

PDBBE468

Official File Copy

August 25, 1986

Rev. Dale White
Executive Director
Wilgespruit Fellowship Center
Roodeport, South Africa

Dear Rev. White:

Subject: Community Outreach and Leadership Development
Project, Wilgespruit Fellowship Center
Cooperative Agreement No. 674-0301-G-00-6014-00

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as USAID or Grantor) hereby enters into this Cooperative Agreement with the Wilgespruit Fellowship Center (also referred to herein as Grantee or Recipient), and grants the sum of \$1,100,000 to provide support for a program described in Attachment No. 1 entitled Schedule of this Cooperative Agreement and Attachment No. 2 entitled Program Description and Financial Plan.

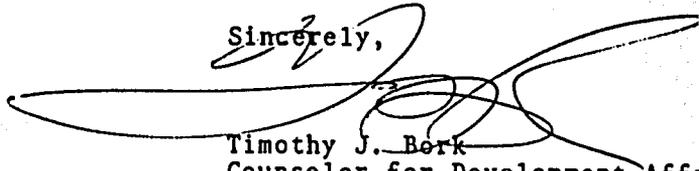
This Cooperative Agreement is effective and obligation is made as of August 25, 1986 and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning August 25, 1986 and ending February 28, 1988, except as otherwise provided herein.

This Cooperative Agreement is to be implemented in accordance with the terms and conditions set forth in Attachment 1, the Schedule, Attachment 2, entitled Program Description and Financial Plan, and Attachment 3, Standard Provisions.

This letter and the three attachments just described when agreed upon constitute the Cooperative Agreement. Other attachments are provided in support of the Cooperative Agreement; however, the three attachments described above supercede the supplementary attachments should conflicting information be provided.

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

Sincerely,



Timothy J. Bork
Counselor for Development Affairs

ACKNOWLEDGED AND ACCEPTED

Wilgespruit Fellowship Center



By: Dale White
Title: Executive Director



By: Griffiths Zabala
Title: Director

August 25, 1986
Date

Attachments:

1. Schedule
2. Program Description and Financial Plan
3. Standard Provisions
4. Supporting Budgets
5. Ukukhanya Trust: Illustrative Project Summaries
6. Ukukhanya Trust: Deed of Trust
7. Ubuntu social Development Institute Proposal
8. USDI consultation/Workshop Plans
9. Wilgespruit Fellowship Center Constitution
10. WFC/Ukukhanya Trust Agreement

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Wilgespruit Fellowship Center
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FISCAL DATA

Project: Community Outreach and Leadership Development
(674-0301)

Appropriation: 72-1161037

Budget Plan Code: GESA-86-21674-KG13

Amount Obligated: \$1,100,000

Cooperative Grant Agreement No. 674-0391-G-00-6014-00
Wilgespruit Fellowship Center

ATTACHMENT NO. 1

SCHEDULE

I. Overview of Cooperative Agreement

A. Purpose of Cooperative Agreement

This Agreement provides financial resources to support the operation and expansion of the Wilgespruit Fellowship Center, the Ubuntu Social Development Institute and the Ukukhanya Trust. The Project is fully described in Attachment 2 to this Cooperative Agreement entitled Program Description and Financial Plan.

B. Substantial USAID Involvement

The parties expect substantial involvement by USAID in WFC's performance of the Project, including: (1) review and approval of work at various stages of the Project; and (2) monitoring of WFC's activities to permit specific direction or redirection of the work because of the interrelationship of this activity with the Community Outreach and Leadership Development Project.

II. Period of Grant

The effective date of this Cooperative Agreement is August 25, 1986. The expiration date is February 28, 1988.

III. Amount of Contribution

A. USAID hereby obligates the amount of \$1,100,000 (the Contribution) for purposes of this Agreement. In no event will the Recipient's costs exceed the U.S. dollar amount obligated without a written amendment to this Agreement executed by the Grant Officer in accord with procedures set forth in Attachment 3 - Standard Provision 10 - entitled Amendment.

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

C. The Financial Plan for this Agreement is provided in Attachment 2, Section VIII, entitled Financial Plan. Revisions to this plan shall be made in accordance with Standard Provision 4 of this Agreement, entitled Revision of Grant Budget, provided however that adjustments in excess of \$5,000 or 15 percent of any affected cost element, whichever is greater, must receive prior USAID approval.

IV. Reporting and Evaluation

Financial reporting requirements are detailed in Attachment 2, Section V, entitled Financial Management. Other reporting and evaluation requirements are detailed in Attachment 2, Section VII, entitled Reporting and Evaluation.

V. Overhead Rate

Not applicable.

VI. Title to Property

Title to all property purchased under this agreement shall vest in the Grantee in accordance with Attachment 3, Standard Provision 18.

VII. Authorized Geographic Code

United States and Republic of South Africa.

VIII. Local Cost Financing

As required by Standard Provision 15 of this Agreement, it is hereby specified that the amount of U.S. dollars authorized to be used for local cost financing is the entire amount obligated under this Agreement.

IX. Special Provisions

A. Religious Activities. The Grantee agrees that funds provided under this Agreement will not be utilized for any activities of a directly or indirectly religious nature.

B. Interim Evaluation. The Grantee agrees that within nine months of executing this Agreement it will be open to an external evaluation to be financed by USAID.

C. WFC/Ukukhanya Trust Relationship. Before USAID disburses funds under this Agreement for the Ukukhanya Trust, the Wilgespruit fellowship Center agrees to execute a sub-agreement with the Trust outlining the terms and conditions of subgranted funds. USAID will review and approve the subagreement.

D. Ukukhanya Trust Project Selection. The Grantee agrees to consult with USAID before financing any projects with USAID funds under the Development Foundation of the Ukukhanya Trust. The Grantee also agrees to provide USAID with brief summaries of all projects financed under the Trust.

E. Ukukhanya trust Audit and Evaluation. The Grantee will conduct, or cause to be conducted, audits and evaluations of all projects financed through the Ukukhanya Trust and will provide USAID with the results of such audits and evaluations.

F. Ubuntu Consultation Results. The Grantee agrees to provide USAID with a report on the proceedings, conclusion and recommendations of the August consultation on the Ubuntu Social Development Institute. The report will be made available by September 30, 1986.

G. Ubuntu Curriculum and Students. Before initiating its pilot courses under the Ubuntu Social Development Institute, the Grantee agrees to provide USAID with a list of students being financed by USAID (including the organizations with which they are associated), and an outline of the curriculum and lecture topics.

H. Implementation Plans. The Grantee agrees to submit to USAID within 45 days of executing this Agreement detailed implementation plans for all activities financed under the Agreement as described in Attachment 2, Section IV, entitled Program Description.

X. Standard Provisions

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

Project Description and Financial Plan

I. Summary

This Agreement is designed to provide the Wilgespruit Fellowship Center with additional resources to respond to community requests for assistance to improve their socioeconomic status. Funds will be channeled through WFC to five technical departments operating under the Center, to WFC's training center entitled the Ubuntu Social Development Institute, and to a subproject financing facility entitled the Ukukhanya Trust Development Foundation.

Presently, WFC's technical departments provide technical assistance and in-field training for new and ongoing community-based projects in five fields: labor and migrancy; women's rights; community organization; self-help development and marketing; and democratic community action. This agreement will finance a project in each of these fields as described in Section IV of this attachment.

The Ubuntu Social Development Institute is planned as a short-term training center under WFC which will offer six-month certificate courses in Social Analysis and Action, Informal Sector and Development, and Community and Labor Relations. The courses are targeted to individuals who are active in the community, particularly those associated with WFC-assisted projects. This Agreement will help finance a pilot run of the Ubuntu courses, as well as associated administrative and planning costs.

The Ukukhanya Trust Development Foundation is an independent organization which will receive funds through a subgrant from WFC. The Trust will provide a means to identify, select and finance 15-20 subprojects aimed at helping communities develop economic self-reliance. The Trust will also solicit financing from other donors.

The total amount of this Agreement is \$1,100,000 to be disbursed through periodic advances. The Agreement, also referred to as the Grant, is intended to finance one year of activities. However, items and activities specified in this document will be eligible for financing through February 30, 1988, depending on the availability of funds, in the event of implementation delays that might hinder expenditures. An interim evaluation scheduled for nine months after executing this Agreement will make recommendations on any future financing.

II. BACKGROUND

A. COLD Project

This grant is being financed under USAID's Community Outreach and Leadership Development Project (COLD). The purpose of the COLD Project is to strengthen the leadership and institutions of disadvantaged communities so they can better respond to the legitimate needs of their constituencies. To achieve this purpose, USAID will annually identify a limited number of grassroots, community-based Non-Governmental Organizations for grant support. Each grant may finance an organization's activities for up to three years. Some multiyear grants may be incrementally funded on an annual basis, with each year's increments financing a discrete set of activities that have limited or no dependence on future-year funding in order to have a developmental impact.*

The criteria for selecting NGOs to be financed under the project cover both organizational characteristics and the nature of the proposed activities. The organizational criteria favor NGOs that: 1) reflect in nature and intent the objective of ending apartheid and the promotion of a peaceful and just society; 2) demonstrate genuine commitment to black participation in decision-making roles at all levels of program management and are supported by credible black leadership in the community; 3) have a broad geographic base; and 4) are financially responsible and have sufficient management capabilities to carry out their proposed programs. Funds will not be provided to organizations controlled or financed by the South African Government or to political parties.

The criteria for selecting specific activities give preference to proposals which would: 1) strengthen a community's ability to address its own needs and develop its leadership capabilities; 2) limit procurement to commodities and services directly linked to community impact or leadership development; 3) restrict, to the extent possible, financing for program administration to those costs directly associated with activities supported by USAID; and 4) receive support from a variety of donors.

B. Wilgespruit Fellowship Center Grant

WFC has been operating for over thirty years and is respected by black leaders and organizations for its anti-apartheid political stance and its sensitivity to community needs. Wilgespruit is located outside Johannesburg/Soweto, but its programs reach communities throughout South Africa, including: the Northern and Southern Transvaal, Natal, Kwa-Zulu areas, the Orange Free State, and the Western and Eastern Cape.

*While it may require more than a year to achieve all of a grant's objectives, AID wishes to ensure that each funding increment will result in outputs with merit in their own right in case circumstances arise that preclude full multiyear funding of a grant.

WFC is a service and training center that arose in response to community requests for assistance to establish and run projects which address critical needs in terms of their economic, social and cultural development. Amongst those assisted are black migrants, the unemployed and young people. The WFC programs also give special attention to the needs of both rural and urban women as they often face the most severe violations of human rights and basic employment standards. WFC staff live in the Northern Transvaal, Soweto, Mamelodi, Edendale/Pietermaritzburg, the Eastern Cape, and the Orange Free State. Training in labor and community relations, rural development, and community organizing is offered at regional centers in the Transvaal and at the national center outside Johannesburg.

WFC is supported by a number of donors including Canada, Great Britain, Sweden, the Netherlands, Australia, the Rockefeller and Ford Foundations and numerous church agencies. The Center does not discriminate according to political affiliation in providing support, and its activities extend into geographic areas where UDF, Inkahta and black consciousness organizations are represented.

III. GRANT PURPOSE

A. Problem Areas

The policies of apartheid impede the natural progress of black people, particularly in the areas of education, economic advancement, urbanization, housing, community leadership and human rights.

In 1960, it was estimated that nearly 1.6 million people (30 percent of the economically active black population) lived in poverty. By 1980 the estimated number of poor people had risen to over 4.25 million (over 42 percent). This may nearly double by the year 2000, indicating that seven million people will be dependent on the informal sector for their livelihood and existence. To make matters worse, the national economy has stagnated, with black people unduly affected. In 1985 alone, the formal sector lost 1,000 jobs per day through retrenchment and unemployment.

Rural areas are possibly most affected due to legal restraints that preclude movement to places of economic opportunity. In 1980, 40 percent of black rural dwellers had an annual income of under R144. Urbanization has been artificially delayed and controlled through migratory labor regulations, influx control laws, resettlement programs and urban housing shortages. The rurally confined population rose from over four million in 1960 to some seven million in 1970, and exceeded 11 million people in 1980.

The urban situation is not much better. Even excluding the unemployed, more than 70 percent of urban black residents earned less than R250 per month in 1980 and lived in crowded, impoverished conditions. In Soweto alone, the housing shortage in the early 1980s was estimated at 103,000 units. If these needs are

to be met, an additional 1,000 hectares of developed land will be required and some 45 new houses must be built per working day by the year 2000 at a cost of over R1 billion.

In addition, opportunities for black self-development have been curtailed through inferior and inadequate education. In 1980, about 35 percent of the economically active black population had no education (especially women and unskilled workers), 40 percent were qualified up to Standard 6 and 22 percent were educated to Standard 9. Only three percent had university matriculation and higher qualifications. Nationwide, the approximate pupil to teacher ratios in 1984 were 41:1 for black pupils and 19:1 for white pupils. In order to educate the 12 million black children who will be of school age by the year 2000, the number of trained teachers will have to double and an additional 240,000 classrooms will have to be built.

B. Grant Objectives

Activities under this grant will concentrate on five problem areas created or exacerbated by apartheid. In all of these areas, the emphasis is to help people understand their predicament, change their perceptions and help them improve their situations.

1. Education - training in critical skills for development of community organizations and small businesses that will allow black people to improve their socio-economic status.
2. Labor - training of retrenched and unskilled workers; technical assistance to cooperatives and small businesses in order to create informal sector jobs; technical and financial support to assimilate an increasing number of workers into democratically controlled unions.
3. Rural Development - technical and financial assistance to support self-help projects to increase household food production and thus improve diets, to establish primary and preventative health clinics, to provide basic literacy training and to improve other social services.
4. Urban Development - training in leadership and negotiations skills for organizations that play a vital role in redefining public policies; technical and financial support for self-help housing developments.
5. Community Leadership - leadership training and organizational support for community-based groups that can act as agents for social and political change.

IV. PROGRAM DESCRIPTION

A. Overview of Grant Components

Assistance to the Wilgespruit Fellowship Center will have three components: support for WFC's ongoing programs to provide technical assistance for new and ongoing community-based projects; development of the Ubuntu Social Development Institute that will provide formal training in skills necessary for the successful implementation of these projects; establishment of the Ukukhanya Trust which will provide financial assistance to selected projects with the long-term objective of helping them become financially independent. The three components have grown out of WFC's practical experience in promoting community development, and are substantively interrelated.

WFC has five technical departments that were established as the Center saw the need for different types of expertise to help communities deal with problems confronting their economic and social development. The role of each department is to provide technical assistance and in-field training in its specific areas of expertise which cover: labor and migrancy, women's rights, community organization, self-help development and marketing, and democratic community action. The five technical departments also have access to a conference center which facilitates discussion and training. The conference center can also be utilized by other local organizations.

Each of the five technical departments, both initiate and facilitate the ongoing implementation of community-based projects. For example, in initiating a project, the self-help development and marketing department may help a prospective business analyze marketing opportunities, revenue potential, input availability and costs, and operating margins. Once the project is started, the department might provide in-field training in bookkeeping and financial management.

It is also common for several WFC departments to play a role in implementing a project, depending on the required skills and the stage of implementation. For example, the women's rights group might alert community leaders to the increasing incidence of female-headed households without adequate means of support. The marketing department might help identify alternative employment opportunities. The community organizing department may help these women establish a cooperative that will implement a proposed project.

For each project, WFC seeks to help the community or implementing group acquire the skills and resources necessary to run the activity independently of WFC's assistance. This objective led to the proposal for the Ubuntu Social Development Institute and the Ukukhanya Trust. The structural relationships among WFC, USDI and the Trust are presented in the organization chart on the following page.

USDI would act as a branch of WFC, with its own staff who are independent of the technical departments. Its role would be to provide six-month courses to key people implementing community projects in: labor and community relations, informal sector and development, and social analysis and action. WFC's technical departments identified the need for such extensive training based on their field experiences and their increasingly limited time to respond adequately to requests for assistance. While the technical departments will continue to provide in-field advice and training, the more extensive courses at USDI would accelerate each project's ability to cut its technical dependence on WFC, and also free WFC staff to attend to new activities. As further discussed in Section IV-D, this grant will only finance just a trial six-month course under USDI. Additional funding will be contingent upon an assessment of the success of the trial course.

The Ukukhanya Trust was proposed as a means of channelling financial assistance to community development projects over a broad geographic area, while minimizing direct dependence on WFC. WFC would subgrant funds to the Trust which would selectively finance projects based on criteria discussed in Section IV-D. The Trust would also help projects obtain financing from other donors. Both administratively and financially, this would reduce the risk that any project would be forced to close due to political action against the project's sponsor.

The remainder of this section provides additional details on WFC's technical departments, USDI, and the Ukukhanya Trust, including a description of their administrative structure and financial relationships with WFC. The section closes with a brief description of professional services that may be drawn upon in emergency circumstances to address political issues affecting project implementation.

WFC Component

1. Administration

A council composed of representatives of corporate and individual members* of WFC, as well as three representatives of the South African Council of Churches, determines policy matters for the Center. The council appoints an Executive Committee to manage the Center's administration, with the committee's Executive Director responsible for day-to-day management. In addition, each technical department and the conference center has a Program Director who has relative autonomy over his/her program staff. The Center retains an accountant who manages the finances for all of WFC's departments.

*Membership is acquired by applying to the WFC Executive Committee and paying the required fees.

There is also extensive cooperation across program boundaries, which is formalized through monthly meetings of the Program Directors and monthly general staff meetings. The specific activities that will be undertaken by each of the technical departments are described below in greater detail. The financial management arrangements for the grant are described in Section V.

2. Agency for Industrial Mission (AIM)

AIM focuses on issues and activities affecting labor and migrant workers. The problems of exploitation, low wages and the lack of an effective trade union movement have traditionally disadvantaged black workers. These problems have been exacerbated for migrant workers who, because of apartheid regulations, must live as temporary residents in townships away from their families. Because of their transient status, they are never fully accepted as full members in their temporary communities. Influx control laws, in addition to their terms of employment, preclude regular travel to and from their permanent homes in rural areas. The law and lack of financial resources force the migrants to live in government-controlled hostels, administered by local authorities, with substandard facilities and no provisions to receive visiting families.

