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AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT PAPER FACESHEET

1. TRANSACTION CODE
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B CHANGE
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2. DOCUMENT CODE
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SOUTHERN AFRICA REGIONAL

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SOUTH AFRICAN BURSARIES

8. ESTIMATED FY OF PROJECT COMPLETION
FY 94

9. ESTIMATED DATE OF OBLIGATION
A. INITIAL FY: 85
B. QUARTER: 4
C. FINAL FY: 89 (Enter 1, 2, 3, or 4)

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	-	861	861	175	16,786	16,961
(GRANT)	-	861	861	175	15,786	16,961
(LOAN)	-	-	-	-	-	-
OTHER U.S. 1.						
OTHER U.S. 2.						
HQST COUNTRY	-	-	-	-	-	-
OTHER CONCRIS.						
TOTALS	-	861	861	175	16,786	16,961

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 85		H. 2ND FY 86		K. 3RD FY 87	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) EH	620	630	-	861	-	3,500	-	4,000	-
(2)									
(3)									
(4)									
TOTALS				861	-	3,500	-	4,000	-

A. APPROPRIATION	N. 4TH FY 88		O. 5TH FY 89		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	P. GRANT	Q. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) EH	4,000	-	4,600	-	16,961	-	MM YY 1 8 8 & 90
(2)							
(3)							
(4)							
TOTALS	4,000	-	4,600	-	16,961	-	

13. DATA CHANGE INDICATOR: WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 = NO
2 = YES

1

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE: *W. S. ...*

TITLE: Chief, AFR/PD/SAP

DATE SIGNED: MM DD YY
08 26 85

15. DATE DOCUMENT RECEIVED IN AID/W OR FOR AID W/ DOCUMENTS, DATE OF DISTRIBUTION

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PROJECT PAPER

SOUTH AFRICAN BURSARIES PROGRAM

(690-0230)

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SOUTH AFRICAN BURSARIES PROGRAM

(690-0230)

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ACRONYMS/ABBREVIATIONS

CGI	Consulting Group, Inc., California
EOC	Educational Opportunities Council
IIE	Institute of International Education
MEDUNSA	Medical University of South Africa
NAFCOC	National African Federated Chamber of Commerce
NUSAS	National Union of South African Students
SACC	South Africa Council of Churches
SACHED	South Africa Committee for Higher Education
SAEP	South Africa Education Program
SAIRR	South Africa Institute of Race Relations
SASM	South Africa Student Movement
SASO	South African Student Organization
SOWETO	South West Townships
T.O.P.S.	Teacher Opportunity Program
UCT	University of Cape Town
UNISA	University of South Africa
UPP	University Preparation Program
USSALEP	U.S.-South Africa Lender Exchange Program
UWC	University of the Western Cape
WCC	World Council of Churches
WITS	University of Witwatersrand

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Officials at U.S. Mission, Pretoria, Johannesburg, Cape Town	

PREFACE

The South Africa Bursaries Program was originally designed by a team from A.I.D./Washington which visited South Africa in the spring of 1984. Their project paper was completed in June 1984 and approval obtained from the agency for implementation of the project. Unfortunately, a hold was placed on the allocation of funds to the project by one of the committees of Congress exercising oversight over A.I.D. programs. The main objection voiced by committee staff was that the organization chosen by A.I.D. to implement the program, the South African Institute of Race Relations, was a white-led organization and, as such, might not effectively represent the interests and concerns of the black community. The agency was unable to overcome congressional staff objections in time to permit obligation of FY 1984 funds to the project as planned.

Upon arrival in South Africa, the newly-assigned AID Affairs Officer (AAO) began low-key, intermittent discussions with officials of the South African Institute of Race Relations (SAIRR) and other organizations involved in education or scholarship programs in South Africa. Such discussions were renewed from time to time when appropriate visitors from A.I.D./Washington visited South Africa. Our approach was to make general suggestions and to encourage the South African organizations themselves to consult with each other and develop a new proposal for implementing and administering a university-level scholarship program for legally-disadvantaged South Africans. Our efforts began to bear fruit early in 1985 when the South African Council on Higher Education (SACHED) took the lead in convening a series of meetings of South African organizations involved in scholarship programs to discuss what might be done. The most active participants in the meetings were the SAIRR, the Trust for Christian Outreach and Education, SACHED's own regional offices in the Western Cape and Natal, and the Educational

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Opportunities Council (EOC). The meetings finally resulted in a concrete proposal submitted to A.I.D. in July that outlined the implementing structure described in the present version of the project paper.

It should be noted that the bulk of the following project paper consists of sections included in the project paper completed in June 1984. Lack of time and the press of other duties has made it impossible for the AAO to do a complete revision of all sections of the project paper. The annexes have been left intact with the exception of the project's logical framework which has been revised to conform to the current model. Consequently, there may be sections of the paper's annexes which do not conform to the current project design.

A number of factors lead to the decision to drop several components of the earlier project paper. The USIS-implemented "fast track" program has been dropped because the prospective implementing agents have assured A.I.D. that they will be able to select and process the first group of scholarship recipients in time for them to begin studies in the next South African academic year which begins at the end of January 1986. They can do this by drawing on a backlog of scholarship applicants who have applied for other scholarship programs administered by the implementing organizations. It will also be possible to advertise the availability of the AID-financed scholarships in time for applications to be reviewed and included in the selection pool for the January 1986 start. Final selection of scholarship recipients cannot, in any event, be completed until after students take their matriculation exams in November 1985.

Other factors influencing our decision to drop from the Bursaries Project assistance to the Teacher Opportunity Programs (TOPS), scholarships for black students to attend integrated private secondary schools, viii

and special programs for high school non-matriculants, included congressional action on pending legislation governing South African aid programs. Such actions would indicate that these project components could better be implemented through one or more larger separate projects to be initiated during the coming fiscal year.

I. PROJECT RATIONALE AND DESCRIPTION.

1. BACKGROUND:

South African is a country whose population is composed of four major legally-recognized population groups: white, colored, Asian and African (or black). Throughout the country's modern history, successive white governments have, as a matter of policy, distributed the benefits of education unequally among the various racial groups. As a result of such policies, by 1980 when Africans comprised 73% of the country's population and whites 15%, only 7,720 Africans had been able to obtain university degrees while the number of white graduates had reached 190,760. Thus, 25 times as many whites as blacks had university degrees although the latter predominated in the general population by a ratio of 4.77:1. Such a disparity bears stark witness to the limited opportunities South African blacks have historically had for university level and professional training.

Since 1981 A.I.D. has supported a number of human resource development activities in South Africa. The most significant of these activities has been the external scholarship program launched initially by the United States-South Africa Leader Exchange Program (USSALEP), which includes in its membership many prominent U. S. and South African scholars.

With the pool of potential candidates for training growing each year, A.I.D., in collaboration with the American Embassy and USIS, Pretoria, has determined that training within South Africa, where feasible, will result in substantial cost savings and contribute to the training of a much larger number of people. As stated in a recent USSALEP report "Educational Development is arguably the strongest force for social change in South Africa. An acute shortage of skilled manpower in an expanding economy is obliging the government to open the doors of educational opportunity to aspiring blacks. The pace and extent of

this change, as well as its character and aims, remain matters of sharp public and private disagreement."

In an effort to meet in part some of the critical needs for trained South African blacks, A.I.D. is presently supporting a university scholarship program for training in the U.S. This new project will complement the ongoing one by focusing primarily on undergraduate training at selected institutions within South Africa. It will make possible the training of many more candidates since per unit education costs for U.S. training are 4-5 times those for in-country S.A. training. There is also a strong belief among many black South African educators that undergraduates are emotionally better suited for in-country training. Graduate students are generally more mature and can adjust more easily than the average undergraduate to the American academic system and living conditions. Thus, with the implementation of this in-country bursary program, the U.S. training program will concentrate almost exclusively on graduate training, with undergraduate training limited primarily to critical fields for which relevant training is not easily available in South Africa for blacks.

The proposed project will respond to several areas of critical manpower needs for disadvantaged black South Africans. Understandably, in design as well as in implementation, the project does not follow the general norms associated with A.I.D. projects which are generally developed in close coordination with host governments. However, aside from this basic difference, the project conforms completely with the general A.I.D. philosophy: to improve the social and economic well-being of those most in need of help. The channels for project implementation will lie exclusively outside any South African government involvement. In fact, the type of assistance proposed here and the means of implementing it has been provided within South Africa by a number of other donors--though on a much smaller scale--for a number

A.I.D. is also supporting a number of other training activities for black South Africans. These include (a) the University Preparation Program to develop model materials and curriculum for students and teachers; (b) the Entrepreneurial Training for Disadvantaged South Africans to train present and potential black entrepreneurs in general business skills; and, (c) Labor Union Training to support trade union training programs for black South African workers. In addition, a limited number of scholarships are being provided under the Human Rights Program to enable needy black students to attend integrated private secondary schools.

2. PROJECT RATIONALE:

Even the most cursory analysis of education in the Republic of South Africa makes it clear that on virtually every conceivable measure of educational quality, the white population is in a markedly better position than the non-white. To cite just two examples, per capita expenditure by the South African Government on white pupils in its primary and secondary schools is currently about 7.2 times that provided for black pupils. In addition, pupil-teacher ratios in African schools are more than double those in white schools. Compounding the difficulty in African schools is the very large percentage of African teachers who do not possess even basic professional qualifications.

