

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



Tel: (012) 323-8869

P.O. Box 55380
Arcadia, Pretoria 0007

Fax: (012) 323-6443

May 26, 1993

Ms. Ros Herbert
Director
Early Learning Resource Unit
All Saints Parish Centre
37 Denver Road
Lansdowne
7764

Subject: South Africa Basic Education Reconstruction
Project; Grant Agreement with Early Learning
Resource Unit (ELRU); Agreement No. 674-0314-G-SS-
3038-00

Dear Ms. Herbert:

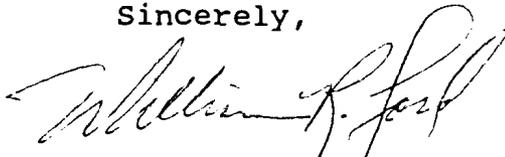
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Comprehensive Anti-Apartheid Act of 1986, as amended, the Agency for International Development (hereinafter "USAID") hereby enters into this Grant Agreement (hereinafter "Agreement" or "Grant") with Early Learning Resource Unit (hereinafter "ELRU" or the "Grantee") and obligates the sum of \$750,000 to provide support for a program described in Attachment 1, entitled "Schedule," and Attachment 2, entitled "Program Description," of this Agreement.

This Agreement is effective and obligation is made as of the date this letter is signed by an authorized USAID representative. The Agreement and obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on the effective date of this letter and ending March 31, 1996.

This Agreement is entered into with the Grantee on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, "Schedule," Attachment 2, "Program Description," Attachment 3, "Standard Provisions," Attachment 4, "Disbursement of and Accounting for Agreement Funds," Attachment 5, "A.I.D. Geographic Code List," Attachment 6, "Guidelines for Financial Audits Contracted for by Foreign Recipients" and Attachment 7, "Grantee Certifications". This letter and the seven attachments just described, which have been agreed to by your organization, constitute the Agreement.

We request that you and a member of the board of trustees of ELRU sign the original and one (1) copy of this letter and then return the original to USAID/South Africa.

Sincerely,



William R. Ford
Acting Director

Date: 5/20/93

ACKNOWLEDGED AND ACCEPTED

By: Ms. Ros Herbert
Title: Director, ELRU
Date: _____

By: Dr. Des Roberts
Title: Chairperson, Executive Committee
Date: _____

Attachments:

1. Schedule
2. Program Description
3. ~~Standard Provisions and Additional Provisions as~~
Applicable
4. Disbursement of and Accounting for Agreement Funds
5. A.I.D. Geographic Code 935 List
6. Guidelines for Financial Audits Contracted for by Foreign Recipients
7. Grantee Certifications

ATTACHMENT 1
SCHEDULE

I. OVERVIEW OF AGREEMENT

This Agreement provides funding to the Early Learning Resource Unit (ELRU), a non-governmental, nonracial organization which provides training, support and resources throughout Southern Africa for the education and care of young children. Through this Agreement USAID will support an expanded program aimed at influencing early childhood educare policy development and multicultural curriculum development. The program includes staff development; training for rural-based educare workers; training and program development for alternative educare service options, including home childcare, parent playgroups; policy research initiatives to disseminate information and pilot sustainable models; materials development; linkages to junior primary school; and anti-bias training for trainers.

II. PERIOD OF AGREEMENT

The effective date of this Agreement is the date the cover letter is signed by an authorized USAID representative. Unless otherwise agreed to by USAID in writing, the expiration date is March 31, 1996, 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 USAID funds to be provided under this Agreement for the period shown in Section II. above is U.S. \$1,150,000.

B. USAID hereby obligates the amount of U.S. \$750,000 for eligible program expenditures during the estimated period of April 1, 1993 through December 31, 1994.

C. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Additional Standard Provision 1, entitled "Payment - Periodic Advance," and as provided for in Attachment 4, "Disbursement of and Accounting for Agreement Funds."

D. Additional funds up to the total amount of the Agreement as shown in Section III.A., above, may be obligated by USAID subject to the availability of funds, the agreement of the Parties hereto to proceed with the Grant program, and to the requirements of the Mandatory

Standard Provision, Attachment 3 to the Agreement, paragraph entitled "Revision of Grant Budget."

