

UNCLASSIFIED

Annual Budget Submission

FY 1984

SWAZILAND

BEST AVAILABLE

June 1982



Agency for International Development
Washington, D.C. 20523

ANNUAL BUDGET SUBMISSION

FY 84

SWAZILAND

May 25, 1982

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EMBASSY OF THE
UNITED STATES OF AMERICA
MBABANE

May 25, 1982

The Honorable F. S. Ruddy
Assistant Administrator
Bureau for Africa
Agency for International Development
Washington, D. C. 20523

Dear Mr. Ruddy:

I have reviewed the ongoing and proposed project proposals contained in this FY 84 Annual Budget Submission and find that they are consistent with the Country Development Strategy Statement and with overall United States policies and objectives in Swaziland. Therefore, I commend this submission to you and your colleagues in Washington.

You will note that USAID/S is proposing one new project for funding in FY 84. The project, Swaziland Manpower Development, will continue the excellent work USAID/S has been doing in training Swazis to fill a wide variety of middle and upper level positions. Based on my two and a half years of experience in Swaziland, I am well aware of the critical need for such skilled manpower in various fields in both the public and private sectors. I strongly support this project.

I further believe that the FY 84 personnel ceiling of 14.6 USDH workyears and 8 FNDH workyears, as shown in this ABS, should be sufficient to manage and implement the proposed program in FY 83 effectively.

Sincerely,

A handwritten signature in black ink, reading "Richard C. Matheron". The signature is written in a cursive style with a large, prominent "R" and "M".

Richard C. Matheron
Ambassador

SWAZILAND

SUMMARY STRATEGY STATEMENT

A. Analysis

The economy of Swaziland is diverse and has active agricultural, manufacturing and mining sectors. The economy grew by an estimated 6.5 percent in real terms in 1981, which was an exceptionally good year. Favorable weather conditions increased agricultural production, and woodpulp, chemicals and electronic equipment posted strong export gains. The outlook for 1982 is much less favorable. Prices are depressed for Swaziland's major agricultural products, and dry weather will limit the size of the 1982 harvest. Continuing high interest rates and economic recession in many parts of the world constrain exports and make it difficult for Swaziland to attract new industry.

Swaziland's per capita Gross National Product rose from \$180 at independence in 1968 to \$650 in 1979. Preliminary estimates indicate that the per capita GNP reached the mid-\$800s in 1981. Discounted for inflation this represents a 2.2 percent real annual growth in per capita GNP between 1979 and 1981. Agriculture has been and remains the most important component of economic and social development in Swaziland. It contributes about one-fourth of the country's Gross Domestic Product and is vital in terms of foreign exchange earnings where it provided about 65 percent of the 1981 total. Estate crops such as sugar, citrus, pineapples and woodpulp make up the bulk of the exports and generate significant local employment. Manufacturing, most of which is agriculture-based--saw mills, sugar mills, cotton gin, fertilizer production, boxes for fruit, etc.--also generated one-fourth of GDP in 1981.

Despite the overall economic progress achieved in Swaziland since independence, the rural areas and the nearly 85 percent of Swazis who live there have not benefitted as well as the modern sector. Agricultural productivity is very low on about 60 percent of Swaziland's total land area and provides only about \$60 of rural per capita income. Remittances from family members working in the modern sector raised per capita income to about \$210 on approximately 80 percent of Swazi homesteads in 1978.

Life expectancy at birth in Swaziland is about 47 years. The infant mortality rate of 156 per 1,000 is far greater than in other countries with comparable incomes and literacy rates and is a major contributor to a low standard of living. A high

population growth rate of 3.4 percent is placing increasing pressure on limited arable land, diluting the benefits of improvements in social services, and contributing to rising unemployment.

In light of the current economic, social and political situation in Swaziland and taking into account changes and fluctuations over the past three years, USAID/S reaffirms that the analysis contained in its approved Country Development Strategy Statement remains valid. The major constraints to development and to achievement of a higher standard of living for the target group of about 275,000 people who earn less than \$200 per capita are four interrelated problem areas: low agricultural productivity on Swazi Nation Land, rising unemployment, rapid population growth and high under-two mortality.

B. Strategy

The USAID/S strategy addresses each of the problem areas and places emphasis on human resources development as a key element of efforts to decrease or eliminate these constraints to development. The need for trained individuals to plan and carry out programs in many fields in both the public and private sectors is recognized as an important limiting factor in Swaziland's overall development.

