgrantees, financial management of subgrants, technical assistance assignments, and reporting. Key objectives for the remainder of the program include:

1.7.1. Monitoring & Evaluation Activities

- Collect and establish baseline data and revise targets as needed for current and new subgrantees.
- Provide assistance to all subgrantees as needed to develop and maintain robust performance monitoring plans (PMPs) and M & E systems and structures.
- Monitoring and Evaluation visits to subgrantee project sites. Site visits to current subgrantees have been completed and site visits to new subgrantees will take place during 2007.
- Review of, and assistance with (as needed) on-going quarterly reporting of results. As needed, assist in refining performance indicator reporting and success stories.
- Participation by new subgrantees in USAID's TraiNet session (web-based database of USAID-funded training) and verification of data input by current subgrantees in USAID's TraiNet system.

1.7.2 Financial Management

- Monthly financial overviews and mid-term and final grant financial and compliance reviews.

1.7.3 Technical Assistance

- Technical assistance to subgrantees including identification, recruiting and fielding of local and international volunteer experts to assist subgrantees in specific areas such as financial management, marketing, and business management.
- Site visits by SAAGA management team to current and new subgrantee program sites to interact with project leaders and key personnel.
- Assistance and guidance to new subgrantees on program management and identification of potential networking opportunities.
- Assistance and guidance to new subgrantees and their assisted enterprises on maintaining sound bookkeeping and financial management systems.
- Assistance and guidance to new subgrantees on Human Resource and contract related issues in order to lessen any potential labor related risks.
- Co-ordination of attendance at USAID Compliance and Financial Management workshops in order to assist subgrantees with overall reporting and management of their subagreements.
- Identification of potential subgrantee project weaknesses in order to assist subgrantees in reaching subagreement objectives.
- Identification of potential subgrantee project strengths in order the subgrantees may capitalize on these.

1.7.4 Reporting

- Monthly financial reports
- Quarterly reports
- Close out reports

1.8 Project Indicators: Monitoring and Evaluation Plan and Deliverables

1.8.1 Monitoring & Evaluation (M&E)

Monitoring & Evaluation began immediately following the signing of the current sub-agreements with initial meetings between the M&E advisor and each subgrantee. M&E plans for each subgrantee were finalized including the establishment of baseline data and performance targets. Current subgrantees have been tracking and reporting on at least one of the indicators specified in the FY2006 APS, which are listed in section 1.8.4.

The same process will be followed with new subgrantee awards under the FY2007 APS. All subgrantees will use SO9's approved definitions for each performance indicator they track.

1.8.2 Financial M&E

Financial monitoring and evaluation will be done on a monthly and quarterly basis by the SAAGA management team. A mid-term review of current subgrantee financial reporting will be conducted by an IESC management staff member to provide an assessment as well as guidance on improving financial management and compliance where necessary

during January 2007. New subgrantees will also be subject to a mid-term review of financial reporting late in 2007 or early in 2008.

1.8.3. Program M&E

The SAAGA M&E advisor developed guidelines for the current subgrantees to assist them in preparing their M&E plans. Meetings between the subgrantees and the SAAGA M&E advisor to discuss their M&E plans and to draw up specific frameworks took place in April and May 2006. Follow-up meetings to fine-tune subgrantee M&E systems and reporting took place during October – November 2006. Site visits to current subgrantees organizational headquarters and program sites were also conducted.

The SAAGA M&E advisor will follow the same process with new subgrantees and this process will commence once the subagreements have been signed.

1.8.4 Results

Each of the four subgrantees will report on the training data point and will be required to report on one or more of the indicators detailed in the following table:

USAID APS Result	Indicator
Increased market driven employment	<ul style="list-style-type: none"> • Net change (% increase over baseline in private sector employment of assisted businesses)
More rapid growth of SMMEs and agribusinesses	<ul style="list-style-type: none"> • Net change (% increase over baseline in number of sales by assisted enterprises) • Value of sales by assisted enterprises
Improved capacity of SMME's/agribusinesses to respond to market opportunities	<ul style="list-style-type: none"> • Number of SMME agribusinesses assisted
SMME/Agribusinesses access to financial resources increased	<ul style="list-style-type: none"> • Number of financial agreements supported • Value of finance accessed by supported enterprises
SMME entrepreneurs receiving training	<ul style="list-style-type: none"> • Hours of training received by individual entrepreneurs in relevant business skills
Improved Quality of Workforce	<ul style="list-style-type: none"> • Number of individuals completing training courses • Number of trained workers gaining private sector employment • Number of apprenticeships developed and offered

Subgrantees will also provide quarterly narrative reports of program progress, successes, issues and problems, and will provide success stories as they materialize.

