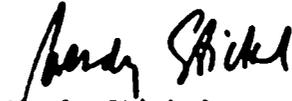


Please sign the original and two copies of this letter, return the original to USAID/Pretoria and ATASA and PROMAT should each retain a copy.

Sincerely,



Wendy Stickel
Acting Counselor for Development
Affairs

ACKNOWLEDGED AND ACCEPTED



By: Mr. Larry Robertson
Title: Director
PROMAT Colleges



By: Mr. H.H. Dlamlenze
Title: General Secretary
African Teachers Association of South Africa

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ATTACHMENT NO. 1

SCHEDULE

I OVERVIEW OF AGREEMENT

This Agreement provides funds to the PROMAT College Trust which will support its program to upgrade black teachers. The project will be implemented jointly with the African Teachers Association of South Africa (ATASA). The Agreement will enable PROMAT and ATASA to provide bursaries to black teachers at the primary and secondary level in order that they may obtain their matriculation certification. Funds will also be provided for 25 university bursaries, short-term training and institutional support for ATASA's central and regional offices.

II PERIOD OF AGREEMENT

The effective date of this Agreement is July 30, 1989. The expiration date is December 31, 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. The total estimated amount of AID funds to be provided under this Agreement for the period from July 30, 1989 to approximately December 31, 1992 is \$2,350,000.

B. AID hereby obligates the amount of \$820,000 for program expenditures during the estimated period from July 30, 1989 to December 1, 1990 as shown in the Financial Plan below.

C. Additional funds up to the total amount of the Agreement shown above may be obligated by AID, subject to the availability of funds, and to the requirements of the Attachment III Standard Provision, entitled "Revision of Financial Plan."

IV FINANCIAL MANAGEMENT

A. PROMAT shall be responsible for accounting for all funds provided under this Agreement.

B. USAID funds shall not be co-mingled with other PROMAT-owned or controlled funds. PROMAT shall deposit all USAID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

C. Each quarter, after the initial cash advance, PROMAT shall submit to the USAID Project Officer the SF 1034 form entitled "Public Voucher for Purchases and Services Other Than Personal", copies of which are attached.

D. Each voucher shall be identified by the appropriate grant number and shall be accompanied by a report in the following format:

USAID CASH ADVANCE STATUS REPORT
PROMAT Agreement 674-0302-G-SS-9042-00

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. Interest¹ earned on cash advance during this reporting period R _____
4. GROSS cash advance available during this reporting period (add lines 1,2+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 disbursements² during this reporting period R _____

¹ If PROMAT places USAID monies in an interest bearing account, the interest must, by U.S. law, be returned to USAID to be returned to the U.S. Treasury.

² PROMAT shall submit a cumulative detailed report of disbursements by budget line item quarterly. 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; and (b) copies of paid invoices (not pro forma 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.

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

9. Projected disbursements ³ 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 _____

3 PROMAT shall attach a Summary, by budget line item, of its projected disbursements for the next reporting period.

C. Certification

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
2. Summary of Projected Disbursements"

V FINANCIAL PLAN

A. The Illustrative Financial Plan for Year One of this Agreement is set forth in Table 1. 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". All line-item adjustments must receive prior written USAID approval.

Table 1
 Illustrative Financial Plan
 (US\$ and SAR)
 (\$1=R2.6)

<u>Line Item</u>	<u>US Dollars</u>	<u>SA Rands</u>
(1) <u>In-Service Training</u>		
Matric Certification	353,923	920,200
Degree Training	96,154	250,000
Short-Term Training	<u>36,539</u>	<u>95,000</u>
Subtotal	486,615	1,265,200
(2) <u>ATASA Institutional Support</u>		
National Office	157,308	409,000
Regional Affiliates	<u>134,615</u>	<u>350,000</u>
Subtotal	291,923	759,000
(3) <u>Evaluation/Audit</u>	7,692	20,000
(4) <u>Administration</u>	33,770	87,800
Total	820,000	2,132,000

