

PD-AA-T-176

UNCLASSIFIED

BOTSWANA

Workforce & Skills Training Project

Phase II

(633-0241)

PROJECT PAPER

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
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2. COUNTRY/ENTITY Botswana	3. PROJECT NUMBER 633-0241
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4. BUREAU/OFFICE Africa	5. PROJECT TITLE (maximum 40 characters) Botswana Workforce and Skills Training II
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 04 30 94	7. ESTIMATED DATE OF OBLIGATION (Under 'B:' below, enter 1, 2, 3, or 4) A. Initial FY 86 B. Quarter 3 C. Final FY 90
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A. FUNDING SOURCE	FIRST FY 86			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	2144	--	2144	25368.1	1631.9	27,000
(Grant)	(2144)	(--)	(2144)	(25368.1)	(1631.9)	(27,000)
(Loan)	(--)	(--)	(--)	(--)	(--)	(--)
Other U.S.						
1.						
2.						
Host Country	--	210	210	--	9034	9,034
Other Donor(s)						
TOTALS	2144	210	2354	25368.1	10665.9	36,034

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESE	600	700				27,000		27,000	
(2)									
(3)									
(4)									
TOTALS						27,000		27,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 720 721	11. SECONDARY PURPOSE CODE 660
12. SPECIAL CONCERNS CODES (maximum 7 codes of 1 position each) A. Code BUW BRW TGN B. Amount 19,200 6,400 1,400	

13. PROJECT PURPOSE (maximum 480 characters)
 The project purpose is to increase the number of trained Batswana in positions which foster employment generation.

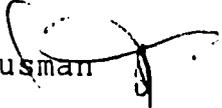
14. SCHEDULED EVALUATIONS Interim MM YY 11 8 8 MM YY Final MM YY 11 9 0	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify)
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY Signature: Paul Guedet Title: Director, USAID/Botswana Date Signed: MM DD YY 01 31 86	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20548

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/PD, Larry Hausman 

SUBJECT: Botswana Workforce and Skills Training Project,
Phase II (633-0241) Authorization

Problem: You are requested to authorize \$27 million in ESF grant funds for the Botswana Workforce and Skills Training Project, Phase II (BWAST).

Background: Among Botswana's most difficult development challenges are employment generation and manpower imbalances. Unemployment among the less-skilled elements of the labor force is juxtaposed against severe shortages of skilled manpower across a broad range of economic sectors, both private and public. The BWAST Project (633-0231), authorized in May 1982 at an LOP funding level of \$14.5 million, was designed specifically to address these labor shortfalls and surpluses. The essential project elements of technical assistance, training, and management training made significant contributions towards supplying trained manpower through training of Botswana and providing OPEXers, and in the area of employment generation through the influence afforded well-placed project advisors on GOB employment policies. Based on the results of a recent evaluation and the findings of the project paper design team, the BWAST II Project has been designed as a follow-on activity.

Evaluation Results: A mid-term evaluation of the original project was completed in April 1985. The principal issues raised concerned the lack of linkages between technical assistance and training under the original project: criteria for the selection of candidates and their subsequent placement in training activities were not in all cases relevant to the employment requirements of their respective institutions.

The evaluation commended the project managers in general for selecting highly-qualified individuals for training and for developing extensive placement opportunities. The evaluation concluded that the success of the project is evident in that all trainees have returned to Botswana and resumed employment with increased levels of authority and responsibility. Other evaluation concerns were principally procedural in nature: recommendations for changes in the selection process timing, predeparture and administrative arrangements, etc.

The Project Paper Design: A highly qualified project paper design team joined the Mission staff and the RLA for the design of the BWAST II Project. Their assessment of the program and suggestions for changes in the follow-on project resulted in what the Bureau considers to be an excellent project paper.

Summary of Findings: Project analyses demonstrate the employment problem in terms of demand and supply through the end of the century. It is argued that the current situation where manpower demand exceeds labor supply in key occupations results in lost productivity and the sacrifice of additional economic growth and employment opportunities. The analyses also illustrate that the GOB plans to rely on private capital and market signals as a principal engine of economic growth and job creation. Nevertheless, the public sector has a major role to play in shaping the economic, human resource and physical environment in which private sector growth will occur. Project analyses also indicate that BWAST II is technically and administratively feasible; it will be closely monitored; and it will be sufficiently flexible to incorporate and reflect current findings and information provided from planning studies.

The assessment of the distribution of the social benefits of the project indicate that social consequences will be strongly positive.

The economic analysis estimated the internal rate of return (IRR) to be 14.9% and decreasing to an IRR of 10.6% when a sensitivity analysis was applied which reflected a reduction of benefits. This analysis further demonstrated that principal benefits accruing to Botswana as a result of the project will be an increase in productivity and efficiency of Botswana working in the public and private sectors, foreign exchange savings by reducing the reliance on expatriate employees and an enhancement of employment creation potential.

Project Description: BWAST II is designed to help the GOB alleviate shortages of skilled and educated manpower and simultaneously to provide assistance in employment generation. There will be three major components to the project.

The first, Technical Assistance, will place long-term technicians in high priority positions that are involved with job creation. These technicians will temporarily fill positions while Botswana citizens are receiving degree

training. It is expected that these technocrats will contribute to the generation of new work opportunities by strengthening policy-relevant analytic capacities, planning and management capacities, technical support functions, and project implementation capacities. They will have requisite skills and experience to introduce policies, implement regulatory procedures and provide advice which will foster a climate conducive to nurturing private sector expansion, and expansion which will lead to employment opportunities. Short-term technicians will also be provided to undertake specific tasks related to employment generation and/or the management of training.

The Training component of the project will include long and short-term international training and short-term in-country training in technical and administrative fields that will assist Botswana in her endeavor to produce jobs. The third component, the Management of Training, will develop, refine and institutionalize systems for the planning and management of training. Planning Studies will serve as a supporting component to the project. BWAST II will finance studies that will explore the ability of various mechanisms to expand employment generation in Botswana.

BWAST II will not directly create employment. Manpower training is but one of many variables to be factored into the job creation equation. However, the major tenet of the project is that unless educated and skilled workers are available for the private and public sectors, the economy as a whole, and thus total employment, will grow less quickly than it otherwise might.

Project Issues: The question of a linkage between project inputs and employment generation was raised as an issue during the ECPR review of the BWAST II PID in AID/Washington. The Project Rationale and Technical Analysis describe the indirect impact project inputs will have in increasing employment opportunities. In short, project assistance represents only one element, yet an essential one, needed to combat unemployment. The employment generation focus of the project, supported by the AID/Washington PID review, has been chosen to address Botswana's national priority and to increase project effectiveness. During the implementation of the project, it is expected that the findings from the planning studies will assist the GOB and USAID in refining the linkages between project inputs and employment generation. These will likely include the refinement of criteria for trainee selection,

improvements in the relevance of trainee placement to return employment opportunities, and sponsorship of OPEXers to key posts in the government agencies most closely associated with employment policies. A secondary issue involves the cost of long-term training. Although the costs of training are based on standardized projections provided by the Office of International Training and are supported by actual experiences with BWAST I, the ability to lower unit costs for long-term training through shorter average time in the U.S. would result in additional units of output and increase the economic and social benefits of the project. The management of training component of the project will be utilized to help address this issue. A member of the implementing contractor's staff (posted in Botswana) will work with USAID and host country public and private sector officials to, among other things, select candidates who are sufficiently prepared or upgraded in-country to lower the duration of training time in the U.S.

Waivers Requested: None.

Status of Pre-Authorization Actions: A categorical exclusion for environmental matters was signed on October 25, 1985. Cost estimates, contracting arrangements, payment procedures and implementation schedules were reviewed and it was concluded that the planning was adequate and the costs reasonably firm, thereby satisfying the requirement of FAA, Section 611, (a) (1).

There are currently no human rights issues in Botswana.

A Congressional Notification was submitted to Congress on March 17, 1986. The waiting period expired on April 1, 1986, permitting obligation as of that date.

Section VIII of the Project Paper complies with the requirements for consideration of small, disadvantaged, and women-owned businesses.

The USAID/Botswana Director, Paul Guedet will be the AID officer responsible for negotiating this program. The Mission's Project Officer will be responsible for program management. The program backstop officer in AID/W will be Robert Pearson, AFR/PD/SAP.

You have the authority to approve this project under Amendment Number I to the DOA 133, dated February 10, 1986, even though the authorized amount exceeds \$20 million, since there are no significant policy concerns or waivers requiring A/AID approval, and the life of project is less than ten years.

5

The Issues Meeting, held on February 20, concluded that all of the issues raised in the PID ECPR and guidance cable are fully addressed in the Project Paper. Based on that conclusion, a decision was made to cancel the ECPR. Both the Mission and the PP design team should be commended for their fine effort.

Recommendation: That you approve proposed BWAST II project in the amount of \$27 million by signing the attached Project Authorization Document.

APPROVE _____

DISAPPROVE _____

DATE _____

Clearances:

DAA/AFR/WL. Saiers W
AFR/PD, L. Hausman W
AFR/PD/SAP, W. StickeI
GC/AFR, M. A. Kleinjan W
AFR/DP, G. Cauvin DRAFT
AFR/SA, R. Carlson W
AFR/EHR, C. Perry DRAFT

Draft:RPearson:ds:wd#2481L:03-18-86

PROJECT AUTHORIZATION

Name of Country: Botswana
Name of Project: Botswana Workforce and Skills
Training Project, Phase II
Number of Project: 633-0241

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Botswana Workforce and Skills Training Project, Phase II for Botswana (the "Cooperating Country") involving planned obligations of not to exceed twenty seven million United States dollars (\$27,000,000) in grant funds over a five year period from the date of authorization, subject to the availability of funds in accordance with the AID OYB/allotment process, to help finance the foreign exchange and local currency costs of the Project. The planned life of the Project is eight years from the date of initial obligation, except as AID may otherwise agree in writing.

2. The Project will assist the Cooperating Country's efforts to foster employment generation through training and through the provision of technical assistance in the public and private sectors. AID Project funding will finance long and short-term technical assistance, including technical assistance in the management of training (provided by the implementing Contractor); long and short-term international and short-term in-country training; planned studies designed to evaluate the ability of various mechanisms to expand employment generation in Botswana; and Implementing Contractor (IC) support costs.

3. The Project Agreement which may be negotiated and executed by the officer to whom such authority is delegated in accordance with AID regulations and delegations of authority shall be subject to the following essential terms, covenants and major conditions, together with such other terms and conditions as AID may deem appropriate.

4. a. Source and Origin of Commodities, Nationality of Services

Commodities financed by AID under the Project shall have their source and origin in the Cooperating Country or countries included in AID Geographic Code 941, except as AID may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have as their place of nationality the Cooperating Country or countries included in AID Geographic Code 941, except as AID may otherwise agree in

writing. Ocean shipping under the Project shall be financed only on flag vessels of the United States, other countries in AID Geographic Code 941, or the Cooperating Country, except as AID may otherwise agree in writing.

b. Conditions Precedent to First Disbursement

Prior to the first disbursement under the Grant or to the issuance by AID of documentation pursuant to which such disbursement will be made, the Cooperating Country will furnish to AID, in form and substance satisfactory to AID, a statement of the person(s) representing the Cooperating Country for purposes of the Project, together with a specimen signature of each person specified in such statement.

c. Covenants

The Cooperating Country shall covenant that, except as AID may otherwise agree in writing:

(1) It will make available qualified candidates for long-term academic training on a timely basis and will ensure by bonding or other means that such trainees are assigned upon their return to suitable positions within the Government of Botswana related to activities under the project.

(2) It will sign contracts with each OPEX technician provided under the Project. The contract will provide for pay, allowances and benefits for such technicians on the same basis as the Cooperating Country provides for its officials of a similar grade.

(3) It will assign a suitable counterpart for each long-term OPEX technician financed under the Project.

(4) It will participate, along with the IC and AID, in an annual performance review (utilizing Government of Botswana staff performance appraisal reports) of all OPEX technicians recruited under the project.

Mark Edelman
Assistant Administrator,
Bureau for Africa

Date

Clearances:

DAA/AFR, fo Larry Saiers RC
AFR/PD/SAP, W. Stickel WA
GC/AFR, M. A. Kleinjan WA
AFR/DP, G. Cauvin WA
AFR/SA, R. Carlson RC
AFR/EHR, C. Perry WA

Attachment:

Drafter:RPearson:ds:03-25-86:2496L:corrected 3/26/86:ah:afr/pd

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LIST OF ABBREVIATIONS AND ACRONYMS

ABS	Annual Budget Submission
ADB	African Development Bank
AID/W	Agency for International Development/Washington
AMA	Agricultural Marketing Association
AmEmbassy	American Embassy
ARAP	Assistance to Rainfed Arable Producers
ATDO	Association of Training and Development Officers
ATTS	Automotive Trades Training School
BAC	Botswana Agricultural College
BAMB	Botswana Agricultural Marketing Board
BAS	Business Advisory Services
BAU/D	Budget Administration Unit/Development
BDC	Botswana Development Corporation
BEDU	Botswana Enterprises Development Unit
BEF	Botswana Employers' Federation
BHC	Botswana Housing Corporation
BIAC	Botswana Institute of Administration and Commerce
BLDC	Botswana Livestock Development Corporation
BWC	Botswana Meat Commission
BRISBT	Botswana Roan Selection Trust
BP	Botswana Polytechnic
BPC	Botswana Power Corporation
BRIDEC	Brigades Development Centre
BWAST	Botswana Workforce and Skills Training
CIDA	Canadian International Development Association
CDSS	Country Development Strategy Statement
CSO	Central Statistics Office
DOP	Directorate of Personnel
EDF	European Development Fund
FAP	Financial Assistance Policy
FW	Financial Warrants
FY	Fiscal Year
GDP	Gross Domestic Product
GMAT	Graduate Management Admissions Test
GOB	Government of Botswana
GRE	Graduate Records Exam
GTZ	German Agency of Technical Cooperation
IAE	Institute for Adult Education
IBRD	International Bank of Reconstruction and Development
IDM	Institute for Development Management
IEE	Initial Environmental Evaluation
IESC	International Executive Service Corps
ILO	International Labor Organization
IRR	Internal Rate of Return
JSEIP	Junior Secondary Education Improvement Project
MOA	Ministry of Agriculture
MCI	Ministry of Commerce and Industry
MFD	Ministry of Finance and Development Planning

MLHA	Ministry of Labour and Home Affairs
MOE	Ministry of Education
MOH	Ministry of Health
MMRWA	Ministry of Mineral Resources and Water Affairs
MLGL	Ministry of Local Government and Lands
NDB	National Development Bank
NIR	National Institute for Development and Cultural Research
NDP	National Development Plan
NEMIC	National Employment Manpower and Incomes Council
NHI	National Health Institute
OPEX	Operational Expert
OSAS	Overseas Service Aid Scheme
PPF	Partnership for Productivity
PID	Project Implementation Document
PIO/P	Project Implementation Order/Participants
PIO/T	Project Implementation Order/Technicians
REDSO/ESA	Regional Economic Development Service Organization for East and Southern Africa
RFP	Request for Proposal
RIIC	Rural Industries Innovation Center
RIO	Rural Industrial Officer
RIP	Rural Industries Promotion
RSA	Republic of South Africa
SADCC	Southern African Development Coordination Conference
SAMDP	Southern Africa Manpower Development Project
SIDA	Swedish International Development Agency
TA	Technical Assistance
TIPA	Trade and Investment Promotion Agency
TOEFL	Test of English as a Foreign Language
UB	University of Botswana
UK	United Kingdom
ULGS	Unified Local Government Services
UNDP	United Nations Development Programme
U.S.	United States
USAID	US Agency for International Development
VTC	Vocational Training Center
WUC	Water Utilities Corporation

I. SUMMARY

A. GRANTEE: Government of Botswana (GOB),
Ministry of Finance and Development
Planning

B. IMPLEMENTING AGENCY: Directorate of Personnel

C. PROPOSED AMOUNT OF GRANT:

AID	\$27,000,000
GCB	9,034,000
TOTAL	36,034,000

D. TERM OF GRANT: Eight years from the date of
initial obligation

E. PURPOSE OF GRANT: To increase the number of trained
Batswana in positions which foster
employment generation.

F. BACKGROUND OF PROJECT: Two major and interrelated
challenges confronting the GCB are:
the need to overcome manpower imbalances in the economy and simultaneously,
to create employment. Present and future manpower projections indicate that
the uneducated, the unskilled and individuals with low levels of education
far outnumber the available jobs within the country. Conversely, Botswana's
manpower requirements for individuals with educational degrees in
administrative and technical fields, exceeds the available supply.
Shortages in critical highly skilled manpower represent a major constraint
to the country's economic development.

The annual increment of Botswana's potentially employable workers is
estimated to reach some 23,000 individuals per annum by 1991. Depending on
the assumptions regarding the percentage of workforce participation, the
active workforce will increase by 16,000 to 18,000 persons annually. Even
if growth occurs in the traditional agricultural sector at a possible rate
of 1.8% per annum, there will be a tremendous pressure for expansion in the
formal employment sector. The present increases of 7,000 jobs per year in
the formal sector and 4,500 in the informal sector, will fall short of the
number of workers seeking employment.

Complicating the employment picture is the declining number of job
opportunities for Botswana's citizens in neighboring countries. The GOB
anticipates that 20,000 fewer people will be working abroad in 1991 than at
present. The return migrants, coupled with the growth of the potential
labor force, means that despite expected increases in productive work
opportunities in the economy, the supply of workers will exceed employment
opportunities well into the next decade even under the most optimistic
economic growth scenario.

Conversely, the need for technical expertise and employees with university
degrees is acutely felt across all ministries and in the private sector.

In the public sector, there are 1,543 positions (excluding the demand for teachers) which cannot be filled because neither indigenous nor expatriate manpower is available. Some ministries are known to operate with as much as a 25% vacancy rate of staff positions. Manpower imbalances are also vividly demonstrated by the 1,922 private sector vacancies that currently exist. Unmet demand for university graduates exceeded 1,502 in 1984 and is predicted to reach 3,700 in 1991.

Sustainable employment growth is a function of buoyant economic development. To obtain the latter, access to skilled workers, technicians and managers is one of several prerequisites. Future growth for Botswana, growth which has the potential to generate employment is in part contingent upon meeting the manpower requirements of the country.

G. DESCRIPTION OF PROJECT: The Botswana Workforce and Skills Training Project II (BWAST II) is designed to help the GCB alleviate these shortages of skilled and educated manpower and simultaneously to provide assistance in employment generation. There will be three major components to the project.

The first, Technical Assistance, will place long-term technicians in high priority positions that are involved with job creation. These technicians will temporarily fill positions while Botswana citizens are receiving degree training. It is expected that these technocrats will contribute to the generation of new work opportunities by strengthening policy-relevant analytic capacities, planning and management capacities, technical support functions, and project implementation capacities. They will have requisite skills and experience to introduce policies, implement regulatory procedures and provide advice which will foster a climate conducive to nurturing private sector expansion, an expansion which will lead to employment opportunities. Short-term technicians will also be provided to undertake specific tasks related to employment generation and/or the management of training.

The Training component of the project will include long and short-term international training and short-term in-country training in technical and administrative fields that will assist Botswana in her endeavor to produce jobs. The third component, the Management of Training, will develop, refine and institutionalize systems for the planning and management of training. Planning Studies will serve as a supporting component to the project. BWAST II will finance studies that will explore the ability of various mechanisms to expand employment generation in Botswana.

BWAST II will not directly create employment. Manpower training is but one of many variables to be factored into the job creation equation. However, the major tenet of the project is that unless educated and skilled workers are available for the private and public sectors, the economy as a whole, and thus total employment, will grow less quickly than it otherwise might.

H. SUMMARY OF FINDINGS: Project analyses demonstrate the employment problem in terms of demand and supply through the end of the century. It is argued that the current situation where manpower demand exceeds labor supply in key occupations, results in lost productivity and the sacrifice of additional economic growth and employment opportunities. The analyses also illustrate that the GCB plans to rely on private capital and market signals as a principal engine of

economic growth and job creation. Nevertheless, the public sector has a major role to play in shaping the economic, human resource and physical environment in which private sector growth will occur. Project analyses also indicate that EWAST II is technically and administratively feasible; it will be closely monitored; and it will be sufficiently flexible to incorporate and reflect current findings and information provided from planning studies.

The assessment of the distribution of the social benefits of the project indicate that social consequences will be strongly positive. The environmental examination of the project concluded that EWAST II falls into a class of action that does not require an Initial Environmental Examination. A categorical exclusion was signed by the Africa Bureau on October 25, 1985. Cost estimates, contracting arrangements, payment procedures and implementation schedules were reviewed and it was concluded that the planning was adequate and the costs reasonably firm, thereby satisfying the requirement of FAA, Section 611, (a) (1).

The economic analysis estimated the internal rate of return (IRR) to be 14.9% and decreasing to an IRR of 10.6% when a sensitivity analysis was applied which reflected a reduction of benefits. This analysis further demonstrated that principal benefits accruing to Botswana as a result of the project will be an increase in productivity and efficiency of Botswana working in the public and private sectors, foreign exchange savings by reducing the reliance on expatriate employees and an enhancement of employment creation potential.

I. PROJECT ISSUES:

The question of a linkage between project inputs and employment generation was raised as an issue during the review of the EWAST II PID in AID/Washington. The Project Paper Design Team has attempted to describe in the Project Rationale and Technical Analysis the indirect impact project inputs will have in increasing employment opportunities. In short, project assistance represents only one element, yet an essential one, needed to combat unemployment. The employment generation focus of the project, supported by the AID/Washington PID review, has been chosen to address Botswana's national priority and to increase project effectiveness. During the implementation of the project, it is expected that the findings from the planning studies will assist the GOB and USAID in refining the lineages between project inputs and employment generation.

A secondary issue involves the cost of long-term training. Although the costs of training are based on standardized projections provided by the Office of International Training and are supported by actual experiences with EWAST I, the ability to lower unit costs for long-term training through shorter average time in the U.S. would result in additional units of output and increase the economic and social benefits of the project. The management of training component of the project will be utilized to help address this issue. A member of the implementing contractor's staff (posted in Botswana) will work with USAID and host country public and private sector officials to, among other things, select candidates who are sufficiently prepared or upgraded in-country to lower the duration of training time in the U.S.

J. WETHER SMALL DISADVANTAGED AND WOMEN-OWNED FIRMS HAVE BEEN CONSIDERED:

The Contracting Plan found in Section VIII complies with this requirement.

K. WAIVERS REQUESTED: None.

L. MAJOR CONDITION PRECEDENT AND COVENANTS: Condition Precedent and Covenants include an authorized representative of the project, evaluations, the availability of qualified candidates for training, bonding and placement upon return, technicians' contracts, counterparts, and an annual performance review of technicians. These are detailed in Section XII.

M. PROJECT TEAM:

Laurie Mailloux, Project Manager and Design Officer, USAID/Botswana,
William Elliott, Project Development Officer, USAID/Botswana,
David Evans, Human Resource Economist, AID/Washington,
Frank Method, Education Policy Analyst, AID/Washington,
Gary Theisen, Education Officer/Research, AID/Washington,
Gary Bisson, Regional Legal Advisor, USAID/Swaziland,
Laura McGhee, Regional Contracting Officer, REDSO/ESA,

and

in collaboration with officials from the GOB's Directorate of Personnel, the Ministries of Finance & Development Planning, Commerce & Industry, Agriculture, Local Government & Lands, Mineral Resources & Water Affairs, Health, Labour & Home Affairs, Education, and the Botswana Employers' Federation.

II. PROJECT BACKGROUND

The Republic of Botswana, which until Independence in 1966 was the Bechuanaland Protectorate, occupies 582,000 square kilometers and lies at the center of the Southern African plateau at a mean altitude of 1,000 meters above sea level. In non-drought years, the average annual rainfall is only 538 mm and is both erratic and unevenly distributed. Moderately severe droughts occur every few years, and major droughts are believed to follow a twenty year cycle.

For 80 years, Bechuanaland was a British Protectorate. An administrative system termed "parallel rule" permitted a modified form of traditional chieftainship to control internal tribal matters, while the British administration, headquartered in Mafeking, controlled all external affairs.

Western formal education was introduced into Bechuanaland during the first half of the last century by the London Missionary Society. Early schools were limited almost entirely to the primary cycle. It was only after World War II that the rudiments of internal social services were developed. In 1957 there were only 166 primary schools in Botswana, with 29,000 pupils. At Independence there were 251 primary schools with a 72,000 enrollment and nine secondary schools with approximately 1,600 pupils.

Thus, Botswana began her nationhood under many severe handicaps, the principal one being the previous years of benign neglect. Nevertheless, the economy expanded markedly in post-Independence years. Economic growth vastly exceeded expectations and resulted in a Gross Domestic Product (GDP) which increased during the 1970s at an annual rate of 25% in nominal terms, and approximately 12% in real terms. Buoyant growth continued during the first half of this decade, averaging about 9% per annum. This fortunate situation was attributed primarily to favorable returns from large mining investments. Botswana's mineral-led growth was also complemented by an unprecedented expansion in the cattle industry, which increased foreign exchange revenues. Similarly, progressive policies that encouraged an open market system resulted in a rapid expansion of Botswana's private sector.

During the past two decades, fundamental structural changes occurred in Botswana's economy, changes that mirrored growth patterns: agriculture's share of GDP (in current prices) declined from 45% in the 1960s to 7% in 1983, while the mining sector grew from 1% to approximately 30% of the GDP during that time period. Correspondingly, sectors that complemented and supported the mining and beef industries experienced vigorous growth. Manufacturing, water and electricity, transport, and services grew at an average of 10% or greater from 1973 through 1982.

This successful economic transformation was not without its dark side. Neither the mineral sector, the cattle industry nor the newly emerging private sector could provide sufficient jobs to keep pace with Botswana's growing number of unemployed. Present and future manpower projections indicate that the uneducated, the unskilled and individuals with low levels of education far outnumber available jobs within the country. Conversely, the change in the economy dramatically increased the demand for educated and skilled employees, a requirement that far exceeds the available citizen labor force. Today, Botswana is confronted with a long-range challenge to create employment and to overcome manpower imbalances in the economy.

Sustainable employment growth is a function of buoyant economic development. To obtain the latter, access to skilled workers, technicians and managers is one of several prerequisites. Further growth for Botswana, growth which has the potential to generate employment, is in part contingent upon meeting the manpower requirements of the country.

The Botswana Workforce and Skills Training (BWAST) Project, 633-0231, was designed to help the Government of Botswana (GOB) alleviate these shortages of skilled manpower and simultaneously to provide assistance in employment generation. The BWAST project was authorized in May of 1982, with funding provided through FY 86. The total cost of the project was \$19.3 million, of which AID is financing \$14.5 million. The project was composed of three major components: technical assistance, training and the management of training. The technical assistance and training components were linked to positions, disciplines, and fields of study that could assist Botswana in her endeavor to produce jobs. BWAST did not directly create new jobs, but through the provision of U.S. technical personnel in the form of Operational Experts (OPEXers), and through the training of Botswana,* the project increased the supply of competent technocrats. Many of these technocrats had the requisite skills and experience to introduce policies, implement regulatory procedures and provide advice which fostered a conducive climate to nurture private sector expansion, an expansion which has led to employment opportunities. For example, U.S.-sponsored technicians working with their GOB colleagues played an important role in developing, testing and implementing the Financial Assistance Policy (FAP), a program which provides initial capital to businessmen/women to start and/or expand local enterprises. This endeavor has accounted for over 3,100 new jobs since the program was launched in 1982.

There was an exceptionally positive response to BWAST from the ministries and organizations presently receiving assistance. USAID and the GOB were continuously approached and petitioned with requests to extend the project beyond the present completion date, to expand the project parameters to include other ministries and to broaden the private sector involvement. This was supported by an external evaluation that concluded additional time and resources were needed under the project and that BWAST should be extended.

III. PROJECT RATIONALE

A. Problem**

The 1981 census placed Botswana's population at approximately 1 million, growing at a rate of 3.4% per annum. Half of the population was of working age; however, less than 100,000 had formal sector jobs in Botswana. Due to the sobering population growth rate, an estimated 19,000 more persons were swelling the ranks of the working age population in 1985. Projections for the 1990s are for a growth of the working age population to reach 23,000 persons per annum.

Following from this, the main features of the human resource problem in Botswana can be summarized as the following:

*The term Botswana refers to the citizens of the country; Motswana refers to one Botswana.

**See Technical Analysis-Public Sector, Annex XIII.E.1., for more details.

- The number of Batswana entering the labor force each year significantly exceeds the number of formal sector jobs being created, and the gap is widening;
- Shortages in critical, highly skilled manpower represent a major constraint to the country's economic development in the short to medium-term; and
- Continued dependence on expatriate employment, a small but important portion of the labor force, is not compatible with Botswana's long-term national development objectives.

A priority need is training to ease the present and future constraints on development imposed by the shortage of skilled workers. Technical assistance is needed to temporarily fill the positions vacated by Batswana who are being trained. Finally, there is a need to strengthen the capacities to plan and manage training, in both the private and public sectors.

The overall justification of these activities should be seen as the impact they will have on the growth of total employment in the medium to long-term rather than merely the reduction of current skill shortages. The major tenet of this approach is that unless educated and skilled workers are available for the private and public sectors, the economy as a whole, and thus total employment, will grow less quickly than it otherwise might and the welfare of the population will suffer.

1. Employment Problem

Formal sector employment creation has averaged an annual growth rate of 8% to 10% since Botswana's Independence. Realistic projections indicate that it is no longer possible to assume that the formal sector can maintain this laudatory rate of growth.

The National Development Plan (NDP6), covering 1985-1991, forecasts an economic annual growth rate of 4.8% per annum. This is less than one-half the annual growth rate of the last decade. In addition, per capita GDP is expected to grow at only 1.4% per annum during NDP6 while formal sector employment growth is forecast to slow to 5.6% per annum during that same period. Refined projections now reveal a formal sector employment growth of 7,000 per annum and an informal sector growth of 4,500 per annum, an increase that falls hopelessly short in supplying the needs of the estimated 23,000 persons annually who will be inundating the annual job market during the 1990s.

2. Manpower Imbalances

The present distributional aspects of Botswana's labor force availability and manpower requirements have sounded a warning to concerned planners. Those most vulnerable to unemployment are individuals with a primary education or less, particularly rural denizens. Projections from 1985 to 2001 indicate an excess supply of manpower in absolute numbers among these individuals. The manpower imbalance for those with a secondary education similarly shows a trend towards an excess in supply peaking in 2001.

While it is clear there will be excess supply of available labor with primary education or less and some surplus of those with a secondary education, the precise quantities and education composition of these surpluses is difficult to estimate at this time. Among the key variables are (a) the rate of labor force participation, particularly for women; (b) the growth of informal sector and self-employment and (c) the rates of expansion of primary and secondary education.

At the more qualified manpower level, that is, that segment of the population which possesses a university degree(s), the imbalance is reversed. The present shortage of highly qualified individuals, and an excess of demand for their services, form a pattern that is expected to remain fairly constant until 1996, when the supply begins to satisfy the demand.

Manpower imbalances are vividly demonstrated by the 1,922 private sector vacancies that currently exist. Furthermore, ministries are known to operate with as much as a 25% vacancy rate of established staff positions.* Unmet demand for university graduates exceeded 1,500 in 1984 and is predicted to reach 3,700 in 1991.

Another aspect of the manpower problem concerns that segment of the population that are non-citizens, and who are filling critical positions in the public and private sectors. It is a long-term objective of the GOB to localize** approximately 4,200 positions (an estimated 3,200 in the private sector and 1,000 in the public sector) presently held by foreign nationals to conserve foreign exchange. Non-citizens in parastatals and the private sector represent about 3.4% of formal sector employment, but capture 30% of the sector's wage bill, excluding gratuities and other benefits.

3. Management of Training

Towards the end of the century, Botswana should experience a shift in the distributional aspects of manpower imbalances. The supply of, and demand for, university degree holders will begin to reach an equilibrium at that juncture when the largest increase from the present expansion of secondary education begins to appear in the labor market. By 2001, the probability of employment will depend relatively less on secondary educational qualifications and more on post-school or university training. Manpower planning for both the public and private sectors must therefore complement the shift from concerns with aggregate balances to a more highly articulated view of the labor market.

The present system of manpower planning in the GOB deals with gross numbers at the macro-level. GOB planning also focuses on developing training and placement strategies in response to known vacancies, a more immediate approach to manpower planning. However, for the medium to long-term, Botswana's human resources development and utilization strategies must be planned carefully to meet the different situation of surplus skills and on-going changes in economic structure and sectoral composition of employment. Organizational functions and skills areas instrumental to future job creation must be decided upon in advance, and Botswana

*There is a total of 1,543 vacancies in established posts within the Public Service, excluding teachers.

**The goal and process of transferring all posts to Botswana citizens.

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must be educated to meet these requirements. Choices need to be made and priorities set, reflecting the costs and benefits of alternative courses of action and directions of manpower development. It is obligatory that the manpower required be weighted according to its contribution to the national development framework and goals, particularly those of employment generation.

This necessitates that there be systems developed for the analysis and management of manpower issues; systems designed which will help plan, manage, and evaluate the intricacies of Botswana's long range manpower developments. The management of training process was an important aspect of Phase I of BWAST. This process will be further institutionalized by BWAST II.

B. Relationship to Botswana's National Development Plan 6:

In past years, the GOB's basic strategy for development has focused on achieving rapid and large returns from intensive capital investments in mining. Returns were reinvested to improve the living standards of those who did not benefit directly from the mining sector's expansion. Historically, this strategy has been successful in generating the capital for investments in physical and social infrastructure. The number of jobs generated by the mining industry, however, has always been few compared to the number of employable Batswana.

During NDP6 growth in revenue from mineral developments is expected to be modest, with most of the growth realized during the second year of the Plan. The GOB, therefore, recognizes that it is essential to promote a broader base from which to fuel the economy.

Currently, many Batswana do not have access to gainful employment opportunities. The number of citizens entering the labor force each year significantly exceeds the number of jobs created. As the country's economy has grown, the relative importance of the agricultural sector to GDP has consistently declined. Yet it is the rural Batswana, approximately four-fifths of the population, who represent the poorest segment of society, a segment consistently disadvantaged in its access to reliable and alternative sources of income.

In response to these factors, the GOB has accorded the highest priority in the NDP6 to productive employment creation and rural development. The Plan encourages the public, private and parastatal sectors to generate growth and employment opportunities, particularly in rural areas. The employment creation strategy adopted in NDP6 is multifaceted and includes industry and agriculture, as well as sectors that may not provide a direct link to, but are nevertheless important in, the employment equation, specifically education and training programs.

NDP6 recognizes that the scarcest of all resources crucial to Botswana's economic development is skilled manpower. The priority attached to education and training in this Plan is reflected in the proportion of incremental government expenditures that will go to the education sector. The Ministry of Education will receive 10.9% of the planned GOB-wide budgetary increase, the highest proportion allocated to a single ministry. While this percentage is somewhat a reflection of the planned expansion of junior secondary schooling, it is also a reflection of the need to reduce

the shortage of skilled manpower that is projected to continue into the 1990s.

The educational objectives and priorities as detailed in NDP6 emphasize training to meet the manpower needs of the economy. Employment generation is given special attention within the general category of manpower needs. NDP6 nevertheless, recognizes that in order to promote employment and improve the standards of living of Botswana, educational inputs and manpower development must be fully complemented by efforts in other sectors which generate employment more directly.

Localization is closely related to manpower and employment issues and has always been a matter of great concern to the Government and people of Botswana. It has been noted that there is a growing need for skilled manpower. Both public and private sectors depend to a large extent on expatriate labor to fill this need. The GOB's policy on localization is based on the premise that it is imperative that more qualified and skilled Botswana are trained to move into positions presently held by expatriates. However, it should be noted that the GOB is pragmatic in its approach to localization. Government recognizes that localization in an expanding economy is necessarily fluid, and its progress depends on many complex factors, such as educational reform, training, experience, manpower planning, etc. The GOB is also aware that too fast a pace of localization may result in loss of experience and expertise and a decline in economic management.

EWAST II will address the Government's concerns with employment generation, manpower development and localization. EWAST II will not directly create jobs. Rather, it is designed to provide the critical inputs of technical assistance, training, and the management of training, and a supporting input in the form of planning studies to aid the GOB's development goal of employment creation. The project will provide (1) education and training to Botswana who will then be in positions which foster the creation of employment through drafting and implementing policy initiatives and regulatory procedures, and managing systems conducive to employment creation; (2) training so employees are more efficient and productive in their jobs; and (3) a skilled manpower base needed to expand existing enterprises and to attract new businesses. EWAST II will also help in the localization process by identifying methods to improve manpower planning, by training Botswana, and by providing technicians to hold Government line positions while Botswana are in training.

C. Relationship to USAID/Botswana's Strategy Statement

The two interrelated program goals of USAID are to increase income opportunities, particularly in rural areas, and to increase the supply of trained manpower equipped to participate productively in the public and private sectors of the economy. There are three specific objectives of this strategy:

1. To improve the quality and efficiency of the primary and post-primary educational systems to meet the projected workforce requirements more effectively;
2. To provide advanced training for administrators and technical personnel to help increase and diversify employment opportunities; and

3. To strengthen selected institutions which are directly responsible for increasing agricultural and off-farm productivity and incomes.

The proposed project is directly related to USAID's approved strategy and the attainment of the strategy's second objective. The project will train Batswana to fill administrative and technical positions in the public and private sectors. OPEXers will be provided to fill key GOB positions vacated by personnel released for long-term training. The institutions that will receive training and technical assistance will be key in the implementation of the GOB's strategy for generating employment.

IV. PROJECT DESCRIPTION

A. Project Goal and Purpose

1. Goal: The goal of EWAST II is to assist in the GOB's efforts in job formation.
2. Purpose: The project is designed to increase the number of trained Batswana in positions which foster employment generation.

B. Expected Outputs: EWAST II will assist in the complex and multidimensional task of job formation by providing by the end of the project, the following:

1. Batswana trained through in-country training programs/workshops in technical and administrative fields associated with employment creation and labor productivity;
2. Batswana trained in the U.S. or third countries in disciplines needed by the public and private sector that are directly linked to, or that provide support services for, the employment generation effort;
3. Technical assistance provided to ministries, related institutions and the private sector in fields related to job formation;
4. Institutionalization of a management of training system that will strengthen the capacity of the public and private sector to plan and manage their own manpower development, particularly as it relates to employment generation.

There will be two important secondary outputs that will be also accomplished by the project:

1. The present imbalance between labor supply of educated and skilled Batswana and labor demand for their services will begin to be equalized.
2. Select critical posts in the public, and to a lesser extent, private sectors that are presently occupied by non-citizens will be localized.

C. Project Elements

EWAST II will be implemented over an eight year period, with funding requested for FY 86 through FY 90. The estimated cost of the project is \$36,034,000, of which AID's contribution is \$27,000,000. The increase in cost over Phase I is primarily due to the project's expanded form, in terms of ministerial participation and private sector activities, an expansion which responds to the Administrator's goals of increasing participant training and promoting development through the private sector.

The project will assist the private sector, coordinated through the Botswana Employers' Federation (BEF), key public sector ministries and a number of training institutions serving both the private and public sectors. The Ministries of Agriculture, Commerce and Industry, Education, Health, Labour and Home Affairs, Local Government and Lands, Mineral Resources and Water Affairs, and affiliated institutions such as the Directorate of Personnel and the Ministry of Finance and Development Planning, have been identified as public sector recipients under EWAST II.*

The impact of policy initiatives, regulatory procedures and project implementation on employment generation is not of equal force in all of the above ministries and institutions. For instance, the Ministry of Commerce and Industry and the Ministry of Labour and Home Affairs have as their ascribed responsibility a more prominent role in private sector expansion and related manpower issues than do other ministries. Furthermore, all divisions or units within the seven target ministries and related institutions will not automatically receive project assistance. Selection criteria have been established to determine priorities and eligibility according to the project purpose.** It is obvious that certain ministerial divisions/units will be more able to fulfill the selection criteria than others and will therefore be eligible for larger shares of assistance. Those which do not fit the criteria will not receive assistance under the project.

EWAST II will have three major components and one supporting component. The first, the Training component, will include long and short-term international training, and short-term in-country training for the public and private sectors in administrative and technical fields which foster employment generation. The Technical Assistance component will place technicians in high priority GOB ministerial positions that are involved with job creation. The long-term technicians will temporarily fill key positions while Botswana are receiving advanced training. Short-term technicians will be provided to undertake specific tasks for both the public and private sectors. The third component, the Management of Training, will test and refine systems developed for the planning and management of training.*** The fourth, and supporting component, Planning Studies, will explore the success of various options in expanding employment opportunities.

*Phase I of EWAST targeted the Ministries of Agriculture, Commerce and Industry, Education, Local Government and Lands and related institutions.

**See Technical Analysis - Public Sector Annex XIII E.1.b

***See Annex XIII.E.1.b. and Annex XIII E.1.c. for details on training, technical assistance and the management of training.

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D. Training

1. Long-Term Training

Batswana will be trained for Bachelors' or Masters' Degrees in administration and management and in a variety of technical fields. Out of a projected total of 711 person years of training throughout the life of the project, approximately 74% of that amount will be for long-term degree training. A total of 176 participants will be trained, 44 annually. Eighty out of the 176 participants (45%) will be drawn from the private sector. This represents a five-fold numerical increase over Phase I private sector levels. The remaining training slots will be divided among selected GOB ministries and related institutions on the basis of their eligibility as determined by the criteria. In all cases, external training will be reserved for fields which are not available at an acceptable standard and appropriate level in Botswana.

The overall level of effort for training was based on demand as evidenced by NDP6, ministerial Training Plans and responses to advertisements for private sector training options. In addition, an analysis of present and projected vacancies in the public and private sectors and number of expatriates throughout the economy were also factored into the overall level of effort. Finally, BWAST I consistently demonstrated that the demand for training, particularly degree level, far out numbered the available slots provided by the project. The rationale for the mix between various types of training is discussed in Annex XIII.E.1.b.

2. Short-Term Training (International)

Batswana presently involved in the management of activities that impact on employment opportunities will also have access to short courses in administration and management. Individuals filling technical positions of high national priority will be encouraged to attend technical courses of short duration. Two percent of the total training allocated will be for short-term international training. Out of the 64 participants to benefit from these highly focused courses throughout the life of the project, 24 will be sent from the private sector (38%) and the remainder from the public sector.

The majority of Batswana international participants for both long and short-term training will attend American universities; third country training, however, which meets the standards of Handbook 10, Chapter 7, Para 7E, remains an option.

3. In-Country Training

Batswana who require more basic and fundamental skills in administration and management, or the upgrading of presently existing administrative or technical skills, will attend institutions within Botswana for short periods of training. The project will sponsor the in-country training of approximately 1,000 Batswana (24% of the total training allocated). Local training efforts will be of short duration. In-country technical courses, workshops and seminars will also be sponsored by the project for the acquisition of new technical skills and for the enhancement and refinement of previously learned skills. Approximately 300 participants from the private sector will benefit from this component. This equates to 30% of the beneficiaries.

The first group of trainees, long-term, short-term and in-country, will be sponsored during FY 87.* The last group will begin their studies in FY 90, with funding fully obligated for the duration of their academic programs.

4. Criteria

Institutions and staff therein, will be eligible for training, particularly external long and short-term training, based on the following criteria, tied to employment generating activities:

- a. Direct role in manpower, employment or investment decision making with influence in policy design, implementation and project management;
- b. Indirect role in manpower, employment or investment decision making such as project assessment and implementation and training;
- c. Supporting role in manpower/employment formation such as providing coordination and support services. These offices/individuals provide information to, or develop procedures for, use by individuals playing a direct role.

Although for project planning purposes there is a suggested macro-division of project resources between public and private sectors, actual allocations will be made based on annual reviews of relative needs and requests. The planning divisions are not intended to be limits. Additional private sector requirements may emerge as private sector Training Plans mature and such requests will be given full consideration in any reallocation. Similarly for the public sector, a fixed number of participant training slots will not be allotted at the project outset to each ministry on the basis of a priori perceptions of need. Annual submission of training requests and rationales by all ministries and the subsequent review and prioritization of requests according to project objectives will ensure that requests match emerging needs within ministries; that they fit changing economic and social circumstances within the country; that they are carefully thought out by ministries in reference to project objectives; and that they are filled on the basis of importance as defined by congruence with the project criteria.

The request and review process is expected to result in distribution of participant training opportunities among the ministries in approximate proportion to their direct, indirect and supportive roles in expanding employment opportunities. Similarly for the private sector, the request and review process will give priority to those management and technical positions which bear most directly on new investments or products, productivity and managerial improvements, personnel planning and the management of training.

E. Technical Assistance

1. Operational Experts (OPEXers):

A total of 72 person years of long-term CPEX assistance (nine OPEXers per year) will be provided to the target ministries and related institutions within the GOB. The provision of long-term technical

*FY 86 funding for training is available under Phase I of BWAST.

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assistance to the private sector is constrained by the inappropriateness of having an advisor working solely for one firm. If, however, a long-term advisor can be justified on the basis that his/her work supports segments of the private sector and not just one firm, the request will be considered. Several options are presently being explored, including placing an OPEXer in the Botswana Employers' Federation.

The level of effort for technical assistance was determined by two principal factors: (1) the OPEXer provision under BWAST I (approximately 52 person years) was continuously over subscribed, demonstrating a high demand for this service. (2) BWAST II is expanding to include three additional ministries. Ideally each target ministry and two of the related institutions will be able to receive one OPEXer per year. However, it is essential to note that distribution will not be predetermined, but will reflect the relative importance/impact of the respective ministries and institutions in fostering increased employment opportunities.

OPEXers will possess skills in administration/management or skills of a technical nature and will fill high priority positions while Botswana are in training. The project will ensure that when technical assistance is provided, it will complement and reflect the training requirements. A strong symbiotic relationship between technical assistance and training will help focus the project on its objectives of assisting the GCB and the private sector in job creation.

Each OPEXer will fill an established line position and will have a Motswana counterpart. The OPEXer will be responsible for on-the-job training of that counterpart and for assisting as appropriate, other colleagues in the unit of employment. This will reinforce the impact of OPEXer assistance by helping to strengthen whole units rather than single individuals. Finally, the project will maximize the use of OPEXers by requiring that OPEXers with relevant skills be available to lecture on an ad hoc basis at a local institution.

2. Criteria

To further focus the project and to be sure that project-financed technical assistance has the widest impact and meets project objectives, selection criteria have been developed to determine eligibility for OPEX assistance. A point system will be used to determine (1) if the OPEX request will contribute to employment generation in a direct, indirect or supporting fashion; (2) if the benefits from the OPEX request will transcend ministerial boundaries; (3) if the skills required to fill the OPEXer request are such that the technician could be used in an expanded capacity, i.e., an ad hoc lecturer at a local institution, workshop or seminar; and (4) if the OPEX request will complement on-going AID projects.

3. Short-Term Technical Assistance

Short-term technical assistance will also be funded under BWAST II and will be task oriented. Individual consultants will be available to the public and private sectors to perform a specific task for an estimated duration of three months or less. Because of the nature of the private sector, BWAST II technical assistance will be utilized to benefit the sector in general, rather than any one business organization. However, the International Executive Service Corps (IESC) is one of several possible

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sources for additional short-term assistance for the private sector. In the case of IESC, short-term assistance could benefit individual firms as well as an entire section.

A total of 45 person months of this assistance will be provided over the life of the project. From that total, 15 person months (33%) will be set aside for private sector usage.*

F. Management of Training

EWAST II will provide specific technical assistance in the management of training through the implementing contractor. Analytic and management systems will be developed and standards provided for the planning and management of training in the project ministries and in the private sector. The use of systems will include coordination and allocation, needs assessment, target setting, and the evaluation of competencies. Institutionalization in support of those systems and standards, and leadership development to obtain lasting change, will also be accomplished through this component of the project.

G. Planning Studies and Project Evaluation

Planning studies financed by EWAST II will explore the ability of various mechanisms to expand employment generation in Botswana. The project, through its training and technical assistance components, through the management of training, and through the discipline of evaluating training requirements and setting priorities for EWAST II allocations, will indirectly generate valuable data on manpower requirements and their relationship to employment and economic growth. More directly, EWAST II will finance studies that will conceptualize and aggregate relevant data on employment generation, that will help disentangle the complex interrelationships among factors that influence labor productivity, investment and employment generation, and that will propose a unified approach to job creation in certain sectors. In the first year of the project, a study to identify critical skills needed for private sector expansion will be undertaken. Regulatory procedures and policy determinations required to stimulate the economy and produce additional jobs may also warrant further study during the life of the project.

Periodic project evaluations and special evaluations will also be funded under this component. One special evaluation that is planned for 1986 is an assessment of the effectiveness of training and technical assistance. To support this and later assessments, longitudinal analyses will gather data throughout the life of the project on participants and CPEXers.

EWAST II is designed to be a flexible project, a project which responds to the changing needs of the country. The results of the planning studies and evaluations will provide a basis for making decisions on the direction and focus of the project. The findings of these studies will also be provided to the GOB for their planning purposes and will be used as the basis for future USAID activities.

