



**Contract Information Management System
(CIMS)**

**DIRECT ACTION DATA FORM
FOR GRANTS & COOPERATIVE AGREEMENTS**

1. Basic Award Number 674-0309-G-SS-2097-00	
2. Recipient Name Israeli Center for International Cooperation	
3. Award Description (This description will be seen by high level Agency officials, as well as members of Congress.) The purpose of this project is to conduct a community development and empowerment training program for approximately 765 disadvantaged black South Africans	
4. Principal Place of Performance South Africa	5. Benefiting Country South Africa
6. Project Officer	
Office Symbol STEP	Name (Last, First) Ngatane, D.
7. Grant Agreement Type <input type="checkbox"/> A. Disaster Assistance <input type="checkbox"/> B. American Schools & Hospitals Abroad (ASHA) <input checked="" type="checkbox"/> C. Other Than Those Listed Above <input type="checkbox"/> D. Title XII Authority	8. Basic Purpose <input type="checkbox"/> A. Tech. Services to Host Country <input type="checkbox"/> D. Research <input type="checkbox"/> B. Commodities <input type="checkbox"/> E. Arch. & Engineering Services <input checked="" type="checkbox"/> C. Train. Services to Host Country <input type="checkbox"/> F. Construction
7a. Extent Competed <input type="checkbox"/> E. Competed by the Technical Office <input type="checkbox"/> F. Competed by the Contracting Office <input checked="" type="checkbox"/> G. Not competed (unsolicited proposal) <input type="checkbox"/> H. Not competed (predominant capability, etc.)	9. Taxpayer Identification Number *
10. Business Organization Type	
<input type="checkbox"/> A. Corporation <input type="checkbox"/> B. Individual <input type="checkbox"/> C. University or College <input type="checkbox"/> D. Historically Black College or University <input type="checkbox"/> E. Educational Organization (other than University or College)	<input type="checkbox"/> F. International Center <input type="checkbox"/> G. Research Organization (other than International Center) <input checked="" type="checkbox"/> H. Voluntary Organization <input type="checkbox"/> I. Foundation <input checked="" type="checkbox"/> J. Hospital <input checked="" type="checkbox"/> N. Hispanic American College or University <input checked="" type="checkbox"/> Z. Other
11. If U.S. University, Host Country Institution	
12. If obligated amount is in local currency, provide U.S. Dollar amount \$1,550,000	
13.a. Negotiator (Last, First, MI) Ngatane, D.	13.b. Signature
14.a. Contract Officer (Last, First, MI) Dean, Leslie A.	14.b. Signature

COPY OF AWARD DOCUMENT MUST BE ATTACHED TO THIS FORM

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

DATE: September 25, 1992

FROM: William Duncan, ^{WGD} Chief, Project and Human Resources Development Office

SUBJECT: South Africa Support to Tertiary Education Project (674-0309); Israeli Center for International Cooperation (ICIC); Agreement No. 674-0309-G-SS-2097-00

I. PROBLEM

Your approval is required to obligate U.S. \$1,550,000 of FY92 funds under the Support to Tertiary Education Project (674-0309) through a Grant Agreement with the ICIC as described herein.

II. AUTHORITY

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

III. DISCUSSION

Based upon discussions and contacts with a wide range of community leaders and educators, USAID has received and reviewed numerous unsolicited proposals from educational organizations throughout the country for activities which far exceed the FY1992 STEP budget. Based on the Mission's review of these proposals, an Agreement with ICIC is recommended.

ICIC is an Israel-based NGO that was legally constituted in 1992, as a non profit organization to become the Israeli base for the U.S. NGO Center for Foreign Policy Options (CFPO) and to assume administrative responsibility for the Community Development and Empowerment Training Program for South Africans. The training program, begun in 1984, is implemented by the Israel-based Afro-Asian Institute of Histadrut (AAI) at the AAI training center in Tel Aviv. The program has received USAID funding since 1987.

The main objectives of the program are to develop leadership skills and to assist local community leaders and their relevant constituencies in the development and maintenance of community based institutions. To date, approximately 196 black South Africans have received training under USAID funding, at an amount of U.S. \$1,010,000.

