



CREA SOUTH AFRICA

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GMTA - CONTRACTOR QUARTERLY PERFORMANCE REPORT 01 April 2001 - 30 June 2001

Contractor: Creative Associates International, Inc.
Contract #: 674-0322-C-00-7091-13 (674-C-00-97-00091-13)
Grants Management and Technical Assistance (GMTA) to USAID/SA/SO#1
Dollar Value of Contract : \$42,107,901 - 09/26/1997
Obligated Contract Amount: \$20,807,375
Reporting period : 01/04/01 - 30/06/01

A. Narrative:

This report, the thirteenth submitted under this contract, covers the status of those activities identified as "in progress" in the previous report as well as all new activities requested by USAID during this reporting period.

1. Contract Objective:

The objective of the contract is to provide services to USAID/South Africa's Democracy and Governance Strategic Objective Team (SO#1) in the areas of: grants management support for new and existing grants and cooperative agreements; long and short-term technical assistance; logistical support assistance for workshops, conferences and consultations; feasibility study and recommendations on developing endowment/trust/foundation mechanisms; and sectoral assessments and environmental impact studies over a period of five years.

2. Administrative Actions:

It has become increasingly evident that the operating capacity of the computers which CREA purchased in 1997-98 is no longer adequate for running the programs currently being used to track activities and related costs under the GMTA contract. In order not to incur additional costs until it is absolutely necessary, replacements will be purchased only for machines giving users the most problems. The first two replacements were purchased at the beginning of the reporting period for the Chief of Party and the Senior Bookkeeper/Junior Accountant. At the end of May, it became evident that two additional PCs would have to be purchased because Program Director Chetty and Program Manager Kruger were both experiencing difficulties on a daily basis while attempting to process priority actions. Disposition of the four outmoded PCs, which are still

functional, will be discussed below under Section 5, Status of New SOW Actions, USAID Request No. 01/101, Advice Centres.

Rest and Recuperation (R&R) travel was completed by the Chief of Party during this reporting period (28 May - 13 June) and was begun by the Finance Director on 15 June to return on 12 July.

3. Status of SOW Actions Previously Reported as IN PROGRESS

98/006 - (RLU) Black Lawyers Association (BLA) Grant

- Activities under this grant are on track and appear to be proceeding well. As mentioned in the last reporting period, BLA Program Director, Thomas Bokaba, indicated to CREA that the BLA would be submitting a request to extend the expiration of the grant within the existing level of funding until March 2002. CREA has not yet received this request; therefore, unless extended, activities under the BLA grant are expected to remain **IN PROGRESS** only until 31 December 2001.
- 98/016 - (RLU) RFAs for Rights Education Cooperative Agreements (3)

(1) NIPILAR

Although NIPILAR had been advised of and had agreed to 31 March 2001 as the cutoff date for liquidation of all advances and reimbursement of all allowable costs incurred under the cooperative agreement (which expired on 31 December 2000), NIPILAR failed to meet that deadline. In an effort to assist NIPILAR, CREA agreed to a further extension until 30 April 2001. As a result, NIPILAR was able to submit documentation sufficient to liquidate R119,311 when their final vouchers were processed. The issue surrounding large amounts which NIPILAR supposedly owes to SARS was never resolved due to NIPILAR's inability to provide CREA the required documentation.

Auditors from Sithole AB&T contacted CREA in early April to advise that they had been appointed by NIPILAR to audit the final period of the agreement, that portion which had not yet been audited. NIPILAR CEO Musa Madonsela had been advised on several occasions that NIPILAR could not enter into a contract for this audit due to the fact that CREA would be procuring these services. This arrangement was agreed to several months previously in a joint meeting of NIPILAR, CREA and USAID; agreement with the arrangement was acknowledged by NIPILAR in their written recap of that meeting; and it was pointed out again in a subsequent letter from CREA to NIPILAR. Nevertheless, Musa signed a contract and an engagement letter with this firm on 20 March 2001 and they had already begun work before CREA was made aware of it. In order to comply with ADS requirements, CREA rewrote the scope of work to make it consistent with RIG guidelines for recipient audits and signed a new contract with Sithole AB&T Inc. Subsequently, and after numerous phone calls from CREA to Mr. Sithole to enquire about the status of the audit, a draft report was finally received on 14 June. In this draft audit report, the auditors qualified their opinion because of the unacceptable state of internal controls and the lack of readily available documentation. CREA reviewed the financial statements prepared by the auditors and found many discrepancies in the information relating to budget figures, expenditures against line items, and amounts for some of the unsupported costs. CREA has not yet made any payments to the auditors and will inform them in writing that the audit report is not acceptable. Although all program activities have been completed, the grant cannot be officially closed until an acceptable final recipient audit has been received. In the meantime, this activity will continue to be shown as **IN PROGRESS** on this report.

(2) CLRDC

The relationship between CLRDC and HRT at the beginning of this reporting period had become increasingly problematic. CEOs of the respective organizations were no longer communicating directly and there was widespread concern that this would adversely impact on program activities. CLRDC had stopped making disbursements to HRT due to the fact that the amount budgeted by HRT for administration had been exceeded. It was agreed that USAID, CREA, CLRDC and HRT (including members of its board of trustees) would meet in Port Elizabeth on May 8th to resolve these issues. Before that meeting commenced, USAID, CREA and CLRDC met separately and agreed to amend HRT's budget line items in order to ensure that program activities could continue. This resolution was quite acceptable to HRT. CREA sent a letter to CLRDC authorizing the agreed upon changes to budget line items. After receipt of the letter from CREA, CLRDC made disbursements to HRT accordingly.