The tensions created by such conditions are vented through conflict with the township communities surrounding the hostels, often leading to escalating violence between hostel dwellers and the community. In effect, this adversarial relationship has destroyed any chance for consolidated action within the community to lobby township authorities for improved hostel conditions.

The AIM project to be financed through this grant will seek to establish constructive channels for hostel dwellers to express their concerns, thereby creating the potential for hostels to act jointly with local civic associations in exerting pressure on township authorities for basic housing and tenant rights. The project will focus on five hostels in townships within the Soweto region (Dobsonville, Mzinhlophe, Nancefield, Merafe, Dube). The total hostel population to be affected is approximately 48,000 people.

The proposed approach is to help each of these five hostels establish Democratic Associations that will identify key issues of concern to the dwellers and which will represent them in negotiations and discussions with the surrounding communities and township authorities. Operating from a caravan office in Soweto, AIM will establish an advice center that will reach out to each of the hostels and counsel the dwellers and their Associations on strategies to address their problems. AIM will also facilitate discussions between the Hostel Associations and community Civic Associations, and assist these groups in negotiations with local authorities. Initially, the principal issues to be addressed are: rent, electricity, bed sharing, family visitation areas, and basic services such as security and trash collection.

If this strategy proves successful, AIM will attempt to replicate this project in other areas. To this effect, AIM will organize a workshop in the second year of the project to evaluate its success, determine the potential to extend similar services to other hostels, and establish a priority action plan.

3. Self-Help Associates for Development Economics (SHADE)

SHADE is a service organization aimed at helping self-help and small-scale business groups function within the market economy and contribute to community and social development. SHADE provides information and training in key areas and advises groups on how to diversify and expand. The program focuses on issues which emerge in the informal sector of the economy among under and unemployed blacks in rural and urban areas. Most of the target groups have emerged in response to increasingly difficult social and political circumstances in South Africa.

The problems faced by these groups encompass lack of technical skills training, inadequate organizational management, lack of finance management, minimal access to resources and credit, inadequate assessment of potential markets, and incomplete understanding of how to be cost-effective. SHADE endeavors to assist groups to overcome such problems by providing consultation and training in areas such as:

- community needs assessments;
- skills training and upgrading of skills;
- cooperative structures, credit unions and self-help activities;
- market analysis, marketing, product development and diversification, and publicity;
- development of promotional and training materials;
- bulk buying, transportation and storage;
- organizational and financial management;
- planning, implementation and evaluation of projects.

SHADE activities to be financed under this grant will focus on a network of 26 viable crafts, weaving, textile and sewing groups in the Pretoria/Witwatersrand/Vereeniging area, which is the most densely populated in South Africa. SHADE will provide assistance to expand sales to retail outlets and adequately service clients. It will help groups secure orders, adapt new product lines, train sales representatives, supply marketing administration, and manage accounts. The highest proportion of groups to be assisted consists of black women who make a living through making and selling items as hawkers and vendors. The project will finance personnel, transport, publications, advertising materials and administrative costs.

4. New Horizons Project (NHP)

NHP sponsors both public action and information/training programs that will facilitate the democratic participation of black individuals and communities in South African society. The information and training programs finance workshops, seminars, research and publications on the origins of South Africa's racially-based society, the current political structure that reinforces social divisions, and strategies for political change leading to a democratic society. The public action programs promote participation in civic affairs and creation of housing.

Within South Africa, authorities have used housing shortages to curtail migration to urban areas and employment centers. Even when rural people might locate urban jobs and obtain temporary transit permits, they cannot, by law, permanently settle near their workplaces if they cannot find housing. By controlling the rate of new housing developments, authorities have also controlled urbanization, the socio-economic status of blacks and their free participation in the market economy. More fundamentally, they have slowed the assimilation of blacks in power centers where their participation in society could lead to social and political change.

NHP activities under this grant will focus on urbanization and squatter housing issues in the PWV area. Specifically, NHP will:

- a. Survey the informal urbanization process in the PWV area so that rates, trends and problems can be reasonably be predicted and strategic assistance programs can be designed to replace current crisis and ad hoc relief efforts.
- b. Conduct a program with 20 families in the Transvaal Highveld to adapt traditional building techniques, skills and materials to climatic conditions in order to minimize technical constraints to self-help housing developments.
- c. Increase the capital in an existing revolving loan fund so that people can purchase their existing houses on the East Rand where squatting is most dense, and to enable squatters on Wheelers' East Rand Farm to build and acquire title to permanent housing. If finances permit, NHP will later utilize this fund for similar purposes in other areas.

5. Women's Informal Training Institute (WITI)

WITI sponsors educational/information programs and development projects that will raise the consciousness of women, empower them to exercise control over their own lives, play an increased role in social and community development, and improve

their material circumstances. In addition to the developmental barriers imposed by apartheid, black South African women have been confronted with traditional and social mores forcing them to work in the informal sector or as unskilled labor, and blocking their access to resources and education that would allow them to increase their status and income.

This project will address the status of South African women by allowing WITI to support the implementation of resolutions made at the National Assembly of Women in South Africa Conference held in Johannesburg in August 1986. The NAWSA Conference is built on the theme of empowering women to pursue active roles in the process of social change. As such, the project and the Conference resolutions reflect ideas expressed at the UN End of Decade of Women Forum held in Nairobi in July 1985.

At the NAWSA Conference, speakers and participants noted that women's active contribution to creating a more just society and building on post-apartheid South Africa was not generally recognized. It was further commented that women had to be regarded as an integral element in the process of social change in South Africa if they were to attain truly equal status. It was also recognized that in the past development projects which were intended to benefit women had been essentially welfare-based. It was realized that if women were to be equal participants in the development process this emphasis had to change and projects which allowed women to actively help themselves, participate in the economic process of society and play an active role in socio-political development had to be instigated.

In order to achieve these aims, NAWSA resolved that women must be actively involved in movements for social change in South Africa and must work together to voice their concerns and express their opinions. WITI will help implement this resolution by providing human and financial resources to help women strengthen existing networks and build new ones so that they can communicate experiences and lessons learned, as well as express themselves collectively, regardless of religion or economic status. WITI will also sponsor women for leadership training to further empower them to represent their society and play active roles in developing their communities. Lastly, WITI will devise projects to address the actual needs of women and permit them some control over their own existence.

Depending on the availability of funds, this grant may also be used to help implement projects designed by WITI. The grant also makes available to WITI a revolving loan fund which will be used primarily to finance self-help efforts in creating networks among women, and, additionally, to implement WITI projects. Both USAID and WFC recognize that this revolving fund may depreciate in real terms, but agree that for self-help activities, a loan financing system is preferable to full grants which may inculcate dependence mentalities amongst recipients.

6. Community Organizing Division (COD)

COD is a training and broad-based community-building program designed to empower people to achieve desired change through learning and practicing community action and negotiation. COD activities include:

- training courses and workshops for community organizers;
- assistance with developing and implementing localized action plans for community-building;
- coordinating community support for housing and community development;
- training of trainers in community leadership skills.

This grant will allow COD to help communities in the Soweto area establish a broad-based organization that will lobby for open residential accommodation on a presently unutilized site. The area would accommodate approximately 600 dwellings for five-person families. If the organization proves viable and is successful in having the site designated for housing, the project will be proposed for long-term financing under the Ukukhanya Trust.

The first actions under the grant will be to coordinate the 10 church and community organizations which have expressed an interest in designating the site for housing. COD will help the groups reach a consensus on their interests, and will then assist in establishing an umbrella organization which can represent the groups and the community-at-large. These common views will then be presented to the Johannesburg Council, which has authority to open the site for housing. COD and the umbrella organization will subsequently continue lobbying for positive action from the Council.

If the site is designated for housing, COD will help the umbrella organization approach banks and contractors in order to secure preferential financing and equipment for construction. Subsequently, the organization would lobby for basic services such as water, electricity and sanitation.

C. Ubuntu Social Development Institute

1. Overview

USDI is envisaged as a short-term training institute offering community leaders, activists, volunteers and organizers an option of three six-month courses in Social Analysis and Action, Informal Sector and Development, and Community and Labor Relations. All students would participate in a course on Group Dynamics and Human Relations. During each six-month period, USDI would train 20 students in each of its three courses (i.e. 60 total). The Institute would operate as a semi-autonomous branch of WFC and would seek affiliation and registration for academic legitimacy through the Theological Training Board of Churches in South Africa, the Coady International Institute of the St. Francis Xavier University in Canada, and other suitable institutions.

This grant will partly finance a six-month trial course at USDI, as well as other items that will help determine USDI's long-term viability. This includes funding for a national workshop on USDI's curriculum and administration, bursaries for participants on the pilot course, and first-year administrative costs and salaries. In the long-term, USDI hopes to be housed in its own building on the WFC site, and USAID will finance the initial building designs. Each of these items, as well as details on USDI's administration and course content are discussed below in greater detail.

2. Administration and Faculty

As a semi-autonomous branch of WFC, USDI would have its own Director who would be responsible to the Executive Director of WFC. WFC will make land available to USDI on the WFC site on a long-term lease. USDI will have its own account within WFC and will have primary responsibility for raising funds to operate the Institute. However, all donations will be channeled through WFC, and WFC will be ultimately responsible for accounting both for USDI's finances and performance.

During the pilot period USDI's staff will consist of a Director, a part-time accountant, a secretary and two course coordinators who will have curriculum development, administrative and lecturing responsibilities. The Director will also be responsible for curriculum design and lecturing.

Other full-time lecturers will be drawn from the Coady Institute, University of Michigan, and the National Training Laboratories in Maine. USDI will also recruit local professionals, community activists and professors for specific lectures.

Of the total administrative and teaching staff, USAID will finance the Director, part-time accountant, secretary and one course coordinator. USDI has or will secure funds from other sources for the remaining staff.

3. Feasibility Analysis: National Workshop/Consultation

The first activity to be financed under the grant will be a National Consultation on Education for Affirmation to be held at WFC from August 27-29, 1986. The consultation or workshop is designed to appraise development to date in community-based education policies and their impact, as well as to assess alternative education models targeted to people outside of conventional institutions. In this light, the consultation will specifically consider the need for USDI to provide training in community and social development, and suggest curriculum content for USDI and other alternative models of education for affirmation.

WFC has invited individuals and organizations throughout South Africa who are concerned with community outreach and education to attend the workshop, without distinction of political affiliation. As indicated in Attachment 7, the speakers will cover issues critical to the current community-based movement to develop alternative models of education.

4. Curriculum

Following the consultation, USDI staff will draw on the workshop recommendations to finalize its curriculum and develop course materials. The USDI Director and course coordinators will have primary responsibility for designing the courses, although funds are available as part of the consultation to contract with specific individuals to produce course materials recommended at the workshop.

This grant will finance course materials and curriculum design solely for the three technical courses to be taught at the Institute: Social Analysis and Action, Informal Sector and Development, and Community and Labor Relations. Each of USDI's 60 students per six-month semester will select one of these courses, with a maximum of 20 students per course. The students will all take a mandatory course in Group Dynamics and Human Relations, which USDI will finance from alternative sources.

The topics presently proposed for each of the courses are specified below.

a. Social Analysis and Action: Mass-based Community Organizations; Perspectives and Strategies of Change; History and Theories of Social Thought; Social Analysis and Social Research; Social and Liberation Movements.

b. Informal Sector and Development: Economic Development and Social Systems; Cooperatives: History and Types; Small Businesses; Marketing and Marketing Management; Economic and Social Systems of the World.

c. Community and Labor Relations: History and Evolution of Labor Movements; Management and Labor Relations; Co-Operatives; Migratory Labor and Organizing; Multinational Corporations and Labor Movements.

d. Group Dynamics and Human Relations: Adult Education for People Participation; Race and Class in South Africa; Human Relations and Group Dynamics; Political Administration and Social Policy; Project Planning, Management and Evaluation.

5. Students and Training Period

During the pilot period, USDI will train 60 students, 30 of whom will be financed through this grant and the remainder by other donors. The consultation in August 1986 will make specific recommendations on student selection. Presently, USDI plans to receive student nominations from community leaders and organizations. It will select students on the basis of demonstrated commitment to community development and social change, and the students' need to apply community organization, small business, cooperative development and negotiation skills in their present positions.

Upon concluding their training, each student must agree to return to his/her organization or position in community development for at least six months.

The pilot courses are expected to begin in April 1987, with student selection completed by February 1987. When the courses are completed in October 1987, USDI will continue working with 10 students who will complete field assignments as part of their jobs in which they apply skills developed during the classroom training period. USDI will also survey its other pilot trainees at regular intervals to assess the applicability of their training.

6. Building Design

In order to establish itself as a recognized and independent training institute, USDI wishes to construct its own building on WFC's premises. Such a building will also be required to accommodate an ongoing training program should the pilot course prove successful. WFC can accommodate a short-term course, but the center is increasingly facing space constraints as organizations, unions and communities continue to look to its facilities as one of the few neutral and safe venues available for meetings and workshops at a reasonable cost.

This grant will only finance the designs for USDI's building. While USDI's long-term viability must still be assessed, USAID and WFC agreed on the cost-effectiveness of completing this preliminary planning stage. Assuming USDI proves viable and meets a critical community need, completion of the plans will allow the Institute and WFC to immediately approach donors to finance construction. This will save inflation costs estimated at 16 percent annually and minimize any momentum loss after the pilot course.

D. Ukukhanya Trust

1. Administration

The Ukukhanya Trust was established in 1981 to help individuals and groups of people develop economic self-reliance, establish occupational and educational projects, and acquire and apply technology appropriate to their skills and needs. To this end, the Trustees are entitled to enter into contracts, agreements and joint-venture undertakings, and to undertake commissions on behalf of third parties whose aims accord with those of the Trust.

In 1986, the Trustees, in conjunction with WFC, agreed to establish under the Trust a special Development Foundation to finance community-based self-help projects promoting social and economic development. The Development Foundation accepts proposals for financing from community groups, selects projects to finance based on the criteria specified in D-2 below, solicits and accepts funds for these projects, facilitates contacts between those implementing projects and technical experts, and audits and evaluates all financed projects.

Upon executing this grant between USAID and WFC, WFC will subgrant \$745,850 to the Ukukhanya Trust for the Development Foundation and its administrative costs. Responsibility for the Foundation will rest with the Ukukhanya Trustees, with day-to-day administration managed by a financial director to be appointed by the Trustees. The financial director will supervise an office consisting of a field officer, administrative assistant and computer clerk.

The Trustees will receive regular reports from their officers and supply donors with required reports and information. In addition, the Trustees will select appropriate subprojects and will exercise sole discretion as to financing and the amounts of any awards. When making awards with funds provided through this grant, the Trustees agree to consult with USAID. The Trustees will also report to the annual meeting of the Wilgespruit Fellowship Center.

2. Project Selection Criteria

The Ukukhanya Trust has established criteria for both selecting subprojects and the size of grants. In order to be eligible for financing, projects must meet the following requirements:

- a. Must be community-based and achieve changes in the apartheid society.
- b. Must have open membership and ensure future full participation.
- c. Must offer either community services or education or promote production.

d. Must agree to enter a contract, submit reports and employ the financial and educational services of the Trust and Wilgespruit Fellowship Center.

e. Must cooperate within a network of programs, projects and institutions which reflect change in the society and the community.

f. Must reflect the aims and objectives of the Trust.

g. Should be selected from a national geographic base and include rural and urban communities.

h. Must have or intend to have a legal, self-managed institutional form which is not for profit.

i. Must involve community contribution and decision-making and blacks must play a prominent role in the operation of the project.

The size of grants will be determined on the following basis:

a. Existing Projects

- (1) Personnel: up to 75%
- (2) Capital: up to 50%
- (3) Activities: up to 50%
- (4) Total: not to exceed 75% of full budget

b. Small Projects: provided there is noticeable community support, up to R40,000 of costs in any year.

c. Start-up Initiatives: provided there is community support and other donor interest, up to 75 percent of costs in the first three years.

3. Illustrative Projects

As indicated above, the Trustee will have sole discretion on making awards and their size, but will consult with USAID in the decision-making process. The Trustee has already solicited proposals from potential grantees, and a number of proposals considered suitable for financing are summarized in Attachment 5.

4. Audit and Evaluation of Grantees

This grant will provide funds for the Ukukhanya Trust to conduct annual audits and evaluations of its grantees. As a condition for assistance, the Trust will require grantees to be open to monitoring, evaluation and administrative review. The Trustees will prepare an audited annual report and, wherever possible, ensure that awards are structured to lead to the independence of grantees as soon as possible.

E. Professional Services

Due to current political conditions in South Africa, circumstances may arise which demand emergency professional services to facilitate ongoing implementation of activities under this grant. Hence, a small contingency fund will be reserved for such services to be utilized for any components of this grant at the discretion of the Wilgespruit Fellowship Center. It is expected that the principal use of this fund will be for legal assistance.

V. Financial Management

A. Accounting Responsibilities

The Wilgespruit Fellowship Center will be responsible for accounting for all funds provided under this grant. Based upon review of WFC's accounting procedures and capabilities, USAID has determined that WFC can maintain adequate records and accounts. However, recognizing that implementation of this grant and compliance with USAID regulations and procedures may impose an additional accounting burden, the grant makes funds available for additional bookkeeping, accounting and audit assistance.

Both USDI and the Ukukhanya Trust will maintain accounts independent of WFC, although WFC will retain ultimate responsibility for grant funds. The USDI and Ukukhanya Trust accounts will be open for USAID's review, either directly or through WFC.

The Ukukhanya Trust will maintain records of all funds provided to grantees, the major line items being financed under each project, and the expenditures under each of those line items. The Trust will be expected to utilize reasonable discretion in determining disbursement levels and rates on individual projects in order to ensure that funds do not lay idle when they could be utilized productively elsewhere.

B. Audit

Funds are budgeted in this grant for WFC to finance an internal audit of all project accounts. The audit will be completed by the end of calendar year 1987 as this coincides with WFC's fiscal year and will minimize any additional expenses that might be incurred from completing an audit for USAID's purposes. WFC also agrees to open all accounts for review should USAID request and finance an external audit.

C. Periodic Advances

Disbursements from USAID to WFC will be made on a periodic advance system. Upon executing this grant, WFC will submit to USAID a request for a 90-day advance based upon expected expenditures, and a one-year expenditure projection. Upon review and approval of the advance request and the one-year expenditure estimate, USAID will advance the approved amount as well as earmark funds for the entire year.