In 1991, an evaluation of the AAI training program was conducted. The purpose of the evaluation was to determine whether the program: (1) is consistent with the current USAID South Africa assistance strategy; (2) has contributed to building democratic institutions; and (3) has been cost-effective in meeting its objectives. The evaluation's underlying purpose was to determine whether there exists an objective basis for considering possible future A.I.D. support for the program.

Evaluation Findings

Former participants unanimously expressed appreciation of the substantive content of the program, provided convincing examples of successful application of theory in Israel, and the ability to relate Israel's example and practice to South African conditions and challenges.

In general, the evaluators endorsed the views expressed by community leaders and many participants that the AAI program is capable of serving as a useful tool for future contribution to the new South Africa. While doing this, the program could also serve as a factor in enhancing Southern African regional efforts at promoting more effective cooperative development. However, the evaluation concluded that some adaptation of the program is necessary for increased effectiveness within the short- and medium-term social/political situation. The evaluation maintained that such adaptation is needed both on the strategic and conceptual plane and in some operational aspects.

The evaluation also confirmed that the program substantially complies with several key elements of the USAID/South Africa assistance strategy. The particular areas are: (1) the redistribution of educational resources; (2) expansion of black participation to fight economic disempowerment; (3) black enterprise promotion; and (4) promotion of more economically-oriented community development programs. Moreover, in view of the high quality of instruction and the availability of relevant Israeli experience, the program is capable of making a greater contribution in the areas covered by the new initiatives contained in the interim strategy. In terms of cost effectiveness, the evaluation indicated that for an overseas course the program offers substantial benefit for reasonable cost.

Evaluation Recommendations

The evaluation provided suggestions for improving the performance of the program as well as bringing to it a sense of "ownership" by South Africans. The main recommendation was that the program should become, in perception and reality, an increasingly South African undertaking, capable of responding to changing conditions, with increasing South African planning and management input. The evaluation also recommended that AAI should develop a more clearly defined relationship among the key partners; A.I.D. as the financing agency, AAI as the

implementor and a South African entity as advocate for disadvantaged South Africans.

IV. AGREEMENT PERIOD AND PROGRAM ACTIVITIES

The purpose of this Agreement is to support ICIC's initiative of providing training in leadership and community development for legally disadvantaged South Africans, and for establishing a USAID approved South African NGO which will become ICIC's subgrantee. The purpose of establishing a subgrantee is to develop indigenous capacity for designing and implementing high quality training in community leadership, cooperative development and labor union management through a local NGO. The subgrant with a South African NGO must be executed within 24 months of this Agreement. Approximately U.S. \$184,930 of program funds for the first two years will be spent on establishing and strengthening the subgrantee. This will include registering the subgrantee as a legal entity in South Africa, identifying and maintaining office space, purchasing equipment, employing administrative staff and paying their salaries. Once established, the subgrantee will be responsible for coordinating and implementing the South Africa based activities of the program. Specifically, the subgrantee will recruit, screen and select and prepare participants for the core training in Israel, organize and implement the follow-up workshops and seminars in South Africa. Although the South African subgrantee will subsequently play a big role in implementing the training activities, ICIC will remain accountable for the overall administration and management of the program and responsible for reporting to A.I.D. over the three year life of the program.

Approximately 765 disadvantaged South Africans will benefit from the program. The program will be implemented in the form of the ICIC core training in Israel which is provided under an Agreement with the AAI, follow-up workshops and training of trainers seminars in South Africa. The follow-up workshops and training of trainers seminars will ensure the development of a cadre of qualified black South Africans who will be able to provide similar training programs in South Africa.

V. KEY IMPLEMENTATION ISSUES

The following key implementation issues were discussed and agreed upon with ICIC during the negotiation for this Agreement:

1. ICIC shall develop a South African ownership stake in the program by establishing a legally constituted South African NGO and execute a subgrant with the NGO no later than 24 months from the effective date of this Agreement;

2. ICIC will follow the guidelines in A.I.D. HB10 as outlined in Section X.F., Attachment 1, entitled "Program Special Provisions."

