

EMBASSY OF THE
UNITED STATES OF AMERICA

PD-ABE-749
88692

Office of Development Affairs
July 31, 1987

Rev. Getti Mercurio
Catholic Educational Aid Programme
37 A Somerset Road
Cape Town
8001

Subject: Catholic Educational Aid Programme
Agreement 674-0206-G-00-7035-00

Dear Rev. Mercurio:

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 Catholic Educational Aid Programme (hereinafter "the Recipient"), and obligates the sum of \$30,000 to provide support for a program described in Attachment No. 1, entitled "Schedule," and Attachment No. 2, entitled "Program Description and Financial Plan," of this Agreement.

This Agreement is effective and obligation is made as of July 31, 1987. The Agreement and obligation shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning July 31, 1987 and ending September 30, 1988 provided that all goods and services financed under the Agreement have been received by the Recipient by the latter date.

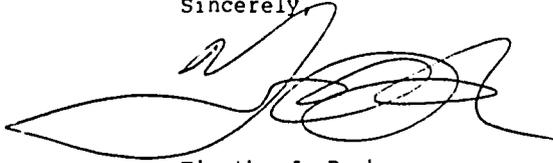
This Agreement is to be implemented in accordance with the terms and conditions set forth in Attachment 1, "The Schedule," Attachment 2, "Program Description and Financial Plan," and Attachment 3, "Standard Provisions." This letter, and the three attachments just described, when agreed upon constitute the Agreement.

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Please sign the original and six (6) copies of this letter. Please then return original and five (5) copies of this letter to USAID/Pretoria.

Sincerely



Timothy J. Bork
Counselor for Development Affairs

Acknowledged and Accepted
Catholic Educational Aid Programme



By: Rev. Getti Mercorio
Title: General Secretary

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

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FISCAL DATA

Appropriation :72-117/81037
Budget Plan Code :GES7-87-21674-KG14
Res. Control No :B870113
Project No. :647-0206
Total Obligated Amount :\$30,000
Funding Source :PM&R/ESF

Drafted: ~~CP~~ IR Annual

Clearance:

MRJohnson, SPDO DRAFT
DKeene, RLA DRAFT
RSolloway, CONT DRAFT

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AGREEMENT NO. 674-0206-G-00-7035-00
CATHOLIC EDUCATIONAL AID PROGRAMME

Attachment No. 1

Schedule

I. OVERVIEW OF THE AGREEMENT

This Agreement will support the design and development of the Catholic Educational Aid Programme's (CEAP) bursary fund, in particular allowing CEAP to train African staff to run the program, providing new staff with on-the-job experience in implementation, and allowing CEAP to consult with the beneficiary communities, community organizations, and existing bursary programs to draw lessons relevant to the successful implementation of the bursary program. The nature of the program and the terms of the Agreement are more fully described in Attachment 2 of this Agreement entitled "Program Description and Financial Plan."

II. PERIOD OF AGREEMENT

The effective date of this Agreement is July 31, 1987, the expiration date is September 30, 1988, meaning that no USAID funds shall be applicable under this Agreement to goods and services not received by the Recipient by this date.

III. AMOUNT OF CONTRIBUTION

A. USAID hereby obligates the sum of \$30,000 for purposes of this Agreement. In no event shall the costs of the Recipient applicable to the Agreement exceed the U.S. dollar amount obligated, unless a written amendment to this effect is executed in accordance with procedures set forth in Attachment 3, Standard Provision 10, entitled "Amendment".

B. Payment shall be made to the Recipient in accordance with procedures set forth in Attachment 2, Section VII, entitled "Financial Management".

C. The Financial Plan for this Agreement is provided in Attachment 2, section VIII, entitled "Financial Plan". 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 USAID approval.

IV. REPORTING

Financial reporting requirements are detailed in Attachment 2, Section VI, entitled "Reporting".

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V. OVERHEAD RATE

Not applicable.

VI. TITLE OF PROPERTY

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

VII. AUTHORIZED GEOGRAPHIC CODE

United States and Republic of South Africa.

VIII. LOCAL COST FINANCING

As provided for under Additional Standard Provision 8 of this Agreement, located in Attachment 3 and entitled "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.

IX. SPECIAL PROVISIONS

A. Conditions Precedent to Disbursement

Accounting. Prior to the disbursement of funds or to the issuance of any commitment documents under the Agreement, the Recipient shall provide, in form and substance satisfactory to USAID, evidence that the Recipient has established a bank account for the proper receipt and handling of all funds provided under this Agreement, and that adequate fiscal management policies and practices exist.

B. Covenants

(1) Procurement. The Recipient shall make every reasonable effort to procure from legally disadvantaged individuals or businesses. Where feasible, procurement of goods and services with funds provided under this Agreement shall be pursuant to a competitive bidding process.

(2) Religious Activities. Funds provided under this Agreement shall not be used to finance any activities of a directly or indirectly religious nature. To this end, CEAP will continue to award bursaries to students irrespective of their religious affiliation.