Each month, WFC will submit invoices for all expenditures under the grant. For recurring project costs (e.g. salaries, utilities), USAID will replenish the advance by the level of expenditure. USAID will not replenish the advance for expenditures on one-time capital costs (e.g. vehicles, typewriters) or for expenditures on line items that will not recur on a regular basis (e.g. student scholarships awarded only once a year).

Should there be a need to increase the level of the advance, either for a specific item or for recurrent expenditures, WFC will notify USAID in writing at least 90 days before the required increase. USAID will advise, in writing, of any approved increases.

D. Financial Reporting

WFC and USAID will agree on any financial reporting requirements in addition to monthly invoices, as well as the reporting format, through a grant implementation letter.

VI. Implementation Plan

Within 45 days of executing this agreement the Wilgespruit Fellowship Center will submit to USAID implementation schedules for all activities described in Section IV of this document. USAID will provide assistance as requested, and will comment on the schedules in writing within 30 days of their receipt.

VII. Reporting and Evaluation

A. Reporting

In addition to financial reports, WFC will provide USAID with quarterly reports on general progress with grant activities. These reports will summarize activities planned during the previous quarter, actual accomplishments during the current quarter, obstacles encountered, plans to deal with these obstacles, and general implementation plans during the next quarter. USAID and WFC will agree on a reporting format within 30 days of executing this agreement.

WFC will also provide USAID with an annual report on grant activities, lessons learned during that year, objectives and plans for the following year, and budget requirements for the following year. The annual report will be submitted within 12 months of executing this agreement, and may prove a critical factor in justifying ongoing assistance. Depending on the timing of other evaluation or self-evaluation activities, USAID and WFC may wish to modify the timing or contents of the annual report to minimize duplication of effort.

Within 60 days of the terminal date of this grant, WFC will submit a final report to USAID, the final contents of which will be agreed upon at a later date.

B. Evaluation

Within nine months of executing this agreement, USAID will finance an external evaluation of grant activities. This evaluation will provide the basis for additional obligations, and their levels, to the grantee.

Generally, the evaluation will cover: progress under WFC's five technical departments; community receptivity to the Ubuntu Social Development Institute; USDI's curriculum and student receptivity; projects financed under the Ukukhanya Trust; and financial management and administration under all grant components. WFC and USAID will jointly review and agree upon a detailed scope of work for the evaluation at a later date. Should financing under this grant be extended beyond one year, additional evaluations will be specified in grant agreement amendments.

VIII. Financial Plan

A. Length of Assistance

This grant will finance one-year of project activities at \$1.1 million, with additional financing contingent upon the results of the 9-month evaluation specified above. The expiration date for the agreement is February 28, 1988, which will allow six months past the estimated completion of disbursements to finalize grant activities and settle accounts. IF USAID and WFC agree on continuing assistance beyond one year, the expiration date will be amended accordingly.

For planning purposes, USAID and WFC have examined financial requirements for two additional years under the grant. These requirements are shown in Table 1 as possible future financing and, as specified above, may be adjusted or deleted based on the results of the interim evaluation. Future-year financing is also contingent upon the availability of funds. Hence, possible future financing in Table 1 is solely illustrative and not binding.

B. Assistance Level

Total U.S. dollar assistance to be provided under this grant (\$1.1 million) is based on the South African rand financing required to carry out the activities described in Section IV of this document. The rand requirements have then been converted to U.S. dollars to determine total obligations under this grant. The U.S.

dollar total, and not its rand equivalent, is the binding level of USAID assistance. For planning and illustrative purposes, the South African rand budgets used to derive the dollar totals are shown in Attachment 4.

Due to exchange rate fluctuations, South African rands available under the grant may exceed planning levels and allow additional items to be purchased or activities to be completed. In such an event, WFC will consult with USAID on the priority use of these funds. General items which would be eligible for financing are specified in Section B of Table 1.

Table 1. Illustrative Financial Plan
(U.S. dollars)
Budget Summary

	(U.S. dollars)			
	<u>This</u>	<u>Previous</u>	<u>Possible</u>	<u>Possible</u>
	<u>Increment</u>	<u>Increment</u>	<u>Future</u>	<u>Total</u>
			<u>Financing</u> ^{3/}	<u>Grant</u>
A. Project Budget ^{1/}				
1. Wilgespruit Fellowship Ctr.				
a. Departments	120,850	--	157,815	278,665
b. Professional Services	14,285	--	28,570	42,855
c. Sub-total	135,135	--	186,385	321,520
2. Ubuntu Social Development Inst.				
a. Capital	15,710	--	--	15,710
b. Administration	20,210	--	--	20,210
c. Training	93,095	--	--	93,095
d. Personnel	42,400	--	--	42,400
e. Building Designs	47,600	--	--	47,600
f. Sub-total	219,015	--	--	19,015
3. Ukukhanya Trust				
a. Administration	107,100	--	149,540	256,640
b. Development Foundation	638,750	--	755,630	1,394,380
c. Sub-total	745,850	--	905,170	1,651,020
4. Total	1,100,000	--	1,091,555	2,191,555
B. Additional Eligible Items ^{2/}				
1. Wilgespruit Fellowship Center				
a. Photo-printer				
2. Ubuntu Social Development Institute				
a. Building Designs				
3. Ukukhanya Trust				
a. Development Foundation				

^{1/} Section A summarizes the dollar breakdown of funds made available under this grant.

^{2/} Should exchange rate fluctuations make additional SAR available to the project, items in Section B will become eligible for financing. WFC will consult with USAID on which items within the eligible list will be considered priorities.

^{3/} Possible future-year financing is contingent upon the results of an interim evaluation scheduled for nine months after the signing of the agreement, as well as the availability of funds.

ATTACHMENT 3

Standard Provisions for Non-U.S., Nongovernmental Grantees

1. Allowable Costs
2. Accounting, Audit and Records
3. Refunds
4. Revision of Grant Budget
5. Termination and Suspension
6. Disputes
7. Ineligible Countries
8. U.S. Officials Not to Benefit
9. Non-liability
10. Amendment
11. Notices
12. Air Travel and Transportation
13. Procurement of Goods and Services
14. AID Eligibility Rules for Goods and Services
15. Local Cost Financing
16. Subagreements
17. Publications
18. Title To and Use Of Property

ATTACHMENT 3

STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES

1. ALLOWABLE COSTS

(a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable cost principles in effect on the date of this grant, which will be provided at a later date.

(1) Reasonable. Shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are necessary to the grant.

(3) Allowable Costs. Shall mean those costs which must conform to any limitations set forth in this grant.

(4) Unallowable costs, direct or indirect, include but are not limited to the following examples: Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved. Additionally, public information service costs are unallowable as indirect costs.

(b) Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer's written determination as to whether the cost will be allowable.

When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient" "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

2. ACCOUNTING, AUDIT, AND RECORDS

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. Accounting records that are supported by documentation will as a minimum accumulate and record all costs incurred under a grant and disclose the amount of that portion of the cost of the project supplied by other sources. The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by AID and/or its representatives.

(b) The grantee agrees to have the funds provided under the grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to AID. AID will review the audit reports to determine the adequacy of audit coverage. If AID determines that the audit coverage is not sufficient to verify the source and application of grant funds or that the audit does not meet the requirements of an independent audit, a second audit will be performed by AID.

(c) The following language shall be inserted in all subgrants valued in excess of \$10,000.

(1) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. These records shall be maintained for three years after final payment. These records may be audited by the grantor's representatives.

(2) The grantee agrees to have the funds provided under this grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to the grantor. If the audit coverage is not sufficient to verify the source and application of grant funds or the audit does not meet the requirements of an independent audit, a second audit will be requested of the grantee and that audit shall meet the requirements of the grantor.

3. REFUNDS

(a) The grantee shall remit to AID all interest earned on funds provided by AID.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee at the time of expiration or termination of the grant shall be refunded to AID except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by AID that funds it provided under this grant have been expended for purposes not in accordance with the terms of this grant, the grantee shall refund such amount to AID.

4. REVISION OF GRANT BUDGET .

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

(3) The grantee expects the amount of AID authorized funds to exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.

(4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

(5) The grantee intends to contract or subgrant any of the work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(c) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination and Suspension" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified the new grant total amount.

5. TERMINATION AND SUSPENSION .

(a) For Cause. This grant may be terminated for cause at any time, in whole or in part, by the grant officer upon written notice to the grantee, whenever it is determined that the grantee has failed to comply with the conditions of the grant.

(b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the grant officer to the grantee.

(c) Suspension: Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law, then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.

(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In connection with any appeal proceeding under this provision, the grantee shall be given an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or an authorized representative shall be final unless overruled by a court of competent jurisdiction.

7. INELIGIBLE COUNTRIES

Unless otherwise approved by the AID grant officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

3. U.S. OFFICIALS NOT TO BENEFIT

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this grant if made with a corporation for its general benefit.

9. NONLIABILITY

AID does not assume liability for any third party claims for damages arising out of this grant.

10. AMENDMENT

The grant may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the grant officer and an appropriate official of the grantee.

11. NOTICES

Any notice given by AID or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

12. AIR TRAVEL AND TRANSPORTATION

(a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant mission, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a SF 1169, Government Transportation Request (GTR), which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the U.S. and/or its territories and one or more foreign countries.

d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this part.

e) U.S. flag air carrier service is considered available even though:

(1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;

(2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

(3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

(f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the U.S. being performed by a foreign air carrier:

(1) U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(3) Where a U.S. flag air carrier involuntarily reroutes the traveler via foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.) passenger service by U.S. flag air carrier will not be considered available:

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier:

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

(1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the U.S., if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(3) Where the travel is not part of a trip to or from the U.S.; if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.

(k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. air flag carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows:

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above)."

(1) International Travel

(1) As used herein, the term "international travel" includes travel to all countries other than travel within the home country of the grantee.

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

(m) This provision will be included in all subagreements and contracts which require air travel and transportation under this grant.

13. PROCUREMENT OF GOODS AND SERVICES

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements listed below and the standard provision entitled "AID Eligibility Rules For Goods and Services".

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. Conflict of interest situations involving employees, officers or agents or their immediate families shall be avoided. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the offeror whose offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the offeror must fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for at a minimum, the following procedural requirements:

(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary items.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition.

(iii) (Not applicable)

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. In those instances where a cost type contract authorizes a fee, a fixed amount will be used in lieu of a percentage of cost.

(v) Contracts shall be made only to responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed contract. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Contracts shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.

(vi) All proposed sole source contracts or where only one proposal is received in which the aggregate expenditure is expected to exceed \$10,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of \$10,000 shall include the following:

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive offers are not obtained;

(C) Basis for award: cost or price.

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract and subcontract shall contain in addition to provisions to define a sound and complete contract, the following contract provisions as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where AID is mentioned the grantee's name shall be substituted.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(3) All negotiated contracts over \$10,000 awarded by recipients shall include a provision to the effect that the recipient, AID or their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(4) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

(5) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

14. AID ELIGIBILITY RULES FOR GOODS AND SERVICES

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

(1) Ineligible Goods and Services. Under no circumstances shall the grantee procure any of the following under this grant:

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended or Ineligible Awardees (AID Regulation 8 (22 CFR 208)). AID will provide the grantee with this list upon request.

(3) Restricted Goods. The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers,
- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into the two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. The total procurement element includes procurement of all goods (e.g. equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. AID policies on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, (Procurement Policies):

(1) When the total procurement element during the life of this grant is valued at \$250,000 or less, the following rules apply:

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U.S. dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (A) The United States (AID Geographic code 000),
- (B) The Cooperating Country,
- (C) Selected Free World countries (AID Geographic Code 941),
- (D) Special Free World countries (AID Geographic Code 935).

(ii) Application of Order of Preference: When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(ii) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Impelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources,
or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

(2) When the total procurement element exceeds \$250,000, the following rule applies: Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U.S. dollars, shall be procured in and shipped from the U.S. (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant.

(c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U.S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U.S. with a company or companies authorized to do marine insurance business in the U.S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant

(e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference:

(1) The United States (AID Geographic code 000),

(2) The Cooperating Country,

(3) Selected Free World countries (AID Geographic Code 941),

(4) Free World countries (AID Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

15. LOCAL COST FINANCING

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported shelf items are goods that are normally imported and kept in stock, in the form in which imported, for sale to meet a general demand in the country for the item.

Imported shelf items are eligible in unlimited quantities if they have their origin in a country included in AID Geographic Code 941. Imported shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit does not exceed \$5,000. For goods sold by units of quantities; e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied is that which is customarily used in quoting prices. The total amount of imported shelf items purchased from countries included in Code 899 but not in Code 941 may not exceed \$25,000 or 10% of the total local costs financed by AID for the grant, whichever is higher; however, in no case may the total amount of such purchases exceed \$250,000 without first obtaining a specific geographic source waiver. Imported shelf items produced in or imported from countries not included in Geographic Code 899 are ineligible for AID financing.

(b) To qualify as local costs, goods and services must also meet the following additional requirements:

- (1) They must be paid for in local currency.
- (2) They must not be specifically imported for this grant.
- (3) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined Handbook 1B, Chapter 5.
- (4) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

(c) Ineligible Goods and Services: Under no circumstances shall the grantee procure any of the following under this grant:

- (1) Military equipment,
- (2) Surveillance equipment,
- (3) Commodities and services for support of police or other law enforcement activities,
- (4) Abortion equipment and services,
- (5) Luxury goods and gambling equipment, or
- (6) Weather modification equipment.

(d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended, or Ineligible Awardees (AID Regulation 8, (22 CFR 208)). AID will provide the grantee with this list upon request.

(e) Restricted Goods: The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (1) Agricultural commodities,
- (2) Motor vehicles,
- (3) Pharmaceuticals,
- (4) Pesticides,
- (5) Rubber compounding chemicals and plasticizers,
- (6) Used equipment,
- (7) U.S. Government-owned excess property, or
- (8) Fertilizer.

(f) IF AID determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

16. SUBAGREEMENTS

(a) Awards shall be made only with responsible recipients who possess the potential ability to perform successfully under the terms and conditions of a proposed agreement. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Awards shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.

(b) All subagreements shall as a minimum contain in addition to provisions to define a sound and complete agreement, the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where AID is mentioned, the grantee's name will be substituted.

(1) Subagreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.

(2) All subagreements in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such subagreements shall describe conditions under which the subagreement may be terminated for default as well as conditions where the subagreement may be terminated because of circumstances beyond the control of the subrecipient.

(3) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, AID, or their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(4) Subagreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or subagreements in the field of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the subagreement are subject to the regulations contained in the provisions of this grant. The subrecipient shall be advised as to the source of additional information regarding these matters.

17. PUBLICATIONS

(a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.

(b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.

(c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant unless the schedule of the grant has identified the profits or royalties as program income.

(d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

18. TITLE TO AND USE OF PROPERTY

(a) Title to all property financed under this grant shall vest in the grantee.

(b) The grantee agrees to use and maintain the property for the purposes of the grant.

(c) With respect to property having an acquired value of \$1,000 or more, the grantee agrees to report such items to the grant officer as they are acquired and to maintain a control system which will permit their ready identification and location.

(d) Within thirty calendar days after the end of the grant, the grantee will provide a list to the grant officer of each item that has an appraised value of \$1,000 or more with a detailed proposal of what the grantee intends to do with that property. If the grant officer does not respond within 120 calendar days, the grantee may proceed with the disposition of the property. However, if the grantee uses the property for purposes other than those of the grant or sells or leases the property, AID shall be reimbursed for its share of the property unless the grant officer authorizes AID's share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of AID's contribution to the grantee's program. If AID paid 100% of the grantee's costs, then AID would receive 100% of the selling cost less a nominal selling fee of \$100.

SUPPORTING BUDGETS

This Attachment provides the South African rand budgets used to derive the Illustrative Financial Plan (Table 1) in the Program Description and Financial Plan. These supporting budgets are only illustrative and do not constitute a binding commitment on the U.S. Government. As with the Financial Plan shown in Table 1, the following tables show both the agreed upon project budget and additional items that would become eligible for financing should exchange rate fluctuations permit. The Tables included in this Attachment correspond to the project components and are summarized below.

- Table 2: South African Rand Budget Summary for All Components
- Table 3: Summary of all Items Financed Under the Wilgespruit Fellowship Center
 - Table 3.1: AIM Component of Wilgespruit Fellowship Center
 - Table 3.2: SHADE Component of Wilgespruit Fellowship Center
 - Table 3.3: NHP component of Wilgespruit Fellowship Center
 - Table 3.4: WITI Component of Wilgespruit Fellowship Center
 - Table 3.5: COD Component of Wilgespruit Fellowship Center
- Table 4: Budget Summary for Ubuntu Social Development Institute
- Table 5: Budget Summary for Ukukhanya Trust
 - Table 5.1: Illustrative Project Budgets under Ukukhanya Trust

Tab. 2. South African Rand Budget (South African Rand)

	<u>This Increment</u>	<u>Previous Increment</u>	<u>Possible Future Financing</u>	<u>Possible Total Grant</u>
A. <u>Project Budget</u>^{1/}				
1. Wilgespruit Fellowship Ctr.				
a. Departments	253,780	--	331,416	585,196
b. Professional Services	30,000	--	60,000	90,000
C. Sub-total	283,780	--	391,416	675,196
2. Ubuntu Social Devel. Institute				
a. Capital	33,000	--	--	33,000
b. Administration	42,500	--	--	42,500
c. Training	195,500	--	--	195,500
d. Personnel	89,100	--	--	89,100
e. Building Designs	100,000	--	--	100,000
f. Sub-total	460,100	--	--	460,100
3. Ukukhanya Trust				
a. Administration	225,000	--	314,040	539,040
b. Development Foundation	1,341,520	--	1,586,822	2,928,342
c. Sub-total	1,566,520	--	1,900,862	3,467,392
4. Total	2,310,400	--	2,292,278	4,602,678
B. <u>Additional Eligible Items</u>^{2/}				
1. Wilgespruit Fellowship Ctr.				
a. Photo-printer	126,500	--	--	126,500
2. Ubuntu Social Development Institute				
a. Addition to Building Designs	35,700	--	--	35,700
3. Ukukhanya Trust				
a. Development Foundation	258,480	--	263,178	521,658
4. Total	420,680	--	263,178	683,858
C. <u>Potential Total Grant</u>^{3/}	2,731,080	--	2,555,456	5,286,536

^{1/} Section A represents level of South African Rand financing agreed upon by USAID and the Wilgespruit Fellowship Center as the basis for a total grant of U.S. \$1,100,000.