USAID and CREA met near the end of this reporting period to discuss the progress of CLRDC's work plan since the cooperative agreement is due to expire at the end of July. It was clear that there are numerous program components that are still not completed and are unlikely to be completed by the expiration date of the grant. It was agreed that a meeting should be held with CLRDC to discuss the unfinished components and to look at how best to ensure that selected program components will be completed. It was also agreed that CLRDC will not be given additional funds, not even a revision of the Rand budget based on US\$ gains from exchange rate fluctuations. If it is necessary to complete certain program components, the work will have to be done within the existing budget. A meeting was held with CLRDC in Durban on June 29th. CLRDC presented various reasons why some program components had not been completed, such as staff turnover, changing environmental factors, etc. USAID's major concern was that the survey would not be completed by the end of July. Decisions resulting from these discussions are as follows: The extension will only be for CLRDC activities plus the CHR gender workshops and the Moot Court in August; HRT will not be included in the extension. It is programmatically acceptable to USAID that HRT's unfinished activities remain unfinished. CLRDC will submit a work plan for the two or three months extension identifying program components to be continued and a justification for continuation of these components along with a revision to budget line items which will cover the two or three months extension. CREA requested that CLRDC provide proof that the organization will be financially viable for the period of the extension, as CREA had previously received a memo from CLRDC advising that their funds would be depleted by the end of August 2001. It was agreed that once the work plan, budget and letter of motivation was received, USAID and CREA will meet to discuss the documentation. This activity will **IN PROGRESS** until 31 July 2001 unless the extension is granted.

(3) CSLS

Chuck Scott of CSLS requested a meeting with CREA's Finance and Program Directors to discuss the request for no-cost extension to the CSLS cooperative agreement which is due to expire on 31 August 2001. Because the length of the extension will affect the sub-agreements with other universities, CSLS requested a letter from CREA confirming the balance of funds in the agreement that may be considered for the extension. Based on the information provided by CREA, CSLS submitted a revised budget which indicates that the remaining funds (with a \$:Rand variance adjustment) will be sufficient for one additional year under the cooperative

agreement. An amendment for the extension will be processed during the month of August which will permit this activity to remain **IN PROGRESS** until August 2002.

- 99/021 - (CSU) KZN Peace Initiatives Cooperative Agreement

There have been major changes in the financial management staff of IMPD during the past year. Although an audit report was recently received from IMPD and all was found to be in order, the total amount disbursed under this agreement has still not been audited. The latest audit covered the period February 1999 to 31 March 2000. Funds disbursed to IMPD by CREA between April 2000 and August 2000 will be included in the audit which is scheduled to start in August 2001. USAID's recipient audit will be done at the same time as this statutory audit. This activity will remain **IN PROGRESS** until all close out activities have been completed.

- 99/028 - (LGU) LGSP Assistance II (MSI)

All performance under the MSI task order has been completed and CAII has confirmed with MSI that all costs related to the work have been billed and paid. This activity is now considered **COMPLETED**.

- 99/033 - (RLU) Assistance to National Directorate of Public Prosecutions

Meetings between Crea, USAID and the NDPP continue and activities under this request will remain **IN PROGRESS** at least through September 2001. Most of the activities under the NDPP work plan for year 2000/2001 have been approved and are being implemented. Status of current NDPP activities are as follows.

1) Work has been completed on the OD activity and presentations are currently being made to various groups of people at the NDPP, Department of Justice and the Department of Public Service Administration. NDPP appear satisfied with the completed activity. CREA has not yet received the final report nor the final invoice for payment; however, these are expected in the next quarter.

2) The services of a forensic accountant to the AFU, provided by Deloitte and Touche, continues without interruption and is scheduled to expire on 14 September 2001.

3) There have been further delays in the completion of the final Policy and Legal manual for the AFU. Due to lack of capacity in AFU offices, feedback required for final completion of the manual has not been forthcoming. Cheadle, Thompson and Haysom (CTH) hope to get final feedback soon in order to finalize this activity. Deliverables completed to date have been posted on the AFU website at www.afu.org.za. The password to access the case studies and other documents completed by CTH is **/main**. As the last amendment to the CTH contract extended the completion date for this activity to 31 May 2001, and as the work remains unfinished, another amendment must be processed to extend the completion date to 31 July 2001 at no additional cost. CTH has requested CREA to meet with the AFU to encourage them to provide the feedback needed for completion of this activity. Since CREA has no official relationship with the AFU, it may be more appropriate for USAID to take action in this matter.

- 99/041 - (CSU) SANGOCO NGO Week Grant

During this reporting period, CREA's senior bookkeeper met with SANGOCO's administrator to assist her in finalizing an interim liquidation for this

grant. Issues still outstanding include a summary journal entry made to grant expenses for which CREA requires copies of actual payments made, and liquidation of the advances that SANGOCO gave to the various Provincial NGO Coalitions. SANGOCO has promised to obtain the necessary documentation and submit its final liquidation to CREA before the end of July 2001. During the same meeting the senior bookkeeper also mentioned the co-mingling of funds and SANGOCO has undertaken to correct the situation. This request will be considered **IN PROGRESS** until completion of all close out requirements.