*If the demand for private sector short-term technical assistance proves to be greater than 15 person months, the private sector share of this component will be increased.

H. Other Components

The GOB will finance the two final components of EWAST II: commodities and construction. Commodities will include the production or purchase of materials required for the management of training and the in-country training components of the project. This could include teaching materials, publication of data and documents and other related needs that may arise. The construction element will provide additional physical structures to the present training facilities. The nature of these structures, i.e., hostel space, classrooms, libraries, laboratories, will be determined by the GOB.*

V. DEVELOPMENT ACTIVITIES OF OTHER DONORS

The donor community in Botswana has been making a concerted effort to combine human and financial resources effectively, communicate with one another to avoid redundant programs, and work closely with the GOB and the private sector to obtain the greatest return on funds allocated to education and human resources development.

During 1983/84, other donors, excluding the U.S., offered approximately 160 in-country and international scholarships to Botswana and provided various forms of technical assistance to support Botswana's development. Listed below are major donors and a brief summary of their involvement in areas related to EWAST II.

A. United Kingdom

The British development program has historically focused on education and agriculture through the provision of technical assistance and training. Of the approximately 207 British Overseas Service Aid Scheme (OSAS) technicians in-country, over 50% are involved in the education sector, mostly supporting secondary education, the primary teacher training colleges, the Polytechnic, the University of Botswana, and middle to high level posts in the Ministry of Education. Vocational and secondary education will continue to be a priority within the sector, and consideration is now being given to support the new regional vocational centers planned by the GOB. Approximately 24 external scholarships were offered in 1984.

The British are the only donor other than the U.S. providing a significant number of technicians to the GOB. They are not planning to increase the level of technical assistance presently provided. This issue was discussed with them in response to the Project Paper guidance cable which requested that USAID explore the possibility of another donor expanding their technical assistance cadre.

B. Swedish International Development Agency (SIDA)

A large percent of Sweden's bilateral aid program is directed to education. Over the last several years, SIDA has supported the Botswana Enterprise Development Unit (BEDU), administratively located within the

*See VI. Cost Estimates and Financial Plan for further details on commodities and construction.

Ministry of Commerce and Industry. BEDU was designed to train entrepreneurs and complements many of the objectives of EWAST II. Further support to BEDU is presently under discussion. SIDA also provides in-country training for district officers and some external training to District Council staff. Currently a limited number of expatriates are funded, including 20 for Village Water Supplies, five for District Manpower Development, seven for BEDU, two for Ministry of Education and two for the Roads Department.

C. German Agency of Technical Cooperation (GTZ)

That segment of the German AID program that complements EWAST II objectives is vocational training, specifically the Automotive Trade Training School. In addition, the Germans have provided technical assistance to establish an Industrial Training and Trade Testing Program and in support of the automotive technical school. Some degree training is offered but is reportedly underutilized.

D. Canadian International Development Association (CIDA)

CIDA funds a broad range of activities, including support to the University of Botswana through the provision of lecturers and external training. A number of CUSO volunteers are working as Rural Industrialization Officers, positions relevant to EWAST II objectives. Serious consideration is being given to reducing the number of technical assistance activities (presently in mines, transport and the University of Botswana) in order to concentrate on large volume commodity or construction projects.

E. Australian Development Assistance

The Australian Government provides about ten fellowships annually, mostly to civil servants, for study leading to higher degrees at Australian Universities. In addition, about fifteen places for short courses at the International Training Centre in Sydney in public administration and other relevant skills are sponsored annually.

F. The European Development Fund (EDF)

EDF support has been directed to the University of Botswana primarily in the form of technical assistance, participant training and construction of facilities. EDF also offers assistance to the development of industrial sites and provides lines of credit to the National Development Bank and to the Botswana Development Corporation.

G. United Nations Development Programme (UNDP)

A small portion of UNDP core funds was set aside in 1984 for vocational training. Also two training fellowships were offered in a development discipline and in town and regional planning.

H. International Bank of Reconstruction and Development (IBRD) and the African Development Bank (ADB)

The major upcoming IBRD project related to the objectives of EWAST II is the construction of two regional vocational centers and a trades

testing center. The African Development Bank plans to provide additional credit for the vocational training project through co-financing arrangements.

I. International Labor Organization (ILO)

In 1984 the ILO provided limited support to the private sector, through the Botswana Employers' Federation. Two fellowships were provided and one workshop was offered.

VI. COSTS ESTIMATES AND FINANCIAL PLAN

The total cost of BWAST II will be \$36,034,000; \$27,000,000 (75%) will be contributed by AID and \$9,034,000 (25%) by the GOB. Table I presents a summary of costs and a financial plan. This is followed by Table II which describes AID's and the GOB's projected expenditures for each fiscal year of the project. FY 85 is the last year of funding for OPEXers in the Phase I project; therefore technical assistance is factored in the proposed FY 86 budget. FY 86 is the last year of Phase I participant training funds. Annex E.2. presents a detailed project budget.

The basic assumptions made in preparing the budget include a compounded 4.6% annual inflation rate for services procured in the United States and a 10% compounded per annum inflation rate for goods and services purchased in Botswana. This results in an overall 5% weighted average annual inflation rate for AID budget items, reflecting 6% of AID's proposed contribution as a local cost (\$1.4 million for in-country training) and 94% of AID's budget directed to procurement of services in the United States.

In addition, a 5% contingency factor was selected for the AID budget to cover unexpected changes in the estimated level of services. Similarly, a contingency factor of 10% for the GOB budget was established to reflect fluctuating exchange rates in Botswana and the Republic of South Africa (RSA), coupled with the uncertainty in costs of imported goods from the RSA, Botswana's major supplier. An exchange rate of one Botswana Pula equals U.S. Dollar 0.55 has been used in budget calculations.

Procurement of goods and services requiring local currency will be handled by the GOB and will follow the Government's standard competitive procurement practices, which are managed by the GOB's Central Tender Board. The GOB will effect payment for locally procured goods and services. Construction costs will be borne by the GOB. USAID/Botswana will maintain administrative control over funds for technical assistance and training in the United States, third country and in-country. Project Implementation Orders for technicians (PIO/Ts) and participants (PIO/Ps) will be issued to initiate contracts for these services.

Listed below are the major project components and cost estimates for each item, less inflation and contingency factors.

A. Technical Assistance

The project will require approximately 72 person years of long-term OPEXer assistance and approximately 45 person months of short-term

technical assistance. The estimated total cost for technical assistance is \$6,642,000; \$6,192,000 for OPEXers (\$5,400,000 by AID and \$792,000 by the GCB); \$450,000 for short-term technicians (totally funded by AID).

B. Training

There are 528 person years of long-term international training, 192 person months of short-term international training and 2,000 person months of in-country training planned. This represents a total estimated cost of \$17,256,800; \$14,009,600 for long-term international training (\$11,404,800 financed by AID and \$2,604,800 by the GCB); \$947,200 for short-term international training (\$768,000 financed by AID and \$179,200 by the GCB); and \$2,300,000 for in-country training (\$1,400,000 financed by AID and \$900,000 by the GCB).

C. Planning Studies and Project Evaluation

The studies and evaluation component is projected to cost \$200,000 and will be totally funded by AID.

D. Commodities

Approximately \$200,000 in commodities will be financed by the GCB. This component will be used primarily for the publication of reports and documents and training materials production.

E. Operating Costs

These expenses include regular support and maintenance of buildings, housing, vehicles, furniture and the provision of office supplies. The estimated cost is \$1,036,000 and will be financed by the GCB.

F. Construction

Approximately \$550,000 will be provided by the GCB for construction of needed training facilities.

G. Contractor Costs

AID's input into implementing contractor costs is estimated at \$3,500,000 and will be used to support a portion of the home office expenses and the field office expenses. All recurrent costs for this project will be covered by the GCB.

This Cost Estimates and Financial Plan reflect sufficient details for project planning and current cost estimates. USAID has determined that the project concept is feasible and the project cost estimates are reasonably firm for the project elements. Thus, the requirement of FAA, Section 611, (a)(1) has been satisfied.

It is proposed that the following AID incremental obligation schedule be accepted in order to ensure forward funding and successful implementation of this project. Total AID funding is estimated at \$27,000,000 over five years of obligations with the initial obligation of \$2,144,000 in FY 1986, followed by \$6,000,000 in FY 1987; \$8,000,000 in FY 1988; \$6,000,000 in FY 1989; and \$4,856,000 in FY 1990.

TABLE I
SUMMARY OF COST ESTIMATES AND FINANCIAL PLAN
(\$000)

Use of Funds	Source of Funds								
	AID			GOB			Total		Grand Total
	Fx	LC	Subtotal	Fx	LC	Subtotal	Fx	LC	
Technical Assistance	5850.0		5850.0		792.0	792.0	5850.0	792.0	6642.0
Training	12172.8	1400.0	13572.8		3684.0	3684.0	12172.8	5084.0	17256.8
Planning Studies	200.0		200.0				200.0		200.0
Contractor Costs	3500.0		3500.0				3500.0		3500.0
Commodities					200.0	200.0		200.0	200.0
Operating Costs					1036.0	1036.0		1036.0	1036.0
Construction					550.0	550.0		550.0	550.0
Subtotal	21722.8	1400.0	23122.8		6262.0	6262.0	21722.8	7662.0	29384.8
Inflation	2445.3	157.6	2602.9		1951.0	1951.0	2445.3	2108.6	4553.9
Subtotal	24168.1	1557.6	25725.7		8213.0	8213.0	24168.1	9770.6	33938.7
Contingency	1200.0	74.3	1274.3		821.0	821.0	1200.0	895.3	2095.3
TOTAL	<u>25368.1</u>	<u>1631.9</u>	<u>27000.0</u>		<u>9034.0</u>	<u>9034.0</u>	<u>25368.1</u>	<u>10665.9</u>	<u>36034.0</u>
Percentage			75%			25%	70%	30%	

TABLE II
PART II PROJECTED EXPENDITURE BY FISCAL YEAR*
(\$000)

	FY86			FY87			FY88			FY89			FY90			FY91			FY92				
	AID	GOB	TOTAL	AID	GOB	TOTAL	AID	GOB	TOTAL	AID	GOB	TOTAL	AID	GOB	TOTAL	AID	GOB	TOTAL	AID	GOB	TOTAL		
Technical Assistance																							
A. Long-Term	1350.0	99.0	1449.0	1350.0	198.0	1548.0	1350.0	198.0	1548.0	1350.0	198.0	1548.0											
B. Short-Term	90.0		90.0	90.0		90.0	90.0		90.0	90.0		90.0	90.0		90.0								
Participant Training																							
A. Long-Term			2851.2	299.2	3150.4	2851.2	475.2	3326.4	2851.2	651.2	3502.4	2851.2	651.2	3502.4									
B. Short-Term (Intern)			192.0	44.0	236.8	192.0	44.0	236.8	192.0	44.0	236.8	192.0	44.0	236.8				352.0	352.0		176.0	176.0	
C. In-country			350.0	225.0	575.0	350.0	225.0	575.0	350.0	225.0	575.0	350.0	225.0	575.0									
Project Studies and Evaluations	50.0		50.0	50.0		50.0	50.0		50.0	50.0		50.0											
Implementing Contractor Costs	500.0		500.0	500.0		500.0	2000.0		2000.0				500.0		500.0								
Commodities				50.0	50.0		50.0	50.0		50.0	50.0		50.0	50.0									
Construction										550.0	550.0												
Operating Costs		92.0	92.0		259.0	259.0		259.0	259.0		259.0	259.0											
Subtotal	1990.0	191.0	2181.0	5383.2	1076.0	6459.2	6883.2	1252.0	8135.2	4883.2	1978.0	6861.2	3983.2	1237.0	5220.2				352.0	352.0		176.0	176.0
Inflation			269.2	108.0	377.2	705.5	263.0	968.5	769.8	655.0	1424.8	858.4	574.0	1432.4									
Subtotal	1990.0	191.0	2181.0	5652.4	1184.0	6836.4	7588.7	1515.0	9103.7	5653.0	2633.0	8286.0	4841.6	1811.0	6652.6				567.0	567.0		312.0	312.0
Contingency	99.0	19.0	118.0	280.0	118.0	398.0	375.3	152.0	527.3	280.0	263.0	543.0	240.0	181.0	421.0				57.0	57.0		31.0	31.0
TOTAL	2089.0	210.0	2299.0	5932.4	1302.0	7234.4	7964.0	1667.0	9631.0	5933.0	2896.0	8829.0	5081.6	1992.0	7073.6				624.0	624.0		343.0	343.0

*Expenditures for purposes of this table include all funds committed for training and technical services by a PIO/P and O/T, respectively. Since PIO/Ps and PIO/Ts are fully funded, these amounts do not necessarily reflect the entire period which training and technical services take place.

VII. IMPLEMENTATION PLAN AND SCHEDULE

A. Implementation Plan

It is expected that the project will be authorized and the Grant Agreement signed by April, 1986. Implementation will commence during the term of the existing requirements-type contract for Phase I of the project; this contract can accommodate the initial requirements of EWAST II within the maximum levels established for that contract period. Competitive selection of an implementing contractor to continue implementation of EWAST II will commence in January 1987. USAID, with the assistance of the Regional Contracting Officer/Nairobi or Mbabane, will begin this process. An orderly transition of the administration of on-going CPEX advisors and participant training will be a requirement in the successor contract. It is anticipated that selection of an implementing contractor will be completed prior to December 1987 when the existing contract expires.

Since this project is a continuation of a similar activity, most implementation actions are already in place. Training Plans for the EWAST I target ministries are effective through 1987, although annual updates are to be provided to the Directorate of Personnel in November and to USAID in December of each year. The Training Coordinator will work closely with the new ministries so they are on a similar cycle. Participant requests will then be processed; university placements will be effected by the implementing contractor; and Botswana participants will arrive at their respective universities in the Fall of 1987. In-country Training Plans will also be updated or new ones submitted for approval by USAID in December. Training will follow the established schedules of local institutions.

Similar to the Government ministries, the Botswana Employers' Federation, representing the private sector, has a multi-year Training Plan. Its plan emphasizes a variety of disciplines needed to strengthen the private sector. In September of each year, the Training Committee,* a committee designated to handle human resource issues that affect the private sector, will convene to determine which academic disciplines will receive annual endorsement. These training opportunities will be advertised in the local press as well as through Botswana Employers' Federation circulars. The initial screening of the respondents will be done by the Botswana Employers' Federation; it in turn will provide a short list of candidates to the Training Committee who will conduct interviews. The pre-selected list of participants from the private sector will be transmitted to the Ministry of Labour and Home Affairs in November, who in turn, will formally request USAID in December to fund them under EWAST II.

The technical assistance requirements of the target ministries will be queried by the Directorate of Personnel in August of each year; a November deadline for receipt of the requests will be given. The Directorate of Personnel will evaluate and prioritize the requests and submit them to USAID in December. The implementing contractor will advertise the respective positions, review and short-list applicants, and submit the names to the GCB

*Composed of representatives from the Department of Labour, trade unions, Association of Training and Development Officers, Hotel Association, Ministry of Finance and Development Planning and Directorate of Personnel. Representatives are also drawn from Botswana's parastatals and from the project implementing contractor's field staff.

for final selection. Realistically, OPEXers will arrive in Botswana between four to six months after the requests are processed.

Short-term technical assistance will be provided to the private sector through the Botswana Employers' Federation. Proposals for such assistance will be received from their membership during the Fall of each year. A committee, similar in composition to the Training Committee, will review and evaluate the proposals and forward them to the Ministry of Labour and Home Affairs, the implementing ministry for the private sector. USAID will formally receive these proposals in December. The implementing contractor will be used to recruit the required consultants.

The implementation of the planning studies component of the project will occur when appropriate. This is a flexible component of the project, and it is possible several activities may be carried on simultaneously.

B. Contracting Plan

During the EWAST I implementation process a requirements-type contract was awarded to a non-profit organization, after a full and open competition in which nine proposals were received and evaluated. The Request for Proposals (RFP) and the resulting contract stated minimum and maximum levels of recruitment of OPEX candidates, short-term technical assistance and placement of participants for the initial two year period with an option for extension of the contract up to a maximum of five years.

The RFP and the contract did not restrict utilization to the EWAST project since USAID had a number of projects which supplied OPEX-type technical assistance and participant training. One contract was considered the most efficient and cost effective mechanism for meeting these requirements. Three years' experience has confirmed the appropriateness of that approach.

The contract has been extended to 12/12/87, the five year maximum provided by the contract. The maximum levels contained in the contract are sufficient to cover the known requirements for OPEX-type technical assistance, short-term technical assistance and participant training, including the levels anticipated under EWAST II through 12/87. This contract will be used to commence implementation of EWAST II.

Under the contract, a subcontract was awarded to a small, women-owned business for the management of the training component of the project which included a Training Coordinator. EWAST II continues the component with the Training Coordinator working with the Directorate of Personnel Training Unit and, through this unit, with Training Officers from target ministries and local institutions. The work required under this component impacts significantly on the participant training requirements of EWAST II and on the identification of required OPEX technical assistance. It is essential that the prime implementing contractor exercise control and integration of these activities to insure successful project implementation. For this reason the prime implementing contractor must be allowed to identify the subcontractor and negotiate the appropriate elements of control and integration rather than a separate AID direct (set aside) contract for this component.

Full and open competition for selection of an implementing contractor to continue implementation will commence with the development of an RFP in January 1987 (see Implementation Schedule below). The availability of the RFP will be announced in the Commerce Business Daily at least 15 days prior to release and will be provided to all who request a copy. The notice and the RFP will emphasize AID's intention to fully support the requirements of the Gray Amendment. In addition to the language required by CIB 85-21, prospective offerors will be advised that a plan for subcontracting with small businesses and small disadvantaged business concerns will be required prior to contract award. The Contracting Officer will negotiate the amounts contained in the successful offeror's proposed subcontracting plan in an effort to achieve AID's goal of 20% for subcontracting with Gray Amendment entities and if, in the judgment of the Contracting Officer, a monetary incentive is necessary to increase subcontracting opportunities for small and disadvantaged business concerns, and is commensurate with the efficient and economical performance of the contract, the clause at FAR 52.219-10 will be included in the contract. The implementing contractor's past performance on affirmative action will be a consideration in negotiation of any profit/fee to be included in the contract.

In addition to the subcontracting plan, the contract will also contain a requirement for the implementing contractor to provide periodic reports on the level of funds expended for Gray Amendment entities. These reports will enable USAID to provide information to AID/W regarding Mission contribution to the Agency's goals for contracting with Gray Amendment entities.

C. Implementation Schedule

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
2/86	Project Paper Submitted to AID/W	USAID	2/86
2/86	Project Paper Reviewed	AID/W	2/86
3/86	Project Authorized	AID/W	3/86
4/86	Grant Agreement Signed	USAID/GOB	4/86
4/86	USAID Authorizes Contractor to Begin FY86 OPEXer Recruitment	USAID	4/86
4/86	Contractor Advertises Positions and Screens Applicants	Contractor	7/86
5/86	Special Evaluation for Base-line Data Collection	USAID/AID/W	6/86
8/86	Contractor Submits Short-List of OPEX Candidates to GOB for Selection	Contractor	8/86
8/86	GOB Selects Candidates and informs USAID	DOP	8/86

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
8/86	FY87 Training Plans Revised and Submitted to DCP by Ministries and Copied to USAID	Ministries	11/86
8/86	FY87 Training Disciplines for Private Sector Revised and Submitted to MLHA and copied to USAID	BEF	11/86
8/86	FY87 OPEXer Requests Submitted to DCP	Ministries	11/86
9/86	FY86 OPEXers Arrive In Country	Contractor	10/86
12/86	List of Participants Submitted to USAID	DCP/MLHA	12/86
12/86	List of OPEXers and Short-Term T.A. Submitted to USAID	DCP/MLHA	12/86
1/87	Competitive Contracting Process for Implementing Contractor-RFP Drafted	USAID/RCO	8/87
2/87	Biodata Forms Submitted for Participants	DCP	2/87
2/87	USAID Authorizes Contractor to Begin OPEXer Recruitment	USAID	2/87
2/87	Contractor Advertises OPEX Positions and Screens Applicants	Contractor	5/87
3/87	TOEFL, GRE, GMAT	Participants/ Contractor	5/87
3/87	Placement of Students	Contractor	7/87
3/87	Participants' Medical Examinations for School Entrance	Participants/ Contractor	6/87
3/87	CED Notice Published to Invite RFP Solicitations	RCO	3/87
5/87	Special Evaluation Update	Local Contractor/ USAID	6/87
6/87	Contractor Submits Short List of OPEX Candidates to GCB for Selection	Contractor	6/87

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
7/87	Review and Rank RFPs	USAID/RCO/GOB	8/87
7/87	GOB Selects Candidates and Informs USAID	DOP	7/87
7/87	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/87
7/87	Request for Participants' Advance Maintenance Allowance	USAID	9/87
7/87	Participants' Travel Arrangements	USAID/ Participants	9/87
7/87	Orientation for Participants	Contractor	8/87
8/87	Negotiate and Award Implementing Contract	USAID/RCO/ Candidates	10/87
8/87	FY87 OPEXers Arrive In-Country	Contractor	9/87
8/87	Participants Arrive at Universities		9/87
8/87	FY88 Training Plans Revised and Submitted by Ministries to DOP and Copied to USAID	Ministries	11/87
8/87	FY88 Training Disciplines for Private Sector and Submitted to MLHA and Copied to USAID	BEF	11/87
8/87	FY88 OPEXer Requests Submitted to DOP	Ministries	12/87
12/87	List of Participants Submitted to USAID	DOP/MLHA	12/87
12/87	List of OPEXers and Short-term T.A. Submitted to USAID	DOP/MLHA	12/87
2/88	Biodata Forms Submitted for Participants	DOP	2/88
2/88	USAID Authorizes Contractor to Begin OPEXer Recruitment	USAID	2/88
2/88	Contractor Advertises OPEX Positions and Screens Applicants	Contractor	5/88
3/88	TOEFL, GRE, GMAT	Participants/ Contractor	5/88

all

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
3/88	Placement of Students	Contractor	7/88
3/88	Participants' Medical Examinations for School Entrance	Participants/ Contractor	6/88
5/88	Special Evaluation Update	Local Contractor/ USAID	6/88
6/88	Contractor Submits Short List of OPEX Candidates to GOB for Selection	Contractor	6/88
7/88	GOB Selects Candidates and Informs USAID	DOP	7/88
7/88	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/88
7/88	Request for Participants' Advance Maintenance Allowance	USAID	9/88
7/88	Participants' Travel Arrangements	USAID/ Participants	9/88
7/88	Orientation for Participants	Contractor	8/88
8/88	FY88 OPEXers Arrive In-Country	Contractor	9/88
8/88	Participants Arrive at Universities	Contractor	9/88
8/88	FY89 Training Plans Revised and Submitted by the Ministries to DCP and Copied to USAID	Ministries	11/88
8/88	FY89 Training Disciplines for Private Sector Revised and Submitted to MLHA and Copied to USAID	BEF	11/88
8/88	FY89 OPEXer Requests Submitted to DCP	Ministries	12/88
11/88	Mid-Term Evaluation	REDSO/AID/W	11/88
12/88	List of Participants Submitted to USAID	DCP/MLHA	12/88
12/88	List of OPEXers and Short-term T.A. Submitted to USAID	DOP	12/88
2/89	Biodata Forms Submitted for Participants	DCP	2/89

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<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
2/89	USAID Authorizes Contractor to Begin OPEXer Recruitment	USAID	2/89
2/89	Contractor Advertises OPEX Positions and Screens Applicants	Contractor	5/89
3/89	TOEFL, GRE, GMAT	Participants/ Contractor	5/89
3/89	Placement of Students	Contractor	7/89
3/89	Participants' Medical Examinations for School Entrance	Participants/ Contractor	6/89
5/89	Special Evaluation Update	Local Contractor/ USAID	6/89
6/89	Contractor Submits Short List of OPEX Candidates to GOB for Selection	Contractor	6/89
7/89	GOB Selects Candidates and Informs USAID	DOP	7/89
7/89	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/89
7/89	Request for Participants' Advance Maintenance Allowance	USAID	9/89
7/89	Participants' Travel Arrangements	USAID/ Participants	9/89
7/89	Orientation for Participants	Contractor	8/89
8/89	FY89 OPEXers Arrive In-Country	Contractor	9/89
8/89	Participants Arrive at Universities	Contractor	9/89
8/89	FY90 Training Plans Revised and Submitted by the Ministries to DCP and Copied to USAID	Ministries	11/89
8/89	FY90 Training Disciplines Revised and Submitted to MLHA and Copied to USAID	BEF	11/89
12/89	List of Participants Submitted to USAID	DCP/MLHA	12/89
2/90	Biodata Forms Submitted for Participants	DOP	2/90

<u>Commence Action</u>	<u>Action</u>	<u>Responsible Party</u>	<u>Complete Action</u>
3/90	TOEFL, GRE, GMAT	Participants/ Contractor	5/90
3/90	Placement of Students	Contractor	7/90
3/90	Participants' Medical Examinations for School Entrance	Participants/ Contractor	6/90
5/90	Special Evaluation Update	Local Contractor/ USAID	6/90
7/90	Participants' Visa Arrangements	Participants/ USAID/ AmEmbassy	9/90
7/90	Request for Participants' Advance Maintenance Allowance	USAID	9/90
7/90	Participants' Travel Arrangements	USAID/ Participants	9/90
7/90	Orientation for Participants	Contractor	8/90
8/90	Participants Arrive at Universities	Contractor	9/90
11/90	Final Evaluation	REDSO/AID/W	11/90
4/94	Close-out of Contract	USAID/RCO Contractor	
4/94	Project Assistance Completion Date		
7/94	Project Completion Report	USAID	7/94

VIII. ADMINISTRATIVE ANALYSIS

The Botswana Workforce and Skills Training Project II requires a cooperative effort among a large number of organizations and institutions within the public and private sectors, an AID-funded implementing contractor and USAID/Botswana. Each has particular responsibilities and tasks for collaborating with the others to implement component activities.

A. Roles and Relationships

Figure A is a diagram of the various relationships among the participating organizations.

1. Public Sector

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a. Directorate of Personnel

The Directorate of Personnel (DOP), situated in the Office of the President, will be responsible for the implementation of the public sector component of the project. Matters requiring daily implementation of BWAST II will be handled by the DOP's Recruitment and Training Divisions.

The Mid-Term Evaluation of Phase I indicated that the Directorate of Personnel is faced with a manpower shortage, particularly in the Training Division. Presently three officers and an expatriate advisor staff the Training Division. There are plans underway to reorganize the Directorate of Personnel. Although this action is awaiting final approval, the reorganization is scheduled to be progressively implemented in early 1986. There are indications that the Training Division will receive additional posts, posts that will relieve some of the existing constraints and allow for staff training.

b. Recruitment Division

The DOP, through its Recruitment Division, is the focal point for internal and external recruitment and technical assistance matters. By virtue of its development and administration of recruitment policy guidelines and criteria in the selection of candidates, the Division, staffed by nine officers, will be responsible for administering the CPEXer criteria for BWAST II. The determination of ministerial needs and priorities upon which to base technical assistance projections will also be coordinated by the Recruitment Division. One of the goals of the DOP reorganization is to produce an effective internal system through which Public Service vacancy and recruitment status can be assessed, coordinated and monitored. Periodic vacancy and recruitment progress reports will be produced to facilitate planning for technical assistance and the provision of support requirements. Finally, GOB staff performance appraisal reports will be utilized by the implementing contractor and USAID in the evaluation of CPEXer performance.

c. Training Division

The DOP, through its Training Division, is responsible for all external donor-sponsored training, and departmental training. It formulates specific manpower and training policies and priorities. During Phase I of BWAST, this Division effectively coordinated with the various ministries and training institutions for the development of Training Plans. This administrative responsibility will continue in Phase II of the project. Working from the ministerial Training Plans, this Division will also prepare a national public sector Training Plan. With the reorganization of the DOP, it is projected that the existing staff performance appraisal systems will be improved and personnel continuously assessed to track deficiencies in specific knowledge, skills, abilities, attitudes, etc. The screening of individual BWAST II sponsored participants will be coordinated by this Division with input from the specific ministry in question and the implementing contractor.

The Training Division liaises regularly with in-country training institutions. During the project, the Division will monitor training activities within these institutions to ensure that the training programs

are relevant, effective and geared to meet the manpower needs of Botswana's public sector. Finally, the Training Division will maintain current records pertaining to training programs, participants, training institutions and facilities.

d. Ministries

The Undersecretaries for Manpower Development and/or the Training Officers within the line ministries will have the responsibility for providing organizational requirements and priorities for training and technical assistance. It is these individuals who are directly involved in the development of Training Plans and OPEXer projections and who will put forward training and technical assistance nominations for EWAST funding that meet the criteria established by the project. The Training Plans are developed from performance appraisals and organizational needs, particularly in terms of localization. Individual Needs Assessments will be factored into these Plans during EWAST II. The Undersecretaries and Training Officers are provided regular status reports on the progress of participants by the implementing contractor. They are also key in the reintegration process of the participant once training is complete.

e. Training Briefings

The Directorate of Personnel will hold monthly Training Briefings for the ministries, training institutions, donors and representatives from the private sector (Botswana Employers' Federation). The meetings will be chaired by a member of the Directorate of Personnel's Training Division. The purpose of these meetings will be to strengthen the flow of information and enhance coordination. They will also be used to refine the management of the training system developed under Phase I of the project and to further the institutionalization of such a system.

2. Private Sector

a. Botswana Employers' Federation

The Botswana Employers' Federation will be the prime implementing agency for the private sector. The BEF has developed rapidly from its inception in 1971 into a strong, well staffed and effective organization representing the interests of private sector management. The number of organizations affiliated with the BEF rose from 250 to over 500 between 1978 and 1984. The primary purpose of the BEF is to protect and promote the interests of its members and to prepare the way for private sector participation in the social and economic development of Botswana. Advisory services on matters affecting the interests of individual members and associations affiliated with the BEF are available at all times through a full time Secretariat; courses, seminars/workshops and forums are organized for BEF members.

Under Phase I, the BEF was responsible for the advertising of training opportunities and for the initial screening of respondents. They in turn provided a short list of candidates to a Training Committee who then screened the applicants. This system proved to be administratively feasible and will continue during EWAST II.

b. Training Committee

The Training Committee's purpose is to develop and administer training policy that impinges on the private sector. This Committee operates within the framework of, and is chaired by, the BEF. It is composed of representatives from the Department of Labour, the Botswana Federation of Trade Unions, the Association of Training and Development Officers, the Hotel Association, the Ministry of Finance and Development Planning, the Directorate of Personnel and other invited participants. Representatives are also drawn from Botswana's parastatals and from the project implementing contractor's field staff. During the implementation of EWAST II, this Committee will establish policy, training and technical assistance needs and priorities and set the standards for use of project resources.

c. Department of Labour

The responsibility for Botswana's industrial relations and labor protection rests with the Department of Labour in the Ministry of Labour and Home Affairs. The Department of Labour also has a mandate to improve labor productivity and to increase employment opportunities and, of particular relevance to the project, to establish training and localization plans for individual firms.

The Deputy Commissioner of Labour will serve as the vice chairman of the Training Committee. Additional administrative functions for the Department of Labour will be primarily advisory in the areas of labor productivity, employment generation and localization.

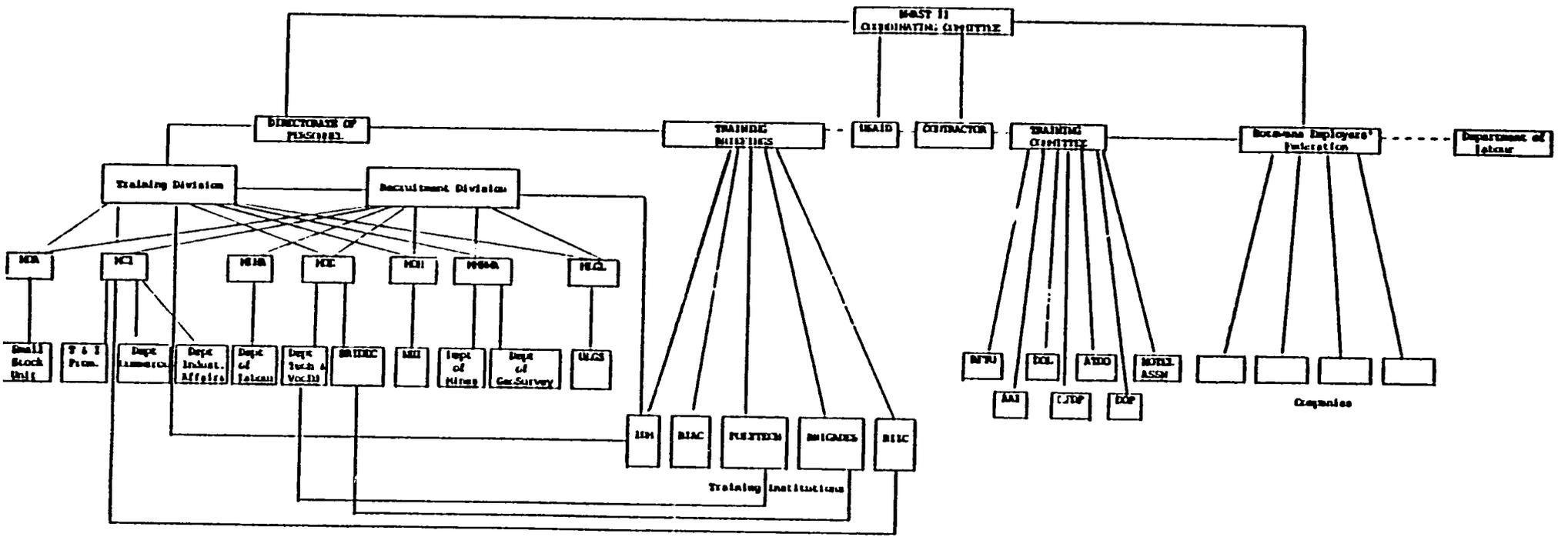
3. Contractor

One implementing contractor is expected to be responsible for the recruitment of CPEXers and short-term technical assistance and to provide administrative support for these individuals once they have arrived in country. The same contractor will be responsible for the placement and monitoring of participants. A Field Coordinator will be stationed in Botswana and will be supported by a U.S.-based organization.

It is expected that a sub-contractual arrangement will be negotiated to implement the management of training component of the project. A Training Coordinator will have technical expertise in the management of training and will be stationed in Botswana. This individual will work with the Directorate of Personnel's Training Division and, through this division, with Training Officers from target ministries and with local institutions. Obviously, it is recognized that each ministry will be considering all of its manpower development activities, and not just those related to EWAST II. The implementing contractor, while concentrating on Project-linked issues, will - tactfully, thoughtfully, and in close consultation with DOP's Training Division - endeavor to make the maximum contribution to each ministry's overall training management needs. The Coordinator will also work with the Training Officer from the Botswana Employers' Federation, the organization which represents Botswana's private sector. The continued use of such a position by the project is a response in part to the Mid-Term Evaluation which viewed the role of a Training Coordinator as "crucial to continued progress" of the project.

FIGURE A
FORM OF ORGANIZATION

————— Lines of Direct Communication
- - - - - Coordinating Relationships



4. USAID/Botswana

USAID/Botswana will be responsible for project monitoring, and the Project Manager will serve as the principal liaison with the implementing contractor. USAID's Training Officer will prepare PIO/Ps for all long and short-term training; the Project Manager will initiate the PIO/Ts, project implementation letters and will coordinate external evaluations. The USAID implementation procedures, established under EWAST I, have been successful and will be continued under this project.

During the conceptualizing period for EWAST II, an important variable that was assessed by USAID was management requirements. Botswana's ABS cable (State 214078)* indicated that the U.S. direct hire workforce will be reduced from nine to seven in FY 87. To implement the approved CDSS strategy and the management objectives detailed in the ABS effectively, the Mission is consolidating its portfolio and is moving towards several large value projects, of which EWAST II is an example. A project portfolio composed of a relatively few, large-valued activities, as opposed to numerous, smaller-valued projects, is an effective management approach for a small cadre of U.S. direct hire personnel.

B. Project Coordination

To achieve the project purpose of increasing the number of trained Botswana in positions designed to foster employment generation, effective means of coordination will be established and maintained among the project's implementors. The EWAST II Coordinating Committee will be composed of representatives from the Directorate of Personnel, the BEF Training Committee, the implementing contractor and USAID. The purpose of the Coordinating Committee will be to provide counsel regarding project implementation and to address issues that impact upon the entire project.

There is every reason to expect continuing cooperation and collaboration among the public and private sector implementing units. Over the last four years, the Directorate of Personnel and the Botswana Employers' Federation have been responsible for liaising with appropriate project units and have gained valuable experience in the implementation of the project.

While new ministries are now eligible for EWAST support, their addition is not expected to disrupt the present administrative capacity. Existing mechanisms and experience attest to effective administration and managerial structures for cooperation and collaboration.

IX. MONITORING PLAN

Project monitoring involves constant knowledge and oversight of all activities, including funding levels, OPEXer performance and status, training activities and the overall performance of the implementing contractor. Project monitoring is the direct responsibility of the Project Manager. The Project Manager will work closely with other USAID staff personnel who have responsibilities related to project activities: the USAID Training Officer and the Human Resources Development Officer on matters related to participant training and the management of training, and the Controller on funding levels.

*Subject: Africa Bureau FY1987 Message - Bureau ABS Wrap-Up Cable; dated July 13, 1985.

The following monitoring systems have been established for EWAST and will continue to be used for EWAST II:

A. A computerized program of all project funded participants, long and short-term, will be maintained to provide current project information. This program includes PIO/P and Delivery Order numbers, the name of each student, sex, duration of training, financial commitments (by fiscal year), expenditure levels and balance of funds, the degree, the major and the date of departure from, and the date of return to, Botswana. This information is further categorized into public and private sector sponsored participants and into the broad categories of Technical Training vs. Administrative/Management Training. Under EWAST II, grade point averages will be programmed into this monitoring system.

B. A computerized program of all technical assistance will continue to be used. This includes each Delivery Order number, the name of each OPEXer, the duration of his/her contract, financial commitments (by fiscal year), expenditure levels and balance of funds. This is then divided into long and short-term assistance and into categories of Technical vs. Administrative/Management positions.

C. A computerized program of project financial commitments by fiscal year and line items, further differentiated into implementing contractor administered and AID administered funds, will remain a part of the monitoring system.

D. A computerized budget summary classified by line item, implementing contractor-administered and AID-administered, will also be maintained. Two major categories include the Project Agreement budget, a working budget into which inflation and contingency have been factored, and obligations to date.

The computerized systems will enable USAID to maintain an up-to-date record of project activities and status. Relevant information from these programs will be included in semi-annual reports on the project that will be prepared by the Project Manager.

Two other areas are particularly important in project monitoring and will be administered primarily by the implementing contractor with information being communicated to the Project Manager. They are (1) participant academic and personal performance records and (2) OPEXer performance assessments. Transcripts indicating the academic performance of trainees will be sent to USAID and the GCB on a quarterly or semester basis by the implementing contractor. Information on personal adjustment and unusual support requests will also be transmitted on a need-arise basis. In order to monitor OPEXer performance, semi-annual reports will be prepared by each OPEXer for the implementing contractor, with copies sent to USAID. GCB staff performance appraisals will also be utilized by the implementing contractor and the Directorate of Personnel.

The Project Manager will liaise with the field representatives of the implementing contractor. This close working relationship, coupled with external evaluations, will enable USAID to monitor the overall performance of the implementing contractor.

X. SUMMARIES OF ANALYSES

A. Technical Analysis

1. Summary of Labor Supply and Demand Analysis*

a. Overview

Currently, Botswana has an oversupply of unskilled and semi-skilled workers, coupled with shortages of technical and management personnel with advanced or specialized training and experience.

Over the next 10 to 15 years, the oversupply of workers without specialized skills or training will reduce as a percentage of the active workforce, but remain high in absolute numbers. The shortages of technical and managerial workers will be significantly reduced or eliminated in the aggregate, but the need for specialized training for key positions will remain high.

Over this same period, Botswana's education and training capacities are expected to improve substantially at all levels, certainly in quantitative terms and it is hoped in academic quality and technical relevance. However, capacity will still be short of social demand, particularly at the primary and secondary level, and there will be more diverse requirements for vocational and technical skills training.

As a result of many factors (including demographic trends, the likely economic scenario affecting job creation, increased participation by women, internal migration from rural areas and the rising education levels) the spatial distribution and composition of the active workforce is likely to be different over the next decade or two from that facing Botswana today.

b. Policy and Planning Options

Most of the supply factors will not be directly or easily affected by policy decisions or actions taken during NDP6. In the longer term, there is a possibility that population growth rates will slow. Advanced education and technical training capacities can be adjusted in a variety of ways to affect skilled labor supply in the medium term. However, the social demand for basic general education will increase over almost any scenario for the next decade or two. Failure to meet this demand will affect the skill composition and trainability of the available workforce, but not the demand for employment. The main supply variables amenable to actions in the short to medium-term are:

1. continued investment in skilled and high-level manpower through external scholarships and through expansion of local training capacities;
2. continued investment in education and basic skills training, concentrating on qualitative improvements at the primary level and quantitative expansion of general secondary and secondary level vocational training;

*A detailed analysis is found in Annex XIII E 1.a.

3. measures (mostly unattractive) to affect the rate of active labor force participation (e.g., education effects on age of entry to workforce);
4. measures to affect spatial distribution of semi-skilled and skilled labor (e.g., social infrastructure in rural areas);
5. compensatory measures (e.g., child care) to enable women to participate more actively; and
6. skills training aimed at informal sector and self-employment.

While the problems on the supply side have an inexorable quality, with few options for short-term solution, there are many policy choices affecting short to medium-term demand for workers. The general situation with respect to public and private sector demand and expansion plans is discussed in the respective annexes. While there is reason for optimism, given an impressive package of investment and job creation incentives and substantial expectations for new investments and private sector growth, continued attention should be given to factors such as the following:

1. ensuring that wage policies intended to prevent exploitation in some sectors do not prevent new investment or expansion in other sectors;
2. ensuring that work and residence permits necessary for localization do not inhibit new investment and entrepreneurship;
3. ensuring that essential services and social infrastructure are spatially distributed—including industrial and small business extension and other support services;
4. ensuring that sectors such as housing use capital efficiently;
5. ensuring that salary scales and credential requirements in the public sector are realistic and sufficient to retain key personnel, particularly in the professional category; and
6. ensuring that investment and technology choices take account of the large numbers of women with a need for employment and income, but who are not now in the active labor force.

While factors such as the above are not fully within the purview of training and manpower specialists (and in any case do not have easy or obvious solutions), they are among the factors which must be taken into account in the development and management of training strategies consistent with employment creation.

c. Management of Training

The current situation, where manpower demand exceeds the labor supply in key occupations, results in lost productivity and the sacrifice of additional economic growth and employment opportunities for the large number of other workers. Employment creation and manpower development are the key ingredients for eliminating the current manpower imbalances. Strengthening analytic, management, technical and training capacities is essential for optimum job creation.

BWAST II will assist the GOB to make the transition between concerns with aggregate balances and short-term requirements to a more highly articulated and longer-term view of the labor market. The project's perspective regarding the management of training is that decisions on the value of a training activity should not be based solely on its relevance to immediate management and staffing problems. Training must lead to institutional strengthening in all sectors and must complement the national development goal of job creation.

This is particularly true of any new training initiatives, whether expansion and diversification of local training institutions and capacities or long-term external training such as that planned for BWAST II. While existing local training institutions and short-term training will contribute to meeting current and near-term needs, new capacities and long-term training will only begin to have an impact late in NDP6 and in succeeding planning periods.

Thus, in developing a conceptual framework for analysis and planning, as well as the administrative, reporting and decision-making mechanism for the management of training, Botswana needs to address the following tasks—in all sectors and institutions, private as well as public.

1. training as required to fill current vacancies and ensure the staff required for implementation of investment plans and development projects in the near-term (the next two to five years);
2. mechanisms (ranging from public sector allocations of bonded trainees to appropriate wage and income price signals in the labor market), to encourage the most efficient allocation of available workers;
3. planning and analytic models which can predict more accurately the supply and demand situation over a long enough period, but in sufficient time for adjustments to be made in training capacity, in investment or project development plans or in public policy affecting the labor market;
4. personnel policies (including economic incentives and other motivational factors such as promotion, mobility and training options) which affect optimum utilization of the workforce and thus productivity,
5. management practices and choices of technology which are appropriate to the realities of the existing or projected workforce; and
6. management of the training institutions and programs (ranging from planning for instructional staff to ensuring cost-effective physical expansion and establishment of additional courses, degrees, or certificates to fee structures).

It is important that the management of training capacities, systems and mechanisms be developed as much as possible as part of an on-going process leading to institutionalized mechanisms of planning and coordination both within and among the public ministries and departments and between the public and private sector.

While BWAST II may require some additional effort on the part of Government in selection, review and coordination mechanisms, it will be important that these be complementary to rather than substitutes for Botswana's own systems for the management of its training. BWAST II can increase its institutional strengthening and policy dialogue impacts both by targeting training and technical assistance to accomplish tasks such as those listed above and by maximizing its support for the localization of the processes and mechanisms.

A. 2. Summary of Technical Analysis-Public Sector*

a. Role of Public Sector

NDP6 details a large and expanding role for the public sector. However, rather than viewing government and parastatal industries as leading employment creation through subsidies, make-work or other "employer-of-last-resort" measures, NDP 6 takes the position that most employment will have to be obtained in the private sector. The key issue for analysis is the degree to which strengthening public sector capacities is consistent with, and strategic to, private sector-led economic expansion and job creation.

Botswana is a relatively young country, with underdeveloped infrastructure and services. Population is growing rapidly, with expanding demands for services. Botswana's economic future depends to a great extent on international political and economic trends, and particularly those in the southern Africa region, which are difficult to predict but which require sound public policy and careful planning. For example, links with the European Community under the Lome Conventions, membership in the Southern African Customs Union, special trade relationships with Zimbabwe and other countries and participation in SADCC affect all aspects of the economy but require active and competent participation by public sector institutions and individuals. While Botswana is blessed with a number of valuable mineral assets with substantial potential for further exploitation, she is also concerned that these assets be developed prudently in line with world market conditions. Finally, Botswana is a large country with fragile lands and ecosystems. Essential natural resources, notably water, must be developed and used carefully.

In short, there is a continuing need for public sector leadership in setting macro-economic and other national policy, in developing economic and social infrastructure and in refining planning, regulatory and allocation mechanisms to encourage the prudent use of the nation's human, financial, physical and economic resources.

While Botswana has done well on these tasks, it is clear that understaffing in the public sector leaves many weaknesses in analytic, administrative and technical capacities. The government has been shackled in its attempts to implement many high priority economic and social development projects, including those promoting private sector opportunities, less by budget constraints than by its own severe shortage of staff.

Most of the infrastructure development and social services expansion is in response to obvious economic and social requirements and strong social demand. While a number of projects such as rural road building and

*A detailed analysis is found in Annex XIII.E.1.b.

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self-help housing use labor-intensive approaches, they are not a public works job creation strategy. Nevertheless, it is clear that publicly funded or influenced infrastructure expansion and services expansion will create a significant number of jobs.

While there is a parastatal sector, Botswana has resisted the temptation to drive the economy with parastatal investments. The largest investments are in public utilities and in selected sectors where there is concern about monopoly or monosony market conditions, such as meat exports. The Government also has substantial equity positions in privately managed firms, notably in the mining sector.

In addition to parastatal investments, the GOB participates actively in shaping the private sector economy through: wages and incomes policies; substantial investment tax incentives along with training grants and wage rebates; a Financial Assistance Policy which provides capital to enterprises; and, financial intermediation to develop capital markets such as the placement of public funds to augment reserves in private banks making investment loans.

In conclusion, every indication is that the GOB will rely on private capital and market signals as a principal engine of economic growth and job creation. Nevertheless, it is clear that the public sector has a major role to play in shaping the economic, human resource and physical environment in which private sector growth will occur.

b. Public Sector Manpower

Total public sector employment is projected to grow somewhat more slowly than private sector. Most of the government employment is expected to result from reducing the current high level of vacancies and from expansion of the education and health sectors. Of the total increase of 9,949 positions to be filled, 6,902 are expected in the education sector, reflecting the emphasis throughout the Plan on human resources development in general and the strengthening of education and training capacities in particular.

Importantly, in terms of budget implications and the efficient allocation of available manpower supply, the number of positions actually filled is projected to increase somewhat more rapidly than the increase in established positions. This is particularly true in the "A" level positions (superscale, senior administrators and key technicians) which will be the main focus of EWAST II.

Three general conclusions relevant to EWAST II emerge from examination of public sector manpower development plans and allocations in NDP 6:

1. Actual staffing levels in most ministries and public sector institutions are substantially below established levels, ranging up to 25% vacancies in "A" level positions.
2. Allocations to reduce vacancies and fill newly established positions are proportionally large in the social service sectors, particularly education and health.