VI. OTHER ISSUES

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

A. Action Plan and Sectoral Strategy - This proposed Agreement was discussed during the FY92 STEP Action Plan review and given an "A" approval status in the Action Memorandum to the Director signed in April 1992. This activity is consistent with both the STEP Project Paper and the Education Sector Strategy emphasis on the empowerment of black South Africans through education so that they can become full contributors to and participants in the political, social, economic and intellectual life of their nation.

B. Total Obligations - This Agreement obligates U.S. \$1,550,000 to ICIC, which brings total FY92 obligations under STEP to \$21,975,748 and total STEP obligations to date (FY90 to present) to \$40,760,676 out of a total authorized level of \$110,000,000. Additional funds, up to U.S. \$2,844,755, the total estimated life of project amount of the Agreement, will be provided subject to availability of funds and a positive mid-term evaluation. The Agreement ending date of October 30, 1995, is well within the June 20, 2000, PACD of STEP.

C. Grantee's Illustrative Budget and Cost Negotiation - PHRDO conducted verbal negotiations with ICIC 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. Travel costs are controlled by the acknowledgment of ICIC that its policy will not exceed official USG rates. Other costs, such as international travel and evaluation, require prior approval by USAID of the scope and budget of the proposed activity. Based upon this review, PHRDO determines that these costs are fair and reasonable.

D. Noncompetitive Justification - Although competition is to be encouraged in the award of grants and cooperative agreements to NGO's (Handbook 13, Chapter 2B), Chapter 2B3e provides that competition is not required for follow-on assistance awards intended to continue or further develop an existing assistance relationship. ICIC is a legally constituted NGO which was formed for the purpose of assuming administrative and management responsibility for a community empowerment and leadership development training program for black South Africans, which has been receiving A.I.D. funding since 1987. Therefore, the proposed Grant to ICIC would constitute such a follow-on assistance award. Handbook 13,

Chapter 2B3a also 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." ICIC has submitted an unsolicited proposal, and it is the determination of PHRDO that the activity is "unique" because it is the only program encompassing top quality training in labor union management and community-based cooperative development, and including field studies in the highly organized labor unions and Kibbutzim of Israel. In addition, the purpose of this Grant is to enable ICIC to develop indigenous capacity for designing and implementing high quality training in community leadership, cooperative development and labor union management through a local NGO which will be established specifically for institutionalizing the above training experience in South Africa. Presently, there is no NGO in South Africa capable of providing the above training activities. It is PHRDO's determination that the ICIC activity is also consistent with USAID/SA program objectives of black empowerment and leadership development. Because this activity is so unique, acceptance of the ICIC proposal would be fair and reasonable and would represent an appropriate use of USAID funds.

E. Technical and Management Capability - ICIC is the Israeli base for CFPO, a U.S. NGO which, through the National Endowment for Democracy (NED), has been administering A.I.D. Grants since 1987. ICIC was established for the purpose of assuming administrative and management responsibility for the CFPO training program for legally disadvantaged South Africans, and all the ICIC personnel who will be administering the subject Grant are those who have been managing the earlier USAID/NED Grant. The management and technical capability developed through the management of the earlier Grant will be applied in the subject Grant Agreement. Therefore, it is PHRDO's determination that the subject organization possesses suitable policies and practices to ensure adequate management of USAID funds supplied under this Agreement.

F. Financial Management Capability - Prior to any disbursement of funds under this Agreement, a financial review will be conducted which must determine that the Recipient possesses adequate accounting systems, books and records for the administration of this Agreement.

G. PVO Registration Determination - The Recipient does not qualify as a Private Voluntary Organization, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010 because ICIC does not solicit or receive voluntary contributions from the general public.

H. 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 Verification Requirements - Payment verification requirements for the Recipient are satisfied by: (a) the specification of financial management and reporting procedures in the attached Agreement; (b) the certification by the USAID Controller prior to initial disbursement of funds of the recipient organization'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 Recipient 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 PHRDO 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.

5. Travel Policies - The Recipient will provide for USAID approval of its travel and per diem policy for travel not to exceed U.S. Government rates. In the case that the Recipient does not establish a travel and per diem policy, the prevailing U.S. Government rates shall apply.

VII. 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 ICIC by signing below; and (3) execute said Agreement, as attached, by signing on the appropriate page and line as indicated.