It is a matter of some deep concern to the Africans themselves, as well as to others who are careful observers of the human resource problem in South Africa, that over the foreseeable future, the need for a drastic reversal in the traditional treatment of black South Africans in respect to schooling is great. Economic growth considerations demand it; concerns of internal social and political stability and indeed maturity require it; the disadvantaged groups themselves will increasingly not settle for less. As the school boycotts in recent years demonstrated, black South Africans are understandably hostile to the kind of separate and grossly unequal education meted out to them.

It was in that context that the original programs of assistance to black education and its earlier non-governmental variants were conceived. The current External Scholarship Program (Training for Disadvantaged South Africans - 690-0213) is really a continuation of an effort begun two years ago with an initial obligation of \$4.0 million in FY 1982. This itself was follow-up to an earlier effort actually launched in 1979, when six students came to the United States, five in 1980, and 35 students in 1981. All these early entrants into the program were financed by a variety of non-governmental U.S. sources, particularly corporation, foundation and university sources. In 1981, however, the program received an indirect A.I.D. grant of \$380,000 and in 1982 the direct funding by A.I.D. was begun. The emphasis was to be on graduate education in well-selected areas, although a number of students were allowed to pursue undergraduate degrees. The basis for this was the recognition that as far as high-level manpower was concerned, black South Africans were almost totally excluded in the typical professional occupations. In 1979, while white high-level manpower totalled 458,788 out of a total manpower pool of 1,578,969, black (meaning African, Asian or colored) high-level manpower totalled 80,300 out of a total manpower pool of 3,678,000. University enrollment on a full-time basis (residential) had reached 80,000 for whites but only 7,000 for Africans. Life changes on this measure of social well-being are clearly not random, since historically the white child had more than 100 times the chance of being a university graduate than a black child.

Finally, education can be defended on its own merit, and need not be justified by other extra-educational concerns. While this argument is more difficult to defend in conditions where one is trying to justify spending more on a specific kind of education as opposed to another, at the margin, the context of educational provisions for blacks in South

Africa is clearly not one in which concerns need be raised about marginal trade-offs. The short-fall is massive and the need is great for the opening up of all kinds of post-secondary education for South Africa's black populations.

3. PROJECT DESCRIPTION:

The major thrust of the project is to permit academically qualified, non-white South Africans to pursue undergraduate degree programs at universities of their own choice within South Africa. The scholarship recipients may attend one of the integrated white universities or alternatively a black institution, based on ability, personal preference and opportunity for enrollment. With steadily increasing numbers of black candidates for university enrollment, the black universities in South Africa provide an important alternative for post-secondary education. It should also be noted that, primarily through efforts of local non-governmental and international organizations, considerable progress has been made in recent years in upgrading staff and facilities at the black universities.

While not shown as a separate component within the project, another objective of the program is to strengthen the capabilities of black-led organizations involved in scholarship programs in South Africa. During the initial design phase of the project in 1984 and later, after the arrival of the AAO, A.I.D. experienced difficulty in identifying any black-led organization in South Africa with substantial experience in providing scholarships to university level students. Implementation of the current project is seen as an opportunity to develop the capability within one or more black-led organizations to administer such scholarships in the future.

A. Scholarships for Undergraduate Academic/Technical Training:

These scholarships will permit the recipients to attend a South African university or technikon of their choice, based on their proof

of admission. The institution selected can be an "open" or integrated white university, one of the black universities, or the University of South Africa, a correspondence school with full accreditation and an excellent reputation. The amount of money required for each undergraduate scholarship will vary from about \$200 to \$5,000 per year per student, depending which of the above schools the student attends and whether that is done on a full-time or part-time basis. Although the period required for a bachelor's degree in South Africa is normally 3 years, the AID-supported scholarships will be based on a five year level of support, given two important considerations: (1) there is a high attrition rate among black students during the first year of university training--as high as 60%, according to reliable reports. In addition, during times of unrest, black schools are often closed by boycotts, violence or police or other official action. Given the current situation in the country, it is reasonable to make provisions in the project budget for an extra year to cover this contingency. The two additional budgeted years, combined with supplementary education or the proposed "bridging" activities described below, should help reduce the drop-out rate, contribute to the basic objective of the project--to promote the post-secondary academic success of black South Africans--and ensure effective utilization of project funds; (2) for those students who have no problems in coping with the regular academic requirements, one or more additional years will enable them to obtain an Honors in addition to the Baccalaureate. Honors graduates have a much better chance in competing for good positions.

The scholarships provided under this project will be full or partial, depending on the individual student's financial needs, whether he or she lives within easy commuting distance from the school, the level of maintenance and accommodation required.

Specific financial arrangements will be worked out between the students and the implementing organizations based on guidelines broadly consistent with those operating for existing bursary programs supported by other donors. Fields of study under the internal undergraduate program will generally be similar to those covered under the External Scholarship Project, i.e., the social and natural sciences with the addition of other fields such as journalism and mass communication related to radio and television programs which have begun to play an important role in the black communities of South Africa. Other fields of study not covered in the present list may be allowed on a case-by-case basis at the discretion of the implementing organization and concurrence of the National Committee described below.

B. Scholarships for Graduate Work in Selected Areas:

A limited number of full and partial scholarships will also be provided for graduate work in medicine, dentistry, law and engineering. These are four areas where the need for trained blacks is perhaps the most critical. As a general guideline and in order to optimize the use of project funds, graduate-level scholarships will be limited to five in each of the four categories although not more than a total of ten such scholarships will be funded for the 1986 academic year. As in the case of scholarships for undergraduates, these bursaries are also subject to annual review and renewal, based on evidence of satisfactory academic achievement and continued need for financial assistance. The annual cost of graduate level education is comparable to and in some cases less than that for undergraduate training.

C. Supplementary Education and Bridging Programs:

There is an abnormally high attrition rate of first-year university students among black South Africans--estimated at about 60 percent. Some of the black institutions as well as the integrated white universities have already initiated remedial or "bridging" programs to help first year students cope with transitional problems.

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academic or otherwise, in order to improve students' chances of moving into the second year with better prospects for keeping pace with the academic workload. These programs are provided in a number of different ways: three or four weeks of intensive work before the beginning of the regular school year; through tutorial help for small groups during the school year; or by individual help from upper classmates, in well structured arrangements.

In addition to such programs sponsored by universities, a number of public service organizations are also focusing on these problems. Representatives of the South Africa Institute of Race Relations (SAIRR) commenting on the overall need for university enrichment and bridging programs, state that an inferior educational system has left black secondary school graduates generally ill prepared for university work.

Both SAIRR and the South Africa Committee for Higher Education (SACHED) provide help for secondary level and university students. In 1980 SACHED's Center in Johannesburg provided tutorial assistance to 444 students from the University of South Africa (UNISA). SACHED's centers in Cape Town and Durban offer similar programs. The magnitude of need for tutorial or bridging help for first year university students is now becoming a cause for major concern throughout South Africa--especially among black educators. The drop out rate not only represents a severe loss of human resources, but it creates a demoralizing signal to secondary school students aspiring to university enrollment. There is convincing evidence, however, that well-organized bridging programs can greatly improve the chances for success for the black student.

The proposed bridging program, therefore, can be seen as an integral part of the undergraduate scholarship program. It represents an added safeguard in helping the recipients move successfully up the ladder of higher education; and it provides a better assurance that project funds will be well-spent. Most importantly, it will give students

added confidence knowing that there is a helping hand, if needed. In terms of costs, this program would add a maximum of about \$900 to the total amount provided for a full, four-year scholarship.

The bridging program will not be made a prerequisite for all undergraduate scholarship recipients. Rather, it will be provided on a case-by-case basis, as recommended by offices of the academic support program of the individual universities and by representatives of the project implementing organization. It is assumed that all students receiving scholarships under the project will be told about the availability of the bridging program.

In January 1986, a more ambitious and imaginative "bridging" program will be undertaken by SACHED with Ford Foundation funding and technical assistance from Indiana University. A new residential institution called Khanya College will be established with campuses initially in Johannesburg and Cape Town to provide a full year of on-campus university experience for black students prior to their continuing their education at either the University of Witswatersrand (WITS) or the University of Cape Town (UCT). Students will enroll in two major university subjects for which WITS and UCT have agreed to accept at full credit. In addition, students will take special enrichment programs that will teach them proper study habits, strengthen skills in communications and quantitative methods and build competence and self-reliance within each student. The first year program will have 40 students at each of the two campuses expanding to approximately 100 at each campus in the second year. We would expect to provide at least 3 and up to 10 scholarships each year for students beginning their university education at Khanya College. Costs will be comparable to normal undergraduate studies at the "open" universities.

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II. COST ESTIMATES AND FINANCIAL PLAN

SUMMARY COST ESTIMATES

As indicated in Table 1 below, the total cost of the project is \$16.961 million. The AID contribution to the project is 100% of the total cost.