- **99/047 - (LGU) Planact Cooperative Agreement**

The status of this activity during the previous reporting period referred to a conflict between Bloemfontein and Planact regarding personnel working on the project. The issue was finally resolved when Planact, with the approval of Bloemfontein, contracted Mr. Hassan Mohammed, previous CEO of Planact, to undertake the Review of Communication Strategy and the final write up of the project. A JPSC meeting was held in Johannesburg on June 5, 2001 primarily to deal with three programmatic items; i.e., the conceptual framework, the draft communication plan and the ward committee elections work plan. Because certain decisions have to be made before the elections, it was agreed that a series of JPSC meetings would be required. Another meeting has been scheduled in Bloemfontein for July 14th to discuss decisions required before the elections to be held on 19 - 21 July, 2001. Per CREA's request during the last reporting period, Planact has provided CREA with a more substantive progress report. This activity will remain **IN PROGRESS** until the expiration of the cooperative agreement which is currently scheduled for 30 September 2001.

- **99/048 - (LGU) District Six Intern Assistance - Phase II**

Activities under this project are progressing nicely; i.e., interns are being paid by CREA in accordance with the certification of attendance provided by the Land Claims Commission. This activity will remain **IN PROGRESS** until budgeted funds are exhausted.

- **00/051 - (LGU) Credit Control Study - MSI**

The original scope of work included the printing of 1800 copies of the credit control manual once finalized. Louise Muller from DPLG contacted CREA in early June requesting a change in the printing of the credit control manual. Instead of printing 1800 copies of the manual, DPLG has requested that CREA have 900 copies printed of the Tariff Policy and 900 copies of the Credit Control Manual. Even though the printing of the Tariff Policy was not in the original scope, it makes sense to include it for distribution to all the municipalities because it is information that is interdependent. USAID has agreed in principal to the change and CREA awaits the final version of the Credit Control Manual from DPLG for printing. All other work related to the scope of work for MSI has been finalized. Dr.Kapp is waiting for DPLG approval to finalize billing under the task order with MSI. This activity will remain **IN PROGRESS** until CREA can confirm that MSI has billed and been paid for all costs related to the task order.

- **00/059 - (LGU) Knysna/Hermanus Contract**

Review of implementation internationally of local government performance management systems was finalized and presented to DPLG by Deloitte and Touche during the first week of this reporting period. DPLG approved the

deliverable and CREA paid Deloitte & Touche accordingly. All activities are well underway in both Hermanus and Knysna. A workshop was held in Knysna on June 22, 2001 in which the overall status of the PMS project was discussed in detail for both municipalities. An in-depth discussion was held regarding lessons learned to date and how to document lessons learned in the learning product. It was decided that council contact persons as well as Deloitte & Touche would keep a record of experiences which Deloitte & Touche would document at the end of the contract. The Detailed Design Reports for both municipalities have been submitted by D&T and approved by Hermanus and Knysna. Payment has also been made for these deliverables. Activities under this request can be expected to remain **IN PROGRESS** until completion of the awarded contract which is currently scheduled for September 30, 2001.

- 00/060 - (LGU) Southern Cape Karoo - Contract

On 14 June, through an amendment to this request, USAID asked CREA to arrange for 6 days of support from Mr. Henrik Barnard of ELEXPERT for an EDI workshop to be held in Johannesburg on 22 June 2001, and to arrange catering and travel for 11 participants for the workshop. The contract with ELEXPERT for the Southern Cape Karoo Electricity Forum was increased to cover six (6) additional days of Mr. Barnard's time. CREA arranged the catering for the workshop as well as travel and accommodation for four (4) participants which was the final number determined after extensive coordination with the SO#6 consultant and representatives of SALGA who were in charge of this workshop.

The contract with ELEXPERT had previously been amended to extend the period of the activity at no additional cost until 30 June 2001 to enable the contractor to revise and submit final reports after making a final presentation to the Forum. The final presentation to the Forum has still not taken place because Forum representatives (councillors) have not been available to receive the presentation. It now appears that a further no-cost extension for two additional months will be necessary. The contractor has expressed frustration at not being able to finalize this contract and receive payment for the remaining deliverables. Henrik Barnard of ELEXPERT has requested CREA/USAID assistance in emphasizing to the Forum the importance of the presentation and the need to finalize this contract - a reasonable request for a firm fixed price contract. This request will remain **IN PROGRESS** until all contract activities have been completed and final payment has been made.

- 00/061 - (LGU) Revenue Management - Cooperative Agreement

Project activities are still not proceeding as well as expected due to problems involving communication with and availability of Councillors in all three (3) areas. During the last reporting period, Vulindlela requested a no-cost extension until the end of November 2001 and the cooperative agreement was amended accordingly. Workshops were held in all 3 areas around the way-forward on training. District Council 25 (part of the old Umzinyathi Council) requested that the project be put on hold for their area because their current workload would not permit them to focus on the project during the remaining grant period. As mentioned above, DC 25 was part of the old Umzinyathi council which was disestablished and re-demarcated into two separate councils; i.e., DC 24 and DC 25. The project was assigned to DC 25 since the focus area which was determined at the beginning of the project lay within the DC 25 jurisdiction. USAID suggested that instead of freezing the project in DC 25 they should explore other areas in which Vulindlela could assist them. On May 25th DC 25 faxed a letter to CREA and Vulindlela indicating their preference for a

new project for the establishment and capacitating of community committees/citizens committees at ward level. Due to the dynamics of involving Level B municipalities in the project, a meeting was scheduled for June 29th to define the project and to help Vulindlela compile the work plan for the project.

Benede Oranje District Council (BODC) had a name change to Siyanda District Council which means "we are growing/prospering." A successful workshop was held and the council approved the training framework presented to it by Vulindlela with a start-up as soon as the ward committees are elected (early July). The Council formally requested that the training be conducted in Afrikaans, with visual training aids, and be as participatory as possible due to the fact that the literacy level in the province is quite low. A follow-on meeting was scheduled for July 3, 2001 in which Vulindlela has been requested to do a presentation to the Level B municipalities in order to get them involved in the project.