3. Allocations for most other ministries and departments are proportionately small, reflecting a deliberate decision to target personnel carefully to improve public sector productivity while minimizing the competition for scarce technicians and managers with the private sector.

The impact of BWAST II allocations to strengthening public sector capacities will be initially in the form of reduced vacancies in key positions and thus greater effectiveness and productivity improvements in key functions. Direct job creation through participants returning to key positions in the public sector will occur in the medium to long-term. However, unless these key positions are filled at least to the extent postulated by NDP6 in 1990/91, it can be assumed that there will be proportionate reductions both in the effectiveness of public sector institutions in responding to the needs of the private economy, thus reducing private sector job creation as well as in public sector employment growth.

c. Public Sector Manpower Development and Employment Strategies

With the possible exception of its minimum wage policy, the GOB has adopted progressive, practical and economically rational strategies for coping with manpower imbalances. The strategic problem that is facing the GOB is the need a) in the short-term to increase relatively unskilled entry-level employment opportunities while simultaneously developing and allocating the supply of highly trained and skilled personnel and concurrently, b) preparing for the medium to long-term, in which trained manpower will come more into balance with demand and there will be a need to create more employment for skilled workers with secondary or higher education. Employment generation strategies must be coordinated with training strategies.

GOB employment creation strategies include wages and incomes policy, industrial policy, labor investment incentives, profitable labor-intensive schemes and a wide range of financial and administrative support services for informal sector and self-employment. An essential part of the manpower development strategy is the development of training plans for each ministry and organizational unit, including estimates of private sector requirements, and coordination of these plans with Government sponsored programs, those of other donors and finally, with the manpower budgeting and allocation mechanisms established by the Directorate of Personnel and the Ministry of Finance and Development Planning.

Expatriate personnel have played a valuable role in augmenting Botswana staff available for key technical and management functions in both the public and private sectors. However, they are expensive and represent a visible symbol of the distance Botswana has to go in achieving self-reliance and effective control of its own development. Thus, localization is a major development objective which will be a consideration in all manpower development and training strategies.

It is expected that the absolute number of non-citizens in the public sector will remain roughly the same through NDP6, while changing in composition to emphasize more narrowly specialized technical fields and declining as a percentage of the high level positions in the formal sector work force. The numbers in the private sector are more difficult to predict; the percentage is expected to decline but the absolute number will depend to a great extent

on the rate of economic growth, the sectors in which the growth occurs and the degree to which this growth is accompanied or driven by external investment.

During NDP5 the GOB made major strides in the formulation and implementation of a long-term employment generation strategy. BWAST II will build on and assist those efforts. (See Annex XIII.E.1.B. for details.)

d. Target Ministries

The need for technical expertise is acutely felt across all ministries in the GOB. If teaching slots are excluded (international volunteer corps members and private residents have taken up the shortfall), there are 1,543 positions in ministries which cannot be filled because neither indigenous nor expatriate manpower is available. BWAST II can make only small inroads into reducing the total of 1,543 slots. Thus, the project will concentrate participant training on select ministries in which

1. the potential for future private sector job creation is high;
2. a shortage of skilled manpower exists, thereby inhibiting the development of policies, projects and implementation mechanisms for fostering employment growth;
3. the need to localize manpower is especially apparent.

Seven ministries and several affiliated public sector institutions have been identified by the GOB and USAID as primary actors in the BWAST II project:

- | | |
|----------------------------------------|--------------------------------------------------------|
| 1. Commerce and Industry (MCI) | 1. Directorate of Personnel (DOP) |
| 2. Agriculture (MOA) | 2. Ministry of Finance and Development Planning (MFDP) |
| 3. Education (MOE) | |
| 4. Labour and Home Affairs (MLHA) | |
| 5. Local Government & Lands (MLGL) | |
| 6. Health (MOH) | |
| 7. Mineral and Water Resources (MMRWA) | |

The impact of policy initiatives and project implementation on creating employment growth is neither equally forceful across all ministries nor equally forceful among the various ministerial divisions. Consequently it is expected that project assistance will not be distributed equally.

e. Target Functions

BWAST II activities will focus on individuals and institutions engaged in employment generation roles defined for purposes of this project as follows:

an official line position (civil service if in public sector; management, training or technical professional if in private sector) in which the incumbent has direct or indirect responsibility for one or more of the following activities related to formation of jobs in the formal or informal sector:

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- designing policies;
- implementation/assessment of policies;
- providing coordination and/or support services;
- assessing project feasibility and economic impacts;
- technology transfer and research and development;
- skills training; and
- management of projects/initiatives

EWAST II training and technical assistance, particularly that directed to the public sector, is not intended to create jobs directly. Rather, EWAST II resources must be targeted to contribute indirectly to the generation of new work opportunities by improving the policy context through strengthening policy-relevant analytic capacities, planning and management capacities, technical support functions, project implementation capacities and local training capacities. In the public sector, this means providing training to qualified individuals located in selected departments within ministries which play important roles in stimulating the private sector, manpower management and labor force development.

Preference for training will be given to institutions (and individuals within them) according to the following hierarchy of engagement in employment generating activities:

1. Direct role in manpower, employment or investment decision-making or investment with influence in policy design or implementation and project management;
2. Indirect role in manpower, employment or investment decision-making issues, such as project assessment, and project implementation and training;
3. Supporting role in manpower, employment formation such as providing coordination and support services and training. These offices/individuals provide information to, or develop procedures for, use by individuals playing a direct role.

These criteria will be applied for the selection of training recipients and placement of OPEXers.

f. Allocation Mechanisms: Participant Training

A fixed number of participant training slots will not be allotted at the project outset to each ministry on the basis of a priori perceptions of need. Annual submission of training requests and rationales by all ministries and the subsequent review and prioritization of requests according to project objectives will ensure that requests

1. match emerging needs within ministries;
2. fit changing economic and social circumstances within the country;
3. are carefully thought out by ministries in reference to project objectives; and
4. are filled on the basis of importance as defined by congruence with project criteria.

Long-term participant training for BWAST II within the public sector will be subject to a two-stage review and selection process: a first stage focused on each ministry (and its departments) and affiliated institutions; a second stage reviewing and setting priorities among the requirements submitted by all participating ministries and public sector organizations. To the maximum extent feasible, consistent with USAID's administrative and project coordination requirements, these processes will be undertaken using procedures which are consistent with (often identical to) the procedures used by the GOB in its overall training plans and manpower budgeting exercises. Thus, the BWAST II review and selection procedures themselves are an important part of the overall goal of improving and reinforcing GOB manpower planning and public sector decision-making with respect to manpower development and employment.

Each year, after the selection process has concluded, representatives of USAID, the DOP, the implementing contractor and the participating ministries will meet to review that process and, if appropriate, agree upon improved procedures.

g. Allocation of OPEX Position

Despite the relatively high cost of maintaining expatriate technical experts, OPEXers are key ingredients in BWAST II's cross-ministry, multi-level assistance strategy. OPEXers will be contracted for a two-year period. Extensions for up to an additional two years will be considered, for a maximum possible four-year length of service. Placements will be coordinated with the Directorate of Personnel, reflecting the relative importance/impact of the respective ministries in fostering increases in employment opportunities and the specific identified needs of the ministry or other institution.

USAID has elected to focus on the previously named key ministries and related institutions where the impact of assistance will relate directly or indirectly to employment generation. To further focus the project and ensure that project-financed training and technical assistance have the widest impact and meet project objectives, the selection criteria for OPEX technical assistance will be coordinated closely with those for long-term participant training.

Before OPEX position selection criteria are applied, the position which will be occupied upon return from long-term training must be identified; the individual going for long-term training must be in one of the selected ministries or related institutions; and it must be demonstrated that the training fits within the ministry's or organization's overall localization and Training Plan.

A. 3. Summary Technical Analysis - Private Sector

Botswana is one of Africa's most solvent economies and GOB planners recognize the need for sound economic management. At the end of 1985, foreign reserves were sufficient to pay for an estimated 12 months of imports. Remittances of income from profits, dividends and interests, is considerably less complicated and certainly quicker than in most African

countries. The role of the private sector in Botswana's economy is secure and foreign initiatives are welcome through a series of government policies on guarantees and incentives.

Mining has been the key to Botswana's spectacular growth. Minerals account for 30% of GDP and 75% of export earnings and are crucial to the country's economic performance. The Government of Botswana and South Africa's DeBeers Mining Company each hold 50% interest in DeBeers Botswana Mining Company (Debswana). The GOB's share of Debswana profits is estimated to be 70% of total earnings. Presently Botswana is suffering from a slump in the world diamond market and has been forced to stockpile a percentage of her diamond production.

Botswana's copper-nickel mine at Selebi-Phikwe is the country's largest private sector employer, with over 5,000 workers. Due to the depressed price of copper-nickel and the increased volume of diamond production, the mining operation presently provides less than 10% of Botswana's export earnings compared with more than 20% five years ago.

The entire mining sector employs relatively few people, only 7% of the formal sector. However, there is every indication that more wealth lies under the sands of the Kalahari, wealth that could be translated into new jobs for Botswana.

Cattle is Botswana's second largest export earner, accounting for approximately 9% of export earnings in 1984. Despite the drought which trimmed the total herd size to about 2.5 million in 1985, up to 70% of Botswana rely on cattle for at least part of their income.

Botswana's manufacturing sector initially faced what seemed to be insurmountable obstacles - the small domestic market, the low purchasing power of the people and the lack of infrastructure. From 1966 to 1980 there were only 88 manufacturing firms in the country. Since 1980, the number of manufacturing companies has increased by 250%. Employment in manufacturing has reached approximately 11,000. This represents 10% of total formal sector employment and 15.5% of private sector formal employment. The manufacturing sector accounts for approximately 8% of GDP, and it registered an 8% real growth in 1985.

In the commercial sector, about 3,400 businesses are registered, over which, 85% are owned by Botswana. Trade, hotels and restaurants account for approximately 22% of GDP and involve significant private sector and parastatal business activity.

Botswana offers a number of incentives to stimulate the private sector. The GOB has traditionally maintained a liberal attitude to investment and to the repatriation of profits. In addition, in 1982, the GOB introduced a series of investment incentives in its Financial Assistance Policy. Finally, to stimulate local participation, a number of economic activities have been reserved exclusively for citizens.

It is expected that BWAST II will provide a positive stimulus to private sector, particularly through its training efforts but also through technical assistance. In a 1984 analysis of private sector training needs, it was reported that nearly 40% of the employed workforce were in need of furthering training, particularly towards skill certification. In addition,

training in middle-level technical skills for private sector employment is essential to continued economic growth. Finally localization remains a major issue in any private sector discussion. Nineteen percent of professional and technical positions and 45% of administrative and managerial lines were held by expatriates.

X B. Summary of Economic Analysis*

The purpose of the EWAST II project is to increase the number of trained Batswana in positions which foster employment generation. The project is primarily a participant training project which will strengthen the capacity of Batswana in critical skill areas. The project will also provide selected OPEX personnel who will provide necessary expertise while Batswana are away acquiring the requisite skills.

The EWAST II project is seen to have a number of major economic effects, of which only three are measured here. First, the project will increase the supply of better educated, more skilled persons. The economic gain from the improved labor supply is increased productivity, which is assumed to be measured by increased earning potential. Since the project will train Batswana using four approaches (long-term undergraduate training, long-term graduate training, short-term international training, and short-term in-country training), the analysis traces the earnings benefits for each approach. Second, the returned Batswana will replace costly foreign expatriates, thereby resulting in a savings to Botswana. For this analysis, the non-salary costs of maintaining an expatriate in Botswana is considered. Whether a trained Mctswana actually replaces an expatriate or fills a vacancy for which an expatriate would be recruited is immaterial. Third, the training of Batswana and the provision of OPEXers will assist the country in meeting its economic growth and employment generation targets. Without the technical assistance and personnel trained under EWAST II it is unlikely that those targets will be met. The analysis estimates the impact of the project on the country's ability to meet its employment targets.

Two measures of the economic viability of the investment were examined. The first is the benefit-cost ratio, while the second is the internal rate of return. The results of this assessment were:

- The benefits of the proposed project exceed the costs by about \$7.8 million;
- The benefit-cost ratio is 1.36; and
- The internal rate of return for the project is 14.9%. On the basis of these measures, the project was judged to be a sound economic investment.

To test the sensitivity of this conclusion, a series of pessimistic assumptions were posited and calculated. The results of sensitivity tests under the worst-case scenario showed that:

- The benefits of the proposed project exceed the costs by about \$.8 million;
- The benefit-cost ratio is 1.04; and
- The internal rate of return is 10.6 percent. (See Table I.)

*A detailed analysis is found in Annex XIII.E.3.

No sensitivity analysis of costs were calculated because the cost estimates are based on past experience under EWAST I and can be determined with relative precision and because lower unit costs for long-term training through shorter average time for training would result in additional units of output and increased economic benefits. The recurrent costs of the proposed project were found to be insignificant.

On the basis of these tests and mindful that there are a host of economic and social benefits accruing to the economy that are not quantified in this analysis, the proposed project was found to be a sound economic investment.

TABLE I
SUMMARY BENEFIT-COST ANALYSIS; EWAST II

<u>Description of Scenario</u>	<u>Benefit Cost Analysis</u>	<u>Internal Rate of Return</u>
<u>I. Base Case/Key Assumptions</u>		
A. <u>Long-Term Training</u> All public sector employees trained under project become employed in the private sector after three year period		
B. <u>Short-Term Training</u> Benefit of training equal to 10% of wages	1.36	14.9
C. <u>Non-Citizen Employment</u> Non-salary support costs equal \$30,000 per year		
D. <u>Employment Creation</u> OPEX and long-term training support will contribute to achieving employment targets at a rate proportional to their ability to fill vacant management positions		
<u>II. Worst Case/Key Assumptions</u>		
A. <u>Long-Term Training</u> Only half public sector employees trained under project become employed in the private sector after three year bonding period	1.04	10.6
B. <u>Short-Term Training</u> Benefit of training equal to 5% of wages		
C. <u>Non-Citizen Employment</u> Non-salary support costs equal \$25,000 per year		
D. <u>Employment Creation</u> OPEX and long-term training support will contribute to achieving employment targets at a rate of 45% lower than the base case scenario.		

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X. C. Summary of Social Soundness Analysis

1. Socio-Economic Environment

The Republic of Botswana has made great strides in economic growth since Independence in 1966. At that time, Botswana was considered one of the poorest nations in the world, with a \$60 per capita annual income. Today per capita income is approximately \$700.

The economy of Botswana is dominated by minerals and commercial beef production. These two sectors are largely responsible for the spectacular rate of economic growth. Access to the economic benefits that emerge from these sectors however, is not distributed equally among the population. Furthermore, job opportunities for the uneducated and the untrained are limited. The result is a highly stratified class structure in which large cattle owners and educated wage earners comprise the upper strata of society.

Botswana's population is divided into a number of ethnic groups, the largest of which are Tswana in origin. These groups are characterized by cultural, and to a lesser degree, economic differences. Nevertheless, ethnicity in Botswana is not politicized.

Botswana's social structure reflects an acute shortage of educated Batswana and a surplus of individuals with a primary education or less. The former are needed to meet the increasing demands of the country's expanding economy and to replace the non-Batswana workforce throughout the country. The latter require jobs. At present their numbers far exceed the requirements of the economy.

Botswana's population structure is also imbalanced in favor of women and the young. Women outnumber men in a ratio of 4:3 in the "working age group," (20 and 40 years). The adult population in the rural areas is predominantly female and a high proportion of Botswana disadvantaged households are female headed. Finally, Botswana's women are frequently self-employed, exhibiting a wide range of entrepreneurial skills.

2. Beneficiaries

The beneficiaries of this project will include 176 Batswana who will receive long-term international training, 64 Batswana who will receive short-term international training and 1,000 Batswana who will receive in-country training. Forty-five percent of long-term, 38% short-term and 30% of in-country training will be provided to the private sector.

Under Phase I of BWAST, 34% of the 70 long-term participants trained to date were female. During the implementation of BWAST II, close monitoring will ensure that females continue to be well represented as direct beneficiaries of the educational opportunities offered by the project.

Approximately 36 OPEXers will be provided to target Ministries and 15 short-term consultants will be divided among the public and private sectors. The achievement of the project purpose, that is, to increase the

*A detailed analysis is found in Annex XIII.E.4.

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number of trained Batswana in positions which foster employment generation, could theoretically result in a beneficiary population which extends beyond those directly trained and the organizations which receive technical assistance. Immeasurable number of unemployed or underemployed Batswana could reap secondary benefits from the project's contribution to the complex and multi-faceted equation of job creation.

3. Social Feasibility

The project objectives are socially feasible as evidenced by NDP6 concerns with manpower imbalances in the country, the GOB's objectives in employment generation and the positive response to Phase I of EWAST.

Under Phase I, social disruption proved to be minimal. The majority of Batswana participants adapted to the U.S. and to university life.

The use of CPEXers is organizationally feasible and provides an excellent mechanism to allow the government bureaucracy to function efficiently while key personnel are in training. There are however certain social obstacles that could diminish the positive aspects of technical assistance. In the past Batswana supervisors of CPEXers have proved reluctant to provide objective performance appraisals. This has made it difficult to ensure quality control in technical assistance. Batswana hesitancy in this area is a cultural characteristic that is unlikely to change during the life of the project. While problematic, it presently is offset by the high quality of technicians generally provided by the implementing contractor. It is therefore, not expected to interfere with the attainment of project objectives.

4. Social Impact

Both the project itself and its spread to the wider population will affect different groups in different ways. Those individuals trained should receive fairly immediate benefits. It is also expected that the project will have a favorable impact on women. The project's impact on the large and growing numbers of unemployed will be indirect and removed in time. Job creation is not an objective of EWAST II. At the same time, it should be acknowledged that EWAST II is addressing the important issue of manpower training, one of the many variables to be factored into the job creation equation.

5. Conclusion

This assessment of the distribution of benefits and burdens of the project indicate that the social consequences will be strongly positive. While ultimate success necessarily depends on the quality of project implementation, analysis of the project in terms of the social factors involved, indicates that the project is soundly designed to meet its stated objectives.

X. D. Summary of Institutional Analysis

EWAST II will support the in-country training of approximately 1,000 students. A number of institutions are discussed (see Annex XIII.E.5.) to provide the reader with background on the in-country educational facilities. Inclusion in this discussion does not necessarily mean that an institution will be eligible for assistance under the project.

The University of Botswana is primarily responsible for higher education in the country. It is composed of the Faculties of Education, Humanities, Science and Economic and Social Sciences. Academic programs are offered at the certificate, diploma and degree levels. The National Health Institute and the Botswana Agricultural College are affiliates of the University.

The Institute of Development Management's objectives are to meet the training needs of mid-career and senior managers and administrators in Botswana, Lesotho and Swaziland. In addition to its training activities, faculty at the Institute undertake management consultancies and related research activities to assist management improve the performance of their organizations.

The Botswana Institute of Administration and Commerce offers courses in commercial and secretarial subjects. Courses lead to secretarial certificates, diplomas, higher diplomas in accountancy and business studies and non-degree refresher and up-grading courses for office work.

The Brigades are vocational training and production units, community based and controlled by a local board of trustees. They were originally designed as an attempt to overcome the shortcomings of the formal school system. Training is offered in technical areas, construction, carpentry and mechanics and in traditional academic subjects, mathematics, English, and science.

Botswana Polytechnic, offers courses at the craft and technical levels and has three departments, civil engineering, mechanical engineering and electrical engineering. The Botswana Polytechnic also has a teacher training unit. Certification is by modified City and Guilds of London examinations.

The major activity of the Rural Industries Innovation Centre is the development of technologies appropriate to Botswana. In concert with this, the Centre offers training courses for rural Batswana in areas such as baking, blacksmithing, tanning and carpentry.

XI. EVALUATION ARRANGEMENTS

There are three major types of evaluations that are planned for BWAST II: special evaluation(s), semi-annual internal reviews and external evaluations. They are described below in terms of their critical issues to address, general types of data required and method of collection, and the manner in which the evaluations will be implemented. Detailed scopes of work will be developed prior to the actual evaluations. Special evaluations are presently scheduled to be conducted during May each year from 1986 to 1990. The Mid-term Evaluation is planned for November, 1988 and the final evaluation for November, 1990.

A. Special Evaluation(s)

In 1986, baseline data will be collected so comparisons can be made over time to assess progress toward achievement of project objectives and to assess the impact of training and technical assistance. This evaluation(s) will not be limited to BWAST I and II, but will include the predecessor project, Southern Africa Manpower Development Project (SAMDP).

The special evaluation(s) will allow for follow-up surveys, particularly on the participant training component. A longitudinal analysis will be able to track the accomplishments of returned participants through time and will allow for a more accurate assessment by the returnees and supervisors of the relevance of training, improved job performance, ways in which skills have been utilized, and the levels of authority associated with returnees' positions.

In order to track the evaluation process systematically, models for manpower development and for the use of technical assistance are illustrated in Figures A and B, respectively. Botswana's development of her labor force, accompanied by a temporary reliance on CPEXers, is analyzed in five related components: (1) Policy, (2) Organizational Requirements; (3) Training Plans and Technical Assistance Projections, (4) the actual Training and Provision of CPEXers, and (5) Evaluation.

1. Policy

The GOB has accorded the highest priority in both NDP5 (for SAMDP references) and NDP6 to productive employment creation and rural development. One component of the evaluation (5.1) will determine the impact of training and technical assistance on the NDP policy and the EWAST I and II project goals of employment generation.

To operationalize this component of the evaluation, data will be collected from the specific agencies which develop and administer policies related to employment creation and to training and technical assistance. Overall employment policy is created by the National Employment Manpower and Incomes Council (NEMIC), a consultative body composed of representatives from government, the business community and employees. In the public sector, additional, appropriate sources include the Ministries of Finance and Development Planning, Commerce and Industry and the Directorate of Personnel; in the private sector, the Department of Labour and the Botswana Employers' Federation.

2. Organizational Requirements

An organizational impact component of the evaluation (5.2) will specifically assess the manner in which training and technical assistance have proved to be agents of change in a particular ministry, department or business.

The relationship between requirements and priorities for training and technical assistance and evolving organizational needs will form a basis for this component of the evaluation. The evaluation will further assess the manner in which requirements and priorities are established. Ideally, data collection should refer to policy determinations which include national and ministerial plans and to manpower projections. The management of training component of EWAST II (See Annex XIII.E.1.a.) will be an important source from which to obtain that data.

3. Training Plans and Technical Assistance Projections

The evaluation will examine the documents produced by the public and private sectors which indicate projected needs in training and the technical assistance (5.3). A determination will be made if these are

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objectively weighted, given the organizational requirements and individual needs assessment.

A training program evaluation (5.3a) will include an assessment of in-country training programs. Ideally, training programs should be designed to respond to a given demand. The evaluation will determine if the training program responds to the organizational training requirements and the related training plans.

The data collection effort in this component of the evaluation could be extensive, but will be narrowed when the actual scope of work for the evaluation is developed. Several types of training programs, for both public and private sectors are listed below and may warrant investigation.

- a. Ministerial or company designs for on-the-job training and other inservice activities.
- b. Professional associations and trade unions which offer conferences and workshops for skills upgrading.
- c. Training institutions designs for preservice and inservice programs that lead to degrees, diplomas, certificates and other credentials.

4. Training and OPEXer Provision

The evaluation will determine the effectiveness of the monitoring and support (5.4) provided to both the trainees and OPEXers. In the case of participants, the evaluation will focus on the monitoring and support provided by the implementing contractor and by the sending organization. This will also include the important factor of reintegration into the work unit, once the training is completed. Monitoring and support for OPEXers will similarly assess implementing contractor performance and that of the recipient organization. The extent to which the OPEXer is integrated into a unit is an important variable in terms of his/her effectiveness.

The types of data to be analyzed for support provided to the participants include the following:

- a. "Time Sheets" of U.S. based implementing contractor's staff which tracks time spent monitoring students;
- b. Random selection of implementing contractor's files on participants which records information on student/contractor contact, i.e., phone calls, copies of letters, etc;
- c. Orientation packages, i.e., information given to students prior to departure for campus; and
- d. Actual observation of orientation process, i.e., lectures, videos, hand-outs.

Data Collection to assess the quality of OPEXer support could include a review of the following:

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- a. "Time Sheets" of the U.S. based implementing contractor's staff which records time spent in the recruitment process;
- b. Materials sent to the selected OPEXer prior to departure for Botswana;
- c. Actual observation of state-side orientation process;
- d. "Settling-in" list to ease OPEXer arrival in Botswana, i.e., assistance with immigration, driver's licence, arrangements of professional meetings, etc., and
- e. Reimbursement procedures.

5. Individual Performance

This component of the evaluation will discuss the general issue of participant return rates and participants' academic performance. Data collection for academic performance could include analysis of computer records (entrance data, continuous assessment and termination data) and Academic Enrollment and Term Reports (grades achieved during current semester and courses planned for the following semester). Individual performance will also cover the sending organization's evaluation of the trainees. One mechanism to determine this is the reintegration process (the importance of positions currently held by former trainees, the authority associated with these positions) and through performance appraisals (5.5).

The OPEXer component will initially determine the average number of years these technicians are requested to remain in a given position. The evaluation will discuss the utilizing organization's evaluation assessment of the OPEXer through the manner in which the technician is integrated into a given unit and through performance appraisals (5.5).

B. Semi-annual Project Reviews

Progress under the project will be reviewed semi-annually by USAID in cooperation with the implementing contractor, the Directorate of Personnel, the Ministry of Finance and Development Planning, the Department of Labour and the Botswana Employers' Federation. These internal reviews will be coordinated by the Project Manager with the intent to ensure that implementation of the project is proceeding according to plan. The project reviews will examine both project progress towards the achievement of outputs and the performance of the implementing contractor, ministries and private sector in meeting project commitments and requirements. Appropriate actions to resolve any identified problems will be agreed upon at the review.

C. External Evaluations

A mid-term, independent evaluation will examine the project's design and implementation as they relate to the goal, purpose and outputs. This evaluation will also examine the on-going effectiveness and relevance of training, technical assistance, the management of training and the planning studies component of the project.

Drawing from the data base provided in the special evaluation(s), the mid-term evaluation will also examine sector utilization. From a broad

perspective, the effectiveness of the public vs. private sector in utilizing project resources to generate employment will be analyzed. Individual sub-sectors will then be evaluated in terms of their contribution to the project objectives. The results will be factored into the future levels of training and OPEXer assistance provided to the different sectors and sub-sectors. This will allow for maximum flexibility and insure that the objectives of the project are met.

A final evaluation of the project will address issues similar to those covered during the interim examination. The evaluation will establish quantitative and qualitative progress of the project in meeting its original objectives. It will evaluate the ramification of exogenous and unplanned events on project implementation. The evaluation will also discuss policy issues, institutional development, impact on the target population and project management. Finally, this evaluation will determine the continued relevance of the project, particularly in light of its responsiveness to the original development needs, and will determine if any modifications in design are required.

D. Data Collection

It is expected that the data collected for the various evaluation components will be detailed, comprehensive and comparative. Furthermore, it will be both synchronic and diachronic. Quantitative data is essential to the understanding and analysis of certain dimensions of training and technical assistance. Therefore, a survey methodology, analysis of existing records, etc., will be used to approach these issues. However, in order to allow participants and OPEXers the opportunity to articulate their own views and needs, the quantitative analyses will be supplemented by in-depth qualitative interviews. The most reasonable approach to this is through the use of open-ended questionnaires. This could be complemented, if possible, by actual observation of "on-the-job" activities.

Sampling techniques will emphasize simple random sampling. This will ensure that each individual will have an equal chance of being selected and that all combinations will be equally probable. However, if it is determined that the number of cases required in order to achieve a given degree of accuracy is excessive, especially if in-depth qualitative interviews are to be conducted, stratified sampling may be used to improve the efficiency of the design.

E. Evaluation Implementation

There are six organizational units that will be represented on the special and external evaluations. These are the Directorate of Personnel and its Training and Recruitment Divisions (public sector), the Department of Labour and the Botswana Employers' Federation (private sector), the implementing contractor, external evaluators and USAID/Botswana.

It is anticipated that the external evaluators will be used for the special evaluation(s), and will be financed from the Planning Studies component of EWAST II or from a centrally funded contractual arrangement. USAID plans to utilize external evaluators from AID/Washington and/or REDSO/ESA for the mid-term and final evaluations.

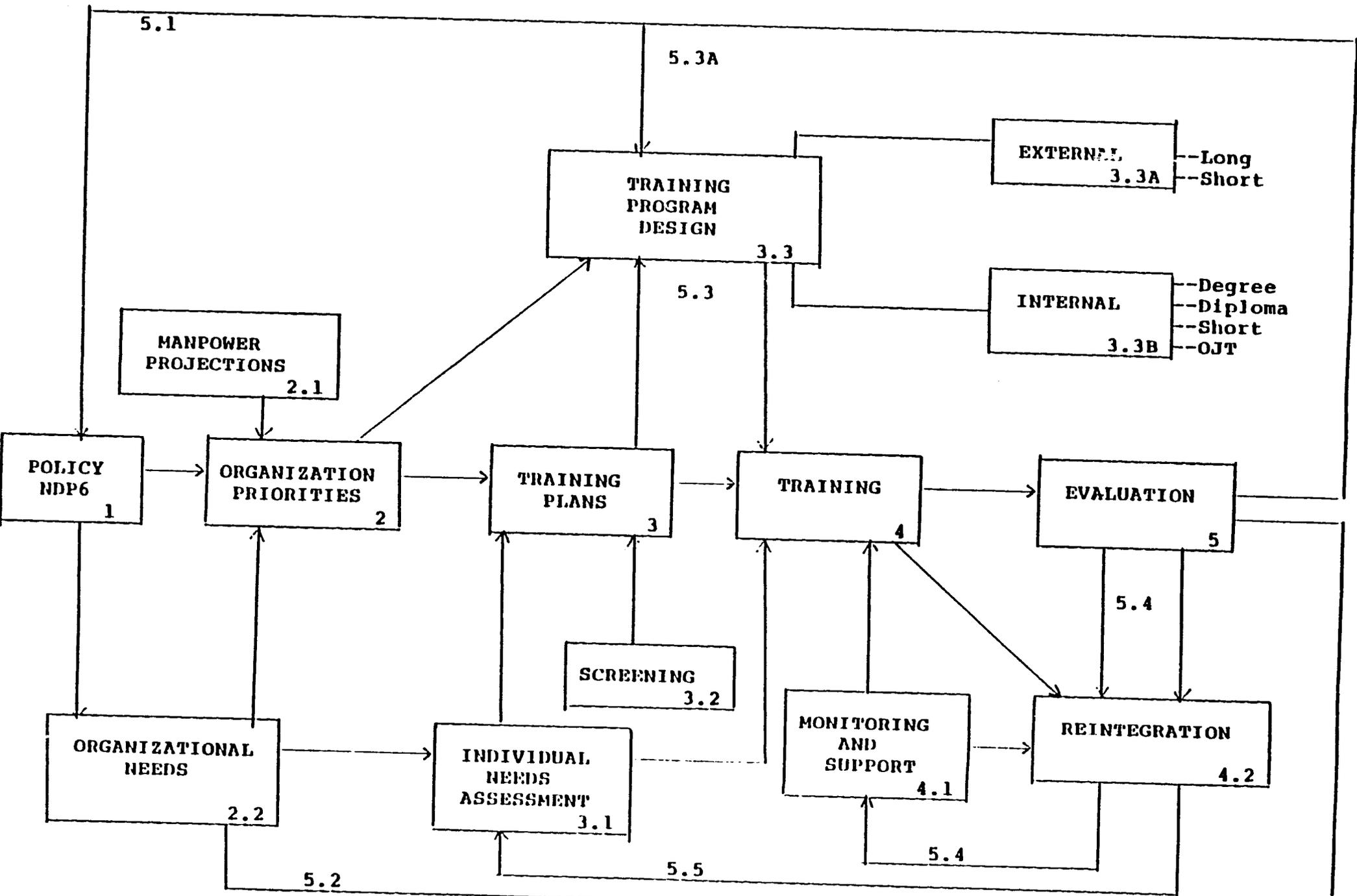


FIGURE A
TRAINING/MANPOWER DEVELOPMENT

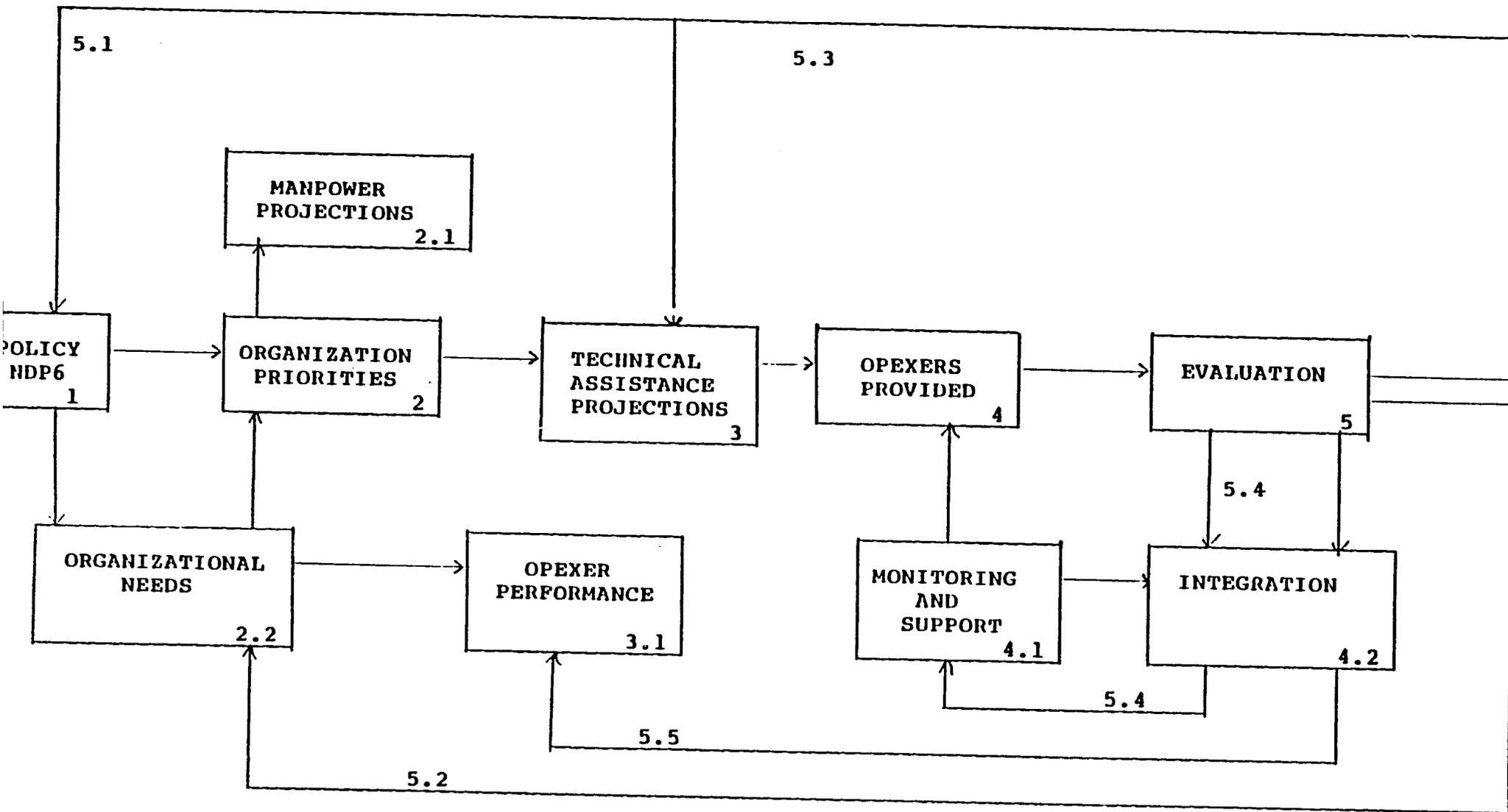


FIGURE B
TECHNICAL ASSISTANCE

XII. ENVIRONMENTAL STATEMENT AND CONDITION AND COVENANTS

A. Environmental Statement

As cited in the PID, AID's Environmental Procedures section on categorical exclusions (See 22 CFR Part 216.2(c)(2)) states that an Initial Environmental Examination (I.E.E.) is not required for "education, technical assistance, or training programs, except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.)."

Since BWAST II is a technical assistance and training project that contains no AID financed construction components or any other activities that would directly affect the environment, USAID/Botswana, pursuant to the authority cited in 22 CFR part 216.2(c)(3) and based on the above statement, determines that this project falls into a class of action that does not require an I.E.E. A categorical exclusion from the I.E.E. was signed by the Africa Bureau's Environmental Officer on October 25, 1985. See Annex F.

B. Condition and Covenants

1. Condition Precedent

The following Condition Precedent is proposed for the Project Grant Agreement:

Condition Precedent to First Disbursement

Prior to the first disbursement under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, the Cooperating Country will, furnish to AID, in form and substance satisfactory to AID, a statement of the person(s) representing the Cooperating Country for purposes of the Project, together with a specimen signature of each person specified in such statement.

2. Covenants

The following five covenants are proposed for the Project Grant Agreement:

a. Special Covenant - Project Evaluation

The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (1) evaluation of progress toward attainment of the objectives of the Project;
- (2) identification and evaluation of problem areas or constraints which may inhibit such attainment;

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- (3) assessment of how such information may be used to help overcome such problems; and
- (4) evaluation, to the degree feasible, of the overall development impact of the Project.

b. Additional Covenants

The Cooperating Country shall covenant that, except as AID may otherwise agree in writing:

- (1) It will make available qualified candidates for long-term academic training on a timely basis and will ensure by bonding or other means that such trainees are assigned upon their return to suitable positions within the Government of Botswana related to activities under the Project.
- (2) It will sign contracts with each OPEX technician provided under the Project. The contract will provide for pay, allowances, and benefits for such technicians on the same basis as the Cooperating Country provides for its officials of a similar grade.
- (3) It will assign a suitable counterpart for each long-term OPEX technician financed under the Project.
- (4) It will participate, along with the IC and AID, in an annual performance review (utilizing Government of Botswana staff performance appraisal reports) of all OPEX technicians recruited under the Project.

The additional covenants are stipulations drafted specifically for this project in order to ensure proper implementation and increase project impact. Regarding additional covenant (i) it is obviously key that individuals under EWAST II return, firstly to Botswana (Botswana have a good track record on returning) and, secondly, to positions which foster in some manner the creation of job opportunities.

Covenant (ii) simply deals with the nature of a financial contribution the Cooperating Country is required to make under the project.

The assignment of a suitable counterpart for each OPEX technician, addressed by covenant (iii), is included because project designers believe this is necessary to achieve maximum benefit from OPEXers in terms of training, transference of new ideas, techniques and approaches and institution building. Also, close teamwork with a Botswana counterpart will help focus OPEXer efforts on local issues.

A performance review of OPEXers requires the full involvement of the GOB since these technical experts will be holding line positions in the Government. Covenant (iv) seeks to ensure such GOB participation.

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ANNEX XIII.A.

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TAGS:

SUBJECT: BWAST II (633-3241)- CONCLUSIONS OF ECPR AND
PP GUIDANCE

1. SUMMARY: THE ECPR FOR THE SUBJECT PROJECT WAS HELD ON OCTOBER 25, 1985. THE MEETING WAS CHAIRED BY DAA/AFR/ESA SAJERS; USAID/BOTSWANA DIRECTOR GUEDET ATTENDED. THE COMMITTEE APPROVED THE PID AT THE LOP FUNDING LEVEL OF DOLS 27,000,000 SUBJECT TO THE PP DESIGN GUIDANCE PROVIDED IN THIS MESSAGE. WHILE ALL THE ISSUES AND CONCERNS DISCUSSED AT THE ECPR WERE NOT RESOLVED, THE COMMITTEE BELIEVES THAT THEY CAN BE ADEQUATELY ADDRESSED DURING THE FINAL DESIGN OF THE PROJECT. THE MAJOR POINTS COVERED DURING THE MEETING WERE:

-THE RELATIONSHIP BETWEEN THE TRAINING AND TECHNICAL ASSISTANCE PROPOSED BY THE PROJECT AND THE ULTIMATE OBJECTIVE OF EMPLOYMENT CREATION;

-THE DEVELOPMENT OF SOUND SELECTION CRITERIA TO DETERMINE WHO SHOULD RECEIVE ASSISTANCE UNDER THE PROJECT;

-A RATIONALE FOR THE TYPES, LOCATION AND DURATION OF TRAINING;

-CONFORMANCE WITH THE PROVISIONS OF THE GRAY AMENDMENT;

-BUILT-IN FLEXIBILITY TO IDENTIFY AND RESPOND TO CHANGING ECONOMIC CONDITIONS AND NEW INFORMATION ON THE DYNAMICS OF THE EMPLOYMENT SITUATION IN BOTSWANA AND THE REST OF THE REGION;

-MAXIMIZING PRIVATE SECTOR INVOLVEMENT IN THE PROJECT;

-RATIONALE FOR THE OPEX COMPONENT OF THE PROJECT;

-NEED FOR EVALUATION CRITERIA AND THE DESIGN OF AN EVALUATION PLAN;

END SUMMARY.

2. THE ECPR ENDORSED THE ECONOMIC GROWTH AND EMPLOYMENT GENERATION FOCUS OF THE PROJECT. HOWEVER, THE COMMITTEE CONCLUDED THAT THE PP NEEDS TO PRESENT A MORE CONVINCING ARGUMENT TO SUPPORT THE LINK BETWEEN THE PROJECT'S PRINCIPAL ACTIVITIES AND EMPLOYMENT GENERATION. A STRONG ANALYSIS IS NEEDED IN THE PP TO DEMONSTRATE THAT THE

PROJECT IS A NECESSARY AND EFFECTIVE MEANS TO ACHIEVE EMPLOYMENT GROWTH AND TO HELP ALLEVIATE THE EMPLOYMENT IMBALANCES REFERRED TO IN THE PID. THIS ANALYSIS IS CONSIDERED CRITICAL FOR AID/W APPROVAL OF PHASE II, ESPECIALLY SINCE THE PROPOSED LOP FUNDING LEVEL OF DOLS 27.3 MILLION IS ALMOST TWICE THAT OF PHASE I. THE ANALYSIS SHOULD ADHERE TO THE FOLLOWING FRAMEWORK:

--A DIAGNOSIS OF THE LABOR MARKET SITUATION CONSISTING OF: (A) A DESCRIPTION OF THE EMPLOYMENT PROBLEM PERCEIVED BY THE GOP AND USAID THAT CLEARLY INDICATES THE NATURE OF THE EMPLOYMENT PROBLEM AND ITS MAGNITUDE; (B) AN EXPLANATION OF THE CAUSES OF THE EMPLOYMENT PROBLEM FOCUSING ON FACTORS THAT AFFECT THE DEMAND AND SUPPLY OF LABOR;

--A PRESENTATION OF A LOGICAL APPROACH TO DEAL DIRECTLY WITH THE EMPLOYMENT PROBLEM IDENTIFIED ABOVE. THIS PART OF THE ANALYSIS SHOULD INCLUDE: (A) AN EXPLANATION OF WHAT ACTIONS ARE REQUIRED TO DEAL WITH THE CAUSES OF UNEMPLOYMENT; (B) AN ELABORATION OF THE SPECIFIC ROLES OF SKILLS TRAINING AND TECHNICAL ASSISTANCE IN ALLEVIATING THE EMPLOYMENT PROBLEM WITH SPECIAL ATTENTION TO THE SKILLS CONSTRAINTS THAT HINDER THE EXPANSION OF

EMPLOYMENT BY THE PRIVATE SECTOR; (C) A DISCUSSION OF HOW THE EMPLOYMENT SITUATION CAN BE EXPECTED TO CHANGE OVER TIME AS A RESULT OF THIS AND OTHER PROJECTS/PROGRAMS BEING IMPLEMENTED IN BOTSWANA.

NATURALLY, THE SPECIFIC INPUTS INCLUDED IN THE PROJECT DESIGN SHOULD FLOW FROM THIS ANALYSIS.

3. ALSO FLOWING FROM THE ABOVE ANALYSIS, THE PP SHOULD INCLUDE SELECTION CRITERIA FOR GOVERNMENT MINISTRIES AND AGENCIES AND PRIVATE FIRMS OR INDIVIDUALS TO RECEIVE ASSISTANCE UNDER THE PROJECT.

4. THE TECHNICAL ANALYSIS SECTION OF THE PP SHOULD PRESENT A RATIONALE FOR THE TYPES AND MIX OF TRAINING ACTIVITIES TO BE UNDERTAKEN, I.E. SHORT-TERM VS LONG-TERM, ACADEMIC VS WORK-STUDY. THE CHOICE OF TRAINING SITES SHOULD ALSO BE JUSTIFIED (IN-COUNTRY, THIRD-COUNTRY, U.S.). THIS JUSTIFICATION SHOULD DRAW NOT ONLY ON THE NEEDS IDENTIFIED AS A RESULT OF THE ANALYSIS OF THE EMPLOYMENT PROBLEM, BUT SHOULD ALSO CONSIDER SUCH FACTORS AS THE COST OF ALTERNATIVE TRAINING PROGRAMS AND THE POSSIBILITY THAT SOME TRAINING MAY BE MORE RELEVANT IF CONDUCTED IN A THIRD COUNTRY SETTING.

5. THE COMMITTEE NOTED THAT THE PROPOSED LEVEL OF PRIVATE SECTOR TRAINING IS SEVENTY-FIVE PERCENT HIGHER THAN IN PHASE I AND COMMENDS THE MISSION FOR THIS DESIGN FEATURE. THE PP DESIGN EFFORT SHOULD EXPLORE ADDITIONAL WAYS TO INVOLVE THE PRIVATE SECTOR FURTHER, E.G. ADDITIONAL TRAINING OPPORTUNITIES, USING U.S. PRIVATE FIRMS FOR WORK-STUDY PROGRAMS, INVOLVING LOCAL BUSINESSES AND/OR THE I.E.S.C. IN THE ONGOING GOP PROCESS OF IDENTIFYING EMPLOYMENT PROBLEMS AND OPPORTUNITIES. AS A NORMAL PART OF THE TECHNICAL ANALYSIS IN THE PP, THE MIX BETWEEN PRIVATE AND PUBLIC SECTOR TRAINING AND TA SHOULD BE JUSTIFIED.

6. IN ADDITION TO THE QUESTION OF WHERE TO PLACE OPERERS TO MAXIMIZE THE POTENTIAL SPREAD EFFECTS FOR INCREASED

ECONOMIC ACTIVITY AND EMPLOYMENT CREATION (RELATED TO PAPA 2), THE ECPR DISCUSSED THE COST EFFECTIVENESS OF USING U.S. TECHNICAL ASSISTANCE. U.S. TECHNICIANS ARE MORE EXPENSIVE THAN THOSE SUPPLIED BY SOME OTHER DONORS, PARTICULARLY THE U.K. DURING THE PP DESIGN, THE MISSION SHOULD EXPLORE THE POSSIBILITY OF ANOTHER DONOR PICKING UP SOME OF THE TA PROPOSED IN THE PID, THEREBY FREEING FUNDS FOR ADDITIONAL TRAINING.

7. THE INVOLVEMENT OF GRAY AMENDMENT ORGANIZATIONS WAS ALSO COVERED BY THE ECPR WHICH CONCLUDED THAT, ALTHOUGH THIS IS THE TYPE OF ACTIVITY FOR WHICH THERE ARE SEVERAL GRAY AMENDMENT ORGANIZATIONS WHICH HAVE SUBSTANTIAL EXPERIENCE, CONTRACTING FOR PROJECT IMPLEMENTATION SHOULD NOT BE SET ASIDE SOLELY FOR 8(A) FIRMS BUT SHOULD BE OPENLY COMPETED. THE ECPR ALSO CONCLUDED, HOWEVER, THAT THE CBD NOTICE AND RFP FOR THIS ACTIVITY SHOULD NOT ONLY ENCOURAGE PARTICIPATION BY GRAY AMENDMENT ORGANIZATIONS AS EITHER PRIME OR SUBCONTRACTORS (PER CIR 85-21), BUT SHOULD ALSO INDICATE THAT (PER FAR SUBPART 19.7) THE SUCCESSFUL OFFEROR WILL BE REQUIRED TO SUBMIT A PLAN FOR SUBCONTRACTING WITH SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS. TO ASSIST IN MEETING THE ECPR'S 25 PERCENT GOAL FOR SUBCONTRACTING WITH SUCH ORGANIZATIONS, THESE NOTICES SHOULD ALSO STATE THAT CONTRACTING OFFICERS WILL HAVE DISCRETION TO NEGOTIATE MONETARY INCENTIVES WITH THE CONTRACTOR, PURSUANT TO FAR 52.219-13.