^{2/} Should exchange rate fluctuations make additional SAR available to the project, items in Section B will become eligible for financing. Wilgespruit Fellowship Center will consult with USAID on which items within the eligible list will be considered priorities. The stated costs are only illustrative for planning purposes.

^{3/} Potential total grant assumes that all additional financing due to exchange rate fluctuations becomes eligible.

^{4/} Possible future year financing is contingent upon the results of an interim evaluation scheduled for nine months after the signing of the agreement as well as the availability of funds.

Table 3. Wilgespruit Fellowship Center: Component Summary
(South African Rands)

	<u>Year 1</u>	<u>Year 2</u> ^{3/}	<u>Year 3</u> ^{3/}	<u>Total</u>
A. Priority Funds ^{1/}				
1. AIM	39,180	43,638	--	82,818
2. SHADE	70,700	64,580	70,038	205,318
3. NHP	51,000	42,000	40,530	133,530
4. WITI	56,000	33,800	36,830	126,630
5. COD	36,900	--	--	36,900
6. Professional Services	30,000	30,000	30,000	90,000
7. Sub-total	283,780	214,018	177,398	675,196
B. Additional Eligible Items ^{2/}				
1. Photo-printer	126,500	--	--	126,500
C. Total	410,280	214,018	177,398	801,696

^{1/} Section A represents the level of South African rand financing agreed upon by USAID and the Wilgespruit Fellowship Center. The U.S. dollars obligated for this project are the binding financial ceiling.

^{2/} Should exchange rate fluctuations make additional SAR available to the project, items in Section B will become eligible for financing.

^{3/} Future-year financing is illustrative and not binding under this grant.

Table 3.1. Agency for Industrial Mission: Hostel and Migrants Service
(South African Rands)

	<u>Year 1</u>	<u>Year 2</u> ^{1/}	<u>Year 3</u>	<u>Total</u>
A. <u>Personnel</u>				
Project Coordinator	15,000	16,500	--	31,500
B. <u>Capital</u>				
Vehicle	15,000	--	--	15,000
Caravan Office	1,180	--	--	1,180
C. <u>Workshops</u>				
Local	2,000	5,720	--	7,720
National	--	8,800	--	8,800
D. <u>Operating Costs</u>				
Transport	2,000	4,500	--	6,500
E. <u>Administration</u>	4,000	8,118	--	12,118
F. <u>Total</u>	R39,180	R43,638	--	R82,818

^{1/} Future-year financing is illustrative and not binding under this grant.

Table 3.2. SHADE: Self-Help Marketing Assistance
(South African Rands)

	<u>Year 1</u>	<u>Year 2</u> ^{1/}	<u>Year 3</u> ^{1/}	<u>Total</u>
A. <u>Personnel</u>				
Product Advisor	10,800	11,880	13,068	35,748
Assistant	9,800	10,800	11,880	32,480
B. <u>Transport</u>				
Vehicle	18,500	--	--	18,500
Running Costs	4,000	8,800	9,680	22,480
C. <u>Publications</u>				
Advertising/Brochures	15,000	16,500	18,150	49,650
D. <u>Administration/Office</u>	12,600	16,600	17,260	46,460
E. <u>Total</u>	70,700	64,580	70,038	205,318

^{1/} Future-year financing is illustrative and not binding under this grant.

Table 3.3. New Horizon Project: Urbanization and Squatter Action and Research
(South African Rands)

	<u>Year 1</u>	<u>Year 2</u> ^{1/}	<u>Year 3</u> ^{1/}	<u>Total</u>
A. <u>Personnel</u>				
Project Coordinator	15,000	16,500	18,150	49,650
B. <u>Transport</u>				
Vehicle	15,000	--	--	15,000
Running Costs	5,000	8,800	9,680	23,480
C. <u>Program Costs</u>				
Materials/Publications	3,000	2,200	1,500	6,700
Loan Funds	10,000	9,000	5,000	24,000
D. <u>Administration/Office</u>	3,000	5,500	6,200	14,700
E. <u>Total</u>	51,000	42,000	40,530	133,530

^{1/} Future year financing is illustrative and not binding under this grant.

Table 3.4. WITI: Network and Awareness Raising Services
(South African Rands)

	<u>Year 1</u>	<u>Year 2</u> ^{1/}	<u>Year 3</u> ^{1/}	<u>Total</u>
A. <u>Personnel</u>				
Project Coordinator	15,000	16,500	18,150	49,650
B. <u>Transport</u>				
Vehicle	15,000	--	--	15,000
Operating Costs	5,000	8,800	9,680	23,480
C. <u>Program Costs</u>				
Training	6,000	1,000	1,000	8,000
Equipment/Materials	6,000	1,000	1,000	8,000
Loan Funds	5,000	2,000	2,000	9,000
D. <u>Administration/Office</u>	4,000	4,500	5,000	13,500
E. <u>Total</u>	56,000	33,800	36,830	126,630

^{1/} Future year financing is illustrative and not binding under this grant.

**Table 3.5. Community Organizing Division: Soweto Open Residential Program
(South African Rands)**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
A. <u>Personnel</u>				
Program Coordinator	15,000	--	--	15,000
B. <u>Transport</u>				
Vehicle	15,000	--	--	15,000
Operating Costs	2,000	--	--	2,000
C. <u>Program Costs</u>				
Workshops	2,500	--	--	2,500
D. <u>Administration</u>	2,400	--	--	2,400
E. Total	36,900	--	--	36,900

Table 4. Ubuntu Social Development Institute
(South African Rands)

A. <u>Capital</u> ^{1/}	
Vehicle	25,000
Typewriter	3,000
Furniture/Office	5,000
Sub-total	<u>33,000</u>
B. <u>Administration</u>	
Telephone	6,000
Utilities	7,500
Audit Fees	3,000
Insurance	12,000
Maintenance	7,500
Vehicle Maintenance	6,000
Sub-total	<u>42,500</u>
C. <u>Training</u>	
Participants (30 @ 3,500)	105,000
Field Activities	25,000
Follow-up	5,000
Publications	20,500
Consultation Costs	50,000
Sub-total	<u>195,500</u>
D. <u>Personnel</u>	
Director (2,800 x 12)	33,600
Bookkeeper	7,500
Secretary (1,500 x 12)	28,000
Course Coordinator (2,500 x 12)	30,000
Sub-total	<u>89,100</u>
E. <u>Building Designs</u>	100,000
F. <u>Sub-total</u>	<u>460,100</u>
G. <u>Additional Eligible Items</u> ^{2/}	
Addition to Building Designs	35,700
H. <u>Total</u>	495,800

^{1/} Items A through E represent the level of South African rand financing agreed upon by USAID and the Wilgespruit Fellowship. The U.S. dollars obligated for this project are the binding financial ceiling.

^{2/} Should exchange rate fluctuations make additional SAR available to the project, Item G will become eligible for financing.

Table 5. Ukukhanya Trust
(South African Rands)

	<u>Year 1</u>	<u>Year 2 ^{4/}</u>	<u>Year 3 ^{4/}</u>	<u>Total</u>
A. <u>Administration ^{1/}</u>				
Financial Director	36,000	39,600	43,560	119,160
Administrative Assistant	20,000	22,000	24,200	66,200
Field Officer	24,000	26,400	29,040	79,440
Computer Clerk	18,000	19,800	21,780	59,580
Office Rent	16,000	17,600	--	33,600
Administration	25,000	10,000	--	35,000
Travel	6,000	--	--	6,000
Audit/Evaluation	15,000	16,500	18,150	49,650
Printing	10,000	12,100	13,310	36,410
Equipment	30,000	--	--	30,000
Vehicles	24,000	--	--	24,000
Sub-total	225,000	164,000	150,040	539,040
B. <u>Development Foundation ^{2/}</u>	1,341,520	865,282	721,540	2,928,342
C. Sub-total	1,566,520	1,029,282	871,580	3,467,382
D. Additional Eligible Items				
Addition to Development Foundation	258,480	134,718	128,460	521,658
E. Total SAR	1,825,000	1,164,000	1,000,040	3,989,040

^{1/} Sections A through C represent level of South African rand financing agreed upon by USAID and the Wilgespruit Fellowship Center.

^{2/} The cost of illustrative projects to be financed through this Foundation are on the following page. Particularly in years 2 and 3, projects may not be fully financed through this Foundation.

^{3/} Should exchange rate fluctuations make additional SAR available to the project, additional funds will be added to the Development Foundation.

^{4/} Future-year financing is illustrative and not binding under this grant.

Table 5.1. Ukukhanya Trust
Illustrative List of Project Budgets ^{1/}

<u>Project Name</u>	<u>Area</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
St. Joseph s Community Co-op.	N. Tvl.	73,482	51,840	52,765
Ipelegang Community Center	S. Tvl.	53,320	40,395	44,434
Imizanco Youth	S. Tvl.	14,744	83,242	95,000
Edendale Lay Ecumenical Center	Natal	87,177	71,449	87,335
Ngzandla Zethu	Kwa-Zulu	21,698	23,000	25,000
Mdukutshani	Natal	162,205	208,081	228,889
ICWIM (Zoar)	O.F.S.	120,000	230,000	320,000
Trade Unions	S. Tvl.	95,000	102,000	123,100
St. Barnabas College	S. Tvl.	250,000	250,000	250,000
St. Ansgar s College	S. Tvl.	125,000	125,000	125,000
Langa Community Project	E. Cape	95,000	102,000	123,000
Black Housewives League	N. Tvl.	83,960	158,000	119,602
Soweto Open Residential Program	S. Tvl.	190,000	152,150	145,256
Helwel	Kwa-Zulu	104,031	85,559	94,130
Gugulthu	Natal	29,121	34,600	25,000
Tumblewood Toys	E. Cape	75,000	80,000	86,109

^{1/} This is an illustrative list of projects being considered for financing by the Ukukhanya Trust. It is not an exhaustive list, and inclusion is not a definitive indication that the project will be financed. Estimated amounts of funding for each year of a three-year period are provided. totals are not provided as the list is for purposes of illustration only, and does not comprise either a total list of projects being considered by the Trust, or a definitive list of projects which would benefit from USAID financing.

Ukukhanya Trust
Illustrative Project Summaries

This attachment contains summaries of some of the projects eligible for financing by the Ukukhanya Trust. It provides an example of the range and type of activities the Trust considers for financing, but is not exhaustive. Inclusion does not indicate a definite intention to fund.

UKUKHANYA TRUST DEVELOPMENT FOUNDATION

SUMMARY OF PROJECTS/PROGRAMMES:

ST JOSEPH'S COMMUNITY WEAVING CO-OPERATIVE:

LOCATION: Northern Transvaal - Tsianda village - Rural area

PROJECT DESCRIPTION:

This weaving project was originally set up to supplement income of women in the region. Weaving carpets and tapestries from wool proved to be a craft well suited to the naturally artistic Venda women. Their delicately decorated homes bear witness to that.

Initiated by a Catholic missionary, this project has been in existence since 1979. At the request of Catholic Bishop Slattery this project is being transferred into the control, management and ownership of the workers with the assistance of SHADE who provide the training related to these areas. A full-time marketing manager and development officer for the region services the project and it is anticipated that this will be a three year process while he withdraws as locals take over the various functions both of the weaving project and the community service projects in the region.

The project members are 28 in number and fulfil the following functions:
6 persons are spinners
18 persons are weavers
2 persons assist with marketing and administration
2 persons are finishers and packers of the goods.

From the base of this weaving production project other community activities will be initiated over this three year period - a community bulk-buying scheme for basic groceries being one of the needs identified by the local village community.

IPELEGENG COMMUNITY CENTRE

LOCATION: JABAVU, SOWETO

PROJECT DESCRIPTION

This community centre is based in the heart of Soweto on Church property belonging to the Johannesburg Anglican Diocese, under the ultimate jurisdiction of the Bishop of Johannesburg.

This community centre provides conference facilities for Trade Union groups, community programmes and church related projects.

Besides supplying meeting and conference facilities, this community centre provides office space to Black organisations operating in Soweto that service the community.

A series of programmes have been initiated to service community needs - these include a candle production group, a group making wire coat hangers. Total number of persons involved in productions groups is approximately 150 persons. The facilities for servicing community needs also includes a library manned by the US Information Services geared to assisting students with reference materials, and is in the process of initiating a computer familiarisation programmes geared to school children who have to become adjusted to the technological skills needed to find employment in a sophisticated economy.

The board consisted of six members appointed by the Bishop and six members elected by the community.

IMIZAMO YETHU SEWING PROJECT

LOCATION: SOWETO

Urban Area

PROJECT DESCRIPTION

Five women who had been retrenched from the clothing industry banded together into a group in 1978 and over the years have become known for quality products whose market is almost exclusively in the Black community providing track suits for sport's club members as well as boutique type clothing to the upper income bracket in the Black community.

The project operates from a garage but has managed to secure land to expand the project and obviously needs the injection of capital to secure additional equipment so as to enlarge its membership.

The project hopes to expand to include a further 10 members into its production network so as to be able to meet orders secured as a result of the expanding markets.

NGEZANDLA ZETHU HANDCRAFT PROJECT

LOCATION: Northern KwaZulu
Emanquzi region
RURAL AREA

PROJECT DESCRIPTION:

This project started in 1979 by the Methodist church as a handcraft project to provide income to craft producers in the region. It has a network of 800 producers although only 65 producers are regular monthly suppliers of goods.

Products include a wide-range of grass and Illala palm products of excellent quality ranging from shopping baskets, palm bracelets, grass floor mats to fishing traps.

The staff of six is entirely black and recently the project manager has placed the project under the umbrella of the Umboza Development Project which consists of a local management committee and a set of sub-committees elected for functional projects e.g. water project sub-committee, building project sub-committee etc.

The development projects use the services of consultants from the Durban university for their financial management training and rely on SHADE to secure further afield markets for those items which are exclusively craft-related items.

MDUKUTSHANI : THE 'RCHES: AGRICULTURAL PROJECT (C ')

LOCATION: Three farms consisting of 2,543 hectares and known collectively as Mdukutshani.

RURAL AREA: Weenen District, on the border of Msinga in Kwa-Zulu, Natal region.

PROJECT DESCRIPTION:

CAP Farm Trust exists to help meet the needs of the local people and consisted of a management committee of local leaders and a Trust consisting of both local leaders and outside consultants.

The activities include:

Legal Aid and Welfare

In an attempt to prevent the further brutalising of farm labourers on white neighbouring farms, the CAP fieldworker investigates cases of assault and prepares the documentation to bring legal prosecution to those accused of such crimes. They have a history of successful cases brought and won on behalf of persons who would not normally know they have legal channels of redress.

During the drought period, the CAP assisted some persons with emergency assistance which did not entail charity handouts but involved the community in a process of food for work projects. Among such projects initiated were:

- * The collection of bones which were then exchanged for food and the bones sold to the local bonemeal factory, to enable extra food to be purchased for yet further exchange.
- * The building of a dam which would be a symbol of community involvement long after the emergency aid was stopped.

Homecrafts, agriculture, reclamation and community development

Among the other programmes operating under CAP are:

- A bead project involving 100 bead producers who are assisted to supplement their income. In 1985, the bead side of the project earned R120 000 benefitting 100 families.

The bead work industry is now 18 years old and yields a regular R100 additional monthly income to producers. There is, however, need for capital to purchase raw materials in advance of production schedules.

- Agriculture involves the allocation of plots for gardening purposes where people are encouraged to grow their own vegetables. 160 garden plots are allocated to community members and are operational at this time.
- The other aspect of the agricultural work includes: supplying browse to hundreds of goats owned by poor families, grazing for 350 cattle and firewood for more than 200 families.

Reclamation

A programme which attempts to reclaim barren earth has been recently initiated and involves winning back 850 hectares for future production purposes in the next 10 years.

Community Development

Of CAP's regular workforce, only 14 have ever been to school. Education in the job therefore becomes a priority. Staff acquire skills by meeting head-on a daily collection of small disasters. Meeting these challenges and solving these problems gives the confidence necessary to continue to cope with the wide range of activities.

EDENDALE LAY ECUMENICAL CENTRE

LOCATION: EDENDALE BLACK TOWNSHIP, PIETERMARITZBURG, NATAL

Urban Area

The Edendale Lay Ecumenical Centre has been in existence for a period of approximately 10 years and is situated in the centre of the Edendale Black community.

The Centre provides meeting facilities and conference facilities at reasonable cost to community, church and trade union projects.

It also has specific projects operating from the centre with an out-reach into the neighbouring rural areas. The specific projects that are involved are:

- A basic sewing training project which offers training to individuals in skills and organisational aspects - this course is offered three times a year and approximately 20 persons attend the course full-time for a three month period for each training session.
- A domestic science project: teaching skills in baking, laundering, homecrafts and gardening. Participation in the courses varies from 10 persons to 20 persons per training course.
- A youth programme with an active membership of 85 persons and a network of 35 associate members. The programme for youth includes a scholar and student tuition programme, and seminars on youth issues.

The board of management is entirely black controlled and the director of the Centre is a Black man with experience in running community projects with a service organisation.

ZOAR COMMUNIT 'ARM PROJECT

LOCATION: ORANGE FREE STATE

Rural Area bordering upon an Urban Area

PROJECT DESCRIPTION

An Afrikaner, Doctor Van Aswegen, who has worked for many years in the Black community as a Physician has ceded his project of 1200 hectares, to a Trust for the exclusive use of Blacks and for the provision of training in agricultural techniques. The Trust visualises a training project geared to meeting the needs of the Lesotho migrant workers who are in need of additional skills for use in their back-home situation.

There are many farm workers in the region who are becoming redundant as agriculture in the region begins to mechanise. It is hoped that as well as providing agricultural techniques, an industrial training school will be set in operation which would enable farm labourers in the region who have lost their jobs, to learn new skills and therefore be able to take up positions in the formal economic sector.

