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Embassy of the United States of America

April 26, 1991

USAID/South Africa

Ms. Georgina Jaffee  
Cooperative Planning & Education  
P.O. Box 185  
WITS  
2050

Subject: Cooperative Planning and Education  
Agreement No: 674-0301-G-SS-1010-00

Dear Ms. Jaffee,

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter "USAID") hereby enters into this Agreement with the Cooperative Planning and Education (hereinafter "COPE" or "the Recipient") and obligates the sum of \$41,000 to provide support for a program described in Attachment No. 1, entitled "Schedule," and Attachment No. 2, entitled "Program Description," of this Agreement.

This Agreement is effective and obligation is made as of the date of this letter. The Agreement and obligation shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning on the date of this letter and ending April 30, 1992.

This Agreement is entered into with COPE on condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, "the Schedule," Attachment 2, "Program Description," and Attachment 3, "Standard Provisions." This letter and the three attachments just described, which have been agreed to by your organization constitute the Agreement.

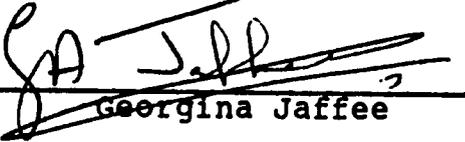
Please sign the original and one (1) copy of this letter and then return the original to USAID/Pretoria.

Sincerely,



Dennis P. Barrett  
Director

ACKNOWLEDGED AND ACCEPTED



By: Georgina Jaffee

Title: Coordinator

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions and optional provisions as applicable
4. Advance Request (as applicable)
5. A.I.D. Geographic Code 935 List

**FISCAL DATA:**

**COOPERATIVE PLANNING AND EDUCATION**

**Agreement No: 674-0301-G-SS-1010-00**

**Appropriation: 72-111/2:**

**BPC: GSS1-91-21674-KG13**

**Reservation Control No.: B910057**

**Amount: \$41,000** *(handwritten mark)*

*04/05/91*

**Drafted:** CMango, *CM*  
**Cleared:** *SM* Masinleho, PDO  
MJohnson, SPDO  
DKeene, RLADK  
MVan Doren, CONT *MMW*  
JWeber, AD *JW*  
F. Mangera, PROG. *FM*

**#0962J**

ATTACHMENT NO. 1

SCHEDULE

I. OVERVIEW OF AGREEMENT

A. Purpose of Agreement

The purpose of this Agreement is to provide support for COPE's business and project development program. The program is more fully described in Attachment II, Section V., Program Description.

II. PERIOD OF AGREEMENT

The effective date of this Agreement is the date the cover letter is signed by an authorized USAID representative. The expiration date is April 30, 1992, meaning that no USAID funds under this Agreement shall be applicable to goods not furnished or services not performed for the program by this date.

III. AGREEMENT FUNDING AND PAYMENT

A.I.D. hereby obligates the amount of US\$41,000.

IV. FINANCIAL MANAGEMENT

A. COPE shall be responsible for accounting for all funds provided under this Agreement. COPE shall open a separate, interest bearing bank account to be used solely for funds provided under this Agreement. COPE shall deposit all USAID cash advances into this separate account and shall make all disbursements for goods and services from this account. Execution of this Agreement constitutes USAID approval of the advance and, for A.I.D.'s internal purposes, earmarks and commits all funds obligated under the Agreement. Any interest earned from funds provided under this Agreement must be returned to USAID.

Each month after the initial advance, COPE will submit to the USAID Controller's office a voucher for reimbursement based on expenses incurred during the previous month. The voucher will consist of two parts:

1. **Disbursement Report.** A detailed report of disbursements by budget line item. Each report will include:
  - (a) a summary sheet listing, in a format compatible with the budget, the purpose and amount of all individual expenses incurred with a sub-total for each budget line item and a grand total for the current reporting period;
  - (b) the cumulative amount of Rands received under the Agreement by budget line item; and
  - (c) copies of paid invoices (not proforma invoices), checks, or other documentary evidence showing that funds were expended and the payee received such funds; e.g. an invoice stamped "paid," a cancelled check, a payroll sheet signed by the employee.
2. **Cash Advance Status Report in the following format:**