8. THE COMMITTEE SUPPORTS THE MISSION'S PLAN TO CONDUCT AN ASSESSMENT OF THE EFFECTIVENESS OF TRAINING AND TECHNICAL ASSISTANCE IN FY 1987. ONE OF THE KEY QUESTIONS WILL BE THE IMPACT OF TRAINING AND TA ON THE EMPLOYMENT GENERATION OBJECTIVE. THIS WILL BE A DIFFICULT TASK, AT BEST, AND AFR WILL BE GLAD TO ASSIST IN THE DESIGN OF THE EVALUATION SCOPE OF WORK FOR THE PP. YOU SHOULD INCLUDE A DESCRIPTION OF THE CRITICAL ISSUES TO BE EVALUATED, THE TYPES OF DATA THAT WILL BE REQUIRED, AND A PLAN FOR COLLECTING THE DATA. THE ASSESSMENT SHOULD BE BROADER THAN BWAST, EVEN THOUGH PREDECESSOR MANPOWER DEVELOPMENT PROJECTS DID NOT HAVE A DIRECT EMPLOYMENT GENERATION FOCUS. IN ADDITION TO QUESTIONS ON EMPLOYMENT IMPACT, THE ASSESSMENT SHOULD EXAMINE: THE RELEVANCE OF PAST TRAINING, PARTICIPANT RETURN RATES, THE IMPORTANCE OF POSITIONS CURRENTLY HELD BY FORMER TRAINEES, THE AUTHORITY ASSOCIATED WITH THESE POSITIONS, AND AN INDICATION OF IMPROVED JOB PERFORMANCE LEVELS. THESE ARE BUT A FEW OF THE CONCERNS WHICH SHOULD BE COVERED IN ANY EVALUATION OF PARTICIPANT TRAINING; AFR/TR/EHR WILL PROVIDE ADDITIONAL GUIDANCE, IF REQUIRED BY USAID.

9. SOME CONCERN WAS EXPRESSED ABOUT THE PLACEMENT OF PARTICIPANTS AND THE RELEVANCE OF ACADEMIC PROGRAMS SELECTED FOR SOME STUDENTS UNDER BWAST I. THE PP SHOULD DESCRIBE THE PROCEDURES THAT WILL BE USED TO MONITOR THE PERFORMANCE OF THE CONTRACTOR RESPONSIBLE FOR IMPLEMENTING THE TRAINING COMPONENT OF THE PROJECT.

AFR/TR/EHR IS WILLING TO PROVIDE ASSISTANCE IN DEVELOPING A MONITORING PLAN TO INCLUDE IN THE PP AND HAS OFFERED THEIR SERVICES TO MONITOR THE CONTRACT FROM THE WASHINGTON SIDE.

10. THE COST-BENEFIT METHOD USED TO EVALUATE THE ECONOMIC SOUNDNESS OF THE PROJECT SHOULD BE BASED ON THE DESIGN TEAM'S BEST ESTIMATE OF THE BENEFIT SOCIETY ATTACHES TO EDUCATION. USUALLY, THIS TYPE OF ANALYSIS EXAMINES THE SITUATION WITH AND WITHOUT EDUCATION/TRAINING AND WAGE DIFFERENTIALS ARE TAKEN AS INDICATORS OF GROSS BENEFITS.

11. MISSION SHOULD CHECK WITH PLA BISSON TO INSURE THAT LEGISLATIVE ACTION, IF NECESSARY, HAS BEEN TAKEN BY THE GOB TO PERMIT THE CONTINUATION OF EMPLOYMENT OF NON-CITIZENS IN HIGH LEVEL GOB POLICY POSTS. PRESUMABLY, SINCE THESE TYPES OF ARRANGEMENTS HAVE BEEN ONGOING FOR A DECADE, THERE ARE NO LEGAL IMPEDIMENTS. NEVERTHELESS, A QUICK DOUBLECHECK TO INSURE THAT THE GOB NEED NOT TAKE FORMAL STEPS TO REVIEW ITS AUTHORITY TO HIRE NON-CITIZENS WOULD BE APPROPRIATE TO SATISFY REQUIREMENTS OF FAA SECTION 611 (A)(2).

12. FINALLY, THE ECPR SUGGESTS THAT THE PROJECT DESIGN ALLOW FOR MAXIMUM FLEXIBILITY IN IDENTIFYING AND RESPONDING TO TRAINING AND TA NEEDS WHICH MAY AFFECT ECONOMIC ACTIVITY AND EMPLOYMENT CREATION IN BOTSWANA. ONE APPROACH MIGHT BE TO INCLUDE FUNDS FOR STUDIES TO CONTINUALLY RE-EVALUATE THE EMPLOYMENT PROBLEM AND PROPOSE NEW AND INNOVATIVE WAYS TO GENERATE EMPLOYMENT. OF SPECIAL INTEREST ARE THE EVOLVING TRAINING NEEDS IN THE PRIVATE SECTOR WHICH IMPACT ON EMPLOYMENT GENERATION. THE PROGRAMMING OF FUNDS EACH YEAR SHOULD BE BASED ON THE FINDINGS OF THESE STUDIES, THEREBY GIVING THE GOB AND THE MISSION AN OPPORTUNITY TO ADJUST THE PROJECT TO CHANGING ECONOMIC CONDITIONS AND TO RESPOND TO NEW INFORMATION ON THE NATURE AND CAUSES OF UNEMPLOYMENT. THE PP DESIGN TEAM SHOULD EXPLORE THE MERITS OF THIS SUGGESTION AS WELL AS OTHER APPROACHES WHICH WILL ALLOW FOR A FLEXIBLE IMPLEMENTATION PROCESS. THE PROCESS SELECTED SHOULD BE PRESENTED IN THE PROJECT DESCRIPTION AND COVENANTS OR CONDITIONS PRECEDENT SHOULD BE CONSIDERED AS CONTROL MEASURES, IF APPROPRIATE.

13. IN SUMMARY, THE AFRICA BUREAU APPROVES THE PID AND AUTHORIZES THE MISSION TO PROCEED WITH THE DEVELOPMENT OF A PP WITH LOP FUNDING NOT TO EXCEED DOLS 27,000,000. THE EMPLOYMENT GENERATION FOCUS AND THE PROJECT APPROACH ARE

ENDORSED SUBJECT TO THE REQUIREMENTS FOR A MORE ANALYTICALLY BASED RATIONALE AS DESCRIBED IN THE ABOVE GUIDANCE. THE PP WILL BE REVIEWED AND THE PROJECT AUTHORIZED IN AID/W.

14. JUAN BUTTARI, PPC/PDPR AND GENE MORRIS, AFR/PD/SAP, HAVE DISCUSSED THIS GUIDANCE WITH FRANK METHOD WHO WILL BE ON THE PP DESIGN TEAM. BUTTARI HAS PROVIDED AN ELABORATION OF THE ANALYSIS CALLED FOR IN PARA 2 AND METHOD HAS AGREED THAT THE SUBSTANCE OF THE ANALYSIS CAN BE SUFFICIENTLY COVERED DURING A 3-4 WEEK TDY BEGINNING 0/4 JANUARY 3, 1986. THE AFRICA BUREAU IS COMMITTED TO AN EXPEDITIOUS REVIEW OF THE PP IN FEBRUARY AND WE BELIEVE THAT THE PROJECT APPROVAL SCHEDULE PRESENTED IN THE PID CAN STILL BE MET. SHULTZ

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ANNEX XIII. B.
PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 86 To FY 94
Total U.S. Funding: \$27,000,000
Date Prepared 12/31/85

PROJECT TITLE AND NUMBER: Botswana Workforce & Skills Training, PHASE II (BWAST II): 633-0241

<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<u>Program or Sector Goal</u>	<u>Measures of Goal Achievements</u>		<u>Assumptions for Achieving Goal Targets</u>
To assist the GOB's efforts in job formation.	Rate of non-Government job creation equals or exceeds NDP6 (1985-1991) projections of 5.6%.	<ol style="list-style-type: none"> 1. GOB employment statistics and income surveys covering sectors and subsectors targeted by project. 2. Examination of revenues allocated and expended by the Domestic Development Fund. 	<ol style="list-style-type: none"> 1. That employment generation continues to be a government priority and that this policy is translated into concrete programs. 2. That the GOB continues to use revenues from the domestic mining industry and other resources sufficient to stimulate employment generation. 3. That the economic and political climate in Botswana remains attractive to private investment. 4. That the lack of water resources does not worsen.

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project
From FY 86 To FY 93
Total U.S. Funding: \$27,000,000
Date Prepared 12/31/85 Page 2

PROJECT TITLE AND NUMBER: Botswana Workforce & Skills Training, PHASE II (BWAST II): 633-0241

<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<u>Project Purpose</u>	<u>End of Project Status</u>		<u>Assumptions for Achieving Purpose</u>
Increase the number of trained Batswana in positions which foster employment generation	<p>1. Increase of 1100 in number of trained Batswana in GOB and private sector in positions of responsibility with substantive inputs into the planning, design and implementation of employment generating activities.</p> <p>2. Maintenance of high-level operational efficiency of GOB offices with OPEX staff while Batswana are in training.</p> <p>3. Vacancy rate in Government not more than 5% of established posts in target ministries.</p>	<p>1. Directorate of Personnel's annual reports on training accomplishments and reports on the status of localization; WIT training reports; data collected for longitudinal analysis of participant training.</p> <p>2. USAID project reports; GOB and implementing contractor evaluation of OPEXers.</p>	<p>1. That GOB applies the selection criteria and places returned participants in positions for which they were trained.</p> <p>2. That AID through an implementing contractor will be able to provide OPEX technicians with the technical skills and cultural sensitivity required to carry out operational responsibilities under the direction of the GOB.</p>

PROJECT DESIGN SUMMARY

LOGICAL FRAMEWORK

PROJECT TITLE AND NUMBER: Botswana Workforce & Skills Training, PHASE II (HWAST II): 633-0241

Life of Project:
 From FY 86 To FY 93
 Total U.S. Funding: \$27,000,000
 Date Prepared 12/31/85
 Page 3

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<u>Project Outputs</u>	<u>Magnitude of Outputs</u>		<u>Assumptions for Providing Outputs</u>
1. Botswana trained through in-country training programs	1. 1,000 Botswana receive a cumulative total of 2000 person-months of in-country training in administration/management and technical fields by FY 90.	1. Training records and GOB invoices for in-country training.	1. That local training institutions remain operational.
2. Botswana trained in the U.S. or third countries to replace U.S. funded OPEX personnel	2. 176 Botswana receive a cumulative total of 528 person-years of long-term international training in administration, management, and technical fields by FY 93.	2. Training records for target ministries and DLF; USAID PIO/Ps.	2. That qualified applicants are available for training.
	64 Botswana receive a cumulative total of 192 person-months of U.S. and third country short-term training in administration, management, and technical fields by FY 90.		
	3. Imbalance between supply and demand for educated and skilled Botswana will be reduced by 7%.	3. Statistics from Manpower Planning Unit (MMP).	
	4. Selected critical posts in public and private sectors will be localized by 4%.	4. DOP, Central Statistics Office, and Department of Labour records.	4. That localization remains GOB priority.

PROJECT DESIGN SUMMARY

LOGICAL FRAMEWORK

PROJECT TITLE AND NUMBER: Botswana Workforce & Skills Training, PHASE II (DWAST II): 633-0241

Life of Project:
 From FY 86 To FY 93
 Total U.S. Funding: \$27,000,000
 Date Prepared 12/31/85

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<u>Project Outputs (Continued)</u>	<u>Magnitude of Outputs (Continued)</u>		<u>Assumptions for Providing Outputs (Continued)</u>
5. A sustained or improved level of organizational efficiency in government departments in which OPEX technicians serve.	5. Estimated seven ministries and the private sector assisted by 72 person-years of long-term TA and 45 person-months of short-term TA by FY 90.	5. Requests from Directorate of Personnel, ministries and BEP (private sector); USAID PIO/Ts; implementing contractor Delivery Orders; USAID project reports; implementing contractor evaluation of OPEXers.	5. That implementing contractor can nominate qualified technicians who are then approved by the GOB.
6. A management of training system that will strengthen Botswana's ability to manage their own manpower development.	6. Institutionalization of a management of training system in seven ministries and among selected private sector firms.	6. Examination of Training Plans as a reflection of organizational priorities, manpower projections, individual needs assessments and training program designs.	6. That ministries and firms in the private sector produce training plans. That ministries and firms recognize the need for, and value of, long-term personnel planning and management.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 86 To FY 93
Total U.S. Funding: \$27,000,000
Date Prepared 12/31/85
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PROJECT TITLE AND NUMBER: Botswana Workforce & Skills Training, PHASE II (BWAST II): 633-0241

<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<u>Project Inputs:</u>	<u>Implementation Target (Type and Quantity)</u>		<u>Assumptions for providing inputs:</u>
Long-term technical assistance	\$1.35 million/year of long-term technical assistance, FY 86-FY 89	AID financial records/GOB records	Funding is available.
Short-term technical assistance, including for the project evaluation	\$90,000/year of short-term technical assistance, FY 86-FY 90		
Long-term administrative and technical training	\$2.85 million/year of long-term training, FY 87-FY 90		
Short-term administrative and technical training in US and third countries	\$192,000/year of short term overseas training, FY 87-FY 90		
Short-term administrative and technical training in-country	\$350,000/year of short-term in-country training, FY 87-FY 90		
Contractual assistance for the management of training	\$100,000/year of contractual assistance for management of training, FY86-FY90		
Planning Studies	\$50,000/year for planning studies, FY 86 to FY 89		

5C(1) - COUNTRY CHECKLIST

Botswana - FY 1986

Listed below are statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481(h)(1); FY 1986 Continuing Resolution Sec. 527. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?

No such determination or certification has been made.

2. FAA Sec. 481(h)(4). Has the President determined that the recipient country has not taken adequate steps to prevent (a) the processing, in whole or in part, in such country of narcotic and psychotropic drugs or other controlled substances, (b) the transportation through such country of narcotic and psychotropic drugs or other controlled substances, and (c) the use of such country as a refuge for illegal drug traffickers?

(a) No
(b) No
(c) No

3. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? (a) No (b) No
4. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No
5. FAA Sec. 620(a), 620(f), 620D; FY 1986 Continuing Resolution Sec. 512. Is recipient country a Communist country? No
If so, has the President determined that assistance to the country is important to the national interests of the United States? Will assistance be provided to Angola, Cambodia, Cuba, Iraq, Syria, Vietnam, Libya, or South Yemen? No
Will assistance be provided to Afghanistan without a certification? No
6. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property? No

7. FAA Sec. 620(l). Has the country failed to enter into an agreement with OPIC?
8. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters?

(b) If so, has any deduction required by the Fishermen's Protective Act been made?
9. FAA Sec. 620(q); FY 1986 Continuing Resolution Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds?
10. FAA SEC. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment?
(Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

Yes. This was taken into consideration by the Administrator in approving the OYB.

No

(a) No

(b) No

Yes, taken into account by the Administrator at time of approval of Agency OYB.

11. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?
- No
12. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.)
- As of September 30, 1985 Botswana was slightly in arrears of its UN contribution but was not delinquent for purposes of Article 19 of the UN Charter. This was taken into consideration at the time of OYB approval.
13. FAA Sec. 620A. Has the government of the recipient country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism?
- No
14. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures?
- No

15. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No
16. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No
17. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported illegally (or attempted to export illegally) from the United States any material, equipment, or technology which would contribute significantly to the ability of such country to manufacture a nuclear explosive device? No

18. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)

Botswana was present at this meeting and has failed to disassociate itself from the communique. This was taken into consideration at the time of OYB approval.

19 FY 1986 Continuing Resolution Sec. 541.

Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

No

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No

20. FY 1986 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined as supporting or participating in the management of a program of coercive abortion on involuntary sterilization? No

If assistance is from the population functional account, are any of the funds to be made available to family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services? NA

21. FY 1986 Continuing Resolution Sec. 529. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States? No

22. FY 1986 Continuing Resolution Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? No

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria Not a DA country

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

2. Economic Support Fund
Country Criteria

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

No

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only:
B.1. applies to all projects funded with Development Assistance loans, and
B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes
yes

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

The CN was submitted on March 14 and the waiting period expired on March 29 without objection.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes

(b) Yes

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No further legislative action is required.

4. FAA Sec. 611(b); FY 1986 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.) NA
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? Capital activities under the project will be funded only with GOB funds.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No
NA
7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to:
(a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. The project will improve the GOB's middle and senior level personnel responsible for creating new jobs, as well as private sector personnel also involved with employment generation. It will improve the capability of Botswana citizens to participate effectively in the development of both private and public sectors.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

The project will fund U.S. technical assistance and training.
9. FAA Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The GOB will contribute at least 25% of total project costs.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

Botswana is not an excess foreign currency country
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes
12. FY 1986 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

NA

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests? Yes. See PP section XI.
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? NA
15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? No
16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)? NA - This is ESF project, Gray amendment entities will be actively sought for subcontracting opportunities.

B. FUNDING CRITERIA FOR PROJECT

3. Economic Support Fund Project Criteria

- | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| a. | <u>FAA Sec. 531(a)</u> . Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA? | Yes |
| | | Yes |
| b. | <u>FAA Sec. 531(c)</u> . Will assistance under this chapter be used for military, or paramilitary activities? | No |
| c. | <u>ISDCA of 1985 Sec. 207</u> . Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified | No |

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that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?

- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

NA

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?? Yes
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Botswana does not discriminate
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) NA

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries? No
6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? Shipping will comply with said requirement
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes
No Pasas/RSSAs are contemplated.

8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes
9. FY 1986 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? All direct AID contracts will so provide.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? All construction activities will be financed by the
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? GOB-financed construction will be competed among local firms.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? NA

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? NA

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? NA

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes

4. Will arrangements preclude use of financing:
 - a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo Yes

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sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

- b. FAA Sec. 488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated? Yes
- c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes
- d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes
- e. FAA Sec. 662. For CIA activities? Yes
- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes

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- g. FY 1986 Continuing Resolution, Sec. 503.
To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes
- h. FY 1986 Continuing Resolution, Sec. 505.
To pay U.N. assessments, arrearages or dues? Yes
- i. FY 1986 Continuing Resolution, Sec. 506.
To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? --
Yes
- j. FY 1986 Continuing Resolution, Sec. 510.
To finance the export of nuclear equipment, fuel, or technology? Yes
- k. FY 1986 Continuing Resolution, Sec. 511.
For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
- l. FY 1986 Continuing Resolution, Sec. 516.
To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes

Clearances:

AFR/SA:LPompa

AF/S:BHughes

LP

Date:

4/4/86

Date:

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REFERENCE FDP 4/2/21 I (180)



MINISTRY OF FINANCE AND DEVELOPMENT PLANNING

PRIVATE BAG 00

GABORONE

ANNEX XIII.D.

REPUBLIC OF BOTSWANA

24th July, 1985

The Director
U S A I D
P. O. Box 90
GABORONE.

Dear Sir,

SUBJECT : EXTENSION OF THE BOTSWANA WORKFORCE AND
SKILLS TRAINING PROJECT (SWAST) - PHASE II

Following the discussions held between our and your officials regarding the above captioned subject, the Government of Botswana would like to request the United States Government to extend the SWAST Project under Phase II.

2. Although the Project Assistance Completion Date is September 20, 1989, we have started to face shortage of funds to continue the implementation of the Project. In view of the experience we have so far had with the Project in terms of its usefulness to us, we deem it absolutely necessary to make further extension of the Project.

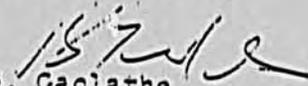
3. The proposed Phase II Programme is envisaged to include the following components :

- i) Technical Assistance (Continuation of OPEXERS)
- ii) Internal and External Training
- iii) Management of Training (Training of Trainers), and
- iv) Inclusion of additional Ministries to benefit from the training.

4. The participation criteria of generation of employment opportunities and localization are to remain emphasized.

5. We thank the United States Government for its contribution to our development efforts and will appreciate your early response.

Yours sincerely,


S. Gaolathe
Permanent Secretary

cc: Director of Personnel

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TECHNICAL ANNEX: LABOR SUPPLY AND DEMAND

A. DEMOGRAPHIC FACTORS

Analysis of manpower needs and employment generation in Botswana is guided by several prominent demographic characteristics (see Appendices A and B).

1. nearly 2% of the population is composed of non-citizens. The majority of these individuals, including a sizeable number of non-white expatriates, reside in the three largest metropolitan centers and hold prominent positions within the private and public sectors.
2. a high percentage of men ages 20-40 (25% in 1981) is working outside Botswana, mainly in South Africa. As a consequence, women predominate among young adults, particularly in the border areas and along the line of rail, and there are large numbers of female-headed households.
3. nearly 50% of the population is less than 15 years old. This high percentage relative to other age cohorts is expected to decrease slowly and dependency ratios will remain high well into the next century.
4. although the total fertility rate is projected to decline somewhat from the current rate of 7.1 children per woman, infant and child mortality is also declining. The population will remain relatively young and the population growth rate high. Total population growth is expected to decline slowly to about 3% in 2001, compared with about 3.4 % at present, though on the most optimistic projection it could decline to about 2.4% annually.
5. despite the high growth rate, the population remains small relative to the size of the country with large areas extremely sparsely settled and substantial internal and external migration. Only four urban areas have over 20,000 people in 1986.
6. on the other hand, despite GOB attempts to reduce rural to urban migration, the percent of total population living in metropolitan areas in 1991 is expected to be 32.1%, nearly double the 1981 proportion of 17.7%.

The major implications for manpower planning and employment are:

1. the annual increment of potentially employable workers will grow to some 23,000 individuals per annum by 1991; depending on assumptions regarding workforce participation, the active workforce will grow 16,000 to 18,000 annually.
2. even if growth occurs in the traditional agricultural sector at the expected rate of 1.8% per annum, migration to urban areas will place tremendous pressure for expansion on the formal sector; present increases of 7,000 jobs per year in the formal sector will fall far short of the number of workers seeking employment.

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Complicating the employment picture is the declining number of job opportunities for Batswana in neighboring countries. The GOB anticipates that 20,000 fewer Batswana will be working abroad in 1991 than at present. The return migration of these workers, coupled with growth of the potential labor force, means that despite expected increases in productive work opportunities in the Botswana economy, the supply of workers will exceed employment opportunities well into the next decade under even the more optimistic economic growth scenarios.

B. Education Factors

Expanding education and training capacities at all levels is an essential part of the NDP6 strategies for rural development and employment generation. The Ministry of Education plays a key role in the coordination of primary, secondary and skills training and has responsibility for integrating all such programs with the national manpower development and allocation plans.

1. Primary Education

Botswana is nearing universal primary school enrollment (85% in 1985). Enrollments grew an average 6.3% per annum under NDP5 and are expected to grow at an annual rate of approximately 4.5% over the next five years. This rate slightly exceeds population growth and will produce a national school enrollment average in the 90% range by the end of the decade. Botswana possesses a large and growing cadre of literate, numerate young people who will be seeking more job-specific skills and productive employment over the next decade. (See Appendix C.)

2. Secondary Education

Secondary school enrollments also will increase dramatically during NDP6, resulting in a significant upturn in the number of middle-level skill entrants into the labor force. In 1986 the shift from a 3-2 to 2-3 year split between junior and senior levels will coincide with an extensive program of curriculum evaluation and revision and teacher training, supported by the joint GOB/USAID Junior Secondary Education Improvement Project (JSEIP). Secondary school quality is expected to increase and by 1991 the progression rate from Standard 7 to Form 1 will increase from its present level of 40% to about 70%. The number of senior secondary (Form V) school leavers will more than double by 1991, adding substantially to the pool of educated manpower and job aspirants. (See Appendix D.)

3. Vocational/Technical Training*

Expansion of industrial, manufacturing and service sectors will require new artisans and technicians. During NDP6, the MCE intends to address this need by decentralizing education and training facilities, by expanding the range of training disciplines and by expanding student intake and output. Weak integration of training efforts hinders efficient utilization of facilities and effective targeting of training on employment opportunities. The small size of the economy makes a cost-effective scale difficult to achieve for training locally in many skill categories.

*See Annex XIII.E.5. for additional information on Vocational Training.

Despite anticipated enrollment increases in the major vocational training institutions such as the Botswana Polytechnic (BP), the Automotive Trades Training School (ATTS), the Brigades, and the Vocational Training Centers (VTCs), a residual shortage of 13,000 craftsmen is expected in 1991, assuming that employment creation keeps par with anticipated social needs. During NDP6, the BP, ATTS, and VTCs will enroll over 2,000 new students and will more than double the number of full-time faculty employed (see Appendix E).

The major increase will be in the new VTCs located in rural areas: Selebi-Pikwe, Jwaneng, Palapye, and Maun. Students will be recruited from the ranks of Junior Secondary Certificate holders. Facilities will also be used for inservice training of employed workers. Each VTC will offer a combination of block release, day release and/or evening courses. The programs are coordinated jointly by the MCE's Technical Department and the Ministry of Labour and Home Affairs.

4. Higher Education*

The formation of highly-skilled manpower within the country has been the responsibility primarily of the University of Botswana. The University is expanding its range of program offerings, and strengthening the quality of instruction. By 1991 total enrollment is expected to more than double, rising from 1,601 to 3,440 students. (See Appendix F.) The critical shortage of high-level manpower is evidenced by the fact that Botswana hold only 51% of the occupied academic slots in the University, the remainder are held by expatriates. Although at the end of 1984, 23 Botswana were studying abroad for PhDs and 20 for Masters' Degrees, these participant training efforts will barely keep up with enrollment increases, let alone contribute to the longer-term goal of localization of faculty.

C. Economic Factors

In its simplest terms, employment growth in Botswana is related to economic growth. In the recent past, Botswana's real GDP grew at an average annual growth rate of 9%, making it one of the most rapid in Africa if not in the world. The growth of formal sector employment that accompanied the economic expansion was healthy, at nearly 8% per year. Such rates of employment growth are remarkable by international standards. However, this growth was from a relatively small base and, despite this performance, employment creation did not keep pace with numbers of new labor force entrants.

In the short to medium-term economic growth is expected to continue, though not achieving the levels attained in the recent past. Economic growth will be constrained by, among other things: international market forces, the maturing of Botswana's leading growth sector, mining; its small domestic market; its finite and fragile arable lands, and; shortages of trained and experienced managers.

The economy is unlikely, in the short to medium-term, to generate new formal sector jobs sufficient to absorb the large numbers of new labor force entrants, especially those with less than secondary education. In the

*See Annex XIII.E.5. for additional information on the University of Botswana.

medium to long-term, it is likely that the current shortage of manpower with qualifications at the secondary education, university degree or specialized technician levels will be eliminated in aggregate quantitative terms (though not in all specializations or categories) and there will be an excess of qualified workers (degree holders) in at least some categories by 2001.

Manpower imbalances in the Botswana economy have been carefully examined in two recent analyses: National Manpower Development Report, 1984 and Education and Human Resources Sector Assessment. Both studies concluded that the shortage of Botswana with a university degree is likely to diminish towards the end of the century, but that manpower imbalances for workers with primary educational levels, and particularly those with secondary level training will persist, if not also intensify (see Appendix G).

Theoretically, a shift from labor shortage to labor surplus allows for greater selectivity in worker recruitment and better matching of workers to jobs. However, unemployed labor represents personal and social income lost. Thus, large imbalances between labor supply and demand are detrimental to economic and social stability.

Estimates of rates of return to schooling in Botswana indicate that financial incentives to invest in schooling are high. Enrollments at all education levels now hover near the physical capacity of schools to accommodate students. If oversupply of available labor at any level results in underemployment and a significant drop in real wages, rates of return might drop precipitously. While enrollment might in theory be expected to decline, leading to some underutilized capacity, there is relatively little private cost to education and training in Botswana and the more likely result is, that as the current shortages ease or move to surplus, the competition for jobs will increase and there will be increased demand for specialized skills training. This is likely to happen even if fees are increased substantially.

As the supply of highly skilled and trained workers moves toward parity or surplus to effective demand for such workers the need for close attention to factors affecting demand becomes more urgent. Such factors include: salary and wage policies; choice of technology and investment sectors; supervisory and administrative structures; in-service training and mobility patterns over a working career.

Strengthening management capacities (including the capacities to plan and manage training as needed in the public and private sectors) may not have an immediate impact on employment,* but strengthening is crucial to the medium to long-term objectives of increasing employment and using Botswana's human resources optimally.

Economic growth and employment projections by formal sub-sector are shown in Appendix H. Formal sector employment is projected to grow from 121,300 in 1985 to 167,700 in 1991, approximately 7,700 additional jobs per annum. These estimates are based on a forecasting model which assumes that a 5% increase in sectoral output gives rise to a 5% increase in employment. Obviously, this is a tenuous assumption at best. However, the coefficients used for NDP6 were calculated in 1976/77; until a new social accounting matrix is constructed (work is in process) no better estimates are available.

*Although it is possible depending upon the nature of the position to which the participant returns.

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Growth in the mining industry is expected to be modest. Even if its contribution to GDP and export earnings grow, this will be due more to a firming of export prices rather than production increases (a possible exception is coal); thus employment growth in this sector will be modest at best.

Beef production output is likely to increase if better management practices are adopted. Due to its importance in the economy and its distribution across the country, the cattle industry is an area worthy of attention. However, arable agriculture is not likely to contribute significantly to GDP growth due to the harsh climatic environment and strong competition from South Africa. Agriculture as a sector is not expected to provide significant new employment.

Small manufacturing, tourism and a variety of services show potential for growth; demand for skilled workers in the construction and financial service sector is likely to grow substantially. It is likely, and desirable from a human resources development point of view, that the economy will be entering into a more balanced and diversified growth stage, depending on several sectors for growth and employment opportunities, and not relying just on the mineral sector.

Some sectors, especially agriculture, manufacturing, construction and trade are relatively unskilled-labor intensive; a high proportion of their workforces have no education/training requirements or have only primary education required for their jobs. Since near universal primary education prevails in Botswana, generation of new employment opportunities in any of these sectors would be accompanied by few additional opportunity costs (in the form of required additional training).*

Other sectors, such as central government, finance and social and personal services, require high proportions of their workforces to have university degree and/or job-specific training. Given limited existing opportunities for manpower formation of this sort in Botswana, increased employment in these sectors depends on training outside of the country or on short-term, in-country programs assisted by foreign expertise.

BWAST II will have an impact on the short-term skilled labor supply problem through the in-country training component and, in some instances, the OPEX assistance. When Botswana return from long-term external training (1989-1993) and take up new positions, Botswana will be moving into an era of an excess supply of secondary graduates.

In summary, the current situation, where manpower demand exceeds the labor supply in certain occupations, results in lost production and the sacrifice of additional economic growth and employment opportunities for other workers. Employment creation and manpower development are the key ingredients for eliminating the current manpower imbalances. Strengthening analytic, management, technical and training capacities in the short to medium-term is essential for optimum job creation and utilization of manpower in the longer term.

*For additional details on minerals, livestock, manufacturing and commerce see Annex XIII.E.1.c.

D. Summary of Options for Managing Supply and Demand

A number of major economic and demographic trends affecting the supply and demand for labor have been discussed above or in other annexes (see particularly Annex XIII.E.1.b. for Public Sector and Annex XIII.E.1.c. for Private Sector). Briefly, these are:

1. Supply Factors

- a. a relatively young and rapidly growing workforce;
- b. relatively recent expansion of education and training capacities at all levels which are likely to change significantly the skill composition of the workforce in the next decade;
- c. a large number of adult men working outside Botswana; these numbers are expected to decline steadily, perhaps abruptly, increasing both the supply of semi-skilled and skilled workers and the demand for wage employment;
- d. structural changes in social expectations and in the economy, particularly the decline of agriculture, combined with the effects of drought which are changing the size, spatial distribution and age composition of the urban (formal, modern sector) workforce; and
- e. relatively low participation rates in the formal labor force, with particularly low rates for women and in rural areas; these rates may change dramatically over the next decade and are the largest and least predictable variables affecting projections of supply and demand.

2. Demand Factors

- a. Wages and incomes policies result in some categories of labor priced above opportunity costs;
- b. economic growth is generating fewer new jobs than the number of new labor market entrants;
- c. formal, wage economy, jobs are likely to be concentrated in the three or four urbanizing areas in the eastern part of the country and along the line of rail;
- d. the leading economic growth sectors of the last decade are unlikely to expand production rapidly under current market conditions; demand for new workers is likely to be small even if prices firm;
- e. new investment and economic growth, hence employment, in manufacturing, minerals and livestock agriculture is heavily dependent on developments in the world economy, particularly Europe, and in the southern Africa region;

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- f. construction is increasingly dependent on small works and social infrastructure, including housing; few new major public infrastructure projects are anticipated;
- g. much of the expected new private investment is expected to be relatively capital and skill intensive. Examples include transport and communications and financial services;
- h. much of the new demand will be in small scale manufacturing, trade and services; and
- i. the largest part of employment growth is likely to be in self-employment, and the informal sector; such employment is, strictly speaking, not a response to labor market demand, but a response to economic demand for goods and services.

3. Policy and Planning Options

Most of the supply factors will not be directly or easily affected by policy decisions or actions taken during NDP6. In the longer term, there is a possibility that population growth rates will slow. Advanced education and technical training capacities can be adjusted in a variety of ways to affect skilled labor supply in the medium-term. However, the social demand for basic general education will increase over almost any scenario for the next decade or two. Failure to meet this demand will affect the skill composition and trainability of the available workforce, but not the demand for employment. The main supply variables amenable to actions in the short to medium-term are:

- a. continued investment in skilled and high-level manpower through external scholarships and through expansion of local training capacities;
- b. continued investment in education and basic skills training, concentrating on qualitative improvements at the primary level and quantitative expansion of general secondary and secondary level vocational training;
- c. measures (mostly unattractive) to affect the rate of active labor force participation (e.g., education effects on age of entry to workforce);
- d. measures to affect spatial distribution of semi-skilled and skilled labor (e.g., social infrastructure in rural areas);
- e. compensatory measures (e.g., child care) to enable women to participate more actively; and
- f. skills training aimed at informal sector and self-employment.

While the problems on the supply side have an inexorable quality, with few options for short-term solution, there are many policy choices affecting short to medium-term demand for workers. The general situation with respect to public and private sector demand and expansion plans is discussed in the respective Annexes. While there is reason for optimism, given an impressive

package of investment and job creation incentives and substantial expectations for new investments and private sector growth, continued attention should be given to factors such as the following:

- a. ensuring that wage policies intended to prevent exploitation in some sectors do not prevent new investment or expansion in other sectors;
- b. ensuring that work and residence permits necessary for localization do not inhibit new investment and entrepreneurship;
- c. ensuring that essential services and social infrastructure are spatially distributed—including industrial and small business extension and other support services;
- d. ensuring that sectors such as housing use capital efficiently;
- e. ensuring that salary scales and credential requirements in the public sector are realistic and sufficient to retain key personnel, particularly in the professional category; and
- f. ensuring that investment and technology choices take account of the large numbers of women with a need for employment and income, but who are not now in the active labor force.

While factors such as the above are not fully within the purview of training and manpower specialists (and in any case do not have easy or obvious solutions), they are among the factors which must be taken into account in the development and management of training strategies consistent with employment creation.

E. Management of Training

At present the GOB is competently forecasting future manpower needs and estimating the nature of imbalances between the demand for manpower and the supply of qualified personnel. See discussion in Section C of Public Sector Annex XIII.E.1.b.

EWAST II will assist the GOB to make the transition between concerns with aggregate balances and short-term requirements to a more highly articulated and longer-term view of the labor market. The project's perspective regarding the management of training is that decisions on the value of a training activity should not be based solely on its relevance to immediate management and staffing problems. Training must lead to institutional strengthening in all sectors and must complement the national development goal of job creation.

This is particularly true of any new training initiatives, whether expansion and diversification of local training institutions and capacities or long-term external training such as that planned for EWAST II. While existing local training institutions and short-term training will contribute to meeting current and near-term needs, new capacities and long-term training will only begin to have an impact late in NDP6 and in succeeding planning periods.

Thus, in developing a conceptual framework for analysis and planning, as well as the administrative, reporting and decision-making mechanism for the management of training, Botswana needs to address the following tasks—in all sectors and institutions, private as well as public.

1. training as required to fill current vacancies and ensure the staff required for implementation of investment plans and development projects in the near-term (the next two to five years);
2. mechanisms (ranging from public sector allocations of bonded trainees to appropriate wage and income price signals in the labor market), to encourage the most efficient allocation of available workers;
3. planning and analytic models which can predict more accurately the supply and demand situation over a long enough period, but in sufficient time for adjustments to be made in training capacity, in investment or project development plans or in public policy affecting the labor market;
4. personnel policies (including economic incentives and other motivational factors such as promotion, mobility and training options) which affect optimum utilization of the workforce and thus productivity.
5. management practices and choices of technology which are appropriate to the realities of the existing or projected workforce;
6. management of the training institutions and programs (ranging from planning for instructional staff to ensuring cost-effective physical expansion and establishment of additional courses, degrees, or certificates to fee structures).

It is important that the management of training capacities, systems and mechanisms be developed as much as possible as part of an on-going process leading to institutionalized mechanisms of planning and coordination both within and among the public ministries and departments and between the public and private sector.

While BWAST II may require some additional selection, review and coordination mechanisms, it will be important that these be complementary to, rather than substitutes for, Botswana's own systems for the management of its training. BWAST II can increase its institutional strengthening and policy dialogue impacts both by targeting training and technical assistance to accomplish tasks such as those listed above and by maximizing its support for the localization of the processes and mechanisms.

In order for the management of training component to successfully achieve its objectives for any given organization, the operational functions of the organization must first be identified and understood by its managers and decision-makers. It is then possible to pinpoint and quantify the positions and skill areas instrumental to institutional performance and future job formation.

Assessment of available personnel and defining training needs is the next sequential, as well as procedural step in the management of training. For

BWAST II, the assessment of training needs will look particularly at those institutional or sectoral problems which relate to job creation. The result of the analysis should include:

1. the areas of training needs, i.e., which organizational units or functional fields will benefit from training
2. the magnitude of the training gap, i.e., who and how many must be trained and
3. the information, areas of knowledge and skills related to gaps in performance.

This approach will allow for the identification of specific training needs and will provide sufficient data to permit a coherent training program design.

The appropriate training strategies can then be identified. The important questions range from the quantitative aspects of training (how many, at what level and to acquire which skills) to more qualitative factors (specific contextual requirements of the learning situation). The decision on training strategies requires the following data:

1. professional, work-specific and other relevant situational factors;
2. output and operational schedules (including time constraints or other factors affecting availability of trainees) within which the needs must be fulfilled; and
3. physical facilities and trainers required to achieve the targets under a given timeframe.

The key task for developing priorities for BWAST II is to ensure that the particular purpose of BWAST II, i.e., to increase the number of trained Batswana in positions which foster employment generation, is coordinated with the more general purposes of the ministries and other entities assisted, which include staff development for many other administrative and service delivery functions.

The management of training component of the project will be primarily implemented through the use of a Training Coordinator. This individual will be part of the implementing contractor's staff, will have technical expertise in the management of training and will be stationed in Botswana. He/she will work with the Directorate of Personnel's Training Division, and through this unit, with Training Officers and Undersecretaries for Manpower Planning from target ministries and with local institutions. The Training Coordinator will also work with the Training Officer from the Botswana Employers' Federation, the organization which represents Botswana's private sector. The use of such a position by the project is a response, in part, to the Mid-Term Evaluation which viewed the role of a Training Coordinator as "crucial to continued progress" of the project.

In addition to a Training Coordinator providing support for individual managers of training, the project will emphasize skills development on a group basis. Seminars, coordinated by the Directorate of Personnel and the implementing contractor, will be offered to Training Officers,

Undersecretaries for Manpower Planning, department heads, training institutions and the private sector. The overall purpose of the seminars will be to develop the necessary human resources analysis and planning skills to effectively and efficiently develop, implement and manage human resource development programs within their respective institutions.

APPENDIX A

1971 AND 1981 CENSUSES: DEMOGRAPHIC INDICATORS

	Censuses		Estimates		
	1971	1981	1986	1991	
Enumerated Population	Total	596,944**	941,027	1,131,700	1,357,600
	Male	272,518	443,104	539,900	653,400
	Female	324,426	497,923	591,800	704,200
	Non-Batswana	10,861	15,677	18,800	22,600
Botswana Nationals Abroad	Total	45,735	42,015	31,900	21,900
	Male	26,661	32,576	24,800	17,000
	Female	9,074	9,439	7,100	4,900
Population Aged 0-4 (%)	17.7	19.4	19.4	18.7	
Population Aged 5-14 (%)	29.9	28.8	28.8	28.8	
Population Aged 15-64 (%)	46.8	47.2	48.3	49.4	
Population Aged 65+ (%)	5.6	4.2	3.5	3.1	
Proportion Females Aged 15-49 (%)	42.8	42.7	43.6	44.4	
Dependency Ratio (per 1,000)	113.3	109.8	107.0	102.4	
Child Woman Ratio (per 1,000)	759.0	819.0	919.0	815.0	
Sex Ratio (per 100 Females)	84.0	89.0	91.2	92.8	
Proportion Urban (%)	9.5	17.7	20.6	32.1	
Population Density (per km ²)	1.0	1.6	1.9	2.3	
Crude Birth Rate (per 1,000)	44.5	47.2	45.6*	43.8	
Crude Death Rate (per 1,000)	13.7	13.0	11.1*	9.7	
Natural Increase Rate (per 1,000)	30.8	34.2	34.3	34.1	
Fertility Rate (per 1,000 women 15-49)	149.0	210.0	201.0*	175.0	
Total Fertility Rate (births per woman)	5.6	7.1	6.8*	6.5	
Life Expectancy at Birth (years)	Males	52.5	52.7	54.7*	56.6
	Females	58.6	59.3	61.2*	63.5
Mean Age (years)	Males	22.6	22.0		
	Females	24.1	23.4		
	Males and Females	23.4	22.7		

Source: National censuses, 1971 and 1981.

Notes: * Indices refer to de jure population.

** Including estimates for nomads and under-enumeration.

See paragraph 1.41 for definition of urban.

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APPENDIX B

POPULATION COMPOSITION AND PROJECTION TO 2001

<u>Population Composition</u>	<u>1981</u>	<u>1984</u>	<u>1985</u>	<u>1990</u>	<u>1991</u>	<u>1996</u>	<u>2001</u>
Total Citizens	967,419	1,070,824	1,107,692	1,311,972	1,357,143	1,603,468	1,894,502
Citizens Resident	925,350	1,036,182	1,075,222	1,288,482	1,335,126	1,581,451	1,872,484
Citizens Non-Resident	42,069	34,642	32,470	23,490	22,018	22,018	22,018
Non-Citizens Resident	<u>15,677</u>	<u>17,502</u>	<u>18,156</u>	<u>21,813</u>	<u>22,629</u>	<u>22,629</u>	<u>22,629</u>
Total Residents	<u>941,027</u>	<u>1,053,684</u>	<u>1,093,378</u>	<u>1,310,295</u>	<u>1,357,755</u>	<u>1,604,080</u>	<u>1,895,113</u>
Citizens Aged 0-4	181,139	200,047	206,779	243,991	252,201	290,121	333,741
Citizens Aged 5-14	269,888	300,716	311,753	373,302	386,995	452,073	528,047
Citizens Aged 5-14 Not in School	82,778	80,014	80,940	89,258	93,030	105,394	118,230
Citizens Aged 0-14	451,027	500,763	518,531	617,292	639,196	742,194	861,788
Citizens Aged 15-64	476,980	529,638	548,452	653,035	676,232	814,147	980,190
Citizens Aged 65+	39,304	39,954	40,173	41,287	41,513	46,549	52,195

Source: Population Projections, CSO, 1984, PP. 11-15

APPENDIX C

PROJECTED PRIMARY SCHOOL ENROLLMENT

1985 - 1991

<u>LEVEL</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Standard 1	37,454	39,326	41,293	42,738	44,234	45,782	47,384
Standard 2	34,891	36,305	38,118	40,024	41,428	42,878	44,379
Standard 3	30,572	34,366	35,777	37,561	39,439	40,827	42,256
Standard 4	33,237	31,592	35,282	36,826	38,654	40,586	42,037
Standard 5	27,211	29,771	28,641	32,307	34,106	36,187	38,404
Standard 6	26,238	26,831	29,327	28,266	31,812	33,613	35,661
Standard 7	<u>30,798</u>	<u>30,925</u>	<u>30,887</u>	<u>32,588</u>	<u>31,237</u>	<u>34,339</u>	<u>36,484</u>
TOTAL	<u>220,401</u>	<u>229,116</u>	<u>239,325</u>	<u>250,310</u>	<u>260,910</u>	<u>274,212</u>	<u>286,605</u>

Source: Ministry of Education and Ministry of Finance
and Development Planning, 1985

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APPENDIX D

PROJECTED SECONDARY ENROLLMENTS
1986-1991

<u>LEVEL</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
<u>Junior Secondary</u>						
Form I	10,540	12,460	15,360	19,000	21,000	23,000
Form II	9,649	9,908	11,712	14,438	17,860	19,740
Form III	<u>8,949</u>	<u>8,491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	29,138	30,859	27,072	33,438	38,860	42,740
<u>Senior Secondary</u>						
Form III	-	-	4,639	5,257	5,876	6,494
Form IV	2,400	3,300	3,900	4,500	5,100	5,700
Form V	<u>2,183</u>	<u>2,328</u>	<u>3,201</u>	<u>3,783</u>	<u>4,365</u>	<u>4,947</u>
Sub-total	4,583	5,628	11,740	13,540	15,341	17,141
TOTAL	<u>33,721</u>	<u>36,487</u>	<u>38,812</u>	<u>46,978</u>	<u>54,201</u>	<u>59,881</u>

Source: Planning Unit, Ministry of Education, 1984

APPENDIX E

ENROLLMENT AND TEACHER REQUIREMENT PROJECTIONS
FOR VOCATIONAL/TECHNICAL EDUCATION

1985-1990

<u>PROGRAM</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
<u>Botswana Polytechnic</u>						
Students	820	900	1,080	1,200	1,350	1,500
Teachers	91	99	141	152	162	171
<u>ATTS</u>						
Students	155	170	190	210	230	245
Teachers	23	26	26	27	28	30
<u>VTCs</u>						
Students	-	200	560	880	1,100	1,250
Teachers	24	56	62	90	112	112
<u>TOTALS</u>						
Students	<u>975</u>	<u>1,270</u>	<u>1,830</u>	<u>2,290</u>	<u>2,680</u>	<u>2,995</u>
Teachers	<u>138</u>	<u>181</u>	<u>229</u>	<u>269</u>	<u>302</u>	<u>313</u>

Source, Planning Unit, Ministry of Education, 1985

APPENDIX F

PROJECTED UNIVERSITY OF BOTSWANA ENROLLMENT, BY PROGRAM
1985/86 - 1990/91

<u>PROGRAM</u>	<u>1985/86</u>	<u>1986/87</u>	<u>1987/88</u>	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>
<u>Degree Courses (Botswana)</u>						
Social Science	291	388	481	573	723	813
Humanities	236	276	318	365	437	493
Science	195	186	265	342	417	494
Education (B.Ed)	<u>212</u>	<u>258</u>	<u>336</u>	<u>384</u>	<u>447</u>	<u>521</u>
Subtotal	934	1,108	1,400	1,664	2,024	2,321
<u>Diploma/Certificate Courses (Botswana)</u>						
Statistics	13	17	19	26	26	26
Librarianship	44	41	41	41	41	41
Education, Secondary	211	130	0	0	0	0
Education, Primary	21	23	25	28	30	33
Education, Adult	25	27	30	33	37	40
Accounting	0	25	50	56	64	72
Social Work	20	62	89	100	113	128
Subtotal	334	325	254	284	311	340
<u>Postgraduate (Botswana)</u>						
Education	44	43	51	58	44	74
Library Studies	0	10	12	13	15	17
Master's Degree	19	23	25	28	31	36
Subtotal	63	76	88	99	90	127
Pre-entry Science Course	140	140	280	307	338	372
Total Botswana	1,471	1,649	2,022	2,354	2,763	3,160
Total Non-Citizen Students	130	150	170	200	240	280
Total Enrollments	<u>1,601</u>	<u>1,799</u>	<u>2,192</u>	<u>2,554</u>	<u>3,003</u>	<u>3,440</u>

Source: Ministry of Education

Note: Non-citizen students: It is assumed that there will be approximately 10% non-citizen students at the University.