In order to achieve the above results, the subgrantees will be undertaking various activities such as conducting workshops and training sessions, mentoring, establishing appropriate business linkages and capacity building.

2.0 PROGRAM COMPONENT DETAIL

2.1 Project Start-up, Launch, Management

The local SAAGA office was established and equipped in Woodmead, Johannesburg, in November 2005. Staffing of the office began in October 2005 and was expanded in December 2006 to accommodate an increased workload following the modification of the USAID cooperative agreement as per Point 1.1, above. The local SAAGA office is comprised of Dana Mullins - Chief of Party; Lynette van Niekerk - Program Coordinator; Dorah Menoe – Program Assistant; and, a local consultant, Jan Rockliffe-King, who serves as Monitoring and Evaluation Advisor. Ms. Rockliffe-King is based outside of Johannesburg in White River, South Africa, but travels to the SAAGA office and grantee sites as needed to carry out M & E work. The local SAAGA office relocated from Woodmead, Johannesburg to Bryanston, Johannesburg, in October, 2006.

Following the release by USAID of the FY 2007 APS, advertisements were placed in a local South African newspaper and 135 proposals were received by the SAAGA office in response. Thirteen proposals, which met the basic criteria of the APS were forwarded to, and evaluated by, the Technical Evaluation Committee (TEC), which met on December 7, 2006. In total, five organizations were selected to receive subgrants. World Education and Natural Botanicals (NB) were selected as follow-on programs from the FY 2006 APS. NB was requested by the TEC to narrow its new activity focus to include only one new activity (basket making) as it directly supports the sale of soap products and to adjust its budget accordingly. NB did this and it was accepted by the TEC. The three new subgrantees selected are: Business Skills South Africa (BSSA); Cape Town Chamber of Commerce and Industry (Cape Chamber); and Milk Producers Association (MPO). MPO were requested by the TEC to justify the need for Land O'Lakes (LOL) – a US based farmer-owned cooperative whose international development unit specializes in helping small farmers overseas increase sustainable production, enhance their competitiveness, and increase household incomes. LOL will manage a significant component of MPO's proposal involving the strengthening of milk cooperatives. Much of the MPO program budget was targeted at cooperative development, as opposed to training and mentoring of the emerging dairy farmers, and MPO was requested to look at restructuring the overall budget so that more funds go toward the latter. This was done by MPO and it was accepted by the TEC.

2.2 Subagreements

During April 2006, four subagreements were signed with the grantees; it is expected that the five new awards will be signed during March 2007. The subagreements stipulate the amount of the subaward, specify financial and program reporting requirements, and provide parameters for administration and USAID compliance.

Detailed M&E plans for the four current subgrantees were finalized during the first quarter of their programs and baseline data was collected during the third quarter of FY 2006 by the subgrantees and incorporated into their respective M & E plans. The M & E Advisor is conducting quarterly reviews of these subgrantee M & E plans (evaluating targets and results) in line with subgrantee performance reports (submitted quarterly).

The same process will be followed for the five subgrantees under the FY07 APS. It is expected that this process shall begin as soon as the subagreements have been signed.

2.3 Grants Program

Activity	Parties involved	Timing
1 st round screening of grant applications for USAID FY07 APS	SAAGA staff	November – December 2006
Finalists reviewed and winners selected	TEC, comprising USAID representatives, SAAGA COP, and SAAGA M&E advisor	December 7, 2006
Budget reviews and due diligence of FY07 APS subgrantees; subagreements signed	SAAGA management team, subgrantees, IESC Washington staff	January –March 2007
Collection of baseline data FY07 APS subgrantees	SAAGA M & E advisor	March – May 2007
Financial reporting systems implemented FY07 APS	SAAGA management team	March –April 2007
FY 07 APS Subgrantees begin programs including reporting responsibilities	Subgrantees, SAAGA management team and VEs	March 2007 – February 2008
Sourcing and fielding of local and international Volunteer Experts for all subgrantees	Subgrantees, SAAGA management team, IESC Washington	Duration of program
Financial and Programmatic Monitoring and evaluation of all subgrantees	SAAGA management team	Duration of program
Close out and final reporting – FY06 APS subgrantees	Subgrantees and SAAGA management team	April-May 07
Close out and final reporting – FY07 APS subgrantees	Subgrantees and SAAGA management team	Program's end