IV. FINANCIAL PLAN

A. Financial Plan

The Financial Plan for funds obligated under this Agreement is set forth in Table 1 below. Revisions of this Plan shall be made in accordance with Mandatory Standard Provision 4 of this Agreement, located in Attachment 3 and entitled "Revision of Grant Budget." The Grantee is authorized a 15% deviation between line items, provided that USAID is notified in writing of such budget changes in the Grantee's following Disbursement Report. However, any deviation in excess of 15%, or any increase in the total Grant, must be approved in advance in writing by the Director, USAID/South Africa.

Set forth in Attachment 2, Section VI., is a more detailed illustrative financial plan which incorporates the planned total estimated A.I.D. contribution over the life of the Grant.

Table 1

Illustrative Financial Plan
South African Rand (SAR)
ELRU

<u>Item</u>	<u>1st Tranche</u>
Compensation (salaries)	744,687
Travel & Per Diem	293,081
Consultants	244,688
Other Direct Costs	400,000
Evaluation	41,500
Audit	26,044
Subtotal	1,750,000
Overhead (20%)	350,000
TOTAL	2,100,000

B. Level of Assistance

The total Rand amount in the Illustrative Financial Plan (Table 1) above is the maximum Rand amount available under this Agreement. The conversion rate from U.S. Dollars will be the prevailing rate at the time of conversion as determined by the Controller, USAID/South Africa. To determine the U.S. Dollar amount of disbursements to the Grantee under the Agreement, an

exchange rate of R2.80 to one (1) U.S. Dollar will be used. Notwithstanding the above, in no event will the total Rand amount provided to the Grantee under the Agreement exceed the obligated Dollar amount provided for in Section III. B above.

Due to exchange rate fluctuations, the total amount of Rands available after converting the total obligated U.S. Dollar amount into Rands may exceed the Rand Budget. If the Grantee desires to use such excess Rands to finance additional eligible program expenses, it may submit to USAID a written proposal for use of such funds. If USAID is in agreement with the Grantee's proposal, the Agreement may be modified 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, the Grantee will be responsible for financing the shortfall, since the U.S. Dollar amount prevails.

V. REPORTING

The Grantee will submit in a timely manner written, semi-annual progress reports to USAID on activities funded and general performance under the Agreement. The semi-annual reports should include a brief description of program accomplishments during the preceding six months and a discussion of any problems encountered and how they were resolved. These reports will cover the periods between April 1 - September 30 and October 1 - March 31. The Grantee will also submit, in a timely manner and in a form and substance acceptable to USAID, a written final report on all activities financed by the Agreement.

VI. OVERHEAD RATE

A predetermined overhead rate of 20% of all direct costs applies to this Agreement for costs in support of ELRU's programs.

VII. TITLE TO PROPERTY

Title to all property purchased under this Agreement shall vest in the Grantee in accordance with the terms of Attachment 3, Additional Standard Provision 18, entitled "Title to and Use of Property."

VIII. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for all procurement with A.I.D. funds under the Agreement is the United States, the Republic of South Africa and countries included in A.I.D. Geographic Code 935, meaning that all goods and services financed by this Agreement

shall have, with respect to goods, their source and origin and, with respect to the suppliers of services, their nationality in the United States, the Republic of South Africa or in other countries included in A.I.D. Geographic Code 935. To the maximum extent practicable, goods and services financed with funds provided under this Grant should be procured from the United States. Please refer to Attachment 5 for a list of countries included in Code 935.

IX. SPECIAL PROVISIONS

A. Procurement

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

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

3. Definitions: Individuals and organizations disadvantaged by apartheid shall mean: (1) South African individuals of black African, "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 African, "colored" or Asian descent. The Republic of South Africa includes the so-called "independent" and "self-governing" homelands.

B. Competition

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

C. Staff Recruitment

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

D. Travel and Per Diem

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

E. Political Affiliation

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

X. STANDARD PROVISIONS

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

ATTACHMENT 2
PROGRAM DESCRIPTION

I. SUMMARY

The South Africa Basic Education Reconstruction (SABER) project provides funding under this Agreement to the Early Learning Resource Unit (ELRU), a non-governmental, nonracial organization which provides training, support and resources throughout Southern Africa for the education and care of young children. Through this Agreement USAID will support an expanded program aimed at influencing early childhood educare policy development and multicultural curriculum development. The program includes staff development; training for rural-based educare workers; training and program development for alternative educare service options, including home childcare, parent playgroups; policy research initiatives to disseminate information and pilot sustainable models; materials development; linkages to junior primary school; and anti-bias training for trainers.