At the workshop for Volksrust (Seme), the council saw training covering revenue collection. They felt that training should focus on the training of councillors and officials for the successful execution of this project. Vulindlela is still awaiting the completion of questionnaires from Seme regarding training already undertaken with councillors and officials. Vulindlela is to work with Seme on the exact nature of the training to be undertaken.

Even taking into account all the dynamics of demarcation and the fact that new councillors are now involved, Vulindlela's progress to date has been very slow. Meetings with each of the 3 areas have been scheduled only after prompting by CREA or USAID. On several occasions, Vulindlela has not complied with requests from CREA for documentation relating to budget and other issues. USAID has now requested that CREA not make any further advances to Vulindlela until this outstanding documentation has been submitted by Vulindlela. CREA is currently preparing a letter advising Vulindlela of this decision. This activity will remain **IN PROGRESS** until the expiration of the agreement which is currently scheduled for 30 November 2001.

- 00/063 - (LGU) Gariep Dam - Contract

Final deliverables have been received. Out of the business plans developed by MLA, funding for the Weavers Group was obtained from the Local Economic Development Fund and additional funding was obtained from DEAT to build a Tourism Centre at the entrance of Gariep Dam. The learning product for this activity was identified as a website which MLA kept up to date while the project was running. In February 2001, the website was officially handed over to the Tourism Forum, which will undertake to pay the monthly fees and to update the site on a regular basis for sharing with other municipalities. The website can be found at www.internext.co.za/gariepdam. All payments have been made under the contract with MLA and this activity is now considered **COMPLETE**.

- 00/064 - (LGU) Eastern Tubatse/Origstad - Cooperative Agreement

The development of the training manuals was completed, presented and adopted by the Steering Committee. The guiding manual for community structures was presented simultaneously with the training manual. This guide also received approval from the Steering Committee and is currently being packaged. The Mayor of Greater Tubatse halted the process of training as she wanted her expanded area of 29 ward committees to get simultaneous training. In an effort to mediate between the Mayor and

IMPD, CREA and USAID attended a meeting in Tubatse with the Mayor of Greater Tubatse, Ms. Pinki Morena and the executive committee. The main purpose of the meeting was for the members of the executive committee to inform USAID of the changes brought about by demarcation with regards to wards and to request additional funding for the newly demarcated area. The number of wards has increased from six to 29, and the original six have changed and are no longer constituted as before. USAID reiterated their commitment to assisting the council in capacitating all 29 wards, however the size increase on the number of wards was dramatic. USAID has indicated that the additional activities to be conducted under this activity would constitute new work and would therefore need to be re-competed. This would mean that no additional funding can be added to the IMPD agreement at this point. Should IMPD still be interested in this work they were free to compete with other service providers. IMPD is willing to negotiate the training depending on the depth of the work outstanding and the extent of the training. Should IMPD not be in a position to conduct training in the 29 wards, the Mayor has been asked to select 6 wards and let them go ahead with the training. The training can then be used as a pilot project and observations considered useful for training of the other 23 wards will be recorded.

CREA received notification that Prof. Sejanemane had resigned during the last reporting period and that Ms. Ntombi Futhi had been appointed as the Acting Executive Director effective June 8, 2001. The legal battle with the ex-financial director was resolved by his reinstatement in that position effective 15th May 2001.

IMPD sent a letter to USAID on June 8 requesting emergency funding sufficient to cover three months of operating costs. USAID declined this request with a reminder that USAID had already provided emergency funding to IMPD in November 2001 to pay for administrative costs through the end of January when agreements funded by other donors were expected to commence. USAID reiterated that IMPD was expected to complete the activities as defined in the program description of the cooperative agreement. This activity will continue to be classified as **IN PROGRESS** until after expiration of the agreement on 31 October 2001 and completion of all close out actions.

- 00/066 - (LGU) Drakensberg - Contract

Work under this activity is proceeding well without any complications. The model for SDU's has been accepted by the District Council. CREA has been advised by the Contractor that Mr. Steyn who has been one of the main points of contact in the Council for the project has accepted a position overseas and will be resigning during the next reporting period. There are some concerns regarding the continuity of the project. CREA has received documentation and progress reports on contract deliverables according to schedule and the invoice for June is currently being processed. Activities under this request will remain **IN PROGRESS** until completion of the awarded contract which is currently scheduled for 23 August 2002.

- 00/067 - (LGU) IDP Cluster - Contract

Activities are well underway in two of the three areas under the IDP Project. PlanPractice has reported that they are still having difficulty in getting the council together in Koster. There seems to be political dynamics at play as the Acting Manager does not appear to be one of the preferred candidates for the position. CREA and USAID have emphasized to PlanPractice that they should press Koster for their meetings and get

written confirmation from the Koster Local Council that they are committed to the process and that they still want this initiative to happen in Koster. USAID undertook to contact the Acting Municipal Manager to stress the importance of their commitment to the project. PlanPractice and their subcontractors have been documenting meetings which have been scheduled and confirmed but not attended by Koster Council members.

In the previous reporting period PlanPractice had prepared and submitted to CREA a proposal for additional funding. PlanPractice based this proposal on the assumption that the IDPs would be done at District Level in all three areas as well as the impact of demarcation. Although all 3 areas have requested that the IDPs be done at local level, PlanPractice still feels that additional funding will be required for the IDPs due to the impact of demarcation thus their proposal should still be considered. In principal, USAID has agreed that demarcation did have a considerable impact on all three areas and, therefore, additional funding will be necessary. However, USAID has requested the contractor to obtain recommendation letters from all three councils before a final decision is made regarding the additional funding. The contract was amended to incorporate new schedules as mentioned in the previous reporting period. Activities under this request can be expected to remain **IN PROGRESS** until completion of the awarded contract, currently anticipated to be 30 September 2001.