TABLE I

SUMMARY COST ESTIMATE
(\$000)

<u>Item</u>	<u>FX</u>	<u>LC</u>	<u>Total</u>	<u>Percent</u>
1. Undergraduate Scholarships	-	13,632	13,632	80.4
2. Graduate Scholarships	-	1,255	1,255	7.4
3. Administration	-	1,899	1,899	11.2
4. Project Evaluations	175	-	175	1.0
Totals	175	16,786	16,961	100.0

TABLE II

PROJECT FUNDING SUMMARY
(\$000)

	<u>Total</u>	<u>Percent of Total</u>
1. Undergraduate Scholarships	13,632	(80.37)
2. Graduate Scholarships	1,255	(7.40)
3. Administration	1,899	(11.20)
4. Project Evaluation	175	(1.03)
Total	16,961	(100.00)

TABLE III

METHODS OF IMPLEMENTATION AND FINANCING

<u>Contracts for</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approximate Amount (\$000)</u>
Academic Scholarships	Cooperative Agreements	Direct Payment	14,887
Scholarship Administration	Cooperative Agreements	Direct Payment	1,899
Project Evaluation	IQC or PSC's	Cost Re-imburement	175

TABLE IV

AID EXPENDITURES BY FISCAL YEAR

<u>FY</u>	<u>Undergraduate Scholarships</u>	<u>Graduate Scholarships</u>	<u>Administration</u>	<u>Project Evaluation</u>	<u>Totals</u>
86	100,170	33,390	123,057	-	256,617
87	579,576	102,278	153,806	-	835,660
88	1,118,191	174,717	200,800	78,000	1,571,708
89	1,737,496	240,292	256,425	-	2,234,213
90	2,396,356	270,556	304,125	97,000	3,068,037
91	2,622,389	222,236	286,698	-	3,131,323
92	2,300,073	153,338	244,950	-	2,698,361
93	1,763,455	58,782	193,779	-	2,016,016
94	1,014,000	-	134,982	-	1,148,982
Totals	13,631,706	1,255,589	1,898,622	175,000	16,960,917

TABLE V

AID OBLIGATIONS BY FISCAL YEAR

<u>FY</u>	<u>Undergraduate Scholarships</u>	<u>Graduate Scholarships</u>	<u>Administration</u>	<u>Project Evaluation</u>	<u>Totals</u>
85	605,000	100,000	156,000	-	861,000
86	2,950,000	260,000	290,000	-	3,500,000
87	3,322,000	270,000	330,000	78,000	4,000,000
88	3,345,000	295,000	360,000	-	4,000,000
89	<u>3,410,000</u>	<u>330,000</u>	<u>763,000</u>	<u>97,000</u>	<u>4,600,000</u>
Tot:	13,632,000	1,255,000	1,899,000	175,000	16,961,000

Costing the South African Bursaries Project:

Projecting costs over a period of expenditure that will exceed 9 years is, at best, risky business. It is particularly uncertain in the current economic climate in South Africa. In recent months we have seen sharp fluctuations in the exchange rate of the South African rand--as much as 25% within a week. We have, however, attempted to be conservative in our estimates of dollar costs based on the local currency cost of project components. We have assumed that the rand, currently trading at approximately R2.45 to US \$1.00, will soon return to a more economically viable level of approximately R1.80 to US \$1.00 and remain in that range throughout 1986 before beginning a slow, market-based devaluation at the rate of about 10 to 12 percent per year until 1990, when it will level off at approximately R2.75 to US \$1.00 for the remainder of the project. Likewise, we have projected domestic inflation to continue to increase at approximately the levels of the past three years--15% per year. Such an inflation rate would imply an increase in the rand cost of a year's university education from approximately R6,077 in 1986 to more than R18,500 in 1994, the final year for disbursements under this project. Thus, taking into account the effects of both a declining rand value on the international exchange markets and a high domestic inflation rate, we have projected the average annual cost of university education to increase from approximately \$3,400 in the initial project year to approximately \$6,800 in the last year in which disbursements will be made under this project.

We have followed similar assumptions in costing the administrative costs of the project. Detailed discussions have been held with the two most likely grantees under this project, the South African Institute of Race Relations (SAIRR) and the Educational Opportunities Council (EOC), regarding the administrative costs required to assure effective implementation of the bursaries project. The SAIRR has had long experience with university bursary projects and prefers to allocate its costs to

programs on a percentage basis. They maintain adequate historical expense data to make this feasible in their case. However, if the EOC is to undertake administration of a significant share of the bursaries to be made available under this project, it will establish a separate internal bursaries division to perform this function. Since this separate unit would be, at least initially, working exclusively on the AID-financed bursaries, a cost projection was reasonably easy to prepare for such a discreet organizational unit. Table VI contains the results of our joint analysis. When compared to costs derived from the probable percentage rate to be charged for administering bursaries by the SAIRR, EOC's costs are surprisingly similar. Thus, our projections of the cost of administering the bursaries program have assumed that EOC would administer one-half the bursaries while the SAIRR and other organizations would administer the other half at a fee of approximately 11.6% of the total bursaries cost.

The direct costs of the bursaries have been estimated using data supplied by the SAIRR from its latest cost data. The assumption has been made that one-half the scholarship recipients will attend "open" universities and the other half will attend black universities. The typical cost of a bursary has, therefore, been arrived at by averaging the higher cost of the "open" universities with the lower cost of the black universities. (See page 32 for cost data used in the calculation.)

TABLE VI

EOC Internal Bursaries Division

Illustrative Budget

	<u>10/85-9/86-^{1/}</u>	<u>10/86-9/87^{2/}</u>	<u>10/87-9/88^{3/}</u>	<u>10/88-9/89^{4/}</u>	<u>10/89-9/90^{5/}</u>
<u>Staff Costs:</u>					
Director (1/4 time)	8,000	9,200	10,600	12,100	13,900
Project Coordinator	27,200	31,280	35,970	41,300	47,570
Student Counselors	13,500	20,700	47,600	81,900	94,000
Secretary	10,450	13,000	15,000	17,300	19,900
Administrative Assistant	-	11,800	13,500	15,500	17,900
Accountant	16,500	20,700	23,800	27,400	31,400
Accounting Assistant	-	8,000	18,400	21,200	24,300
Staff Benefits (15%)	11,390	17,190	24,730	32,500	37,350
Subtotal:Staff	<u>87,340</u>	<u>131,790</u>	<u>189,600</u>	<u>249,200</u>	<u>286,320</u>
Auditor/Consultant	20,000	10,000	10,000	10,000	10,000
<u>Other Costs:</u>					
Furniture and Equipment	22,000	10,000	4,000	2,500	2,500
Vehicle Expense	15,000	3,500	3,500	3,500	23,500
Rental Expense	8,000	10,000	11,500	13,000	13,500
Telephone/Electricity	6,000	7,000	8,000	9,000	10,000
Supplies	3,000	3,000	3,000	3,000	3,000
Travel	13,000	18,000	20,000	25,000	25,000
Miscellaneous	1,020	1,710	1,400	1,800	1,180
Subtotal:Other Costs	<u>68,020</u>	<u>53,210</u>	<u>51,400</u>	<u>57,800</u>	<u>78,680</u>
TOTAL^{6/}	<u><u>175,360</u></u>	<u><u>195,000</u></u>	<u><u>251,000</u></u>	<u><u>317,000</u></u>	<u><u>375,000</u></u>

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TABLE VI

EOC Internal Bursaries Division

Illustrative Budget

Footnotes

- 1/ a) The Project Coordinator's salary is assumed to increase as of April 1, 1986.
- b) The Student Counselor is assumed to begin work January 1, 1986.
- c) The Secretary and Accountant are assumed to begin work November 1, 1985.
- d) An Auditor/Consultant would be contracted to assure the integrity of EOC accounting systems, install new systems as required, prepare appropriate forms and recommend appropriate computer software. His services are assumed to cost R65 per hour and be required for approximately 8 person weeks during the initial contract year.
- e) A basic vehicle costing in the neighborhood of R12,000 to R13,000 is assumed with purchase being made in January 1986.
- 2/ a) Salaries are increased at the assumed inflation rate of 15% per year.
- b) A new Administrative Assistant would be employed beginning in October 1986.
- c) The Accounting Assistant is assumed to begin work April 1, 1987.
- 3/ A second Student Counselor is assumed to begin full term employment in October 1987.
- 4/ A third Student Counselor is assumed to begin work in October 1988.
- 5/ It is assumed that a replacement vehicle will be required by January 1990. Purchase price is assumed to be approximately R20,000.
- 6/ Given the uncertainty of budget projections beyond a five year timespan, total costs are assumed to decrease by 15% per year after September 1990 as student workload decreases. The final group of students will enter training under this project during 1990 and, thereafter, the number of students in the program will decrease rapidly each year. The last student is assumed to complete training by September 1994.

III. IMPLEMENTATION PLAN

Introduction:

There exist a number of non-profit organizations in South Africa which serve as intermediaries between donors seeking to help needy students, the students themselves and the schools that they attend. Unfortunately, most of these organizations are either white or black and are too small to undertake the management of a scholarship program on the scale required by this project. However, in our search of the educational community, we have encountered two black organizations that would be capable of participating in the project. The first of these, the Educational Opportunities Council (EOC), has acted as the recruiting and participant selection agency for the South African Education Program. In performing this function, the EOC has worked closely with the Institute for International Education (IIE) and Aurora Associates, two United States organizations with substantial experience in administering similar programs. Although the EOC has had little direct experience in administering such a program itself, its association with the two U. S. organizations and with its sister organization, The South African Council of Education, which administers a substantial scholarship program in South Africa, through these associations, the EOC has developed a familiarity with the operation of scholarship programs and, at the same time, has become accustomed to doing business with the United States Government through the Agency for International Development. In addition, there is a strong commitment on the part of the EOC management to increasing the opportunities for South African blacks to gain greater access to higher education. They have indicated their firm desire to participate in the South African Bursaries Project.

The second black organization involved in university level scholarships, the Trust for Christian Outreach and Education (TCOE) has also indicated an interest in participating in the scholarship program, but because of other commitments and a recognized need to strengthen their management capabilities before taking on major new activities, the TCOE has decided not to participate in the initial phases of the project. We will continue our discussions with the TCOE and encourage them to submit a proposal for participation in the 1987 academic year.