II. BACKGROUND

A. South Africa Basic Education Reconstruction (SABER) Project (674-0314)

1. Objectives

The purpose of SABER is to increase and strengthen innovative educational models and policy systems which improve the quality of primary education for historically disadvantaged South Africans.

2. Activities

The SABER project focuses on improving the quality of preprimary and primary education in the following areas: 1. teacher training; 2. curriculum development; 3. school administration; and 4. materials and technology provision. Some of the cross-cutting issues addressed include: improvement of NGO and, eventually, new government monitoring capacity; promotion of nonsexist role models; and development of new educational policies.

B. Early Learning Resource Unit (ELRU)

ELRU is a non-governmental, nonracial, non-sexist research and development agency, located in Cape Town, which provides training, support and resources throughout Southern Africa to assist communities with learning opportunities for young children. Since its inception in 1978 ELRU has played a major role in influencing policy formulation and implementation for the early childhood field.

ELRU has received USAID support of \$250,000 over the past three years to implement its staff development program, training in rural areas, work on alternative models of educare, and research and information services. ELRU receives high marks for its training of educare workers (including teachers, childminders and parents), materials development and outreach. Some 5,500 adults have participated in ELRU training courses, workshops and seminars, benefiting over 800,000 children. An estimated 7,000 parents have been reached by ELRU awareness programs.

ELRU's training programs, development and dissemination of innovative models, outreach and assistance to those involved in early childhood education support SABER's goal to assist in developing a democratic, nonracial, compulsory, unitary education system in South Africa and its purpose to support an increased development and use of innovative educational models and policy systems which improve the quality of primary education for historically disadvantaged South Africans. In addition, ELRU's work will impact on educare policy and provide a replicable model for the new South African education system.

III. PROBLEM

Early childhood care and education is at a critical point in South Africa. Very recent research evidence has highlighted the positive role early childhood development programs can play in lesser developed countries in educational and social redress. As South Africa moves towards a nonracial democracy, there is increasing urgency to ensure that early childhood development issues are on the future government agenda. The interactive effect of access to early childhood educare services and health and nutritional status and the role that involvement in early childhood education programs can have in the empowerment of parents, black women in particular, make it important that educare is not narrowly viewed by the future government as "preparation for schooling". This view is likely to limit state support to a bridging year for five year olds and leave the majority of educare services in the current privatised condition which is the legacy of the nationalist government's educare policy. The private sector also needs to be convinced of the need to view childcare as a social responsibility and to see it as a priority for resource allocation. The labor movement could play an important role in lobbying for this recognition.

The educare field will not only have to make the case for early childhood services but also show and promote up-and-running models of sustainable program options suitable for replication and expansion. This would include not only a range of services to suit different community needs, but also a range of delivery strategies for training and support. Curriculum inputs and teacher training for pre- and early years of primary schooling are badly needed so that there can be a two-pronged approach of making children ready for school

but also making schools ready for children. Anti-bias training for trainers and others in coordinating or supervisory positions within the fields of preschool and primary education is critical for the implementation of multicultural and anti-racist and non-sexist teaching practices, multilingual education, materials and curriculum development and the success of a unitary education system.

ELRU's major goals over the next three years include: expanding and developing its existing programs and delivery strategies for differing circumstances in order to improve the quality of existing educare services, particularly in rural and marginal urban communities; providing an information and policy research service to support the lobby for early childhood development services as a fundamental right for both children and for the development of women; strengthening existing networking of educare training agencies for the provision of training options at all levels; and piloting an anti-bias training program.

IV. PURPOSE

This Grant will support an expansion of ELRU's program aimed at influencing early childhood educare policy development and anti-bias education.