**USAID CASH ADVANCE STATUS REPORT**

**COOPERATIVE PLANNING AND EDUCATION (COPE)**

674-0301-G-SS-1010-00

**A. Period covered by this report:**

From (Month, day, year) \_\_\_\_\_  
 To (Month, day, year) \_\_\_\_\_

**Period covered by next report:**

From (Month, day, year) \_\_\_\_\_  
 To (Month, day, year) \_\_\_\_\_

**B. Cash Advance and Needs:**

1. Cash advance on hand at the beginning of this reporting period R \_\_\_\_\_
2. USAID check advances received during this reporting period R \_\_\_\_\_
3. Interest earned on cash advance during this reporting period R \_\_\_\_\_
4. GROSS cash advance available during this reporting period (total of lines 1, 2 and 3) R \_\_\_\_\_
5. LESS, interest remitted to USAID during this reporting period R \_\_\_\_\_

6. NET cash advance available during this reporting period

R \_\_\_\_\_

7. Total disbursements during this reporting period

R \_\_\_\_\_

8. Amount of cash advances available at the end of this reporting period (line 6 minus line 7)

R \_\_\_\_\_

9. Projected disbursements for the next reporting period

R \_\_\_\_\_

10. Additional cash advance requested for the next reporting period (line 9 minus line 8)

R \_\_\_\_\_

11. Total interest earned on cash advance from the start of the grant to the end of this reporting period, but not remitted to USAID

R \_\_\_\_\_

12. Total cash advances to subgrantees, if any, as of the end of this reporting period

R \_\_\_\_\_

C. The undersigned hereby certifies: (1) that the amount in paragraph B.9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the Agreement will be made in the event of a disallowance in accordance with the terms of the Agreement, (3) that appropriate refund or credit to the Agreement will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to USAID.

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

Attachments:

1. Disbursement Report

V.

**FINANCIAL PLAN**

A. The Illustrative Financial Plan for this Agreement is set forth in Table I below. Revisions of this Plan shall be made in accordance with Standard Provision 4 of this Agreement, located in Attachment 3 and entitled "Revision of Agreement Budget." The Recipient is authorized a 15% deviation between line items. However, any deviation above this amount, or any increase in the total Grant, must be approved in advance in writing by the Director, USAID/South Africa.

Table 1

**Illustrative Financial Plan  
SAR**

<u>Item</u>	<u>Total</u>
Compensation	70,560
Other Direct Costs	27,840
Total	<u>98,400</u>

B. Level of Assistance

The total Rand amount in the Illustrative Financial Plan (Table I) above is the maximum Rand available under this Agreement. The conversion rate from U.S. dollars will be the prevailing rate at the time of conversion by the Controller, USAID/South Africa. To determine the U.S. dollar amount of the Agreement, an exchange rate of R2.4 was used. Notwithstanding the above, in no event will the total level exceed the obligated dollar amount.

Due to exchange rate fluctuations, South African Rands available under any individual line item financed under this Agreement may exceed levels budgeted for by COPE, and thus allow additional program expenses to be financed as well. In such an event, COPE may request in writing its proposed priority uses of such funds. If USAID is in agreement with COPE's proposal, the Agreement will be amended to provide for the authorized expenditures. USAID reserves the right to deobligate any dollars in excess of those needed to fund the Rand Budget. However, should changes in the exchange rate result in fewer South African Rands being available than budgeted for, COPE must finance the shortfall since the U.S. dollar amount prevails.

**VI. REPORTING**

COPE will submit semi-annual progress reports on activities funded under the Agreement. COPE will also submit a final report on all activities financed by the Agreement. The content and format of the reports will be agreed upon by USAID and the Recipient at a later date.

**VII. OVERHEAD RATE**

Not Applicable.

**VIII. TITLE OF PROPERTY**

Title to all property purchased under this Agreement shall vest in the Recipient in accordance with the terms of Attachment 3, Additional Standard Provision 19, entitled "Title to and Use of Property."

**IX. AUTHORIZED GEOGRAPHIC CODE**

The authorized geographic code for all procurement with A.I.D. funds under the Agreement is the United States, the Republic of South Africa and countries included in A.I.D. Geographic Code 935, meaning that all goods and services financed by this Agreement shall have, with respect to goods, their source and origin and, with respect to services, their nationality in the United States, the Republic of South Africa or in other countries included in A.I.D. Geographic Code 935. Please refer to Attachment 5 for a list of countries included in Code 935.

**X. LOCAL COST FINANCING**

It is hereby specified that the amount of U.S. dollars authorized to be used for local cost financing is the entire amount obligated under this Agreement.

**XI. SPECIAL PROVISIONS**

**1. Procurement**

(a) Scope. This provision is applicable to the extent that local cost financing is otherwise authorized by the Agreement. It does not require procurement in South Africa where off-shore procurement could otherwise occur.