Approved: Leslie A. Dean

Leslie A. Dean
Director, USAID/SA

Disapproved: _____

Date: 9/30/92

Drafted: DNyatane, PDO DNyatane
Cleared: DEvans, HRDO DEvans
 Wlivengood, CONT Wlivengood
 JAddleton, PROG draft
 DKeene, RLA DKeene
 JWeber, AD JWeber
 WFord, DD WFord

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



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September 30, 1992

Dr. S. Zelniker, Program Director
Israeli Center for International Cooperation
Tel Aviv, ISRAEL

Subject: South Africa Support to Tertiary Education
Project (674-0309); Israeli Center for International
Cooperation (ICIC); Agreement No. 674-0309-G-SS-
2097-00

Dear Dr. Zelniker:

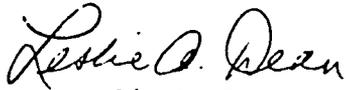
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Comprehensive Anti-Apartheid Act of 1986, as amended, the Agency for International Development (hereinafter "USAID") hereby enters into this Agreement with the Israeli Center for International Cooperation (hereinafter "ICIC" or the "Recipient") and obligates the sum of \$1,550,000 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 Recipient in furtherance of program objectives during the period beginning on the effective date of this letter and ending October 30, 1995.

This Agreement is entered into with the Recipient 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 935 List," and Attachment 6, "Guidelines for Financial Audits Contracted for by Foreign Recipients." This letter and the six 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,


Leslie A. Dean
Director, USAID/SA

ACKNOWLEDGED AND ACCEPTED
Israeli Center for International Cooperation

By: _____
Title: Dr. S. Zelniker
ICIC Executive Director
Date: _____

By: _____
Title: Mr Ariel Weiss
ICIC Legal Advisor and Trustee
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

FISCAL DATA:

Grantee: ICIC
Agreement No: 674-0309-G-SS-2097-00
Appropriation: 72-112/31014
BPC: GSS2-92-21674-KG13
Reservation Control No: B920366
Amount: \$1,550,000

Drafted: DNgatane, PDO _____
Cleared: DEvans, HRDO _____
WDuncan, PHRDO _____
JAddleton, PROG draft _____
WLivengood, CONT _____
DKeene, RLA _____
JWeber, AD _____
WFord, DD _____

Funds Available (Kew)
Lorraine Kew, ACCT

09/29/92
Date

FISCAL DATA:

Grantee: ICIC
Agreement No: 674-0309-G-SS-2097-00
Appropriation: 72-112/31014
BPC: GSS2-92-21674-KG13
Reservation Control No: B920366
Amount: \$1,500,000

Drafted: DNgatane, PDO DNgatane
Cleared: DEvans, HRDO _____
WDuncan, PHRDO _____
JAddleton, PROG JA _____
WLivengood, CONT _____
DKeene, RLA _____
JWeber, AD _____
WFord, DD _____

Funds Available _____

Lorraine Kew, ACCT

_____ Date

ATTACHMENT 1

SCHEDULE

I. OVERVIEW OF AGREEMENT

This Agreement provides funds to the Israeli Center for International Cooperation (ICIC) to enable it to conduct a community development and empowerment training program for approximately 765 disadvantaged black South Africans over three years. The program is conducted in cooperation with the Israel based Afro-Asian Institute (AAI) of Histadrut and other Israel based training institutes. The program is designed to provide training in leadership, community development and cooperatives as part of an effort to develop democratic institutions, achieve broader participation and contribute to the process of peaceful change in South Africa. At the same time, ICIC will work to establish a South African NGO which will become a subgrantee of ICIC for the implementation of the South Africa based program activities. Specifically, the Agreement will provide funds for: 1) staff salaries; 2) direct program costs; 3) indirect program costs; 4) evaluation; and 5) recipient audit.

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 October 30, 1995, 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. \$2,844,755.

B. A.I.D. hereby obligates the amount of U.S. \$1,550,000 for eligible program expenditures during the estimated period of October 1, 1992, through September 30, 1994.

C. Additional funds up to the total amount of the Agreement as shown in Section III A., above, will be obligated by A.I.D. subject to the availability of funds, agreement by the Parties hereto to proceed with the Grant program and to the requirements of the Mandatory Standard Provision 4 of the Agreement entitled "Revision of Grant Budget."