1. Low Agricultural Productivity on Swazi Nation Land (SNL)

Increasing the economic productivity of people living on SNL is essential to the furtherance of equitable development in Swaziland. More than half of Swaziland's population of nearly 600,000 is dependent upon "traditional" agriculture as practiced on SNL, an estimated 60 percent of Swaziland's total land area. Productivity on SNL remains low. Under current agricultural conditions (small farm sizes, traditional land tenure system, reliance on rain-fed agriculture and lack of appropriate agricultural research and extension services), the income-generating potential of the average SNL homestead, even if worked intensively, is much less than alternative forms of employment provided in the modern sector.

Promoting fundamental change in these agricultural conditions in order to move from subsistence to commercial farming and significantly increase small farmer incomes is an important facet of the USAID/S development strategy and program for Swaziland. Such change offers the greatest potential for benefitting the largest number of Swazis, for spurring the country's national development and for encouraging the further growth of agriculturally based private enterprise.

USAID projects in this area at present promote better land use and land development and provide cropping systems research to assist the small farmer. Because irrigation is believed to be the most effective method of raising small farmer incomes, USAID/S proposes to assist the GOS in converting a significant number of SNL farms from dryland to irrigated farming. Irrigation and improved farming methods will permit double or triple cropping and higher crop yields per hectare. In a gradual move toward a major irrigation effort in the mid- to late-1980s, the Government of Swaziland (GOS) has commissioned a number of studies to quantify the nation's water resources, is negotiating riparian agreements with neighboring countries, is beginning development of a comprehensive water plan, and is working with a number of donors on activities which will assist the development of irrigated agriculture. USAID/S supports the GOS in these efforts by: funding an ongoing Rural Development Areas - Infrastructure Support project which is implementing a number of land and water conservation measures; providing funds for a water resources study carried out in 1981 by the U. S. Army Corps of Engineers; and working through the Cropping Systems Research and Extension Training project to provide basic cost/effectiveness data to indicate optimum cropping patterns. USAID/S is now designing a Pilot Small Farmer Irrigation project for initial funding in FY 83 and plans to build on knowledge gained through it for other irrigation projects in the latter part of the planning period.

2. Rising Unemployment

Rising unemployment is an emerging problem. During the past few years the average number of school-leavers with at least seven years of education was more than 8,000, of whom an estimated 7,000 sought formal sector jobs. The GOS estimates that 2,800 new formal or informal sector jobs were created annually from 1978 to 1981. Workers leaving the labor force boost the total number of jobs available, but large numbers of job seekers are currently being disappointed, and that trend is expected to continue. By concentrating on academic subjects to the detriment of vocational and agricultural training, the educational system currently contributes to the low productivity of the labor force and to a negative attitude on the part of school-leavers toward the types of jobs the economy is now generating.

USAID/S has taken a long-term institution-building approach to this problem by working with the GOS under the Primary Curriculum Development project to make fundamental changes in the primary education system and to establish a national capacity for producing new primary school curricula that will reflect the nation's educational needs and goals. A Teacher Training project proposed for initial funding in FY 83 will improve and expand the capacity

of Swaziland's primary and junior secondary teacher training institutions to better equip both new and in-service teachers to teach practical skills needed by the country. Another ongoing project, Southern Africa Manpower Development, is assisting the GOS to upgrade the administrative management and technical skills of its employees through in-country training programs and through participant programs in other parts of Africa and in the United States. In FY 84 a new project entitled Swaziland Manpower Development is proposed to assist further in overcoming the critical shortage of mid- and upper-level personnel in both the public and private sectors.

3. Rapid Population Growth

Studies have identified the major causes of rapid population growth as: lack of awareness on the part of national leaders of the impact on development of population growth, inadequate knowledge of modern contraceptive methods, a traditional value system which emphasizes large families and a high infant mortality rate which stimulates higher birth rates to ensure that an adequate number of children survive.

USAID/S strategy in the population area through FY 84 is to focus on the awareness problem and to stimulate changes in attitudes which would encourage many more Swazis to take advantage of existing family planning services. The centrally-funded RAPID (Resources for the Awareness of Population on Development) project developed and presented to influential Swazi leaders a program demonstrating the negative impact of rapid population growth on social and economic development in a number of key areas such as agriculture, health, education and urban growth. Among those viewing the Swaziland-specific program were the Prime Minister, several members of the Cabinet and Permanent Secretaries of the Ministries of Health, Education, Planning and Finance, Agriculture, Public Works and Home Affairs. Reaction was uniformly positive and should lead to future open discussions of population issues and policy in Swaziland.

Swazi health professionals and primary health care workers are also receiving training in population education and family planning techniques through the bilateral Health Manpower Training project. Workshops for health workers carried out under a centrally-funded population grant to INTRAH (International Training in Health) emphasize population and family planning subjects. INTRAH also assists the Family Life Association of Swaziland (FLAS), a private organization, in training school teachers in the use of family life education materials in junior

secondary and secondary schools. In FY 85 USAID/S plans to initiate a bilateral project to help the GOS promote family planning knowledge and practices among the population as a whole.

