

PD-AB 1297  
15231

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

USAID/SOUTH AFRICA



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August 31, 1993  
30 AUG 1993

Mrs. Jennifer Nesser  
Director  
Project Literacy Ikageng-WHPS Center  
3501 Lynnwood Road  
Lynnwood  
0081

Subject: South Africa Education Support and Training  
Project; Grant Agreement with Project Literacy (ProLit);  
Agreement No. 674-0302-G-SS-3121-00

Dear Mrs. Nesser:

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 Project Literacy (hereinafter "ProLit" or the "Grantee") and obligates the sum of \$526,000 to provide support for a program described in Attachment 1, entitled "Schedule," and Attachment 2, entitled "Program Description," of this Agreement.

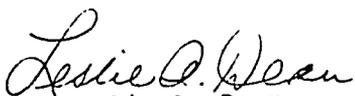
This Agreement is effective as of the date this letter is signed by an authorized USAID representative. The Agreement and obligation shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning on the effective date of this letter and ending August 31, 1995.

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 935 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.

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We request that you and a member of the Board of Trustees of Project Literacy sign the original and one (1) copy of this letter and then return the original to USAID/South Africa.

Sincerely,

  
Leslie A. Dean  
Director, USAID/SA

Date: Aug 30, 1993

ACKNOWLEDGED AND ACCEPTED  
Project Literacy

\_\_\_\_\_  
By: Mrs. Jennifer Nesser  
Title: Director  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: Adv. Dikang Moseneke  
Title: Chairman  
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 (Grantee Signatures Required)

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ATTACHMENT 1  
SCHEDULE

I. OVERVIEW OF AGREEMENT

The Education Support and Training Project (ESAT) provides funding under this Grant Agreement to Project Literacy (ProLit) for the provision of literacy training courses in eight African languages and basic English to approximately 64 teachers from grassroots, community-based organizations (reaching a combined total of 4,860 learners each year); for the operation of four intensive teacher-training courses, to be conducted primarily in other regions of the country; for the establishment of a day-time Adult Education Center and Literacy Laboratory in Mamelodi township to provide in-service practicum training for literacy teachers; for the implementation of an aggressive Affirmative Action Program; and for the distribution of voter education materials to literacy students. The Adult Education Center and Literacy Laboratory will also enable unemployed township residents to participate in literacy classes. Specifically, this Grant will provide support for: salaries; teacher training; materials development and distribution; procurement of a teaching facility; administrative costs; accommodation of teacher trainees; travel and per diem; audits; an Affirmative Action Program; voter education materials; and an evaluation. ProLit, one of South Africa's most successful literacy organizations and a USAID Grantee since 1987, has trained more than 298 literacy trainers over the last 3 years. As the most efficient literacy organization in the country, ProLit's activities in Mamelodi could serve as an important replicable model for use in other areas of South Africa.

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 August 31, 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. \$750,000.

B. USAID hereby obligates the amount of U.S. \$526,000 for eligible program expenditures during the estimated period of September 1, 1993 through August 31, 1994.

C. Payment shall be made to the Grantee in accordance with procedures set forth 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 4 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 VII., is a Detailed Illustrative Financial Plan. This Attachment 2, Detailed Illustrative Financial Plan incorporates the planned total A.I.D. contribution over the life of the Grant.

Table 1  
Financial Plan  
South African Rand (SAR)

<u>Item</u>	<u>Total</u>
Compensation (salaries)	654,940
Consultants	20,150
Travel and Per Diem	76,526
Other Direct Costs	221,460
Predetermined Overhead Rate	124,624
Evaluation	15,000
Audit	20,250
Affirmative Action Program	339,850
Total	<u>1,472,800</u>

## B. Level of Assistance

The total Rand amount in the 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 to USAID, in a timely manner, written, semi-annual progress reports on activities funded and general performance under the Agreement. The reports will cover the periods April 1 - September 30 and October 1 - March 31. The content of the semi-annual reports will be mutually agreed upon by the Parties but 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. The reports will also include a discussion of the Grantee's progress to date in the implementation of an Affirmative Action Program, as outlined as a Condition Precedent in Section IX (F). The Grantee will also submit, in a timely manner, and in a format to be mutually agreed upon by the Parties, a written final report on all activities financed by the Agreement.