Easily the best established and most experienced of the South African organizations administering bursary programs is the South African Institute of Race Relations (SAIRR). SAIRR is a 54-year old organization whose primary commitment is to promote peaceful and equitable change in South Africa. This commitment includes the administration of bursaries for disadvantaged South Africans to study at schools all over the country. These bursaries are supported by private organizations, foundations and a number of countries.

The administration of bursaries has become a major function of the Institute. This activity grew from small beginnings and has expanded at an accelerating rate, particularly during the past ten years. In the growing realization of the need to promote the advancement of blacks to higher levels of academic and technical training, foundations and a number of local and overseas donors allocated varying sums of money to the Institute to administer bursaries mainly for black students. In April 1984, Canada provided a grant of \$1.5 million to the Institute to implement a scholarship program similar to the one planned by A.I.D.

Each year black students, either responding to newspaper advertisements or following the suggestions of friends, relatives, local school authorities or others, submit their applications to SAIRR requesting bursary assistance. The requests are screened by the SAIRR

bursaries division and scholarships are granted on the basis of applicants' academic qualifications, financial need and availability of funds. SAIRR reports that in 1983 it received 4,000 letters requesting assistance but was able to grant only about 40 bursaries. Although it is likely that not all the 4,000 applicants would have met the academic and other requirements, the number of students in need of help is still high, considering that SAIRR is only one of the several organizations where students apply. Representatives of black and open universities unanimously agree that lack of financial resources-- in some cases even minimal amounts--prevents many black youngsters from pursuing advanced training. The rapidly increasing enrollments at black secondary schools in recent years will in turn mean dramatic increases in the number of students seeking university scholarships, in spite of the fact that the drop-out rate at the secondary level is still abnormally high. The number and success of the various remedial or bridging programs conducted throughout South Africa will also provide a larger pool of youngsters eligible for university enrollment.

Implementing Mechanisms:

As a result of discussions earlier this year between AID and representatives of a number of South African private sector educational organizations, SACHED organized a working group composed of itself, the SAIRR, the EOC, the TCOE and the Education Coordinating Council of South Africa (ECCSA) to discuss the need for a major scholarship program to assist blacks in attending South African universities, the form that such a program would take and the mechanisms required to implement it. After a number of meetings, the working group submitted a formal proposal to A.I.D. at the end of July. The text of that proposal is included as Annex E to this project paper. The committee recognized the urgent need to develop a black-led agency that would administer at least part of the scholarship program. Such an organization could better understand and represent the interests and

concerns of the black community as well as have greater credibility within that community in stimulating the demand for and response to such a program. At the same time, it was recognized that a program of the scale anticipated would require the participation and assistance one or more well-experienced scholarship organizations.

The solution proposed is to establish a National Committee composed of educators and leaders of the black community which would establish policies for a major scholarship program directed toward the black community and monitor the progress and implementation of the program. The Committee would establish broad criteria for the operation of such scholarship programs and would accept proposals from scholarship administering organizations for participation in the AID-financed program. After review of the proposals, the Committee would recommend to A.I.D. the proposals warranting support. Upon acceptance of the Committee's recommendations AID would negotiate and enter into appropriate grant agreements with the individual scholarship organizations. Thereafter, the Committee would meet periodically to review implementation progress and make recommendations for adjustments in the program as indicated by their reviews. While A.I.D. would not be bound by the recommendations of the Committee, they clearly would have considerable weight in our decisions. In addition, the Committee would act in an advisory capacity on other areas of education in the Republic of South Africa. In this regard, the Committee is viewed as a valuable resource in developing and implementing appropriate educational programs to assist the legally-disadvantaged community in South Africa.

As of this writing, it appears most likely that two organizations will participate in the initial year of the South African Bursaries Program. These would be the SAIRR and the EOC. Regarding the capabilities of the organizations to implement such a program, the SAIRR was reviewed last year and found to be adequately managed

although, at the time, it was experiencing some financial difficulties. These financial difficulties have since been resolved and the SAIRR is now operating on a firm financial footing.

On the other hand, the EOC has yet to have direct experience in managing scholarship programs. A preliminary review of the organization's management capabilities was undertaken by the USAID in Swaziland who also acts as controller for South African AID programs. A subsequent more detailed review will be undertaken in the first two weeks of September by the USAID Controller. We anticipate that the results will, while being positive, indicate that additional technical and financial management assistance will be required by the EOC in order to adequately manage AID resources. Accordingly, provision has been made in their budget for eight to ten weeks of financial management consulting during the initial year of the project. In addition, SAIRR has indicated its willingness to assist the EOC in establishing operating systems to assure the effective implementation of its field programs. In the opinion of both the SAIRR and the AAO, the proposed organization structure for the EOC's internal bursaries division will be adequate to assure the effective implementation of the AID-financed activities for which they might become responsible.

Selection of Students:

It is anticipated that the implementing organization will set up or work through already established networks of local student selection teams. These teams will review the requests of students for bursaries, and will pass on to the implementing agency those names of persons deemed appropriate for the granting of a bursary. The local screening groups will have guidelines provided by the implementing agency in carrying out the initial screening.

Students will be selected on a basis of financial need as well as on subject matter choice and academic ability. It seems appropriate

for USAID to rely heavily on the local South African implementing agency to help identify the specific criteria appropriate for student selection. This is so because there are obviously many ill-understood factors which could weigh heavily in such a decision process. It appears advisable, therefore, that the experience of the local agency be brought to bear strongly in this aspect of project implementation.

Appropriate effort will be made to ensure wide regional, ethnic and sex representation among the selected students. Since it is very possible for students opting for bursaries to study at post-secondary institutions to self-select to a large degree, it is very likely that the equitable distribution along the criteria of geographic spread, ethnicity and sex could be difficult to achieve, in the face of self-selection. Therefore, although no attempt will be made by AID to guide or control selection, it may be necessary to intervene in different places to insure desirable distribution of bursary recipients.

The purpose of the project is the enhancement of human capital among the legally-disadvantaged groups in South Africa. A related objective is the gradual building-up of black talent in areas of high development and social change significance. In order to achieve these two broad objectives, the PP team felt that the subject areas to be given premium are those with the potential for good earnings streams over the foreseeable future, being currently in strong demand, but such should be broadly construed to include areas that go beyond merely meeting needs of employment in the modern urbanized sector. Thus, although fields such as engineering (all areas), the natural sciences, management and business administration and economics should be the leading areas, others such as urban planning, public management, some areas of the social sciences and the humanities should be seriously considered for inclusion among those qualifying for bursary support.

It is entirely likely that some students will opt for teaching. Although bursaries for teachers are not scarce in South Africa, the present state of the teaching profession and the expected rapidly growing need for black teachers on any measure of parity between white and non-white primary and secondary education in South Africa, suggest that support be given in this area as well.

Detailed Implementation Plan:

The following chart provides greater detail of the specific steps to be undertaken in implementing the bursaries program:

IMPLEMENTATION PLAN

(1985-1994)

<u>MONTH/YEAR</u>	<u>ACTION</u>	<u>AGENCY/ ACTION OFFICE</u>
<u>1985</u>		
August	Project paper reviewed.	AID/W
September	Project approved.	AID/W
September	National Committee of Educators and Black Community Leaders is formed and reviews proposals by bursary-granting organizations desiring to participate in implementing the program.	AAO/Pretoria with assistance of SACHED
September	National Committee recommends grantee organizations for AID concurrence.	National Committee and AAO/Pretoria
September	Negotiations and signing of cooperative agreements between AID and grantees.	AAO/Pretoria and grantees
October/ December	Grantee organizations set up offices and either reassign or hire appropriate staff to carry out project implementation responsibilities.	Grantee/AID
October/ November	Grantees advertise availability of AID scholarships to qualifying matriculants with university exemption certificates.	Grantees
November/ January 1986	Grantees review applications received in response to ads together with applications received for other scholarship programs (e.g., the AID-financed South African Education Program (SAEP) which provides scholarships for training in the U.S.) and develops short lists of qualified applicants to be interviewed prior to final selection.	Grantees
<u>1986</u>		
January	Select principal scholarship recipients and alternates.	Grantees
January/ February	Review with scholarship recipients their needs for supplemental training or bridging to enable them to compete successfully at university level.	Grantees
January/ February	First group of approximately 37 scholarship recipients begin university training.	Grantees/ Universities/ Students
March	National Committee reconvenes to review performance of grantees in selection and placement of scholarship recipients; recommend improvements in both operational performance and program effectiveness.	National Committees/ Grantees/ AAO

<u>MONTH/YEAR</u>	<u>ACTION</u>	<u>AGENCY/ ACTION OFFICE</u>
April	Grantees begin preparing new proposals for bursaries to be given for the 1987 academic year. Additional black-led organizations with experience in managing scholarship programs are invited to also submit proposals.	Grantees/AAO
May	National Committee convenes to review proposals from prospective grantees for the 1987 academic year; make recommendations to AID regarding such grants.	National Committee/AAO
June	Negotiate and sign cooperative agreements between AID and selected grantees.	AAO/Grantees
June/July	Grantees announce and advertise the availability of AID-financed scholarships for the 1987 academic year.	Grantees
August/ September	Grantees review applications and prepare short lists for interviews with most promising candidates.	Grantees
October	Grantees follow up with tentatively-selected scholarship recipients to assure that appropriate matriculation exams are taken on schedule.	Grantees
November/ December	Final selection of scholarship recipients and alternates is completed. Those needing special supplementary education or bridging programs are identified.	Grantees
<u>1987</u> January/ February	Approximately 160 scholarship recipients begin university education and supplemental or bridging programs.	Grantee/ Students
March to December	Project implementation actions take the same course as in 1986.	Various
<u>1988</u> July/August	First external evaluation of grantee performance and of project effectiveness.	AFR/SA consultants/AAO/Pretoria
September/ October	Review report of external evaluation and revise program to the extent indicated by such review.	AID/W and AAO/Pretoria in consultation with the Natl. Committee
<u>1989</u> January/ December	Project implementation actions as in the previous year.	Various
June	Final obligation of project funds is completed	