4. High Under-Two Mortality

High under-two mortality is a primary cause of low standards of living and poor health status which, in turn, are contributing factors to low productivity, unemployment and under-employment, and rapid population growth. Rampant infectious diseases, particularly gastro-intestinal and respiratory illnesses and tuberculosis, are major health problems which affect children in particular.

USAID/S strategy in this area concentrates on: developing, under the Health Planning and Management project (OPG), the capability of the Ministry of Health to effectively deliver health services; training primary health care workers under the Health Manpower Training project; improving the country's potable water and sanitation facilities and educating the general population on basic health and sanitation measures to combat disease under the Rural Water-Borne Disease Control project. In addition, an FY 82 centrally-funded project will assist in the design of a nutrition survey and surveillance program for children under five years of age. USAID/S and the GOS believe that these efforts, in conjunction with other current activities in the health field, will dramatically improve the health status of the under-two population in Swaziland. Much remains to be done to successfully implement these ongoing projects, and USAID/S proposes no new initiatives in the health area during the FY 1984-87 planning period.

C. New Emphases

The USAID/S development strategy for Swaziland is incorporating the new AID emphases as an integral part of its ongoing and proposed projects. For example:

- Efforts to increase agricultural productivity focus on the development of appropriate cropping patterns and irrigation facilities to benefit the small farmer as a private producer. These activities, by providing necessary raw materials, will complement the development of agro-industries, such as food or fiber processing plants, thereby promoting the growth of private enterprise in the rural areas.

- The proposed FY 84 Swaziland Manpower Development project, in contrast to previous manpower projects which have concentrated

almost exclusively on the public sector, is designed to involve the private sector in human resources development on a significant scale. The project aims to give the private sector an integral role in the identification of training needs for the nation as a whole, provide training opportunities in areas of vital interest to the private sector, offer funding for manpower studies and promote private and public sector cooperation in assuring optimum utilization of trained manpower.

- The Teacher Training project proposed to begin in FY 83 is an institution-building project which will improve Swaziland's capacity to develop new curricula and effectively equip teachers to pass on knowledge and practical skills required for agriculture, agro-industries and other private sector activities.

The USAID/S strategy for Swaziland provides ample opportunities for engaging Swazi officials in policy discussions and for effecting policy changes. Examples from each strategy area include:

(1) Agricultural Productivity - the benefits of encouraging private enterprise marketing systems in preference to public marketing boards; (2) Unemployment - the importance of stimulating the development of the private sector, particularly agro-industries, as an integral part of the country's development strategy; (3) Population Growth - the negative impact of rapid population growth rate on Swaziland's development; (4) High Under-Two Mortality - the need to emphasize preventive health over curative health services.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office USAID/SWAZILAND

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD		
				1985	1986	1987
Agriculture, Rural Development & Nutrition						
Grants	3,797		2,006	3,500	6,000	6,358
Loans		2,000	2,000			
Population						
Grants				900		
Loans						
(of which centrally procured commodities)						
Health						
Grants		1,057				
Loans						
Education						
Grants	3,380	3,443	3,994	4,000	4,000	4,642
Loans						
Selected Dev. Activities						
Grants						
Loans						
TOTAL FUNCTIONAL ACCOUNTS						
Grants	7,117	4,500	6,000			
Loans		2,000	2,000			
OTHER DA ACCOUNTS (Specify)						
Grants						
Loans						
TOTAL DA ACCOUNTS						
Grants	7,117	4,500	6,000			
Loans		2,000	2,000			
Economic Support Fund						
Grants						
Loans						
TOTAL DA AND ESF	7,117	6,500	8,000	8,400	10,000	11,000
480 (non-add)						
Title I (of which Title III)						
Title II						
Using Guaranties (non-add)						
TOTAL PERSONNEL						
USDH (Workyears)	12.9	13.4	14.6	14.6	14.6	14.6
FNDH (Workyears)	7.0	10.0	8.0	8.0	8.0	8.0

TABLE I - NARRATIVE

Table I shows by appropriation account the means through which USAID/S plans to assist Swaziland to address its major development problems, as described in the Summary Strategy Statement.

Increased agricultural productivity on Swazi Nation Land has been and will continue to be the major focus of the USAID/S program throughout the FY 1982-87 period. Major emphasis will be placed on additional small farmer irrigation activities in the final years of the planning period.

Population activities will be supported through FY 84 with AID/Washington centrally-funded projects. A new bilateral population project is planned for FY 85 funding.