V. PROGRAM DESCRIPTION

ELRU's proposal is for assistance in 1) staff development; 2) training for rurally based educare workers; 3) training and program development for alternative educare service options, including home childcare, parent playgroups; 4) policy research initiatives to disseminate information and pilot sustainable models; 5) materials development; 6) linkages to junior primary schools; and 7) anti-bias training.

A. Project Activities

This Agreement provides funding for the following activities:

1. Expansion and Improvement of Quality of Existing Educare Services:

a) Training of 150 Rural Educare Workers - in the Helderberg, Overberg and other areas of the Western Cape.

b) Training of 150 Home-based Workers and Play Group Leaders - in the Greater Cape Town area at course level 1. These trainees will be made up of those directly trained and those trained by other organisations with the supervision of the ELRU trainer.

c) Implementation of a Health and Nutrition Education Program - for the trainees and other community members with a particular focus on the implementation of sound nutrition, health and safety practices by childcare providers in at-risk communities in Greater Cape Town.

2. Information and Policy Research Service

a) Production of a Series of Policy Papers - on issues and program options to stimulate debate and disseminate information. These papers will draw on existing work within ELRU and the network of other training agencies in the educare field. An example is a paper on costing of different program options for early childhood educare at basic, adequate and high quality levels which is being prepared by ELRU and Grassroots.

b) Provision of Consultancy Services - on request to organizations involved in early childhood care and education and related issues on program models and options for service delivery.

c) Production of the ELRU Newsletter - once a year and of teacher resource materials, including CHATELRU and other curriculum material with a strong emphasis on second language and anti-bias material.

d) Development of a Pilot Program - linking input on early childhood stimulation activities with literacy training projects.

e) Development of a Pilot Program - to explore options for linking the junior primary and pre-primary phases. The NEPI Educare Research Report identified this as a priority for improving the lower primary schooling crisis.

3. Strengthening Existing Networks of Educare Training Agencies for the Provision of Training Options at All Levels

a) Umbrella Organizations - like the SAAECE Educare Training Forum, United Preschool Association Training Subcommittee, Western Cape Fieldworkers Forum, Network of Eastern Cape Educare Training Agencies (NECTA), Transkei Educare Fieldworkers Forum (TEFF).

b) Network of Trainers - from different organizations all over the country that are linked to ELRU via Preschool Leadership Training, the Parent and Community Division, and the Western Cape Rural Areas Project.

4. Anti-bias Training Pilot Program

a) Training for Trainers - provide anti-bias training for trainers and others in coordinating or supervisory positions within the fields of preschool and primary education. An estimated 20 people would be trained in the first year from around the country. At the end of the 3-year period 180 people will have been trained.

b) Resource Library - build up a resource library of relevant books, journals, articles, videos, posters, teaching aids and other audiovisual materials.

c) Dissemination of Information - keep trainees informed by sending them articles and names of contacts for networking.

B. Financial Plan

USAID funding to ELRU under this Agreement will assist with salary support, benefits (pension and medical savings scheme equalling 7.8% of total salary plus a thirteenth cheque), travel, publications, staff development, evaluation and training, and administrative support costs, as described below:

1. Salaries:

a) Parent and Community Division Coordinator: USAID will fund a full-time salary with benefits for this position. The staff member will oversee and assist with the implementation of the parent and community training programmes, the development of training strategies, materials and consultancies.

b) Program Development Associate: USAID will fund a full-time salary with benefits for this position. The staff member will assist with the research and development of the pilot programs mentioned in 2.d and 2.e above.

c) Senior Trainer (Health and Nutrition Education): USAID will fund 60% of this salary with benefits for this position. The staff member will conduct training in health and nutrition education.

d) Home-Based Trainer: Salary and benefits will be fully funded by USAID. This staff member will run home-based training programs and monitor and support other projects that wish to offer this ELRU program.

e) Rural Trainers: USAID will fund one full-time rural trainer and one 60% position's salaries with

benefits. These Trainers will run training in the Helderberg, Overberg and other rural areas of the Western Cape.

f) Research and Information Services Coordinator: USAID will fund 50% of this salary with benefits. The staff member will oversee the pilot projects and dissemination strategy, input into policy debates, act as a consultant, prepare and organize preparation of policy papers and edit the ELRU newsletter.

g) Anti-bias Training Coordinator: USAID will fund 50% of this salary with benefits. This person will be responsible for the training course, from conceptualization through all the ongoing organization, liaison, regional support, co-facilitation, evaluation and adaptation to the final evaluation and forward planning at the end of the three-year period.

h) Assistant Coordinator: USAID will fund 50% of this salary with benefits. The Assistant Coordinator will share the workload and responsibility of the Coordinator and acquire the necessary skills so that two of ELRU's staff members will be directly involved in the anti-bias training.