B. Level of Assistance

The Financial Plan (Table 1) in South African Rands is the binding financial plan of the Agreement. The conversion rate from U.S. dollars will be the prevailing rate at the time of conversion by the Controller, USAID/South Africa. 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 item financed under this Agreement may exceed levels budgeted for by PROMAT. In such an event, PROMAT may request in writing its priority use of these funds. If USAID concurs with PROMAT's proposal, the Agreement may be formally amended to provide for the authorized expenditure. However, should changes in the exchange rate result in fewer South African Rands being available than budgeted for, PROMAT must finance the shortfall since the U.S. dollar amount prevails.

VI REPORTING

PROMAT will submit semi-annual progress reports and a final report in a format to be agreed to by the Parties 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 AID funds under the Agreement is the United States and Republic of South Africa, 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 or the Republic of South Africa.

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

A. Conditions Precedent to Disbursement

1. Recruitment and Selection Procedures. Prior to the disbursement of any funds under this Matriculation Certification or University Bursaries line-item, PROMAT will submit, in form and substance satisfactory to USAID, its recruitment and selection policies and procedures for the secondary and tertiary bursaries.

2. Support to Provincial ATASA Affiliates. Prior to the disbursement of any funds to the ATASA provincial affiliates, PROMAT will provide, for prior USAID approval, proposals from each affiliate which present specific activities promoting teacher training.

B. Covenants

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 and, for the purposes of implementing this provision, Namibia.

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

3. PROMAT will endeavor to broaden its donor resources, wherever possible, to avoid a dependence on any one source of funding.

4. Salary levels for positions funded under this Agreement will be established consistent with salaries for similar positions in other community-based organizations.

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 support for the PROMAT College Trust teacher training program for black South Africans. The specific program supported by this Agreement, to be implemented jointly with the African Teachers Association of South Africa (ATASA), provides bursaries to black South Africans for matriculation certification and university study, and provides institutional support to ATASA and its provincial affiliates. Assistance is provided under this Agreement for a period of forty one months, and will be incrementally funded pursuant to the conditions described in the Schedule, Section III., entitled "Agreement Funding and Payment".

II. BACKGROUND

A. Educational Support and Training Project

This Agreement is financed under USAID's Educational Support and Training Project (ESAT). The purpose of ESAT is to support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of human resources victimized by the apartheid education system. Based on extensive consultations with educationists, community leaders, parents, students, and non-governmental organizations, priority is given to projects which: (1) help disadvantaged South Africans cope with and overcome the inadequacies of apartheid education; are nonracial yet affirm black culture and history; (2) promote community involvement in education; or (3) provide a foundation for nonracial education in a post-apartheid South Africa.

B. PROMAT/ATASA

This Agreement brings together two of the pre-eminent organizations committed to the improvement of black teacher skills. PROMAT, a non-profit, non-governmental private organization has established five private campuses throughout South Africa. Black teachers attending PROMAT receive an intensive year of study combining preparation for matric as well as the introduction of teaching methods courses. PROMAT has trained over 1,200 teachers since it was started in 1984 and is highly regarded by the black community.

ATASA is the largest teachers' organization in South Africa, with five member affiliates: the Cape Teachers' Union, the Ciskei Teachers' Union, Natal Teachers' Union, Orange Free State Africa Teachers' Union, and the Transvaal United African Teachers' Association. As the largest association of black teachers in South Africa, attention to the upgrading of teacher qualifications is its highest priority.

III. PROBLEM

Teachers are the key to change in South Africa's apartheid educational system. This fact has been acknowledged by anti-apartheid organizations and the South African government alike. The central role of the teacher as an agent of change has resulted in increasing attention to the issue of qualifications possessed by black teachers and the projected need for black teachers in the next 10 - 20 years; both issues argue for immediate and large investment by the donor community.

