

Assistance Agreement

USAID Assistance Agreement No. 674-2010-00

ASSISTANCE AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

THE REPUBLIC OF SOUTH AFRICA

FOR

TRI-LATERAL ASSISTANCE AND COOPERATION

DEMOCRATIC CONSOLIDATION ADVANCED

INCREASED SUSTAINABLE LOCAL GOVERNMENT SERVICE DELIVERY

INCREASED USE OF HIV/AIDS AND OTHER PRIMARY HEALTH CARE SERVICES

INCREASED ACCESS TO QUALITY EDUCATION AND TRAINING

SUPPORT ECONOMIC GROWTH

REGIONAL OBJECTIVE – RURAL LIVELIHOODS DIVERSIFIED IN SOUTHERN AFRICA

FISCAL DATA

Annex	Program Area	Distribution	Program Element	Fund Account	Appropriation	Amount
A1. Tri-laterals	A06	674-M	A026	2010/2011 DV	7210/111021	2,000,000
	A09	690-M	A041	2010/2011 DV	7210/111021	1,000,000
	A27	690-M	A141	2010/2011 DV	7210/111021	300,000
						3,300,000
A2. DOJ	A11	674-M	A047	2010 GH-H-X	72-19X1031	1,973,188
	A13	674-M	A058	2009/2010 ES	7209/101037	1,325,000
						3,298,188
A4. Health	A11	674-M	A047	2010 GH-H-X	72-19X1031	296,117,516
		674-M	A048	2010/2011 GH-C	721910/111031	11,212,500
		674-M	A053	2010/2011 GH-C-POP	721910/111031	1,500,000
						308,830,016
A5. Basic Education	A11	674-M	A047	2010 GH-H-X	72-19X1031	2,213,178
A7. Economic Growth	A16	674-M	A066	2010/2011 DV	7210/111021	412,290
		674-M	A067	2010/2011 DV	7210/111021	1,760,000
	A19	674-M	A076	2010/2011 DV	7210/111021	577,205
		674-M	A077	2010/2011 DV	7210/111021	5,460,000
	A26	674-M	A140	2010/2011 DV	7210/111021	140,000
	A27	674-M	A141	2010/2011 DV	7210/111021	483,015
						8,832,505
A8. Agriculture	A18	674-M	A074	2010/2011 DV-GFSI	7210/111021	2,000,000
	A16	674-M	A067	2010/2011 DV	7210/111021	669,000
						2,669,000

TOTAL AMOUNT TO BE OBLIGATED THROUGH THIS AGREEMENT: 2,669,000

FUNDS AVAILABLE



Assistance Agreement

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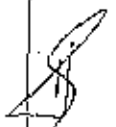
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ASSISTANCE AGREEMENT

Dated:

Between

The United States of America, acting through the United States Agency for International Development ("USAID")

and

The Republic of South Africa (hereinafter referred to as the "Grantee")

Article 1: Purpose.

The purpose of this Assistance Agreement (the "Agreement") is to set out the understanding of the parties named above (the "Parties") in connection with the Objective described below.

This Agreement amends, restates, and subsumes the following agreements between the Parties:

Tri-lateral Assistance and Cooperation (Limited Scope Grant Agreement 674-0334)

Democratic Consolidation Advanced (SOAG 674-0330)

Increased Sustainable Local Government Service Delivery (SOAG 674-0332)

Increased Use of HIV/AIDS and Other Primary Health Care Services (SOAG 674-0329)

Increased Access to Quality Education and Training (SOAG 674-0328)

Support Economic Growth (SOAG 674-0335)

Implementation Letters issued pursuant to these agreements remain in effect in accordance with their respective terms.

Article 2: Functional Objectives, Assistance Objectives, and Program Areas.

Section 2.1. Functional Objectives, Assistance Objectives, and Program Areas..

In order to further the foreign assistance objectives of *Peace and Security; Governing Justly and Democratically; Investing in People; and Economic Growth* (the “Functional Objectives”) articulated by the Government of the United States of America under the Strategic Framework for United States Foreign Assistance (an internal framework that provides a common language for U.S. Government entities to use when discussing where they program their funds and a general description of such areas. See Annex 10.), the Parties hereto agree to work together by focusing on activities in the Functional Objectives and Program Areas listed in Section 2.2. Section 2.2 also indicates how the Functional Objectives and Program Areas align with the existing Assistance Objectives previously covered under individual Strategic Objective Grant Agreements (SOAGs) between the South African Government and the United States Government.