In order to maintain the conditions of certification of eligibility as a non-U.S. Private Voluntary Organization, ProLit will submit annually, within 180 days after the close of their fiscal year, the following: annual financial statements, preferably audited, including a statement of income and expenditures; and a current operational year budget detailing sources of income, administrative expenses and program costs.

## VI. PREDETERMINED OVERHEAD RATE

A predetermined overhead rate of 11% of all direct costs, excluding the costs of the Affirmative Action Program, applies to this Agreement to support the Grantee's activities.

## 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, "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 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 established under such policy 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.

#### F. Condition Precedent

The Grantee has developed benchmarks, outlined in Attachment 2, Section (VI), for progress in implementing an Affirmative Action Program to change the racial composition of its staff. The first phase of these quantifiable objectives must be achieved by ProLit no later than May 31, 1994. At that time, ProLit shall submit a written update to USAID detailing whether and how the Grantee has met or surpassed these benchmarks. Upon review of this report and the outcomes it describes, HRDD will make final determination on the release of remaining funds for the period of September 1, 1994 - August 31, 1995.

ATTACHMENT 2  
PROGRAM DESCRIPTION

I. SUMMARY

The Education Support and Training Project (ESAT) provides funding under this Grant Agreement to Project Literacy (ProLit) for the provision of literacy training courses in eight African languages and basic English to approximately 64 teachers from grassroots, community-based organizations (reaching a combined total of 4,860 learners each year); for the operation of four intensive teacher-training courses, to be conducted primarily in other regions of the country; for the establishment of a day-time Adult Education Center and Literacy Laboratory in Mamelodi township to provide in-service practicum training for literacy teachers; for the implementation of an aggressive Affirmative Action Program; and for the distribution of voter education materials to literacy students. The Adult Education Center and Literacy Laboratory will also enable unemployed township residents to participate in literacy classes. Specifically, this Grant will provide support for: salaries; teacher training; materials development and distribution; procurement of a teaching facility; administrative costs; accommodation of teacher trainees; travel and per diem; audits; an Affirmative Action Program; voter education materials; and an evaluation. ProLit, one of South Africa's most successful literacy organizations and a USAID Grantee since 1987, has trained more than 298 literacy trainers over the last 3 years. As the most efficient literacy organization in the country, ProLit's activities in Mamelodi could serve as an important replicable model for use in other areas of South Africa.

II. BACKGROUND

A. Education Support and Training Project

This Agreement is financed under USAID's Education Support and Training (ESAT) Project. The purpose of ESAT is "to support indigenous nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of human resources by the apartheid education system."

Based on extensive consultations with progressive educators, community leaders, parents, students and nongovernmental organizations, priority is given to projects which: help disadvantaged South Africans cope with and overcome the inadequacies of apartheid education; are nonracial yet affirm black culture and history; promote community involvement in education; or provide a foundation for nonracial education in a post-apartheid South Africa.

The ESAT Project focuses on seven key areas:

- a) the development of models for decentralized education;
- b) development of curriculum and education planning for a post-apartheid society;
- c) qualitative improvement of black education;
- d) expanded access to secondary education;
- e) development of post-secondary remediation;
- f) development of applied adult literacy training; and
- g) development of pre-school preparation programs.

## B. Project Literacy

ProLit, established in 1986 with headquarters in Pretoria, is an independent Education Trust committed to the promotion and provision of literacy and adult basic education in an attempt to redress the inequalities created by apartheid education policies. As arguably the most efficient literacy organization in the country, ProLit presently runs nine after-hours Adult Education Training Centers in existing school and church buildings located throughout the PWV region; an Active Mother Tongue Literacy Teacher Training Program; a Curriculum Development Department; and an Adult Basic Education (ABE) Extension Service.

ProLit's expertise and leadership role in adult literacy has been invaluable within the adult basic education community because of the organization's work on key issues of literacy retention, accreditation and certification. In addition, ProLit's exemplary in-service training program and curriculum provides an excellent model for community-based literacy organizations nationwide. One of the reasons that ProLit has been consistently successful in its training activities is its commitment to both Mother Tongue and English language training as a transitional and interdependent methodology.

ProLit's literacy course is comprised of two parallel components:

1. An effective Mother Tongue literacy program which takes illiterate adults from total illiteracy to advanced literacy in preparation for second language learning; and

2. A basic life-skills component in which relevant graded skills are introduced at the appropriate level of Mother Tongue literacy development, thus empowering the learner to apply classroom instruction to real life situations.