IV. FINANCIAL PLAN

A. Illustrative Financial Plan

The Illustrative Financial Plan for this Agreement is set forth in Table I 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 Recipient is authorized a 15% deviation between line items, provided that USAID is notified in writing of such budget changes in the Recipient's following Disbursement Report. However, any deviation in excess of 15%, or any increase in the total Grant, must be approved in advance and in writing by the Director, USAID/South Africa.

Table I
Illustrative Financial Plan
(U.S.\$)

<u>Item</u>	<u>Total</u>
<u>Standard Cost Categories:</u>	
Salaries and Wages	436,600
Direct Costs	960,660
Indirect Costs	86,610
Evaluation	25,000
Audits	<u>41,130</u>
TOTAL	1,550,000

B. Level of Assistance

The total amount in the Illustrative Financial Plan (Table I above) is the maximum Dollar amount available under this Agreement. In no event will the total amount provided to the Recipient under the Agreement exceed the obligated Dollar amount provided for in Section III. above.

V. REPORTING

ICIC will provide USAID with the following reports:

- A. Written semi-annual progress reports on activities funded and general performance under the Agreement

in a format to be agreed upon by USAID and the Recipient at a later date.

- B. Evaluation reports as described in Attachment 2.
- C. A final written report on all activities financed by the Agreement. The content and format will be agreed upon by USAID and the Recipient at a later date.

VI. OVERHEAD RATE

Not applicable.

VII. TITLE TO 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 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. 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 Recipient shall, to the maximum extent practicable, award contracts to individuals who or organizations which are 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, "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.

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 Recipient 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 Recipient 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 not to exceed U.S. Government rates. In the event the Recipient does not establish a policy, U.S. Government regulations governing travel and per diem shall apply.

E. Political Affiliation: The Recipient agrees that programs funded under this Agreement will be made available to individuals and groups regardless of their political beliefs or affiliations. The Recipient 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 Recipient 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.

F. Program Special Provisions:

1. Prior to any disbursement of funds under this Agreement, a financial review will be conducted by USAID's Controller which must determine that ICIC possesses adequate management and technical systems for the administration of this Agreement.
2. Prior to disbursement of any funds under this Agreement, ICIC will submit to USAID for its approval a written set of procedures and criteria for recruiting and selecting participants for the training programs.

3. ICIC agrees to facilitate the establishment of a South African nongovernmental organization which will have full legal status and shall enter into a subgrant agreement with such entity not later than 24 months after the effective date of this Agreement. ICIC will ensure that the South African NGO develops adequate management and technical capabilities to carry out all the South Africa based program activities, including recruitment, screening and selection of candidates and monitoring of all South African training activities. The Board of Trustees of the South African NGO must be selected from among the graduates of the parent program, black community leaders and educators. The ICIC program director will become an ex-officio member of the Board of Trustees. USAID/SA must approve the subgrantee. Within three months after signing of this Agreement, ICIC will present to USAID a detailed, written outline of the steps that will lead to the establishment of the South African NGO.
4. An evaluation of the ICIC program will be conducted by USAID/SA after eighteen months from the effective date of this Agreement. The evaluation will assess, among other things, ICIC's success in developing a South African NGO which has the requisite management and technical capabilities. Should the evaluation conclude that ICIC has failed to establish an appropriate South African NGO, disbursement of funds under this Agreement will be terminated after twenty four months from the effective date of this Agreement.
5. ICIC will appoint not less than 3 and not more than 6 South African regional consultative committees (CCs) comprising 6 to 12 persons who will act as regional liaison and advisory bodies in the nomination, selection and screening of candidates, and will assist the ICIC Director in the selection processes of the trainees during the time before the establishment of a South African subgrantee.
6. ICIC, and thereafter the South African NGO, will follow the provisions of A.I.D. Handbook 10 in the implementation of this program, including the following:
 - * ICIC will provide USAID/SA with a written list of students selected for training and their biographical data;
 - * ICIC will obtain PIO/P numbers from the Mission as part of processing the training program;

- * ICIC will procure a health insurance program for the participants and will provide USAID/SA with details of the health insurance program. All participants will be enrolled in the insurance program prior to their departure to Israel;
- * All participants will, at their own expense, undergo a medical examination to be conducted by a qualified medical officer, and receive medical clearance from USAID/SA prior to their departure to Israel;
- * ICIC will provide pre-departure orientation for the participants, which will provide participants with details of their training program and a complete itinerary, and ensure that all the participants sign the A.I.D. Conditions of Training forms prior to their departure; and
- * ICIC and the South African NGO, in collaboration with the Mission's training officer, will design and implement a follow-on program for graduates of the program.