Section 2.2 List of Functional Objectives, Assistance Objectives, and Program Areas Covered under the Agreement

Assistance Objective: Tri-lateral Assistance and Cooperation (Previously covered under Limited Scope Grant Agreement 674-0334)

Functional Objectives: 1 Peace and Security

Program Area - 1.6 Conflict Mitigation and Reconciliation

Functional Objective: Governing Justly and Democratically

Program Area - 2.3 Political Competition and Consensus Building

Assistance Objective: Democratic Consolidation Advanced (Previously covered under SOAG 674-0330)

Functional Objective – 2 Governing Justly and Democratically

Program Area: 2.1 Rule of Law and Human Rights

Program Area: 2.2 Good Governance

Program Area: 3.1 Health

Assistance Objective: Increased Sustainable Local Government Service Delivery (Previously covered under SOAG 674-0332)

Functional Objective – 2 Governing Justly and Democratically

Program Area: 2.2 Good Governance

Assistance Objective: Increased Use of HIV/AIDS and Other Primary Health Care Services (Previously covered under SOAG 674-0329)

Functional Objective: 3 Investing In People

Program Area: 3.1 Health

Assistance Objective: Increased Access to Quality Education and Training (Previously covered under SOAG 674-0328)

Functional Objective: 3 Investing in People

Program Area: 3.1 Health

Program Area: 3.2 Education

Program Area: 4.6 Private Sector Competitiveness



Assistance Objective: Support Economic Growth (Previously covered under SOAG 674-0335)

Functional Objective: 4 Economic Growth

Program Area: 4.2 Trade and Investment

Program Area: 4.3 Financial Sector

Program Area: 4.6 Private Sector Competitiveness

Regional Assistance Objective: Rural Livelihoods Diversified in Southern Africa (Bilateral support for this objective is new as of this agreement).

Functional Objective: 4 Economic Growth

Program Area: 4.5 Agriculture

Detail of activities in the elements, as well as illustrative indicators, can be found in the sector-specific annexes to this agreement.

Within the limits of the definition of the Functional Objective in Section 2.1, this Section 2.2 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement.

Section 2.3. Annexes 1-8, Amplified Descriptions. Annexes 1-8, attached, amplifies the above Objectives and describes the Program Elements and Indicators that will be used to measure the progress and achievement in each of the Program Areas that relate to each of the Objectives. Within the limits of the definition of the Functional Objectives set forth in Section 2.1, Annexes 1-8 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of this Agreement. Authorized representatives of the Grantee for purposes of making changes to Annexes 1-8 will be communicated to USAID pursuant to Section 5(b).

Article 3: Contributions of the Parties.

Section 3.1. USAID Contribution.

(a) **The Grant.** To help achieve the Objectives set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of the Agreement an amount not to exceed \$329,142,888 United States ("U.S.") Dollars (the "Grant"). The Grant will be subdivided among the Objectives as set forth in Annexes 1-8:

(b) **Total Estimated USAID Contribution.** USAID's total estimated contribution to achievement of the Objectives will be Two billion seven hundred fifty million ("U.S.") Dollars (\$2,750,000,000). This amount will be provided in increments.

Subsequent increments will be subject to the availability of funds to USAID for this purpose and may be provided by USAID upon written notice to the Grantee in the form of an Implementation Letter (as defined in Section A.2.) The Parties agree that each such

incremental contribution provided, if any, shall cumulatively increase the total amount of the Grant set forth in Section 3.1 and consequently may increase the Grantee's contribution under Section 3.2. The Grantee further agrees to acknowledge to USAID each such incremental contribution, if any, by countersigning and returning Implementation Letters prepared for such purpose.

(c) If at any time USAID determines that its contribution under Section 3.1(a) exceeds the amount which reasonably can be committed for achieving the Objective during the current or next U.S. fiscal year, USAID may, upon written notice to the Grantee, withdraw the excess amount, thereby reducing the amount of the Grant as set forth in Section 3.1(a). Actions taken pursuant to this subsection will not revise USAID's total estimated contribution set forth in 3.1(b).

Section 3.2. Grantee Contribution.

(a) The Grantee agrees to provide or cause to be provided all funds, in addition to those provided by USAID and any other donor identified in Annexes 1-10, and all other resources required to complete, on or before the Completion Date, all activities necessary to achieve the Objective.

(b) The Grantee's contribution, based on USAID's contribution in Section 3.1(a), will not be less than the equivalent of one-third of the portion of the Grant that is used to support activities that directly benefit the Grantee or involves the direct and substantial involvement of the Government of the Republic of South Africa in the administration, provided that such amount may be reduced with the written consent of USAID. The Grantee's contribution may include either cash or in-kind contributions or both. The dollar equivalent amount of the Grantee's contribution (which will be expressed in South African Rand based on the then-current exchange rate) shall be set forth in an Implementation Letter and shall be subsequently included in the Illustrative Financial Plan included in Annexes 1-8 of this Agreement. The amount of the Grantee's contribution shall be adjusted upon any increase in the amount of the Grant set forth in Section 3.1(a), in accordance with the formula described in the first sentence of this paragraph, and the precise amount of such adjustment shall be indicated in an Implementation Letter. The Grantee will report at least annually in a format to be agreed upon with USAID on its cash and in-kind contributions."