ProLit's teacher training in African Mother Tongue languages includes instruction in Tswana, Northern Sotho, Zulu, Xhosa, Venda, Southern Sotho, and Tsonga. Instruction is also provided in English and Afrikaans.

The life-skills component, taught through the medium of Mother Tongue, employs the gradual use of English in order to introduce the language through relevant and meaningful tasks. This training is divided into four modules with clear entrance and exit levels, thus encouraging teacher and student motivation.

There is a critical need for the proposed literacy training and instruction activities funded under this Agreement. There are no day-time literacy training courses available for teachers employed at grassroots, community-based organizations and no central literacy instruction facility for residents of Mamelodi township. The proposed activities could become a model for replication in other regions of South Africa, as well as become the nucleus for civic involvement in literacy activities within the Mamelodi community. The Center will also have an important role to play in voter education. ProLit's activities at the Center will include distribution to literacy students of its booklet series, Your Green Book, Your Representative and Your Secret.

ProLit, a USAID Grantee since 1987, is one of the most sophisticated and experienced literacy NGOs in the country. The organization, poised to continue to play an extremely important role in combatting illiteracy, is in need of USAID funding in order to implement the proposed activities.

### III. PROBLEM

Throughout South Africa an estimated 12-15 million adults, young and old, urban and rural, male and female, have not acquired levels of permanent and useful literacy. Many of these have not attended school on a regular basis; others have dropped out of school because of the discouraging educational system or because of social disruptions. Illiteracy, the greatest obstacle to the development and empowerment of the poor and disadvantaged, is also a major block to the successful democratization of South African society.

Literacy, particularly in one's Mother Tongue, is an important building block in the development of human potential. ProLit is committed to a proactive and holistic approach to literacy instruction which includes life skills training, job-related courses and recreational opportunities. In this way an environment is created which provides the continuity and security in which both students and teachers can thrive, ultimately achieving their full potential.

A significant obstacle in the training of literacy teachers is the dearth of day-time classes for individuals currently working in grassroots, community-based organizations. Difficulties with transportation and safety are increasingly problematic for these individuals who must return to their own communities before

nightfall. The activities funded under this Grant Agreement will enable ProLit to provide intensive, literacy training to teachers during the day, as well as reduce the need for extensive post-training follow-up in the field, thus conserving limited financial and staff resources. These activities will also provide literacy instruction to hundreds of township residents who face chronic unemployment because they lack basic education and literacy skills. Their chances of obtaining gainful employment, particularly during a period of social and political change, are nearly nonexistent. The doors of a future democratic South Africa will remain forever shut to those who lack even basic literacy skills.

Currently, there are no such adult literacy centers in Mamelodi and few in South Africa which provide both training for teachers and instruction for students. There are also no year-round full-time literacy classes which operate during the day. Evening classes, while useful to many learners, fail to offer teacher trainees practical experience. The proposed activities funded under this Grant Agreement will address these critical issues.

The ProLit model has proven to be enormously successful in providing a nurturing environment for students. For many marginalized people, it is often the first time that they have experienced healing and reconciliation as a learner among learners, respecting and accepting views which are different from their own. The transition from illiteracy to literacy, and ultimately from poverty to self-sufficiency, is the underlying goal of this training.

#### IV. PURPOSE

This Grant Agreement enables ProLit to provide literacy training in eight African languages and basic English to teachers from grassroots, community-based organizations and literacy instruction to residents of Mamelodi township.

#### V. PROGRAM DESCRIPTION

USAID assistance to ProLit will provide for the provision of literacy training in eight African languages and basic English to teachers from grassroots, community-based organizations and literacy instruction to residents in Mamelodi township and in other regions of the country. These activities will also provide for the distribution of voter education materials to literacy students and for the implementation of an aggressive Affirmative Action Program. These activities will occur in two phases. The initial phase will focus on the selection and training of a coordinator to run the Mamelodi Adult Education Training Center and Literacy Laboratory and on the selection of literacy teachers from grassroots, community-based organizations for participation in training activities at ProLit's Pretoria headquarters.