<u>MONTH/YEAR</u>	<u>ACTION</u>	<u>AGENCY/ ACTION OFFICE</u>
August	National Committee meets to develop proposals for final evaluation of project.	Natl. Committee
November/ December	Final external evaluation is conducted.	AFR/SA consultants supported by AAO/Pretoria and Natl. Comm.
<u>1990</u>		
January/ February	Final group of approximately 170 scholarship recipients begins academic training.	Grantees/ Students
February	National Committee meets to consider results of final project evaluation and formulate recommendations whether and in what form the U. S. Government should continue an internal scholarship program in South Africa.	Natl. Committee
<u>1990/4</u>	Grantees continue monitoring student progress and administering their scholarships.	Grantees
<u>1994</u>		
September/ November	Last students complete university degrees and project ends.	

IV. MONITORING PLAN

The primary responsibility for monitoring the project will be with the A.I.D. Affairs Officer (AAO) in Pretoria. As indicated in the Implementation Plan, the South African organizations or grantees involved in implementing the program will be selected by a National Committee composed of respected South African educators and black leaders on the basis of both professional experience/expertise in handling scholarship programs successfully and respect accorded the organization(s) by a broad spectrum of the black community. To the extent the grantee(s) selected lack proven experience, the AAO will take steps to ensure that appropriate technical assistance is provided to enable the grantee(s) to perform effectively. For more experienced grantees, the AAO's role will be one of keeping a close watch on progress and being available to respond to crises rather than playing an active and direct role in project implementation. The AAO will have limited contact with individual students unless called upon to make such contact by a grantee. In brief, the AAO will act as a constantly available resource for the grantees if and when needed. Some of the illustrative responsibilities of the AAO related to monitoring of the project will include:

- Maintaining liaison with the National Committee and participating in committee meetings in an observer status.
- Following project implementation progress through liaison with grantees to assure compliance with agreements between A.I.D. and grantees.
- In response to requests from the National Committee and grantees, or as a result of joint discussions and decisions, arrange for minor modifications in project scope to facilitate implementation or remedy unexpected difficulties.

--Provide grantees with as much flexibility as possible to readjust programs for individual students who may require special consideration in changing training programs or institutions, providing that these changes are consistent with the overall objectives of the project.

There is a general feeling in South Africa that organizations involved in supporting scholarship programs should monitor students' progress much more closely than is presently done. Thus, the grantees for this project will be required to meet this need with additional project-supported staff if necessary. Following successful selection and placement of scholars, grantees' representatives will visit university campuses at least twice during the school year to meet with each scholarship recipient as well as with representatives of the academic support program of each university. Where universities do not have formal academic support programs, grantees will encourage their establishment. These visits will serve not only to check on students' academic progress but also on their overall adjustment to university life, especially in the case of students attending "open" universities. It will be the responsibility of grantee representatives to encourage and assist students in difficulties, to arrange for special instruction and tutoring to correct such difficulties. Although the students will be encouraged to become as self-reliant as possible they should be made aware of the fact that grantee representatives are available if and when needed.

As noted in the Implementation Plan, one of the functions of the National Committee will be to review implementation performance by each grantee on a formal basis once each year -- usually just after action on selection and placement of students is completed and students have begun their academic year. This will provide a new dimension to project monitoring and management that should substantially improve implementation performance by grantee organizations. Where difficulties

are encountered, several of South Africa's most eminent educators will be available to recommend corrective action. The regular nature of such reviews should provide extra incentive for grantee organizations to improve and maintain high levels of performance.

V. SUMMARY OF ANALYSES

A. Technical Analysis Summary:

The proposed project will respond to an area of critical need for disadvantaged South Africans by providing access to higher education for more than 700 qualified scholars whose talents would otherwise be wasted or underutilized by society. The programs will have three identifiable and interrelated components:

1. Scholarships for Undergraduate Academic/Technical (Technikon) Training:

These scholarships will permit the recipients to attend a South African university or technikon of his/her choice, whether it be one of the "open" or black universities, as well as the University of South Africa (UNISA) or VISTA.

2. Scholarships for Graduate Work in Selected Areas:

A limited number of full or partial scholarships will also be provided for graduate work in medicine, dentistry, law and engineering. These are four areas where the need for trained blacks is the most critical.

3. Bridging Programs:

There is an abnormally high attrition rate of first-year university students among black South Africans--estimated at about 60 percent. Some of the black as well as the "open" universities have initiated remedial or "bridging" programs to help first year students cope with some of the academic shortcomings and thus improve the chances of moving into the second year with better prospects for keeping pace with the heavy academic workload.

Availability of Qualified Candidates for the Internal Bursaries Project:

Making allowances for the fact that secondary education does not adequately prepare South African blacks for university training, there are several thousand potentially eligible candidates seeking financial assistance to pursue higher education. In 1983, more than 7,500 black

secondary school students passed their "matriculation" examinations with scores high enough to gain admission to a South African university. Representatives of black and "open" universities unanimously agree that, unfortunately, lack of financial resources--in some cases even minimal amounts--will prevent a great many of these students from pursuing advanced training despite their high exam scores.

Institutional Capability to Carry Out Proposed Project:

The institutions available to provide the training differ greatly in the quality of academic training they can provide, from the white to the black universities, to the correspondence school (University of South Africa--UNISA, to VISTA and the technikons). There are presently four white, or "open" universities. "Open" universities are those South African institutions which admit a small percentage of black students, through an informal quota system which as thus far placated government authorities who had pushed for low and formal quotas on black admittance to white schools. The four universities falling into this category are: Witwatersrand, Natal, Cape Town and Rhodes. Thus, academically qualified black students with adequate financial resources can aspire to enroll at one of the four "open" universities or at black universities. However, official government policy requires that no student be allowed to attend a university outside of his or her racial group classification unless the course of study is not available at the prescribed institution. Open schools adhere to this requirement with varying degrees of compliance. In the final analysis that state maintains control by retaining as an option, denial of the students' right to either remain at the school or receive a degree at the termination of successful school studies.

There are two medical schools for blacks in South Africa for those candidates who qualify for scholarships under this project: the new Medical University of South Africa (MEDUNSA) located in Pretoria, and the University of Natal Medical School. Both schools can accommodate

The Technikons also play an important role in post-secondary education for black South Africans. They range from a one-year certificate to a leaureatus in technology equivalent to a Ph.D.

As indicated previously, students eligible for scholarships under this project will pursue studies at institutions of their own choice or to which they have been accepted. The following table contains illustrative cost estimates for a year of schooling at a typical "black" university (costs for the University of Fort Hare are used) and at a typical "open" university (Witwatersrand) for the 1986 academic year:

	<u>Black Universities</u>	<u>White "open" Universities</u>	<u>UNISA</u>	<u>VISTA</u>
Tuition	R 1,224	R 2,340	350	200
Accommodation	1,320	2,910	---	---
Books	480	480	200	150
Miscellaneous	300	300	50	20
Pocket Money	400	400	---	---
Transportation	500	500	---	---
Total	<u>R 4,224</u>	<u>R 6,930</u>	<u>R600</u>	<u>R370</u>

These figures do not, however, include the costs of the special tutorial or "bridging" programs that will be required by many black students to permit them to compete effectively with better prepared classmates from other racial groups. Thus, an additional amount, which has been estimated by both SAIRR and SACHED to average about R500 per student year, would be required to finance such programs.

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B. Manpower and Economic Analysis Summary

An evaluation of the current manpower situation in the Republic of South Africa calls for some review of recent economic performance, specially so, since it will be argued that the emerging outlook for the demand for high level manpower is directly related to the projections that appear reasonable for the performance of the economy up to the 1990's and even to year 2000.

Recent Economic Performance: The period from 1980 has been essentially one of no growth. Gross National Product in current prices actually fell over this period although only mildly so, while evaluated in constant 1975 prices, the decline in national output has been quite steep. The index of producer prices reached a level of 275.4 for 1983 as against 192.8 for 1980 (1975 = 100), and that for consumer prices registered almost the same gain, reaching 260.3 by 1983, explaining the sharp drop in buying power experienced over the period.

Economic activity in the Republic has reflected broad international recessionary trends, but recent performance is also affected by a number of unique circumstances, not the least of which is the prolonged drought which affected agricultural output in 1982, again in 1983 and so far in 1984. Per Capita GNP fell from \$2,731.00 in 1980 to \$2,393.00 in 1983, and the non-agricultural employment index declined in 1983 as unemployment rose substantially, staying well over the 450,000 mark for the entire year.

With worldwide economic conditions moderating somewhat, the expectation is that South African economy could well be bottoming out and 1984 could begin to show a modest upswing. It remains true however, that the unavailability of trained manpower in requisite numbers will continue to severely dampen chances for robust recovery from the declines begun in 1981.