X. STANDARD PROVISIONS

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

ATTACHMENT 2

PROGRAM DESCRIPTION

I. SUMMARY

This Agreement provides funding to the Israeli Center for International Cooperation (ICIC) for a period of three years. This support will enable ICIC to provide training in community leadership, labor union management and cooperative development for legally disadvantaged South Africans. The support will also enable ICIC to establish a South African NGO which, under a subagreement with ICIC, will manage the South Africa based activities of the program. The training program is a continuation of an activity which was initiated in 1984 through the Center for Foreign Policy Options (CFPO), a U.S. NGO and the Israeli based Afro-Asian Institute (AAI) of Histadrut. USAID/SA support for this program started in 1987. Specifically, the Agreement will provide funds for: 1) staff salaries; 2) direct program costs; 3) indirect program costs; 4) evaluation; and 5) recipient audit program.

II. BACKGROUND

A. Support to Tertiary Education Project

This Agreement is financed under USAID's Support to Tertiary Education Project (STEP). The purpose of STEP is to ensure that black South Africans are full contributors to and participants in the political, social, economic and intellectual life of their nation. To support the realization of the program's goal, the purpose of STEP is to prepare and empower black South Africans and selected institutions for positions of leadership and importance in order to promote peaceful change and transition to a nonracial democracy that is envisioned in the nation's future. STEP, therefore, is designed to promote leadership, develop human resources and support the educational development of black South Africans. Based on extensive consultations with education specialists, community leaders, parents and students, and based also on the Mission's own assessment of the Bursary project, priority is given to education projects which: help disadvantaged South Africans cope with and overcome the inadequacies of apartheid education; are nonracial yet affirm black culture and history; promote communication and resource sharing with organizations providing similar services; and support the development of nonracial education in a post-apartheid South Africa.

B. ICIC

As a nonprofit organization legally registered in Israel in 1992, ICIC is involved in the design and implementation of leadership training and community development programs for Israeli Arabs and for East European civil society leaders.

ICIC is the Israeli-based extension of the U.S. Center for Foreign Policy Options (CFPO), which was the founder of the joint U.S.-Israel program for South Africans and the program's grantee until 1991. The CFPO is a charitable public body that was formed in 1986 in order to contribute to public debate, research and study of foreign policy and international cooperation issues in Israel and elsewhere.

C. Afro-Asian Institute (AAI) of Histadrut in Israel

In 1984 a joint American-Israeli project was launched to provide community development and leadership training to the black South African community. The program was initially funded through private sources and was designed and administered by the CFPO. Training was implemented by the Afro-Asian Institute (AAI) of Histadrut in Israel. In 1986 the U.S. based National Endowment for Democracy (NED) was awarded a grant from USAID to provide oversight for the training program through 1991.

The training program consisted of month-long workshops held in Israel for selected black South African community leaders. Course content emphasized the practical utility of accommodating political and ideological pluralism, participation and organizational accountability. The main objectives of the program were to develop leadership skills and to assist local community leaders and their relevant constituencies in the development and maintenance of community based institutions. The program provided training in cooperatives, labor unions and community development as part of an effort to develop democratic institutions, achieve broader participation and accelerate the process of empowerment of disadvantaged South Africans. Due to political constraints imposed by the South African Government, efforts to expand the training program to sites within 'South Africa achieved only limited success.

An evaluation of the South African training program conducted in 1991 confirmed the relevance of the program to black South Africans and made special note of the quality of training provided. However, the evaluators suggested that the administrative component be re-organized to develop a South Africa ownership stake in the program that will (a) create a system of joint responsibility for program planning, selection and follow-up; (b) become, in perception and reality, an

access and, above all, taught them that they were inferior.