X. STANDARD PROVISIONS

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

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ATTACHMENT NO. 2

PROGRAM DESCRIPTION AND FINANCIAL PLAN

I SUMMARY

This Agreement will support the Catholic Educational Aid Programme's (CEAP) efforts to respond to the education crisis in South Africa by developing a bursary program for legally disadvantaged South Africans. In particular, the Agreement will help CEAP address the political demand of black South Africans to play a direct role in the education of their children, a role which has been denied under apartheid education. To this end, the Agreement will finance the appointment and training of black staff and consultations with the black community and community-based organizations to obtain their input into the functioning of a bursary program and to explain CEAP's plans to expand its assistance for bursaries. Total financing of \$30,000 will be provided over the period of July 31, 1987 through September 30, 1988.

II. BACKGROUND

The Roman Catholic Archbishop of Cape Town has for many years administered a small bursary fund financed by the South African Catholic Bishop's Conference (SACBC). In recent times, the Archdiocese has been approached by an increasing number of applicants from socio-economically deprived areas for educational assistance.

In 1986, the Archdiocese allocated approximately R27,000 for 51 single-year bursaries, principally for university students. Since then, the decision by the National Education Crisis Committee, as well as other organizations across the political spectrum, to encourage school pupils and tertiary level students to continue their studies has had a profound effect on the number of applications received. As a result, the Archbishop of Cape Town appointed the Catholic Welfare Bureau to administer the Catholic Educational Aid Programme on his behalf.

CEAP has sought funding from several donors, raising approximately R260,000 for bursaries in 1987. These funds were used to finance bursaries for 276 students, a 273% increase from 1986. The bursaries are awarded solely to students in the Western Cape area, irrespective of religious affiliation.

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III. PROBLEM

Due to an overwhelming demand for bursaries, there are numerous problems in the administration of any bursary program. National bursary programs regularly receive over 25,000 applications annually and can generally respond to approximately 1% of the demand. The inevitable fact that most students receive rejection letters rather than awards causes tremendous disappointment, sometimes resulting in rumors and speculation that bursary programs are not run fairly, may be politically biased, or are used for subversive political means. Few students who apply to a bursary program fully understand the cost of financing a full course of study at university, including living expenses, books and related educational costs.

As a result, it is critical that bursary programs involve the affected communities in their design and administration so that these communities understand programmatic limitations and are involved to the extent practicable in student selection. Community participation is also central to the educational demands of black South Africans, who have denied a role in defining the contents of the State's educational system and have been systematically provided an inferior education to whites. In order to be effective, any programs in black education must therefore address the black community's demands for changes in the administration of education, as well as offer sound educational opportunities.

Bursary programs for university students, moreover, must also be sensitive to students' academic as well as financial requirements. Given the poor quality of education afforded blacks, the leap from township schools to tertiary educational institutions is vast, resulting in many first year students producing poor results. In many cases, the academic burden is exacerbated by the need to adapt to a new social and cultural milieu which emphasizes self-initiative and can leave students at a loss after a highly regimented primary and secondary education. Potential bridging programs thus need to be explored as part of any bursary scheme in order to provide students the type of academic and personal counseling required to benefit fully from university training.

IV. PURPOSE

The objectives of this Agreement are to enable CEAP to continue planning and refining its bursary program in order to address the academic, technical and sociopolitical issues which impinge on educational programs in South Africa; to involve and train African staff in the administration of the program; and to complete a long-term planning document which reflects the importance of black involvement at both the community and administrative levels. The long-term planning document will, in itself, serve as a resource to generate additional donor assistance for the bursary program.

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V. PROGRAM DESCRIPTION

This Agreement provides assistance to Catholic Educational Aid Program in three areas: (1) general administrative and salary support which are critical to completing the planning and training objectives of the Agreement; (2) resources for training African staff who will eventually assume management responsibility for the program; and (3) financial support for workshops and consultations with black communities, community organizations, and organizations and individuals with experience in university training for black South Africans. Each of these items is more fully described below; funding levels are specified in Section VIII, Financial Plan.

A. Administrative Support

The Agreement will finance the salaries of a General Secretary, a Bursary Secretary and a clerical worker. Both the Bursary Secretary and the clerical worker are black South Africans. The General Secretary will provide on-the-job training to the other staff members so that they can independently run the program after one-two years, with the present Bursary Secretary assuming the position of General Secretary at the end of the training period. The General Secretary will also have responsibility for coordinating consultations with the beneficiary communities and appropriate individuals and organizations, consulting with CEAP staff to identify and arrange for formal training programs, and completing a long-term planning document which reflects the lessons learned during the planning period. The General Secretary will involve the Bursary Secretary in all aspects of his responsibilities in order to provide extensive practical experience in the program's operation.

The Agreement will also finance financial services for bookkeeping and audit, and general office administration costs such as rent, printing and stationery, telephone, and postage. These items are necessary to completing the objectives specified in Section IV.