Simultaneously, the Grantee will identify, with the assistance of community leaders in Mamelodi township, a site for the proposed Adult Education Training Center and related Literacy Laboratory. A needs analysis will be conducted as part of this process to alert the community and attract learners, followed by procurement of the necessary equipment. (Funding for equipment will be secured from other donors.) Once the site is secured and the training of management and teaching staff is completed, follow-up practicum literacy training and literacy instruction classes will begin at the Center. An ongoing evaluation process will also occur, examining the efficacy and effectiveness of the Center's activities. The Affirmative Action Program and distribution of voter education materials will begin during this phase.

The second phase, to begin in 1994, will focus on extending Project Literacy's teacher training activities to 64 teachers located primarily in other regions of the country. This will occur through the provision of four intensive training courses. This training activity will occur at both the Mamelodi Adult Education Training Center and at several regional sites throughout South Africa. Accommodation costs for 48 of the 64 teacher trainers will be covered under this Agreement. The four courses, using methodology and materials which are generally accepted as the most effective and comprehensive in the field, will be developed as follows:

COURSE A. This course will train 16 individuals at Project Literacy's Mamelodi Center. Full accommodation costs for trainees will be covered under the Grant Agreement.

COURSE B. This course will train 16 individuals from within a 1,000 km radius at the Mamelodi Center. No accommodation fees for trainees will be covered under the Grant Agreement.

COURSE C. This course will train 32 individuals at regional sites and/or the Mamelodi Center. Full accommodation costs for trainees will be covered under the Grant Agreement.

COURSE D. This course will train 32 individuals at regional sites and/or the Mamelodi Center. Full accommodation costs for trainees will be covered under the Grant Agreement.

The multiplier effect of these training activities will impact literacy students in Mamelodi as well as in other communities around the country. It is anticipated that more than 560 Mamelodi residents will receive instruction each year as a result of the in-service practicum training activities at the Mamelodi Center. In addition, more than 4,300 adult students in part-time and full-time literacy programs will be reached each year by teachers at the regional training sites around the country. These adult learners are expected to reach a Standard 4 Mother Tongue language proficiency within the first year. The Adult

Education Training Center and Literacy Laboratory will also help reduce the need for extensive post-training follow-up in the field, thus conserving limited financial and staff resources. The efficacy and efficiency of such an holistic approach promises to multiply the impact of ProLit's training efforts.

USAID funding under this Grant Agreement will specifically go towards salary support for key staff members; related travel costs; project materials; procurement of a facility; an annual project evaluation; audits; an Affirmative Action Program; voter education materials; and a portion of overhead costs, as described below.

A. SALARIES

1. Principal Project Manager: USAID funding of up to R57,898 will contribute to costs associated with this full-time position. The person will be responsible for overall management of the Mamelodi Center, including supervision training activities, expenditures, student enrollment and supervision of approximately 18 employees.

2. Teacher Trainers: USAID funding of up to R62,522 will contribute to costs associated with these four full-time positions. These teacher trainers, located at ProLit's Pretoria headquarters, will be responsible for the provision of training to prospective literacy teachers, to be trained under this Grant Agreement.

3. Teachers/Project Mamelodi: USAID funding of up to R154,472 will contribute to costs associated with these four full-time positions. These teachers will be responsible for individual Mother Tongue language instruction to literacy students from the Mamelodi community.

4. Materials Developer: USAID funding of up to R54,100 will contribute to costs associated with this part-time position. The Materials Developer will be responsible for assisting the ProLit Director in developing materials for use in literacy training and instruction at the Mamelodi Center.

5. Part-time Teachers: USAID funding of up to R288,760 will contribute to costs associated with these part-time positions. These part-time teachers will be responsible for Mother Tongue literacy training at the Mamelodi Center.

6. Administrative Assistant: USAID funding of up to R14,888 will contribute to costs associated with this full-time position. This person will be responsible for general office work, including photocopying, filing and maintenance at the Mamelodi Center.

7. Secretary: USAID funding of up to R22,300 will contribute to costs associated with this full-time position. This person will be responsible for word processing, materials coordination, and distribution of learning materials at the Mamelodi Center.

#### B. CONSULTANTS

USAID will provide up to R20,150 during the first tranche of this Agreement for expenses associated with hiring one or more consultants to develop and write an innovative strategy for recruitment of disadvantaged South African professionals to hire for leadership positions within ProLit. The consultant(s) may also contribute, if needed, to other aspects of ProLit's efforts to implement its Affirmative Action Plan. Before disbursing funds under this line item, USAID requires that ProLit provide the Project Officer with documents demonstrating that the Grantee considered at least three applicants for this position; a memorandum outlining the selection process used in choosing the consultant; and the consultant's C.V., budget and Scope of Work for official USAID approval.