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Over the near term future, despite the upturn in Western economies, particularly the United States, and the impact that such recovery will make on the South African economy as a producer of primary products, the outlook remains somewhat cloudy. Economic recovery will likely be negatively affected by the shortage of skilled workers in key occupations on the hand, while on the other, pressures for holding government spending in line with budget priorities accompanied by the expectation of sharply higher personal income tax bills could have a severe dampening effect.

Manpower Demand and Supply: Manpower supply, and manpower demand, in the context of the South African economy, can be seen then to reflect not so much the effects of the workings of a market economy, but rather represent outcomes which have been determined by the direct and indirect effects of government-sanctioned restrictions on free play of demand and supply as well as the continued existence of rigid racial barriers in almost all areas of economic and social life.

Additionally, historical factors, largely slanting the labor/capital ratio away from labor and toward higher levels of capital intensity, can be shown to constitute a lid on the possibility of generating sizeable increases in employment, except in the presence of extremely rapid economic growth.

Despite claims that modest legislative initiatives of the last few years, have had the effect of opening up areas which were hitherto rigidly closed, the remaining and sufficiently powerful hindrances to meaningful liberalization in virtually all areas of social life, continue to have the effect of maintaining artificially structured labor markets favoring the minority white population. The major pillars of state-sanctioned discrimination against the black population still exist, and though in some cases, infringements of these do not bring the quick and harsh reponse,

they once did, in others they do. The Group Areas Act (1950) the Immorality Act (1927), the Mixed Marriages Act (1949), and the Pass Laws, all work together to create and sustain the highly regimented and distinctly unequal patterns of social interaction which characterize the South African situation.

South Africa is currently experiencing important changes in the demographic make-up of its population. Very broadly, while birth rates are declining for all population groups, the rate of decline is sharpest for the white population. For the African population, slower birth-rate declines accompanied by increasing life expectancy, combine to create an increasing African percentage of the total South African population.

This has implications for labor supply and for the patterns of demand and supply that can reasonably be expected to develop in the Republic over the next fifteen to twenty years.

These trends are extremely important also from a policy point of view, for the future of manpower planning, especially concerning the training and education of appropriate manpower in critical industries. Sustaining a 4.5% rate of growth per year into the future up to year 1987 and even further to year 2000, calls for provision of sufficient trained manpower to make that possible. What demand projections suggest is that it is going to be clearly impossible to sustain such growth rates if reliance continues to be placed on only a small part of the total population. There is clearly an urgent task of education and training of the major portion of the South African population, made up of so-called coloureds, Indians and the preponderant number of Africans, who have hitherto been effectively excluded from career-ladder type of jobs in the modern sector of the South African economy. Labor supply is expected to increase to 11, 383,000 by 1987, from 8,714,000 in 1977, and could reach 12, 184,000 by 1990. The white

component of the labor force is ³⁴ expected to continue to decline to under 20% total labor force by 1990, while the black portion of the labor force increases to 74%, and maybe as high as 82% by the year 2000.

Whites will still dominate the professional occupations, although their representation will decline sharply in some cases, and between 1965 and 1987 and into 1990 Black populations will show good advances simultaneously. These include architects, engineers, surveyors, medical doctors and natural scientists. Growth should also be very sharp in the technicians fields; including engineering technicians, other technicians and paramedics. The openings for teachers among the white population will decline while those for blacks and coloureds will increase, and those for Indians will post a modest decline. Openings for clericals, sales transport and production workers will decline drastically for whites but will increase sharply for blacks, in some cases as much as doubling. The potential for training and education is thus fairly broadly based, and suggests that consideration be given to black students and other trainees at virtually all levels of the education system, from upper secondary, through training in techikons, and on to university-based training in several areas of high-level manpower.

C. SOCIAL SOUNDNESS ANALYSIS SUMMARY

General Considerations:

A discussion of the sociocultural implications of the proposed U.S. Agency for International Development (AID) education programs for black South Africans has to take into account the overall South African social policy framework from which are drawn the organizing principles and institutions of that society. This policy framework is expressed through the doctrine of apartheid which is predicated on the notion of racial and cultural differentiation and sub-ordination. According to the value base of this doctrine, individuals are perceived as inherently differing in worth depending on race, giving rise to a rigidly stratified racially based social order. Within this social order, whites are deemed dominant and receive most of the social and economic rewards while blacks (Africans, Coloureds, Asians) comprise a differentiated subordinate social stratum, receiving considerably less of the society's socioeconomic benefits.

This social order, in which race coincides with class, permeates all sociocultural environments, including those in the largely state controlled education sector. This control of education by the state, which for blacks dates back to 1945 (Marquart, 1966), is exercised through curriculum design and content as well as through financial means. Consequently, the sociocultural environments found within the South Africans educational system demonstrates many of the same negative images of blacks prevalent in the wider society. This is particularly telling in terms of the broad definition of education "as a process of changing the behaviour of people" in which behaviour is used in "the broad sense to include thinking and feeling as well as overt action" (Tyler, 1949:6).

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The education that is imposed on blacks, particularly Africans, generates an ambivalent role for education in terms of the economic needs of the society as a whole against the need of whites for continued political domination. While good quality education is seen as a precondition for increasing South Africa's pool of skilled manpower as prerequisite for economic growth, whites have generally been uneasy about the ultimate implications of black access to such education--a fear that blacks might develop "ideas beyond their station and that quality education unfitted them to do manual labor" (Marquart, 1966:215). Nevertheless, at present, manpower experts in South Africa recognize that the problems faced by manpower trainers in overcoming the skills shortage is not the participant's innate ability to perform but a poor education system (the quality of which reflects the role that education as been assigned with regard to blacks--namely to reinforce subordination in the social structure).

Despite signs of a growing sense of urgency among whites--as well as Africans, Coloured and Asians--regarding the need for far-reaching reform in the South African education system, thus far, Pretoria continues to resist genuine structural changes in a racially separate educational system. This apparent lack of flexibility on the part of the Government has important implications for the proposed U.S. support programs of AID, especially the internal programs which will essentially remain within the same sociocultural system with the beneficiaries subject to the same treatment.

Despite the prevailing sociocultural realities of South African education, and given the growing sense of urgency for increased black education and training to meet pressing manpower needs, the proposed U.S. educational aid program (internal and external) can be justified on the premise that: "The case for education as a priority concern is powerful because it brings a capacity for participation, self-help, communication, and management," and that

"while education is the responsibility of Pretoria, its failure until recently even to recognize the problem justifies a determined external push backed by official and non-government facilities and inducements" (Crocker, Winter 1980/81:347).

The current U.S. thrust, in terms of the external scholarship program, builds upon the non-governmental efforts initiated by the Institute of International Education's (IIE) South African Education Program (SAEP) started in 1979 with corporate and foundation funding until 1982 when U.S. funding was added to this program to support an expanded number of black South African students. The internal scholarship and bursaries program would represent a new departure.

Specific Program Issues

1. The Selection Process: The selection of students for the proposed programs is one of the most critical factors in their implementation. Viewed from a black South African perspective, representation of selected students and equal representation of black South Africans on the selecting body is essential given the diversity of the Republic's black population. It is therefore important for the black community as a whole--in all its diversity--to have an assured sense that the selection body is representative in regional, ethnic and socio-economic terms. In short, the selection process and the selection body must reflect and adhere to a principle of democratic cultural pluralism appropriate to the regional and cultural realities of South Africa.

Given the requirements of equal representation, academic potential of bursary recipients and demonstrated financial need, and the Congressional mandate stressing the need to work with private South African institutions to implement these programs, it can be expected that an organization such as the Educational Opportunities Committee (EOC) might be selected as the executing

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body in South Africa. The selection of the EOC appears appropriate since it is already involved in the selection of students for study in the U.S., and therefore is a known quantity in relevant U.S. circles.

As an agency, the EOC was established to coordinate the organizational inputs into the administration of the IIE/SAEP scholarship program (on the South African end) for black South Africans. Although the EOC is structurally an umbrella mechanism embracing such institutions as the South African Committee for Higher Education (SACHED), the South African Institute of Race Relations (SAIRR) and the South African Council of Churches (SACC), there is a sense that in South African terms, it may be less than fully representative since it tends by the accident of its history, to over-represent urban-based organizations in Johannesburg relative to those outside the major urban centers of the Transvaal, the Cape, Natal and the Orange Free State.

The structure of the EOC, which is presumably aimed at maximizing representation on a regional basis, is based on its regional boards. Although the EOC's headquarters are in Johannesburg, it has regional boards in the four provinces of South Africa. Many of the members on these boards are regional members of SACHED, SAIRR, and SACC. Within the original organizational charts of EOC, allowance was made for community leadership to serve on these boards.

It is important that representation on these boards be broad enough to increase grassroots and teacher participation in the selection process. Under current arrangements, members of the regional boards are mainly high-level professionals such as medical doctors, lawyers, college and university professors--clearly not a cross-section of black South Africans. The AID programs are apparently aimed basically at undergraduate and graduate students and teachers in need of further training.

Concern for wide representation suggests therefore that the EOC should incorporate more primary and secondary school teachers who are not themselves potential candidates under these programs in its regional selection boards. It should also include workers (perhaps members of some of the black and non-racial trade unions) and some students. In addition, members of the regional boards should be ethnically representative of the local African, Coloured and Asian populations.

In summary, the stipulation for wider regional and ethnic representation of student selection panels is an important consideration if the program is to avoid criticism of sectional favoritism.

3. Counseling of Students in Bridging Programs: The provision for scholarships for undergraduate training will fill a small void. One of the biggest contributing factors in the high attrition rate of black students has been the poor quality of education in black secondary public schools.