B. Training

The Agreement will finance short-term training programs for the Bursary Secretary and clerical worker which will help them assume full responsibility for the bursary program as quickly as possible. Anticipated areas of training include organizational and financial management, community organizing, group communication skills, and basic office management skills. CEAP will identify and arrange for the training programs. If so requested, USAID will assist in identifying training opportunities.

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C. Workshops and Consultations

Various types of workshops and consultations will be required during the planning period. CEAP will consult with members of the target communities to identify training priorities, help refine selection criteria, and formulate selection procedures which, to the extent practicable, involve community representatives in the selection process. Through such consultations, CEAP will attempt to address community demands to participate in the education of their young people, and will seek to make the program accountable to the affected communities.

Through workshops and consultations with community organizations and individuals and organizations involved with university education, CEAP will attempt to identify and address academic, social and technical issues which may affect the viability of the bursary program. Such issues include: the need for academic support programs before students begin university, sociological problems which students may encounter during the first year of university, selection procedures which have proved useful elsewhere, expenses which should be covered in bursaries, and the number of years of study which bursaries should finance.

VI. REPORTING REQUIREMENTS

By September 1, 1988, CEAP will provide USAID with a long-term planning document which reflects the lessons learned during the planning period. The planning document will address, among other issues: progress made in training African staff to assume full management responsibility for the program; bursary selection criteria and procedures which incorporate community views and facilitate community participation; guidelines for the length and levels of bursaries; and suggestions for academic support and counselling programs.

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VII. FINANCIAL MANAGEMENT

A. Accounting Responsibilities

The Catholic Educational Aid Programme shall be responsible for accounting for all funds provided under this Agreement. Prior to disbursement of funds, CEAP agrees to allow USAID to review its accounting procedures and capabilities to confirm that they can maintain adequate records and accounts. Financial reporting shall be in the form of submission of monthly invoices, as described in Part B of this Section, below. There shall be no other financial reporting requirement.

B. Disbursement Procedures

(1) Local currency disbursements from USAID to CEAP will be made through an advance and monthly reimbursement. Included in this Agreement as Table 2 is a budget for a 90-day advance based upon expected expenditures covered by the Agreement over a three month period. Execution of this Agreement both constitutes USAID approval of the advance and earmarks and commits funds for the entire Agreement.

(2) Each month, CEAP will submit invoices for all expenditures covered by the Agreement. For recurring project costs, USAID will replenish the advance for one-time capital expenditures.

(3) At the end of the Agreement, the advance balance will be liquidated through submission of paid invoices and/or cash. Any interest earnings from funds provided under the Agreement will be returned to USAID.

(4) Should there be a need to increase the level of the advance, USAID should be notified in writing at least 90 days before the required increase. USAID will advise, in writing, of any approved increases. Likewise, USAID reserves the right to decrease the level of the advance should expenditures fall below projected levels.

VIII. FINANCIAL PLAN

A. Length of Assistance

The Agreement will provide funding for the items enumerated in Section V of this document from August 3, 1987, through September 30, 1988, provided that all goods and services financed under the Agreement have been received by Catholic Educational Aid Programme by the latter date. An illustration of the financial assistance plan is set out below, in Table 1.

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B. Level of Assistance

Funding for the activities financed under this Agreement is at a level of \$30,000. The budget line items provided in Table 1 have been calculated by taking the amounts required by CEAP in South African Rands and then converting these to U.S. Dollars at an exchange rate of R1.85/US\$1. While the Rand amounts are included in Table 1 for illustrative purposes, the U.S. Dollar totals, and not their Rand equivalents, constitute the binding level of USAID assistance.

Due to exchange rate fluctuations, South African Rands available under any individual item financed under this Agreement may exceed levels budgeted for by CEAP, and thus allow other items to be financed as well. In such an event, CEAP will consult with USAID on the priority use of these funds, and arrangements will be made to amend the Agreement to provide for their expenditure. However, should changes in the exchange rate result in fewer South African Rands being available than budgeted for, CEAP must finance the shortfall since the U.S. dollar amount prevails.

TABLE 1

ILLUSTRATIVE FINANCIAL PLAN

	<u>S.A. Rands</u>	<u>USAID funds (US\$)</u>
A. <u>Administrative Support</u>	<u>R41,800</u>	<u>\$22,600</u>
1. <u>Salaries</u>	<u>36,600</u>	<u>19,800</u>
a. <u>General Secretary</u>	<u>(22,200)</u>	<u>(12,000)</u>
b. <u>Bursary Secretary</u>	<u>(9,600)</u>	<u>(5,200)</u>
c. <u>Clerical Worker</u>	<u>(4,800)</u>	<u>(2,600)</u>
2. <u>Office Administration</u>	<u>3,500</u>	<u>1,900</u>
3. <u>Financial Services</u>	<u>1,700</u>	<u>900</u>
B. <u>Training</u>	<u>4,000</u>	<u>2,200</u>
C. <u>Workshops and Consultations</u>	<u>9,700</u>	<u>5,200</u>
TOTAL	<u>R55,500</u>	<u>\$30,000</u>

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