#### C. TRAVEL AND PER DIEM

USAID funding of up to R76,526 will allow ProLit staff and teacher trainees to travel as required for training purposes. USAID will reimburse the AA rate per kilometer based on an official log kept by the ProLit staff. As per Section IX(D) of Attachment 1 of this Agreement, ProLit 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.

1. ProLit Teachers/Trainees: USAID funding of up to R53,920 will contribute to costs associated with travel expenses and per diem incurred by ProLit teachers as they travel to training sites throughout the country to provide training to grassroots, community-based organizations and by teacher trainees, enrolled in training activities at regional sites, at the Pretoria headquarters and at the Mamelodi Center.

2. Post-Training Follow-Up: USAID funding of up to R22,606 will contribute to costs associated with travel expenses incurred by ProLit trainers travelling to regional sites around the country to provide on-site follow-up support to trainees from grassroots, community-based organizations.

#### D. OTHER DIRECT COSTS

1. Curriculum Materials and Equipment for Teacher Training: USAID funding of up to R196,767 will contribute to costs associated with the procurement and distribution of curriculum resource materials and equipment to teacher trainees and literacy

teachers at regional sites, the Pretoria headquarters and the Mamelodi Center.

2. Materials Development/Distribution: USAID funding of up to R7,040 will contribute to costs associated with the development of materials created by ProLit for use in training activities at regional sites, the Pretoria headquarters and the Mamelodi Center.

3. Voter Education Materials: USAID funding of up to R17,653 will contribute to costs associated with the distribution at regional sites, the Pretoria headquarters and the Mamelodi Center of voter education materials created by ProLit. These materials include the booklet series, Your Green Book, Your Representative and Your Secret.

#### E. OVERHEAD COSTS

A predetermined overhead rate of 11% of the total Agreement costs, excluding costs associated with the Affirmative Action Program, will be applied to this Grant to support ProLit's programs. These support costs include such items as rent, telephone, postage, printing, maintenance, and other miscellaneous administrative costs. This results in payment of R124,624 over one year and will be disbursed in quarterly amounts of R31,155.99. USAID will not fund major capital expenditures, such as vehicles, buildings and major equipment.

#### F. EVALUATION

This line item, amounting to R15,000, will contribute to the cost of an annual evaluation to be conducted by an outside evaluator. The evaluation, to be completed no later than August, 1994, will examine the efficacy and efficiency of the literacy training activities at the Pretoria headquarters, regional sites and Mamelodi Center. The evaluation will also address the provision of literacy instruction to residents of the Mamelodi community. ProLit and USAID will mutually agree upon the Scope of Work for such an evaluation and ProLit will submit for formal USAID approval the evaluator's C.V. and budget before funds under this line item will be disbursed.

#### G. FINANCIAL AUDIT

This line item, amounting to R20,250, will contribute to the cost of the USAID mandated annual audit as described in Attachment 6.

#### H. AFFIRMATIVE ACTION

USAID will provide up to R339,850 during the first tranche of this Agreement to contribute to the costs of providing management and professional training to a total of no less than 37 black

staff members over a two year period and for recruiting black staff members into the organization at management and leadership levels. These funds may also be used for additional expenses related to the implementation of ProLit's Affirmative Action Program.

## VI. SPECIAL PROVISIONS

### A. OVERVIEW

ProLit's Affirmative Action Program will be a critical element of this Grant Agreement. These efforts will be reflected in three components: (1) management and professional training for black staff members (as defined in Attachment 1, Section IX(3)); (2) development and implementation of an innovative recruitment strategy for locating and hiring black professionals; and, through the use of the first two components, (3) significant change in the racial composition of ProLit's leadership and its staff as a whole through the appointment and promotion of disadvantaged South Africans. Specific, quantifiable objectives which the Grantee will attain in these areas are outlined in the timetable below.

At the end of the first eight months of the Grant Agreement period, USAID and ProLit will use these indicators to evaluate the Grantee's progress in implementing the first phase (the objectives in section B, below) of its Affirmative Action Plan. Continuation of funding for the second tranche of the Grant will be conditional upon the outcome of this assessment.