Note: a detailed program schedule appears in section 4.0

2.4 FY 07 APS Grant Awards

World Education

World Education's overall project objective is to "bridge the gap between South Africa's SMME's and access to opportunities and resources through facilitating sustainable business linkages." This is to be achieved by consolidating and expanding the innovative market-based model of business linkages that have benefited small and micro enterprises since 2003. This is a follow on program from the FY 06 APS subgrant award.

Natural Botanicals

Natural Botanicals is a company dedicated to the advancement of natural plant products from Southern Africa. Natural Botanicals will achieve this through the training of currently unemployed rural women in the areas of quality control and delivery of a standardized product, placing of orders from suppliers, executing orders on time, development of fragrances and liquid soap products, and production training. There are two targeted groups of women: 1) the production of rooibos soap and other rooibos cosmetic products; and, 2) the weaving of baskets from natural rooibos by-products as packaging for the rooibos soap products. Production of the soap is a follow-on program from the FY 06 APS subgrant award, while basket weaving is an additional element.

Milk Producers Association (MPO)

MPO is a registered not-for-profit organization, with extensive experience in dairy training and technology transfer. It has an implementing partner, Land O'Lakes, a US-based, producer-owned cooperative organization. The dairy project's overall objective is to "build the capacity of historically disadvantaged dairy farmers, dairy farm workers and dairy farmer cooperatives to engage in commercial dairy production, thereby increasing on-farm and enterprise-level jobs". MPO will achieve this by training both farm workers and emerging dairy farmers on best farm and animal management practices as well as by supporting the formation and/or expansion of member-owned dairy cooperatives.

Cape Regional Chamber (Cape Chamber)

Cape Chamber is a registered non-profit organization which, with its many years of experience in the enterprise development field, is implementing an Integrated Business Development Program (IBDP). The proposed IBDP, utilizing a structured training and mentoring process, will train and assist historically disadvantaged SMME owners to streamline their business, identify new opportunities, develop business growth plans and, through a structured mentoring process, set up implementable action plans.

Business Skills for South Africa Foundation (BSSA)

BSSA is a registered not-for-profit organization whose program will strengthen the competencies of a group of independent small business development service (BDS) providers to SMME's. Twenty-five small BDS providers will provide SMME's with a better functioning BDS market. Fieldwork will form an essential element of this program with the selected BDS providers having to submit reports and/or more relevant BDS offerings at various stages throughout the program.

2.5 Grant Monitoring and Evaluation

2.5.1 Performance M&E

Each of the subgrantees will be reporting performance results quarterly as follows:

World Education

The major activity components of the World Education program will be basic and advanced SMME support, LED/Public Private Enterprises in target municipalities, Financial Intermediation and Innovation, BEE Strategies and Support Services, Expanding and Strengthening Business Service Providers, business networking, and relationship building.

They will report performance results in the following areas:

USAID Deliverable	Indicator Detail
Increased market driven employment	Number of full and part time jobs employing women and number of jobs sustained
More rapid growth of existing SMME's	Number of sales supported, export sales and sales involving majority women owned businesses Rand Value of contracts, export sales and sales emanating from micro enterprises
Improved SMME capacity to respond to market opportunities	Number SMME's assisted and specifically women owned enterprises
SMME's access to financial resources increased	Number of financial agreements accessed from equity finance, private sector debt, public sector/parastatal debt, other forms of finance accessed Rand Value of finance accessed as above
SMME entrepreneurs training	Type and duration of training/skills building provided to assisted SMEs

Milk Producers Association (MPO)

The major deliverables of MPO's program will be the training of dairy farmers & dairy farm workers, building the management capacity of dairy farm cooperatives, and development of partnerships between commercial farmers and emerging farmers through "share milk" schemes.