2. Travel & Per Diem:

This Grant will provide funding for transport for the field implementation of the programs, including training programs, pilot research projects, and program development. For local travel, USAID will reimburse ELRU using the AA rate per kilometer based upon an official log kept by ELRU staff. Taxis may also be reimbursed for local travel. Airfares and per diems will be reimbursed for participants, ELRU coordinators and facilitators for the anti-bias training. One international economy class airfare, using a U.S. carrier, for an expatriate facilitator will be reimbursed during the first year.

As per Section X.D. of Attachment 1 of this Agreement, ELRU will either provide USAID with a copy of its travel and per diem policy, or it will abide by official U.S. Government travel regulations.

3. Consultants:

a) Educare Activities: This Grant will support assistance in materials development, including artwork and layout, translation and adaptation for different user groups as well as consultation around development of the new programs - radio education

and primary school bridging.

b) Anti-bias Training: This Grant will support the participation of two facilitators for this training of trainers. Approximately 164 days of the first facilitator's time will be required for conceptualisation, course design, training and facilitation. The co-facilitator will assist in the training and facilitation during the first year for approximately one week.

4. Other Direct Costs:

a) Training and Workshop Materials: USAID will fund supplies related to the presentation of training programs, such as teaching aids, slides, posters, materials for making equipment, photocopied notes and articles, stationary and newsletters.

b) Publications: USAID will fund expenses, including the printing and production of training materials, leaflets, manuals, posters, the ELRU newsletter, CHATELRU and research papers. Reference materials for ELRU's library will also be purchased under this Grant.

c) Trainee Bursaries: Because educare receives so little support from the state and private sector, educare services are supported by parental fees, and in poor communities teacher salaries are extremely low, ranging from less than R150 to R400 per month. This grant will support a bursary fund to assist rural trainees (educare workers) to travel to a central training program.

It is anticipated that the anti-bias training course will collect fees of approximately R850 per participant, although some bursaries will be funded. Fees collected from participants in this training will be used to help fund other bursaries and staff development.

d) Staff Development

To strengthen the ELRU's capacity to deliver these services and influence policy, there is a need to develop staff, particularly those who will be newly employed on this project and promotion of black staff within ELRU. The development envisioned builds on the existing USAID funded staff development program and involves exposure to conferences and forums, short courses focused on specific skills, such as reporting, management, public speaking and networking experiences. It will also include some formal training for a limited number of staff.

5. Evaluation

This Grant will cover the costs of SAAECE accreditation of the rural and community motivator training courses. It will also fund a major impact study (scheduled in the third year of this Grant). The scope of work, proposed evaluation team and budget for the evaluation will be mutually agreed upon by ELRU and USAID at a later date.

6. Audit

Funding is provided within the Agreement for a recipient audit, as described in Attachment 6, to be conducted at the end of each of ELRU's fiscal years.

7. Overhead Costs

A predetermined overhead rate of 20% of the total estimated costs will be applied to this Grant to support ELRU's programs. These support costs include such items as office space, promotion and fundraising, telephone, maintenance and support for salaries of the director, bookkeeper, accountant, administrative assistant, receptionist, domestic worker and driver and other miscellaneous administrative costs. This results in payment of R 536,667 over 36 months between April 1, 1993 and March 31, 1996 and will be disbursed quarterly in equal amounts of R 44,722. For the first tranche obligated under this Agreement, a total amount of R 350,000 may be claimed between April 1, 1993 and December 31, 1994. This rate can be renegotiated based on mutual agreement between ELRU and USAID. USAID will not fund major capital expenses, such as vehicles, buildings and major equipment.