In the past, some criticism has been levelled at the black universities by faculty from the so-called "open universities". This criticism has focused on what has been described as the black universities' reluctance to invest in bridging programs for students. The most important factor to bear in mind with respect

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to black universities is that they are totally state controlled. In addition, they have limited budgets and have to place funds directly into curricular activities. The "open" universities, on the other hand, are supported by wealthier communities which can afford some money for bridging programs without affecting regular programs. There are faculty members at the black institutions, however, who can be involved in bridging programs for entering students. A program such as the one planned by AID should give black faculty opportunities for being involved in bridging programs adjacent to their universities.

The awards at the graduate level, reflect that of many scholarship agencies such as the U.N., AAI and IIE. The professions mentioned embrace such high-level professionals as medical doctors, lawyers and engineers. However, in some fields, particularly in technical fields such as engineering, South Africans manpower surveys (such as Manpower: A Survey Supplement to the Financial Mail, September 16, 1983) often express despair in terms of approaching the training of black engineers. Graduate programs in fields such as these could go far in dispelling such despair (bordering on the stereotyping of black as incapable in these fields for self-serving reasons) while providing needed highly skilled black manpower in such areas. However, the evaluation of students in such programs will have to take into consideration that most black students will be coming from scholastic environments in which the curriculum ill equips them. A year of grace given for undergraduates is equally important in these programs. Such a year should be spent in the following manner:

- a. Medical school and engineering students should be given intensive instruction in sciences which would make their adjustment in these programs smoother;

b. Although law schools seem much more manageable, one of the serious problems facing black lawyers once they leave school is that they are unable to find white law firms willing to provide them with internships. A general complaint is that black lawyers tend to lack writing and analytical skills necessary for successful law practice in the developed economic sector. If lawyers in this program are provided the necessary time to develop these skills, it is perhaps possible for this program to provide the means for overcoming the excuses provided by established law firms in South Africa.

The analysis should indicate that given the importance of assisting black South Africans in mastering these and other graduate fields, it is important that additional components such as those suggested above be developed in order to minimize the frustrations of career development as a part of post-graduate adaptation.

VI. EVALUATION PLAN

In view of the unusual nature of this project which is largely related to the environment in which it is to be implemented, evaluations should be conducted in close coordination with grantees and with black South African educators. It is important, however, that there be regular informal and formal evaluations throughout the life of the project to avert potential problems or help to resolve them quickly if and when they develop. Since the project deals exclusively with scholarship support, every evaluation must have as primary objective consideration of what the project is doing for the recipients as individuals and as a group in helping them achieve their educational goals with minimal social and economic hardship. There will be (a) internal evaluations, conducted jointly by A.I.D., the National Committee, and the grantees; and (b) external evaluations with participation of South African and U. S. consultants.

A. Internal Evaluations:

The internal evaluations, conducted annually by the National Committee, will include a review of the grantees' selection process for scholarships; reports on students' enrollment; academic progress; relevance of training; assessment of students' adjustment to institutions where enrolled; and a report on the nature of general backstopping support provided by grantees as well as by the academic support offices at the universities or other schools of training. As part of these annual internal evaluations, it is especially important to assess the utilization of the "bridging" program and its effectiveness in reducing the failure rate of first year university students. It is expected that the internal evaluations will include interviews or conferences with as many students as possible.

B. External Evaluations:

One mid-term external and a final external evaluation are planned during the nine year life of the project, conducted by teams

of U. S. and South African consultants jointly selected and approved by A.I.D. and the grantee. These evaluations, combined with the results of the internal reviews, should serve two important objectives: (1) as a result of the first external evaluation, make whatever modifications in project direction may be recommended for any of the various components; and (2) after the final evaluation determine whether the project's successes or accomplishments justify a possible extension for similar activities or perhaps a new project with focus in other areas. The most important finding of the final evaluation will be some preliminary indication of the project's impact in helping scholarship recipients fill positions previously reserved for whites. Although at this time it may be too early to ascertain how well the graduates will be allowed to pursue their newly-acquired professions or careers, there should be definite trends to show what changes, if any, are taking place.

C. Tracer Studies:

An important aspect of the provision of education and training to black South Africans is the extent to which such training is associated with significant changes in the life-chances of the beneficiaries of such training. One way in which to judge such program effectiveness would be through a tracer study.

Tracer studies hold great promise in labor market analysis, specifically in determining with a high degree of specificity how the outcome of training changes over time for a single group of trainees, or how they differ as between trainees of different kinds of institutions. In the South African context, it would be most important to be able to determine what some of these effects are and their relative magnitudes. It would be important, for example, to: (a) identify the earnings growth of students benefiting from different components of the bursaries program; (b) be able to trace the career path of program beneficiaries; (c) be able to compare the experiences of black students in the bursary program with those not in the program; (d) able to compare program

outcomes as between students who study in local South African schools and those who undertake the external scholarship program. Other important comparisons could be made, for example, between those students who study at the "open" universities and those who elect to go to the homeland institutions.

A N N E X E S

ANNEX E
WORKING GROUP PROPOSAL FOR
MECHANISMS TO IMPLEMENT THE
SOUTH AFRICAN BURSARIES PROJECT

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PRETORIA 12315

AIDAC FOR AFR/SA: ROGER CARLSON

E.O. 12356 N/A
SUBJECT: INTERNAL BURSARIES PROPOSAL ✓

1. AAO HAS RECEIVED FROM THE SOUTH AFRICAN WORKING GROUP THE FOLLOWING PROPOSAL--THE TEXT OF WHICH IS TRANSMITTED IN ITS ENTIRETY--FOR IMPLEMENTING AND MANAGING A SCHOLARSHIP PROGRAM FOR LEGALLY DISADVANTAGED UNIVERSITY STUDENTS IN THE RSA.

2. BEGIN TEXT:

INTRODUCTION: WITH A VIEW TO THE IMPLEMENTATION OF AN AID-FINANCED INTERNAL SCHOLARSHIP SCHEME IN TIME FOR THE 1986 ACADEMIC YEAR IN SOUTH AFRICA, THIS DOCUMENT PROPOSES IN PRINCIPLE A UNIFIED FRAMEWORK FOR THE GOVERNANCE AND ADMINISTRATION OF THE SCHOLARSHIPS.

THE DOCUMENT HAS BEEN DRAWN UP BY A WORKING GROUP CONSISTING OF:

- DR. MOKGETHI MOTLHAEI DIRECTOR OF THE EDUCATIONAL OPPORTUNITIES COUNCIL (EOC)
- REVEREND BUTI TELAGALI LIAISON OFFICER OF THE EDUCATIONAL OPPORTUNITIES COUNCIL (EOC)
- MR. MARK ORKIN BURSARIES CONSULTANT TO THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (SAIRR)
- MR. JOHN SAMUEL DIRECTOR OF THE SOUTH AFRICAN COMMITTEE FOR HIGHER EDUCATION (SACHED)

MR. SAMUEL CHAIRED THE GROUP. WE HAVE COME TOGETHER TO MAKE THIS JOINT PROPOSAL TO AID FOR TWO MAIN REASONS. THE EOC AND THE SAIRR ARE PRESENTLY THE MAJOR NON-PROFIT MAKING, PRIVATE SECTOR AGENCIES IN SOUTH AFRICA INVOLVED IN SELECTING FOR AND ADMINISTERING TERTIARY LEVEL SCHOLARSHIPS. BOTH AGENCIES ARE ACCORDINGLY BEEN TO BE CENTRALLY AND COOPERATIVELY INVOLVED IN ANY RESPECTIVE SCHEME.

IN ADDITION, WE SHARE THE BELIEF THAT, AT THIS TIME OF POLITICAL AND EDUCATIONAL CRISIS, IT IS ESPECIALLY IMPOR-

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WANT THAT OPPORTUNITIES FOR POST SECONDARY EDUCATION BE SUSTAINED AND EXTENDED FOR BLACK SOUTH AFRICANS WHO MUST BE PREPARED FOR ASSUMING LEADERSHIP POSITIONS IN SOUTH AFRICA.

OVERALL PROPOSAL

OUR BASIC IDEA IS TWO FOLD. FIRSTLY, THERE SHOULD BE A COUNCIL WHICH IN GENERAL WOULD RESOLVE POLICY ISSUES AND COORDINATE WORKING ARRANGEMENTS IN RESPECT OF THE INTERNAL SCHOLARSHIPS. IN PARTICULAR, IT WOULD RECOMMEND TO THE US AID DEPARTMENT ON THE SUITABILITY OF LOCAL AGENCIES WHICH APPLY TO MAKE SELECTIONS FOR AND ADMINISTER SCHOLARSHIPS.

SECONDLY, THE AGENCIES, SUBJECT TO THEIR BEING FOUND ADMINISTRATIVELY AND FINANCIALLY VIABLE IN TERMS OF THE US AID DEPARTMENT'S CRITERIA; WOULD THEN DIRECTLY CONTRACT WITH AND REPORT TO AID IN RESPECT OF THEIR PARTICULAR ALLOCATION OF SCHOLARSHIPS. THEY WOULD, AT THE SAME TIME, KEEP THE POLICY COUNCIL FULLY INFORMED ON ALL MATTERS CONNECTED WITH ITS FUNCTIONS AND DUTIES.