APPENDIX G

MANPOWER SUPPLY AND DEMAND BY EDUCATIONAL LEVEL

1985 - 2001

<u>ITEM</u>	<u>1985</u>	<u>1990</u>	<u>1991</u>	<u>1996</u>	<u>2001</u>
<u>Manpower Requirements</u>					
Primary or Less	220,311	271,031	280,994	346,131	430,054
Secondary	45,742	61,073	64,116	82,272	106,022
Degree or Higher	<u>2,768</u>	<u>3,524</u>	<u>3,681</u>	<u>4,658</u>	<u>5,913</u>
TOTAL	<u>268,821</u>	<u>335,628</u>	<u>348,791</u>	<u>433,061</u>	<u>541,989</u>
<u>Labor Force Available (Aged 15-64)</u>					
Never at School	219,023	186,868	179,508	142,796	105,767
Primary or Less	242,583	316,744	331,542	414,297	501,382
Secondary	42,781	76,702	85,748	142,903	223,712
Degree or Higher	<u>1,159</u>	<u>2,025</u>	<u>2,286</u>	<u>4,612</u>	<u>8,605</u>
LABOR AVAILABLE	<u>505,546</u>	<u>582,339</u>	<u>599,084</u>	<u>704,608</u>	<u>839,466</u>
Labor Force Growth Over Previous Year	13,525	15,636	16,744	23,471	29,451
<u>Manpower Imbalances</u>					
Primary or Less	241,476	232,582	230,057	210,962	177,095
Secondary	-2,961	15,629	21,632	60,632	117,691
Degree or Higher	<u>-1,610</u>	<u>-1,498</u>	<u>-1,396</u>	<u>-46</u>	<u>2,692</u>
TOTAL	<u>236,905</u>	<u>246,713</u>	<u>250,293</u>	<u>271,548</u>	<u>297,478</u>
<u>Imbalance as a Percentage of the Labor Force Available</u>					
Primary or Less	52.29	46.18	45.02	37.87	29.17
Secondary	-6.92	20.38	25.23	42.43	52.61
Degree or Higher	<u>-138.90</u>	<u>-73.99</u>	<u>-61.07</u>	<u>-1.00</u>	<u>31.39</u>
TOTAL	<u>46.84</u>	<u>42.37</u>	<u>41.78</u>	<u>38.54</u>	<u>35.44</u>

Source: National Manpower Development Planning 1984
Employment Policy Unit, MFDP

APPENDIX H

FORMAL SECTOR EMPLOYMENT PROJECTION 1982-1991;
 DERIVED FROM MEMBOT BASE CASE FORECAST

<u>SECTOR</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Agriculture	4,200	4,500	5,642	6,002	6,728	7,157	7,684	8,218	8,751
Mining	7,100	7,200	7,088	7,111	7,118	7,289	7,832	8,487	8,593
Manufacturing	7,200	9,800	10,718	11,568	13,799	15,098	16,302	17,628	19,095
Water & Electric	2,200	1,900	1,997	2,728	2,806	3,098	3,430	3,868	4,148
Construction	13,600	9,500	11,539	11,415	12,313	12,050	12,873	13,545	14,016
Trade	16,600	15,300	17,012	18,509	20,278	21,288	23,047	24,942	25,094
Transportation	3,700	3,900	4,234	4,523	4,856	5,049	5,368	5,717	6,002
Finance	5,700	6,000	6,628	7,167	7,769	8,115	8,692	9,308	9,807
Services	3,900	3,500	3,835	4,127	4,476	4,674	5,006	5,364	5,652
Government	<u>35,900</u>	<u>38,900</u>	<u>43,206</u>	<u>48,155</u>	<u>52,514</u>	<u>55,220</u>	<u>58,549</u>	<u>62,392</u>	<u>65,550</u>
TOTAL	<u>100,100</u>	<u>100,500</u>	<u>111,899</u>	<u>121,305</u>	<u>132,659</u>	<u>139,037</u>	<u>148,783</u>	<u>159,469</u>	<u>167,708</u>
GROWTH RATE			11.34	8.41	9.40	4.81	7.01	7.18	5.17

TECHNICAL ANALYSIS - PUBLIC SECTOR

A. Role of Public Sector

Botswana has an open, market-oriented economy based on a small but dynamic private sector which is actively encouraged by Government policies and programs and which is supplemented where necessary, by direct Government involvement through parastatal organizations. The Government recognizes that the success of its trade and industrial development efforts, particularly the attraction of foreign investment and technology, largely depends on maintaining an investment climate favorable for private sector growth and development.

NDP6 details a large and expanding role for the public sector. However, rather than viewing government and parastatal industries as leading employment creation through subsidies, make-work or other "employer-of-last-resort" measures, NDP6 takes the position that most employment will have to be obtained in the private sector and that:

"Optimal private sector development cannot be secured by detailed directives by Government; rather Government must aim to create conditions in which private activities that are of national importance can flourish ... to ensure that the prices and other economic incentives ruling in Botswana give the correct signals to producers ... [and to provide] a clear and stable framework within which the private sector can operate ..." NDP6, 3.8, 3.9, 3.10

Most of the new employment projected under NDP6 and beyond will have to be created through private sector expansion and through informal sector and self-employment. The key issue for analysis is the degree to which strengthening public sector capacities is consistent with, and strategic to, private sector-led economic expansion and job creation.

Botswana is a relatively young country, with under-developed infrastructure and services (financial services, transport and communications, water systems, education and training capacities, health services, etc.). Population is growing rapidly, with expanding demands for services. Botswana's economic future depends to a great extent on international political and economic trends and particularly those in the southern Africa region which are difficult to predict but which require sound public policy and careful planning. For example, links with the European Community under the Lomé Conventions, membership in the Southern African Customs Union, special trade relationships with Zimbabwe and other countries and participation in the Southern African Development Coordination Conference affect all aspects of the economy but require active and competent participation by public sector institutions and individuals. While Botswana is blessed with a number of valuable mineral assets with substantial potential for further exploitation, it is also concerned that these assets be developed prudently in line with world market conditions. Finally, Botswana is a large country with fragile lands and ecosystems. Essential natural resources, notably water, must be developed and used carefully.

In short, there is a continuing need for public sector leadership in setting macro-economic and other national policy, in developing economic and social infrastructure and in refining planning, regulatory and allocation

mechanisms to encourage the prudent use of the nation's human, financial and physical economic resources.

While Botswana has done well on these tasks, it is clear that understaffing in the public sector leaves many weaknesses in analytic, administrative and technical capacities. The government has been shackled in its attempts to implement many high priority economic and social development projects, including those promoting private sector opportunities, less by budget constraints than by its own severe shortage of staff. Keeping up with the day-to-day business of government is an overly-taxing task for certain divisions within the civil service that are forced to operate with about 75% of their middle to high-level positions filled. Under such conditions, new initiatives are seen as unaffordable luxuries, even though economic imperatives.

Most of the infrastructure development and social services expansion is in response to obvious economic and social requirements and strong social demand. While a number of projects such as rural road building and self-help housing use labor-intensive approaches, they are not a public works job creation strategy. Nevertheless, it is clear that publicly funded or influenced infrastructure and services expansion will create a significant number of jobs.

For example, while there is no firm basis for projecting jobs resulting from public infrastructure construction, total construction employment is projected to grow over the NDP6 period by about 2,100 positions. Much if not most of the additional construction is likely to be in small projects such as housing, schools and rural infrastructure (see Appendix A), for which much of the scale and distribution will be determined by public policy, financing and implementing capacity. Gross Fixed Capital Formation (GFCF) during NDP6 will be 36.7% Government, 19.7% water/electricity (mainly public utilities) and 20.5% mining. Similarly, expanding education and health services are expected to account for 7,737 new positions filled by 1991. Thus, even though public services and infrastructure expansion is not motivated by job creation objectives as such, it clearly will have a significant job creating impact.

While there is a parastatal sector, Botswana has resisted the temptation to drive the economy with parastatal investments. The largest investments are in public utilities and in selected sectors where there is concern about monopoly or monopsony market conditions, such as meat exports. The Government also has substantial equity positions in privately managed firms, notably in the mining sector.

The main parastatal corporations are the Botswana Meat Commission (BMC) — established during the 1950s, the Water Utilities Corporation (WUC), The Botswana Power Corporation (BPC), the Botswana Telecommunications Corporation (BTC), the Botswana Housing Corporation (BEC), the Botswana Development Corporation (BDC), the National Development Bank (NDB), the Botswana Livestock Development Corporation (BLDC) and the Botswana Agricultural Marketing Board (BAMB).

Total parastatal debt obligation, while increasing, is relatively low. The largest part of parastatal borrowing, including most of the on-lent donor funds, is planned for the public utilities WUC, BPC and BTC. Direct parastatal borrowing is projected to decline from 57.5 million Pula (net of repayments) in 1985/86 to 21.3 million Pula in 1990/91. Total parastatal

debt service is projected to be 5.5% of export receipts in 1990/91. Other public debt service is projected to be 4.7% (growing mainly due to the expiration of grace periods rather than increased borrowing) for a total public debt service of 10.2% of annual exports. This appears easily manageable in the short-term. An important concern recognized in NDP6 is the financing of short-term capital projects with longer term recurrent budget implications and expiring grace periods to manage debt more effectively, a registry of external debt is being developed with Commonwealth Secretariate assistance. (See Appendix B.)

On the whole, parastatal corporations and lending institutions appear to be soundly managed, with most investments profitable and most lending near commercial terms. An important exception is housing, where rents are non-economic and government has found it necessary to respond to severe shortages of available and affordable housing with a variety of subsidy programs and a direct role in housing construction. However, rents are being raised and a comprehensive National Housing Plan is being developed with a major emphasis on measures to encourage private and self-help construction. Among other measures, a private savings and loan mortgage institution (Botswana Building Society) is beginning to offer housing loans to individuals with incomes below the median level and a scheme to sell publicly owned rental housing is being prepared. In short, Government is trying to get out of the role of being the sole provider of housing (particularly for the low and median income groups) and moving away from being "the nation's landlord." The reforms and plans in the housing sector are perhaps as good an example as any both of the GOB determination to pursue sound economic development policy and of the public sector need for skilled analysts and administrators to handle a large, complex and difficult transition.

In addition to parastatal investments, the GOB participates actively in shaping the private sector economy through: wages and incomes policies; substantial investment tax incentives along with training grants and wage rebates; a Financial Assistance Policy which provides capital to small and medium scale enterprises, and; financial intermediation to develop capital markets such as the placement of public funds to augment reserves in private banks making long-term investment loans.

In conclusion, every indication is that the GOB will rely on private capital and market signals as a principal engine of economic growth and job creation. Nevertheless, it is clear that the public sector has a major role to play in shaping the economic, human resource and physical environment in which private sector growth will occur.

B. Public Sector Manpower

Total public sector employment is projected to grow somewhat more slowly than private sector. Most of the increases in total employment will be in the private sector (formal and informal) and in public services. NDP6 projects 29% public employment growth 1985-1991 versus 33% in private sector jobs and informal sector or self-employment. Public sector jobs as a percentage of total formal employment is projected to remain at 39% through 1991. While government employment will expand under NDP6, most of the positions are expected to result from reducing the current high level of vacancies and from expansion of the education and health sectors. Of the total growth of 9,166 established positions, 6,868 are in education,

reflecting the emphasis throughout the Plan on human resources development in general and the strengthening of education and training capacities in particular. (Appendix C.)

Importantly in terms of budget implications and the efficient allocation of available manpower supply, the number of positions actually filled is projected to increase somewhat more rapidly than the increase in established positions. This is particularly true in the "A" level positions (superscale, senior administrators and key technicians) which will be the main focus of EWAST II.

Individuals actually "in post" in these positions are projected to increase at an annual rate of 5.13% versus a slower increase in established positions of 3.16%. Education and health account for a projected new establishment of 466 of 792 "A" level positions and 500 of 1009 "A" positions filled during the Plan period. The growth rates in the other ministries and departments are significantly lower, ranging from zero growth in established positions in many departments and 2% - 4% growth in positions filled in most departments.

Three general conclusions relevant to EWAST II emerge from examination of public sector manpower development plans and allocations in NDP6:

- 1) Actual staffing levels in most ministries and public sector institutions are substantially below established levels, ranging up to 25% vacancies in "A" level positions.
- 2) Allocations to reduce vacancies and fill newly established positions are proportionally large in the social service sectors, particularly education and health.
- 3) Allocations for most other ministries and departments are proportionately small, reflecting a deliberate decision to target personnel carefully to improve public sector productivity while minimizing the competition for scarce technicians and managers with the private sector.

Even with the substantial increase in staff positions filled, budget increases in most ministries and departments, excepting education and health which are relatively staff intensive, will grow at slightly faster rates than will "A" level employment. Further, the development budget will grow faster than the recurrent budget. This is consistent with the general opinion that development during NDP5 has been constrained by shortages of key managers and technicians and that reduction of these shortages will lead to productivity gains and improved project implementation capacities in the public sector.

It thus appears that the impact of EWAST II allocations to strengthening public sector capacities will be initially in the form of reduced vacancies in key positions and thus greater effectiveness and productivity improvements in key functions. Direct job creation through participants returning to key positions in the public sector will occur in the medium to long-term. While having less immediate job creation impact than reducing the high number of ministerial vacancies, their influence should not be discounted entirely. Unless these key positions are filled at least to the extent postulated by NDP6 in 1990/91, it can be assumed that there will be

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proportionate reductions both in the effectiveness of public sector institutions in responding to the needs of the private economy, thus reducing private sector job creation, as well as in public sector employment growth.

C. Public Sector Manpower Development and Employment Strategies

The GOB has targeted employment generation as a major development objective during the period of the next five year plan. With the possible exception of its minimum wage policy, the GOB has adopted progressive, practical and economically rational strategies for coping with manpower imbalances. The strategic problem that is facing the GOB is the need (a) in the short term, to increase relatively unskilled entry-level employment opportunities while simultaneously developing and allocating the supply of highly trained and skilled personnel and concurrently (b) preparing for the medium to long-term, in which trained manpower will come more into balance with demand yet there will be a need to create more employment for skilled workers with secondary or higher education. Employment generation strategies must be coordinated with training strategies, for both the short-term and the medium to long-term.

GOB employment creation strategies include wages and incomes policy, industrial policy, labor investment incentives, profitable labor-intensive schemes and a wide range of financial and administrative support services for informal sector and self-employment. An essential part of the manpower development strategy is the development of Training Plans for each ministry and organization unit, including estimates of private sector requirements, and coordination of these plans with Government sponsored programs and those of other donors, and with the manpower budgeting and allocation mechanisms established by the Directorate of Personnel and the Ministry of Finance and Development Planning.

Expatriate personnel have played a valuable role in augmenting Botswana staff available for key technical and management functions in both the public and private sectors. In addition to filling key vacancies in the short-term, expatriate assistance can help to stimulate new ways of approaching employment problems, to define new roles for key ministry departments and to design new projects and activities aimed at employment generation and private sector growth. However, expatriates are expensive and represent a visible symbol of the distance Botswana has to go in achieving self-reliance and effective control of her own development. Thus, it is understandable that localization is a major development objective which will be a consideration in all manpower development and training strategies.

While the absolute numbers of non-citizens in key positions in the public and private sectors have declined somewhat, from about 4,600 at the beginning of NDP5 to about 4,200 currently, the numbers remain higher than desired. It is expected that the absolute numbers in the public sector will remain roughly the same through NDP6, while changing in composition to emphasize more narrowly specialized technical fields and declining as a percentage of the high level positions in the formal sector work force. The numbers in the private sector are more difficult to predict; the percentage is expected to decline but the absolute number will depend to a great extent on the rate of economic growth, the sectors in which the growth occurs and the degree to which this growth is accompanied or driven by external investment.

In any case, it is a major policy objective of the GOB to pursue localization as rapidly as possible consistent with its short-term objective of implementing its current development plans and stimulating economic growth and job creation. Short-term dependence on expatriate expertise must be replaced with long-term reliance on Batswana personnel with high-level skills and an increasing percentage of the key managerial and technical positions held by Batswana. More effective manpower planning and the training of individuals with critical skill competencies should contribute both to economic growth and to the national objective of localizing the workforce.

During NDP5 the GOB made major strides in the formulation and implementation of a long-term employment generation strategy. EWAST II will build on and assist the following GOB efforts:

1. National Policy on Economic Opportunities,
2. Financial Assistance Policy,
3. National Employment, Manpower and Incomes Council, and
4. Employment Policy Unit in the Ministry of Finance and Development Planning.

National Policy on Economic Opportunities

In 1982 the GOB accepted the conclusions of a National Commission Report which today serves as the Government's policy guidelines for the creation of economic opportunities within the country. The principal tenets of GOB economic policy are as follows:

1. Economic growth in the private sector is the foundation for expanded economic opportunities;
2. Government's responsibility is to provide incentives and create policies which will stimulate growth in the private sector;
3. Special initiatives must be designed for promoting growth in the rural areas; Government must play a larger role there than in urban areas; and
4. Localization is a long-term goal of the GOB, but the positive assistance provided by non-Batswana are recognized as essential to achieving country goals.

Specifically, the National Policy gave birth to a number of measures which promote the creation of a skilled workforce and created new employment opportunities. Among these were the following:

1. Greater emphasis on vocational and technical training;
2. Long-term manpower planning integrated with public and private sector needs and developments;

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3. Diversification in the agricultural industry;
4. Emphasis in policies on incentives rather than on regulation;
5. Financial incentives to new businesses; and
6. Increased efficiency of government expenditures on manpower development.

Financial Assistance Policy

Financial Assistance Policy (1982) is a major effort by the Government of Botswana to diversify the economy and to create productive employment. The FAP channels financial resources in the form of grants and tax benefits to new businesses and to expansion of existing ones within the manufacturing and non-cattle agricultural sectors. The policy provides assistance for three groups of potential beneficiaries on the basis of their investment in fixed assets: small scale (less than P20,000), medium scale (P20,000 - P75,000), and large scale (over P75,000),* each of which is subject to different rules and procedures. As of January 1985, 132 large and medium new firms or expansions had received FAP support, creating an estimated 1,200 new jobs. By 1990 it is estimated that over 3,000 new jobs will be created at a government expenditure of P14 million. In the small scale sector, FAP support has been given to 659 businesses with the resulting employment generation anticipated to be 1,900 jobs at a cost to the government of P1.4 million. (See Annex XIII.E.1.c. for additional details on FAP.)

National Employment, Manpower and Incomes Council

Botswana's Income Policy reflects the GOB's concern over balancing income opportunities and employment generation in the formal and informal sectors and between urban and rural workers. To accomplish these objectives, the GOB revived the National Employment, Manpower and Incomes Council which had become moribund for a time in the 1970s. The Council is a consultative body composed of representatives from Government, employers and employees. Among its actions and recommendations are the following:

1. Establishes guidelines for parastatal and private sector employers to fix remuneration schedules to standards used in the public sector;
2. Reviews existing salary schedules annually and recommends adjustments to the Government;
3. Sets minimum wage standards for construction, manufacturing, road transport, trade and hotel sectors; and
4. Advises the GOB on matters of expatriate salaries with the goal of linking private and parastatal expatriate earnings to levels that apply in government.

NEMIC's regulatory intervention in Botswana's free-market economy has been the cause of some concern in both the private and public sector. Minimum

*One Pula is equivalent to US\$0.55.

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wage legislation has helped to maintain an artificial wage balance between urban and rural areas, but may have had a negative effect on the creation of new job opportunities. Because low-skilled laborers command higher wages than many of their counterparts in other African and some Asian countries, Botswana production and construction techniques tend to be capital and skilled-labor intensive compared to elsewhere. Economically viable, productive, labor activities in Botswana, especially in rural areas, are in many instances priced well above the social opportunity costs of labor. The net result is a reduction of potential employment opportunities for the least skilled workers. While the Government's endorsement of minimum wage subsidies is clearly an attempt to foster redistribution of income and to promote wage equity between urban and rural areas, the overall effect of the policy may be to increase the wage rates of workers already above the minimum at the expense of individuals who seek entry into the formal sector at considerably lower wage levels.

Manpower Planning: The Employment Policy Unit

Responsibility for coordinating the manpower plans of private and parastatal firms, central government and local authorities rests with the Department of Labour, the Directorate of Personnel and the Unified Local Government Services, respectively. National level coordination is the responsibility of the Ministry of Finance and Development Planning. The Employment Policy Unit within this Ministry prepares an annual National Manpower Development Planning Report which analyzes manpower and training needs and identifies projects which could address training and job creation needs and opportunities.

The Employment Policy Unit is responsible for ensuring that costly, high-level skill training is closely tied to established national development plans and manpower priorities. Because of this Unit's central role in coordinating training efforts of such bodies as the University of Botswana, the Polytechnic, and the National Industrial Training and Technical Education Council, BWAST II activities will be developed in close conjunction with the recommendations of the Unit. BWAST II will also support the development of additional expertise within the unit and will contribute to localization by sponsoring the overseas training of key Unit staff.

D. Target Ministries

The need for technical expertise is acutely felt across all ministries in the GOB. As Appendix D illustrates, currently there are 2,121 vacancies or positions filled by expatriates in senior and middle-level management positions of government. Out of this total, 1,257 are occupied by expatriates. If teaching slots are excluded (international volunteer corps members and private residents have taken up the shortfall), there are 1,543 critical positions in ministries which can not be filled because neither indigenous nor expatriate manpower is available. BWAST II can make only small inroads into reducing the combined total of 1,543 slots which are unfilled or are occupied by non-Batswana. Thus, the project will concentrate participant training on select ministries in which

1. the potential for future private sector job creation is high;

2. a shortage of skilled manpower exists, thereby inhibiting the development of policies, projects and implementation mechanisms for fostering employment growth;
3. the need to localize manpower is especially apparent.

The impact of policy initiatives and project implementation on creating employment growth is not equally forceful across all ministries, consequently it is expected that project assistance will not be distributed equally. The Ministry of Commerce and Industry and the Ministry of Labour and Home Affairs have as their ascribed responsibility a more prominent role in private sector expansion and related manpower issues than do other ministries.

Seven ministries and several affiliated public sector institutions have been identified by the GOB and USAID as primary actors in the EWAST II project:

- | | |
|----------------------------------------|--------------------------------------------------------|
| 1. Commerce and Industry (MCI) | 1. Directorate of Personnel (DOP) |
| 2. Agriculture (MCA) | 2. Ministry of Finance and Development Planning (MFDP) |
| 3. Education (MCE) | |
| 4. Labour and Home Affairs (MLHA) | |
| 5. Local Government & Lands (MLGL) | |
| 6. Health (MOH) | |
| 7. Mineral and Water Resources (MMRWA) | |

Inclusion as a primary actor does not mean that all divisions or units of a ministry will automatically receive project assistance. Rather, like ministries taken as a group, certain divisions will fulfill the selection criteria better than others. For example, while several units within the Ministry of Commerce and Industry are likely to be eligible for assistance according to the selection criteria, other units will not.

A brief outline of the ministries identified for EWAST II assistance and the rationale for their being identified as areas within the public sector which exert leverage on the creation of occupational opportunities is provided in Section I of this Annex.

E. Target Functions

EWAST II activities will focus on individuals and institutions engaged in employment generation roles, defined for purposes of this project as follows:

an official line position (civil service if in public sector; management, training, or technical professional if in private sector) in which the incumbent has direct or indirect responsibility for one or more of the following activities related to formation of jobs in the formal or informal sector:

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- designing policies;
- implementation/assessment of policies;
- providing coordination and/or support services;
- assessing project feasibility and economic impacts;
- technology transfer and research and development;
- skills training; and
- management of projects/initiatives.

EWAST II training and technical assistance, particularly that directed to the public sector, is not intended to create jobs directly. Rather, EWAST II resources must be targeted to contribute indirectly to the generation of new work opportunities by improving the policy context through strengthening policy-relevant analytic capacities, planning and management capacities, technical support functions, project implementation capacities and local training capacities.

In the public sector, this means providing training to qualified individuals located in selected departments within ministries which play important roles in stimulating the private sector, manpower management and labor force development. Within each of the national ministries certain departments contain a higher percentage of staff engaged in employment-related activities than do others. EWAST II will focus on strengthening those departments by reducing key vacancies and enhancing the skill capacity of individuals working within them.

Although a number of ministries have been identified as principal recipients of EWAST II support, a change in economic conditions in Botswana (drought, political/economic instability in South Africa, etc.) may cause shifts in training needs. Provisions have been built into the project evaluation mechanisms for reassessing training needs and priorities on a regular basis.

Preference for training will be given to institutions (and individuals within them) according to the following hierarchy of engagement in employment generating activities:

1. Direct role in manpower, employment or investment decision-making with influence in policy design or implementation and project management;
2. Indirect role in manpower, employment or investment decision-making issues, such as project assessment, and project implementation and training;
3. Supporting role in manpower/employment formation such as providing coordination and support services and training. These offices/individuals provide information to, or develop procedures for use by individuals playing a direct role.

These criteria will be applied for the selection of training recipients and placement of CPEXers.

F. Participant Training: Rationale for Types and Mix

EWAST II will sponsor three types of training: long-term external, short-term external and in-country training. Long-term and short-term

participant training under EWAST II will be located in two different settings, as appropriate (U.S. and third world). The first cohort of trainees will be sponsored during FY87 and the last will begin studies in FY90 with funding carried forward to the end of the project in FY93.

The distribution of training by type is as follows:

Type	No. of Trainees per year	Duration of Training	Life of Funding	Total Person Years
Long-Term (International)	44	3 yrs	4 yrs	528
Short-Term (International)	16	3 mos (.25 yr)	4 yrs	16
Short-Term (In-Country)	250	2 mos (.17 yr)	4 yrs	167

Over the Life of the project a total of 711 person years of training will be funded for both the public and private sectors. Of that amount 74% will be long-term international training (BA or MA degree); 2% is for short-term international courses, and 24% is devoted to short-term, in-country training. In all cases, external training will be reserved for fields which are not available at an acceptable standard and appropriate level in Botswana.

1. Long-Term Training

Such heavy emphasis is placed on costly long-term degree training because:

- a. positions which have the most direct and strongest link to expansion of labor market opportunities are high-level positions with degree requirements attached;
- b. critical high-level positions (below the Permanent Secretary level) requiring degrees have the highest vacancy rates in the public sector; and
- c. successful attempts to localize high-level administrative, management and technical positions in both the public and private sectors will not occur until qualified Botswana replacements are produced.

A secondary benefit of long-term training is that it will provide the human resources needed to reduce dependence on expensive expatriates. Replacement of expatriates by Botswana will result in considerable long-run cost savings both to the GCB and donor organizations that finance expatriate personnel. Expatriate advisors require rest and recuperation (R & R), education allowances and other prerequisites not applicable to Botswana. Qualified nationals know Botswana and its problems better than externally provided

technicians and in the long run are more effective in critical positions than expatriates. Donor funds liberated by localizing expertise may be made available to GOB for use in other development activities.

Past USAID training programs in Botswana have proven that the Botswana are a good training risk. Participants have almost without exception returned to Botswana and fulfilled their service obligation (bond).^{*} There has been no "brain drain" problem associated with the Botswana training program; in fact, economic conditions in neighboring African countries are such that incentives to remain in Botswana are exceptionally high.

Long-term training will most likely take place in the U.S., but is not confined to this country. Past experience in training Botswana overseas does not argue well for using neighboring African educational institutions as training sites. First, enrollment opportunities at most of these institutions are limited in number; preference for admission is almost always granted to residents of the host country. Second, the quality of instruction at some developing country universities and colleges is not sufficiently high to meet the rigorous standards employed by the Botswana. Third, although the cost savings of third world training over U.S. training may at first glance appear substantial, interruptions in courses of study resulting from political instability, university unrest, and administrative details prolong the period of time required to get a degree and necessitate costly return visits to Botswana during the course of study. Collectively, these difficulties may add substantially to unit cycle costs of producing degree holders.

2. Short-Term International Participant Training

Short-term international training will be supported only in exceptional cases where (a) particular, highly-focused skill development is desired or (b) when appropriate training is not available in Botswana. The diverse and individualistic nature of these training components does not lend itself to bringing a technical specialist to Botswana to undertake this training. Short-term international training will occur in both the U.S. and third countries.

3. In-Country Training

The project will finance skills upgrading approximately 1,000 Botswana in local institutions. Institutional training efforts will be of short duration. In addition, workshops and seminars will be provided as in-country training options. Listed below are six possible types of in-country training.

a. Workshops, seminars and short courses for trainers and trainers of trainers. A "multiplier principal" will apply in allocating funds for skill-specific training of this sort. Particular training targets are instructors at Botswana Polytechnic, ERIDEC, BLAC, IDM and VTCs who are in critical, occupational skill-shortage areas.

b. Workshops and seminars of 2 to 14 day duration will be conducted for mid to upper level public sector employees on topics focused

^{*}Out of a cumulative total of 464 participants trained abroad in all prior fiscal years, only one participant did not return. See Annex H, Survey of Long-Term Participant Training.

on issues directly linked to the problem of employment generation. Examples of topics include policy-employment linkages, issues in manpower planning, private sector development, decentralization, investment incentives, etc.

c. Seminars and short courses for prospective entrepreneurs and small businessmen on topics, such as starting a small business, accounting, managing cash flows, government investment incentives, managing employees, communications, finance, customer relations, retailing, etc.

d. Short courses and workshops for public and private sector officials on the management of training. Topics for these training sessions include identification of personnel training needs, efficient/effective use of expatriate technical assistance, localization issues, selecting personnel for training, auditing, banking and finance management, computers, data processing.

e. Seminars and short courses for mid-level managers and administrators in the public and private sector. Training sessions will include topics, such as methods for increasing worker productivity, innovative approaches to fostering sectoral growth, planning, labor-intensive approaches to development, etc.

f. Seminars or Workshops for artisans and technicians on skills upgrading. Training sessions will include discussions on recent innovation in a particular field and on-site opportunities for practical application of new skills.

Instructors for in-country training courses will be secured through EWAST II support of skill-development/training institutions such as IDM and BIAC, through a portion of the thirty-six months of short-term consultants, and through consultancy provisions within the core contract. Short-term technical assistance is also provided for by EWAST II. In addition, as part of their line responsibilities, several OPEXers will conduct special seminars and workshops for cross-ministry participants and for individuals recruited/nominated from the private sector.

In-country training efforts will take advantage of existing training facilities and thereby result in highly cost-effective overheads. This approach will also indirectly contribute positively to the impact of assistance provided by other donors as most existing training institutes were developed with donor funds.

G. Allocation Mechanisms: Participant Training

A fixed number of participant training slots will not be allotted at the project outset to each ministry on the basis of a priori perceptions of need. Annual submission of training requests and rationales by all ministries and the subsequent review and prioritization of requests according to project objectives will ensure that requests

1. match emerging needs within ministries;
2. fit changing economic and social circumstances within the country;
3. are carefully thought out by ministries in reference to project objectives; and

4. are filled on the basis of importance as defined by congruence with project criteria.

The request and review process is expected to result in distribution of participant training opportunities among the ministries in approximate proportion to their direct, indirect and supportive roles in expanding employment opportunities. Semi-annual reviews of EWAST II implementation will highlight inefficiencies in the participant training request and review procedure and will include recommendations for strengthening/modifying the criteria used for approval of participant training requests.

Long-term participant training for EWAST II within the public sector will be subject to a two-stage review and selection process: a first stage focused on each ministry (and its departments); a second stage reviewing and setting priorities among the requirements submitted by all participating ministries and public sector organizations. To the maximum extent feasible, consistent with USAID's administrative and project coordination requirements, these processes will be undertaken using procedures which are consistent with (often identical to) the procedures used by the GCB in its overall Training Plans and manpower budgeting exercises. Thus, the EWAST II review and selection procedures themselves are an important part of the overall goal of improving and reinforcing GCB manpower planning and public sector decision-making with respect to manpower development and employment.

1. Ministry Level

Those responsible for training management at ministry level will be fully conversant with the EWAST II criteria of employment generation. Each year, taking into account all other recent and on-going training activities, they will determine which fields of study should be emphasized and which of the training programs proposed by their departments are most suitable for support through EWAST II.

The implementing contractor will work closely with each ministry advising on (a) available courses and appropriate educational and training institutions and, upon request, counselling on (b) how to assess the suitability of particular officers in terms of, for example, their academic ability and promise and their cross-cultural readiness. While it is recognized that effective screening of individual candidates is a most difficult and potentially sensitive activity, all parties are aware of the importance of ensuring that as high a number as possible of EWAST participants are academically, motivationally and psychologically suited to the challenges of this form of overseas training.

Each year, the target ministries shall submit to the Directorate of Personnel, in clear order of priority, up to six candidates for long-term training through EWAST II, together with details of the degrees sought, areas to be emphasized with programs, the preferred institutions, the positions which the officers would fill upon their return, and the related extracts from departmental Training Plans providing the rationale for these particular nominees. Related institutions will, each year, submit up to three candidates in their order of priority, with similar supporting information to that detailed above.

2. Service-Wide Level

Upon receiving prioritized nominations from all participating ministries and other public sector organizations, the Directorate of Personnel will (a) scrutinize each individual nominee in relation to all potentially relevant service-related factors, and (b) compare and prioritize all nominations in terms of the EWAST II criteria of employment generation. The Directorate has undertaken to devote considerable attention to determining the most appropriate annual list of public sector nominees (including reserve candidates) and will establish a committee for this purpose, with USAID representation, possibly including one or more individuals from outside the Training Division (e.g., an MFDP officer, a university professor, a BEF representative, the head of a government department outside the program).

In respect of each officer on the prioritized list, including reserves, the Directorate will supply to USAID:

- a) All relevant personal and professional details;
- b) Information on degree sought and preferred institution;
- c) Job description of position to be filled by candidate upon return; and
- d) References to departmental Training Plans providing the rationale for the candidate's nomination in terms of the EWAST II criteria. (Note: USAID and the implementing contractor will have copies of all departmental Training Plans.)

Each year, after the selection process has concluded, representatives of USAID, the DCP, the implementing contractor and the participating ministries will meet to review that process and, if appropriate, agree upon improved procedures. The above procedures and understandings were discussed with DCP and this section includes the agreed language.

H. Allocation Mechanism: CPEX Positions

Despite the relatively high cost of maintaining expatriate technical experts, CPEXers are key ingredients in EWAST II's cross-ministry, multi-level assistance strategy. Among the benefits of utilizing resident foreign technical assistants are the following:

1. Critically needed skills are infused into the government system precisely in those areas where project goals can be best leveraged;
2. Backstopping is performed in departments from which the greatest concentrations of participant trainees are recruited;
3. New ideas and visions about manpower imbalances are introduced into the system which are, in a sense, independent of technical expertise per se;
4. Performance on the job over an extended period of time becomes a socializing force for Botswana colleagues-role modeling and exemplification are important components of capacity building; and

(5)

5. With appropriate contractual clauses operating, short-term seminars and workshops may be conducted for public and private sector individuals who are not in daily contact with the foreign expert, thereby the leveraging power of the expert is increased.

CPEXers will be contracted for a two-year period. Extensions for up to an additional two years will be considered, for a maximum possible four-year length of service. Placements will be coordinated with the Directorate of Personnel. The distribution of experts across ministries will reflect the relative importance/impact of the respective ministries in fostering increases in employment opportunities in the private sector.

The selected CPEX assistance is tailored to the specific identified needs of the ministry or other institution. The fact that all of the technical assistance is not concentrated in a single entity, forces the GCB to assume more responsibility for the outcome of development, and it creates a situation in which long-term institutional development can occur, especially since CPEX assistance is bolstered by participant training. CPEXers fill positions so important to government efficiency that without them, key Botswana would not be allowed to go for training. Indirectly then, the CPEX system leads to the more rapid localization of the positions which the GCB determines to be of the highest priority.

1. Selection Criteria

The selection criteria for CPEXers (following) set the perimeters under which the CPEX positions will be allocated and assure that CPEX positions will only be used for the highest priority positions, that CPEXers will be appropriately distributed across ministries and that they will be weighted in favor of activities most closely linked to the employment problems.

USAID has elected to focus on the previously named key ministries and related institutions where the impact of assistance will relate directly or indirectly to employment generation. To further focus the project and ensure that project-financed training and technical assistance have the widest impact and meet project objectives, the selection criteria for CPEX technical assistance will be coordinated closely with that for long-term participant training.

Before CPEX position selection criteria are applied, the position which will be occupied upon return from long-term training must be identified; the individual going for long-term training must be in one of the selected ministries or related institutions; and it must be demonstrated that the training fits within the ministry's or organization's overall localization and training plan.

2. CPEX Criteria

- a. Position to be filled contributes to overall objective of generating employment opportunities. Selection criteria and plans for counterpart training should be considered. Direct, indirect and supportive roles should be weighted as follows:
Direct - 60; indirect - 40;
supportive - 20.

b. Position has a wide impact (transcends ministerial or interministerial lines). short-term training courses within and/or outside assigned institution.	20
c. Position suitable for providing short-term training courses within and/or outside assigned institution.	15
d. Position complements on-going USAID programs in the target ministries or departments.	5
Total	<u>5</u> <u>100</u>

The Directorate of Personnel will provide the participating ministries and related institutions with the criteria and instructions for their application. When annual training and OPEX requests reach the Directorate of Personnel, the institutions will have applied the criteria, scored each request, and provided a full explanation as to how each request was rated.

The Directorate of Personnel will briefly review these requests to ensure that the criteria has been applied, eliminating those requests which do not fit within overall GOB or EWAST II training priorities. The requests will then be rank ordered and forwarded to USAID which will reapply the criteria, and set its own rank order for the requests discussing any differences of opinion and changes in rank order as necessary with DOP. Requests will then be approved on a rank order basis until all training funds for that fiscal year have been committed.

I. Notes on Target Ministries.

While various units of ministries are named in the following pages, this does not mean that they have been preselected for project assistance. Their citation is meant to more clearly illustrate the manner in which certain units can be involved with job creating activities. Decisions regarding which units receive training and technical assistance support will be made during project implementation by the procedures outlined in Sections E, G and H of this Annex.

1. Ministry of Commerce and Industry (MCI)

The Ministry of Commerce and Industry has through its Commercial and Industrial Divisions perhaps the most direct link of any ministry to employment creation. It has the portfolio responsibility to promote the development of the commercial and industrial sectors of the economy through a variety of public policy instruments. It also provides coordination, support services and manages projects and initiatives, all of which relate to employment generation. It is responsible for promotion and regulation of foreign investment and trade policy. Emphasis is placed on measures to increase the sectoral and spatial diversification of the economy, to develop local entrepreneurship and to increase the participation of Botswana in all sectors and levels of business.

The Ministry has several autonomous and semi-autonomous agencies and units which are of particular relevance to EWAST II objectives. Institutions and agencies under MCI involved in industrial and commercial development are the following:

a. Batswana Enterprises Development Unit (BEDU): BEDU's objective is to increase direct participation of Batswana in all sectors and at all levels of industry and trade. BEDU is particularly involved in promotion of small and medium-scale production businesses with special attention focused on rural entrepreneurs. Currently BEDU is easing away from a comprehensive support-package approach to private sector development and is placing increased emphasis on integrated extension services training and industrial technology.

b. Rural Industries Promotion (RIP): A non-profit organization, RIP operates the Rural Industries Innovation Centre (RIIC) at Kanye and the one-stop service center for agriculture at Palapye. The RIP develops, adapts and disseminates technologies appropriate for improving living conditions of rural dwellers. Several of the technologies developed by RIIC, such as sorghum mills, have generated a substantial number of new jobs and new businesses. Other prototype technologies with similar potential for small scale businesses include village bakeries, blacksmithing, tanning and horticulture. In addition, the RIIC provides support for the Village Artisan Training Program and works closely with the Rural Industrial Officers.

c. Business Advisory Services (BAS): Under the Division of Commercial Affairs, BAS provides direct consultancy and advisory service to local traders, and offers a series of courses and seminars to the business community. BAS plans to merge with BEDU to provide a coordinated extension service for small-scale commercial and industrial firms on a national basis.

e. Trade and Investment Promotion Agency TIPA: The focal point for trade and investment promotion activities (formerly carried out by the Commercial and Industrial Divisions of the Ministry), TIPA acts as a "one-stop" source of information and advice to potential investors. It also organizes participation in trade fairs and exhibitions, and it prepares and circulates information to the business community. TIPA supports established industry and commerce through its support of local Chambers of Commerce and Industry.

f. Botswana Development Corporation (BDC)

BDC is a parastatal organization. It invests in projects where public investment control or influence is in the national interests or where a Botswana source investment is required to allow a project to proceed. Though BDC provides project financing when security for loans is inadequate for other financial institutions, it is generally regarded as a conservative and prudent investor, with loans at or near commercial rates and typically an equity position but not managerial control. It provides industrial and commercial property to those who do not wish to or cannot own property themselves, in a manner which will encourage investors to locate in Botswana. BDC also provides financial and management services to small-scale enterprises. Finally, BDC invests in profitable ventures which can generate additional resources for reinvestment by the corporation. During NDP6, BDC forecasts investments of P110 million to be financed by P33 million from additional share capital and internal cash flow, and P77 million from borrowing. Future investment plans include hotels, air transportation and maintenance, agro-based industries and the development of a financial market system. It will also continue to assist the small enterprise sector.

2. Ministry of Agriculture

Eighty-two percent of Botswana live in rural areas, the majority of those engaged in small-scale farming activities. Agriculture therefore is a key sector in the economy because of the employment it provides, the potential positive effect improving sector efficiencies would have on increasing incomes, its role in spreading income distribution, and its contributions to growth in agricultural support sectors. Within the Ministry of Agriculture, the units singled out for special emphasis include the following:

a. Division of Planning and Statistics: One or two individuals within the unit are responsible for preparing all initial documentation including scopes of work, memorandums of agreement, etc. for new agricultural projects, such as irrigation development, horticultural endeavors, and assistance to rainfed arable producers (ARAP). Continuation of experienced staff to process these new starts is key to development and funding for innovative agricultural and agro-industrial starts which could be expected to create additional opportunities.

b. Division of Land Utilization: A new unit composed of four to five specialists to deal with irrigated agriculture will be placed within the Division of Land Utilization. In view of the successive years of drought and low-rain-fed arable yields, the GOB aims to promote the development of irrigated agriculture with an emphasis on grain production for both food and seed. A mixed approach to investment and participation in the development of irrigated areas will be adopted. This will include large scale private investors, parastatals and small scale farmers. It is projected that this will allow some balance between maximizing output to increase self-sufficiency in food grains and increasing employment and incomes.

c. Division of Animal Production

(1) The Small Stock Unit provides an important source of income in rural areas. Seventy percent of all farm holders own small stock (sheep and goats), which are relatively drought resistant and extremely prolific, thereby highly suitable for small production units. Sheep and goats are generally sold locally for meat production, but a special market exists for Karakul sheep wool. Demand for Karakul wool from a local spinning/weaving factory has outrun local production during the past year. The production of this high value item, chiefly from ranches in Southwestern Botswana, could be increased.

(2) The Ministry has also had considerable success in transforming the poultry industry from a subsistence activity to a commercial industry. Poultry farmers are now organized into a poultry Agricultural Marketing Association (AMA). In 1980, domestically produced eggs met 80% of the urban market demand, and poultry met 20% of that market demand. In 1985, imports of chicken and eggs were reduced to approximately 5% of the total domestic requirement. The Ministry has established a hatchery with a breeding farm, as well as a poultry abattoir and an egg classification system near Gaborone. Five poultry rearing farms for broilers have also been established in adjacent rural areas.

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(3) Dairy products are also tied to job creation. In 1980, 80% of the demand for milk was met by imports. Commercial production in Botswana has been undertaken by a few large firms, producer cooperatives, dairy Agricultural Management Associations, the Botswana Development Corporation and the Brigades. Research and experience have shown that under intensive management systems, dairy-breed cows produce high yields of milk. However, high levels of skilled management are required to accomplish this. Such skills are in short supply in rural Botswana. The Ministry has therefore supported Dairy AMAs and Cooperatives by providing technical and financial assistance through the Dairy Industry Special Fund and the Financial Assistance Policy. Processing and packaging facilities in Botswana are limited in number, consisting of only the Gaborone Dairy Marketing Cooperative Society, the Mmadinare Dairy Cooperative Society and smaller organizations in Maun, Francistown and Pitsane.

(4) The potential for developing a viable fishing industry for both commercial and subsistence purposes remains high in Botswana. Present yields are only 15% of the estimated optimal annual catch. In previous years development has been greatly inhibited by lack of access to capital to purchase the necessary equipment, lack of appropriate training facilities and the absence of an effective marketing infrastructure.

d. Division of Agricultural Research: The Seed Multiplication Unit is an important purchaser of seeds for the principal crops: sorghum, millet, maize, cowpeas and groundnuts. For the 1985/86 crop year the Unit purchased over 3,300 MT from about 2,600 farmers at above prevailing market prices. Thus it is creating a specialized production market, as well as serving the more than 50,000 farm households who plant crops.

e. The Department of Cooperative Development: This department plays an important role in the development of agricultural production and in the provision of commercial services in rural areas. Cooperatives are divided into primary and secondary societies. Primary societies include thrift and loan societies, which accept savings and give loans; consumer societies, which operate retail outlets for consumer goods; marketing and multi-purpose societies, which market livestock and farm produce and sell consumer goods and farm inputs to members; several other societies which cater for horticulture, fisheries, weaving, etc. The secondary societies are the Botswana Cooperative Bank, which accepts deposits and provides loans to primary societies, and the Botswana Cooperative Union which provides livestock marketing, an insurance agency, education, and publicity services, and acts as a wholesaler for consumer goods and agricultural inputs.

These examples of economic growth opportunities and institutional strengthening needs in agriculture are linked to the EWAST II employment generating goal and establishes the MCA as a target ministry for the project.

3. Ministry of Education (MCE)

The objectives of the Vocational and Technical Education Divisions within the Ministry of Education mesh closely with those of EWAST II.

a. Brigades are small or medium-size training and production units, which are community based, and are controlled by local governing boards. Presently 12 major Brigade Centers throughout the country offer training to 679 trainees. Of these there are 11 that offer building skills, nine providing carpentry, four auto mechanics, two in welding and plumbing and one each in electrical engineering and draftsmanship. Of the 651 male trainees, 336 are in building and 198 in carpentry. The 28 female trainees are studying carpentry (12), building (9), welding (5), and plumbing (2).

b. The Ministry of Education is responsible for administering government support to Brigade activities through BRIDEC. BRIDEC assists the Brigades by providing technical and administrative training, and by advising on extension services. BRIDEC has 29 established employment posts, 14 of which were vacant in November, 1985 because suitable candidates with requisite technical skills could not be found. Courses which BRIDEC has offered include trade-related workshops in bricklaying, carpentry, mechanics, technical drawing, English and mathematics.

c. The Botswana Polytechnic has a teaching staff of 72, with an additional complement of five technical assistants. In 1984 there were 23 unfilled staff positions, but that number has increased in the past year to 36 with the expansion of the Polytechnic. Three Departments, Electrical, Mechanical and Civil Engineering, enroll 700 students, of whom 11% are female. The Polytechnic presently also offers courses at the craft and technical levels. It has plans to affiliate with the University of Botswana, thus enabling the Polytechnic to offer a degree program.

d. Four Vocational Training Centers (VTCs) will be established by January 1988. They will be located at Jwaneng, Selebi-Phikwe, Palapye and Maun and will offer post-Junior Certificate training, which will include general and technical studies. Enrollment projections indicate a demand for 24 new technical assistants to staff the four VTCs.

The majority of students who graduate from the Polytechnic and the VTCs will be part of an apprenticeship program and will be directly employable in the public or private sector. At the end of the training period in the Brigades, the trainees take government trade tests and enter the job market equipped with skills prerequisite for obtaining technical jobs. The IBRD plans to finance a Trades Testing Center in Gaborone which will regulate apprenticeship and trades testing.

BRIDEC/Brigades, the Polytechnic and the VTCs all address the EWAST II goal of skills training, by performing a supporting role in manpower/employment formation. The main need is for additional training of staff in technical fields.

4. Ministry of Labour and Home Affairs (MLHA)

a. Department of Labour: The Department of Labour, within the Ministry of Labour and Home Affairs, has the responsibility to improve the social and economic welfare of Botswana's citizens through the provision of effective national employment and labor-related services covering the administration of national employment policy and programs, protection of the rights and benefits of the workers, promotion of sound industrial relations and promotion of labor productivity and utilization. It also provides an employment service and vocational guidance for the productive use of labor

and the attainment of GOB localization goals. It is the main government link to the private sector and is responsible for the coordination of all localization efforts.

During the first half of NDP6 the Department of Labour plans to carry out studies on ways to improve labor productivity and increase employment opportunities. The results of these studies will be implemented during the second half of the Plan, through special programs, such as training within industry. Under the new Apprenticeship and Industrial Training Legislation, provision has been made within the department to help promote training in the private and parastatal sectors. The Department of Labour will also establish training and localization plans for individual firms during the course of NDP6.

The Ministry of Labour and Home Affairs through the Department of Labour has a direct role in manpower/employment decision-making by virtue of its involvement in the Immigrants' Selection Board. This board reviews applications from expatriate companies which wish to operate businesses in Botswana.

The Ministry of Labour and Home Affairs's Department of Labour manifests both direct and supporting roles in job formation and thereby is a potential recipient of EWAST II assistance.