VI. ILLUSTRATIVE FINANCIAL PLAN

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

Early Learning Resource Unit (ELRU)

Summary Tranche Budget	Tranche 1	Tranche 2	Total
Salaries	744,687	529,026	1,273,713
Travel and Per Diem	293,081	78,189	371,270
Consultants	244,688	49,598	294,286
Other Direct Costs	400,000	208,978	608,978
Evaluation	41,500	41,500	83,000
Audit	26,044	26,044	52,088
Subtotal	1,750,000	933,335	2,683,334
Overhead (20%)	350,000	186,667	536,667
TOTAL	2,100,000	1,120,002	3,220,001
Total Dollars	\$750,000	\$400,001	\$1,150,000

*Spreadsheets done on lotus 123. Slight discrepancies in numbers are due to rounding.

15% inflation/year

Early Learning Resource Unit (ELRU)
Table 1
Detailed Illustrative Budget
South African Rands

LINE ITEM	YEAR 1	YEAR 2	YEAR 3	TOTAL
1. Salaries and Benefits				
a) Parent & Comm. Coord.	80,100	92,115	105,932	278,147
b) Prog. Devel. Assoc.	58,050	66,758	76,771	201,579
c) Trainer Rural Areas	31,350	36,053	41,460	108,863
d) Sen. Rur. Trainer (60%)	24,400	28,060	32,269	84,729
e) Trainer Home-based	31,350	36,053	41,460	108,863
f) Train. Health Nut.(60%)	46,450	53,418	61,430	161,298
g) Research & Info. (50%)	40,100	46,115	53,032	139,247
h) Coordinator (50%)	30,000	34,500	39,675	104,175
i) Assist. Coord. (50%)	25,000	28,750	33,063	86,813
SUBTOTAL	366,800	421,820	485,093	1,273,713
2. Travel & Per Diem	100,030	129,950	141,290	371,270
3. Consultants	91,000	98,720	104,566	294,286
4. Other Direct Costs				
a) Training & Materials	16,500	24,050	28,038	68,588
b) Publication expenses	95,000	108,750	123,525	327,275
c) Trainee Bursaries	49,670	57,121	65,689	172,479
d) Staff Development	30,786	5,000	4,850	40,636
5. Evaluation	20,000	23,000	40,000	83,000
6. Audit	15,000	17,250	19,838	52,088
SUBTOTAL	417,986	463,841	527,795	1,409,621
TOTAL ESTIMATED COSTS	784,786	885,661	1,012,888	2,683,334
7. Overhead (20%)	156,957	177,132	202,578	536,667
TOTAL COSTS PLUS OVERHEAD	941,743	1,062,793	1,215,466	3,220,001 \$1,150,000

*Spreadsheets done on lotus 123. Slight discrepancies in numbers are due to rounding.

Calculations for ELRU Overhead
(Based on March '92 Financial Statements)

Office Space	26,458
Depreciation	850
Promotional and Fundraising	9,106
Postage, Phone, Stationary	30,710
Repairs & Maintenance	480
Bank Charges	3,344
Insurance	5,114
Cleaning	290
Printing & Duplicating	3,545
Salaries*	149,041

Total	228,938
 Total Expenses	 1,140,171
 Percentage of total	 0.20

ELRU Educare & Anti-Bias Training
Summary Budget

Summary Budgets	Year 1	Year 2	Year 3	TOTAL

Salaries	366,800	421,820	485,093	1,273,713
Travel and Per Diem	100,030	129,950	141,290	371,270
Consultants	91,000	98,720	104,566	294,286
Other Direct Costs	191,956	194,921	222,102	608,978
Evaluation	20,000	23,000	40,000	83,000
Audit	15,000	17,250	19,838	52,088
 Subtotal	 784,786	 885,661	 1,012,888	 2,683,334
Overhead (20%)	156,957	177,132	202,578	536,667
 Total Estimated Costs	 941,743	 1,062,793	 1,215,466	 3,220,001
				 \$1,150,000

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ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: April 20, 1993
FROM: William G. Duncan, ^{WGD} Chief, PHRDO
SUBJECT: South Africa SABER Project (674-0314); Early Learning Resource Unit (ELRU) Agreement No. 674-0314-G-SS-3038-00

I. PROBLEM

Your approval is required to obligate U.S. \$750,000 of FY1993 funds under the South Africa Basic Education Reconstruction (SABER) Project (674-0314), through a Grant Agreement with the Early Learning Resource Unit (ELRU), as described herein.