Regarding the academic preparation of black teachers, 62% of black teachers do not have a matriculation certificate. Of the 45,059 teachers employed by the Department of Education and Training, 42,000 are unqualified, with 6,168 having only a standard six certificate.¹

There is a shortage of teachers nationwide, but the shortage is most acute in African education, past, present and future. In 1986, there was a shortage of 6,579 teachers in African schools, most notably in maths and science. With an annual intake of some 240,000 pupils, at least 3,000 teachers have to be trained each year: At the moment, only 5,000 teachers are qualifying. Furthermore, it has been estimated that by the year 2002, 38,000 primary and 31,000 secondary school teachers will have to be provided.

IV. PURPOSE

The purpose of this Agreement is to provide funds for PROMAT to mount an intensive program of teacher training, implemented jointly with ATASA, to provide bursaries to black teachers at primary and secondary levels to obtain their matriculation certificate and to provide bursaries for 25 university degrees. In addition, institutional support is provided for ATASA and its provincial affiliates to strengthen its role in promoting teacher unity in South Africa.

V. PROGRAM DESCRIPTION

This Agreement supports the PROMAT College Trust, an organization committed to the empowerment of black teachers through education. PROMAT, in conjunction with ATASA, will implement an intensive teacher training program with funds provided under this Agreement. In support of the overall program objective of strengthening ATASA's ability to assist the professional development of member teachers, activities under this Agreement will focus on the following categories:

¹ "Education Facts and Figures"; SACHED Trust; Johannesburg; 1989.

A. In-service Training

Prior to the award of bursaries under this Agreement, provision has been made for prior review of PROMAT/ATASA's recruitment and selection policies and procedures. This aspect of implementation has been incorporated into Section XI., "Special Provisions" as a condition precedent to disbursement.

1. Matriculation Certification

PROMAT and ATASA will provide bursaries to black teachers at the primary and secondary levels, unquestionably the area of greatest need. Bursaries will be tenable at any of the PROMAT campuses in South Africa, which are located in Kangwane, Durban, Springs, Mamelodi and Kempton Park. PROMAT matriculation courses combine academic preparation with supplementary courses to strengthen the teacher's ability to teach.

As the Bursary system is currently envisioned, teachers on paid sabbaticals are personally responsible for approximately half of the PROMAT fees (approximately R1,800) and the other half is provided in the form of a bursary under the Agreement. In this scenario, over the life of the Agreement, over 1,200 teachers will be trained.

However, there is evidence that the Department of Education and Training will discontinue paid study leave to teachers who wish to improve their qualifications. Thus, teachers attending PROMAT may be required to take unpaid leave. If this is indeed the case, then ATASA and PROMAT will have to jointly address this problem through one or a combination of the following three scenarios:

a. Partial Bursary: In effect this is the same as described above. In this case only teachers who have other income support from spouses or family could afford to take the year off without pay. The pool of such applicants is bound to be very small, and thus this would be an unsustainable long-term solution.

b. Full Bursary: There are many permutations of this concept from full payment of the PROMAT fees to fees plus living allowances. The latter increases the cost of an individual bursary at PROMAT by some 300% which reduces the total number of teachers to be trained under this Agreement. In the former, approximately 650 teachers would be trained and in the latter about 300 would benefit from the program.

c. Loan Program: PROMAT could establish a revolving loan scheme to assist teachers with their living expenses and perhaps with their share of the PROMAT fees. This is a fairly attractive concept as a revolving loan system would allow a larger number of teachers to be trained than in Scenario b and will create a sustainable continuing program after this Agreement is completed.

Given USAID's current information, the Agreement will be implemented on the basis of Scenario a. However, if the South African Government is indeed refusing paid study leave, USAID/SA will be prepared to amend the Agreement to follow either Scenario b or c. USAID would prefer a loan program however, as it would allow a greater number of teachers to benefit from the program.