USAID/S initiatives in health will be fully funded by the end of FY 83 and will continue to be implemented throughout the planning period.

Heavy emphasis is being placed on human resources and education programs as indicated by Table I; this is expected to contribute significantly to the creation of a pool of skilled manpower resources for both the public and private sectors and to improve employment opportunities for Swazis by helping them to gain the skills and the attitudes required for the types of jobs that will be generated by the economy. Activities in human resources development will also contribute significantly to the effectiveness of A.I.D.-financed efforts in other sectors by expanding the supply of skilled planners, managers and workers critical to the success of such efforts.

As explained in the FY 83 ABS, because of the sizeable cuts sustained by the program in FY 82 and in the planning levels provided by AID/Washington for FY 83, USAID/S was unable to fully fund the \$4 million loan for Pilot Small Farmer Irrigation in FY 83 without severely curtailing the rest of the program. Therefore, half of the total loan of \$4 million is being funded in FY 83 and half in FY 84.

In accordance with forward funding guidelines, two ongoing grant projects, the Cropping Systems Research and Extension Training and Teacher Training projects, have been provided sufficient funds in FY 84 to cover their activities for at least a 12-month period. The proposed new grant project for FY 84, Swaziland Manpower Development, has been provided with sufficient funds to cover the first 18 months of activities. Final funding has also been

provided for two other ongoing grant projects in FY 84, Rural Development Areas - Infrastructure Support and Southern Africa Manpower Development.

In view of the above analysis, USAID/S concludes that there are no serious pipeline or mortgaging problems associated with its current or proposed program for the FY 1982-87 period.

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TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1982 to FY 1984
 (\$ thousands)

Country/Office USAID/SWAZILAND

<u>APPROPRIATION ACCOUNT</u>		<u>FY 1982</u>	<u>FY 1983</u>	<u>FISCAL YEAR 1984</u>
<u>Agriculture, Rural Development and Nutrition</u>				
645-0068	Rural Development Areas Infrastructure Support (G)	2,297		578
645-0212	Cropping Systems Research and Extension Training (G)	1,500		1,428
645-0217	Pilot Small Farmer Irrigation (L)		2,000	2,000
	SUBTOTAL	3,797	2,000	4,006
<u>Health</u>				
645-0087	Rural Water-Borne Disease Control (G)		1,057	
	SUBTOTAL		1,057	
<u>Education</u>				
645-0009	Primary Curriculum Development (G)	980		
645-0069	Southern Africa Manpower Development (G)	2,400	1,943	994
645-0214	Teacher Training (G)		1,500	1,500
645-0218	Swaziland Manpower Development (G)			1,500
	SUBTOTAL	3,380	3,443	3,994
TOTAL DEVELOPMENT ASSISTANCE		7,177	6,500	8,000

FY 1984 ANNUAL BUDGET SUBMISSION

Country/Office
USAID/Swaziland

TABLE IV PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		ESTIMATED U.S. DOLLAR COST (\$000)				ITEM #
			INITIAL	FINAL			AUTH PLAN	OBL	EXP	OBL	EXP	1984 AAPL	FUNDED TO MO/YR	1985	
645-0062	Health (HE) Health Manpower Training	G	77	82	2442 2442	1536	997	532	12/83					7615	
645-0087	Rural Water-Borne Disease Control	G	79	83	3294 297	1862	694	742	9/85					7632	
645-0215	Health Planning and Management (OPG) (U)(R)	G	81	81	996996	996	285	268	1/84					7637	
	SUB-TOTAL					4394	1976	1542							
645-0009	Education (EH) Primary Curriculum Development	G	75	82	5364 352	1433	980	1061	12/83					7606	
645-0069	Southern Africa Manpower Development	G	78	84	7637 637	1819	2400	2103	9/86					7626	
645-0081	University College of Swaziland	G	78	80	375375	375	134	896	12/84					7629	
645-0214	Teacher Training	G	83	87	9142		2545	4194	2/85	2000	2000	2142		7636	
645-0218	Swaziland Manpower Development	G	84	87	8000		3380	3443	1500	2000	2000	2500			
	SUB-TOTAL					3627	3380	4194	3994	4000	4000	4642			