II. AUTHORITY

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

III. DISCUSSION

ELRU is a non-governmental, nonracial, non-sexist educational resource agency, based in Cape Town, working throughout Southern Africa in urban and rural areas. ELRU develops programs and materials and offers non-formal adult learning to assist communities with learning opportunities for young children. Since its inception in 1978, ELRU has played a major role in influencing policy formulation and implementation in the field of early childhood education. ELRU has been key in assisting a process of standardising of non-formal training and has received accreditation for its Preschool Training Program, Babycare and Home-based Programs through the S.A. Association for Early Childhood Educare course accreditation committee.

ELRU has received USAID support of \$250,000 over the past three years for staff development, training in rural areas, work on alternative models of educare provision involving parents and research and information services. ELRU receives high marks for its innovative training of educare teachers, the educare centres it has assisted and its overall outreach. Some 5,500 adults have participated in ELRU training courses, workshops and seminars, benefiting over 800,000 children each year. An estimated 7,000 parents have been touched by ELRU awareness programs.

ELRU's proposal is for three-year funding to support an expanded program aimed at influencing early childhood educare policy development. The program includes staff development; training

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for rural-based educare workers; training and program development for alternative educare service options, including home childcare, parent playgroups; policy research initiatives to disseminate information and pilot sustainable models; materials development; and linkages to junior primary school. In addition, ELRU will initiate an anti-bias training program for trainers and others in coordinating and supervisory positions within the field of preschool and primary education. The purpose of this pilot program is to create a cadre of facilitators who can conduct anti-bias workshops throughout South Africa and begin to develop a culture of tolerance through the education of South African children so that it prepares them to be part of a nonracist and nonsexist society.

The training, development and dissemination of innovative models, outreach, and assistance to those involved in early childhood education achieved through ELRU's programs support SABER's goal to assist in developing a democratic, nonracial, compulsory, unitary education system in South Africa and its purpose to support an increased development and use of innovative educational models and policy systems which improve the quality of primary education for historically disadvantaged South Africans. In addition, ELRU's work will impact on early childhood education policy and a culture of tolerance while providing a replicable model for the new South African education system.

IV. ISSUES

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

A. Action Plan and Strategic Objectives - This proposed Agreement was discussed during the FY93 SABER Action Plan review dated January 29, 1993 and approved. This activity is consistent with USAID/South Africa's strategic objective to "prepare disadvantaged South Africans to establish an equitable and effective educational system" and the four program targets: 1) increase the number of qualified and skilled black South Africans; 2) develop, evaluate and disseminate models of innovative approaches to education; 3) contribute to the policy debate on the future of South African education; and 4) strengthen selected education institutions and organizations. It also supports other program targets, such as target 1.1: establish and strengthen black-led non-governmental institutions that support black political empowerment and civic development.

ELRU is moving forward in affirmative action. The Director is a black woman; Chairperson of the Board is black with a mixed Board. ELRU is setting up a new management system which includes staff training to fill positions in its directorate. Its anti-bias work will be facilitated by Dr. Julian Sonn, a black South African and psychologist by training, whose work with major companies in the U.S. and South Africa is well-recognized.

B. Grantee's Illustrative Budget and Cost Negotiation - The Human Resources Development Division conducted verbal negotiations with ELRU to establish its priorities for funding. Costing included examining the proposed salaries which, according to our consultations, are similar to those of equivalent positions in other non-governmental organizations in the same field. Based on this review of the budget and costs, HRDD determines that these costs are reasonable and appropriate for a grant of this nature.

C. Noncompetitive Justification - Although competition is to be encouraged in the award of grants and cooperative agreements to NGOs (handbook 13, Chapter 2B), Chapter 2B3a permits exceptions to competition where the proposal "is not solicited by A.I.D." and where the proposal is "unique, innovative, or proprietary and acceptance would be fair, reasonable, and would represent appropriate use of A.I.D. funds to support or stimulate a public purpose." ELRU has submitted an unsolicited proposal, and it is the determination of the HRDD that the activity is "unique, and innovative". The activities under this grant are follow-on activities to those funded formerly under ESAT. This grant will provide funding to further expand ELRU's outreach and training to rural educare workers and communities, including health and nutrition education programs. As a training agency, ELRU will be piloting an anti-bias training of trainers program which will impact on multicultural, multilingual and nonracist education. Because this set of activities is consistent with USAID program objectives, and is so unique and innovative, acceptance of the ELRU proposal would be fair and reasonable and would represent an appropriate use of USAID funds.