The farm is strategically well positioned being within one and a half hours drive from the Orange Free State goldfields, has good communication and telephone links and the basic farm infrastructure is in position.

The farm already has a school on the property which employs teachers for the 150 pupils attending the primary school from the local farmers in the region. There is also a clinic which is manned by a Black nurse and serviced by Dr Van Aswegen once a week.

ST ANSGAR'S MISSION SCHOOL

LOCATION: ROODEPOORT MAGISTERIAL DISTRICT

Urban Area

PROJECT DESCRIPTION:

As a result of unrest in Black schools, a number of parents got together to initiate an experimental pilot project in December 1985, and asked the Centre for Creative Living to take 25 children from the Soweto community to see whether the methods of pupil participation were transferable to children who had been through the Bantu Education System.

The results were very positive and dramatic during the two weeks of the experiment.

As a result it was decided to start a school which the parents would control and which would enable the parents themselves to employ the teachers and recruit the pupils. The committee negotiated for a church property situated in Roodepoort.

The response for this alternative control and curriculum was overwhelming and when the school started its registration - 350 pupils registered. Of those 350 pupils who registered - 300 pupils were accepted into the school.

There is an urgent need for scholarships as the school is entirely independent - each parent pays R100 towards school fees per month per child at great sacrifice and cost to themselves in the desperate desire to let their children have access to better quality education.

The parents would like to see this school as a symbol of the 10 years' of struggle of school children to gain access to quality education and have chosen 1986 as the year to initiate alternative schools. It is also the Centenary of Johannesburg and Soweto parents feel that this would also be an apt way of celebrating this event rather than be involved in the flippant activities which they see in white Johannesburg.

LOCATION: EASTERN CAPE PROVINCE

Urban Area

PROJECT DESCRIPTION

The Cape Province has the highest rate of unemployment in the country. It also has the largest divisions along ideological and political lines which have led to violence and division among various communities.

The Langa Community Programme is an attempt to set up a resource group in the region which would be able to offer the following services:

- Consultation skills to community programmes, individuals and groups.
- Training skills both for the technical training needed to set up production groups around the products identified, as well as the management and ownership skills required by members of production groups.
- Provide a regional network of resources which can be linked to the communities who identify the need, and the Langa Community Programme which would have the capability of identifying the resources in the region to meet those needs.
- Co-ordinating the training needs of other community workers in the region to look not only at the production related expertise needed to motivate a community, but also the community organising skills needed to assist the community to address some of the imbalances in terms of resources which they could pressure for through community action.

This programme is in its formative stages and is an attempt by community leaders to gain control over the unabated violence which has plagued this community in the Cape Region for the last two years by providing meaningful resources, training and skills to people whose frustration level has reached manic proportions.

HEALTH AND WELFARE (HELWEL)

LOCATION: KWA-ZULU BASED AT KWANZIMELA CONFERENCE CENTRE

Rural Area

PROJECT DESCRIPTION

This regional training and resource centre is based in the Kwa-Zulu region and is under the auspices of the Regional Council of Churches - the Zululand Council of Churches, which has a working relationship with the central South African Council of Churches.

This regional centre has a network of projects, its services and provides a training in people-based development for the region.

The projects it services range from production groups, sewing, knitting, a dairy co-operative, and agricultural projects which are geared for skill training and development for the ultimate goal of economic development to a series of education programmes which are geared to servicing the marketing, bookkeeping and co-operative education skills needed for worker control.

There are projects within the network which focus on pre-primary school education and community education for social and cultural development of those involved in these projects.

Each project consists of a management committee which is responsible for the day to day running of the project and the board of management constitutes one representative from each project on this board which sets broad policy for all the projects.

There are at present 12 projects directly serviced by the administrative and education unit involving between 10 persons per project to 100 per project.

For the regional training events groups/organisations/and individuals servicing other projects in the region are invited and participate in such training events.

TUMBLEWOOD TOYS

LOCATION: EASTERN CAPE PROVINCE

Semi-Urban Area

PROJECT DESCRIPTION

Unemployment in Grahamstown is estimated at 75% with a Black population of 60 000 which is growing more rapidly than the national average.

Tumblewood Toys was founded in April 1984, with the following objectives:

To make top quality products. They chose to make toys because they wanted to make a socially useful product and to aid children's play seemed to be a way of contributing to education in the most basic sense. Six products have been chosen and are in production.

To provide training to unemployed and unskilled workers but at the same time to provide a creative and democratic working environment.

Both the founders of the project have had considerable experience in development projects. The workers presently in training and in production were unskilled, unemployed, and consequently unable to invest capital into the project at the initial stages.

The founders have involved the 8 workers in the project and structure of the project to stand between a private company model and a co-operative. To demonstrate this the profit sharing policy will be distributed as follows:

20% to be shared in cash among all employees.

10% to be donated to community projects which involve production or construction such as the setting up of township production co-operatives or assisting in the construction of a community playground.

40% to be reinvested in capital assets.

30% of profits to be distributed to directors who can lend it to the company if they wish.

This small enterprise will not create a vast impact in terms of the actual job creation numbers needed in the region, but we do believe that it is an important experiment in an alternative production structure which is more just and begins to address the crucial issue of the maldistribution of skilled resources, profit sharing and participation among the underprivileged sections of our South African Black community.

GUGULETHU CLOTHING CO-OPERATIVE

LOCATION: EDENDALE BLACK TOWNSHIP, Pietermaritzburg, Natal

URBAN AREA

PROJECT DESCRIPTION:

The Gugulethu Clothing Co-operative is a self-help group of 20 women working together towards the fulfillment of their economic and social needs by providing goods and services to the black community at reasonable cost.

The range of products produced by these women include school uniforms, children's clothing and a range of selected adult garments. Orders for school uniforms have been secured directly through the black schools in consultation with students, teachers and the principal of the school.

The project members received intensive training in technical sewing skills on industrial sewing machines, management training and co-operative ownership training. A set of membership criteria were worked out by the members themselves to ensure that formal membership remains with the production group. Each member is expected to pay R50 membership fee and R300 as initial share capital as well as contributing towards the capital costs of the project by each member raising R1,250 in addition over the three year period. The group is monitored monthly by a SHADE fieldworker checking the production schedules, cashflow projections and record-keeping systems operating within the project.

The group offers access to cheaper raw materials to other smaller sewing production groups in the surrounding rural areas as well as sharing its large venue with struggling production groups.

The core project members were in a core production unit of eight persons in 1980 and expanded to include a further 12 women in May, 1985. The larger production unit has been in full production since November, 1985.

ATTACHMENT 6

Ukukhanya Trust

Deed of Trust

The following deed of trust provides the aims and objectives of the Ukukhanya Trust. These aims and objectives must be reflected in all projects to be financed through the Development Foundation and are therefore attached to this cooperative agreement for information purposes.

PROTOCOL NO. 347

DEED OF TRUST

KNOW ALL MEN WHOM IT MAY CONCERN:

THAT on this the 23rd day of MARCH in the year
One Thousand Nine Hundred and Eighty One (1981) before me

RAYMOND JACK TUCKER

Notary Public by lawful authority duly sworn and admitted,
residing and practising in Johannesburg in the Province of
the Transvaal, in the Republic of South Africa, and in the
presence of the subscribing witnesses personally came and
appeared

DAVID NKWE
(born on the 3rd MARCH 1936)

[Handwritten signature]
A. N. M.
220. M

in his capacity as chairman of the

UKUKHANYA . ASSOCIATION

(hereinafter referred to as "the Donor", he being duly authorised hereto under and by virtue of a Resolution passed at a meeting of the Executive Committee of the Donor held on the 25 FEBRUARY 1981 (a certified copy of which Resolution remains filed in my Protocol) and

M. P. ...
...
...
...

MICHAEL ARTHUR STANTON CORKE
(born 8th day of June 1937)

and

GEOFFREY WILLIAM LOWICK
(born 25th day of June 1934)

(hereinafter referred to as the "Trustees")

WITNESSETH:

WHEREAS the Donor is the legal owner of assets which have been acquired for the purposes of establishing and supporting employment projects in South Africa;

AND WHEREAS the Donor has decided that the purpose for which the assets were required would be achieved most effectively by the creation of a Trust which would carry out the purposes for which the assets were acquired;

AND WHEREAS the Donor has decided to nominate the Trustees

/who share ...

...
...

who share his concern and interests and to make a donation to them for the purposes of establishing a development trust,

NOW THEREFORE THESE PRESENTS WITNESS:

1. In this Deed the undermentioned terms shall have the meaning assigned to them and appearing immediately after such terms, namely:

"The Trustees" shall mean the persons appointed as such under this Trust Deed in the first instance, and/or their successors to the said office;

"The Trust Fund" shall mean the assets donated in terms of this Trust Deed and which may hereafter be donated from time to time to be administered by the Trustees in terms hereof, and shall include any income derived therefrom, to be styled the UKUKHANYA TRUST.

2. The Donor hereby donates to the Trustees the sum of R10 000,00 (TEN THOUSAND RAND) in cash and all tools and machinery and equipment as per schedule "A" annexed hereto and valued at R30.000,00 (THIRTY THOUSAND RAND) to be held and administered by them in trust subject to the provisions of this Deed for the purposes of the economic cultural, spiritual and psychological improvement and development of persons residing in the Republic of South Africa.

3. The Donor hereby appoints the Trustees to act as such for the aforesaid intents and purposes, and the Trustees hereby accept office and agree to act in accordance with the

3 / conditions....

condition hereinafter set forth.

4. (a) The first Trustees of the Trust are the persons set out in the preamble hereto.
- (b) There shall at all times be not less than 2 (two) nor more than 6 (six) Trustees in office.
- (c) Any person who would be disqualified from acting as a director of a company in terms of any provisions of the Companies Act or by any order of Court, shall be disqualified from acting or continuing to act as a Trustee.
- (d) If as a result of the death, resignation or other failure or inability to act of any Trustee, the number of Trustees falls below the minimum stipulated above, the remaining Trustee then in office shall thereupon by nomination in writing appoint as an additional Trustee or Trustees any person he shall see fit who may be willing to act. Until such additional appointment has been made the acts of the Sole Trustee in emergency circumstances or to protect the interests of the Trust Fund shall be valid as if the requisite number of Trustees held office.
- (e) A Trustee shall be entitled at any time to resign as a Trustee by notice in writing to that effect given to his co-Trustees.
- (f) A Trustee may be removed from office by the unanimous decision of the remaining Trustees after such Trustee has had despatched to him at his last known residential address a notification of such intention, together

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M. C.
A. J. D.
De. C.

with a notification that he may make representations in person or in writing to a meeting of the Trustees.

(g) The Trustees shall have the power at any time from time to time to co-opt any other persons to act as joint trustees with them under and in terms of this Deed.

(h) Each Trustee shall have the power to appoint any other person approved by the other Trustees to act as his alternate during his absence or inability to act as a Trustee. An Alternate Trustee while acting in the place of the Trustee who appointed him shall exercise and discharge all the duties and functions of the Trustee he represents.

(i) The Trustees shall be entitled to contract with the Trust, or to be interested in any Company in which the Trustees under this Trust Deed may wish to contract, and as a Trustee he may vote on any such contract and on any other matter¹⁰ which he shall be interested directly or indirectly, provided that before so doing he shall disclose the nature and extent of his interest to his co-trustees.

5. Proper books of account shall be kept by the Trustees and such books shall be audited annually by Auditors appointed by the Trustees (which may be a firm in which they are interested) for such purpose and the cost of such audit

5 / shall be....

shall be paid out of the income of the Trust Fund.

6. The Trustees shall not be entitled to any remuneration for their services as such, but shall be entitled to be refunded in respect of any disbursements or expenditure incurred by them including travelling expenses if incurred in or about the affairs of the Trust, including travelling to and from the place where the Trust meets for purposes of attending any meeting.

7. In regard to any assets at any time comprising the whole or any portion of the Trust Fund, the Trustees shall have the following powers, privileges and discretions, namely:

(a) They shall be entitled from time to time to deal with the said assets as they in their sole and absolute discretion may deem to be in the best interests of the Trust Fund and shall have all powers relative thereto as if they were the absolute owners of the same.

(b) Without prejudice to the generality of the powers specified in the preceding subparagraph hereof, the Trustees shall have the following special powers:

(1) They shall be entitled to invest in any part of the world any sums at any time coming into their hands as they in their sole and absolute discretion may consider fit, with power from time to time to realise or vary any investment

6 / and reinvest... J.N.

and reinvest the proceeds.

(ii) They shall be entitled for any of the purposes of the Trust Fund to borrow from time to time such sums of money on such terms and conditions as they consider fit, with power from time to time to consent to any variations or alterations of the terms of any such loan together with all interest in respect thereof, and they shall be entitled to mortgage or pledge, either generally or specially, any asset constituting portion of the Trust Fund and, if considered fit, to borrow afresh on security or otherwise for the purpose of repaying any such mortgage or pledge.

(iii) They shall be entitled to guarantee (either gratuitously or for a consideration) the performance of contracts or obligations of any person or persons, company or companies, and to make loans upon such conditions and at such rate of interest or without interest and with or without security to any such person or persons, company or companies, as they may deem fit, provided that

(1) no such loan may be made to any Trustee or to any person related to a Trustee within the fourth degree of consanguinity

Handwritten initials and marks:
A large stylized initial 'S' or 'J' at the top right.
Below it, a vertical line with a hook at the bottom.
Further down, the initials 'M. G.' are written.
At the bottom right, the number '118' is written.

or to any company controlled by one or more Trustees or persons related to Trustees as aforesaid; and

(2) no loan may be made at a rate of interest lower than the prevailing rate of interest for similar loans except to a recipient under the terms of this Trust.

(iv) The Trustees shall be entitled to exercise a voting power attached to any shares held by the Trustees in any companies in such manner as they may consider to be in the best interests of the Trust, and shall be entitled to appoint or cause to be appointed any one or more of themselves as Directors or Officers of any company in which they are interested in the capacity aforesaid, or to nominate such other persons on the basis that such persons will act as nominees for the Trustees.

(v) The Trustees shall be entitled to repair, or restore any buildings or movable property or to cause such erections or alterations or improvements to be made as they may consider fit to any movable or immovable property belonging to the Trust.

8. (a) The principal object of the Trust will be to assist individuals and groups of people to develop economic self-reliance and to promote and assist them in occupational

8 / and educational ...

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A. D. C.
D. D.

and educational projects and to assist them in developing and applying technology appropriate to their skills and needs, thereby assisting them in their economic, cultural, spiritual and psychological development; and for the purposes aforesaid the Trustees shall be entitled to enter into contracts, agreements, joint-venture undertakings and to undertake commissions on behalf of third parties whose aims and objects substantially accord with all or any portion of the aims and objects of the Trust.

8 (b) The profits (if any) or other income shall be applied in promoting the main object of the Trust. The income and property of the Trust whencesoever derived, shall be applied solely towards the promotion of its main objects and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise to the Trustees or employees, provided that nothing herein contained shall prevent the payment in good faith of reasonable remuneration to any employee in respect of services actually rendered to the Trust.

(c) The Trust Fund shall be expended exclusively in the Republic of South Africa and South West Africa/Namibia.

(d) The Trustees shall be obliged to utilise at least 75% of the income accruing on the Trust Fund within a period of 12 (twelve) months from the end of the financial year in which such income accrues.

9 / (e) ...

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D.T.
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(e) The business and affairs of the Trust shall be conducted within the Republic of South Africa and South West Africa, Namibia.

9. The Trust shall have perpetual existence but may at any time be wound up and dissolved on resolution supported by 75% of the Trustees then in office. In the event of a dissolution the Trustees shall dispose of the surplus assets of the Trust remaining after all obligations of the Trust have been met, to any other institutions of an ecclesiastical, charitable or educational nature within the Republic of South Africa or South West Africa/Namibia which are of a public character and are themselves exempt from liability to pay income tax, and which in the opinion of the Trustees have objects similar to the objects of the Trust and which operate in a manner which in the opinion of the Trustees would further the objects for which the Trust was established.
10. Should the Donor so desire, or should any other person or organisation so desire, the Donor or such other person shall be entitled from time to time to add to, to increase or to augment the capital of the Trust Fund by donation or otherwise as the Donor or such other person may think fit, and all the terms and conditions of this Trust Deed contained, shall mutatis mutandis apply and attach to such additional increase or augmented income.
11. No Trustee shall be answerable for or liable to make good any loss occasioned or sustained by any cause, howsoever arising,

save and except such loss as shall arise from or be occasioned by his own liability and wilful dishonesty. No Trustee shall be liable for any act of dishonesty committed by any other Trustee unless he was privy thereto. The Trustees shall be indemnified out of the Trust Fund against all claims and demands of whatsoever nature that may be made upon them arising out of the exercise of any of the powers conferred upon them by this Trust Deed.

12. The Donor shall not be entitled to cancel the donation or amend the terms hereof but the Trustees shall be entitled so to do if in their opinion any amendment, alteration or addition is desirable in order to facilitate the functioning of the Trust or the achievement of its objects. Any such amendment shall be validly passed if unanimously agreed to if there are less than three trustees and if agreed to by a majority of trustees where three or more persons hold office as such.

13. The Donor hereby specifically directs that the first Trustees and all future Trustees shall be exempt from any obligation to furnish security in connection with their duties and for the due administration of the Trust Fund, whether to the Master of the Supreme Court or to any other official. The Master is hereby directed to dispense with such security.

11 / 14. The /.....

[Handwritten signatures and initials]
A. J. L.
M. P.
S.

14. This Trust may be dissolved by the unanimous decision of the Trustees where there are only two Trustees and by majority decision where there are more than two Trustees provided that the Chairman shall not have a casting vote. In the event of such dissolution all the assets of the Trust after payment of all debts and obligations of the Trust shall devolve in such manner and upon such organisations in the Republic of South Africa as the Trustees in their discretion may determine and failing such determination upon an organisation or organisations in the Republic of South Africa which are themselves exempt from income tax and which have objects similar to those of this Trust.

15. The Trustees hereby accept appointment to such offices subject to all the terms and conditions hereinbefore set out, and hereby undertake jointly and severally to carry out the terms and conditions set out in this Trust Deed.

AS WITNESSES:

1. *Fale White.*
2. *Delegman.*

A. Nune

DONOR

Pituit

Michael C.