THE POLICY COUNCIL

MEMBERSHIP

WE ENVISAGE A COUNCIL CONSISTING OF APPROXIMATELY TWELVE MEMBERS, WITH AN EXECUTIVE OF, SAY FIVE OF THE MEMBERS. THE CHAIR PERSON OF THE COUNCIL, AND A MAJORITY OF THE COUNCIL AND THE EXECUTIVE, WOULD BE BLACK.

THE MEMBERS WOULD BE SELECTED SO AS TO PROVIDE NATIONAL COVERAGE; COVERAGE OF RELEVANT SECTORS SUCH AS TEACHER ASSOCIATION, THE UNIVERSITY SECTOR, PRIVATE EDUCATIONAL INSTITUTIONS AND PROJECTS, LABOUR, COMMUNITY MOVEMENTS, BUSINESS, WOMEN IN EDUCATION; AND ALSO REPRESENTATION OF THE SPONSORS.

MEMBERS OF THE COUNCIL WOULD NOT PARTICIPATE AS REPRESENTATIVES OF SPECIFIC ORGANIZATIONS; BUT SEVERAL OF THEM WOULD, THROUGH THEIR PAST OR PRESENT INVOLVEMENT, HAVE DETAILED KNOWLEDGE OF THE LIKELY MAJOR CONTRACTING AGENCIES, INCLUDING THE EOC AND THE SPIRE.

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) THERE WILL BE NO PARTY-POLITICAL REPRESENTATIVES ON THE COUNCIL.

) MEMBERS OF THE COUNCIL MIGHT EXPECT TO SERVE FOR A SPECIFIC PERIOD, AND TO BE REPLACED IN ROTATION (SAY, TWO PER YEAR AFTER THE FIRST COUPLE OF YEARS), BY CO-OPTION EXERCISED BY THE REMAINING COUNCIL MEMBERS, AND SUBJECT TO THE ABOVE CONSIDERATION.

) FUNCTIONS

) THE COUNCIL WOULD ADDRESS ITSELF TO NARROWER ISSUES, CONCERNING THE POLICIES AND ADMINISTRATIVE IMPLICATIONS OF THE INTERNAL SCHOLARSHIP PROGRAMME, AND BROADER ISSUES OF POST SECONDARY EDUCATION FOR BLACKS IN SOUTH AFRICA.

A) IN RESPECT OF THE SCHOLARSHIPS, IT WOULD RECOMMEND POLICY ON A RANGE OF CONCERNS: ON THE ONE HAND TO AID, E.G., REGARDING CRITERIA FOR THE VIABILITY OF PROSPECTIVE AGENCIES AND THE DESIRABILITY OF GOVERNING CLAUSES FOR THE AGREEMENTS TO BE ENTERED INTO BY THEM: AND ON THE OTHER HAND, TO THE CURRENT AND PROSPECTIVE AGENCIES THEMSELVES, ON THE LIEFLY REQUIREMENTS TO QUALIFY FOR A RECOMMENDATION BY THE COUNCIL TO AID. SUCH ISSUES WOULD INCLUDE:

- SELECTION CRITERIA, E.G., ON THE BALANCE BETWEEN PAST ACADEMIC PERFORMANCE AND FINANCIAL NEED; THE IMPORTANCE OF INDICATORS OF FUTURE ACADEMIC POTENTIAL; AVOIDING THE DISADVANTAGING OF GENDER OR REGIONAL OR LANGUAGE GROUPINGS; A DESIRABLE DISTRIBUTION ACROSS KINDS OF DEGREES OR DIPLOMAS; ETC.

- CRITERIA FOR SUITABLE HOST INSTITUTIONS, E.G., "PREDOMINANTLY WHITE" VERSUS "HOMELAND" VERSUS "INDEPENDENT STATE" INSTITUTIONS; UNIVERSITIES AS AGAINST TECHNIKONS OF TEACHER-TRAINING/PADA-MEDICAL COLLEGES, ETC.

- THE IMPORTANCE OF BRIDGING AND ACADEMIC SUPPORT PROGRAMMES, AND THE EXTENT TO WHICH SUCH WOULD HAVE TO BE AVAILABLE FOR HOST INSTITUTIONS TO BE RECOMMENDED.

B) THE COUNCIL WOULD ALSO, IN RESPECT OF THE INTERNAL SCHOLARSHIP PROGRAMME, BE THE VEHICLE FOR ADMINISTRATIVE COORDINATION AND COOPERATION BETWEEN THE SEPARATE CONTRACTING AGENCIES. THIS WOULD MAKE POSSIBLE SOME UNIFORMITY OF NARRATIVE AND FINANCIAL REPORTING, WHICH WOULD BE CONVENIENT BOTH TO THE COUNCIL AND TO AID IN RECEIVING THE DOCUMENTS; AND, VERY IMPORTANTLY, AVOID OVERLAP IN THE SELECTION OF RECIPIENTS BY THE AGENCIES.

C) WE WOULD ALSO EXPECT THE COUNCIL TO TAKE A BROADER ROLE AS REGARDS THE CONDUCT AND PROVISION OF EDUCATION FOR BLACKS, IN SUCH MATTERS AS ENCOURAGING HIGH

- SCHOOL ENRICHMENT PROGRAMMES FROM WHICH PROSPECTIVE
- SCHOLARSHIP APPLICANTS MIGHT BE DRAWN; NEGOTIATING
- WITH UNIVERSITIES OVER CLOSURES; FOSTERING ALTERNATIVE
- EDUCATION PROGRAMMES; ETC.

THE CONTRACTING AGENCIES

WE WOULD EXPECT, AS NOTED IN OUR INTRODUCTION, THAT THE ECC AND THE SAIRR WOULD, AT LEAST INITIALLY, BE THE MAJOR APPLICANTS TO THE POLICY COUNCIL FOR RECOMMENDATION TO AID AS CONTRACTING AGENCIES.

WE ALSO EXPECT, IN THE DESIRABLE EMPHASIS THEY WOULD PLACE ON BLACK STUDENTS BEING ADEQUATELY PREPARED FOR POST SECONDARY STUDY AFTER THEIR DISADVANTAGED SCHOOLING, THAT THEY WOULD DRAW APPROPRIATELY ON PRODUCTS OF SACHED'S KHANYA COLLEGE WHO DISPLAY THE REQUISITE ABILITY AND POTENTIAL.

MINDFUL OF THE POLICY COUNCIL'S OVERALL RECOMMENDATIONS, THE AGENCIES WOULD DIRECTLY CONTRACT WITH AND BE RESPONSIBLE TO AID, COVERING MATTERS SUCH AS ELIGIBLE INSTITUTIONS, DESIRABLE COURSES, SELECTION PROCEDURES AND CRITERIA, STUDENT COUNSELLING AND SUPPORT AND SUBSEQUENT EMPLOYMENT, PAYMENT PROCEDURES, REPORTING REQUIREMENTS, AND EVALUATION.

THE AGENCIES WOULD EXPECT TO RETAIN CONTROL NOT ONLY OF THE ACCOUNTING FOR THE DISBURSEMENTS AND SUPPORT OF THE RECIPIENTS, BUT ALSO OF THE SELECTION OF RECIPIENTS BY RESPECTIVE REGIONAL AND/OR NATIONAL PANELS COMPRISING-- IN ROUGHLY EQUAL PROPORTIONS--AGENCY STAFFERS, COMMUNITY FIGURES, SPECIALIST EDUCATIONAL ADVISERS, AND REPRESENTATIVES OF THE SPONSORS.

THE AGENCIES WOULD KEEP THE POLICY COUNCIL FULLY INFORMED, AND LIAISE WITH THE ASSISTANCE OF THE COUNCIL ON MATTERS OF COMMON ADMINISTRATIVE CONCERN.

CONCLUSION

THE RECEIVING STRUCTURE WHICH WE HEREBY PROPOSE CONDUCTS TO A UNIFIED POLICY AND COORDINATE ADMINISTRATION IN RESPECT OF THE PROPOSED INTERNAL SCHOLARSHIPS, YET ALSO RESPECTS THE HISTORICAL EXISTENCE AND ORGANIZATIONAL ORIENTATIONS OF THE FOC AND THE SAIRF (AND SUCH OTHER AGENCIES AS MIGHT SUBSEQUENTLY APPLY FOR A CONTRACT), AND SO CAN SECURE THEIR SUPPORT FOR AND PARTICIPATION IN THE STRUCTURE.

WE HAVE NOW ACHIEVED THIS ACCORD AT THE SOUTH AFRICAN END DESPITE THE TROUBLED HISTORY OF UNFORTUNATE MISUNDERSTANDINGS IN PREVIOUS ATTEMPTS TO IMPLEMENT AN INTERNAL SCHOLARSHIP SCHEME. SO WE FEEL THAT IF AID IS ACTUALLY WANTED TO MAKE WHAT WOULD BE AN EXTENSIVE, TIMELY AND MOST IMPORTANT INTERVENTION OF THIS SORT, IT WILL BE ABLE TO ACHIEVE SIMILAR ACCORD AMONG ITS CONSTITUENT AUTHORITIES: SO THAT THE POLICY COUNCIL MAY BE CONSTITUTED AND SEPARATE AGREEMENTS SIGNED WITH THE CONTRACTING AGENCIES BEFORE SEPTEMBER 30, 1985, ENABLING GRANTS TO BE ADVERTISED, PROCESSED AND AWARDED BY JANUARY 1986.

END TEXT.

3. AAO WILL APPRECIATE YOUR REVIEWING THE FOREGOING PROPOSAL WITH APPROPRIATE CONGRESSIONAL STAFF AND PROVIDING FEEDBACK ON REACTION ASAP.

STADTLER

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