D. Technical and Management Capability - It is the HRDD's determination that the subject organization possesses suitable policies and practices to ensure adequate management of USAID funds provided under the Grant Agreement. This determination is based on the successful implementation of ELRU's grant under the ESAT project over the past three years which assisted in consolidating and strengthening the center by: a) developing staff capability; b) developing management capacity of smaller home-based educare facilities; c) networking through production of newsletters and materials; and d) engaging in research and information dissemination on early childhood educare.

E. Financial Management Capability - A financial review of ELRU's financial management systems was conducted in September 1990 by Chartered Accountants, Pema Lakha & Associates, which certified that the Grantee possesses satisfactory accounting systems, books and records for the administration of this Agreement. ELRU was also selected for a random review of a voucher to verify expenses on October 13, 1992. This voucher review indicated that ELRU's financial systems are accurate and effective. Copies of the original financial review and the

random voucher review are on file in the Controller's Office at USAID/South Africa.

F. PVO Registration Determination - The proposed Grantee does not qualify as a Private Voluntary Organization, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010 because ELRU only receives limited donor funding and does not solicit or receive funds from the general public.

G. Grantee Contribution - A Grantee contribution of not less than 25% of the total project costs has been provided. Project vehicles, computers, office equipment, and furnishings, all vital to the running of the program, are provided by the Grantee.

H. Sustainability - The Grantee is expected to continue activities funded under this grant and would be a strong player in educare in the future. The Grantee receives fees from participants of many of its training programs. These fees help to sustain project costs. Other funders for 1992/93 include: Kagiso Trust, D.G. Murray Trust, Kellogg Foundation, and the Royal Netherlands Embassy.

I. Standard Issues

1. Section 611(a) Requirements - Consistent with Section 611(a) of the FAA, adequate technical and financial planning underlie the proposed Agreement and reasonably firm cost estimates have been established. Such planning is evidenced by the Agreement program itself, as described in Attachment 2 of the proposed Agreement, which contains a detailed methodology for implementing Agreement activities and attaining specified Agreement outputs. The Illustrative Financial Plan is based on reasonably firm cost estimates for program activities.

2. Payment Requirements - Payment verification requirements for the Grantee are satisfied by: (a) the specification of financial management and reporting procedures in the attached Agreement; (b) the certification by the USAID Controller of the recipient organizations's ability to handle initial Agreement disbursements; and (c) provision in the proposed Agreement for annual audits of use of Agreement funds.

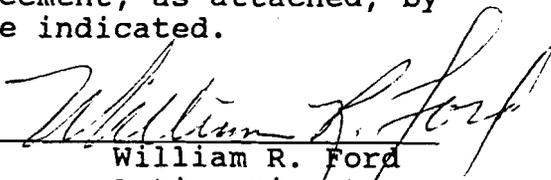
3. Recurrent Costs - Donor financing of recurrent costs, such as salaries, allows the Grantee to provide an essential service that is unmet by the public sector and, due to the limited income of the beneficiaries, cannot be met through normal market channels. Recurrent cost assistance in such cases is justified under category 2 of USAID's Recurrent Cost Policy. The "design considerations" outlined in this policy document have been taken into consideration in the design and negotiation of this Agreement.

4. Selection of a Grant as the Assistance Instrument - It is the determination of the HRDD that, in accordance with Handbook 13, Chapter 6, a grant is the appropriate assistance mode to be utilized, as A.I.D. is not procuring goods or services and does not require a substantial degree of operational control or involvement in project implementation. The attached document is, in form and substance, a grant as defined by A.I.D.

V. RECOMMENDATION

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

Approved: _____


William R. Ford
Acting Director
USAID/SA

Disapproved: _____

Date: _____

5/26/93