- 00/068 - (LGU) Greater Germiston - Contract

ISIS delivered the Learning Product under the contract; however, they have not yet been able to make the final presentation of the assessment survey to the new East Rand Metro Council. A presentation was made to the principal contact for the council, Theresa Engelbrecht, who was satisfied with this end product. Once Theresa is successful in putting together a meeting with council officials, ISIS will give them a presentation. ISIS also agreed to develop a guide to needs analysis in local government as an addendum to the Learning Product at no additional cost to the contract. The contractor has been requested to submit an electronic copy of the Learning Product for use by the Knowledge Management Facility. Final payment was made to ISIS based on approval of the Learning Product by Ms. Englebrecht on behalf of the new East Rand Metro Council; however, this activity will continue to be reported as **IN PROGRESS** until receipt of the addendum to the Learning Product.

- 00/071 - (RLU) Pretoria Magistrate Children's Court

Activities under this project appear to be proceeding well. During this reporting period CREA paid out salary claims for one social worker for time spent providing assistance to the Children's Court. These activities are expected to remain **IN PROGRESS** for approximately two more years.

- 00/072 - IDASA Public Opinion Survey

IDASA has still not submitted its final liquidation voucher and other outstanding financial reports under this grant. CREA contacted IDASA again during this reporting period and has been promised that all the necessary liquidations will be submitted in the near future. This request will remain **IN PROGRESS** until all close out actions are complete.

- 00/075 - (LGU) Clarkson Community Trust - Cooperative Agreement

The business plan was submitted to CREA and the council during April,

technical training for potential contractors was finalized at the end of June, presentation of certificates has been scheduled for July 13. A budget meeting is scheduled to take place on 12th July which will be led by the Koukamma Municipality. A community meeting is scheduled to take place after the budget meeting informing the community on the increase in rates. The present rate is R30.00 per month per family, it will be increased to almost double that amount. They also intend to introduce the Indigents Policy for those who cannot afford the monthly rate. The policy will be explained to individuals who will be going from house to house to further explain if required. Although the project is progressing well, it is anticipated that the project is currently 2 months behind the work plan, as the grantee has encountered problems in setting up meetings with both officials and councillors. During this reporting period the Clarkson Community Property Trust (CCPT) expressed concern about their legal standing on some issues around the project. Isandla Partners for Development (IPD) engaged a legal advisor from Legal Resources to assist them in drafting the Trust Deed and with land ownership issues. An agreement was put into place between the CCPT and the Koukamma Municipality formalizing the terms by which the Municipality will render services to the CCPT. This agreement does not replace the Municipal Community Partnership Agreement. This activity will remain **IN PROGRESS** until the end of November 2001.

- 00/076 - Voter Education RFAs

During this reporting period, the cooperative agreement with KZNCC was amended to revise the US\$/Rand exchange rate, thus permitting the grantee to bill the R20,175.81 of costs incurred in excess of the SA Rand budget. However, since the agreement has now expired, the dollar amount was decreased to equal the amount actually spent at the new rate of exchange. Final liquidation documentation has not yet been received; therefore, this request will continue to be reported as **IN PROGRESS** until all close out actions have been completed.

- 00/077 - (CSU) NPP Support for Tax Policy Dialogue

The grant was expected to end on 30 April 2001, however in May 2001, the Non-Profit Partnership (NPP) submitted a request to use the remaining dollar amount of the grant and to extend the expiration date of the original agreement by two months from 30 April 2001 to 30 June 2001. The request was based on unanticipated expenses incurred under the Cost Benefit Study. The request was approved with an understanding that the funds would be used for the original purpose of the grant and not for unrelated activities. The final Cost Benefit Research Report and the submissions that NPP made to the South African Revenue Services (SARS) were submitted to CREA during this quarter. This activity is expected to remain **IN PROGRESS** through June 2001.

- 00/079 - (LGU) CLC Assistance to DPLG

USAID and DPLG have indicated that CLC is performing well and is on schedule. In a recent advance request CREA noticed an inconsistency in the spending pattern compared to previous advances, as an astronomical amount for consultants was being requested. During discussions with CLC Johann Mettler pointed out that a subcontract had been awarded by CLC to Mr. Barend Kruger Kieser to draft the by-laws and/or policies as requested by DPLG. Proof of the contract was faxed to CREA to enable CREA to release the advance funding. As some of the costs relating to the grant are being billed late, Johann requested permission to process invoices

dated and received during July in respect to work completed prior to expiration of the agreement on 30 June 2001. This activity is expected to remain **IN PROGRESS** until all close out actions have been completed.

- 00/083 - (LGU) - LGU Design and Implementation Support #1

All work under this request has been completed, billed, and payment made. No further actions will be processed under this request and this activity is now considered **COMPLETED**.