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE IV PROJECT BUDGET DATA												Country/Office USAID/Swaziland					
NUMBER	PROJECT TITLE	O/L	OBLIGATION DATE		LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982		FY 1983		FY OBLIGATIONS				ITEM #		
			INITIAL	FINAL			OBL	EXP	OBL	EXP	1984 AAFI	FUNDED TO MO/YR	1985	1986		1987	FUTURE YEAR
	Security Supporting Assistance (SA)																
645-0055	Cooperatives and Marketing	G	76	80	518514	3		1									7613
645-0062	Health Manpower Training	G	77	82	593592	8		8									7614
645-0068	RDA-Infrastructure Support	G	78	84	20774077	576		576			8/84						7620
645-0068	RDA-Infrastructure Support	L	78	80	5406400	1392		1172	220		8/84						7621
645-0069	Southern Africa Manpower Development	G	78	84	16551655	371		371			3/82						7627
645-0081	University College of Swaziland	G	78	80	16841684	447		283	164		12/84						7630
	SUB-TOTAL					2797		2411	384								
	Population & Planning (PN)																
645-0062	Health Manpower Training	G	77	82	150150	8		8									7617
	Population Planning and Health(HH)																
645-0062	Health Manpower Training	G	77	82	11161116	12		12									7617
	SUB-TOTAL					20		20									
	GRAND TOTAL					21523		9655	6500	13141	8000			7500	7066	4642	

TABLE IV - NARRATIVE

SWAZILAND MANPOWER DEVELOPMENT, 645-0218

Proposed Funding: LOP \$8,000,000 Grant; Appropriation Account: EH
FY 84 \$1,500,000 Grant

Purpose

To reduce critical manpower shortages at the middle and upper levels in both the public and private sectors and to institutionalize the capacity to define training demands in both of these sectors.

Background

The social and economic development of Swaziland continues to be constrained by the absence of middle- and upper-level manpower in both the public and private sectors. Consequently, the capacity of the Government of Swaziland (GOS) to plan and execute health, agricultural and education programs and to relate such efforts to the alleviation of rising unemployment lags behind development targets as laid down in the country's Third National Development Plan and in the Country Development Strategy Statement (CDSS) of USAID/S.

Since 1973 USAID/S has trained approximately 190 Swazis in the U. S. and third countries, provided 20 operational personnel (OPEX) so that Swazis could be released for training, and funded in-country training programs for approximately 500 Swazis. The bulk of these training efforts have been directed to improving the quantity and quality of personnel engaged in public sector efforts to deal with the four major interrelated development problems identified in the CDSS document: rapid population growth, high under-two mortality, low agricultural productivity and rising unemployment. As a result of these training efforts, USAID/S, in collaboration with other donors and the GOS, has created a small but growing pool of well-trained manpower in various key public sector positions.

While this proposed follow-on project will continue to train key individuals at the middle and upper levels of the public sector, it will also provide training to meet critical private sector needs and will seek to promote private and public sector cooperation in the efficient utilization of scarce trained manpower

resources. Specifically, the project will support the creation and operation of a National Training Council to identify training requirements in both the public and private sectors and to promote optimal utilization of training resources in both sectors to assure an appropriate output of trained manpower. The project will carry out detailed analyses to determine needs in vital functional areas in key private and public sector activities (e.g., irrigation development, accounting, potable water supply systems, business and public sector management). The new project will move away from the concept of training only individuals who will occupy specific, important, technical or managerial positions and emphasize training that will develop the nucleus of individuals required to perform a key function (e.g., manpower analysis, population policy development, irrigation agronomy, etc.). This approach will also permit USAID/S and the GOS to better define the relationship between out-of-country and in-country training since training will be focused on providing enough individuals within a particular office or functional division with the type and level of training necessary to enable that office, as opposed to an individual, to perform its function effectively. The project will also finance short- and long-term technical assistance to assist in carrying out functional manpower studies in the private and public sectors, as well as to conduct short-term, in-country training programs.

Host Country and Other Donor Contributions

The GOS is expected to provide approximately \$2,500,000 out of the total estimated cost of the project of \$10,500,000. The GOS contribution will be for the provision of in-country training sites, staff, a portion of in-country participant costs, support for technical assistance, travel for all out-of-country trainees and basic staffing and support for the National Training Council. The United Kingdom, Germany, Canada, EEC and other donors will continue to support training efforts as defined by the National Training Council.

Beneficiaries

The project is expected to benefit directly approximately 100 Swazis who will receive training in the U. S. or third countries and approximately 1,500 Swazis who will be trained in-country. Through the improved capacity of the 1,600 people trained and the increased effectiveness of the offices where they work, it is expected that a far larger impact in the form of indirect benefits will be made on the lives of Swazis living in both rural and urban areas and working in both the public and the private sector.