TRUSTEES

QUOD ATTESTOR

R. J. V. ...

NOTARY PUBLIC

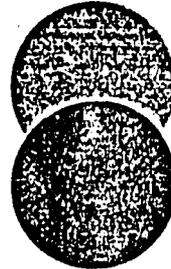
ATTACHMENT 7

WFC Financing Proposal
For
Ubuntu Social Development Institute

The attached financing proposal for USDI was submitted to USAID by WFC. The proposal reflects long-term development plans for the Institute, and was the basis for deciding upon items which are to be financed through this cooperative agreement.

Wilgespruit Fellowship Centre

THE UBUNTU SOCIAL DEVELOPMENT INSTITUTE



P.O Box 81
Roodepoort
1725
Transvaal
South Africa
Phone:
(011) 763-2650/763-1270
Telegraphic Address:
Godfolk

1. INTRODUCTION

The Ubuntu Social Development Institute is a proposed residential short-term training centre which will offer people various skills, theoretical and practical knowledge, as well as modes of action, so as to make social change happen more readily in South Africa.

The Institute will operate at the Wilgespruit Fellowship Centre and will seek affiliation and registration for academic legitimacy through the Theological Training Board of the Churches in South Africa and the Coady International Institute of the St Francis Xavier University in Canada or any other willing institutions outside of South Africa.

✓ The Institute will train 60 people for a six month certificate course initially which after a three year pilot period will become a diploma course in Social Development Studies.

2. TARGET GROUP

The target group for these courses will be geared towards people who continuously need to interact and intervene in community issues, problems and opportunities: like, ministers of religion, community and social workers from service agencies, volunteers, activists and organisers working in rural and urban community situations.

3. THE NEED

Through the Institutional and Leadership Development Education Programme (ILDEP), the Wilgespruit Fellowship Centre, in partnership with the Coady International Institute, has trained over 50 South African Diploma candidates in Canada over the past eight years. By a closely monitored follow-up programme, many socio-economic activities have been set up in response to the expressed needs of grassroot poor communities in Black areas.

These expanding activities now need their own training base to offer similar courses within South Africa. Over the past four years a concerted effort to transfer the training capability to South Africans has been achieved at the project and regional field team levels, with the assistance of visiting Coady Institute staff.

The need for appropriate community development workers who need to engage in people-based approaches to development has more than quadrupled in the last seven years.

The growth of interest at leadership and professional levels in receiving specialised training to operate within the informal sector among poor or deprived communities from a self-help economic perspective, leads logically to the next phase of a South African based People's Institute.

So far the month-long residential courses have revealed the relevance of people and economic based approaches to development. Within the society at large, the strategies of the Development Bank, the Regional Development Plans, and the National strategy for Community Development indicate a trend to provide resources to people previously denied access to these by the apartheid society. However, without the careful engagement with people so as to stimulate and equip them for creative participation through people based approaches, such development opportunities could well prove fruitless.

The increase in Social Action activities without adequate support and knowledge is another event. The increase in labour movements and the increase in their interest in organising people for self-reliance is a case in point.

There is also fast growing involvement by workers in Labour Unions and scholars in far reaching community movements for change, which are outstripping the knowledge base required for ongoing democratic organising and self-reliance.

The turmoil, rate of change, the sheer weight of numbers and other overwhelming factors reveal the shortage of appropriate training to ensure a better quality of life. The curriculae and entrance standards of our universities as well as their more ivory tower academic approaches, make these institutions too inflexible to meet the immediate concerns of grassroots people.

An institution which is flexible enough to give priority to the agenda and short-term training needs of people is required. Extra mural and other departments of universities have tried to offer community training services but have yet to reach the people because of their top-down rather than bottom-up approaches.

The Ubuntu Social Development Institute will strive to fill this gap by working from the base of empirical experience towards a consideration of the plight, values, standards and general aspirations of marginalised groups, activities, institutions and people.

Our vital partnership with the Coady Institute of Canada has demonstrated how Third World situations and candidates can be trained without sacrificing academic integrity, yet generating a cross-fertilisation between the academic and field aspects of knowledge. At present there is no South African university which, in such a pragmatic but professional way, has been able to stand alongside and champion, the cause and capabilities of the poor and unemployed in their struggle for freedom and justice.

The increase in numbers of people attending courses run within South Africa on different aspects of community and development work run through the regional centres within South Africa and the increase of requests from organisations and universities for this type of training for their staff is a significant indicator for a more stabilised and effective training

programme within South Africa not hosted by a university or college structure.

To increase their competence and make a transfer of knowledge at the Certificate and Diploma Course levels, an Exchange Programme is proposed so as to provide a firm base for a People's Institute geared to the empowerment of people for development.

4. FRAMEWORK

The South African political, social and economic system is based on the centre-periphery model of development but has been tarnished and fortified by South Africa's stringent racial policies affecting large proportions of legitimate South African inhabitants demands rather negatively.

South Africa's inhabitant's demands, claims and allegiance to a "democratic fr enterprise wealth generating system" has been seriously dented by facts within South African situation which bear contrary witness to South Africa's claims in this regard. The argument that South Africa practices more of monopolistic capitalism, clustered into the hands of half-a-dozen firms, and benefitting rather sadly, only the privileged white group; cannot be far-fetched.

The current education, economic, political and social crisis which has further polarised the South African society, not only in terms of racial, interracial and intra-racial camps is but a manifestation of long-drawn, misguided, racially biased, planning policies based on the ideologies of superiority of one race.

South Africa faces internal revolt which impinges and causes traces of untold pain to both the perpetrators of the revolt and the recipients, International revolt and punitive sanctions because of their intransigence refusing to listen to the legitimate pleas of its wealth generators and inhabitants.

Judging by the three centuries of draconian legislation designed to frustrate the genuine rights and interest of its inhabitants amidst internal pleas and commendations, the current revolt is not unjustified.

It is in this midst of confusion and revolt, pain and suffering, that people have gathered courage to seek for alternative means of survival and leadership that will contribute to a more just and democratic social system, which will take into account all the inhabitants of the country and provide for them, each accordingly.

In South Africa apartheid legislation has generated heavy backlogs in the provision of education, social services, job advancement, wealth generation, urbanisation and housing.

4.1 Education

Loud claims have been made to the effect that the system of education for blacks has been dramatically upgraded. Whilst there is no denying that attempts have been made in this arena, there is, however, a large gap still unaffected. Borne out by this is the 1985 final halt of the education system to blacks which has been mounting rather hurriedly since 1976 and before.

By 1980, the following situation pertained regarding economically active blacks; who constituted a figure in the region of 34,8%.

40,5% had no form of education at all;
21,9% had up to Std 6 education while only 3% had matriculation
and university education.

During 1973, university entrance was represented by 72% whites
and only 13,2% blacks.

1984 figures show that of a total number of 53 993 blacks who
wrote matriculation, only 39 815 passed whilst for whites of
the 59 800 who wrote, 51 426 passed matriculation.

The pupil/teacher ratio by 1984 stood at a figure like 40,7:1
for black teachers whilst it was 18,9:1 for whites. Of the
total figure of 230 000 teachers available in South Africa, only
2% were suitably qualified with degrees whilst 36% of whites
were suitably degreed and qualified.

There is no denying therefore that whilst the country will require
by the turn of the century, large proportions of suitably well-
qualified teachers and workers, the current infrastructure and
resources will not cope. A large proportion of people will have to
seek alternative means of life skills and survival to suit their
production and consumer needs. Drastic measures will have to be
taken in this regard amongst which the existing educational system
will have to be unconditionally open to all. Dramatic upgrading,
curriculum overhaul, and bridging processes will have to be intro-
duced. In spite of this, a portion of the population not befitting
the mainstream will have to be catered for to offset the defects
of the educational system that has up to this stage, never catered
for these people. This is the role that the Ubuntu Social
Development Institute could play.

4.2 Labour and Job Creation

The job creation and economic-development policies of the South
African society assisted by educational planning have adversely
affected job-creation and/or job opportunities for the inhabitants
of South Africa. The policies reinforced by processes designed to
arrest the natural urbanisation of South Africa, like in other
Western Countries have reinforced an increase in unemployment.

Since the 1960's, unemployment rose sharply to 2,5 million in 1980
and was estimated at 3,5 million in 1985 with a further projection
of 7 million by the year 2000. In 1985 alone, as the economic
crisis, political and education revolt heightened, over 1000
jobs were lost per day through retrenchments and bankruptcy and
investment withdrawals.

To secure a growth rate of 3% to the year 2000, providing 6 million
jobs, South Africa will need to generate jobs at the rate of 1000
per day of which 200 000 would be at the executive level, 1 400 000
skilled level and 2 600 000 unskilled levels.

Current market trends and capital intensive processes pursued by
South Africa, forced to compete with other developed and developing
countries, will force a significant number of people to look to small
business and labour intensive process for survival and increased
wealth generation. This trend has already been followed in other
countries such as Ireland, the United States and Britain.

To a large extent, South Africa has committed itself politically to deregularisation so as to encourage quicker economic growth through the promotion of small business enterprises. However, the impact of three centuries of stringent regulations and the resultant impairment of initiative for the entrepreneurial initiatives have far reaching effects. Increased efforts to retrain, advance and introduce positive attitudes to wealth generation will require massive input to bring people on board.

The increased rate of growth in the labour movements within South Africa is an encouraging step. However, this growth has been met by an equal decline in the economy leaving the power of the labour movement suspect. Whilst the growth rate of unions reached the 1 million mark in 1984 and led to the giant formation of giant federation unions like COSATU and others, big leadership gaps have emerged in the field. Recognition must also be given that only 10% of the black workforce is unionised.

In a climate of continued tension and squalor, in the climate of continual economic uncertainties, labour and management need to reach out more clearly. Confidence on both sides needs to be built if a sound economic base needs to be developed.

It is this arena of labour relations and job creation that the Ubuntu Social Development Institute can contribute to the stabilisation of relations between labour and management, by the creation of jobs through the informal alternative sector, by the evolution of an informed leadership base that can lead people democratically to a stable and caring society.

4.3

Rural Development and Self-Help

The apportionment of land through the 1913 Land Act and the further entrenchment of these processes through the Homeland Act of 1937, and the renewed policies of infant industries and the regionalisation policies of South Africa and the more recent efforts through the regional councils, and culmination with proposals such as the Kwa-Natal or Nululand proposals and the Independence of certain Homelands have all contributed to the excessive spending of South African resources which have not brought about faster urbanisation and rural development. Whilst on the surface, Homelands seem to have contributed to rural development, conditions remains squalid and unacceptable in these areas, giving rise to South Africa's rural/urban dichotomy represented by under-development and development respectively.

The fact of the matter is that Homelands have resulted in increasing wealth only to the few rural elite who live in royal wealth in the midst of abject poverty and under-development. These have also led to unimaginable acts of anarchy, barbarism and oppression and the under-scoring due process of justice which has not been a virtue of the South African system anyway.

The apportionment of 13% of land to 87% of the population, through forced removals, relocations in the name of "resettlements" has led to the growth to 112 magisterial districts of the Homelands. Growing from 4 125 000 in 1960 to 7 138 197 in 1970 and more than 11 million in 1980. Whilst the gross value of agriculture was R334 448 in 1980, 62% of the rural dwellers earned only R144 or more per year. Wages

In these areas are still far below economic standards and require concentration since a large portion of the South African black population is still living in rural and squalid conditions.

The case for rural development and self-help is not unjustified but the current operating systems to bring about this development are not adequate and appropriate for the affected people. The Ubuntu Social Development Institute can explore viable alternative rural development, self-help processes and also bring about consciousness to the rural public of the limits of such development whilst promoting urbanisation and seeking to bring about a conducive environment through which rural development must occur.

Whilst 28,5% of economically active blacks lived in poverty on the fringes of society, the majority of which would be in the rural areas by 1960, this figure had risen to 42,4% by 1980 and could reach over 7 million in the year 2000.

4.4 Leadership Development

Various civic, church and political leaders have emerged in the South African black community pursuing non-violent strategies for change which over the years, due to the intransigence of the South African regime, have led some to opt for violent alternatives.

A sizeable chunk of this leadership has been incarcerated into prisons and subjected to untenable life conditions such as banning orders, detentions without trial, leaving a dearth of informed leadership that will responsibly champion the political liberation of the country. Other leadership has emerged rather by chance, and has led to significant victories. However, the gap for a broad-based responsible leadership remains. The leadership will not lead people into anarchy and selfish rule but that will pursue democracy and respect the rights of individuals.

The impact of 1984 and 1985 in the streets of Soweto and other black townships and the countless number of deaths suffered by these communities has left indelible scars on the lives of people. The bitterness of necklaces and police and army violence, the petrol-bombs and vigilante episodes of father attacking son and daughter attacking mother and brother attacking sister, will leave indelible psychological hazards in the years to come.

It is in these conditions that true, democratic, respectable, informed leadership needs to emerge to guide and usher the country into a new era. The Ubuntu Social Development Institute can play a significant role in this process by promoting leadership education and exchange processes to usher in a new and stable society.

The experiences of African countries in the lack of this type of leadership in the post-colonial era are a sounding board for South Africa to prepare themselves adequately for decision-making and rule in South Africa.

5. OBJECTIVES

The overall objective of the Ubuntu Social Development Institute is to promote

appropriate learning for leadership and access to education for community and associated workers through the use of appropriate techniques based on realistic community issues and needs to promote people-development and social change within the South African society.

5.1 Specific Objectives

The Ubuntu Social Development Institute will more specifically develop and strengthen:

- (1) Leadership at the primary, secondary and tertiary levels through training and exchange programmes so as to create a broad spectrum of informed leadership capable of running, managing, and developing democratic people-based developments to ensure a stable South African society and ensuring integrated development.
- (2) Economic alternatives for survival such as co-operatives, small business, rural development, agricultural and other enterprises that will enhance the life of the rural or urban poor so as to strengthen their economic development in South Africa.
- (3) Civic, labour and other groups who will be responsible to manage their environment and provide housing and relevant facilities efficiently, effectively and justifiably to their clientele groups.

6. STRATEGIES

In order that the aforementioned objectives should be met, the following strategies will have to be undertaken:

- 6.1 To conduct research, investigation and evaluation regarding ongoing social education and the needs for skill training of people operating within disadvantaged groups.
- 6.2 To develop and implement a six-month certificate course dealing in Non-formal Sector and Development, Social Analysis and Actions, Labour Relations, Co-operatives, Business, Self-help, Community Organising, Inter-group Relationships, Adult Education and Group Dynamics.
- 6.3 To develop buildings for the Ubuntu Social Development Institute to carry out the training courses.
- 6.4 To develop four proto-type regional training centres and six projects in each of these regional training centres so as to reach the primary level of leadership and people to evolve leadership at the grassroot level.

7. PROJECT DESCRIPTION

The establishment of the Ubuntu Social Development Institute is planned in four phases spread over a period of five years.

Phase One: Feasibility, Appraisal and Negotiations

This phase will involve the preparation of curriculae, identification of suitably qualified staff, preparation of plans for buildings and the general operation of the Ubuntu Social Development Institute. The preparation of a feasibility study for a residential six month certificate course, procedure for recruitment of participants, the standard of award, and securing the needed financial support.

Negotiations with appropriate institutions, agencies, service organisations and communities regarding the recognition of certification and recommendation of candidates and their field placing.

A comparative study of the models of operation in similar institutions and content of their courses offered so as to avoid overlap.

A special task force of three experts will be chosen by Wilgespruit in collaboration with the Goady Institute to complete this phase and prepare the documentation, plans and arrangements needed for the launching of Phase Two. This phase will culminate with the emergence of a Curriculum Committee and a consultation to officially launch the Institute.

Phase Two : Pilot Testing, Implementation and Lecturer Exchange

The pilot certificate course for 60 community and associated workers will be for a six month residential period to launch the Ubuntu Social Development Institute. The course will offer four models dealing with Development, Labour, Community Organising and Participatory Democracy from a Theological and Liberatory perspective.

- The teaching staff of the Ubuntu Social Development Institute will comprise a team of four South Africans who will be assisted by four visiting expatriate staff drawn from participating academic institutions so as to learn on the spot by joint teaching responsibilities.

The three field staff will orientate and supervise candidates towards practical projects and follow up field assignments which will form the application side of the course. The expatriate staff will monitor the supervision which the field staff give to the candidates regarding practicums.

The three administrative staff will provide accommodation, coordination, office and general requirements of the resident candidates and see to the smooth operation of the Ubuntu Social Development Institute. The expatriate staff will assist this team to function at the needed levels and standards required for a certificate award.

A special exchange programme for selected South African staff to accompany their expatriate counterparts back to their various institutions for further in-service training is provided.

Phase Three : Implementation, Consolidation and Evaluation

After the first year of pilot testing the certificate course will be

offered to 60 candidates for a further two consecutive years on a six month basis.

This phase will continue to develop the transfer of capabilities to teaching, field and administrative staff so that permanent appointments to posts can be achieved. The exchange of expatriate staff will be promoted so that on the job and in-service training of South Africans can be pursued.

Through the establishment of a resource centre, the field proto-type practical projects can be consolidated so as to provide practical internship training for certificate candidates.

At the close of this phase an assessment of the impact and contribution of the certificate course will be made.

The feasibility of establishing a diploma course for a six-month period will be made in order to extend the effectiveness of the Ubuntu Social Development Institute.

Phase Four : Implementation of Diploma Course and Evaluation

The provision of a Diploma course which can lift candidates to new levels of proficiency and generate a wider spread of competence within disadvantaged communities will be launched by the Ubuntu Social Development Institute in the next two years of this five-year programme.

A core team of two evaluators will be required to ensure that the needed research into community, social education and skill requirements is maintained at this stage of evolution of the Diploma course in keeping with the first objective of the Ubuntu Social Development Institute.

CURRICULUM

The proposed curriculum of the Ubuntu Social Development Institute should follow four major streams of need in community education for social change in South Africa.

1. Informal Sector and Development

This stream could explore the following topics:

1. Economic development and social systems.
2. Co-operatives : History and Types.
3. Small Businesses.
4. Marketing and Marketing Management.
5. Economic and Social Systems of the World.

2. Social Analysis and Action

This stream could explore the following topics:

1. The study of Social and Liberation Movements.
2. Mass-based Community Organisations.
3. Perspectives and Strategies of Change.