- 01/087 - (LG) Hillbrow/Berea Inner City Project

This project appears to be progressing well. A stakeholders meeting was held on April 11 attended by more than 50 participants and five participatory workshops have been conducted since the effective date of the cooperative agreement on 1 March 2001. The Joubert Park Neighborhood Development Association (JPNDA) meets on a monthly basis with its partners. The JPNDA has not sought to set up new organizations in the Hillbrow/Berea area, instead the goal is to strengthen the structures already in existence and, ultimately, to encourage the establishment of Ward Committees. The Project Manager has begun to make contact with key individuals and organizations in the area. Five local areas have been identified and a member of the JPNDA has been appointed to work with a Fieldworker (when appointed) in each of the areas. The JPNDA has made an initial presentation to the Inner City Section 79 Advisory committee and has met with the three local Ward Councillors. Ms. Barbara Quilliam, who was the main contact for this project within the Inner City Office, has resigned effective June 30, 2001 and will be leaving the country sometime in the next reporting period. Her replacement will, hopefully, be on board in time for her to handover her duties and introduce the JPNDA to ensure continuity. A draft work plan has been received from the JPNDA for comments. This activity is expected to remain **IN PROGRESS** until the end of May 2002.

- 01/088 - (CSU) SANGOCO Management of the CIVICUS Index Study

SANGOCO's management of the Index Study is progressing well. During this reporting period CREA's junior accountant assisted SANGOCO with their first advance request, as there were various financial requirements that were not being met. Now that these financial requirements are in place, the first advance has been disbursed to SANGOCO. Interviews by SANGOCO for a financial manager are currently taking place and, once the new employee is on board, CREA will assist in training the person with regard to CREA's systems and financial requirements.

At a coordination meeting with SANGOCO, IDASA and CORE, at which USAID was also present, SANGOCO announced plans to use the findings of the CIVICUS research at their NGO week in November of this year. The CIVICUS Diamond approach will be used to inform provinces of the findings of the research in terms of their current status as plotted under the Diamond methodology (values, space, structure and impact) and to encourage them to use this as a planning tools to determine strategic objectives for the next two years. This activity will remain **IN PROGRESS** until the research work has been completed and accepted (on or about 31 August 2001) and all closeout activities have been finalized.

- 01/089 - (CSU) Research Support for Civil Society Index

During this reporting period IDASA/CORE submitted a work plan to CREA and USAID for approval. A meeting to report on the progress of the grant was held on 21 June 2001, IDASA/CORE, SANGOCO, USAID and CREA were in attendance. IDASA/CORE reported on the progress of activities since the effective date of the grant. The activities are on track and both USAID and CREA are satisfied with the progress made to date. A final round of provincial workshops and a national workshop are planned for July 2001, where findings will be shared and discussed with stakeholder groups involved in the initial round of data collection. It is also anticipated that the report to be submitted to CIVICUS in August 2001 will be completed in on schedule. This activity is expected to remain **IN PROGRESS** until 31 December 2001.

- 01/090 - (CSU) - Annual Program Statement (APS) for CSSP

Thus far, CREA has received a total of seventy (70) requests from organizations asking for a copy of the APS which was published on 9 March 2001. Only three applications had been received by the first of June; therefore, USAID requested CREA to notify all those who had requested a copy of the APS that the first TEC was about to be convened. A further sixteen (16) applications were received by 15 June and the TEC met initially on 20 June to review the 19 applications on hand. The TEC had not completed its review by the end of this reporting period but this should be done during July 2001. It is anticipated that cooperative agreements with the successful applicants will be signed before the end of the next reporting period. This activity will remain **IN PROGRESS** until the final review of applications or until all obligated funds under this activity have been awarded, whichever occurs first.

- 01/091 - (CSU) - NPO Tax Communication and Support Services Program

The initial RFA closing date of 17 April 2001 was extended for six days at the request of the Non Profit Partnership(NPP). Two(2) responses were received by the new closing date of 23 April 2001. The TEC convened on 03 May 2001 to discuss the individual evaluations as the proposals had been distributed at an earlier date. The TEC reached consensus that the application submitted by the Non Profit Partnership(NPP) was the most technically qualified. The chairperson drafted a memorandum documenting the proceedings and requesting COP approval to negotiate with NPP. Negotiations with NPP are continuing. The budget submitted in the application is greater than the \$300,000 which USAID had estimated for this activity. The NPP is adamant in their belief that they will not be able to successfully implement the program for less than the amount of their budget. CREA requested USAID to commit a further \$25,000 to this activity, USAID has agreed in principle, and CREA awaits an amendment to the USAID request in order to finalize the cooperative agreement. The agreement will be signed early in the next reporting period and will remain **IN PROGRESS** until the scheduled expiration in June 2003.

- 01/092 - (LGU) - Support in Designing Round 2 of Municipal Assistance

Approval has been received for work completed by Ms. Wooldridge and payment has been made. Mr. Gotz has finalized the editing of the Durban Learning Product and will be billing for his time during the first or second week of the next reporting period. CREA received a request from USAID to extend the contract with Ms. Wooldridge for 3 to 4 weeks in order for Ms. Wooldridge to develop a list of approximately twenty (20) district

municipalities to recommend to USAID, DPLG and the LGTP for pre-selection. This activity is expected to remain **IN PROGRESS** until the end of August 2001.

- 01/093 - (RLU) - Organized Crime Study for NDPP

The TEC met during this reporting period and accepted the one proposal submitted by RESOLVE, CSIR, and K. Dr. Udit of NDPP attended the first meeting between CREA and the contractor to discuss deliverables and it was determined that the contractor needed to meet with Mr. Nguka and Percy Sonn in order to determine priorities. The contractor submitted a revised list of deliverables and at that time raised an issue regarding the sensitive nature of the reports and the need to insure security. USAID was advised of this issue and was included in a joint meeting with CREA and NDPP. USAID agreed with a decision to permit the contractor to submit interim reports only to NDPP. In order for CREA to make payment for interim reports, NDPP will submit a letter certifying that the work has been completed satisfactorily along with a quarterly report which discusses progress made by the contractor. CREA will receive a sanitized version of the final report that has removed all information deemed to be confidential. Work was underway by the end of this reporting period with a slight change to the methodology, more time will be spent on developing the framework for data collection. There are two outstanding matters which could delay this activity if not dealt with soon. One, the contractors are still awaiting a letter of authority from the NDPP to allow them to begin speaking to relevant people and organizations and two, the security clearance of the researchers have still not been processed. CREA will broach this subject at the bi-monthly meetings with NDPP in order to facilitate urgent resolution of both these outstanding issues. This activity will remain in **IN PROGRESS** until March 31, 2002.