Major Outputs

All Years

A. National Training Council capable of defining public and private training demands in key functional problem areas related to the improvement of employment, agricultural productivity, rising population growth and high under-two mortality.	1
B. Functional training requirement studies completed and implemented.	10
C. Swazis trained to advance degree level or provided highly specialized training.	100
D. Swazis trained in country.	1,500

AID-Financed Inputs

(\$000)

A. Provision of 10 person-years of technical assistance	\$1,500
B. Long-term training	3,250
C. In-Country training	1,500
D. Contract costs	<u>1,750</u>

Life of Project Funding

\$8,000

Estimated Duration of Project: FY 1984-88

TABLE V - FY 1984 PROPOSED PROJECT RANKING							Country/Office USAID/Swaziland	
RANK	PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)			
					INCR	CUM		
	<u>New and Continuing Projects</u>							
1	645-0212 Cropping Systems Research and Extension Training	O	G	ARDN	1,428	1,428		
2	645-0217 Pilot Small Farmer Irrigation	O	L	ARDN	2,000	3,428		
3	645-0214 Teacher Training	O	G	EH	1,500	4,928		
4	645-0218 Swaziland Manpower Development	N	G	EH	1,500	6,428		
5	645-0069 Southern Africa Manpower Development	O	G	EH	994	7,422		
6	645-0068 Rural Development Areas-Infra-structure Support	O	G	ARDN	578	8,000		

TABLE V - NARRATIVE

AAPL Proposed Project Ranking

All of the projects listed in Table V, the FY 84 Proposed Project Ranking, are designed to attack one or more of the four key development constraints described in the Summary Strategy Statement at the beginning of this ABS document.

Highest priority has been assigned to two projects in the agriculture/rural development area: Cropping Systems Research and Extension Training (645-0212), ranked number one, and Pilot Small Farmer Irrigation (645-0217), ranked number two. Both are directed toward increasing agricultural productivity on Swazi Nation Land, a major focus in USAID's development strategy for Swaziland. The Cropping Systems Research and Extension Training project is designed to develop research recommendations for both dryland and irrigated farming and to make these recommendations readily available to small farmers through improved extension services. In FY 84 a funding level of \$1,428,000 is proposed for this project. The Pilot Small Farmer Irrigation project, initially funded at a level of \$2,000,000 in loan funds in FY 83, is expected to provide an excellent mechanism for increasing employment opportunities, agricultural productivity and income levels. This project is a vital first step in assisting the GOS to formulate its overall agricultural development strategy and policies for the small farmer on irrigated land. The additional \$2,000,000 in loan funds requested in FY 84 will complete the funding for this important project.

To address the problems of rising unemployment, poor manpower planning and lack of skilled high-level and middle-level manpower identified in the Swaziland CDSS document, education and human resources projects are listed numbers three and four in the proposed project ranking. The Teacher Training project (645-0214) is a key element in making fundamental changes in Swaziland's education system. The project will better equip teachers to teach the practical skills needed by the growing Swazi economy and thereby better prepare students to take advantage of the types of employment opportunities that are emerging. In FY 84, \$1,500,000 is being requested for this important institution-building project. Swaziland Manpower Development (645-0218), the only proposed new start for FY 84, is ranked number four at a level of \$1,500,000 in advance of other ongoing projects in order to assist in overcoming the critical human resources constraint at the middle and upper levels in both the public

and private sectors and to institutionalize the capacity to define training requirements in both of these sectors. The project is described in detail in the narrative following Table IV.

Two ongoing projects with less than a million dollars each remaining to be incrementally funded have been listed numbers five and six in the ranking. To develop additional skilled human resources, final incremental funding of \$994,000 will provide the Southern Africa Manpower Development project (645-0069) with the means to complete financing for the training of Swazi participants already in the U. S. or third countries and to continue small in-country training activities. The \$578,000 requested in FY 84 for the Rural Development Areas - Infrastructure Support project (645-0068) represents final incremental funding required for this project and will allow the project to complete its work of establishing soil conservation systems and providing a variety of physical infrastructure improvements--rural access roads, small-scale irrigation systems, water systems, etc.--within the framework of a major, multi-donor rural development program striving to increase agricultural productivity on Swazi Nation Land.

Recurrent Costs

Overall, the demands which current and projected USAID projects will place on future GOS recurrent budgets are minor. USAID/S has discussed with the implementing ministries and with Finance and Planning the recurrent cost implications of each project, emphasizing the need for timely delivery of inputs and the provision of counterparts. Priorities have been worked out with the Government, and recurrent cost difficulties should not become an important problem.

Among the proposed projects in FY 83, the Teacher Training project will have the greatest effect upon the recurrent budget because it will produce more and better qualified teachers. This will obviously require a significant commitment from the GOS both in terms of teacher positions and funds to pay teachers. The GOS has stated its willingness to assume such a commitment and in Swaziland, as in many developing countries, the recurrent budget for education is higher than for any other sector. Recurrent cost implications in the proposed Pilot Small Farmer Irrigation project in FY 83 are minimal. In the proposed Swaziland Manpower Development project in FY 84, the recurrent cost implications on the part of both the public and the private sectors are also minimal.