5. Ministry of Local Government and Lands (MLGL)

The Ministry of Local Government and Lands (MLGL) is the focal point for overall government planning, coordination and control of district-level social services and infrastructure development. It has been selected for inclusion under EWAST II because the ministry's objectives of improved land use planning and management affects both agricultural productivity and non-farm employment opportunities.

a. Unified Local Government Service: MLGL is in legitimate need of EWAST II support primarily in enacting its Unified Local Government Services (ULGS) program. ULGS is a collective term for approximately 4,000 employees of local authorities, i.e., nine District Councils, five Town Councils, 12 Land Boards, 32 Sub-Land Boards and the Tribal Administration. ULGS is the administrative mechanism that enables local authorities to function efficiently and to obtain their objectives effectively and it is the focal point for district manpower development. The provision of project assistance to ULGS will lead to the upgrading of performance capability of all local authorities, whose activities, particularly land use management and rural infrastructure development, have direct impact on creating income generating activities at district and village levels leading to a multiplier effect on rural development.

The GOB, as part of its strategy to create viable income opportunities in the rural areas, has given its highest commitment to "district institutional development." District institutional development is projected to provide the administrative and training requirements needed to successfully implement decentralized rural employment programs. Governmental support, through well-trained administrators, is crucial to the growth and development of informal sector, small businesses in rural areas. ULGS therefore meets the EWAST II criteria by its indirect role in manpower/employment decision-making issues such as project implementation.

b. Rural Division: District Councils fall under the auspices of the MIGL's Rural Division. The District Commissioner as the Senior government representative, presides over the District Development Committee and its sub-committees: the Production Development Committee, Land Use Planning Advisory Group, District Extension Team and Drought and Disaster Committee. The District Development Committee includes representatives of the central government departments, District Councils, land boards, tribal administration, parastatal bodies and other significant development agents in the district. The District Development Committee considers the critical development issues affecting the district and develops a coordinated plan of action to address them. The Committee does this through the development and management of a District Plan and subsequent Annual Implementation Plans. These documents provide the long-term planning framework for the District.

The District Commissioner is charged with ensuring that the National Development Plan's commitment to employment creation and rural development is implemented. The District Development Committee and its sub-committees, provide the District Commissioner with a mechanism for ensuring that employment creation and rural development are adequately addressed by all district level organizations in the District Plan and the Annual Implementation Plan. The District Commissioner is also the appeal body for rural producers and businesses which are constrained by excessive bureaucratic delays and/or regulations. Finally, the District Commissioner can, and does, use his/her position to provide housing, transport, office space and other logistic support for activities which support productive employment within his/her district.

The Production Development Committee is composed of key District officials involved in the support of productive commercial enterprises. Members of this committee review all Financial Assistance Policy applications.

c. Lands Division: The Lands Division is responsible for the provision of professional and technical advice on natural resource usage at the district level. District Land Boards allocate land for agricultural and rural industrial use. With the assistance of the District Officer of Lands, the land boards are routinely involved in the development of commercial livestock ranches, the development of projects associated with arable agriculture, forestry, wildlife utilization and mineral projects. In addition, they assist in the planning and design of commercial and industrial land in the large settlements, particularly in the provision of services, i.e., electricity, roads, water.

5. Ministry of Health (MOH)

In order to meet the goal of "Health for All by the Year 2000," the Ministry of Health shifted emphasis during the 1970s from the provision of hospital-based services in the urban areas to the provision of primary health care services in the rural areas where approximately 80% of the population lives. The utilization of nurses on the front lines of primary health care is an established practice in Botswana because the few trained doctors practice primarily in urban areas. At present, there are 1,136 established MOH posts for nurses throughout the country. Forty are filled by expatriates and 220 are vacant. The vacancy rate is a reflection of established posts and not demand which is substantially higher.

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a. National Health Institute; It is Botswana's policy to have medical training undertaken within the country whenever possible. Most formal training programs are run by the National Health Institute (NHI), which at present trains Family Nurse Practitioners, Community Health Nurses, Nurse Midwives, Nurse Anesthetists, enrolled Nurses, enrolled Nurse Midwives, Health Assistants, Pharmacy Technicians, Dental Therapists, Laboratory Assistants and Health Education/Nutrition Assistants. The NHI is affiliated with the University of Botswana.

Recently a number of private sector initiatives in health care have demonstrated a need for trained Botswana health technicians: (1) Negotiations are underway with several pharmaceutical companies who wish to establish firms in Botswana. Pharmaceuticals manufactured in Botswana would be sold locally and to neighboring countries. (2) A major survey is being conducted on the feasibility of developing a gelatin capsule factory in Botswana. Potential investors for this venture are from Botswana, Canada, Thailand, and South Africa. (3) A group of Botswana have petitioned the Ministries of Health and Commerce and Industry with a request to establish a private health care center in Gaborone. (4) The "Revised Nursing Act" is encouraging nurses to establish their own clinics. The encouragement for private community based services emanates from the inability of hospitals to cope with the number of patients. (5) The expansion of abattoirs will require additional health inspectors.

To accommodate these private sector concerns, health workers are a prerequisite. However, once established, local firms have the ability to generate additional employment in fields not necessarily related to health.

NHI meets a EWAST II objective in providing skills training and in expanding a service which is critical to social and economic development, thus indirectly to employment creation, particularly in rural areas. It thereby plays a supporting role in manpower/employment formation through its training component. NHI also provides technical health workers required to attract private health related businesses to Botswana.

7. Ministry of Mineral Resources and Water Affairs (MMRWA)

The Ministry of Mineral Resources and Water Affairs oversees the development and utilization of Botswana's minerals and water resources as well as provides energy sources for a growing population. Botswana's economy has been severely hurt by the drought it has experienced since 1981. During this period, 400,000 head of cattle have died (decreasing the national stock from 3.0 million to 2.6 million) due to a lack of water. Construction in Gaborone, the capital city, came to a standstill from 1983-1984; the Water Utilities Board stopped issuing construction permits since the available water supply would not support further commercial and industrial expansion.

While the Botswana government has executed relief efforts in a commendable fashion, the potential for private sector expansion and, ultimately, the creation of new employment opportunities is limited by the scarcity of water. While other infrastructure sectors such as transportation, telecommunications, and power generation may still be in need of development, the scarcity of water resources is crippling the country.

Therefore, although not designed to directly foster employment generation, the MMRWA's Department of Water Affairs performs services which are a prerequisite for the attraction and generation of new enterprises. More Batswana trained in hydrogeology are needed.

Departments, such as Mines and Geological Survey, play indirect roles in creating new job opportunities. These departments, for example, execute feasibility studies for small mines; studies would be too costly for individuals or small firms to conduct themselves. By providing requisite, pre-mining information to private entrepreneurs, the departments assist in identifying employment opportunities. Similar technical information concerning oil and gas exploration is also provided to the private sector by the Department of Geological Survey. Development of significant numbers of new employment opportunities, however, is not expected in these sectors.

8. Affiliated Institutions

The Directorate of Personnel and the Ministry of Finance and Development Planning will also be primary actors in the EWAST II project. Both the DOP and MFDP play especially important direct, indirect and supportive roles in creating policies and developing strategies to cope with manpower imbalances.

a. Directorate of Personnel: Located within the Office of the President, the Directorate of Personnel's purpose is to provide stable, reliable and impartial public service to increase the effectiveness of the government by providing human resources input for carrying out the service and development activities; and to effectively manage the Public Service.

b. Ministry of Finance and Development Planning: The MFDP is charged with development of sound fiscal and economic policies and the overseeing of their implementation; monitoring Botswana's position in the national and international economic scene; mobilizing funds from internal and external sources for economic growth; maintaining a system for effectively controlling and managing public finances; providing economic and financial statistics to requesting ministries and public agencies; and controlling data processing.

The MFDP is also responsible for background development of Botswana's Five-Year Development Plans and for making recommendations about ways the GOB may realize efficient and effective implementation of those Plans.

APPENDIX A

NDP6 RURAL INFRASTRUCTURE TARGETS

<u>Plan Number</u>	<u>Project</u>	<u>Planned New Construction by 1990/91</u>
LG23	Primary Schools	
	Classrooms	1,500
	Teachers' Quarters	300
	Toilets	900
LG20	Health Facilities	
	Clinics	10
	Health Posts	41
	Nurses' Houses	90
	Maternity Wards	5
LG19	Customary Courts	90
LG29	Rural Administrative Centres	3
LG34	Labor Intensive Road Maintenance Units	2,100 km upgraded 1,650 km maintained
LG04	Major Village Infrastructure and Rural Industrial Sites	200 hectares/ 800 plots
LG56	District Water Supplies	Rehabilitation of water supplies systems in 60 villages
LG51	Rural Sanitation Units (Ventilated Improved Pit Latrines)	3,000
LG36	Development of Land Institutions	
	Main and Subordinate Land Board Houses	17
	Main and Subordinate Land Board Offices	7
LG30	District Housing	300

Source: MLGL Planning Unit

APPENDIX 3

BALANCE OF PAYMENTS

(P million at 1985/86 Prices), Base Case

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
<u>Current Account</u>						
Exports f.o.b.	985,1	1 008,9	1 017,2	1 010,8	1 027,8	1 051,5
Imports	944,6	1 028,2	1 050,5	1 002,4	1 057,9	1 140,7
<u>Balance of Trade</u>	40,5	-19,3	-33,1	7,9	-30,1	-89,2
Net Import of Services	-207,4	-197,4	-190,5	-177,1	-170,8	-169,0
Net Current Transfers	146,9	152,2	152,3	146,8	149,4	154,7
<u>Balance on Current Account</u>	-20,0	-64,5	-71,3	-22,4	-51,7	-103,5
<u>Capital Account</u>						
Net Government	84,6	125,5	65,4	77,6	68,2	35,9
Net Private Long Term	178,5	197,4	219,3	82,0	71,6	87,3
<u>Balance on capital account</u>	263,1	322,9	284,7	159,6	139,8	123,3
<u>Overall Balance</u>	243,1	258,4	213,4	137,2	88,1	19,8
Total External Reserves Held	948,6	1 120,7	1 232,2	1 257,4	1 231,1	1 138,9
Equal to Months Import Cover	10,2	11,0	11,9	12,7	11,8	10,1

NOTE: Imports are goods only, excluding import duty, freight and insurance. The assumed inflation rate of 10% affects the real value of the foreign exchange reserves. Thus the total of reserves in any year is not equal to reserves of the previous year plus the Balance of Payments surplus. Import cover is calculated on the basis of total imports including duty, freight and insurance.

GOVERNMENT BUDGET PROJECTIONS EXCLUDING ALL ON-LENT AID FUNDS

(P million at 1985/86 Prices), Base Case

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Customs Revenue	166,5	192,0	195,6	205,4	216,4	198,6
Mineral Revenue	358,5	305,3	325,3	302,2	281,8	263,6
Other Income Tax	97,5	99,3	102,7	108,0	115,4	123,6
Other Revenue	73,1	82,7	90,1	96,7	99,9	99,9
Development Grants	39,4	39,4	39,4	39,4	39,4	39,4
Interest Revenue	23,3	34,9	43,2	48,9	51,9	53,7
<u>Total Revenue and Grants</u>	758,3	754,6	796,5	800,6	804,7	778,9
Recurrent Expenditure	382,0	406,7	435,7	465,4	497,6	532,2
Development Programme	288,0	302,2	255,3	249,8	254,1	271,7
Interest Paid	25,0	34,9	43,9	48,1	48,1	45,4
Net Lending to Parastatals	47,9	48,0	45,9	42,5	41,8	50,5
<u>Total Expenditure</u>	742,9	791,8	780,8	805,8	841,6	899,0
Budget Surplus(+), Deficit(-)	15,4	-38,2	15,7	-5,2	-36,9	-120,9
Financed by External Borrowing	133,0	151,8	104,2	99,3	99,2	113,2
Less Debt Repayment	22,2	18,7	20,1	27,1	34,9	37,4
<u>Change in Cash Balances</u>	126,2	94,9	99,8	67,0	27,4	-45,1

COMPOSITION OF DEVELOPMENT PROGRAMME

(P million at 1985/86 Prices)

	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91
Ministry Expenditure	170,0	170,0	170,0	170,0	170,0	170,0
Other Projects	30,0	34,0	38,1	42,2	46,5	50,8
Drought Projects	20,0	10,0	5,0	0,0	0,0	0,0
On-Lent Aid Funds	68,0	88,2	42,2	37,6	37,6	50,9
<u>Total Development Expenditure</u>	288,0	302,2	255,3	249,8	254,1	271,7

APPENDIX C

ALLOCATION OF MANPOWER

Ministry	Department	1984/85 Estab.			1984/85 Inpos Target			Inpos 1990/91			1990/91 Estab.			A Level	A Level
		A	B	Other	A	B	Other	A	B	Other	A	B	Other	Growth Rate	Growth Rate
Parliament	Nat. Ass.	10	18	0	9	14	0	9	14	0	10	18	0	0.00	0.00
	H.Chiefs	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00
	Total	10	18	0	9	14	0	9	14	0	10	18	0	0.00	0.00
State Pres.	State House	2	4	0	2	4	0	2	4	0	2	4	0	0.00	0.82
	Off. Pres.	12	14	152	12	12	146	12	12	146	13	14	153	0.00	0.82
	Personnel	42	30	0	39	30	0	39	30	0	42	32	0	0.00	0.00
	Police	18	15	2 322	15	14	1 979	18	17	2 405	19	18	2 525	3.30	1.03
	Info.Broad.	64	94	0	56	81	0	67	97	0	70	102	0	3.00	1.56
	BAC	42	7	0	37	7	0	50	9	0	52	10	0	5.00	3.64
	Tir.Setshaba	9	37	0	6	28	0	9	42	0	9	44	0	7.00	0.82
	Total	189	201	2 474	167	176	21 25	197	211	2 551	208	225	2 578	2.76	1.49
Finance Develop Planning	H.Q.	109	25	0	98	25	0	98	25	0	109	26	0	0.00	0.00
	Account Gen	79	151	0	64	136	0	83	177	0	88	186	0	4.30	1.72
	Taxes	49	87	0	38	78	0	49	102	0	52	107	0	4.50	0.98
	Supplv	81	216	0	77	202	0	100	263	0	105	276	0	1.50	4.47
	CSO	35	88	0	32	80	0	38	96	0	40	100	0	3.00	2.50
	Customs	34	136	33	27	123	33	36	165	44	38	173	46	3.00	1.97
	Computer Bur.	14	19	0	12	16	0	16	21	0	16	22	0	4.30	2.58
	POSB	15	39	0	13	36	0	16	43	0	16	45	0	3.00	1.59
	Total	416	781	33	361	696	33	437	891	44	465	935	46	3.22	1.86
	Home Affairs	HQ	21	50	0	20	46	0	20	46	0	21	50	0	0.00
Immigration		40	252	0	39	236	0	47	292	0	49	296	0	3.30	3.40
Prisons		10	10	733	9	8	588	11	11	922	11	11	968	5.00	1.99
Labour		38	71	0	28	67	0	38	90	0	39	94	0	3.00	0.60
NLS		35	35	0	27	33	0	33	65	0	35	68	0	3.50	0.60
Museum		14	10	0	11	9	0	11	9	0	14	10	0	0.00	0.00
Total		158	448	733	133	419	688	159	502	922	170	530	968	3.32	1.13
Agric.	HQ	43	85	0	38	85	0	40	90	0	43	85	0	1.30	3.00
	Animal Health	98	434	0	174	391	0	213	478	0	223	502	0	3.40	2.22
	Field Serv.	230	461	0	213	406	0	273	520	0	286	545	0	4.20	3.71
	Research	88	100	0	78	92	0	94	111	0	99	117	0	3.20	1.97
	Co-op	37	49	0	32	43	0	37	76	0	60	30	0	10.00	8.25
	BAC	49	15	1	42	15	1	42	15	1	49	16	1	0.00	0.00
	Total	645	1 138	1	577	1 032	1	719	1 290	1	760	1 256	1	3.72	2.77
	Educ.	HQ	33	25	0	30	25	0	61	51	0	64	53	0	22.50
Tech. Ed.		79	31	0	63	25	0	266	81	0	273	85	0	27.10	23.29
Bursaries		8	5	0	8	4	0	9	5	0	10	5	0	2.90	3.74
Non-Formal		37	183	0	29	162	0	43	239	0	45	251	0	6.70	3.29
Curr. Devt.		33	27	0	31	26	0	47	39	0	49	41	0	7.20	6.35
UTS		13	15	8 419	13	15	8 419	25	26	14 753	26	9 14 753	0	14.75	12.21
Primary Ed.		39	27	2	32	23	2	42	28	2	44	3	4.60	2.05	
Secondary		64	63	0	53	60	0	85	96	0	89	101	0	8.10	3.51
Teacher Tr.		16	17	3	13	13	3	23	23	5	21	24	6	9.80	6.33
Total		322	594	3 424	272	351	8 421	600	588	14 761	530	617	14 761	14.09	11.33
Comm. & Industry		HQ	60	55	0	48	44	0	64	59	0	68	62	0	3.00
	Wildlife	15	17	207	13	17	177	18	24	251	19	25	264	6.00	4.35
	Govt. Printer	15	33	0	8	27	0	10	35	0	15	37	0	4.50	0.00
	Weights & Meas	6	10	0	3	7	0	3	7	0	6	10	0	0.00	0.00
	Tourism	7	6	0	4	6	0	9	14	0	10	15	0	15.00	3.61
	BEDU	49	27	0	33	26	0	44	35	0	49	37	0	5.00	0.00
	Reg. Companies	4	5	0	3	4	0	3	4	0	4	5	0	0.00	0.00
	Total	156	153	207	112	131	177	153	178	251	171	190	264	5.30	4.30
Local Govt. & Lands	HQ	65	21	0	54	20	0	54	20	0	65	21	0	0.00	0.00
	District Ad.	60	66	0	53	66	0	71	88	0	75	93	0	5.00	3.69
	L.G. Audit	15	12	0	13	11	0	17	14	0	18	15	0	4.00	2.87
	Surv & Lands	50	49	0	45	48	0	45	48	0	50	50	0	0.00	0.00
	Food Resources	5	27	0	5	21	0	21	75	0	22	79	0	23.50	24.61
	DTRP	29	18	0	29	16	0	37	20	0	39	21	0	4.00	4.85
	ULCS	24	14	0	18	13	0	18	13	0	24	14	0	0.00	0.00
	Tribal Ad.	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00
Total	249	206	0	218	193	0	263	279	0	292	293	0	3.18	2.71	
Works & Comm.	HQ	19	23	0	16	23	0	21	41	0	22	43	0	4.90	2.77
	Postal Serv	93	299	0	81	241	0	92	273	0	96	299	0	2.10	0.59
	Buildings	79	159	0	67	138	0	89	148	0	94	159	0	4.90	2.99
	Roads	85	112	0	79	97	0	103	126	0	108	133	0	4.50	4.08
	Civil Avia.	73	168	0	53	141	0	62	163	0	73	174	0	2.70	0.00
	Met Serv	44	53	0	38	44	0	54	66	0	57	70	0	7.10	4.42
	CTO	140	302	0	117	237	0	128	314	0	140	330	0	1.50	0.00
	Railways	533	1 116	0	449	971	0	550	1 132	0	591	1 206	0	3.43	1.72
Mineral Res & Water Affairs	HQ	12	12	0	11	12	0	12	14	0	13	14	0	2.00	1.35
	Geo Survey	46	41	0	34	34	0	34	34	0	46	41	0	0.00	0.00
	Water Affairs	121	196	0	84	137	0	95	177	0	121	196	0	2.00	0.00
	Mines	28	11	0	25	11	0	25	11	0	28	12	0	0.00	0.00
	Elec Eng	47	71	0	38	47	0	49	61	0	52	71	0	4.50	1.69
	Total	254	351	0	192	261	0	215	297	0	260	334	0	1.94	0.00

ALLOCATION OF MANPOWER (Continued)

Ministry	Department	1984/85 Estab.			1984/85 Inpos Target Inpos 1990/91			1990/91 Estab.			A Level	A Level			
		A	B	Other	A	B	Other	A	B	Other	Inpos	Growth Rate			
Health	HQ	12	31	2	12	31	2	13	33	2	13	35	2	1.00	1.82
	Health Mpower	19	27	99	19	26	88	18	31	103	19	33	110	3.00	0.00
	Hospital serv.	181	126	952	183	118	792	260	188	1,264	273	198	1,327	3.10	7.10
	Primary h. care.	72	137	15	57	96	11	126	213	24	133	224	26	14.20	10.74
	Tech Sup serv.	34	25	0	34	20	0	36	21	0	38	25	0	1.00	1.32
	Total	318	346	1,068	281	291	893	453	486	1,395	476	513	1,465	5.30	5.35
Ad. Justice		40	55	0	29	52	0	38	58	0	40	71	0	4.30	0.00
Attorney Gen		37	25	0	29	23	0	38	30	0	40	31	0	4.30	1.14
Auditor Gen		30	15	0	21	13	0	21	13	0	30	15	0	0.00	0.00
External Aff		32	14	0	31	14	0	39	18	0	41	19	0	4.00	4.30
Grand Total		3,589	5,221	12,940	2,881	1,639	12,341	3,890	3,996	19,924	4,181	6,351	20,184	5.13	3.16

Note: A level manpower comprises: Superscale, PR, GA1, 2 & 3, T1, 2 and 3 posts. B level manpower comprises: GA 4/5/6, T4 & T5, and all Secretarial staff. Other manpower comprises: Nurses, Police, Prison wardens, Game Wardens, Government Security Guards, Preventivemen in the Department of Customs and Teachers.

APPENDIX D

INPOST POSITION OF EXPATRIATE PERSONNEL, AND
VACANCIES IN SENIOR AND MIDDLE MANAGEMENT POSITIONS

<u>SALARY SCALE</u>	<u>ADVISORS/ EXPERTS</u>			<u>SUPERSCALE</u>			<u>GENERAL ADM SAL—GA-3</u>			<u>PROFESSIONAL</u>			<u>TECHNICAL T1-T3</u>			<u>TEACHERS</u>			<u>NURSES</u>			
	<u>EST</u>	<u>EXP</u>	<u>VAC</u>	<u>EST</u>	<u>EXP</u>	<u>VAC</u>	<u>EST</u>	<u>EXP</u>	<u>VAC</u>	<u>EST</u>	<u>EXP</u>	<u>VAC</u>	<u>EST</u>	<u>EXP</u>	<u>VAC</u>	<u>EST</u>	<u>EXP</u>	<u>VAC</u>	<u>EST</u>	<u>EXP</u>	<u>VAC</u>	
Parliament				2			9		1													
State President	2	1	1	33		2	87	4	11	62	11	17	26	9	3							
Finance & Dev. Planning	7	3	4	30	9	1	281	24	28	107	23	25	5	2								
Home Affairs	2		2	11	1	1	104	1	5	27	8	9	24	1	10							
Agriculture	47	30	17	20	4	2	76	1		177	20	56	340	13								
Education	4	4		15	2		121	2	14	111	10	41	94	30	42	8836	578					
Commerce & Industry	5	5		12		3	41	2	7	67	14	24	34	9	18							
Local Govt. & Lands	3	3		21	2	1	125	7	23	69	23	26	41	4	4							
Works & Communications	7	5	2	25	6	4	144	2	20	74	36	20	349	87	39							
Mineral Resources	7	7		11	3	3	19		4	80	23	23	155	26	43							
Health	13	13		10	2		22		1	156	91	47	133	34	13				1135	40	220	
Admin of Justice				4	3	1	22		7	18	8	6										
Attorney General				3			3			34	4	7										
Auditor General				3			17	5	2	11	2	4										
TOTALS	97	71	26	200	32	18	1071	48	123	993	273	305	1201	215	172	8836	578		1136	40	220	

KEY: Est - Establishment

Exp - Expatriate

Vac - Vacancies

TECHNICAL ANALYSIS-PRIVATE SECTOR

"A society in which individuals have freedom of economic choice, freedom to own the means of production, freedom to compete in the market place, freedom to take economic risk for profit and freedom to receive and retain the rewards of economic decisions is a fundamental objective of the AID program in less developed countries."*

Botswana is a multi-party democracy with all its attendant freedoms—speech, press, religion and economic choice. The country benefits greatly from political stability, despite the serious political problems suffered at various times by virtually all its neighbors in the region. Botswana is also one of Africa's most solvent economies and economic planners recognize the need for sound economic management. At the end of 1985, foreign reserves are sufficient to pay for an estimated 12 months of imports. Remittances of income from profits, dividends and interests, is considerably less complicated and certainly quicker than in most African countries. The role of the private sector in Botswana's economy is secure and foreign initiative are welcome through a series of government policies on guarantees and incentives.

A. Mineral Sector

Mining has been the key to Botswana's spectacular growth, the patterns of which have been detailed throughout this project paper. Minerals account for 30% of GDP and 75% of export earnings and are crucial to the country's economic performance. Since diamonds were discovered at Crapa in 1967, Botswana has grown to become the world's third-largest diamond producer and the second-largest in value terms. Output has mushroomed since 1979, growing by almost 200% to total 12.9 million carats in 1984. The most spectacular of Botswana's diamond mines is the 54 hectare Jwaneng mine, one of the richest in the world, producing 149 carats for every 100 tons of ore mined. Jwaneng had an annual output in 1984 of 7.5 million carats. At Crapa, where annual output is around 4.7 million carats, production is 70% industrial. And at Letlhakane annual output is 0.7 million carats over half of which is gem quality.

Membership in DeBeers Botswana Mining Company (Debswana), is composed of South Africa's DeBeers Consolidated Mines and the GOB, each of which hold a 50% interest. The GOB's share of Debswana profits is not disclosed, but the combination of royalties, dividends and tax is estimated to be 70% of total earnings. Botswana, however, is suffering from the slump in the world diamond market and has been forced to stockpile a percentage of its diamond production.

Botswana's copper-nickel mine at Selebi-Phikwe is the country's largest private sector employer, with over 5,000 workers. The GOB and a group of international mining companies and overseas agencies all have a stake in the holding company, Botswana Roan Selection Trust (BOTREST). Recently the mine has entered into a new sales contract with Canada's Falconbridge and the Zimbabwean refiners, Rio Tinto.

Selebi-Phikwe is physically viable, and is operating at almost a 100% capacity. Production of copper-nickel matte in 1984 was 52,000 metric tons. Due to depressed copper/nickel prices and increased production of

*Private Enterprise Development; AID Policy Paper, March, 1985.A.
Mineral Sector

diamonds, Selebi-Phikwe provides less than 10% of Botswana's export earnings compared with more than 20% five years ago.

At present, the entire mining sector employs relatively few people, only 7% of the formal sector. However, there is every indication that more wealth lies under the sands of the Kalahari, wealth that could be translated into new jobs for Botswana. Two kimberlite deposits near Tsabong wait an upturn in the diamond market to see what riches they contain, and other promising areas have been discovered in the central Kalahari. Falconbridge has a mining lease pending for exploitation of copper deposits in Central District, once world markets make the investment worthwhile. Deposits of asbestos, gold, brick clay and silica have also been identified, and exploration for oil and gas is underway.

Soda ash deposits discovered at Sua Pan are large enough to supply southern Africa for 100 years. A pilot study conducted by British Petroleum Minerals International has demonstrated the technical feasibility of processing the natural brine deposits into soda ash, salt and potentially potash. The GCB has announced plans for a 300,000 ton per year operation once marketing arrangements can be confirmed. The project is estimated to create 500 jobs.

World markets are crucial to the development of the country's mineral riches. Proven and indicated coal reserves total 17 billion tons and the Morupule mine, which is being steadily increased to 480,000 tons a year, satisfies Botswana's current energy needs. The Morupule mine will also meet the fuel requirements for the 90-megawatt Morupule thermal power station located near Palapye. This station, which will come on stream in 1986, will lessen Botswana's dependence on imported electricity from South Africa.

A scheme to develop the Kgaswe coal field, on which P30 million has already been spent on feasibility studies, has been shelved. The scheme, in which Shell Coal was actively involved, aimed to export some 10 million tons of coal a year by the mid-1990s. But depressed world prices and the high cost of washing the relatively low-grade sulphur coal made it unviable. Following Shell's withdrawal, several French firms including Charbonnages de France and CFP-Total began exploration programs. Nevertheless, Kgaswe is unlikely to be developed before the early 1990s, by which time the costs will have risen far beyond the present estimated P500 million.

Finally, it should be noted that the GOB is also encouraging small-scale Botswana-owned mining enterprises. Since 1982 four mining leases have been granted for the extraction of gold from former mine-working dumps near Francistown.

B. Livestock

Diamonds may be largely responsible for filling the government's coffers, but Botswana remains cattle country. Despite the drought which trimmed the total herd size to about 2.5 million in 1985, up to 70% of Botswana rely on cattle for at least part of their income. Cattle are also the country's second largest export earner, accounting for approximately 9% of export earnings in 1984.

Key to the success of the sector is the Botswana Meat Commission (EMC), a parastatal which was established in 1966. EMC is a highly sophisticated

organization whose style of production and marketing is increasingly being emulated by countries in the developing world. The abattoir at Lobatse is the largest single operation in Africa and is ranked among the continent's most advanced, complete with cannery, tannery, research, storage and by-product processing. A second abattoir exists in Maun, however the kill capacity has yet to be fully utilized. Today BMC has a P19 million turnover and a staff of more than 2,000. BMC buys and processes more than 200,000 head of cattle a year. The main markets for Botswana beef are the EEC, which takes about 57% of all beef exports, South Africa which takes more than 30% of BMC's principal product, boneless beef, and the rest of Africa.

The drought has taken a heavy toll on BMC in recent years. The number of cattle coming in for slaughter has remained relatively stable—and actually rose to 239,283 in 1984 from 233,900 in 1983. However, the average weight of the animals has fallen by more than 13%. In 1984 BMC lost 5,000 tons in sales, worth about P12 million which would have been passed on to producers.

BMC's domestic problems are compounded by difficult trading conditions in the world market, which is burdened by over-supply. Sales to other African countries which account for approximately 13% of its boneless beef sales in addition to by-products such as tallow, meal and offal, have been hit by a lack of foreign exchange in some countries, including Zambia and Mozambique, and competition from subsidized EEC beef sales. The key to the success or failure of Botswana's cattle industry lies in the EEC, which offer preferential import of Botswana beef under Lome III.

Assuming the drought ends, the national herd is expected to stabilize at around 3 million head. However, the growth of the sector will largely depend on better returns from existing herds. As part of this strategy, BMC has a policy of maximizing the basic producer price, sustained by high EEC prices. For 1985, producer prices have again been increased by 5%.

BMC is also looking to increased "offtake." Cattle's role as both the major vehicle of investment and source of status for most Botswana has not always led to the most efficient forms of stock-raising. Several major projects within the Ministry of Agriculture are designed to provide the direction and inputs needed to bring about an improvement in both individual and communally owned herds.

One symbol of the GOB's commitment to the growth of this industry is the recent decision to proceed with construction of a third abattoir at Francistown, estimated at about P30 million. The African Development Bank, European Investment Bank and UK-based Commonwealth Development Corporation have been approached for finance for the abattoir, which will process 600 cattle a day. Completion is scheduled for 1989.

C. Industry, Commerce and Service

The manufacturing sector initially faced what seemed to be insurmountable obstacles—the small domestic market, the low purchasing power of the people and the lack of infrastructure. From Independence in 1966 to 1980, there were only 88 manufacturing units in the country. A concerted drive to expand the economy's manufacturing base has been made within the past five years, both by drawing on indigenous and foreign resources and capital. Since 1980 the number of manufacturing companies has

increased by 250%. In September 1984 there were 276 firms employing at least 10 people. Fifty-eight percent of these were foreign-owned and 28% were joint ventures, leaving 14% Botswana-owned firms. Employment in manufacturing has reached approximately 11,000 jobs. This is only 10% of total formal sector employment or 15.5% of private sector formal employment. The manufacturing sector accounts approximately 8% of GDP; it registered 8% real growth in 1985 and is projected to grow by 7% in 1986. The distribution of manufacturing firms indicates that most businesses are concentrated in textiles, followed by metal products, and building materials.

In the commercial sector about 3,400 businesses are registered; the bulk classified as small general dealers, bottle stores and bars, general trading, restaurants, and fresh produce retailers. Over 85% of these businesses are owned by Botswana. The numbers employed by registered commercial business is not known precisely, but presumably many engaged are self-employed, which in 1984 numbered about 28,500.

Trade, hotels and restaurants account for approximately 22% of GDP, involving significant private sector and parastatal business activity. The GOB is looking into developing its wildlife resources for tourism which could act as an infusion to the service sector. However, a tourism policy has yet to be developed by the GOB and until that occurs, tourism's potential contribution to the economy remains small. In 1983, visitors totaled approximately 82,000 (compared with the 400,000 package tourists that visit Kenya annually), and spent approximately P40 million. The receipts from tourism were virtually on par with earnings from other relatively new sectors, such as textiles. Unfortunately, 1984 revenues from tourism declined to P17 million. Private sector participation in tourism has been encouraged in the past. Marakanelo Hotels in which the Botswana Development Corporation, a parastatal, has a 60% stake, recently sold 75% of its interests in Gametrackers to U.S. and West German firms in a move it hopes will broaden its marketing opportunities. In addition, numerous applications from private businesses for new tourist camps are being received. However, the GOB has put a freeze on further growth until its tourism policy is enacted.

D. Incentives

Botswana has traditionally maintained a liberal attitude to investment and to the repatriation of profits. Bank of Botswana approval is not needed for remittances up to P25,000 after payment of income tax and a 15% withholding tax, while agreement is usually readily forthcoming for higher amounts. Corporate tax rate of 35% is among the lowest in the region.

In addition, in May 1982 the government introduced a series of investment incentives in its Financial Assistance Policy (FAP). Businesses producing for export or for import substitution are eligible and are grouped into small-scale projects with fixed capital investment of less than P20,000, medium-scale enterprises of P20,000-75,000 and large-scale projects over P75,000. The FAP differentiates between new and existing ventures; new ventures are eligible for a five-year tax holiday of 100% in the first two years, gradually falling to 25% reimbursement in the fifth year. A partial reimbursement of wages is also granted for workers earning less than P7.40 a day (80% in the first two years going down to 20% in the fifth) along with

training grants of 50%. More generous terms are offered for designated rural areas. For already established enterprises, the FAP offers capital grants of P1,000 for every job created up to a ceiling which varies from area to area, plus sales augmentation grants of up to 8% of sales revenue in each of the first two years declining to 2% in the fifth year. Joint ventures are welcomed.

Recently a number of economic activities have been reserved exclusively for citizens. For industrial activities, set-asides include: furniture; uniforms; ordinary cement and baked bricks; sorghum milling; ordinary bread baking; and burglar bars. In the commercial sector, reserved activities include: hawkers and vendors; butchery and fresh produce; dairy; small general trading; petrol filling stations; bottle stores; bars (other than those related to hotel establishments); taxi services; security guard services; Chibuku bars (traditional beer); village type restaurant/take away food including restaurant liquor licence; general trading (including ordinary supermarkets, but excluding chain stores); and simple specialty operations (such as clothing boutiques, footwear, etc). Within the construction industry, road contracts and daily maintenance are restricted to citizens and wholly owned citizen firms for the following activities: fencing; maintenance of roads; reserve and drainage; culvert construction; transport and plant hire; clearing and scrubbing bush; stock piling of materials; carting gravel and chippings; bridge painting and road marking, fog spray and re-surfacing bitumen.

E. Botswana's Private Sector Potential

Botswana has the potential for small and medium-sized enterprises which could use local materials. For example, a number of industries can grow around beef including leather, boot and shoe manufacturing. Italy's Flavia Shoes is now discussing establishing a tannery for shoe production in Selebi-Phikwe while South Africa's Edworks is finalizing plans for a project to process hides. The latter is expected to produce 1,000 pairs of shoes per day, the vast majority of which will be exported. The factory for Edworks will be established in Gaborone West. Other opportunities exist for the manufacture of such items as candles, toilet and plastic products, clothing and pharmaceuticals. Negotiations are also underway with international companies on proposals in pharmaceuticals, power generation equipment and the processing of semi-precious stones, under which some 90% of the output would be exported. The UK-based Metal Box is considering setting up a can-making plant within the next three years. Finally, as noted above, tourism is receiving increased attention from the GOB as having potential for employment creation, particularly in rural areas and as a foreign exchange earner.

Regional trade also offers private sector potential. Although Botswana buys more from than it sells to, South Africa, the latter remains a potential market with its population of 33 million as against Botswana's one million. Moreover, a number of Western companies use South Africa as a warehouse for goods in transit to Botswana. The Southern African Development Coordination Conference (SADCC), on the other hand, was designed to reduce overdependence of its members on South Africa. For Botswana, where the headquarters of the organization is located, this does not only mean reduction of dependence on transport and communications, it also means alternative markets to the north, in the SADCC countries.

Botswana has trade agreements with Zimbabwe and Malawi in which it is specified that a given percentage of the cost of an item traded must contain a local component. The percentage for Malawi is 25% and that for Zimbabwe has recently been lowered from 25% to 20%; more than half of all regional trade with Africa (excluding South Africa) is with Zimbabwe.

F. GOB Development Priorities Relevant to Private Sector Development

NDF6 consistently gives high priority to private enterprise as the vehicle for national development, and encourage private sector investments, both foreign and domestic. Promotion of commercial and industrial activities is done through the Ministry of Commerce and Industry's Trade and Investment Promotion Agency; the Botswana Development Corporation, which is responsible for the development of new business ventures; the Rural Industrial Officer program which coordinates rural industry development at the District level; and the Botswana Enterprise Development Unit which provides technical assistance to small-scale industries. These efforts are further supplemented by MCI's Business Advisory Services for training and technical assistance to small retail and service entrepreneurs; EDC supported TSWELELO which offers financial and technical services to small/medium-scale business; Partnership for Productivity (PPP) a non profit organization to promote small-scale business; and the Rural Industrial Innovation Center which provides training and technology development for rural entrepreneurs.

G. EWAST II and the Private Sector

In an analysis of private sector training needs published in 1984 as a Survey of Training Needs and Coordination of Work, the GOB Central Statistics Office (CSO) reported that nearly 40% of the employed workforce were in need of further training toward a skill certificate. The major training needs identified were in the areas of business, administration, commerce and trades (other than construction and service trades).

In addition to unfilled vacancies in the private sector, white collar employment categories have the highest percentage of expatriate workers in line positions: 19% of professional and technical positions and 45% of administrative and managerial lines are held by expatriates. (See Appendix A.)

Botswana's manpower imbalance will not be solved only by creating new jobs for the thousands of new entrants into the labor force each year. Training in middle-level skills for private sector employment is also essential to continued economic growth. Qualified journeymen are in very short supply as evidenced by the number of vacancies in these occupations (1,215 vacancies across all occupations). Furthermore, over 11,000 currently employed private sector workers require additional training and are available to participate if such opportunities would become available. (See Appendix B.)

Although the CSO survey and a study of apprenticeship needs done by the Germans does supply some information, a further identification of skills required for private sector expansion is needed.

The EWAST II project will provide long-term participant support for the training of up to 80 private sector individuals over the life of project in

high-skill, professional/technical and administrative positions. Short-term training opportunities will also be provided. Determination of target firms, institutions and individuals will be coordinated among BEF, the BWAST II implementing contractor and USAID.

Private sector training opportunities will be allocated through a review process similar to that which will be employed in the public sector. Annually, employees will initiate a request for training with attendant rationale (see Annex XIII.E.1.b., Technical Analysis-Public Sector).

Under BWAST I, training assistance to the private sector is limited to firms with 200 employees or less. Presently, a scheme is under discussion with the BEF which places no limit on the size of the firm applying, but stipulates that larger firms must contribute matching funds to the cost of training.

Employers must be able to provide assurances that as a result of the training experience, the recipient will have the opportunity to apply the skills acquired and that employment generation and localization will be furthered within the firm.

In terms of technical assistance, short-term consultants will be engaged as needs are identified. Seminars held near work sites to meet specific skill needs would be useful. For example, a retail management workshop held in Lobatse at a local hotel could be offered. Tapping into the International Executive Service Corps manpower pool for consultants to individual firms or to a sector as a whole, is another possibility. A further option is to engage a professor from a U.S. graduate school of business as a short-term consultant to teach courses and conduct seminars and workshops.

The provision of long-term technical assistance to the private sector is constrained by a reluctance to have an advisor working solely for one firm. The project, however, is designed to be flexible enough to meet real assistance requirements as implementation progresses. Therefore, a long-term advisor (OPEXer) justified on the basis that his/her work supports segments of the private sector (and not just one firm) will be considered.

APPENDIX A

PAID EMPLOYEES (a) BY OCCUPATION (b), CITIZENSHIP AND SEX AND
UNFILLED VACANCIES (c) BY OCCUPATION (b), FEBRUARY 1984

OCCUPATION	CITIZEN EMPLOYEES (d)			NON- CITIZEN EMPLOYEES	TOTAL EMPLOYEES (a)	UNFILLED VACANCIES (c)	LOCALIZATION RATE (f)	VACANCY RATE (g)
	MALE	FEMALE	TOTAL (e)					
Professional & Technical	2,121	1,749	4,049	939	4,988	268	81.2	53.7
Administrative & Managerial	738	290	1,035	855	1,890	98	54.8	51.9
Clerical	3,552	4,578	8,278	236	8,514	184	97.2	21.6
Sales	927	953	1,879	43	1,923	15	97.7	7.8
Service	4,555	2,801	7,433	88	7,521	113	98.8	15.0
Agricultural	2,573	579	3,162		3,162	28	100.0	8.9
Other (h)	35,615	3,077	39,796	1,085	40,881	1,217	97.3	29.8
Not Stated	-	-	264	-	264	-	N/A	N/A
TOTAL (a)	<u>50,081</u>	<u>14,027</u>	<u>65,896</u>	<u>3,246</u>	<u>69,143</u>	<u>1,923</u>	<u>95.3</u>	<u>27.0</u>

- (a) Excludes Central Government, small retailers and selected other small business units.
(b) Occupations are classified to the International Standard Classification of Occupations.
(c) Unfilled positions being actively recruited, advertised, or would have done so if the employer believed that suitable applicants were available.
(d) Includes 4,594 employees whose citizenship was not stated, but who appear to be citizens.
(e) Includes 1,792 employees whose sex was not stated.
(f) Localization rate is the number of citizen employees per 100 paid employees in each grouping.
(g) Vacancy rate is the number of vacancies per 1,000 positions (i.e., employees plus vacancies) in each grouping.

FURTHER DISSECTION OF OCCUPATION MAJOR GROUP
7/8/9 (OTHER) FOR CITIZEN EMPLOYEES, NON-
CITIZEN EMPLOYEES, UNFILED VACANCIES AND
CITIZENS REQUIRING TRAINING, FEBRUARY
1954

OCCUPATION (a)	PAID EMPLOYEES (b)			UNFILED VACANCIES (b)(c)	CITIZEN EMPLOYEES REQUIRING TRAINING AND AVAILABLE (b)(d)
	CITIZEN	NON-CITIZENS	TOTAL		
(70) Production supervisor foremen	2097	165	2262	55	913
(71) Miners, etc	1264	208	1472	117	138
(72) Metal processors	69	-	69	-	-
(73) Wood preparation workers, etc	409	-	409	-	409
(74) Chemical processors, etc	120	-	120	-	10
(75) Spinners, weavers, dyers, etc	877	-	877	-	379
(76) Tanners, etc	223	8	231	-	85
(77) Food and beverage processors	916	-	916	1	168
(78) Tobacco preparers/ makers	18	-	18	-	18
(79) Tailors, sewers, etc	622	16	638	112	195
(80) Shoemakers, leather goods makers	129	-	129	-	38
(81) Cabinet makers, etc	44	-	44	13	24
(82) Stone cutters and carvers	136	10	146	-	-
(83) Blacksmiths, machine tool operators	205	-	205	11	94
(84) Machinery fitters, etc	1128	91	1219	87	804
(85) Electrical fitters, etc	1119	133	1257	34	302
(86) Broadcasting station operators, etc	-	-	-	-	-
(87) Plumbers, welders, etc	1407	81	1488	325	596
(88) Jewellery, etc workers	439	-	439	-	262
(89) Glass formers, potters etc	345	-	345	-	16
(90) Rubber/plastics product makers	152	10	162	-	-
(91) Paper product makers	136	-	136	-	136
(92) Printers, etc	182	-	182	3	118
(93) Painters	723	31	754	19	322
(94) Production workers n.e.c.	24	37	61	-	24
(95) Bricklayers, carpenters, etc	3801	70	3871	70	2000
(96) Stationary engine operators, etc	1753	44	1797	1	344
(97) Freight handlers, etc	988	20	1008	-	192
(98) Transport equipment operators	2886	13	2899	43	487
(99) Labourers n.e.c.	17583	142	17725	314	3066
TOTAL MAJOR GROUP 7/8/9	39796	1084	40874	1215	11224

- (a) Occupation at Minor Group Level. Numbers in brackets refer to the groups shown in Appendix B.
- (b) Major Group 7/8/9 only. Excludes other occupational groups and those in Central Government, small retailers and selected other small business units.
- (c) For definition, see page 9 of Introduction.
- (d) For details of citizens requiring training in other occupational groupings, see Tables 20 and 26.

COST ESTIMATES AND NOTES

This annex contains estimated annual costs for long-term participant training conducted in the United States, monthly costs for short-term U.S. training, detailed projected costs for a two-year contract for long-term OPEXers and monthly costs for short-term consultants, and an overall assessment of the financial procedures used by the GOB. See Appendices A and B for detailed budget line items.

A. Participant Costs:

Long-term academic training in the United States averages \$1,800 per month or \$21,600 annually. This excludes round-trip airfare which is estimated at \$2,800 per participant and is covered by the GOB. Short-term technical training in the United States averages \$4,000 per month, excluding round-trip airfare. Similar to long-term participants, the GOB is also providing airfare for the short-term participants as part of its contribution to the project. Local short-term training conducted in Botswana is estimated at \$700 per month. This includes tuition, books and materials.

B. OPEX Costs: (2 Year Contract):

The following detailed estimated costs include an OPEXer plus three dependents, spouse and two children.

Estimated Salary @ 40,000/year	\$80,000
Post Differential @ 10%	8,000
Retirement Provision @ 7%	5,600
Settling-in Allowance	5,700
Guard Service @ \$5,000/year	10,000
Round Trip Airfare, U.S./Botswana/U.S.	11,200
Air Freight @ \$9/lb. for 700 lbs	6,300
Insurance, Storage of Household Effects & Misc.	7,000
Education Allowance (Primary, \$1,500/yr; Secondary \$1,800/yr)	6,600
R & R @ \$2,400/person	<u>9,600</u>
TOTAL	<u>\$150,000</u>

C. Short-term Consultant Costs:

Monthly costs for an average consultant consist of the following items:

Salary @ \$200/day for 20 workdays	\$ 4,000
Round-trip Airfare, U.S./Botswana/U.S.	2,800
Per Diem for 30 Days	900
Contractor Overhead @ 27% of Direct Costs	2,100
Miscellaneous	<u>200</u>
TOTAL	<u>\$10,000</u>

D. Overall Assessment of the Financial Procedures Used by the GCB:

The GCB's internal control of expenditures is governed by a financial warrant (FW) system and expenditures cannot take place without a warrant. A FW is issued by the Ministry of Finance and Development Planning, and all issuances are contingent upon the availability of funding. In case of an agreement with a donor agency, the agreement must be signed and conditions precedent fulfilled before a FW will be issued.

Delegated responsibility for the issue of FWs rests with the Budget Administration Unit/Development (BAU/D) under control of the Budget Administrator, who signs all FWs on behalf of the Permanent Secretary of the MFDP. It is through BAU/D that all requests to donors for disbursements, reimbursements or advances are made; in fact, BAU/D invariably initiates these. Between BAU/D and the Planning Officers involved, it is generally possible to ensure compliance with the utilization conditions of any donor financing.

The system provides adequate and appropriate controls. It lays down procedures which are calculated to protect against misuse of public funds. It is applied to all donor funds, whether grant or loan. GCB checks require two signatures for validity. All FWs are made out to the Accounting Officer of a ministry and are filed in the ministerial accounting unit. This is the authority to initiate spending up to the amount shown on the FW for the respective project. The warrant is itemized in accordance with approved categories as identified in the agreement. Actual expenditure, however, takes place only on the issue of the sub-warrant by the Accounting Officer to either the head of a department under whose control the project falls, to a specific implementation officer designated by him, or to a GCB agency. Whoever receives the sub-warrant is authorized to incur expenditures up to the amount and for the purposes stated. GCB has established an enviable and publicized record of prosecuting even the smallest misuse of funds and of GCB property.

Several factors combine to make this project relatively impervious to fraud, waste, abuse and error. Most important among these are the high level of honesty and freedom from corruption which exists in Botswana society in general and in its government institutions in particular. As cited above, the government employs effective financial procedures and review mechanisms

for the letting of contracts and the payment of all vouchers. In addition, it has been USAID/Botswana's policy to maintain direct AID control over the disbursement of AID funds. This allows for a thorough review of supporting documentation before any U.S. Government funds are paid. At the present, there are not specific plans for audits of this activity by either the GCB, AID, or public accountants. The project has, however, a budget line item "Planning Studies and Evaluaticns" which could address a systems/internal control evaluation of project operations, if deemed appropriate.