- 01/094 - (RLU) - ISS Criminal Justice Monitor

Although work has begun on this activity, there has been no request for an advance of funds or for a reimbursement of costs incurred. A work plan submitted during this reporting period was forwarded to USAID for comment. A meeting has been scheduled with ISS to discuss the work plan and their financial requirements. The grant will remain **IN PROGRESS** until its scheduled completion in April 2003.

- 01/095 - (RLU) - Remuneration Structure Study for NDPP

A contract for this study was awarded to Phezulu Wicht and Associates, the only company to respond to the Request for Proposals (RFP). Problems were encountered from the beginning as they claimed that they had a difficult time accessing the relevant NDPP staff. After the first two deliverables were completed, NDPP signed the invoices indicating the work was acceptable. CREA contacted the Head of Human Resources to ensure that the contractor's performance was of a good standard. The contractor then contacted CREA in late May to suggest that a remuneration structure would not be very useful without a performance management system. They were informed that the scope for this assignment should be confined to the remuneration study and the other issues should be mentioned directly to the NDPP. Even though this contract ends at the end of this reporting period, this activity will remain **IN PROGRESS** until all reports have been received and accepted and final payments have been made.

- 01/096 - (LGU) - Knowledge Bank Business Plan for DPLG

CREA issued the RFP to organizations identified by DPLG on April 2, a bidders conference was held on June 11 at the DPLG offices. Three timely proposals were received by the closing date of May 2, 2001. The TEC met on May 5th to evaluate the three proposals. A group headed by NBI and calling themselves "The Consortium" were scored the highest and a decision was made to enter into discussions only with the one offeror. The Consortium was requested to submit a Best and Final Offer (BAFO) along with answers to a number of questions raised by the TEC regarding the proposal. Further questions arose out of The Consortium's response to the request for BAFO. The TEC requested a verbal presentation from the Consortium for June 7th. The BAFO and presentation from The Consortium helped clarify outstanding issues, and the TEC finalized their decision on June 7, 2001. The Consortium was contacted and informed that they had been successful and that a further meeting needed to be held to discuss deliverables and payment schedules. It is anticipated that the contract will be signed with The Consortium during the first part of the next reporting period. Activities are expected to remain **IN PROGRESS** until completion of the contract which is expected by 30 November 2001.

- 01/097 - (LGU) - Workshop to Present Element 2/Round 2 of LGSP

This one-day workshop, which was postponed by USAID and DPLG during the previous reporting period, was held at the Brooklyn Lodge on May 2, 2001. Participants indicated satisfaction with the arrangements and with USAID's consultative process. CREA provided logistical support which included the issuing of invitations to representatives from DPLG, LGTP and SALGA, travel and accommodation for participants, arranging for printing and distribution of the program and other required materials. All payments have been made to vendors involved in the workshop and activities under this request are now considered **COMPLETE**.

- 01/098 - (LGU) - Horizontal Learning & Information Sharing Program

A notice was published in the Mail and Guardian newspaper and on the SANGONET on April 6, 2001 announcing CREA's intent to issue a Request for Applications (RFA) for this activity. The RFA closed on June 4, 2001. Six timely applications were received for evaluation. One application was taken out as the application did not meet the selection criteria. The TEC convened on June 6 to receive applications and re-convened on June 27, 2001. Before the TEC started, USAID raised the point that the RFA did not really make much sense on its own since the Business Plan component had been split as a separate activity. The TEC evaluated the applications and after some debate decided that although the applications were scored high, none of the applications were clear on the proposed work to be done. USAID and CREA had discussions regarding the legal options that could be followed. After some lengthy debate it has been decided that all applications be advised that the RFA has been cancelled. USAID together with the PIA will rework certain components of the program description. It is anticipated that CREA will be able to re-compete the RFA during the next reporting period as a full and open competitive action (limited to South African organizations only) and award can be anticipated sometime during the next reporting period. Activities will remain **IN PROGRESS** for the next two years.

- 01/099 - (CSU) - Senior Executive Program - Cohort V

Upon receipt of the signed request, CREA issued a purchase order in US dollars to cover the cost of the three modules for this cohort. CAII/DC has made payment to Harvard in accordance with the purchase order and this request is now considered **COMPLETE**.

4. New SOW Actions:

During this reporting period (01 April 2001 - 30 June 2001), the GMTA field team (CREA South Africa) received the following requests to carry out activities required by the contract scope of work (SOW):

- 01/100 - (CSU) Wits/Harvard Senior Executive Program Alumni Banquet
- 01/101 - (RLU) Advice Centers
- 01/102 - (CSU) Research and Analysis Skills Strengthening Program (RASSP)
- 01/103 - (RLU) Public Opinion Survey

5. Status of New SOW Actions:

- 01/100 - (CSU) - Wits/Harvard Senior Executive Program Alumni Banquet

CREA was requested to provide logistical support to the Witswatersrand University Business School in its planning of the Senior Executive Program (SEP) Alumni Banquet. The banquet was scheduled to be held on 25 October 2001. On June 8 CREA was requested by USAID to hold the payment of the deposit for the venue until such time that a new date had been decided upon as the banquet is to be postponed to a later date. This activity is expected to remain **IN PROGRESS** through 2001.