At the end of the twentieth month of the Grant Agreement period, ProLit will supply USAID with a written report on progress toward meeting the second phase of the objectives.

### I. QUANTIFIABLE OBJECTIVES, PHASE ONE: TO BE ACHIEVED OR SURPASSED BY May 31, 1994

1. At least 16 blacks will be newly appointed to leadership positions, (i.e., Project Leaders and Team Leaders or more senior positions).

2. The racial composition of ProLit's management will shift from its current configuration of 2 blacks and 11 whites to a ratio of no less than 50% black. This may, but will not necessarily, be accomplished through an organizational change to a total of 26 managers, at least 13 of whom will be disadvantaged South Africans.

3. The racial profile of ProLit's staff as a whole will change from its current composition of 45% black to no less than 62% black. This may, but will not necessarily, be achieved as

part of a shift from 53 employees, of whom 24 are black, to a total of 66 employees, of whom at least 41 will be black.

4. At least 22 black staff members will undergo management and professional training between August 31, 1993 and May 31, 1994.

C. QUANTIFIABLE OBJECTIVES, PHASE TWO: TO BE ACHIEVED OR SURPASSED BY MAY 31, 1995

1. At least 15 blacks will be newly appointed to leadership positions. Combined with the 16 appointments of this nature to be made in Phase 1, this will amount to a total of 31 new black leadership appointments since the beginning of the Agreement.

2. The racial composition of ProLit's management will be at least 62% black. This may, but will not necessarily, be accomplished through an organizational change to a total of 34 managers, at least 21 of whom will be disadvantaged South Africans.

3. At least 67% of ProLit's entire staff will be disadvantaged South Africans. This may, but will not necessarily, be accomplished through an organizational change to a total of 76 employees, of whom at least 51 will be black.

4. All black staff members will undergo new or continued management and professional training between June 1, 1994 and May 31, 1995.

VII. DETAILED ILLUSTRATIVE FINANCIAL PLAN

(see following page for Detailed Illustrative Financial Plan)

Grant Agreement No. 674-0302-G-SS-3121-00  
 Attachment 2, Program Description  
 PROJECT LITERACY

VI. DETAILED ILLUSTRATIVE BUDGET

South African Rands (SAR)  
 Planned Grant Budget Years

Cost Element	Year One 9/93-8/94	Mortgage 9/94 - 8/95	Total Obligation
1. COMPENSATION (salaries & benefits):	654,940	544,500	1,199,440
Principal Project Manager	57,898	65,000	
Teacher Trainers/Pretoria Center x 4	62,522	0	
Teachers/Mamelodi Center x 4	154,472	158,000	
Materials Developer	54,100	0	
Part-time Teachers x 12	288,760	280,000	
Admin Assistant	14,888	16,500	
Secretary	22,300	25,000	
2. CONSULTANTS	20,150	0	20,150
3. TRAVEL AND PER DIEM:	76,526	8,500	85,026
Travel & Per Diem, ProLit Teachers/Trainees	53,920	8,500	
Post-Training Follow-up	22,606	0	
4. OTHER DIRECT COSTS:	221,460	0	221,460
Curriculum Materials/Equipment Teacher Training	196,767	0	
Materials Development/Distribution	7,040	0	
Voter Education Materials	17,653	0	
5. PREDETERMINED OVERHEAD RATE	124,624	53,040	177,664
6. EVALUATION:	15,000	12,000	27,000
7. RECIPIENT AUDIT:	20,250	9,160	29,410
8. AFFIRMATIVE ACTION	339,850	0	339,850
9. TOTAL (Rands):	1,472,800	627,200	2,100,000

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**ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA**

DATE: August 12, 1993

FROM: William G. Duncan, <sup>UGD</sup>PHRDO

SUBJECT: South Africa Education Support and Training Project (674-0302); Project Literacy Agreement No. 674-0302-G-SS-3121-00

I. PROBLEM

Your approval is required to obligate U.S. \$526,000 of FY1993 funds under the South Africa Education Support and Training Project (674-0302) through a Grant Agreement with Project Literacy (ProLit), as described herein.

II. AUTHORITY

Pursuant to Redelegation 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

ProLit, established in 1986 with headquarters in Pretoria, is an independent Education Trust committed to the promotion and provision of literacy and adult basic education in an attempt to redress the inequalities of apartheid education policies. As arguably the most efficient literacy organization in the country, ProLit presently runs nine after-hours Adult Education Centers in existing school and church buildings located primarily in the PWV region; an Active Mother Tongue Literacy Teacher Training Program; a Curriculum Development Department; and an Adult Basic Education (ABE) Extension Service.