4. History and Theories of Social Thought.
5. Social Analysis and Social Research.
6. Contextual and Black Theology.

Community and Labour Relations

1. History and Evolution of Labour Movements.
2. Management and Labour Relations.
3. Co-operatives.
4. Migratory Labour and Organising.
5. Multi-national Corporations and Labour Movements.
6. Urban Industrial Mission - Theological perspective on Labour and Society.

4. Group Dynamics and Human Relations

This stream could be a general cluster of core subjects, which will include:

1. Adult Education for people participation.
2. Race and Class in South Africa.
3. Human Relations and Group Dynamics.
4. Political Administration and Social Policy.
5. Theology for Church and Society.
6. Project Planning Management and Evaluation.

7. COMPONENTS

The various components which will constitute the formation of the Ubuntu Social Development Institute require the provision of:

1. A team of expert consultants to prepare feasibility and continually promote research and development of social education.
2. The provision of permanent teaching (4), field (4) and administrative staff (3).
3. The on-the-job training of chosen staff by a programme of expatriate counterparts (16) for the specific course duration, plus a placement of these South African staff in partnership in these overseas institutions for further on-the-job preparation.
4. The annual provision of 60 scholarships for participants to take up local training over a five-year development period.
5. The provision for local field training internships in prototype projects developed by field staff and candidates close to

the Ubuntu Social Development Institute. A provision for start-up capital by candidates of practical projects in their back home constituencies.

6. The provision for administration, co-ordination, transportation, and office services.
7. Library services, resource centre and equipment.
8. Capital for a residential and teaching block to accommodate courses at Wilgespruit.

Budgets and Fund-raising

In order to develop some indication of the financial outlay required for the establishment of the Ubuntu Social Development Institute, figures based upon current experience of operating the programmes and projects of the Wilgespruit Fellowship Centre have been compiled so as to form a funding profile.

Year 1 : Feasibility and Pilot Testing (Phase 1 and Phase 2)

- Eight lecturers, four South Africans and four expatriates teach the certificate course providing on-the-job training by exchange placements.
- Three administrative staff operate for six months to service certificate course.
- Three experts prepare feasibility and set pilot certificate course in motion ensuring recruitment of staff and 60 participants.
- Limited capital outlay to supply motor vehicles, resource centre, furniture and equipment.

Year 2 and 3 : Consolidation of Certificate Course (Phase 3)

- Four teaching staff and 60 certificate candidates.
- Four expatriate staff and exchange costs, both directions.
- Two resource centre staff and consumables.
- Three administration and co-ordination and office for each year.
- Three field staff and four proto-type field projects as well as follow up of constituents of candidates.
- Major capital outlay on a small bus, car, equipment, furniture, buildings.

Year 4 and 5 : Implementation of Diploma Course (Phase 4)

Four lecturers permanent staff plus provision for 60 Diploma candidates.

Two evaluators and exchange visits.

- Two resource centre staff and consumables.
- Three administrative staff, office and co-ordination.
- Four field staff and four proto-type projects as well as follow up to constituencies of candidates.
- Diminishing capital outlay on cars, resource centre, furniture and equipment and buildings.

8. CONCLUSION

The generative core of the Ubuntu Social Development Institute will be the Certificate and Diploma Course in liberating social change, education and skills. Once established and the buildings erected this, together with the conference facilities of the Wilgespruit Fellowship Centre, will become a hive of activity for shorter courses and for project development within the Witwatersrand region where more than 62% of the economically active population of South Africa will reside.

The outlay of R10 884 645 over five years will ensure that a well qualified staff are prepared through linked on-the-job training, to the best parent institutions available abroad. We believe that this can make a valuable contribution towards peaceful social change from the perspective of the people presently excluded by the Apartheid society.

PREPARED BY:

GRIFFITHS ZABALA

APRIL 1986

FINANCIAL IMPLICATIONS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
A. PERSONNEL						
<u>Teaching and Advisory Staff</u>						
8 Resource staff @ 2500 x 12	240 000	276 000	317 400	365 010	419 762	1 618 172
4 Advisory staff @ 1800 x 12	86 400	99 360	114 264	131 404	151 114	582 542
	326 400	375 360	431 664	496 414	570 876	2 200 714
<u>Administration Staff</u>						
1 Director @ 3000 x 12	36 000	41 400	47 610	54 752	62 964	242 726
1 Accountant @ 3800 x 12	33 600	38 640	44 436	51 101	58 766	226 543
1 Associate Director/Registrar 2500 x 12	30 000	34 500	39 675	45 626	52 470	202 271
4 Secretaries 1200 x 12	57 600	66 240	76 176	87 602	100 743	388 361
2 Library staff 1800 x 12	43 200	49 680	57 132	65 702	75 557	291 271
	200 400	230 460	265 029	304 783	350 500	1 351 172
<u>Research and Feasibility Staff</u>						
3 Staff @ 1800 p.m. x 3 x 12	64 800					64 800
2 Staff @ 2070 x 2 x 12						69 428
Travel and Transport @ 1500 x 3 x 12	54 000			32 292	37 136	230 573
Services @ 300 x 3 x 12	10 800			82 127	94 446	46 114
				16 425	18 889	
	129 600			130 844	150 471	410 915

OVERALL BREAKDOWN OF COSTS

ITEM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
A. PERSONNEL						
Teaching	326 400	375 360	431 664	496 414	570 876	2 200 714
Administration	200 400	230 460	265 029	304 783	350 500	1 351 172
Feasibility	129 600			130 844	150 471	410 915
SUB TOTAL	656 400	605 820	696 693	932 041	1 071 847	3 962 801
B. ADMINISTRATION						
Stationery and Equipment	19 800	22 770	26 150	30 113	34 630	133 498
Telephone	12 000	13 800	15 870	18 250	20 998	80 918
Audit Fees	6 000	6 900	7 935	9 125	10 494	40 454
Utilities	15 000	17 250	19 837	22 812	26 234	101 133
Insurance	20 000	23 000	26 450	30 417	34 979	134 846
Maintenance	15 000	17 250	19 837	22 812	26 234	101 133
SUB TOTAL	67 800	100 970	116 114	133 529	153 569	591 982
C. PROGRAMME COSTS						
Participants	210 000	241 500	277 725	319 384	367 291	1 415 900
Tutorial, etc	300 000	345 000	396 750	456 363	524 702	2 022 815
Research and Evaluation	10 000	11 500	13 225	15 208	17 490	67 423
Resource Centre Supply	8 000	9 200	10 580	12 167	13 992	53 939
SUB TOTAL	528 000	607 200	698 280	803 122	923 475	3 560 077
D. VEHICLES AND TRANSPORT						
Mini-Bus	30 000					30 000
Vehicle	20 000		25 000			45 000
Insurance of vehicles	5 000	5 750	9 918	11 405	13 115	45 188
Maintenance and Repairs	12 000	13 800	23 805	27 375	31 482	108 462
SUB TOTAL	67 000	19 550	58 723	38 780	44 597	228 650
E. CAPITAL						
Equipment and Furniture (Library, etc)	15 000	17 250	19 837	22 813	26 235	101 135
SUB TOTAL	15 000	17 250	19 837	22 813	26 235	101 135
F. BUILDINGS						
Architects Fees	70 000					70 000
Construction Costs	1 725 000					1 725 000
Land Development (infrastructure)	300 000					300 000
Furniture and Fittings	345 000					345 000
SUB TOTAL	2 440 000					2 440 000
GRAND TOTAL	3 794 200	1 350 790	1 589 647	1 930 285	2 219 723	10 884 645

WILGESPRUIT FELLOWSHIP CENTRE CONTRIBUTION

Land Valuation

(2 500 000)

FINANCIAL IMPLICATIONS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Resource Centre supply	8 000	9 200	10 580	12 167	13 992	53 939
Research and Evaluation	10 000	11 500	13 225	15 208	17 490	67 423
F. BUILDINGS						
Architects Costs	70 000					70 000
Land Value						
Construction Costs	1 725 000					1 725 000
Furniture and Fittings	345 000					345 000
Add 15% Escalation Costs						
Land Development (infrastructure)	300 000					300 000
GRAND TOTAL	2 458 000	20 700	23 805	27 375	31 482	2 561 362

FINANCIAL IMPLICATIONS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
B. ADMINISTRATION						
Stationery and Equipment @ 1650 p.m. x 12	19 800	22 770	26 185	30 113	34 630	133 498
Telephone @ 1000 p.m. x 12	12 000	13 800	15 870	18 250	20 998	80 918
Audit Fees @ 500 p.m. x 12	6 000	6 900	7 935	9 125	10 494	40 454
Utilities @ 1250 p.m.. x 12	15 000	17 250	19 837	22 812	26 234	101 133
Insurance	20 000	23 000	26 450	30 417	34 979	134 846
Maintenance	15 000	17 250	19 837	22 812	26 234	101 133
	87 300	100 970	116 114	133 529	153 569	591 502
C. PROGRAMME COSTS						
Fees for 60 participants @ 3500	210 000	241 500	277 725	319 384	367 291	1 415 900
Project start up capital and observation visits, tutorial and follow-up @ 5000 p.p. x 60 people	300 000	345 000	396 750	456 363	524 702	2 022 815
	510 000	586 500	674 475	775 747	891 993	3 438 715
D. CAPITAL						
Vehicles and maintenance						
1 Mini-bus for participants visits @	30 000					30 000
1 Vehicle for use by USDI @	20 000		25 000			45 000
Insurance of vehicles	5 000	5 750	9 918	11 405	13 115	45 3
Maintenance and repairs @ 1000 km p.m. @ 50c per Km x 12 x 2 vehicles	12 000	13 800	23 805	27 375	31 482	108 462
	67 000	19 550	58 723	38 780	44 597	228 650
E. EQUIPMENT AND FURNITURE						
Printing, equipment, photocopying, library equipment, etc.	15 000	17 250	19 837	22 813	26 235	101 135
	15 000	17 250	19 837	22 813	26 235	101 135

PERCENTAGE SPREAD

		<u>TOTAL</u>		
A.	<u>PERSONNEL</u>	R 3 962 801	=	36,4%
B.	<u>ADMINISTRATION</u>	R 591 982	=	5,40%
C.	<u>PROGRAMME COSTS</u>	R 3 560 077	=	32,70%
D.	<u>VEHICLES AND TRANSPORT</u>	R 228 650	=	2,2%
E.	<u>CAPITAL</u>	R 101 135	=	0,90%
F.	<u>BUILDINGS</u>	R 2 440 000	=	22,40%
		<u>R10 884 645</u>	=	<u>100%</u>

APRIL 1986

ATTACHMENT 8

Ubuntu Social Development Institute
Workshop/Consultation Plans

This attachment provides the invitation and plans for the consultation/workshop designed to obtain community input into USDI's viability, curriculum, and operating procedures. The list of speakers and topics is also provided.

Wilgespruit Fellowship Centre



P.O Box 81
Roodepoort
1725
Transvaal
South Africa
Phone:
(011) 763-2650/763-1270
Telegraphic Address:
Godfolk

7 April 1986

Dear Colleague

NATIONAL CONSULTATION ON EDUCATION FOR AFFIRMATION - AN APPRAISAL
OF THE PEOPLE'S INSTITUTE FOR ALTERNATIVE EDUCATION
27 - 29 AUGUST 1986 - WILGESPRUIT FELLOWSHIP CENTRE

We hereby solicit your active participation in the National Consultation on Education for Affirmation to be held at the Wilgespruit Fellowship Centre from the 27 - 29 August 1986.

The consultation is designed to specifically appraise developments to date of our education policies and their impact as well as to provide an appraisal for alternative models of education to affirm people including those who otherwise cannot be affirmed in the conventional institutions.

The consultation also seeks to further assess and confirm the need for the People's Institute - a proposal sponsored by the Wilgespruit Fellowship Church-based Centre so as to provide appropriate curricular for the further enhancement of people-based approaches to development.

The consultation will include a wide range of South African speakers who are renowned for their valuable work in community and institutional education, as well as internationally acclaimed speakers.

We hope that you can see your way clear to participating in this all important effort to redress the suffering experienced by our people and provide a positive way ahead.

Please proceed to read the enclosed package and complete the enclosed response form.

We hope to see you then. Thanking you in anticipation.

Yours in Development

GRIFFITHS ZABALA
Director

Enclosures

Wilgespruit Fellowship Centre



P.O Box 81
Roodepoort
1725
Transvaal
South Africa
Phone:
(011) 763-2650/763-1270
Telegraphic Address:
Godfolk

1. VENUE: WILGESPRUIT FELLOWSHIP CENTRE

2. DATE: 27 - 29 AUGUST 1986

3. ARRIVALS: EVENING 26 AUGUST 1986

4. SPEAKERS:

Professor P I M Moletsane

"Curriculum Design for Adult Learning
In Developing Countries - A Critical
appraisal and an alternative model
with special reference to Standards".

Mr T W Kambule

Response - Gaps and features for
effective curriculum design for
South African Adult Learning.
An appraisal of the Moletsane Model.

Mr John Samuels.

Alternative Models for Adult Learning -
"Their need, emergence and practical
contribution to developments within the
South African Context" with special
reference to the People's Institute.

Dr M T Motlhabi

Response: The short and long-term
benefits and disadvantages of
alternative models - A response to John
Samuels perceptions.

Revd B Witbooi

"Theology of Education - An Alternative
Model in the 80's - its relevance to
people-based education and development".

Professor H Vilakazi

A socialist conception of Education
for livelihood in the South African
Context - An empirical approach.

Professor E Nphahlele

Response: An African cultural context
for a classless conception of Education.

Dr Neville Alexander

From 1976 to 1986 - A Decade of
Education in Crisis - its impact and
results.

Mr L J Sebidi

Response: A positive design for future action for a People's Education with special reference to the People's Institute - A Theological rationale.

Professor Francis Wilson

The Economics of Alternative Models of Education with special reference to Development policies of the South African Political System.

Fr Albert Nolan

Response: The Ethics of Economics in development orientated education - An appraisal of Professor Wilson's perceptions.

Mr Eric Amit

The Coady International Institute - A Third World Social Development Training base in the First World. A 55 year experience - an appraisal.

5. OBJECTIVES

The principal objective of the consultation on "Education for Affirmation" is to present an appraisal of alternative models of education within the South African context so as to impact on education planning and to assist churches and development agencies in designing appropriate curriculae for the development and training needs of their clientele with special reference to the People's Institute.

More specifically the consultation is designed to:

- (i) Promote alternative models of education which affirm people.
- (ii) To assess the need for the People's Institute.
- (iii) To provide data for appropriate curriculum design for the People's Institute and other alternative models of education for affirmation.
- (iv) To sanction the People's Institute.
- (v) To appraise building plans for the People's Institute and provide appropriate commentary.

6. FRAMEWORK

Over three centuries of domination of the people of South Africa has happened amidst skirmishes and bloody struggles. The form of domination has intensified and with every century has become even more sophisticated.

1986 sees the epitome of a decades-long education crisis. The heightened tensions since 1976 and periodically in 1980 - 1982 culminating with a deadlock in 1985 is a serious indictment on the administrators and planners of education alike.

The labour disputes and the crumbling of the economy bears evidence to the bad economic policies based on ill-founded conceptions of apartheid laws fostered by ill-founded perceptions of educational policies designed to afford unequal entry to the economy, the cornerstone of people-developer

The social and psychological damage of these policies has, however not dampened the quest for growth, control and management of people's own lives giving testimony to the God in man. Hope the cornerstone of Christian faith has generated even more the quest and will to further the struggle for liberation.

It is in this context that the People's Institute hopes to strengthen and affirm the efforts of the trodden and forgotten people who take the bull by the horns by promoting and taking control of their own lives and education.

The People's Institute is an education for affirmative proposal that seeks to recognise, upgrade and affirm people's effort in organising alternatives for their lives without taking cognizance of the restricting educational standards of conventional institutions.

The People's Institute is a positive response by the Churches to God's creation and a statement of reflection of the current degrading educational policies operating within the South African context.

The consultation on Education for Affirmation is therefore an important step to appraise a People's effort. It is an opportunity to assess positively the need for a people-based institute that will meet the needs of its clientele and those of the society at large. It is an opportunity to assess community needs that need to be taken into account to promote a People's agenda.

7. SPONSORING ORGANISATIONS

The consultation on Education for Affirmation is sponsored by the Wilgespruit Fellowship Centre, an ecumenical Church-based organisation and affiliate member of the South African Council of Churches.

The Wilgespruit Fellowship Centre was established by concerned clergy in 1948 as a reaction to the then proposed desegregating policy responsible for our current day sufferings.

Over the years, W.F.C. has developed and sponsored a series of community outreach programmes related to community needs. These programmes include the offering of accommodation for courses and conferences to church and community groups through its N.H.C.F. unit, church and labour relations within the society through the Agency for Industrial Mission unit, development of self-help marketing and management skills for the unemployed and the training of community workers within community organisations in community workers social development skills and principles, through its SHADE unit, the training of facilitators and students in issues of awareness and race and racism through its NHP unit and the concern for women management in business, writing and arts through its WITI programme.

The W.F.C. seeks to heed the concern of all involved in community based training and development in the establishment of a People's based training programme gathering from her wide experience in community and societal issues from the Churches perspective.

8. COSTS

8.1 Accommodation

Accommodation at W.F.C. is R16,00 per night including board and lodge. The total cost of accommodation for those needing accommodation is therefore R16,00 x 3 days = R48,00.

Community based organisations seeking to participate in the consultation but who cannot afford the cost should fill in the appropriate scholarship forms.

8.2 Travel

The cost of travel to and from the consultation will be subsidised for those who needs subsidies up to 70% of the travel bill. Appropriate scholarship forms must be completed for this purpose.

8.3 Registration

A registration fee of R15,00 per participant is required to cover the costs of printing and materials for the consultation.

9. PARTICIPANTS

The consultation is open to all concerned with community education and training. Participants working within development agencies and labour training organisations are particularly encouraged to attend this consultation. Subsidies for transport and accommodation will be limited to the first 60 deserving participants. You are therefor encouraged to apply early.

10. RESPONSES

All participants to the consultation must apply in the enclosed response form to reach our offices not later than the 15 AUGUST 1986.