They will report performance results in the following areas:

USAID Deliverable	Indicator Detail
Increased employment in dairy sector	Number of new jobs
More rapid growth of SMME's	Number and value of sales Increase in business net worth
Improved SMME capacity to respond to market opportunities	Number of dairy farmers assisted
SMME's access to financial resources increased	Number and value of signed agreements
Dairy farmer and dairy co-operatives training	Type and duration of training/skills building provided to assisted SMEs

Natural Botanicals

The Natural Botanicals project will start off with basic training in soap making as well as basket weaving. They will also receive technical training in competing in the market. Training in the receipt, execution and delivery of orders, as well as product development and marketing will also take place.

They will report performance results as follows:

USAID Deliverable	Indicator Detail
Increased market driven employment	Number of full time jobs employing women and number of jobs sustained
More rapid growth of SMME's	Number and value of sales
Improved SMME capacity to respond to market opportunities	Number of women-owned enterprises assisted
SMME entrepreneurs training	Type and duration of training/skills building provided to assisted SMEs

Business Skills of South Africa Foundation (BSSA)

The major deliverable of BSSA's program will be the training and capacity building of Business Development Service (BDS) providers to increase the functioning of the BDS market.

They will report performance results as follows:

USAID Deliverable	Indicator Detail
Increased market driven employment	Net change in private sector employment of assisted SMEs
More rapid growth of SMME's	Number and value of sales made by assisted SMEs
Improved SMME capacity to respond to market opportunities	Number of firms receiving assistance to improve their management practices
SMME entrepreneurs training	Type and duration of training/skills building provided to assisted SMEs

Cape Regional Chamber (Cape Chamber)

The major deliverable of Cape Chamber's program will be the training and capacity building of SMMEs to streamline their businesses, identify new opportunities, and develop business plans, through a structured mentoring process.

They will report performance results as follows:

USAID Deliverable	Indicator Detail
Increased market driven employment	Increase in number of jobs created
More rapid growth of SMME's	Survival rate of SMME's Increase in profitability of SMME's Increase in number of sales Increase in value of sales
SMME entrepreneurs training	Number of SMME's who successfully complete program

2.5.2 Financial M & E

The same financial reporting format used by the FY06 subgrantees will be used for the FY07 subgrantees. All subgrantees will be required to report, with supporting documentation, detailed expenses against the grant budgets. These will be scrutinized and checked by SAAGA management on a monthly and quarterly basis to ensure compliance in all areas of local as well as US regulations. FY06 subgrantee financial reporting will be subject to a review by SAAGA during January 2007.

2.6 Grant Closeout

FY 06 APS grants will be completed in March 2007 and final financial and performance reviews will be done. Subsequently, the final report will be prepared and submitted. FY07 APS grants will be completed by February 2008, final financial and performance reviews will be done, and the final report will be prepared and submitted.

2.7 Technical Assistance to Grantees

The VEGA/SAAGA program will continue to provide support to current subgrantees through technical assistance initiatives as well as begin providing support to new subgrantees. VEGA volunteers and local volunteers will provide the assistance.

Memoranda of Understanding (MOU) between VEGA SAAGA and Salesbytes & My Fathers House Church (MFH) were signed on September 14, 2006, & September 16, 2006, respectively, to provide technical assistance to FY06 APS subgrantees. Both MOUs expire in February 2007, but discussions to extend them for the FY07 APS program are underway. Discussions with Triple E Holdings to sign an MOU on a cost share basis between VEGA SAAGA and Triple E Holdings, to provide numeracy/literacy training to FY07 APS subgrantee assisted enterprises, is underway.

The VEGA/SAAGA office will work with all subgrantees to identify and develop technical assistance projects to build capacity within their organizations. Expected initiatives will include three general areas:

- Financial management
- Bookkeeping skills
- Budgeting skills
- Financial function effectiveness
- Product Development
- Identification of new products
- Diversification of current products
- Marketing
- Packaging
- Quality control standards
- Receiving and executing client orders
- Identifying local market niches for products such as Bed & Breakfasts and hotels
- Exploring international market opportunities

A total of four technical assistance projects have occurred for FY06 APS subgrantee projects, as of January 2007. It is anticipated that an additional three technical assistance

projects will take place for the same subgrantees between January 2007 and March 2007. Identification of FY07 APS subgrantee technical assistance requirements will commence in March 2007.