ProLit's expertise in adult literacy is considered invaluable within the adult basic education community because of the organization's work on key issues of literacy retention, accreditation and certification. In addition, ProLit's exemplary in-service training program and curriculum provides an excellent model for community-based literacy organizations nationwide. USAID refers many such community literacy groups to ProLit for Mother Tongue literacy teacher training and has been extremely pleased with their services.

ProLit is a member of the National Literacy Co-operation, an ESAT Grantee and the national literacy umbrella which is developing a national framework for the provision of literacy and adult basic education. Undoubtedly, ProLit will make a substantial contribution to the development of the framework.

ProLit also plays an active role in encouraging the exchange of professional skills and developments. For example, ProLit has contributed to the first adult curriculum and examination process for the Independent Examination Board; has contributed to the development of a university level course for literacy practitioner management at Wits; and has participated in training development for literacy NGOs through ABEL.

The original USAID Agreement with ProLit, signed in September, 1987, provided funds for a literacy teacher training program in Pretoria. This Agreement has been amended four times and, with a total funding level of \$635,000, expired in February, 1993. The Human Resources Development Division (HRDD) has recommended that a new Agreement be signed with the organization to support a new training activity for teachers from grassroots, community-based organizations. As a part of this training activity and follow-up practicum experience, literacy instruction will also be provided to residents of Mamelodi township. This new Grant Agreement will be incrementally funded for a total obligation at the end of two years of \$750,000.

USAID's experience with ProLit has been favorable. An evaluation was completed in June, 1992 at Ikageng-WHPS, the ProLit Adult Education Center funded by USAID and in operation for more than three years. The evaluation revealed that the adults who participated in initial literacy training prior to enrollment in ProLit's formal adult basic education instruction scored exceptionally well in testing. This confirmed ProLit's belief that initial literacy exposure which is both relevant to the learners' needs and of high quality, provides a significant headstart for subsequent learning.

Funding under this Grant Agreement will provide for the provision of literacy training courses in eight African languages and basic English to approximately 64 teachers from grassroots, community-based organizations; for the operation of four intensive teacher-training courses, to be operated primarily in other regions of the country; for the establishment of a day-time Adult Education Center and Literacy Laboratory in Mamelodi township to provide in-service practicum training for literacy teachers; for the implementation of an aggressive Affirmative Action Program; and for the distribution of voter education materials to literacy students. The Adult Education Center and Literacy Laboratory will also enable unemployed township residents to participate in daytime literacy classes to achieve levels of functional literacy.

The multiplier effect of these training activities will impact literacy students in Mamelodi as well as in other communities around the country. It is anticipated that more than 560 Mamelodi residents will receive instruction each year as a result of the in-service practicum training activities at the Mamelodi

Center. In addition, more than 4,300 adult students in part-time and full-time literacy programs will be reached each year by teachers at the regional training sites around the country. These adult learners are expected to reach a Standard 4 Mother Tongue language proficiency within the first year. The Adult Education Training Center and Literacy Laboratory will also help reduce the need for extensive post-training follow-up in the field, thus conserving limited financial and staff resources. The efficacy and efficiency of such an holistic approach promises to multiply the impact of ProLit's training efforts.

The staff of ProLit believe that the proposed Center in Mamelodi will serve as a nucleus for community activity and civic involvement in literacy initiatives. The Mamelodi Education Forum has expressed support for the project and has committed itself to providing assistance in the operation of a training venue and in student recruitment.

ProLit, one of the most sophisticated and experienced literacy NGOs in the country, will continue to play an extremely important role in combatting illiteracy in South Africa for years to come. However, the lack of an Affirmation Action policy has been a concern of the HRDD. HRDD has experienced major problems with ProLit's initial reluctance to adopt a progressive Affirmative Action policy. For this reason, stringent benchmarks pertaining to implementation of an Affirmative Action Program have been included in this Agreement. USAID will contribute substantially to ProLit's efforts in this regard. The ProLit Board of Directors currently includes 60% representation from the disadvantaged community.

These benchmarks, developed by ProLit as a result of extensive negotiations and an internal strategic planning exercise, now set forth progressive and acceptable progress for the first year of the Grant Agreement period.