APPENDIX A

TABLE I
PRO FORMA BUDGET
\$000

ESTIMATE PROJECT COSTS-AID	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	TOTAL
1. Technical Assistance									
A. Long-Term (9/yr X \$75,000/yr X 2yrs)	1350.0	1350.0	1350.0	1350.0					5400.0
B. Short-Term (3/yr X \$10,000/mo X 2mo)*	90.0	90.0	90.0	90.0	90.0				450.0
A. Long-Term (44/yr X \$21,600 X 3yrs) (24 Public Sector and 20 Private Sector)		2851.2	2851.2	2851.2	2851.2				11404.8
B. Short-Term-International (16/yr X \$4,000 X 2mo) (10 Public Sector and 6 Private Sector)		192.0	192.0	192.0	192.0				768.0
C. In-Country (250/yr X \$700 X 2/mo)**		350.0	350.0	350.0	350.0				1400.0
3. Planning Studies & Evaluations	50.0	50.0	50.0	50.0					200.0
4. Implementing Contractor Costs	500.0	500.0	2000.0		500.0				3500.0
Subtotal	1990.0	5383.2	6883.2	4883.2	3983.2				22122.3
5% Inflation		269.2	705.5	769.3	858.4				2402.3
Subtotal	1990.0	5652.4	7588.7	5653.0	4841.6				25725.7
5% Contingency	99.0	280.0	375.3	280.0	240.0				1274.3
GRAND TOTAL, AID COSTS	2089.0	5932.4	7964.0	5933.0	5081.6				27000.0
GRAND TOTAL, GCB COSTS									9034.0
PROJECT TOTAL									36034.0

*This will include 1/yr for the private sector

**This will include 75/yr for the private sector

APPENDIX B

TABLE II
PRO FORMA BUDGET
\$000

ESTIMATED GOB CONTRIBUTION BY FISCAL YEAR	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	TOTAL
1. TECHNICAL ASSISTANCE									
Counterparts for OPEXers (\$4,000/yr X 9/yr)	36.0	72.0	72.0	72.0	36.0				288.0
2. PARTICIPANT TRAINING									
A. Salaries (44/yr X \$4,000)		176.0	352.0	528.0	528.0	352.0	176.0		2112.0
Transportation-LongTerm (\$2800 X 44/yr)		123.2	123.2	123.2	123.2				492.8
Transportation-ShortTerm (\$2800 X 15/yr)		44.8	44.3	44.8	44.8				179.2
B. In-Country Salaries (\$350/mo X 2 X 250 student/yr)		175.0	175.0	175.0	175.0				700.0
Subsistence/Lodging/Transportation (\$100/mo X 2 X 250)		50.0	50.0	50.0	50.0				200.0
3. LOCAL INSTITUTIONS IN-KIND CONTRIBUTION (\$150/student/month X 250 students X 2 months)		75.0	75.0	75.0	75.0				300.0
4. TECHNICAL SERVICES SUPPORT									
A. OPEXer Local Salary (\$7,000/yr X 9)	63.0	126.0	126.0	126.0	63.0				504.0
B. Housing (\$6,000/yr X 9)	54.0	108.0	108.0	108.0	54.0				432.0
C. Furniture (2,000/yr X 9)	18.0	36.0	36.0	36.0	18.0				144.0
D. Office and Supplies	10.0	20.0	20.0	20.0	10.0				80.0
E. In-country Transportation	10.0	20.0	20.0	20.0	10.0				80.0
5. COMMODITIES		50.0	50.0	50.0	50.0				200.0
6. CONSTRUCTION OF TRAINING FACILITY				550.0					550.0
Subtotal	191.0	1076.0	1252.0	1978.0	1237.0	352.0	176.0		6262.0
10% Inflation		108.0	263.0	655.0	574.0	215.0	136.0		1951.0
Subtotal	191.0	1184.0	1515.0	2633.0	1811.0	567.0	312.0		8213.0
Contingency 10%	19.0	118.0	152.0	263.0	181.0	57.0	31.0		821.0
GRAND TOTAL GOB COSTS	210.0	1302.0	1667.0	2896.0	1992.0	624.0	343.0		9034.0

ECONOMIC ANALYSIS

A. Introduction

The long-run objective of this project is to increase the number of trained Batswana in positions which foster economic development and employment generation. The project is primarily a participant training project which will strengthen the capacity of Batswana in critical skill areas. The project will also provide selected OPEX personnel who will provide necessary expertise while Batswana are away acquiring the requisite skills.

The technique most often used to analyze the economic feasibility of a project, benefit-cost analysis, is difficult to apply to human resource development projects. The problem is largely one of quantifying benefits. It is particularly difficult to monetize the value of the increased skills acquired by participants as a result of the additional training which they may receive. Wages, for example, frequently do not accurately reflect the social value of skilled human resources in developing countries. Moreover, while one postulates a direct relationship between the provision of OPEXers or better trained employees and increased government and private sector efficiency, it is difficult to measure the expected improvement in the internal efficiency of an organization. Identifying and measuring the causal chain between investments in training and the ultimate benefit is extremely complex. Whatever measures are used in a benefit-cost analysis of human resource development, they are likely to understate the total benefits to society. Despite these limitations, the methodology utilized in this analysis is a typical human capital approach.

The BWAST II Project is seen to have a number of major economic effects, of which only three are measured here. First, the project will increase the supply of better educated, more skilled persons. The economic gain from the improved labor supply is increased productivity, which is assumed to be measured by increased earning potential. Since the project will train Batswana using four approaches (long-term undergraduate training, long-term graduate training, short-term international training and, short-term in-country training), the analysis traces the earning benefits for each approach. Second, the returned Batswana will replace costly foreign expatriates, thereby resulting in a savings to Botswana. For this analysis, the non-salary costs of maintaining an expatriate in Botswana are considered. Whether a trained Botswana actually replaces an expatriate or fills a vacancy for which an expatriate would otherwise be recruited is immaterial. Third, the training of Batswana and the provision of OPEXers will assist the country in meeting its economic growth and employment generation targets. Without the technical assistance and personnel trained under BWAST II it is unlikely that those targets will be met. The analysis attempts to estimate the impact of the project on the country's ability to meet its employment targets.

Two measures of the economic viability of the investment are examined. The first is the benefit-cost ratio. The second is the internal rate of return (IRR) i.e. the rate at which the discounted costs and benefits are equal. Since the excess of benefits over costs is small, the sensitivity of the conclusions is tested for all benefit streams.

B. Calculations of the Benefit Streams

1. Returns to Long-term Training

The earnings profiles for public sector and private sector employees are given in Tables 1 and 3. The data for the public sector was provided by the Directorate of Personnel¹ and is based on a typical career progression for an individual without higher education in the technical or professional cadre for a twenty year working life. Private sector earnings profiles are based on data for individuals without higher education provided by the Central Statistics Office, Ministry of Finance and Development Planning² and an informal survey of private sector employers conducted by the Mission. Earnings profiles are also shown for individuals with university degrees. All earnings profiles begin at the level of an individual with five years working experience, since those individuals are the likely target group for long-term training. Several other profiles were examined but rejected because they did not appear to accurately reflect career paths in Botswana and because they presented more optimistic estimates of earnings. Tables 2 and 3 estimate the wage differential attributable to university or advanced degrees in the public and private sectors. These estimates are merely the difference between the earnings profiles without a degree and the earnings profiles with a degree.

Since the project expects to finance 176 individuals in groups of 44 individuals per year, estimates of the potential earnings difference for each group of 44 were calculated and these estimates are shown in Table 4. Each group of 44 individuals is broken down by the anticipated percentage of students from the public (55%) and private sectors (45%). The public sector participants are further separated by the anticipated percentage of candidates who will receive B.A./B.S. university degrees (60%) and advanced degrees (40%). It was assumed that all public sector persons trained under the project will move to jobs in the private sector once they have completed the 3 year bonding period required by the Government of Botswana (GOB). Whether or not they do move, the private sector salary is assumed to be a more valid measure of economic value and productivity. An estimate of the additional wages received due to the long-term training for the complete group of 176 individuals, is calculated in Table 5. The working life of these individuals following training is assumed to be 20 years. The earnings stream for the total group (Table 5, Column 5) is used as a proxy for the improved productivity due to the long-term training of Botswana, since one of the underlying assumptions in this kind of analysis is that earnings reflect productivity.

2. Returns to Short-term Training

In the absence of hard data on the impact of short-term training on labor productivity or earnings in Botswana, it was assumed that the training would result in a productivity increase equal to 10 percent per year of the current average wage of individuals in the proposed group targeted for training. This is an estimate based on experience with similar training activities. The wage data was provided by the wage profiles and

¹Personnel Directive No. 12 of 1983; Review of Salary Scales, Directorate of Personnel, Gaborone, Botswana.

²Survey of Training Needs and Conditions of Work, 1984, Central Statistics Office, Ministry of Finance and Development Planning, Gaborone, Botswana.

the Central Statistics Office, Ministry of Finance and Development Planning.³ Since the project expects to finance short-term training for 1,000 individuals in-country and 64 individuals for international training over four years, estimates of the impact of training for each group were calculated and these estimates are shown in Table 6. The estimates of the impact of short-term training for each group were staggered to reflect their different years for completing the training and summed across all years to yield the expected impact for the total group (Table 7, Column 5).

3. Returns to Botswana Replacing Expatriate Personnel

Botswana's National policy on economic opportunities recognizes that there is and will continue to be a role for non-citizens to contribute to the country's economic development. At the same time, Botswana seeks to increase the participation by Botswana in the economy. BWAST II will assist the GOB to achieve this goal through the project's long-term training component.

Since one must assume that wages paid non-citizen personnel reflect their value to the economy, no additional output will occur if a Botswana replaces a non-citizen in a position. Savings will occur, however, through avoiding the support costs associated with the employment of a non-citizen e.g. airfare, storage of household effects, education allowances etc. These costs are estimated to be approximately US\$ 35,000 per year for U.S. personnel, (see cost estimates and rates, Annex XIII). For this analysis, we have assumed a savings of US\$ 30,000 per year per expatriate replaced or recruitment avoided because other, less costly, foreign nationals may be replaced by returning Botswana. The benefit stream resulting from the substitution of 176 Botswana in positions currently held by non-citizens is given in Table 8.

4. Returns to Employment Creation

As part of the National Development Plan, 1985 - 1991, the Employment Policy Unit, Ministry of Finance and Development Planning, has estimated for 5 year intervals the manpower requirements necessary to achieve the development targets to 2001.⁴ Over the period 1986 - 1991, when BWAST II will provide the full-time equivalent of 13 persons (long and short-term OPEXers) to the country, the shortfall of university training manpower is expected to be 3,500 persons.⁵ An estimate of BWAST II's contribution to filling the manpower gap can be obtained by dividing the shortfall (3,500) into the number of person-years of OPEXer assistance (13). The resulting ratio of .0037, when applied to the anticipated employment growth during the period (46,400 persons),⁶ represents the project's contribution to achieving the development plan's employment target in 1991. In other words, the provision of 13 highly skilled persons should assist the country to develop 172 jobs over the period or 35 jobs per year. Without the OPEX assistance, the country will have less leadership and managerial talent to create new employment opportunities. In fact, this estimate of job creation is very conservative insofar as some individual OPEXers have directly created over 200 jobs.

³Ibid., Table 23.

⁴National Manpower Development Planning, 1984, Employment Policy Unit, Ministry of Finance and Development Planning.

⁵Ibid., Table 23.

⁶Ibid., Table 23.

Over the period 1991-2001, after the 176 trained Batswana have returned, the shortfall of university trained manpower is expected to be 2,500 persons.⁷ Using the same logic as above, the training of 176 Batswana will supply 7.04% of university-trained manpower needed over the period. When this percentage is applied to the total amount of anticipated employment growth in the period (112,600)⁸ an estimate of the employment creation impact of BWAST yields an estimate of the value of employment creation resulting II's long-term training component can be obtained. Over the period 1991 - 2001, BWAST II will supply the leadership and managerial talent to develop 7,927 jobs (112,600 X .0704) or 793 each year.

The Central Statistics Office estimates that the average yearly cash wage for citizens of Botswana across all economic sectors is P2,489 or US\$ 1,375.⁹ The application of this average wage to the expected contribution to employment generation for each year, from BWAST II project inputs. These estimates are shown in Table 9.

Returns to the project have been identified and calculated for four anticipated project effects, including:

- wage benefits due to long-term training of 176 Batswana;
- wage benefits due to short-term training of 1000 Batswana in-country and 64 in short-term international training programs;
- avoided support costs for non-citizen personnel; and
- wage benefits of the lost employment if the project were not financed.

Each of these benefit streams are arranged in the appropriate project years and summarized in Table 10.

The key assumptions underlying this analysis are:

- wage benefits reflect labor productivity,
- all public sector employees upgraded under the long-term training program will find jobs in the private sector after they have completed the required bonding period,
- the benefits of short-term training programs can be approximated by assuming a 10% increase in productivity per year,
- the support costs of retaining non-citizen assistance equals \$30,000 per year,
- the provision of OPEX assistance and long-term training of Batswana will assist the country to meet its economic and employment targets at a rate equal to the proportion of their numbers to the shortfall of trained manpower.

C. Calculation of the Cost Stream

The scope of the project and all its relevant costs have been clearly defined in the financial plan and the technical notes in Annex XIII. As a result and given that the project will be forward-funded, the project costs are taken directly from the schedule outlined in the financial plan. The only adjustment made in the cost stream was to remove the estimates for contingencies and inflation.

⁷Ibid., Table 23.

⁸Ibid., Table 23.

⁹Op Cit., Table 11.

D. Comparison of Benefits and Costs and Internal Rule of Return

As shown in columns 7 and 8 of Table 10, the benefits of the proposed project exceed the costs by about \$7.8 million when both are discounted at 10 percent.¹⁰ The benefit-cost ratio is 1.36 and the internal rate of return is 14.9 percent. The project would therefore appear to be justified.

To test the sensitivity of this conclusion, alternative assumptions about each of the benefit streams were posited and calculated following the methodology outlined previously. The changes in the key assumptions were:

- only one-half of all public sector employees will move to jobs in the private sector after they complete the bonding period,
- the benefits of short-term training programs are reduced by half to a 5 percent increase in productivity per year,
- the support costs of retaining non-citizen assistance were reduced US 5,000 to US \$25,000 per year, and
- the impact of university trained Botswana on the country's ability to meet its economic and employment targets was reduced by nearly 45 percent.¹¹

These estimates of new benefit streams are developed in Tables 11-16. Since the costs of training individuals or providing CPEX assistance can be determined with relative precision and since the costs are based on actual experience, the margin of error in the cost estimates is small and no sensitivity analysis of costs were calculated. The main possible adjustments in cost estimates would be to assume lower unit costs for long-term training through shorter average time required for training; this would, for analysis purposes, be assumed to result in additional units of output, hence increased economic benefits.

As shown in Columns 7 and 8 of Table 17, the benefits of the proposed project when all benefit streams are reduced exceed the costs by about \$.8 million when both are discounted at 10 percent. The benefit cost ratio is 1.039 and the internal rate of return is 10.6 percent. Given the substantial reduction in each of the benefit streams and the still positive results, it would seem that the project is well justified.

This conclusion is further justified when one considers that there are a host of economic and social benefits accruing to the trained individual and the economy that are not quantified in this analysis. For example, there are economic benefits resulting from the improved internal efficiency of the public and private sectors, which are not considered in this analysis. Moreover, it is very likely that the wages paid skilled labor in countries like Botswana do not accurately reflect their social benefit and that not all productivity benefits in the private sector are returned to the workers in salary and wages. All things considered, the USAID believes EWAST II to be an economically sound and justified project.

¹⁰The GOB uses a discount rate of 6.4% for its own analysis so a discount rate of 10% may be considered conservative.

¹¹The estimate was derived using the same methodology but using the long run (1986 - 2001) shortfall of trained manpower as the denominator to determine the ratio of the project's contribution to achieving the employment target.

E. Recurrent Cost Implications

The total budget for this project is \$36,034,000 of which USAID will contribute \$27,000,000. The GOB contribution will be \$9,034,000 which is 25 percent of the total project costs.

This project has been designed in close cooperation with GOB officials. Project Paper design members and USAID/Botswana officers have met numerous times with top officials of the target ministries and representatives of the private sector to review the GCB project budget and recurrent cost implications. The GOB fully recognizes the recurrent costs inherent in implementing a manpower training project of this magnitude and has demonstrated its willingness and ability to meet its recurrent cost requirements under EWAST I.

The GCB expenditures under this project represent 0.6 percent of total GOB recurrent expenditure for the period 1986 - 1991. After the project has ended, GOB recurrent expenditure will be mainly for additional salary increments resulting from the training of Botswana. Although it is not possible to estimate the recurrent cost implications per ministry, it is estimated that the total recurrent cost for the total government will be less than US\$2,000,000 per year or 0.068% of the GOB planned expenditures. Since the recurrent cost implications are virtually insignificant and well within planned GCB budget increases of the sixth National Development Plan, they are not a problem for purposes of this analysis.

TABLE 1
PUBLIC SECTOR
UNDISCOUNTED EARNINGS STREAMS FOR BATSWANA IN PUBLIC SECTOR
WITH AND WITHOUT DEGREE
(Pula)

Year	Earnings Profiles for Secondary Education Graduates		Earnings Profile for University Graduates	
	Technical Without University Degree (Col. 1)	Technical With University Degree (Col. 2)	Professional Without Advanced (MA) Degree (Col. 3)	Professional With Advanced (MA) Degree (Col. 4)
1	3,852	7,500	7,500	9,780
2	4,044	7,896	7,896	10,292
3	4,236	8,292	8,292	10,764
4	4,440	8,688	8,688	11,256
5	4,644 ²	9,084 ¹	9,084 ¹	11,748
6	4,644	9,084	9,084	12,240 ²
7	4,644	9,084	9,084	12,240
8	4,644	9,084	9,084	12,240
9	4,872	9,084	9,084	12,240
10	5,160	9,084	9,084	13,356
11	5,448	9,084	9,084	13,956
12	5,736 ²	9,084	9,084	14,556
13	5,736	9,084	9,084	15,156
14	5,736	9,084	9,084	15,756 ²
15	5,736	9,084	9,084	15,376
16	6,204	9,084	9,084	15,756
17	6,600	9,084	9,084	15,756
18	6,996	9,084	9,084	16,752
19	7,392	9,084	9,084	17,352
20	7,788	9,084	9,084	18,144

¹GCS regulations require individuals to acquire an advanced degree (M.A.) to receive further promotion beyond this level.

²Promotion to new grade dependent on performance, supervisor recommendations etc. For this analysis it was assumed that the average wait between grade promotions is 4 years.

Source: Directorate of Personnel.

TABLE 2

WAGE DIFFERENTIAL ATTRIBUTABLE TO ADDITIONAL DEGREE
PUBLIC SECTOR
(1P = \$.55)

	Technical		Professional	
	Pula (Col. 1)	US \$ (Col. 2)	Pula (Col. 3)	US \$ (Col. 4)
1	3,700	2,035	2,200	1,210
2	3,800	2,090	2,400	1,320
3	4,000	2,200	2,500	1,375
4	4,200	2,310	2,600	1,430
5	4,400	2,420	2,700	1,485
6	4,400	2,420	3,200	1,760
7	4,400	2,420	3,200	1,760
8	4,400	2,420	3,200	1,760
9	4,200	2,310	3,200	1,760
10	3,900	2,145	4,300	2,365
11	3,600	1,980	4,900	2,695
12	3,300	1,815	5,500	3,025
13	3,300	1,815	6,100	3,355
14	3,300	1,815	6,700	3,685
15	3,300	1,815	6,700	3,685
16	2,800	1,540	6,700	3,685
17	2,400	1,320	6,700	3,685
18	2,100	1,155	7,700	4,235
19	1,700	935	8,300	4,565
20	1,300	715	9,100	5,005

TABLE 3

ESTIMATED UNDISCOUNTED EARNINGS STREAM FOR BATSWANA
IN PRIVATE SECTOR, WITH AND WITHOUT DEGREE¹
(1P = \$.55)

Year	Administrative without University Degree (Col 1)	Administrative With University Degree (Col. 2)	Difference in Earnings Stream Pula (Col. 3)	US \$ (Col. 4)
1	3,972	9,600	5,600	3,080
2	4,260	12,000	7,800	4,290
3	4,548	14,000	9,500	5,225
4	4,836	16,000	11,200	6,160
5	5,124	18,000	12,900	7,095
6	5,412	20,000	14,600	8,030
7	6,192	21,000	14,900	8,195
8	6,588	22,000	15,500	8,525
9	6,984	23,000	16,100	8,855
10	7,380	24,000	16,700	9,185
11	7,776	25,000	17,300	9,515
12	8,172	26,000	17,900	9,845
13	9,168	27,000	17,900	9,845
14	9,660	28,000	18,400	10,120
15	10,152	29,000	18,900	10,395
16	10,644	29,000	18,400	10,120
17	11,136	29,000	17,900	9,845
18	11,628	30,000	18,400	10,120
19	12,780	32,000	19,300	10,615
20	13,380	33,000	19,700	10,835

¹ According to the survey, the private sector in Botswana does not reward advanced degrees differently than university degrees

Source: Mission estimates based on informal survey of private sector employees and Employment Policy Unit, Ministry of Finance and Development Planning

TABLE 4

UNDISCOUNTED WAGE BENEFIT FOR 44 BATSWANA TRAINED UNDER BWAST II
 ASSUMING AFTER THE 3 YEAR BONDING PERIOD ALL PUBLIC SECTOR
 GRADUATES MOVE TO PRIVATE SECTOR
 (000's)

Year	Undergraduate Degree ¹	Graduate Degree ²	20 Private Sector Employees ³	24 Former Public Sector Employees ⁴	Total Group of 44 Persons
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
1	29	12	76	—	117
2	29	13	86	—	128
3	31	14	105	—	150
4	—	—	123	61	184
5	—	—	142	103	245
6	—	—	161	125	286
7	—	—	164	148	312
8	—	—	171	170	341
9	—	—	177	193	370
10	—	—	184	197	381
11	—	—	190	205	395
12	—	—	197	213	410
13	—	—	197	226	423
14	—	—	202	228	430
15	—	—	208	236	444
16	—	—	202	235	438
17	—	—	197	243	440
18	—	—	202	250	452
19	—	—	212	243	455
20	—	—	217	236	453

Table Notes: The project proposes to train 176 Batswana in four groups of 44. Over the Life-of-the-Project 80 will be from the private sector and 96 from the public sector (20 private sector and 24 public sector in each group). Of the 24 public sector persons trained per group 60 percent (14) will receive university degrees and 40 percent (10) will receive advanced degrees. After the 3 year bonding period by the GCB, it is assumed that all public sector persons trained under the project will find jobs in the private sector.

¹14 persons trained times earnings differential Table 2, Column 2

²10 persons trained times earnings differential Table 2, Column 4

³20 persons trained times earnings differential Table 3, Column 4

⁴24 persons trained times earnings differential Table 3, Column 4

TABLE 5

UNDISCOUNTED 20 YEAR WAGE BENEFIT FOR 176 BATSWANA
ASSUMING AFTER 3 YEAR BONDING PERIOD ALL PUBLIC SECTOR
EMPLOYEES MOVE TO PRIVATE SECTOR
(000's)

Year	1st Group of 44 (Col. 1)	2nd Group of 44 (Col. 2)	3rd Group of 44 (Col. 3)	4th Group of 44 (Col. 4)	Total Group (176) Earning Stream (Col. 5)
1	--	--	--	--	--
2	--	--	--	--	--
3	--	--	--	--	--
4	117	--	--	--	117
5	128	117	--	--	245
6	150	128	117	--	395
7	184	150	128	117	579
8	245	184	150	128	707
9	286	245	184	150	865
10	312	286	245	184	1,027
11	341	312	286	245	1,184
12	370	341	312	286	1,309
13	381	370	341	312	1,404
14	395	381	370	341	1,487
15	410	395	381	370	1,556
16	423	409	395	381	1,608
17	430	423	409	395	1,657
18	444	430	423	409	1,706
19	438	444	430	423	1,735
20	440	439	444	430	1,753
21	452	440	439	444	1,775
22	455	452	440	439	1,786
23	453	455	452	440	1,800
24		453	455	452	
25			453	455	
				453	

TABLE 6

UNDISCOUNTED EARNINGS STREAMS FOR BATSWANA RESULTING
FROM SHORT-TERM TRAINING
US\$

Year	Public Sector		Public Sector		Total Both Sector Earnings Streams (Col. 5)
	Short-term International Training ¹ (Col. 1)	Short-term In-Country Training ² (Col. 2)	Short-term International Training ³ (Col. 3)	Short-term In-Country Training ⁴ (Col. 4)	
1	6,600	87,500	5,280	54,000	154,380
2	6,600	87,500	5,280	54,000	154,380
3	6,600	87,500	5,280	54,000	154,380
4	6,600	87,500	5,280	54,000	154,380
5	6,600	87,500	5,280	54,000	154,380
6	6,600	87,500	5,280	54,000	154,380
7	6,600	87,500	5,280	54,000	154,380
8	6,600	87,500	5,280	54,000	154,380
9	6,600	87,500	5,280	54,000	154,380
10	6,600	87,500	5,280	54,000	154,380

¹10 percent (\$660) of average salary for upper-level GOB professionals (US \$6,600) times number of trainees (10) in each group.

²10 percent (\$500) of average salary for mid-level GCB professionals (US \$5,000) times number of trainees (175) in each group

³10 percent (US \$880) of average salary for upper level private sector professional (US \$8,800) times number of trainees (6) in each group

⁴10 percent (US \$720) of average salary for mid-level private sector professional (US \$7,200) times number of trainees (75) in each group

TABLE 7

UNDISCOUNTED WAGE BENEFIT STREAMS FOR BATSWANA
 RESULTING FROM SHORT-TERM INTERNATIONAL
 AND IN-COUNTRY TRAINING
 (000'S)

<u>Year</u>	<u>Year 1¹</u> (Col. 1)	<u>Year 2¹</u> (Col. 2)	<u>Year 3¹</u> (Col. 3)	<u>Year 4¹</u> (Col. 4)	<u>Total All Years</u> <u>64 International</u> <u>1000 In-country</u> (Col. 5)
86	1	--	--	--	--
87	2	--	--	--	--
88	3	153	--	--	153
89	4	153	153	--	306
90	5	153	153	153	459
91	6	153	153	153	612
92	7	153	153	153	612
93	8	153	153	153	612
94	9	153	153	153	612
95	10	153	153	153	612
96	11	153	153	153	612
97	12	153 ²	153	153	612
98	13		153 ²	153	459
99	14			153 ²	306
00	15				153 ²

¹Each year 16 people will be trained in short-term international programs and 250 in in-country training programs

²The benefits of short-term training are assumed to last for no more than 10 years.

TABLE 8
 BENEFITS STREAM RESULTING
 FROM BATSWANA REPLACING EXPATRIATES
 ('000'S)

Year	Number of Batswana Returning (Col. 1)	Savings Due to Replacement of Expatriates ¹ (Col. 2)
1	--	
2	--	
3	--	
4	--	
5	44	1,320
6	88	2,640
7	132	3,960
8	176	5,280
9	176	5,280
10	176	5,280
11	176	5,280
12	176	5,280
13	176	5,280 ²

¹Returning Batswana replacing expatriate personnel will save an estimated \$30,000 per expatriate

²Savings are estimated to end in 1998, the mid-point between 1996 and 2001 when the supply of degree holding or higher manpower is expected to equal the manpower requirements

Source: Mission estimates

TABLE 9

BENEFITS STREAM RESULTING FROM EMPLOYMENT CREATION

<u>Year</u>	<u>Average Wage¹</u> (Col. 1)	<u>Employment Creation²</u> (Col. 2)	<u>Wage Benefit Stream³</u> (Col. 3)
1	1,375	35	48
2	1,375	35	48
3	1,375	35	48
4	1,375	35	48
5	1,375	35	48
6	1,375	793	1,090
7	1,375	793	1,090
8	1,375	793	1,090
9	1,375	793	1,090
10	1,375	793	1,090
11	1,375	793	1,090
12	1,375	793	1,090
13	1,375	793	1,090
14	1,375	793	1,090
15	1,375	793	1,090
16	1,375	793	1,090
17	1,375	793	1,090
18	1,375	793	1,090
19	1,375	793	1,090
20	1,375	793	1,090

¹Average yearly cash earnings, all economic sectors. Survey of Training Needs and Conditions of Work, Central Statistical Office, Ministry of Finance and Development Planning, Gaborone, 1984

²Impact is measured as the proportion of OPEXers or returned trained Batswana to the manpower requirements needed for economic growth times the total employment growth in the period.

³Col. 1 x Col. 2

TABLE 10
ECONOMIC ANALYSIS OF DWAST II: BASE CASE
(in US \$000's)

Year	Wage Benefits Long-term training of 176 Batswana ¹ (Col. 1)	Wage Benefits Short-term Training ² (Col. 2)	Avoiding Cost of Expatriates ³ (Col. 3)	Employment Creation Wage Benefits ⁴ (Col. 4)	Total Benefits (Col. 5)	Total Project Costs (Col. 5)	Costs Discounted at 10 % (Col. 7)	Benefits Discounted at 10 percent (Col. 8)
86 1	--	--	--	48	48	2,181	1,982.5	44
87 2	--	--	--	48	48	6,459.2	5,335.3	40
88 3	--	153	--	48	201	8,135.2	6,109.5	151
89 4	--	306	--	48	354	6,861.2	4,686.2	242
90 5	117	459	1,320	48	1,944	5,220.2	3,241.7	1,207
91 6	245	612	2,640	1,090	3,497	352.0	198.5	1,972
92 7	395	612	3,960	1,090	6,057	176.0	90.3	3,107
93 8	579	612	5,280	1,090	7,561	--	--	3,530
94 9	707	612	5,280	1,090	7,659	--	--	3,260
95 10	865	612	5,280	1,090	7,847	--	--	3,029
96 11	1,027	612	5,280	1,090	8,009	--	--	2,803
97 12	1,184	612	5,280	1,090	8,166	--	--	2,605
98 13	1,309	459	5,280	1,090	8,136	--	--	2,360
99 14	1,404	306	--	1,090	2,800	--	--	736
00 15	1,487	153	--	1,090	2,730	--	--	653
01 16	1,556	--	--	1,090	2,646	--	--	577
02 17	1,608	--	--	1,090	2,698	--	--	524
03 18	1,657	--	--	1,090	2,747	--	--	494
04 19	1,706	--	--	1,090	2,796	--	--	459
05 20	1,735	--	--	1,090	2,825	--	--	421
06 21	1,753	--	--	1,090	2,843	--	--	384
07 22	1,775	--	--	1,090	2,865	--	--	352
08 23	1,786	--	--	1,090	2,876	--	--	293
09 24	1,800	--	--	1,090	2,890	--	--	266
						29,384.8	21,644.	29,589

¹Table 5, column 5

²Table 7, column 5

³Table 8, column 2

⁴Table 9, column 3

TABLE 11

UNDISCOUNTED EARNINGS STREAMS FOR 44 BATSWANA UNDER BWAST II:
ASSUMING AFTER 3 YEAR BONDING PERIOD 1/2 PUBLIC SECTOR
GRADUATES MOVE TO PRIVATE SECTOR
(000)

Year	Public Sector		Private Sector		Total Group 44 Persons (Col. 5)
	Undergraduate Degree ¹ (Col. 1)	Graduate Degree ² (Col. 2)	20 Private Sector Employees ³ (Col. 3)	Former Public Sector Employees ⁴ (Col. 4)	
1	29	12	76	—	117
2	29	13	86	—	128
3	31	14	105	—	150
4	16	7	123	30	176
5	17	7	142	52	218
6	17	9	161	63	250
7	17	9	164	74	264
8	17	9	171	85	282
9	16	9	177	92	294
10	17	12	184	94	307
11	14	14	190	102	320
12	13	15	197	106	331
13	13	17	197	110	337
14	13	19	202	114	348
15	13	19	208	118	358
16	12	19	202	118	351
17	9	19	197	124	349
18	8	21	202	125	356
19	7	23	212	121	363
20	5	25	217	118	365

¹14 persons trained times earnings differential Table 2, Column 2 for 3 years, 7 persons times earnings differential Table 2, column 2 for remaining working life.

²10 persons trained times earnings differential Table 2, Column 4 for 3 years, 5 persons times earnings differential Table 2, column 4 for remaining working life.

³20 persons trained times earnings differential Table 3, Column 4 for complete working life.

⁴12 persons trained times earnings differential Table 3, Column 4 for working life years 3 and beyond.

TABLE 12

UNDISCOUNTED 20 YEAR WAGE BENEFIT FOR 176 BATSWANA
 TRAINED UNDER BWAST II: ASSUMING AFTER 3 YEAR
 BONDING PERIOD 1/2 PUBLIC SECTOR EMPLOYEES
 MOVE TO PRIVATE SECTOR
 (000's)

Year	1st 44 (Col. 1)	2nd 44 (Col. 2)	3rd 44 (Col. 3)	4th 44 (Col. 4)	Total 176 (Col. 5)
1	—	—	—	—	
2	—	—	—	—	
3	—	—	—	—	
4	117	—	—	—	117
5	128	117	—	—	245
6	150	128	117	—	395
7	176	150	128	117	571
8	218	176	150	128	672
9	250	218	176	150	794
10	264	250	218	176	908
11	282	264	250	218	1,014
12	294	282	264	250	1,090
13	307	294	282	264	1,147
14	320	307	294	282	1,203
15	331	320	307	294	1,252
16	337	331	320	307	1,295
17	348	337	331	320	1,336
18	358	348	337	331	1,374
19	351	358	348	337	1,394
20	349	351	358	348	1,406
21	356	349	351	358	1,414
22	363	356	349	351	1,419
23	365	363	356	349	1,433
24		365	363	356	
25			365	363	
26				365	

TABLE 13

UNDISCOUNTED EARNINGS STREAMS FOR BOTSWANA RESULTING
FROM SHORT-TERM TRAINING ASSUMING IMPACT
OF TRAINING IS REDUCED BY 50 PERCENT
 (US \$)

Year	Public Sector		Private Sector		Total with Sectors Earnings Shown (Col. 5)
	Short-term International Training ¹ (Col. 1)	Short-term In-Country Training ² (Col. 2)	Short-term International Training ³ (Col. 3)	Short-term In-Country Training ⁴ (Col. 4)	
1	3,300	43,750	2,640	27,000	77,000
2	3,300	43,750	2,640	27,000	77,000
3	3,300	43,750	2,640	27,000	77,000
4	3,300	43,750	2,640	27,000	77,000
5	3,300	43,750	2,640	27,000	77,000
6	3,300	43,750	2,640	27,000	77,000
7	3,300	43,750	2,640	27,000	77,000
8	3,300	43,750	2,640	27,000	77,000
9	3,300	43,750	2,640	27,000	77,000
10	3,300	43,750	2,640	27,000	77,000

¹Five percent (\$350) of average salary for upper level GCB professionals (US 6,660) times number of trainees (10) in each group

²Five percent (\$250) of average salary for mid-level GCB professionals (US \$5,000) times number of trainees (175) in each group

³Five percent (\$440) of average salary for upper-level private sector professionals (US \$8,800) times number of trainees (6) in each group

⁴Five percent (\$360) of average salary for mid-level private sector professionals (US \$7,200) times number of trainees (75) in each group

TABLE 14

UNDISCOUNTED WAGE BENEFIT STREAMS FOR BATSWANA RESULTING
FROM SHORT-TERM TRAINING ASSUMING BENEFIT
REDUCED BY HALF

Year	Year 1 ¹	Year 2 ²	Year 3 ³	Year 4 ⁴	Total all Years ³ 64 International 1000 In-Country (Col. 5)
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
1	—	—	—	—	—
2	—	—	—	—	—
3	77	—	—	—	77
4	77	77	—	—	153
5	77	77	77	—	230
6	77	77	77	77	306
7	77	77	77	77	306
8	77	77	77	77	306
9	77	77	77	77	306
10	77	77	77	77	306
11	77	77	77	77	306
12	77 ²	77	77	77	306
13		77 ²	77	77	230
14			77 ²	77	153
				77 ²	77

¹Each year 16 people are trained in short-term international programs and 250 in in-country training programs

²The benefits of short-term training are assumed to last for no more than 10 years

³Estimates adjusted to equal 1/2 Table 7, Column 5

TABLE 15

BENEFITS STREAMS RESULTING FROM BATSWANA REPLACING
EXPATRIATES ASSUMING LOWER SUPPORT COSTS
FOR EXPATRIATES
(000's)

Year	Number of Batswana Returned (Col. 1)	Savings Due Replacement of Expatriates ¹ (Col. 2)
1	--	--
2	--	--
3	--	--
4	--	--
5	44	1,100
6	88	2,200
7	132	3,300
8	176	4,400
9	176	4,400
10	176	4,400
11	176	4,400
12	176	4,400
13	176	4,400 ²

¹Returning Batswana replacing expatriate personnel will save an estimated \$25,000 per expatriate. See technical note, Annex XIII.

²Savings are estimated to end in 1998, the mid-point between 1996 - 2001 when the supply of degree holding manpower is expected to equal manpower requirements.

Source: Mission estimates

TABLE 16

BENEFIT STREAM RESULTING FROM EMPLOYMENT CREATION

<u>Year</u>	<u>Average Wage¹(US\$)</u> (Col. 1)	<u>Employment Creation</u> (Col. 2)	<u>Wage Benefit Streams³</u> (Col. 3)
1	1,375	35	48
2	1,375	35	48
3	1,375	35	48
4	1,375	35	48
5	1,375	35	49
6	1,375	451	621
7	1,375	451	620
8	1,375	451	620
9	1,375	451	620
10	1,375	451	620
11	1,375	451	620
12	1,375	451	620
13	1,375	451	621
14	1,375	451	620
15	1,375	451	620
16	1,375	451	620
17	1,375	451	620
18	1,375	451	621
19	1,375	451	620
20	1,375	451	620

¹Average yearly cash earnings, all economic sectors. Survey of Training Needs and Conditions of Work, Central Statistics Office, Ministry of Finance and Development Planning, Gaborone, 1984.

²Impact is measured by the proportion of OPEXers or returned trained Batswana to the manpower requirement needed for economic growth times the actual employment growth in the period.

³Column 1 x Column 2

TABLE 17
ECONOMIC ANALYSIS OF DWAST II: WORST CASE SCENARIO

Year	Wage Benefits Long-term Training of 176 Datswana ¹ (Col. 1)	Benefits Wage Benefits Short-term Training ² (Col. 2)	Avoiding Costs of Expatriates ³ (Col. 3)	Employment Creation Wage Benefits ⁴ (Col. 4)	Total Benefits Costs (Col. 5)	Costs Total Project at 10 % (Col. 6)	Present Worth Costs Discounted at 10 % (Col. 7)	Benefits Discounted at 10% (Col. 8)
1	--	--	--	48	48	2,181	1,982.5	44
2	--	--	--	48	48	6,459.2	5,335.3	40
3	--	77	--	48	125	8,135.2	6,109.5	94
4	--	153	--	48	201	6,861.2	4,686.2	137
5	117	230	1,100	48	1,447	5,220.2	3,214.7	898
6	245	306	2,200	49	2,800	352.0	198.5	1,579
7	395	306	3,300	621	4,622	176.0	90.3	2,371
8	571	306	4,400	620	5,897	--	--	2,753
9	672	306	4,400	620	5,998	--	--	2,543
10	794	306	4,400	620	6,120	--	--	2,362
11	908	306	4,400	620	6,234	--	--	2,182
12	1,014	306	4,400	620	6,340	--	--	2,022
13	1,090	230	4,400	621	6,341	--	--	1,839
14	1,147	153	--	620	1,920	--	--	505
15	1,203	77	--	620	1,900	--	--	454
16	1,252	--	--	620	1,872	--	--	408
17	1,295	--	--	620	1,915	--	--	379
18	1,336	--	--	621	1,957	--	--	352
19	1,374	--	--	620	1,994	--	--	327
20	1,394	--	--	620	2,014	--	--	300
21	1,406	--	--	620	2,026	--	--	274
22	1,408	--	--	620	2,028	--	--	249
23	1,419	--	--	620	2,039	--	--	228
24	1,433	--	--	620	2,053	--	--	209
							21,644	22,549

B/C=1.039

¹Table 12, Column 5

²Table 14, Column 5

³Table 15, Column 2

⁴Table 16, Column 3

SOCIAL SOUNDNESS ANALYSIS

A. Socio-Economic Environment

The Republic of Botswana is a multi-party democracy, politically stable and fiscally conservative. At Independence, Botswana was ranked as one of the poorest nations in the world, with a per capita income of about \$60 per annum. Today, per capita Gross Domestic Product (GDP) is approximately \$700.

Botswana's remarkable achievement in this area is primarily due to large investments in the mineral sector of the economy, which is the major contributor to the GDP. Agriculture contributes about 7% of the GDP and is dominated by the livestock industry. While the government has invested heavily in minerals and livestock, comparable levels of investment have not been made in arable agriculture and non-farm employment endeavors.

Agriculture in Botswana is not self-financing nor is it sufficiently productive to feed most families, even in years with favorable rainfall. Because of this, there is a strong interdependence between off-farm wage employment and farm production. Various household members simultaneously engage in agriculture and wage employment to subsist or to accumulate wealth. Yet job opportunities for the uneducated and the untrained are limited in Botswana. The socio-economic result of this is that the distribution of income and wealth is severely skewed. The GCB is aware of this stratification and is making efforts to invest and create employment in agriculture and the non-farm sector to rectify inequalities.

The inhabitants of Botswana identify themselves with tribal and clan groupings, each of which manifest varying degrees of social and cultural differences. While the largest groups are Tswana* in origin, the indigenous population also contains a number of people of non-Tswana origin such as the Kgalagadi, the San, the Herero, the Kalanga, the Yei and the Mbakushu. Differences among these groups are expressed in attitudes and value orientations. To a lesser degree, they indicate class position and location in the economic organization. Although Setswana and English are the two official languages of the country, other linguistic affiliations remain. Notwithstanding, ethnic differences in Botswana are not politicized. The various social identities and affiliations are compatible and harmonious rather than contradictory and conflictual. In the context of Botswana, therefore, ethnic categories exist as cultural units rather than as interest groups geared towards political activity. This is a factor which differentiates Botswana from most of Africa.

NDP6 has commented on the distorted population structure in Botswana with its imbalance in favor of women and the young. Botswana's population is growing at a rate of 3.4% per annum and is projected to double within 20 years. This dramatically affects the age structure of the population as well as its size—a fast growing population is heavily weighted towards young age groups. The excess of females can be partially explained by the predominantly male phenomenon of international migration. At present, there are approximately 16,000 Botswana males working in the mines of South Africa. In addition to migration, there is a difference in life

*Linguistically classified as the Sotho group of Bantu speaking people.

expectancy for men and women, 52.7 and 59.3 respectively. The excess of women is most apparent in the working age group of 20 to 40 years, where women outnumber men in a ratio of 4:3. This ratio is even higher near the South African border and in areas close to the rail line.

The educational quality of the national labor force (all of those over 15 years) is presently unbalanced, with an acute shortage of educated members of the workforce; technicians and managers are needed to fill positions required by an expanding economy. At the same time, there is a surplus of individuals with a primary education or less. Many from this latter category are unemployed or underemployed. Similarly, individuals with little or no schooling are the least likely to be in the formal economy.

Ideally, access to education is not dependent on considerations of gender, ethnicity and wealth. Presently, the costs of primary education are essentially paid by the GOB, while secondary educational costs are partially subsidized, thereby facilitating access for the general population regardless of class position. The availability of scholarships to 83% of university students means that those with modest economic incomes can still receive higher education. Vocational and trade schools have differing schemes of tuition subsidies. These are explored in the Institutional Analysis (Annex E.5.).

Inequity in access in the pre-university school system affects female students once they reach puberty. If a student becomes pregnant, she is required to leave school immediately for at least one year. If and when she returns, she must attend a different school. Considering the geographical dispersment of schools, few women return after their one year of expulsion. It has been estimated that between 200 and 500 students leave school annually because of pregnancy.

Vocational and technical schools have enrollments which are heavily weighted towards male students (see Annex E.5.). At the university level, disparity again appears by gender. There is a variation in the percentage of female enrollment by Faculty—ranging from 21% in Science to 48% in Education. This imbalance is carried over into foreign study, since many of the foreign study opportunities are in science-related areas. A Ministry of Education review of Botswana studying abroad found no hesitation on the part of women to go overseas. Rather, male-dominated fields tended to be the ones targeted for foreign study.

Under Phase I of EWAST, 34% of the 70 long-term participants trained to date are female. They are being educated in personnel management, home economics, disciplines within education, all of which are traditionally female-dominated fields as well as accounting, business administration, hotel management, development economics and urban planning, fields which are less sex-linked. Fifty percent are seeking Bachelors' degrees, 33% Masters degrees and 17% diplomas.

B. Beneficiaries

The training proposed in EWAST II will be directly targeted to three segments of Botswana's population: public sector employees, individuals in the urban private sector and rural peoples who are presently employed in, or wish to enter, rural enterprise. At project completion it is expected that

1,000 Batswana will have received a cumulative total of 2,000 person-months of in-country training; 176 Batswana will have received 528 person-years of long-term international training (45% of which will go to the private sector) and 64 Batswana will have received 192 person-months of U.S. and third country short-term training (38% of which will be in the private sector).

Additional beneficiaries include the members of the extended families of those individuals trained. This diffusion of benefits is quite pronounced in Botswana because of the nature of the social organization. Specifically, the extended family provides a remarkably flexible unit of income generation, capital investment and production. Members of a family are geographically and economically dispersed into the interstices of the macro-economy, thereby taking advantage of a variety of income opportunities and spreading their risks against failure. The family is central to economic undertakings and filters and redistributes the proceeds from each activity.

During implementation, particular attention will be given to ensure that females are well represented as direct beneficiaries of the educational opportunities offered by the project. There are a number of major reasons why education, training and the eventual project goal of employment creation are particularly important to the women of Botswana. These include the following:

1. An adult population in the rural areas which is comprised predominantly of women.
2. A numerical imbalance in favor of women in the "working age group" of 20 to 40 years.
3. A high proportion of the members of Botswana's disadvantaged households being women. These women tend to be female household-heads. In Gaborone, over 50% of the households are female-headed.
4. A high degree of involvement by women in self-employment which is considered an important aspect in the effort towards employment creation. Two independent surveys of rural enterprise reveal that 56% and 58% of entrepreneurs were female. If the brewing of beer for cash is categorized as an enterprise, women then predominate rural business.

An estimated 500 additional Batswana will benefit from the training provided by short-term technicians and OPEX lecturers. Approximately 36 OPEXers will be provided to target ministries, and 15 short-term technicians will be divided among the public and private sectors. Finally, the entire population of Botswana could ultimately benefit from this project by its contribution to an increased GOB capacity and efficiency in planning, designing and implementing national development programs that relate to employment generation and by the project's stimulus to provide initiative with accompanied job creation.

C. Social Feasibility

The GOB receptivity to the project is evidenced by the NDP6 concerns with manpower imbalances in the country and the government's objectives in employment generation. There has been an exceptionally positive response to Phase I of the project from the ministries and organizations presently receiving assistance. A similarly positive, and somewhat envious reaction has been heard from non-project funded ministries and organizations, who have observed the EWAST accomplishments from the sidelines. USAID and the GOB have been continuously approached and petitioned with requests to extend the project.

Under Phase I, participant training proved to be socially feasible. The majority of Batswana participants have adapted well to the U.S. and to university life. There have, however, been several cases in which the participants have not adapted to cross-cultural experiences. Because of these difficulties, the EWAST II screening process will attempt to assess cross-cultural and personal readiness of the applicants to leave their families and their social support systems. This is a particularly difficult area to assess, and it is proposed that the project should avail itself of resources and expertise in the field of cross-cultural educational psychology.

Another potential area of difficulty involves the reluctance on the part of Batswana supervisors to provide objective performance appraisals for OPEXers working in the public sector. In rural Tswana society, performance and failure, blame and credit, are cut in the open—public and unambiguous. Anonymity and privacy are impossible. However, in the urbanized, governmental structure much of the opposite seems to have evolved. This makes it somewhat difficult for the project to ensure quality control and maximum usage in the field of technical assistance. It is therefore recommended that a covenant to the Grant Agreement address the issue of OPEXer performance appraisal.

D. Social Impact

The project training activities will directly benefit the targeted participants. Since it has been documented that a market exists for those with advanced education and skills, the project has the potential for increasing the incomes of those trained. By virtue of the socio-economic organization of Tswana extended family, those economic benefits will then diffuse throughout the family, in its various urban and rural locations.

The project activities are expected to have a favorable impact on women. While females have been well represented in Phase I of the project, careful monitoring during implementation will ensure that their participation is increased. Project inputs will therefore positively affect female earning capacity and employability.