3.0 MANAGEMENT

3.1 SAAGA Management Team – South Africa

The South Africa Team is comprised of:

- Program Director (Chief of Party): Ms. Dana Mullins has extensive experience of more than 20 years working in international development – many of those years for USAID and with USAID-funded projects. She has 18 years of experience working in Southern and Eastern Africa, as well as experience in managing and overseeing grants, working with SMMEs, and designing SMME support programs.
- Monitoring and Evaluations Advisor: Ms. Jan Rockliffe-King has 30+ years experience in developing countries specializing in strategic planning program development and the management, design, and evaluation of development projects and programs. She has extensive experience in Southern Africa.
- Program Coordinator: Ms. Lynette van Niekerk is a South African with 16 years experience in financial management, human resources management, and office administration.
- Program Assistant: Ms. Dorah Menoe is a young South African with excellent academic credentials and experience in office administration.

3.2 US-based Support

US-based Senior Program Manager Erin Webster was responsible for recruiting and fielding US-based volunteers for technical assistance assignments; administering program contracts; tracking overall program financials; coordinating technical assistance project reporting and providing on-going mentoring until November 2006. Sujeewa DeAlwis, who is also US-based, has provided overall Executive Oversight for the FY06APS program and will continue to do so for the FY07APS program. Mr. DeAlwis will take over responsibilities which were assumed by Erin Webster until she returns to IESC in March 2007.

4.0 PROGRAM IMPLEMENTATION SCHEDULE

Following are Program Calendars for grants management activities. Table 4.1 is for the current subgrantees (FY 2006) and Tables 4.2 and 4.3 are for the new subgrantees (FY 2007). The black area indicates the completion of the program (no activities).

4.1 2007 Fiscal Year – Current Subgrantees (FY06APS)

2007 Fiscal Year	Q1			Q2			Q3			Q4		
Project Activity	10	11	12	1	2	3	4	5	6	7	8	9
Program Tasks												
1. Technical Assistance to Subgrantees												
1.1 Fielding of local and international volunteers												
2. Monitoring & Evaluation												
2.1. Overall M& E Site visits (linked to strategic subgrantee events)												
2.2. Program M& E – Program report and follow up												
2.2.1 Quarterly reports												
2.2.2 Final subgrantee reports												
2.3. Financial M&E												
2.3.1 Monthly reports												
2.3.2 IESC subgrantee financial review												
3. Project completion and close out												
3.1 All subgrants completed												
3.2 Final financial reviews												
3.3 Prepare final report FY06APS SAAGA program												

4.2 2007 Fiscal Year – New Subgrantees (FY07APS)

2007 Fiscal Year		Q1			Q2			Q3			Q4		
Project Activity		10	11	12	1	2	3	4	5	6	7	8	9
Project Management													
	Hire Program Assistant												
Program Tasks													
1. FY07APS Award Selection													
	1.1 Screening of proposals												
	1.2 TRC selection of subgrantees												
	1.3 Financial Review of subgrantees												
	1.4 Subagreements signed with sub-grantees												
2. Technical Assistance to Subgrantees													
	2.1 Subgrantee needs assessment												
	2.2. Identify local and international volunteers												
	2.3. Draw up Scopes of Work and Contracts for volunteers												
	2.4 Fielding of local and international volunteers												
3. Monitoring & Evaluation													
	3.1. Overall M& E Site visits (linked to strategic subgrantee events)												
	3.2. Program M& E												
	3.2.1 Initial meetings – review & finalize M&E plans each subgrantee												
	3.2.2 Establish baseline data												
	3.2.3 Quarterly reports												
	3.3 Financial M&E												
	3.3.1 Monthly reports												

4.3 2008 Fiscal Year - New Subgrantees (FY07APS)

2008 Fiscal Year		Q1			Q2			Q3			Q4		
Project Activity		10	11	12	1	2	3	4	5	6	7	8	9
Program Tasks													
1. Technical Assistance to Subgrantees													
	1.1 Subgrantee needs assessment												
	1.2 Identify local and international volunteers												
	1.3 Draw up Scopes of Work and Contracts for volunteers												
	1.4 Fielding of local and international volunteers												
2. Monitoring & Evaluation													
	2.1 Overall M&E Site visits (linked to strategic subgrantee events)												
	2.2 Program M&E												
	2.2.1 Quarterly reports												
	2.2.2 Final subgrantee reports												
	2.3 Financial M&E												
3. Program completion and close out													
	3.1 All subgrants completed												
	3.2 Final financial review												
	3.3 Prepare final program report and complete close out activities												