USAID will provide line items for training and recruitment, as well as for consultants' fees associated with the development of new strategies for identification and successful hiring of black professionals. These line items will contribute to the Project Literacy's efforts to implement an affirmative action program leading to substantial increases in the percentages of disadvantaged South Africans at leadership, management, and indeed all levels of the Grantee organization. As a major component of this Agreement, ProLit has developed quantified targets of progress in these areas. At the end of the first eight months of this Agreement, USAID and ProLit will evaluate whether and how the Grantee has attained these objectives, and continuation of funding for this Grant Agreement will be conditional upon the outcome of this assessment.

ProLit is currently in the midst of a strategic planning process, of which the affirmative action plan is a part. Please refer to "Project Literacy: Affirmative Action Programme," a document enclosed in addition to the proposal, for further detail on ProLit's plans, including how the objectives below intersect with the Grantee's plans for organizational restructuring.

ProLit currently receives financial assistance from the Joint Education Trust, Independent Development Trust, the NEDCOR Chairman's Fund, Anglo-American Chairman's Fund, Barlow Rand, Ithuba Trust, Canadian Embassy, and Royal Netherlands Embassy, among others. It is anticipated that the Embassy of Japan will contribute to the cost of teachers' manuals and equipment for the Adult Education Training Center and Literacy Laboratory.

The total estimated amount of this Grant Agreement, subject to incremental funding, is \$750,000.

#### 1V. ISSUES

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

A. Action Plan and Strategic Objective(s) - This proposed Agreement was discussed during the FY93 Education Support and Training Project Action Plan review dated January 27, 1993 and approved. This activity is consistent with the Strategic Objective to prepare disadvantaged South Africans to establish an equitable and effective educational system, and Strategic Targets to 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 educational institutions and organizations.

B. Grantee's Illustrative Budget and Cost Negotiation - The Human Resources Development Division (HRDD) conducted verbal negotiations with ProLit to establish its priorities for funding. A cost evaluation included an examination of the proposed salaries which, according to our consultations, are similar to those of equivalent positions in other non-governmental organizations in the same field. In addition to salaries, cost components of the budget include travel and per diem, teacher training workshops, materials development, administrative support, and a recipient audit. The budget and costs have been reviewed within the Mission as part of the grant approval process and have been determined to be fair, reasonable and allowable for a grant of this nature. The grant file contains sufficient support for this determination.

C. Non competitive 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." ProLit has submitted an unsolicited proposal, and it is the determination of the HRDD that the activity is "unique". As arguably the most efficient literacy organization in this country, ProLit is particularly well-qualified to provide literacy training and instruction within the Mamelodi community. ProLit is recognized within the NGO community as achieving the highest levels of literacy capability among its learners and is uniquely qualified to provide what will be the only Mother Tongue and English language literacy program for residents of the township. Because this activity is consistent with USAID program objectives and is so unique, acceptance of the ProLit 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 previous experience with ProLit as a USAID Grantee.

E. Financial Management Capability - A financial review of ProLit's financial management systems was conducted in 1987 which certified that the Grantee possesses adequate accounting systems, books and records for the administration of this Agreement. There have been no financial management difficulties evidenced during the six year history of the initial Grant Agreement between USAID and ProLit. USAID will conduct a second financial review during this Grant Agreement period.

F. PVO Registration Determination - The proposed Grantee does qualify as a Private Voluntary Organization, as defined in A.I.D. Handbook 3, Appendix 4C and 88 State 356010. The Provisional Registration of ProLit as a Private Voluntary Organization is attached to this Grant Agreement.

G. Grantee Contribution - A Grantee contribution (financial and/or in kind) of less than 25% of total grant project costs has been provided. This will be provided for through salaries, overhead, project vehicles and support for the Affirmative Action Program.

H. Sustainability - The Grantee is expected to continue activities funded under this Grant so that they may continue to make an important contribution to the training of literacy teachers. Additional funding is being sought by the Grantee for

development of the Mamelodi Adult Education Training Center. The Grantee is also pursuing the provision of literacy training to the commercial and industrial sectors in order to generate income. A partnership for computer-assisted learning has recently been developed which will also generate income for the organization. USAID is not the sole funder of ProLit's activities.

#### 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 Verification 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 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 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 ProLit 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: August 30, 1993