AAPL and Workforce Levels

The approved workforce levels of 12 U.S. Direct-Hire, one IDI and eight Foreign National staff in FY 84 are sufficient for USAID/Swaziland to provide adequate management supervision for its ongoing project portfolio and its proposed new project activity. However, the one approved part-time position is not adequate to provide needed secretarial support. Therefore, USAID/S requests approval for an additional .6 person year of part-time secretarial assistance above the workforce levels approved in FY 84. The total of 14.6 workyears is shown in Tables I and VIII.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982				FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	861		580	12.9	935		664	13.4
P.N. DIRECT HIRE	78			7.0	104			10.0
CONTRACT PERSONNEL	28			XXXXX	32			XXXXX
HOUSING EXPENSES	105			5.3	133			6.5
OFFICE OPERATIONS	318		10	XXXXX	297		14	XXXXX
TOTAL	1,390		590	XXXXX	1,501		678	XXXXX
RECONCILIATION	590			XXXXX	678			XXXXX
MISSION ALLOWANCE	800			XXXXX	823			XXXXX

Note: Dollar funded local currency costs for FY 83 = \$373.4
 Rate used R1 = \$1

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	923		602	12.0	1,033		686	14.0
F.N. DIRECT HIRE	95			7.0	115			8.0
CONTRACT PERSONNEL	40			XXXXX	53			XXXXX
HOUSING EXPENSES	111			5.0	138			7.0
OFFICE OPERATIONS	322		15	XXXXX	330		15	XXXXX
TOTAL	1,491		617	XXXXX	1,669		701	XXXXX
RECONCILIATION	617			XXXXX	701			XXXXX
MISSION ALLOWANCE	874			XXXXX	968			XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

FY 1984 PROPOSED				
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,042		695	14.6
F.N. DIRECT HIRE	115			8.0
CONTRACT PERSONNEL	53			XXXXX
HOUSING EXPENSES	138			7.0
OFFICE OPERATIONS	330		15	XXXXX
TOTAL	1,678		710	XXXXX
RECONCILIATION	710	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	968	XXXXX	XXXXX	XXXXX

TABLE VIII - NARRATIVE

Trends in Unit Costs from 1982 to 1984

The largest increase in USAID/S Operating Expenses from FY 82 to FY 83 is \$84,000 in the U. S. direct-hire personnel category. This increase is attributable mainly to an additional 1.3 person-years for full-time positions over that estimated for FY 82. All local currency-denominated costs were subject to a 20 percent inflation factor, which accounts for \$62,000 in increased costs. The filling of three currently vacant Foreign National positions adds another \$23,000 to the budget. These increases are offset by decreases in post assignment and home leave costs of \$37,000 (FY 83 is an "off" year for USAID/S) and a decrease in procurement of new vehicles and office equipment of \$33,000. All other changes from the FY 82 Operating Expenses Budget net an increase of \$12,000 in the areas of operational travel, R&R travel, etc.

In moving from the FY 83 to the FY 84 Current Level, USAID/S projects an increase of \$88,000 in post assignment and home leave costs. About \$75,000 in increases are attributable to the 20 percent inflation factor again assumed for all local currency costs. USAID/S is also projecting an additional .6 person-year of full-time U. S. direct-hire estimated to cost \$23,000. Because residential furniture and word-processing equipment are budgeted in FY 83, FY 84 shows a decrease of \$42,000. All other increases and decreases net a total increase of \$24,000 in FY 84 in the areas of vehicle acquisition, operational travel, R&R travel, etc.

The cost savings shown at the FY 84 Minimum Level are all attributable to a reduction of 5 person-years from the FY 84 Current Level. This reduction reflects 2 person-years of U. S. direct-hire services, 1 person-year of Foreign National direct-hire services and 2 person-years of Foreign National PSC services.

The increase of \$14,000 shown at the Proposed Level is for an additional .6 person-year of part-time USDH secretarial assistance which was deleted from the approved work force level ceilings given USAID/S in FY 84. This additional .6 person-year of part-time USDH secretarial assistance is essential for USAID/S to maintain effective operations in view of the sizeable reduction it has experienced in its Foreign National secretarial staff and the serious shortage of qualified secretaries in Swaziland. USAID/S must have additional part-time secretarial assistance if it is to operate with reasonable efficiency. Therefore, USAID/S requests that its part-time employment ceiling for FY 84 be increased accordingly.

The residential units shown for FYs 82-84 exclude six houses owned by USAID/S. While these houses have no rental costs, the cost of utilities and maintenance is, of course, included in the Operating Expense Budget for each year.