Article 4: Completion Date.

(a) The Completion Date, which is October 1, 2013, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all the activities necessary to achieve the Objective will be completed.

(b) Except as USAID may otherwise agree to in writing, USAID will not issue or approve documentation that would authorize disbursement of the Grant for services performed or goods furnished after the Completion Date.



(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, are to be received by USAID no later than nine (9) months following the Completion Date, or such other period as USAID agrees to in writing before or after such period. After such period USAID, at any time or times, may give notice in writing to the Grantee and reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Implementation Letters, were not received before the expiration of such period.

Article 5: Conditions Precedent to Disbursement.

Section 5.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by USAID of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID:

(a) An opinion of counsel acceptable to USAID that (i) this Agreement has been duly authorized or ratified by, and executed on behalf of the Grantee, (ii) this Agreement constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms, and (iii) all internal actions and approvals necessary to give effect to this Agreement have been obtained by or on behalf of the Grantee; and

(b) A signed statement in the name of the person holding or acting in the office of the Grantee specified in Section 7.2. Grantee will also include in this statement the names of individuals authorized by Grantee to represent the Grantee for particular purposes (e.g., authorizing changes to Annexes 1-8 pursuant to Section 2.3) under this Agreement. From time to time, as necessary, Grantee will notify USAID in writing of the names and titles of any additional individual or changes to the individuals authorized who may act pursuant to Section 7.2 either for general or specific purposes.

Section 5.2. Notification. USAID will promptly notify the Grantee when USAID has determined that a condition precedent has been met.

Section 5.3. Terminal Dates for Conditions Precedent. The terminal date for meeting the conditions specified in Section 5.1 is 30 days from the date of this Agreement or such later date as USAID may agree to in writing before or after the above terminal date. If the conditions precedents in Section 5.1 have not been met by the above terminal date, USAID, at any time, may terminate this Agreement by written notice to the Grantee.

Article 6: Special Covenants.

(a) Privileges and Immunities of personnel shall be governed by the Economic, Technical and Related Assistance Agreement signed in 1995 between the Government of South Africa and the United States Government.

(b) On an annual basis while this Agreement remains in effect, USAID will report to Grantee in a mutually acceptable format on USAID's use of and reliance on Grantee systems for provision of assistance and the extent to which funds made available pursuant to this Agreement have been provided directly to the Government of South Africa.

(c) If any dispute or disagreement arises relating to the implementation or interpretation of this Agreement, or any activity implemented hereunder, representatives of the Parties will meet to endeavor to resolve the dispute or disagreement amicably. If the Parties are unable to resolve the dispute or disagreement at the working level, senior representatives of the Parties will meet to resolve the dispute or disagreement. For these purposes, USAID will be represented by the USAID/Southern Africa Mission Director (or his/her designee) and the Grantee will be represented by duly authorized representative.

Article 7: Miscellaneous.

Section 7.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, telefax, cable or electronic mail ("e-mail"), and will be deemed duly given or sent when delivered to such Party at the following address:

To USAID:

Mail Address:

United States Agency for International Development

Alternate address for cables:

Telefax:

E-mail:

To the Grantee:

Mail Address: Private Bag x 115, Pretoria, 0001

Alternate address for cables:

Telefax: +27 12 324 2456

E-mail: robin.toli@treasury.gov.za

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 7.2. Representatives. For all purposes relevant to this Agreement, other than approving formal amendments to the Agreement, which may only be approved by the

Minister of Finance, the Grantee will be represented by the individual holding or acting in the Office of The Chief Directorate: International Development Cooperation, National Treasury], and USAID will be represented by the individual holding or acting in the Office of Mission Director, USAID/Southern Africa, each of whom, by written notice, may designate additional representatives for all purposes other than signing formal amendments to the Agreement. The names and titles of the additional representatives of the Grantee will be provided pursuant to Section 5.1(b) to USAID, which may accept as duly authorized any instrument signed by such additional representatives (or any individuals subsequent holding or acting in the office of such representatives) in accordance with this Section 7.2, until receipt of written notice of revocation of their authority.

Section 7.3. Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

Section 7.4. Language of Agreement. This Agreement is prepared in English.

Section 7.5. Amendment. This Agreement may be amended through an exchange of letters between the authorized representatives of the Parties.

IN WITNESS WHEREOF, the United States of America and the Grantee, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

UNITED STATES OF AMERICA

By: Jeff Barnes

Name: Jeff Barnes

Title: Mission Director

REPUBLIC OF SOUTH AFRICA

By: Robin J. Gordon

Name: Robin J. Gordon

Title: Minister of Finance