- 01/101 - (RLU) Advice Centers

CREA was requested to provide funding to four advice centres previously funded under the NIPILAR agreement in Western Cape, Pietersburg, Dennilton and Soweto. In May CREA staff visited all four advice centres on an information gathering and sharing exercise. This entailed ascertaining the kind of assistance needed, to explain the financial, administrative and programmatic requirements and to collate documents to facilitate payments of outstanding bills from 01 January 2001.

There have been numerous problems involved in this assistance to the advice centres, however, through a concerted effort of both CREA and USAID, these are being slowly resolved. CREA encountered problems in paying the salaries of the staff as not all staff had active bank accounts. CREA assisted staff members of the centres by writing letters to the various banks confirming to the banks that these persons will be receiving a steady income for the next eighteen months. This particular issue appears to be resolved except for one staff member from Dennilton. CREA's effort to assist in opening up a bank account for this person remains ongoing.

Among the other anomalies encountered were unpaid bills that predated the period covered by the USAID request, non-functioning equipment such as computers, fax machines and photocopiers, and problems surrounding communication - telephone service suspended for non-payment, etc. CREA requested an amendment from USAID to pay the predated bills and suggested the donation of CREA's four unused computers to the four centres. USAID amended the request accordingly and most of the outstanding bills have since been paid. CREA has arranged with its computer maintenance service provider to prepare the computers for delivery to the centres by cleansing the hard drives, reloading necessary software, and packaging the equipment for transport. The equipment will be hand delivered by CREA and USAID to all the centres except the Western Cape where the computer will be delivered by DHL. Other courier services were contacted but only DHL would guarantee delivery in that location. The others required payment in

advance and someone from the centre would have to collect the equipment from the courier's nearest office. Although some problems still remain, CREA is making steady progress in dealing with these as they arise in order to provide the assistance in a timely manner. This activity is expected to remain **IN PROGRESS** until June 2002.

- 01/102 - (CSU) Research and Analysis Skills Strengthening Program (RASSP)

CREA was requested to competitively award a cooperative agreement to a South African non-profit organization to strengthen the research and analysis capacity of Civil Society Organizations. The RFA notice was published on 22 June 2001. By the end of this reporting period CREA has received approximately 50 requests for the RFA. The RFA will be disseminated (issued) on 6 July with a closing date of 31 August 2001. This activity is expected to remain **IN PROGRESS** until expiration of the cooperative agreement to be awarded.

- 01/103 - (RLU) Public Opinion Survey

CREA received a request from USAID to contract with the Human Sciences Research Council (HSRC) to include four questions for the NDPP in their Public Opinion Survey. There were no contact details for the HSRC in the request, only a contact point within the NPA (Dr. Udit). Although CREA requested further details from Dr. Udit, the information had not been received by the end of this reporting period. This activity will remain **IN PROGRESS** until final payment has been made.

B. Administrative Information (as of 30 June 2001):

1. **Contract Data:**

a. Total Estimated Cost Plus Fixed Fee:	\$42,107,901
b. Total Obligated Amount:	\$20,807,375
c. Expenditures as of 31/12/00:	\$18,172,395
d. Remaining Balance Obligated Amt:	\$ 2,634,980

2. **Expenditures by Contract/Project Components:**

a. Home Office/Field Office General Management	\$3,429,571
b. Technical Assistance	\$3,190,029
1. Technical Support to Grantees	\$2,062,935
2. Special Studies	\$ 588,526
3. Workshops for Grantees	\$ 538,568
c. Logistic Support for Annual SO1/Partners Consultation Meetings, Strategy Workshops/Seminars with Partners, and International Exchanges with Partners	\$ 122,592
d. Grants & Participant Training Tuition	<u>\$11,430,203</u>
TOTAL	\$18,172,395 =====

Note: The cost information set forth above is preliminary in nature and should be viewed only as a reflection of the division of activities to date. Cost data for activities reported as in progress and some of the cost data for completed activities are not yet available due to the normal time lag between disbursement in the field and recording/reporting to CAII home office. This information will be provided in subsequent quarterly reports as it becomes available.

3. DIRECT COST INFORMATION (ACTUAL VS BUDGETED) BY REQUEST NUMBER

Following is a breakdown of direct costs attributable to individual activities identified by USAID Request Number as of the end of this reporting period. The amounts shown as "expended" are the best information available at this time. The system of tracking direct costs against individual requests was not put in place at the beginning of the contract; therefore, the amounts shown for some of the earlier requests may not be complete. Time spent by regular GMTA staff on individual activities has not been included in this calculation and no attempt has been made to allocate any portion of the GMTA office operations or the CAII indirect costs or fixed fee to individual activities. The system of budgeting and reporting only **direct costs** is a procedure devised by the COTR and agreed to by the COP only as a measure of accountability for individual requests and has no effect on cost recovery by the contractor. (Note: Earlier reports included other direct costs incurred for technical assistance to grantees outside the amount of the grant such as travel by CREA personnel; however, this practice has been discontinued with the concurrence of the COTR since a new system has been devised by SO#1 to allocate CREA costs not specific to individual requests on a pro rata basis to each of the SO#1 projects supported by CREA under this contract. This is an internal allocation made by USAID for recording costs by MACS elements in the USAID accounting system and has no effect upon CAII's reporting or vouchering process.)