Telephone responses should be given to:

Duncan Mehlomakulu
Alain Blondel
Griffiths Zabala

763-1270 (Day)
763-1212 (Day and Night)
763-2650 (Day and Night)
766-1243 (Day)

PREPARED BY:

GRIFFITHS ZABALA in consultation with the P.I. Team

APRIL 1986

ATTACHMENT 9

Wilgespruit Fellowship Center
Constitution

This attachment provides WFC's constitution, which indicates the parameters on activities which can be undertaken by the center, as well as additional details on its management structure.

CONSTITUTION

1. NAME

The name of the association is "Wilgespruit Fellowship Centre", hereinafter referred to as the "Centre".

2. CORPORATE STATUS AND LIABILITY OF MEMBERS

The association shall be a corporate body, having perpetual succession and existence independent of its members, capable of suing and being sued in its own name, and no member shall have any right to its assets. The liability of members shall be limited to the amount of the member's contribution which may be owing at any time.

3. OBJECTS

The object of the Centre shall be to serve the Churches and the people created by God, by helping to meet their intellectual, physical, psychological, social and spiritual needs.

4. POWERS

The Centre shall have power to do all things which may be necessary for the fulfilment of its objects from time to time, including the following:

- 4.1. To create and maintain a fellowship of individuals, groups and churches by providing facilities for Christian worship, service and mission.
- 4.2. To operate a conference centre and to provide facilities for gatherings and meetings, the purposes of which are consistent with the objects of the Centre.
- 4.3. To initiate, promote or assist ecumenical and social or educational programmes and projects, calculated to further the objects of the Centre.
- 4.4. To sponsor, prepare or distribute publications of a nature consistent with the objects of the Centre.
- 4.5. To co-operate with other religious or ecumenical bodies engaged in similar activities.

- 4.6. To receive donations from any source and to make donations and contributions to and to affiliate with such organisations as the Centre may from time to time deem fit.
- 4.7. To acquire movable and immovable property of every description whatever, to hold, sell, donate and alienate such property, to borrow monies, to mortgage or pledge assets as security therefor, to maintain, lease, hire, insure, lend and exchange assets, to erect, demolish and alter assets, to invest its funds in any manner as may be appropriate and to open and operate banking and savings accounts in its own name.
- 4.8. To employ, pay and discharge servants, agents and advisers, and appoint delegates and representatives.
- 4.9. To engage in any legal proceedings.
- 4.10. To undertake investigations of any matters connected with the Centre or its objects.
- 4.11. To enter into any contracts as may be necessary for the aforesaid purposes and to take over the assets, liabilities and operations of associations or bodies having similar aims and objects.

5. MEMBERSHIP

- 5.1. The members shall be those individuals or corporate bodies whose application for membership shall have been accepted by the Executive Committee of the Centre and who subscribe to the objects of the Centre. Application for membership shall be made on a form to be approved by the Executive Committee from time to time, so framed as to bind the applicants to the constitution of the Centre.
- 5.2. The Executive Committee shall have power to accept or reject any application for membership and to terminate the membership of a member. Any person aggrieved by a decision of the Executive Committee to terminate his membership shall be entitled to appeal to the Council which shall not be required to give reasons and the decision of which shall be final.
- 5.3. There shall be the following classes of members:
 - A. Individual Members:
 - (a) Ordinary members who shall pay the annual

contribution stipulated by the Council, unless exempted by the Council;

- (b) Life members who shall pay the contribution stipulated by the Council for Life Membership;
- (c) Honorary Life Members who shall be nominated by the Council for outstanding service to the objects of the Centre and who shall not exceed ten in number at any time and who shall not be required to pay any contributions.

B. Corporate members which shall be Churches and Ecumenical Associations.

- 5.4. The members of the Centre at the time of adoption of this Constitution shall be deemed to be members in terms of this Constitution having accepted its conditions.
- 5.5. Should any member fail to pay any membership fee for more than one year from due date such membership shall ipso facto lapse unless the Council shall decide otherwise.

6. MEETINGS OF MEMBERS

An Annual General Meeting and Extraordinary General Meeting of Members shall be convened on written notice being dispatched to members at their registered addresses not less than 28 days before the date of meeting. Five members present shall constitute a quorum. Corporate members shall be entitled to send two representatives to such meetings, each of whom shall be entitled to a vote. Notice of any resolution in terms of Clause 6(e) below shall be dispatched to members at their registered addresses 21 days prior to the meeting.

- 6.1. Annual General Meeting: This shall be held within the first six months of each calendar year for the following purposes:
 - (a) To receive and consider the Chairman's Report on the activities of the Council for the previous year and any other reports as may be appropriate.
 - (b) To receive and consider the audited financial statements for the preceding year.
 - (c) To receive the names of representatives of corporate

members/...

members of the Council in terms of Clause 7(1) and the names of the representatives of the South African Council of Churches in terms of Clause 7(2) and to elect members of the Council from the Individual members in terms of Clause 7(3). Written notice shall be sent to all Individual Members not less than 28 (twenty eight) days before the Meeting, inviting nominations for the election of Members of the Council. All nominations shall be accompanied by the consent of the nominee.

- (d) To elect the Chairman of the Centre in terms of Clause 7.7. who shall, ex officio, be the Chairman of the Council and of the Executive Committee.
- (e) To consider all resolutions proposed by members of which not less than 21 (twenty one) days notice has been given to the Secretary.
- (f) To consider any other business which the Meeting may consider proper.
- (g) To consider matters of importance which by their nature require the approval of a general meeting of members.

6.2. Extraordinary General Meetings: Extraordinary General Meetings may only be called to consider matters of importance which by their nature require the approval of a General Meeting of Members and which are of sufficient urgency to require attention prior to the next Annual General Meeting. An Extraordinary General Meeting shall be convened by the Secretary within 30 days of:

- (a) A decision to that effect of two-thirds of those present at a Meeting of the Executive Committee or of the Council, or
- (b) A written requisition being delivered to the Secretary signed by not less than ten Members specifying the purpose for which the meeting is required to be called.

6.3. The South African Council of Churches shall be entitled to appoint three representatives to attend General

Meetings/...

Meetings of Members and may exercise the rights of a member as if it were a Corporate Member of the Centre.

7. COMPOSITION OF THE COUNCIL

- 7.1. Each Corporate Member shall be entitled, to appoint one representative to the Council who shall hold office until such time as his successor has been appointed, provided that in the event of a representative being unable to attend any particular meeting, the member in question may appoint an alternate in writing to take his place at any such meeting.
- 7.2. The Executive Committee of the South African Council of Churches shall be entitled to appoint three members of the Council each of whom shall hold office until such time as his successor has been appointed, provided that in the event of a representative being unable to attend any particular meeting, the members in question may appoint an alternate in writing to take his place at any such meeting.
- 7.3. The Individual Members present at the annual general meeting jointly shall be entitled to elect to the Council an equivalent number of representatives to those appointed by the Corporate Members and the South African Council of Churches.

In the event of more persons being nominated than there are vacancies, a secret ballot shall be held amongst those attending the meeting.
- 7.4. The Director shall ex officio be a full member of the Council.
- 7.5. The Council may co-opt such other persons not exceeding four as the Council may decide to fill casual vacancies or because of their special knowledge or talents which could be of value to the Centre.
- 7.6. The Honorary Life Members shall be entitled to participate in the deliberations of the Council but in that capacity shall not be entitled to any office or to vote,

7.7./...

7.7. The Chairman of the Centre shall be nominated by the Council and shall be elected at the Annual Meeting of the Centre and shall preside over all meetings of the Council and shall be entitled to a casting as well as a deliberative vote. If the Chairman or Vice-Chairman is not present at any meeting, the persons present at that meeting shall elect a Chairman for that meeting from the persons present at that meeting. Neither a ~~Vice-Chairman~~ nor a Chairman elected for a meeting shall have a casting vote.

8. POWERS OF THE COUNCIL

The Council shall administer the affairs of the Centre on behalf of the members in terms of this Constitution and shall give effect to the aims, objects and policy of the Centre including the following:

- 8.1. To employ and terminate the employment, to fix the emoluments and conditions of employment and duties of servants including a Director of the Centre.
- 8.2. To engage the services of auditors, advisers and other professional persons.
- 8.3. To appoint the Vice-Chairman, Treasurer and Secretary of the Centre.
- 8.4. To appoint members of the Executive Committee in terms of Clause 11.

9. MEETINGS OF THE COUNCIL

- 9.1. The Council shall meet at least twice during each year at such time and place as may be decided by the Executive Committee, and additional meetings shall be convened by the Secretary as decided by the Council or on the requisition of any five members of the Council excluding Honorary Life Members.
- 9.2. The quorum of a meeting of the Council shall be one-third of its members. Where no quorum is available those present may deal with the business for which the meeting was called provided that it shall refer any matter considered at the meeting for the opinion or decision of the members of Council who did not attend the meeting, through the

post or telegraph requesting members to forward their opinions or votes to the Council within a time to be determined by the Council. The results of any such reference shall be circulated to members of Council and any person not replying for any reason whatsoever shall be deemed to have abstained from voting.

10. DIRECTOR

The Director shall be the Executive and Administrative Officer of the Council who shall carry out such duties and perform such functions as may be stipulated by the Council and failing the Council by the Executive Committee. He shall be responsible to the Council for giving effect to their decisions and he shall report fully to the Council and the Executive.

11. EXECUTIVE COMMITTEE

The Executive Committee shall consist of the Chairman, Vice-Chairman, Treasurer, Secretary and the Director of the Centre ex officio and two other members of the Council. Of the Executive Committee Members at least two shall be selected from those representing individual members and at least two shall be selected from those representing Corporate Members.

The South African Council of Churches shall be entitled to appoint from amongst the representatives referred to in Clause 7(2) a further member of the Executive Committee.

The Executive Committee shall be responsible for the general administration of the Centre on behalf of the Council to which it shall report fully at each Council Meeting. The Executive Committee shall hold meetings as follows:

- 11.1. At least one meeting shall be held during each calendar quarter. A meeting shall be held during the month prior to the Annual General Meeting. Meetings shall be held at such times and places as the Executive may from time to time decide. The Chairman of the Centre shall be

entitled/...

entitled at any time to summon an Extraordinary Meeting of the Executive.

- 11.2. Three persons present shall constitute a quorum at meetings of the Executive Committee.
- 11.3. The Chairman of the Executive Committee shall be entitled to a casting as well as a deliberative vote.
- 11.4. Written notice of any meeting shall be posted not less than 10 days before the date of the meeting provided that notice may be given over the telephone.

12. NOTICES

Except where otherwise provided all notices of meetings shall be sent, in writing, by ordinary post to the address of the member as reflected in the records of the Centre. No proceedings shall be invalidated by reason of written notice not having been received by a member.

13. PROXIES

Proxies are permitted at General Meetings except where specifically excluded, and shall be in writing and delivered to the Chairman and failing him the Secretary not later than a hour prior to the time stipulated for the commencement of the meeting. The Chairman shall decide on the validity of the proxy and his decision shall be final.

14. ALIENATION OF IMMOVABLE PROPERTY

No sale, mortgage or other alienation of any immovable property held by the Centre shall be valid unless approved by resolution of 75% of the members present at a General Meeting of the Centre. Members shall be given 30 days written notice of the proposed resolution and the notice shall give the reasons for the resolution and the effects thereof.

15./...

15. AMENDMENT OF CONSTITUTION

- 15.1. A motion for the amendment of the Constitution may be proposed at a General Meeting of the Centre by:
- (a) Ten Individual Members or representatives of Corporate Members or
 - (b) The Council by a decision of a majority of two-thirds of its members present at a meeting of the Council.
- 15.2. Notice of any proposed amendments of the Constitution shall be posted to members not less than 30 days before the General Meeting of Members at which the proposal is to be considered.
- 15.3. A two-thirds majority of those Individual Members personally present and a two-thirds majority of the representatives of the Corporate Members of the Centre shall be required to effect an amendment to the Constitution. No proxy votes shall be allowed in respect of any amendment to the Constitution.

16. DISSOLUTION

- 16.1. The Centre may be wound-up or dissolved if at least two-thirds of the Individual members and at least two-thirds of the representatives of Corporate Members, present and voting at a properly constituted General Meeting of the Centre, convened for the purpose of considering such matter, are in favour of such winding-up or dissolution. Written notice of the proposed resolution and the reasons therefor shall be posted to all members not less than 30 days before the meeting. No proxy votes shall be permitted and the Chairman shall not have a casting vote in respect of such resolution.
- 16.2. If upon the winding-up or dissolution of the Centre there remain any assets whatsoever after the payment of all its debts and liabilities, such assets shall not be distributed among members but shall be given to such associations, bodies and institutions having objects related to those of the Centre, as may be decided by the

majority of members present and voting at a Special Meeting of the Council convened for the purpose.

- 16.3. If for any reason a meeting is not held to take such a decision, or if the Council for any reason is prevented by law from meeting for the purposes set out in Clause 16(2) then the heads of the Corporate Member Churches shall have power to take such decisions.

WFC/Ukukhanya trust

Agreement

This attachment provides a draft agreement between the Wilgespruit Fellowship Center and the Ukukhanya Trust Development Foundation, which will be executed after the signing of this cooperative agreement and before any funds are disbursed for the Ukukhanya Trust.

GRANT AGREEMENT BETWEEN WILGESPRUIT FELLOWSHIP CENTRE AND THE UKUKHANYA TRUST
DEVELOPMENT FOUNDATION

1. Powers

In terms of article 4.6 of the Wilgespruit Fellowship Centre Constitution, we hereby enter into contract with the Ukukhanya Trust to achieve Wilgespruit Fellowship Centre's objectives as set out in paragraph 3 of the Wilgespruit Fellowship Centre Constitution herein, enclosed as Appendix 1.

The specifications of the contract between Wilgespruit Fellowship Centre and the Ukukhanya Trust will amongst other things include:

- 1.1 The receiving from the Ukukhanya Trust herein referred to as the "Trust", schedules of funding needs of members of the Ukukhanya Trust Development Foundation herein referred to as the "U.T.D.F."
- 1.2 Soliciting and receiving donations in cash and in kind from the U S Aid (United States Agency for International Development) to enable the Trustees of the Trust to operate the "U.T.D.F." and make sub-grants to members of the "U.T.D.F."
- 1.3 To transfer to the Trust a sum of R1 566 520 dispensed in advanced quarterly instalments as received from the U S Aid in accordance with advanced schedules of requisition agreed by the Trustees of the Trust representing R1 341 520 to be transferred to the "U.T.D.F." and R 225 000 for administration and operating costs of the Trust in accordance with the Wilgespruit Fellowship Centre and U S Aid agreement herein attached as Appendix 2.

2. Conditions

The conditions governing these specifications of the agreement will be that:

- 2.1 The Development Foundation disperses these sub-grants to its members in accordance with the standard agreement forms and project descriptions lodged with the U.T.D.F. herein enclosed as Appendix 3 and 4.
- 2.2 The U.T.D.F. provide Wilgespruit Fellowship Centre with quarterly fiscal and narrative progress reports on each grantee prior to requisition of further funds to operate the said projects/programmes.

- 2.3 The U.T.D.F. ensures that sub-grantees purchase goods produced in the geographic regions of Southern Africa. Clearance will be needed with the Executive Officer of the U.T.D.F. for goods produced outside of this geographic region.
- 2.4 The U.T.D.F. operates an office to enable and monitor progress in the activities of each grantee.
- 2.5 The U.T.D.F. ensures that full and audited accounts are available for the period as at the 31 December 1986 and as at 31 December 1987 to coincide with the Wilgespruit Fellowship Centre audit and procedures.
- 2.6 The U.T.D.F. in accordance with paragraph 1, sub-section 2 of this agreement opens its books of accounts for reviewal by the U S Aid as and when the need arises and the U.T.D.F. and its sub-grantees are sufficiently warned of the purpose and process of the audit in good time say 1 month in advance of such audit.
- 2.7 The U.T.D.F. in accordance with the agreement between Wilgespruit Fellowship Centre and U S Aid will allow its budgets and that of its sub-grantees provision for administrative and legal remedies.

3. Termination and Time-frame

3.1 Cause

The U.T.D.F. through its executive officer may terminate a grant to the sub-grantees of the U.T.D.F. in whole or in part upon written notice to the sub-grantee, wherever it is determined that the sub-grantee has failed to comply with the conditions of the grant.

3.2 Convenience

The U.T.D.F. and its sub-grantees may terminate for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective dates and in the case of partial termination, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the executive of the U.T.D.F. officer to the sub-grantee.

3.3 Suspension : Changed Circumstances

If at any time the U.T.D.F. determines that the continuation of funding

a sub-grantee and its programmes are not in line with the aims and objects of the U.T.D.F. and the Trust, then the U.T.D.F. may following notice to the sub-grantee, suspend the grant and prohibit the sub-grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 90 days or more, then U.T.D.F. may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to the parties.

3.4 Termination Procedures

Upon receipt of and in accordance with termination, notice as specified in either paragraph 3.1 and 3.2 above, the sub-grantee shall take immediate action to minimize all expenditures and obligations financed by the grant and shall cancel such unliquidated obligations whenever possible.

The sub-grantee shall pay within 60 calendar days after the effective date of such termination, repay to the U.T.D.F. who shall repay to the Wilgespruit Fellowship centre and ipso facto to the U S Aid, all unexpended funds which are not otherwise obligated by and legally binding transaction applicable to the grant.

3.5 Disputes

3.5.1 Any disputes under this grant shall be decided by the U.T.D.F. executive officer. The executive officer shall furnish the sub-grantee a written copy of the decision.

3.5.2 Decisions of the U.T.D.F. executive officer shall be final unless, within 60 days of receipt of the decision of the U.T.D.F. executive officer, the sub-grantee appeals the decision to the Trustees of the U.T.D.F. Any appeal made under this provision shall be in writing and addressed to the:

The Secretary
Ukukhanya Trust
P O Box 81
ROODEPOORT, 1725

A copy of the appeal shall be concurrently furnished to the Executive Officer of the U.T.D.F.

This agreement is entered into between the WILGESPRUIT FELLOWSHIP CENTRE on the of the month of 1986 at

Represented By:

AND

The UKUKHANYA TRUST DEVELOPMENT FOUNDATION represented and signed by on the of the month of the year 1986 at place

WITNESS: 1.
2.