(b) Policy. In the procurement of goods and services in South Africa, the Recipient shall, to the maximum extent practicable, award contracts to individuals or organizations which are disadvantaged by apartheid and which are responsive and appropriate providers of goods and services.

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

2. Competition. Except as provided in Section 1.(b) above, all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, free and open competition.

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

4. Political Affiliation. COPE agrees that programs funded under this Agreement will be made available to individuals and groups regardless of their political beliefs or affiliations. The Recipient will periodically review the level of actual provision of its services to various political groupings active in its areas of operation.

## XII. STANDARD PROVISIONS

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

ATTACHMENT 2

PROGRAM DESCRIPTION

I. Summary

This Agreement provides funds to COPE to support its business and project development program as more fully described in Section V., Program Description below.

II. Background

COPE is a non-profit development organization which provides training, information and resources on how to establish self-help groups, cooperatives and small community businesses. COPE was set up in early 1989 in response to a number of requests from retrenched workers and community organizations to assist them in the formation of community development projects for job creation and services provision. These organizations were also in need of business development and marketing skills as well as planning and general community development skills.

COPE's work can be divided into three interrelated areas: education and training, business development and research. In addition, COPE works directly with community projects.

A. Education and Training

Under this component, COPE conducts training workshops for retrenched workers, the unemployed, trade unions, civic associations and other interested parties on how to start and operate self-help groups, cooperatives and small community businesses. It also assists through its field workers with on-the-job training. It develops educational and training materials and has presented papers at national conferences on economic restructuring and job creation.

B. Business Development

COPE's approach is based on the premise that self-help groups, cooperatives and small community businesses will not play a role in development unless they are economically viable. COPE, therefore, places great emphasis on business planning and teaching groups how to conduct feasibility studies and market research, undertake business and financial planning, and employ proper management techniques.

### C. Research

COPE has begun a research program to examine potential areas for cooperative and community business development. Current research includes an investigation into the production of building materials and low cost housing systems, a study on the development of land trusts, community development corporations and financial institutions which will be required to foster and support community businesses and cooperatives and an examination of the potential of garbage collection and recycling businesses to improve the environment and bring jobs and money into communities.

### D. Projects

COPE is also directly involved in assisting community projects. Most of the projects are small scale consisting of between eight and twelve people. With all the projects, COPE has been involved in the entire start-up process including all aspects of education and business planning. Start-up projects which COPE has assisted include a fencing project for retrenched workers in Brits, two block making projects, one in Tumahole and the other in Bophuthatswana, and a construction cooperative for retrenched postal workers in Soweto. Currently, COPE is investigating the development of a community transport system in Alexandra, and an urban development plan for Tamboville, a new township on the East Rand. COPE also performs education and consultancy work for a number of unions which are interested in starting cooperatives for retrenched workers.

### III. Problem

Legally disadvantaged communities have traditionally been denied opportunities to act upon their own developmental initiatives, and are frequently without access to adequate educational or employment opportunities. They are, thus, caught in a self-perpetuating trap of poverty and dependance, which in turn engender a number of socio-cultural problems. In urban areas the situation is exacerbated by overcrowding and unemployment, which threaten established societal structures. In response to these problems, communities have attempted to engage in activities which allow them to improve their standard of living, and to exercise control over their lives and environment. They have engaged in community development projects, embarked on self-help initiatives and initiated attempts to improve the employment opportunities available to them. However, such initiatives are often hampered by lack of resources and expertise. It is these issues that COPE attempts to address by assisting communities to define their needs, develop projects to meet them and by providing technical expertise.

**IV. Purpose**

The purpose of this Agreement is to support the business and project development component of COPE.

**V. Program Description**

This Agreement provides funds to support COPE's business development program. COPE places high priority on developing economically viable projects. To assist in this process, COPE conducts workshops on financial planning, management and other business development topics and works directly with groups wishing to start cooperatives or small businesses. Direct technical assistance provided by COPE might include helping groups to conduct a feasibility study, carry out market research, develop a business plan and establish operating procedures.

COPE employs a small staff dedicated to the business development program and hires consultants in specialized technical areas as needed. The staff and consultants conduct training and work directly with community groups. Most of the work is conducted in the field, primarily in the urban townships in the PWV area.

This Agreement provides funds for staff salaries, consultant fees and staff development costs (e.g., training courses and related costs.) No funds under this Agreement may be used for the purchase of vehicles or liquor, the construction or renovation of buildings or to pay expenses for the family or friends of workshop participants.