FAAS Costs

FAAS costs are expected to rise slightly from a level of \$10,000 in FY 82 to a level of \$15,000 in FY 84. These relatively low costs are primarily a result of offsets that USAID/S is receiving from the newly established Joint Administrative Office and should bring about a slight reduction in overall office and housing maintenance costs of USAID/S as a result of more efficient joint maintenance operations.

TABLE VIII (a)
OBLIGATIONS OF ADP SYSTEMS
(\$000)

	<u>Fiscal Year</u>	
	<u>1982</u>	<u>1983</u>
A. <u>Capital Investments</u>		
1. Purchase of ADP Equipment	10.0	
2. Purchase of Software	<u>3.0</u>	
Sub-Total	13.0	
B. <u>Personnel</u>		
1. Compensation, Benefits, Travel		
2. Work Years		
Sub-Total		
C. <u>Equipment Rental and Other Operating Costs</u>		
1. ADP Equipment (ADPE) Rentals	.5	.5
2. Supplies and Leased Software	<u> </u>	<u> </u>
Sub-Total	.5	.5
D. <u>Commercial Services</u>		
1. ADP Service Bureau		
2. Systems Analysis and Programming		
3. ADPE Maintenance (if separate from item C.1)	<u>.8</u>	<u>.8</u>
Sub-Total	.8	.8
E. <u>Total Obligations (A-D)</u>	14.3	1.3
F. <u>Interagency Services</u>		
1. Payments		
2. Offsetting Collections		
Sub-Total		
G. <u>Grand Total (E+F)</u>	14.3	1.3

TABLE VIII(a) - NARRATIVE

In view of the A.I.D., State and U.S.I.C.A. decision to standardize worldwide on Wang microcomputers and word processing equipment, USAID/S believes that a Wang Writer with dual disc drive and Control Program for Microcomputer (CP/M) capability would be compatible with Mission needs. The Wang Writer has the capacity to perform both automatic data processing (ADP) and word processing (WP) functions.

A microcomputer such as that indicated above will increase both the effectiveness of USAID's economic analysis and the operating efficiency of the Mission. Among other things, the microcomputer will greatly expand the capacity to process economic data, use econometric modeling techniques and, thereby, develop more accurate and useful economic projections for both the general economy and for specific projects. Since the Regional Economist also provides economic assistance to other southern African missions, his time is very tightly programmed. The microcomputer will greatly expand his capacity to service the needs of his client missions for economic analyses.

The word processing capability of the Wang microcomputer will enable much better utilization of USAID's scarce secretarial talent. During the period since the employment freeze was imposed on the Agency in 1980, attrition has reduced the Mission's Foreign National secretarial staff by 50 percent and has created bottlenecks in the production of major project papers, budget and other submissions to AID/Washington, evaluations and general correspondence within the USAID. Since there is little likelihood that the situation will improve within the foreseeable future, the introduction of word processing technology to USAID operations is essential if performance is to be maintained at an acceptable level.

The Wang Writer is manufactured in the United States and is available at an estimated cost of approximately US\$10,000. An additional US\$3,000 would be required for statistical, data-based management and graphics software. Word processing software is included in the basic cost. Adequate service for the equipment is available locally at an estimated US\$70 per month for the maintenance contract and US\$460 per year for the purchase of computer paper, ribbons and diskettes. The estimated annual recurrent cost for supplies and service has been budgeted. The Wang Writer includes dual disc drive, daisy-wheel printer, monitor and 64K RAM. One such unit should be sufficient for USAID needs. The total cost of US\$14,300 required in FY 83 and US\$1,300 in FY 84 is fully covered in the Operating Expense Budget.

Country/Office USAID/SWAZILAND

CENTRALLY AND REGIONALLY FUNDED ACTIVITIES

IN USE OR PLANNED FOR USE

BY USAID/SWAZILAND

(\$000)

<u>Project Number</u>	<u>Project Title</u>	<u>A.I.D. Office of Responsibility</u>	<u>Anticipated LOP Cost in Swaziland</u>	<u>Priority</u>
932-0637	Resources for Awareness of Population Impact on Development (RAPID)	ST/POP/PDD	50	High
698-0407	Improved Rural Technology	AFR/RA	79	Medium
932-0644	Paramedical, Auxiliary and Community Family Planning Personnel Training	ST/POP/TI	300	High
931-1167	Water and Sanitation for Health (WASH)	ST/HEU	50	High
931-0262	Nutrition: Scientific Technical and Planning Support	ST/N	30	High
932-0955	Family Planning International Assistance	ST/POP/FPSD	56	High