Democratically-oriented organizations are now looking to a new future and, aware of the many resource constraints, are seeking ways to change the political, social, economic and conditions in South Africa. The new leadership is aware that it requires not only material but also human resources, as well as a clear vision, to achieve this. Organizations must develop this vision and the capacity to sustain it. The provision of training, motivational support and exposure to different development models will assist in meeting this need.

Dramatic political changes occurring in South Africa since 1990 have intensified the need for education and training programs designed to prepare disadvantaged black South Africans to assume their rightful role in the social, political and economic life of the country. The need for training in the area of leadership and in the development of democratic, participatory community based organizations is particularly urgent.

As stated earlier, CFPO and the AAI have been providing leadership and community development training of black disadvantaged South Africans since 1984. Unfortunately, because the program was largely restricted to workshops held in Israel, a relatively small number of South African community leaders were trained. With the emergence of a less restrictive training atmosphere in South Africa, it is now considered feasible to establish a program base within South Africa. From this base, the AAI training offered in Israel can be consolidated, while expanding the in-country program to cover new, related topics. The purpose of this Grant is to enable ICIC to achieve the aforementioned aims.

V. PROGRAM DESCRIPTION

The ICIC/AAI program provides training in cooperative, labor union and community development as part of an effort to develop democratic institutions, achieve broader participation and accelerate the process of empowerment of disadvantaged South Africans. A.I.D. funding commenced in FY87 and since that time U.S. \$1,010,000 has been committed through amendments of a Grant made to the National Endowment for Democracy (NED) as part of a larger A.I.D. program to promote democracy in South Africa. Some 268 participants have been trained in a total of thirteen program cycles, of which ten, with a total of 196 participants, have received A.I.D. funding support.

1. Program Activities

The ICIC/AAI courses are designed to provide training in critical organizational and management skills to the leaders of community organizations and cooperatives in order to help strengthen black community organizations and labor unions in South Africa. Each course brings together about 20 black community and trade union representatives for intensive training in program development, cooperatives, trade unionism and community organization. Since its first course in April, 1986, the ICIC/AAI has trained over 200 leaders in trade unions, women's groups, church organizations, educational institutions, social welfare agencies and youth groups throughout South Africa.

The program includes classroom work at the Afro-Asian Institute's facility in Tel Aviv and is supplemented by field study throughout Israel.

The first phase of the course consists of theoretical lectures by experts from the ICIC/AAI and other organizations regarding the role of community institutions in building democracy. The lecture on cooperatives, for example, addresses community efforts at child rearing, women's organizations and credit development.

The second phase examines specific institutions in Israel. The program includes lectures by office holders in trade unions, the directors of cooperatives and organizers of women's associations, as well as visits to various civic and community organizations. Rather than offering Histadrut as a model for South Africa, the program presents participants with case studies of various institutions, such as the kibbutzim, the trade unions, the health insurance system, the youth and women's movements, and self-help projects that have evolved within the Israeli cooperative and trade union movement. Each field visit is followed by extensive discussions in smaller groups.

In the third phase of the course, participants independently design a project that attempts to apply the general themes, ideas, or programs discussed in the first two parts of the course to the specific professional, civic, or other conditions of the participant's organization in South Africa.

The program emphasizes a conceptual approach to community organizing and provides some technical training. The course is intensive, sometimes consisting of ten hours of lectures, group discussions and workshops in a single day. Each course requires considerable preparation and consultation during preliminary visits to South Africa and includes follow-up visits by Institute staff. When

increasingly South African undertaking capable of responding to changing conditions, with increasing South African planning and management input. This Agreement will provide funds to implement the programmatic and administrative changes recommended in the evaluation.

III. PROBLEM

At the beginning and in the early years of its operations, the AAI training program operated in an atmosphere of repression and great suspicion in South Africa. Repeated states of emergency and enforcement of apartheid severely limited legitimate political and economic opportunities for disadvantaged South Africans. A large number of opposition organizations and members of their leadership were either in jail, underground or in exile during this time. Surveillance and harassment by security forces were commonplace occurrences. There were widespread anti-U.S. feelings among blacks due to their perceptions of the U.S. foreign policy toward South Africa and in the region, notably Angola. Similarly, Israeli-South African collaboration on defence, security and other issues generated anti-Israeli feelings. The South African Government made it difficult for blacks to obtain travel documents and, conversely, for visitors to obtain visas. Low morale of blacks and their sense of total isolation led to the perceived need for the development of usable skills and organizations for coping within the repressive environment of apartheid.