2. University Training

A limited number of university bursaries (25 total) will be provided to ATASA's provincial affiliates to teachers who exhibit exceptional potential for leadership in the process of teacher unification. PROMAT/ATASA will submit detailed recruitment and selection procedures, which demonstrate an equitable distribution of awards among provincial affiliates, for these bursaries prior to expending any funds. In order for these teachers to complete their degrees within the period of the Agreement, it is necessary for them to enroll in January 1990 at their selected tertiary institutions. Funds provided in this Agreement are sufficient for approximately one year of study.

3. Short-Term Training

PROMAT will support ATASA's program of short-term training seminars on topics of special importance in promoting a nonracial education system. These will be attended by representatives of the provincial affiliates as well as other teachers' unions. Suggested topics included in PROMAT's proposal include a "Workshop on Trade Unionism", "Family Life Education", and "Seminar on Administration". Approximately two such workshops are scheduled each year.

B. ATASA Institutional Support

An essential component of addressing the issues in teacher training is the strengthening of professional teachers' organizations to more effectively influence policy on their behalf. Accordingly, PROMAT will provide basic institutional support to ATASA's national office and its provincial affiliates. ATASA generates approximately half its operating costs from membership fees. However, fees are quite modest and do not allow for the development of programs. Funds for the national office will support salaries of the program coordinator, fiscal office, editor, typist and clerk, and for printing and publishing costs associated with ATASA's newsletters. Funds for provincial affiliates are intended to support specific training and outreach programs, in addition to basic institutional support costs.

C. Administration

An administrative fee of approximately five percent of program costs has been established for this Agreement. The administration fee provides for the employment of approximately one and a half staff members. The fee will be paid as a portion of actual costs.

VI. ILLUSTRATIVE FINANCIAL PLAN

The following financial tables are provided in support of the Agreement Financial Plan found in Attachment 1, Section V, which is the binding plan for purposes of the Agreement.

Table 2
 Illustrative Financial Plan
 SA Rands
 (R2.6 = \$1)

<u>Line Item</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
(A) <u>In-service Trainings</u>				
1. Matric	820,000	892,000	916,500	2,628,500
2. University	250,000	300,000	350,000	900,000
3. Short-term	<u>95,000</u>	<u>110,000</u>	<u>125,000</u>	<u>330,000</u>
Subtotal	1,165,000	1,302,000	1,391,500	3,858,500
(B) <u>ATASA Institutional Support</u>				
1. National Office	309,000	350,000	385,000	1,044,000
2. Provincial Affil	<u>250,000</u>	<u>300,000</u>	<u>350,000</u>	<u>900,000</u>
Subtotal	559,000	650,000	735,000	1,944,000
(C) <u>Evaluation/Audit</u>	20,000	0	20,000	40,000
(D) <u>Administration</u>	87,800	80,100	99,600	267,500
TOTAL	<u>1,831,800</u>	<u>2,032,100</u>	<u>2,246,100</u>	<u>6,110,000</u>

Table 3
 Illustrative Financial Plan
 US \$

<u>Line Item</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
(A) <u>In-service Trainings</u>				
1. Matric	315,000	343,000	352,500	1,010,500
2. University	96,154	115,385	134,615	346,154
3. Short-term	<u>36,538</u>	<u>42,308</u>	<u>48,077</u>	<u>126,923</u>
Subtotal	447,692	500,693	535,192	1,483,577
(B) <u>ATASA Institutional Support</u>				
1. National Office	118,846	134,615	148,077	401,538
2. Provincial Affil	<u>96,154</u>	<u>115,385</u>	<u>134,615</u>	<u>346,154</u>
Subtotal	215,000	250,000	282,692	747,692
(C) <u>Evaluation/Audit</u>	7,692	0	7,692	15,384
(D) <u>Administration</u>	33,769	30,808	38,308	102,885
TOTAL	<u>704,153</u>	<u>781,501</u>	<u>863,884</u>	<u>2,349,538</u>
ROUNDED TOTAL				<u>2,350,000</u>