Moving from the level of individuals, the principal question for an impact analysis becomes: to what extent will the project impact on the larger social conditions, specifically unemployment? While the goal of EWAST II is to assist the GOB's efforts in job formation through workforce training and the provision of technical assistance, the project is careful to acknowledge that it will not directly create jobs. The link between training and

job creation/self-employment appears to be dependent on an increasing number of variables as one goes up the technical and professional scale. It may be easier for a rural entrepreneur who has received training in tanning or carpentry to start a business consisting of one person in the informal sector than for an individual trained at the Polytechnic in engineering to start his/her own business. The latter requires not only technical training, but access to capital and equipment and a technology policy that makes local manufacturing of spare parts and components worthwhile.

Unemployment will undoubtedly continue in Botswana well beyond the life of this project. At the same time it should be acknowledged that EWAST II is addressing the important issue of manpower training, one of many the variables to be factored into the job creation equation. The returned participants have the potential for increasing their household income and will have increased access to productive resources. This project will therefore assist in the restructuring of present economic disparities and will have a measurable impact on the quality of life.

This assessment of the distribution of the benefits and burdens of the project indicate that the social consequences will be strongly positive. While the ultimate success necessarily depends on the quality of project implementation, analysis of the project in terms of the social factors involved indicates that the project is soundly designed to meet its stated objectives.

INSTITUTIONAL ANALYSIS

BWAST II will support the in-country training of approximately 1,000 students. The following is a brief analysis of several major institutions. They include an institution of higher education, the University of Botswana; Botswana Agricultural College; a management institute, the Institute of Development Management; and vocational and technical institutes, such as the Polytechnic, the Brigades, the Botswana Institute of Administration and Commerce, and the Rural Industries Innovation Centre. These institutions are discussed so as to provide the reader with background on the in-country educational facilities. Inclusion in this discussion does not necessarily mean that the institution will be eligible for assistance under the project.

A. UNIVERSITY OF BOTSWANA

The University of Botswana, located in Gaborone, is composed of four Faculties--Education, Humanities, Science, and Economics and Social Sciences. Academic programs within the Faculties are offered at the certificate, diploma, and degree levels. In addition to these four Faculties, the Institute for Adult Education (IAE) and the National Institute for Development and Cultural Research (NIR) are located within the University. The National Health Institute (NHI) also is an affiliate of the University.

The Institute for Adult Education (IAE) is primarily concerned with extending the University's resources beyond the campus and with adult education. It has two main functions:

- to support the development of adult education services through training, research, and experimentation; and
- to help make the resources of the University more widely known and available to the general public.

The National Institute of Research (NIR) was established in 1975 within the University. Its main purpose is to promote, coordinate, and conduct research that will ultimately benefit large and less privileged parts of the population, as well as the country as a whole. The Institute is divided into four sections: research, documentation, library, and administration/printing. Major activities include research, seminars, training, publications, and other special services.

The National Health Institute (NHI) provides the majority of medical training offered in Botswana. At present, NHI trains family nurse practitioners, community health nurses, nurse midwives, nurse anesthetists, enrolled nurses, enrolled nurse midwives, health assistants, pharmacy technicians, dental therapists, laboratory assistants and health education/nutrition assistants.

The government continues to rely on training courses abroad for the training of some types of medical personnel. For example, doctors, dentists and pharmacists are trained externally.

Annex E.1.a. of the Technical Analysis-Public Sector presents the projected enrollment statistics, by program, at the University of Botswana from 1985/86 to 1990/91. Degree level programs will lead the University growth

with an aggregate increase from 170 students to 822. Within this category the fastest growing programs will be social science (30 to 282) and education (20 to 146). A dramatic increase in degree level courses will occur by 1986/87 and a steady increase thereafter.

Enrollments in the post-graduate and pre-entry science courses are anticipated over NDP6. The pre-entry courses expand rapidly beginning in 1987/88 and by 1990/91 will have increased by more than 250% of their 1985/86 levels.

1. Academic Staff. The critical area of concern for any University is the quality of its instructional staff. The University of Botswana has emphasized both new staff recruitment and staff development over the last two years. In 1984, the staff establishment of the University was as shown in Appendix I. This appendix also indicates the degree of localization in each department or program. (Note: In two cases, Nursing Education and the Institute of Adult Education, the total number of Botswana in post-training or actually in training exceeds the present level of the establishment.)

For the instructional staff as a whole, the proportion of Botswana equaled 51%. If one adds the NIR (where seven of the eight posts were filled by Botswana) this proportion increases to 56%. However, as the table indicates, there is great variation within and among the four faculties. Education, with 66% Botswana staff, has the highest proportion, while science with 38%, has the lowest.

The current staff development program of the University is designed to continue the institution's efforts to promote both localization and staff quality. At the end of 1984 there were 23 Botswana studying abroad for PhD's and 20 studying for Masters' Degrees.

2. Curriculum. The University of Botswana currently offers programs leading to the following:

- a. Master's Degree in Education,
- b. Bachelors' Degrees in Arts, Commerce, Education, Science, and Law (in conjunction with the University of Edinburgh),
- c. Diplomas in Accounting and Business, Adult Education, Library Studies, Primary Education, Secondary Education, Statistics, and Theology, and
- d. Certificates in Accounting and Business, Adult Education, Library Studies and Statistics.

3. Facilities. The UB campus has 29 classrooms lecture theaters with a total of 1,356 seats. The campus also has science laboratories, faculty offices, an academic library, and a Student Union Building. Most of the students board and are accommodated in facilities that currently have 1,012 beds in 33 blocks and another 112 temporary beds. The boarding facilities at the University are usually filled to maximum capacity and overcrowding is due to a shortage of hostel space. UB is increasing its enrollments by encouraging all students who possibly can, to live off campus. Long-term plans are to expand gradually from the present 1,237 students to a maximum capacity of 3,700 students by the year 2000.

4. Cost and Financing. University costs are high because of Botswana's small population and the numbers now enrolled, and because of the research, educational support, and outreach activities for such an institution to undertake. Recurrent expenditures for UB are derived from four sources--tuition and fees, auxiliary enterprises, external support and government subventions. With lump sum transfer and student tuition, government contributes nearly 70% of the University revenues. Donor support for higher education has been substantial, most of it directed to capital costs and/or sponsored posts.

B. BOTSWANA AGRICULTURAL COLLEGE (BAC)

BAC is an affiliate of the University of Botswana. It trains students in agriculture primarily to serve as agricultural extension demonstrators (AEDs) and in animal health primarily to serve as veterinary assistants (VAs). Located outside of Gaborone, BAC offers both Certificate and Diploma programs. Upon completion, the AEDs are assigned to the Department of Agricultural Field Services and the VAs are assigned to the Department of Veterinary Health, both within the Ministry of Agriculture. Students enter BAC after completing junior secondary school (Form III). The BAC curriculum stresses practical training; students in both programs spend about half of their time in the field and the other half in classroom study.

Enrollments in 1985 at BAC were 118. Within these enrollments, the proportion of women is low (22%) and has not improved much since 1979. Two reasons account for the low female enrollment. BAC does not accept many women into its programs and there is a relatively high dropout due to pregnancy. Women were not admitted to the Certificate Program in Animal Health until 1982 and in the 1985 enrollments only five out of 59 entrants were female.

BAC has 12 classrooms with capacities that hold between 25 and 70 students. The largest hall can accommodate 80 students. There are four laboratories at the College. They are used for chemistry, biology, animal health and parasitology.

C. INSTITUTE OF DEVELOPMENT MANAGEMENT (IDM)

The Institute of Development Management (IDM) was established in 1974 to help meet the training needs of mid-career and senior managers and administrators in all sectors of Botswana, Lesotho, and Swaziland. In addition to its training activities, the Institute maintains a management resource center and undertakes management consultancies and related research to assist management within the three countries to improve the performance of their organizations.

1. Course Structure. The 1984 scheduled training program reflects IDM policy of repeating training activity for which demand was high in the previous year. As the overall demand was very strong in 1983, only a few changes were made. Courses in Management by Objectives, The Managerial Grid, Basic Communication and Mathematics, Fundamentals of Statistics and Customer Relations were dropped. Two new certificate programs, Business Mathematics and Statistics and Immigration Procedures were added along with courses, Internal Auditing, Systems Design and Analysis and Marketing Management. In addition, a special course, Training of Trainers in Health Supplies Management, sponsored by the Commonwealth Health Secretariat, and

one, Management of Red Cross Societies, sponsored by the Canadian International Development Agency, were offered.

In all fifty-seven programs, courses and workshops were scheduled two of which were cancelled due to insufficient enrollment. The average course length was six weeks; the average class size was 17. A record 5,330 participant weeks of training was delivered exceeding the previous record, in 1983, by 8%. A total of 1,107 participants took part in this training activity 37% of whom were employed in the industrial/commercial sector. Thirty-eight percent of all participants were women, a healthy change from the years 1975 through 1978 when women represented only 18%. Citizens of Botswana received 75% of the training, whereas Lesotho and Swaziland together, accounted for only 21%. A further 4% came from outside, the participants coming from as far away as Egypt, Liberia and the Seychelles.

Participation compared to previous years, is illustrated in Appendix 2. A detailed break-down of participation by program and courses is provided in Appendix 3.

2. Staffing. For the 1984 program year, the IDM had 17 regional instructional staff, five regional administrative staff, and 19 additional administrative staff located at the individual IDM campuses (ten in Botswana four in Lesotho, and five in Swaziland). Approximately 59% of the staff hold degrees at the Master's Level or above.

3. Cost and Financing. IDM is presently responsible for payment of salaries for all staff, including that of the Regional Director. In spite of the 10% increase in course fees, a deficit is projected for 1985. While measures have been taken to cut costs, these can only be exercised in limited ways as the bulk of IDM expenditure is fixed or direct and therefore not easy to control since it is directly related to the amount of training undertaken.

In order to maintain self-sufficiency, this coming year, IDM plans to generate revenue through means other than course fees. It plans to develop and increase its activities in such areas as management consultancies, seminars and conferences.

D. BOTSWANA POLYTECHNIC

1. Administration and Supervision. In 1979 the Botswana Polytechnic (BP) was created from the National Center for Vocational Training. It is under the jurisdiction of the Technical Education Department of the Ministry of Education and offers courses at the craft and technical levels. An organizational chart is shown in Appendix 4. The Polytechnic has three Departments (Civil Engineering, Mechanical Engineering, and Electrical Engineering) and a Polytechnic Administration Section. Staff in Academic departments report to a department head who, in turn, reports to the Principal. The Botswana Polytechnic also has a teacher training unit.

2. Trainees. In November 1985, 700 students were attending the BP. Of this number 75 were female. The largest number of students were enrolled in mechanical engineering courses. Projected enrollment for 1986 is 900. While most students are full-time at the Polytechnic, some are part-time and some alternate attendance with work experience.

Entry requirements for the craft courses include a good pass on the Junior Certificate Examinations (Grade C or better) in English, Mathematics, and Science, an interview, and possibly a selection test. Candidates for the technical courses must possess either a Craft Certificate with credit levels of attainment, or a Cambridge Certificate with minimum grades of six in English, Mathematics, and Science, or General Certificate of Education passes in these subjects. A limited number of mature students without these qualifications are also admitted on the basis of employers' recommendations.

3. Trainers. The total teaching staff at the Polytechnic in 1985 was 62. This figure includes the principal, three department heads, and 57 teaching staff. Staff receive training overseas, at the University or at the Polytechnic. The existing staffing pattern points to the critical need for vocational teacher training, particularly as the BP is undergoing expansion in student numbers at the same time that it is maintaining a high level of staff training.

4. Curriculum. The Botswana Polytechnic offers courses at the craft and technician level. The ratio of students in craft to technician courses is approximately 2:1. Courses offered are shown by department in Appendix 5. It is recognized that most students require additional on-the-job training before they can be classified as fully skilled.

Short courses (day long) are offered by the Polytechnic. These are usually provided to government and industry and rely on experience rather than academic qualifications. As soon as the planned vocational centers are fully operational, the Polytechnic is expected to hold steady the number of introductory courses it offers, and concentrate its resources on advanced craft and technical training.

5. Examinations. Excluding the short courses, certification is by modified City and Guilds of London examinations. The modifications address the local context and it is thought that adhering to international standards is important in controlling for quality performance.

6. Facilities and Equipment. The BP has 21 classrooms, five drawing offices, nine workshops, one library, seven laboratories, one resource center and one lecture theatre. A required course in English and communication studies and a library provide additional support for studies. Boarding facilities house 90% of the students.

7. Costs and Financing. Capital projects at the Polytechnic have been funded primarily out of government development funds with the largest donations from the United Kingdom and the Swedish International Development Agency (SIDA).

Recurrent costs, exclusive of salaries paid by external agencies, are covered by employers and the Central Government. Private Sector employers sponsoring students are required to pay the Government P20 per week per student (P8 for room and board and P12 for tuition fees) and are asked to cover the cost of books and supplies. These charges are not intended to recover the real cost and, therefore, represent a sizable subsidy of the private sector. No charge is made to the "unsponsored student" for room, board, tuition, books, and supplies. In addition to these "free" goods and services, students receive a P10 per month allowance for personal expenses. In exchange for the training, a student is usually bonded to the Government.

E. BOTSWANA INSTITUTE OF ADMINISTRATION AND COMMERCE

1. Administration and Supervision. The Botswana Institute of Administration and Commerce (BIAC) offers courses for government, parastatal, and private organizations in commercial and secretarial subjects. The Institute began as part of Botswana's Trade School in 1962 and moved under the jurisdiction of the Office of the President (as the Botswana Training Centre) in 1974. It was renamed the Botswana Institute of Administration and Commerce in 1980.

2. Trainees. Male and female students between the ages of 16 and 40 enroll in courses at BIAC. A total of 339 individuals (138 male and 201 female) participated in training activities (both long and short-term) at BIAC during 1985. Out of the total 1985 enrollment, 253 of the students were sponsored by the GOB and 86 by the private sector.

3. Trainers. Full-time staff teach at BIAC. Of this number 27 are Botswana and 10 are expatriates. Many BIAC staff members lack formal teacher training, and professional training is seen as a priority need.

4. Curriculum. At the present time BIAC is authorized to offer courses leading to elementary, intermediate, and advanced secretarial certificates; certificates, diplomas, and higher diplomas in accountancy and business studies; non-degree special courses requested by governmental departments' and non-degree refresher and upgrading courses for office work. Courses are approximately 30% theoretical and 70% practical. In addition, short-term, inservice courses are provided on such topics as Supplies Induction, Basic Supplies Administration, and Clerical Induction (i.e., government organization).

5. Examinations. Students in secretarial studies sit for Pitman examinations. Accounting students may receive either a National Certificate or a National Diploma. The Diploma-level standards are matched internationally with Part A of the Chartered Institute of Secretaries and the Association of Certified Accountants Level I subjects.

6. Facilities and Equipment. The BIAC has 14 classrooms and hostel space for 272 students, but both need to be expanded. A library supports instructional activities.

7. Costs and Donor Support. Capital costs have been financed principally from the Government's development fund and loans from the World Bank. The International Labor Organization has also provided major support.

Recurrent costs at BIAC are financed in a somewhat different manner than they are in the other public post-secondary institutions. Preservice government workers are charged no fees and receive a P10 allowance per month. In return, they are bonded to government service. Inservice government workers are charged no fees and are entitled to full salary for 12 months and thereafter half of their salary. Nongovernment students are charged P800 per annum for tuition and board (P600 per annum for tuition alone). Approximately 90% of all students are government supported, the rest being sponsored by parastatals and the private sector.

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F. BOTSWANA BRIGADES

1. Administration and Supervision. Brigades are small or medium-sized autonomous training and production units. They are community-based, controlled by local board of trustees. At the local level most brigades are part of a Brigade Centre, which is a cluster of brigades (builders, farmers, carpenters, and auto mechanics, for example). Although each Brigade Centre is necessarily unique, a center is usually staffed by, at the least, a full-time manager responsible for both training and commercial activities and an accountant, as well as training staff.

The Brigade Development Centre (BRIDEC), located in Gaborone, serves three major functions:

- to coordinate basic training and upgrading of Brigade staff;
- to provide administrative and accounting support to, and consolidate the development of, the Brigade movement; and
- to serve as a conference center for the Brigades.

The Ministry of Education is responsible for administering government support to the Brigade activities through BRIDEC.

2. Trainees. For the most part, trainees are primary school leavers. Preference is for trainees who are between 16 and 18 years old. In 1985, 700 trainees were enrolled. It is estimated that this will increase to 1,000 by 1990.

Production brigades, whose purpose is to produce goods to generate income in support of training costs, also provide training to employees. For example, the builders and mechanics training units of the Kanye Brigade Development Trust are partially supported by a unit that trains and employs villagers as knitters.

3. Trainers. The brigades rely heavily on donor-supplied expatriate teachers, many of whom have no formal teacher training. Counterparts are identified but developmental training takes much time and qualified Botswana trainers often have alternative employment opportunities.

4. Curriculum. The Brigades make contributions in training, development, and employment generation in rural Botswana. They were originally designed as an attempt to overcome the shortcomings of the formal school system and their curriculum is based on the following principles:

- a. Vocational training shall be provided mainly for primary school leavers outside the formal education system,
- b. Training shall be primarily geared to the needs of the local area. The general aim is rural development to be achieved by offering training for gainful employment;
- c. Academic and vocational training both in the classroom and on the job shall lead to the adoption of development-oriented values, attitudes, knowledge, and skills.

- d. Training and productive work are to be combined so the sale of produce is used to help cover the costs of training (the principle of "cost-covering" applies to recurrent costs such as production costs, overheads such as administration and marketing, training expenses, and depreciation).

Training in the brigades emphasizes practical applications and is on the job. Approximately one day out of five is reserved for academic upgrading and trade theory. Academic subjects include mathematics, English, development studies, and science. Curriculum completion takes one year for textiles, two for farming, and three for the other fields (e.g., building, carpentry, electronics).

5. Examinations. At the end of the training period trainees take government trade tests, administered by the Ministry of Labour and Home Affairs. Most brigade trainees take the "Grade C" trade tests (Grades B and A designate higher skill levels).

6. Facilities and Equipment. Brigade centers have classroom buildings, workshops, and equipment, with hostel accommodation for 128 people. Instructional support materials is minimal.

7. Costs and Financing. Capital funding for the Brigades has come from three sources: (a) grants or loans made to the Central Government for the Brigades; (b) grants made to a particular Brigade; and (c) the proceeds generated by the Center's commercial ventures.

G. RURAL INDUSTRIES INNOVATION CENTRE (RIIC)

1. Administration and Supervision. The major activity of the Rural Industries Innovation Centre, which is located in Kanye, is the development of specific technologies appropriate to Botswana. In concert with producing innovative technologies, the RIIC runs training schemes for rural Botswana. Supported by government (as well as donor agencies), the RIIC reports to Rural Industries Promotions, a nongovernmental organization charged to help implement plans for Botswana's rural industrialization.

2. Trainees. Individuals who enroll in RIIC's programs are usually adults who remain self-employed after training by starting small village industries. RIIC's occupational training areas and the number of trainees in each from 1981 to 1985 are summarized in Appendix 6.

APPENDIX 1

STAFF ESTABLISHMENT, UNIVERSITY OF BOTSWANA
AS OF DECEMBER, 1984

<u>Faculties/Departments</u>	<u>Posts</u>	<u>Posts Filled</u>	<u>Posts Vacant</u>	<u>Batswana Staff (In post or in training)</u>	<u>Batswana Percent Posts</u>
<u>Education:</u>					
Languages & Social Science	5	5	0	2	40%
Science	7	7	0	2	29%
Foundations	8	7	1	3	38%
Nursing	4	4	0	5	125%
Institute of Adult Education	6	5	1	7	117%
Primary Education	5	5	0	4	80%
Subtotal	35	33	2	23	66%
<u>Humanities:</u>					
African Languages	5	3	2	4	80%
English	10	10*	0	5	50%
French	2	2*	0	1	50%
History	5	5	0	4	80%
Library Studies	4	4	0	2	50%
Theology & Religious Studies	4	4	0	1	25%
Subtotal	30	28	2	17	57%
<u>Social Sciences:</u>					
Accounting	7	6*	1	2	29%
Demography	2	2*	0	1	50%
Economics	6	4	2	4	67%
Law	6	6	0	2	33%
Political & Adm. Studies	6	5	1	3	50%
Sociology	4	3	1	3	75%
Statistics	6	5	1	3	50%
Subtotal	37	31	6	18	49%
<u>Science:</u>					
Biology	6	5	1	6	100%
Chemistry	6	6	0	1	17%
Environmental Sciences	6	6	0	2	33%
Geology	4	4	0	2	50%
Mathematics	7	7	0	1	14%
Physics	6	6	0	2	33%
Pre-entry Science	10	8	2	3	30%
Subtotal	45	42	3	17	38%
UNIVERSITY TOTAL	147	134	13	75	51%

Source: University of Botswana, 1985

*Indicates department with supernumerary or externally funded expatriate staff in addition to those shown here.

FIGURE I

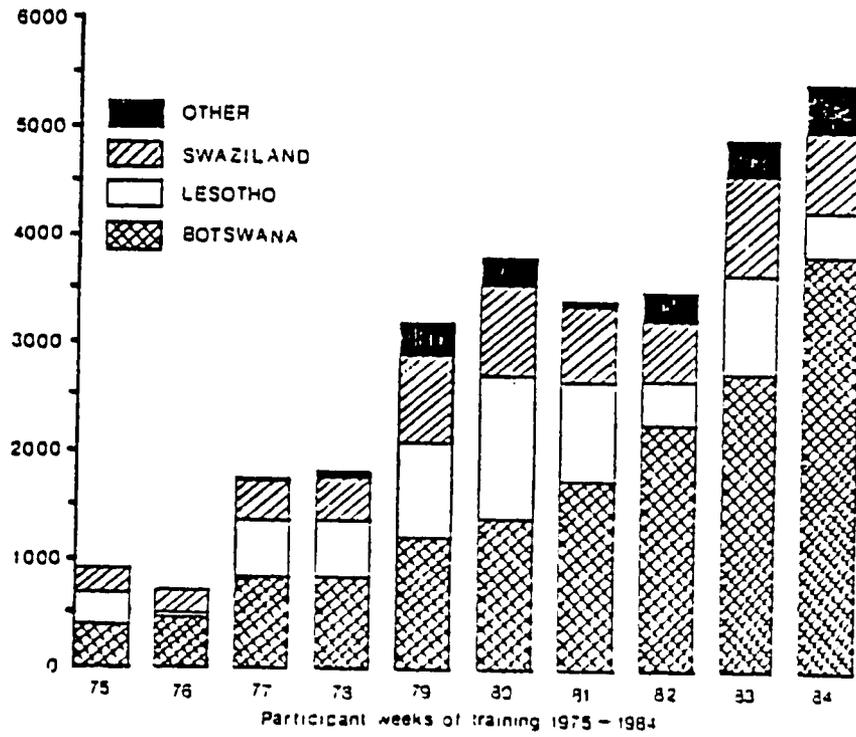
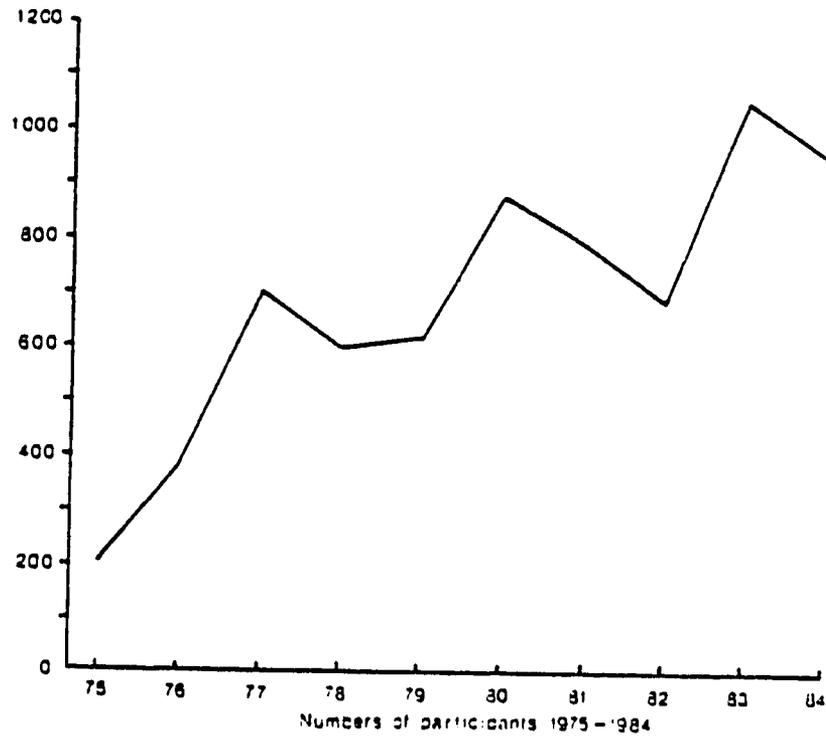


FIGURE II



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PROGRAMMES, COURSES AND SEMINARS HELD IN 1984

APPENDIX 3

1984 TRAINING ACTIVITY

NAME OF COURSE	DATE	LOCATION	NO OF WEEKS	PARTICIPANTS							PARTICIPANT WEEKS				
				MALE	FEMALE	B	L	S	OTHERS	TOTAL	B	L	S	OTHERS	TOTAL
Certificate in Local Administration	9 1 84 - 3 2 84	BOTSWANA	4	10	7	17	--	--	--	17	68	--	--	--	68
Orientation - New Headmasters	9 1 84 - 13 1 84	BOTSWANA	1	16	0	16	--	--	--	16	16	--	--	--	16
Preparing Job Descriptions	30 1 84 - 3 2 84	SWAZILAND	1	4	3	7	--	--	--	7	7	--	--	--	7
Performance Appraisal	23 1 84 - 27 1 84	SWAZILAND	1	3	5	7	1	--	--	8	7	1	--	--	8
Certificate in Management I	30 1 84 - 9 3 84	BOTSWANA	6	10	10	13	6	2	--	20	78	30	12	--	120
Accounting I	6 2 84 - 24 2 84	LESOTHO	3	8	5	9	4	--	--	13	27	12	--	--	39
INTERVIEW TECHNIQUES	13 2 84 - 17 2 84	SWAZILAND	1	5	11	12	3	1	--	16	12	3	3	--	16
Project Planning	13 2 84 - 2 3 84	SWAZILAND	3	3	5	1	1	2	4	8	3	3	6	12	24
Certificate in Immigration Procedures and Techniques I (Group I)	5 3 84 - 13 4 84	BOTSWANA	6	9	5	14	--	--	--	14	84	--	--	--	84
Introduction to Management Water Affairs	5 3 84 - 16 3 84	BOTSWANA	2	20	2	22	--	--	--	22	44	--	--	--	44
Accounting I	12 3 84 - 30 3 84	BOTSWANA	3	19	15	34	--	--	--	34	102	--	--	--	102
Project Identification	13 3 84 - 23 3 84	LESOTHO	2	4	10	--	14	--	--	14	--	28	--	--	28
Accounting I	19 3 84 - 6 4 84	SWAZILAND	3	10	12	11	1	12	1	22	24	3	36	3	66
Introduction to Personnel Management	2 4 84 - 29 6 84	BOTSWANA	13	7	12	19	--	--	--	19	247	--	--	--	247
Training of Trainers I	2 4 84 - 20 4 84	BOTSWANA	3	8	3	9	--	2	--	11	27	--	6	--	33
Accounting II	2 4 84 - 20 4 84	BOTSWANA	3	11	7	16	1	1	--	18	48	3	3	--	64
CNA - CNA	2 4 84 - 16 11 84	SWAZILAND	33	5	18	16	--	4	3	23	528	--	132	89	759
Certificate in Management II	3 4 84 - 1 6 84	BOTSWANA	6	8	10	12	4	2	--	18	72	24	12	--	108
Accounting II	24 4 84 - 11 5 84	SWAZILAND	3	6	9	9	2	4	--	15	27	6	12	--	45
Certificate in Immigration Procedures and Techniques I (Group II)	30 4 84 - 9 6 84	BOTSWANA	6	11	3	14	--	--	--	14	84	--	--	--	84
AAI Exam Preparation	30 4 84 - 25 5 84	BOTSWANA	4	6	0	4	--	2	--	6	16	--	8	--	24
Electronic Data Processing	14 5 84 - 18 5 84	BOTSWANA	1	12	6	11	--	5	1	18	11	--	6	1	18

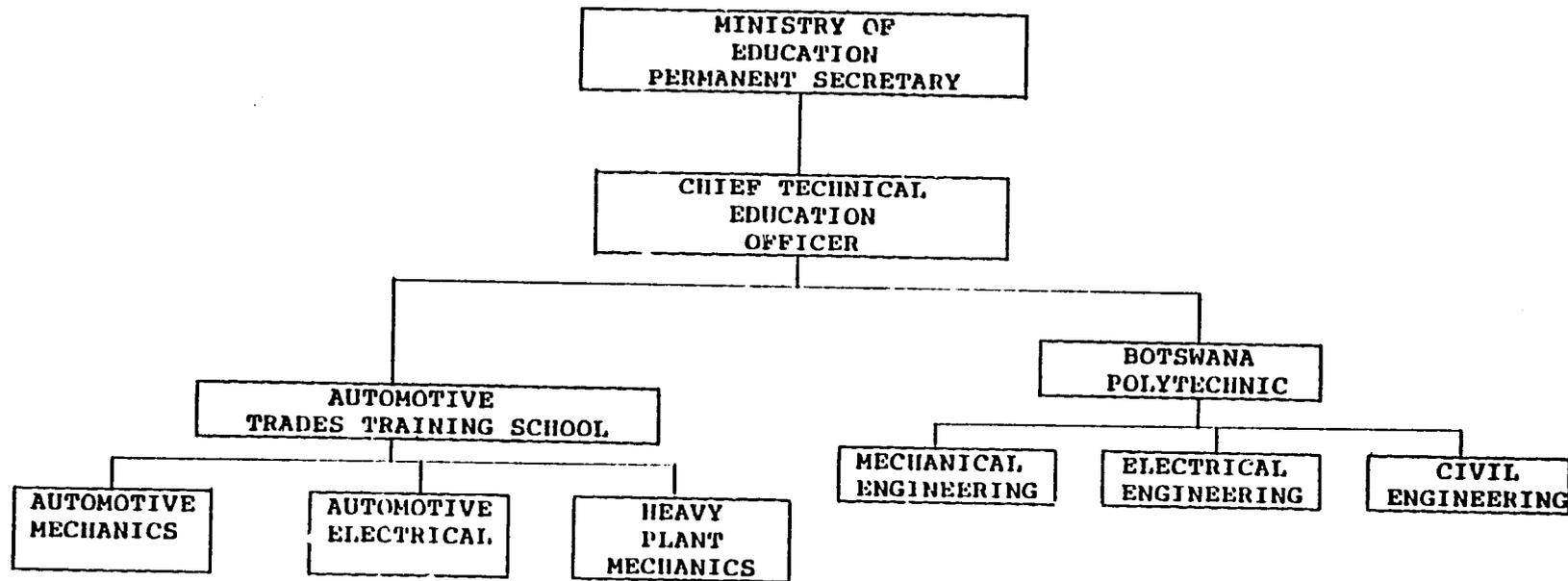
PROGRAMMES, COURSES AND SEMINARS HELD IN 1984

NAME OF COURSE	DATE	LOCATION	NO OF WEEKS	PARTICIPANTS							PARTICIPANT WEEKS				
				MALE	FEMALE	B	L	S	OTHERS	TOTAL	B	L	S	OTHERS	TOTAL
Management Information Systems	21 6 84 - 26 5 84	BOTSWANA	1	9	0	7	1	1	-	9	7	1	1	-	9
Training of Trainers II	4 6 84 - 22 6 84	BOTSWANA	3	8	3	9	-	2	-	11	27	-	6	-	33
Accounting I	11 6 84 - 28 6 84	BOTSWANA	3	4	6	8	1	-	1	10	24	3	-	3	30
Certificate in Local Administration	18 6 84 - 3 8 84	BOTSWANA	7	10	4	14	-	-	-	14	98	-	-	-	98
Certificate in Finance Management	28 5 84 - 27 7 84	BOTSWANA	9	14	12	10	2	14	-	26	90	18	126	-	234
Accounting II	14 5 84 - 1 6 84	SWAZI AND	3	10	3	2	-	11	-	13	6	-	33	-	39
Certificate in Personnel Management I	16 4 84 - 8 6 84	LESOTHO	8	17	19	27	4	3	2	38	216	32	24	16	288
Records Management	11 6 84 - 22 6 84	BOTSWANA	2	14	23	36	-	1	-	37	2	-	2	-	74
Certificate in Immigration Procedures and Techniques II (Group I)	25 6 84 - 3 8 84	BOTSWANA	8	9	6	14	-	-	-	14	84	-	-	-	84
Training of Management Educators (TOME)	18 6 84 - 10 8 84	BOTSWANA	8	18	4	3	2	2	15	22	24	16	16	120	176
Certificate in Personnel Management II	2 7 84 - 25 8 84	BOTSWANA	8	17	19	27	3	4	2	38	216	24	32	16	286
Business Math and Statistics	2 7 84 - 27 7 84	BOTSWANA	4	5	3	7	1	-	-	8	28	4	-	-	32
Certificate in Management III	9 7 84 - 17 8 84	BOTSWANA	6	8	9	11	4	2	-	17	66	24	12	-	102
Communication Skills (4 hrs/week)	10 4 84 - 12 7 84	BOTSWANA	2	6	10	15	-	-	-	15	30	-	-	-	30
Accounting I	30 7 84 - 17 8 84	SWAZI AND	3	6	8	-	-	14	-	14	-	-	42	-	42
Systems Analysis & Design	30 7 84 - 7 9 84	BOTSWANA	8	6	4	6	4	-	-	10	38	24	-	-	60
Training of Trainers III	13 8 84 - 24 6 84	BOTSWANA	2	7	3	8	-	2	-	10	16	-	4	-	20
Nursing Unit Management	20 8 84 - 7 9 84	SWAZI AND	3	0	15	9	5	1	-	16	27	15	3	-	45
Local Government Administration	20 8 84 - 28 9 84	BOTSWANA	6	11	6	17	-	-	-	17	102	-	-	-	102
Certificate in Finance Management II	30 7 84 - 28 9 84	BOTSWANA	9	9	12	9	2	10	-	21	81	18	90	-	189
Certificate in Immigration Procedures and Techniques II (Group II)	2 9 84 - 12 10 84	BOTSWANA	6	10	4	14	-	-	-	14	84	-	-	-	84
Training of Trainers IV	10 9 84 - 21 9 84	BOTSWANA	2	7	3	8	-	2	-	10	16	-	4	-	20
Retail Management	10 9 84 - 21 9 84	BOTSWANA	2	4	5	6	1	2	-	9	12	2	4	-	18

PROGRAMMES, COURSES AND SEMINARS HELD IN 1984

NAME OF COURSE	DATE	LOCATION	NO OF WEEKS	PARTICIPANTS							PARTICIPANT WEEKS				
				MALE	FEMALE	B	L	S	OTHERS	TOTAL	B	L	S	OTHERS	TOTAL
Internal Auditing	10 9 84 — 14 9 84	LESOTHO	1	8	1	—	9	2	—	9	—	9	—	9	
Management Procedures and Techniques	17 9 84 — 21 9 84	BOTSWANA	1	27	0	27	—	—	—	27	27	—	—	27	
T O T Supervisory Management	17 9 84 — 21 9 84	BOTSWANA	1	16	10	26	—	—	—	26	25	—	—	25	
Manpower Planning Seminar	17 9 84 — 28 9 84	SWAZILAND	2	14	2	10	4	—	2	16	20	8	—	4	
Organization and Methods	24 9 84 — 30 11 84	BOTSWANA	10	14	12	9	5	7	5	28	90	50	70	50	
Certificate in Local Administration	1 10 84 — 26 10 84	BOTSWANA	4	17	6	23	—	—	—	23	92	—	—	92	
Project Identification	15 10 84 — 26 10 84	SWAZILAND	2	7	2	4	—	5	—	9	8	—	10	18	
T O T Health Supply Management	15 10 84 — 23 11 84	BOTSWANA	8	14	8	4	2	—	14	20	24	12	—	84	
Better Work Methods	5 11 84 — 30 11 84	BOTSWANA	4	12	5	14	3	—	—	17	56	12	—	68	
Medical Records Management	22 10 84 — 30 11 84	SWAZILAND	6	2	6	—	—	2	—	8	38	—	12	48	
Introduction to Management	8 10 84 — 2 11 84	BOTSWANA	4	22	3	25	—	—	—	25	100	—	—	100	
Better English II	15 5 84 — 29 7 84	BOTSWANA	15	6	11	17	—	—	—	17	255	—	—	255	
Introduction to Marketing	5 11 84 — 16 11 84	BOTSWANA	2	8	3	11	—	—	—	11	22	—	—	22	
Public Relations	5 11 84 — 30 11 84	BOTSWANA	3	10	5	13	1	1	—	15	39	3	3	45	
Communication for Managers	8 10 84 — 16 11 84	LESOTHO	6	17	3	19	—	1	—	20	114	—	6	120	
Introduction to Management (Group II)	12 11 84 — 7 12 84	BOTSWANA	4	32	2	29	2	3	—	34	116	8	12	136	
Project Management	19 11 84 — 30 11 84	BOTSWANA	2	7	0	7	—	—	—	7	14	—	—	14	
Purchasing Management	26 11 84 — 30 11 84	BOTSWANA	1	15	11	21	3	2	—	26	21	3	2	26	
Labour Relations	19 11 84 — 30 11 84	SWAZILAND	2	14	6	13	—	7	—	20	26	—	14	40	
CJSS Headmasters Orientations	10 12 84 — 14 12 84	BOTSWANA	1	8	3	11	—	—	—	11	11	—	—	11	
TOTALS			278 5	600	427	825	95	137	50	1107	3762 5	399	762	408	5329 5
				61 5%	38 5%	74 5%	8 5%	12 5%	4 5%		70 5%	7 5%	14 5%	7 7%	

ORGANIZATIONAL CHART - MINISTRY OF EDUCATION
TECHNICAL EDUCATION DEPARTMENT



Source: Ministry of Education

BOTSWANA POLYTECHNIC - COURSES OFFERED, BY DEPARTMENT

	Course No.	Course
<u>Mechanical Engineering</u>		
Craft	821	Mechanical Fitting
	821/5	Borehole Mechanics
	822	Welding and Fabrication
	825	Automotive Trades
	860	General Course in Mechanical/ Electrical
Technician	255	Mechanical Engineering I
	390	Automobile Technician I
<u>Civil Engineering</u>		
Craft	594	Painting and Decorating
	831	Brickwork and Blocklaying
	832	Plumbing
	834	Carpentry and Joinery
	861	General Course in Construction
Technician	626	Construction I and II
	-	Water Engineering
Others	834	Surveying Technicians
		Woodwork Teacher Training Course
<u>Electrical Engineering</u>		
Craft	823/232/236	Electrical Installation
	827	Refrigeration
Technician	270/271	Telecommunications
	280/281	Electrical

Source: Botswana Polytechnic

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RURAL INDUSTRIES INNOVATION CENTRE TRAINING

Occupational Skill Area	Entry Requirement	Duration	Students by Year and Gender									
			1981		1982		1983		1984		1985	
			M	F	M	F	M	F	M	F	M	F
Carpentry	None	4-6 weeks	10	-	11	-	18	-	72	1	51	-
Tanning	None	4-6 weeks	30	20	20	30	25	25	50	12	39	13
Blacksmithing	None	4-6 weeks	-	-	8	-	7	-	21	-	45	-
Village Bakery	None	3-4 weeks	8	7	40	19	5	3	3	51	6	51
Sorghum Demuller Operation	None	3-4 weeks	6	2	9	1	11	4	-	-	-	-

Source: RIIC, 1983

GRAY AMENDMENT CERTIFICATION

It is hereby certified that the Procurement Plan for the Botswana Workforce and Skills Training Project, Phase II (633-0241) has been developed with full consideration of maximally involving Gray Amendment entities in the provision of goods and services under the project. This project is appropriate for prime contract bidding with minority or Gray Amendment organizations as part of a full and open competition. And as the Contracting Plan indicates, efforts will be made to maximize subcontracting activities with minority and Gray Amendment organizations.



Paul Guedet,
USAID/Botswana Director

1/31/86
Date

Certification requested in State 348103 of 13 November, 1985.

SURVEY OF LONG-TERM PARTICIPANT TRAINING

As stated in the Technical Analysis, nearly 100% of those who have been sent to the U.S. for training have returned to Botswana. In order to further assess long-term participant training, a survey questionnaire was mailed to 40 returned participants of whom 25, or 62%, responded. This sample of 25 is 8.5% of the 294 participants who have returned from USAID-sponsored, long-term degree training in the U.S. since 1977. The majority were mid-career employees of the GOB, almost three-quarters being in their 30s. Of the 25 who responded, five were women and twenty were men. Only one person had not been given a more senior position on their return from training, and half were promoted again to their present position. Half the respondents reported completing their undergraduate degree, the remainder had undertaken graduate studies.

Responses on how their training had affected their present job were very favorable. Eighty percent of the respondents reported greatly increased responsibilities on their return, and the same percentage reported a great deal of improvement in their job skills. Three-quarters of the respondents felt that their chances of promotion had been greatly increased and about the same percentage felt that their opportunity to use their new skills had been very well utilized. When the returned participants were asked about how their salary had changed since their training, 37% reported it had increased substantially, 31% said it had remained about the same and the remainder said it had increased slightly.

Almost everyone had been involved in passing on their training since their return, slightly more in an informal training mode than formally. The three returnees who had not been passing on their training said that they would like to. Aspirations for almost all participants included more responsibilities than their present job; five mentioned that they wanted to attend graduate school or attain a Ph.D.

Note: Attached are the questionnaire (with cover letter) and a tabulation of questionnaire results.

SURVEY OF LONG-TERM PARTICIPANT TRAINING -- TABULATION OF RESULTS

Sex	Age	Degree	Last Job	Time	Job When Returned	Time	Present Job	Time	Aspiration	Answers to Questions*					
										5a	5b	5c	5d	5e	6
1. M	30	MA	Asst. Economist	2yr	Economist	7yr	Senior Diamond Off	2.5yr	Progress in Min Sect	2	2	2	2	2	2
2. M	38	BS	Tech Officer	4yr	Agronomist	3yr	Plant Geneticist	3yr	Continue in Research	2	1	2	2	0	3/2
3. M	27	BS	Tech Officer	1yr	Asst Ag Economist	1yr	Same		Ministry Planning Off	2	1	2	2	1	2
4. F	42	MS	Primo Admin Officer	3.5yr	Same		Same		Dev Fam Welfare Serv	2	0	2	2	0	3/2
5. M	38	BS	Primo of Rural Tr Ctr	2.5yr	Reg Ag Extension Off.	1yr	Deputy Mngr &Trng Off	1.5yr	Mngr BDC Ag Div	2	2/0	2	2/0	2/1	3/2
6. F	36	MA	Staff Dev Fellow UB	1yr	Lecturer	1.5yr	Same		Pursue PhD; Research	2	0	2	0	0	3
7. M	35	MS	Vet Officer	3.5yr	Vet Epidemiology	2yr	Deputy Director	.5yr	Maintain High Stds	2	2	2	3	2	3
8. M	28	MBA	Tutorial Asst UB	2yr	Lecturer		Same		Complete PhD Studies	2	1	2	2	1	3
9. M	31	MS,PhD	Asst Ag Research Off	1.5yr	Ag Research Officer	9mo	Same		Inst. Other Than GOB	2	0	2	0	2	1
10. F	32	BEd	Staff Dev Fellow UB	1yr	Lecturer	.5yr	Same		Lecturer, Research, PhD	2	0	1	2	0	3
11. M	39	BS,MS	Senior Statistician	2yr	Chief Ag Economist	10mo	Same		Policy Analysis	2	2	2	2	2	3/2
12. M	33	MA	Senior Labour Officer	2yr	Principal Labour Off.	2.8yr	Dep Comm of Labour	11mo	Same Job	2	2	2	3	2	3/2
13. M	38	BS	Ag Prod Officer(Dairy)	4yr	Sen Ag Prod Officer	3.7yr	Sen Ag Officer	11mo	MOA	2	2	2	2	2	3
14. M	39	MS	Director of BREDU	3yr	Dir, Indust Affairs	3yr	Director of BEF	2yr	Businessman	2	2	2	1	2	2
15. M	37	BS	Asst. Statistical Off	2yr	Asst Planning Off	8mo	Same		Analyzing Ag Stats	2	2	2	2	2	1
16. M	39	BS	Ag Production Officer	7yr	Farm Mngt Economist	5mo	Same		Go to School	0	0	2	0	2	3
17. M	32	MA	Project Officer	2yr	Sen Project Officer	9mo	Appr of C & I Proj	3mo	Development Banking	2	1	1	2	1	2
18. M	31	MS	Ag Production Officer	3yr	Ag Production Officer	1yr	Same		Improve Range Mngt	1	0	2	1	0	2
19. M	37	MS	Geologist	4yr	Geologist	4mo	Dir of Geol Survey	2yr	Sen Tech Manager,GOB	2	2	2	2	2	2
20. M	29	BS	Tech Asst Transmitters	3yr	Asst Broadcasting Eng	6mo	Same		Study TV Technology	2	1	2	2	2	2
21. M	32	BS	Senior Land Dev Off	1+yr	Same	6mo				0	0	2	1	1	1
22. M	40	BA	Sen Personnel Officer	3.5yr	Senior Personnel Off	7mo	Prin Personnel Off	9mo		1	1	1	1	2	2
23. F	33	MS	Asst Prin Admin Off	3yr	Rural Sociologist	3.5yr	Coord Womens' Affairs	1.7yr	PhD; UB Lecturer	2	1	2	2	1	2
24. F	24	BS	Wasn't working		Nutrition Officer	1.5yr	Same		Researcher						2
25. M	38	MS	Acting Prin Labour Off	3mo	Same	6mo	Principal Labour Off	2.3yr	Public Service	1	1	2	1	2-0	3/2

*For questions 5a-5e, "2" represents the highest score (highest training impact); for question 6, "3" is the highest score.

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Agency for
International
Development

*Embassy of the United States of America
Post Office Box 90
Gaborone, Botswana
Tel. 53382 and 52401 Telex BD 2336*

December 18, 1985

Dear Former Participant:

Enclosed is a questionnaire we would like you to fill in and mail to me by January 6, 1985. An addressed and stamped envelope is provided for your convenience. The information you provide will be used to develop a proposed training project sponsored by USAID. We need your experience to improve this follow-on project.

We look forward to receiving your reply and thank you for your assistance. Merry Christmas and Happy New Year to you and your family.

Sincerely,

Dorothy Dambe
Training Officer

Enclosure

Ms. Dorothy Dambe, Training Officer
USAID/Botswana
P.O. Box 90
Gaborone

Please answer every question and return to the above address by
6 January, 1986

1. a. Name (Please underline family name) b. Date of Birth c. Sex
M ___ F ___
Day Month Year
- d. Education (total number of years completed) e. Highest Educational Level Attained (excluding training covered in this questionnaire)
BS ___ MS ___ PhD ___
Other ___ (specify) ___
check one

2. Details of Training

- a. Name of Institution
- b. Duration of Training c. Field of Study
___ Years ___ Months
- d. Subjects Studied (please list the main subjects that were included in your training course)
- e. Qualification Obtained (Degree, Diploma, Certificate, etc.)
3. a. Was the training what you expected? (Please tick)
better than I expected ___
about as I expected ___
not as good as I expected ___

4. a. What was your last job before leaving Botswana?
Job Title _____
Length of time you occupied this position was?
___ Years ___ Months
- b. What was your job when you returned to Botswana after training?
Job Title _____
How long did you hold this position after returning?
___ Years ___ Months
- c. What is your present job (if changed from above)?
Job Title _____
How long have you held this position? ___ Years ___ Months

5. Please think about how your training has affected your job since you returned. Check one for each item below:

- (a) My responsibilities have:
 greatly increased _____
 increased slightly _____
 remained about the same _____
- (b) My salary has:
 increased substantially _____
 increased slightly _____
 remained about the same _____
- (c) My job skills have:
 improved a great deal _____
 improved somewhat _____
 remained at same level _____
- (d) My opportunity to use these new skills has been:
 very well utilised _____
 utilised a little _____
 not much opportunity so far _____
- (e) My chances for promotion have been:
 greatly increased _____
 increased somewhat _____
 haven't been changed _____

6. Since returning have you been involved in passing on any of your training?

Yes, with formal training: _____

Yes, with informal training: _____

No, but I'd like to : _____

No, I'm not interested in doing training:

7. What do you hope to be doing in five years' time?

8. How interested would you be in participating in discussion groups for individuals who have returned from studies in the United States, in the following areas?

<u>Topic</u>	very interested	somewhat interested	not interested
(a) Administration and management	_____	_____	_____
(b) Personnel management, human relations	_____	_____	_____
(c) Computer technology	_____	_____	_____
(d) Communications, public relations	_____	_____	_____
(e) Other (specify)	_____	_____	_____