In this atmosphere, CFPO took the initiative, together with AAI, to conceive and initiate the training program as a creative means of demonstrating empathy and support on the part of AAI and, indirectly, the people of Israel in the struggle against apartheid and to attenuate, in a private and unofficial way, anti-Israeli and anti-Jewish sentiment among disadvantaged South Africans.

Many of the conditions that complicated and influenced the training program in the past several years no longer apply or are no longer seen as crucial.

A further fundamental change which influences the AAI program is the change of attitude by the liberation movements in South Africa. Since the release of political prisoners and the unbanning of political organizations in 1990, some of the political organizations formerly involved in confrontation with the South African Government have adopted a "social development approach" to the struggle. Such organizations are meeting the challenge of reconstruction of a society devastated by the ravages of the oppressive system which denied them economic, political and social

practical, the Institute also organizes various alumni activities within South Africa to maintain contact both between participants and the Institute, and among participants from the same class. Former participants also assist in the selection of future candidates for the course.

2. Agreement Funding

This Agreement provides funding for the following purposes: (1) salaries; (2) direct program costs; (3) other direct costs; 4) evaluation; and 5) recipient audit program costs.

(a) Compensation (salaries)

The Agreement will finance the salaries of Program Directors, administrative assistants, secretaries, accountants and instructors.

(b) Direct Costs

The Agreement will finance the direct costs associated with implementing each training program. This will primarily consist of housing and food costs for training course participants. Study materials for the training courses will also be funded. It will finance the capital costs of purchasing office equipment, furnishings and supplies for the Israel and the South African offices. Items that will be purchased include office furniture, computers and printers, stationery supplies and fax machines.

(c) Indirect Costs

The Agreement will finance the costs associated with maintaining the ICIC office in Tel Aviv and subsequently the South African subgrantee's office as well as local travel and per diem costs of the Program Director and that of the instructors.

(d) Evaluation

The Agreement will finance the costs of the mid-term and the end of program evaluation.

(e) Recipient Audit

The Agreement will finance the costs of the A.I.D. mandated recipient audit program.

VI. PROGRAM IMPLEMENTATION

This Agreement will provide funds to continue and to expand the training program initiated by AAI in 1984 in accordance with specific programmatic and administrative changes recommended in the 1991 USAID sponsored evaluation.

In addition, ICIC will establish a USAID/SA approved South African NGO which will become ICIC's subgrantee no later than 24 months after the effective date of this Agreement. The purpose of establishing the subgrantee is to develop indigenous capacity for designing and implementing high quality training in labor union management, cooperative development and general community leadership through a South African NGO. The subgrant with the South African NGO must be executed within 24 months of this Agreement. Once established, the subgrantee will be responsible for coordinating and implementing all the South Africa based activities of the program, including recruitment, screening and selection of participants, organizing and implementing the follow-up workshops and the training of trainers seminars and the rural development programs. ICIC will continue to provide oversight of these activities and to remain accountable as a Grantee under this Agreement.

Approximately 765 legally disadvantaged South Africans will receive training over the three year life of the program. A total of nine (9) AAI core training sessions will be conducted in Israel over three years. Each year, three core training sessions for 25 participants per session will be conducted, meaning that a total of 225 participants will receive AAI's core training over three years. A total of three (3) follow-up workshops will be conducted in South Africa for approximately 100 per session, meaning that 300 participants will be trained. A total of three (3) Training of Trainers Seminars will be conducted over three years for a total of 80 participants. Two Rural Community Development and Cooperative Training workshops will be conducted during the second and third year of the program. The latter workshops will provide training for a total of sixty (60) participants. Finally, the program will provide an In-House Workshop for a total of 100 participants in South Africa. A detailed schedule of the training program is attached.

VII. ILLUSTRATIVE BUDGET

The following is the detailed Illustrative Financial Plan providing greater detail than the Financial Plan found in Attachment 1, Section IV., which is the binding plan for purposes of the Agreement.