

Annual Budget Submission

FY 1986

**SOUTHERN
AFRICA REGIONAL**

BEST AVAILABLE



Agency for International Development
Washington, D.C. 20523

UNCLASSIFIED

ANNUAL BUDGET SUBMISSION
FY 1986
SOUTHERN AFRICA REGIONAL

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FY 1985 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)
COUNTY/OFFICE Southern Africa Regional

		FY 1984	FY 1985		FY 1986	PLANNING PERIOD			
		ESTIMATE	CP	ESTIMATE	AAPL	1987	1988	1989	1990
Education	Total	3,000	---	---	---	---	---	---	---
	Grants	3,000	---	---	---	---	---	---	---
	Loans	---	---	---	---	---	---	---	---
ESF	Total	16000	40000	37000	50000	60000	60000	60000	60000
	Grants	16000	40000	37000	50000	---	---	---	---
	Loans	---	---	---	---	---	---	---	---
		=====	=====	=====	=====	=====	=====	=====	=====
DA & ESF	Total	19000	40000	37000	50000	60000	60000	60000	60000
	Grants	19000	40000	37000	50000	---	---	---	---
	Loans	---	---	---	---	---	---	---	---

PL 480 Title I N/A
 PL 480 Title II N/A

Housing Guarantees N/A

TOTAL PERSONNEL

USDH WORKYEARS 14
 FNDH WORKYEARS --

Additional details included in Zimbabwe ABS.

FY 1986 ANNUAL BUDGET SUBMISSION (\$000)

TABLE IV - PROJECT BUDGET DATA

PROJECT NO. AND TITLE	G/L	OBLIG DATES		TOTAL COST AUTH.	THROUGH FY 1983 OBLIGS : F LINE	FY 1984		FY 1985		FY 1986	
		INI	FIN			OBLIGS	EXPEND	OBLIGS	EXPEND	AAVL	FUNDED THRU
EDUCATION AND HUMAN RESOURCES DEVELOPMENT											
690-0083 Southern Africa Academic and Skills Training	G	77	79	1,816	1,763	57					
690-0213 Training for Disadvantaged South Africans	G	82	89	6,050	6,050	2,904	3,000	1,500			
TOTAL FOR ACCOUNT				7,866	7,813	2,961	3,000	1,500			
Grants				7,866	7,813	2,961	3,000	1,500			
Loans				--	--	--	--	--			

FY 1986 ANNUAL BUDGET SUBMISSION (\$000)

PROGRAM: SOUTHERN AFRICA REGIONAL

TABLE IV - PROJECT BUDGET DATA

PROJECT NO. AND TITLE	G/L	OBLIG DATES		TOTAL COST		THROUGH FY 1983		FY 1984		FY 1985		FY 1986	
		INI	FIN	AUTH.	PLAN.	OBLIGS	PLINE	OBLIGS	EXPEND	OBLIGS	EXPEND	AAPL	FUNDED THRU
ECONOMIC SUPPORT FUND													
690-0076 Southern Perimeter Road	G	78	82	8,000	8,000	8,000	5,246	--	1,000	--	2,000	--	--
690-0206 Planning, Management and Research	G	80	C	--	--	3,525	828	1,567	1,000	2,258	1,500	2,150	86
690-0207 Agriculture and Livestock Development	G	82	82	675	675	675	653	--	353	--	300	--	--
690-0208 Management Manpower Dev.	G	85	88	--	12,000	--	--	--	--	4,000	1,000	5,000	88
690-0209 Transport & Storage Dev	L	81	82	17,300	17,300	17,300	15,523	--	10,000	--	5,523	--	--
690-0213 Training for Disadvantaged South Africans	G	82	88	23,950	20,950	2,047	1,003	1,000	500	4,000	500	4,000	87
690-0214 Private Enterprise	G	82	82	150	150	150	3	--	3	--	--	--	--
690-0215 SADCC Technical Support	G	84	85	4,300	4,800	--	--	2,600	450	2,400	1,200	--	--

TABLE IV - PROJECT BUDGET DATA

ESF, Continued	PROJECT NO. AND TITLE	G/L	OBLIG DATES		TOTAL COST		THROUGH FY 1983		FY 1984		FY 1985		FY 1986	
			MM	FIN	AUTH.	PLAN.	OBLIGS	PLINE	OBLIGS	EXPEND	OBLIGS	EXPEND	THRU	FUNDED
	690-0220	G	83	83	3,000	5,000	3,000	3,000	--	500	--	750	2,000	
	Entrepreneurial Trng for Disadv South Africans													
	690-0222	G	83	83	2,000	4,862	1,862	1,862	--	800	1,000	800	3,000	
	University Preparation Program													
	690-0223	G	83	84	900	1,400	675	675	225	400	900	500	500	
	Labor Union Trng for South African													
	690-0224	G	83	87	14,800	14,800	6,083	--	4,000	2,000	3,588	3,000	--	
	Regional Sorghum & Millet Research													
	690-0225	G	84	84	--	1,500	--	--	1,500	--	--	500	--	
	Regional Agricultural Research Coordination													
	690-0229	G	85	85	--	5,000	--	--	--	--	5,000	1,000	--	
	Regional Legume Research													
	690-0230	G	84	88	--	15,000	--	--	3,000	--	1,000	2,000	3,500	87
	South Africa Bursaries Program													
	690-0231	G	85	87	--	60,000	--	--	--	--	10,000	--	23,000	
	Regional Transport Dev													
	690-0233	G	84	84	293	293	--	--	293	150	--	--	--	
	Zimbabwe Labor Development													

FY 1986 ANNUAL BUDGET SUBMISSION (\$000)

TABLE IV - PROJECT BUDGET DATA

EST, Continued	PROJECT NO. AND TITLE	G/L	OBLIG DATES		TOTAL COST AUTH. / L.C.N.	THROUGH FY 1983		FY 1984		FY 1985		FY 1986	
			Jul	Jun		OBLIGS	EXPEND	OBLIGS	EXPEND	OBLIGS	EXPEND	AA'L	THRU
690-0234	Improvement of Blantyre-Tele-lharare Road	G	84	84	500	--	--	500	25	--	--	--	--
690-0232	Agricultural Training	G	85	89	30,000	--	--	--	--	5,000	700	5,000	86
690-9801	Human Rights Fund	G	79	C	--	--	--	600	400	1,100	800	1,100	86
690-9901	Special Self-Help	G	80	C	--	--	--	715	600	750	700	750	86
	TOTAL FOR ACCOUNT							16,000		37,000		50,000	
	Grants							16,000		37,000		50,000	
	Loans							--		--		--	
SECURITY SUPPORTING ASST													
690-0076	Southern Perimeter Road	G	78	82	26,000	26,000	6,682	--	4,000	--	2,682	--	--
	TOTAL FOR ACCOUNT				26,000	26,000	6,682	--	4,000	--	2,682	--	--
	Grants				26,000	26,000	6,682	--	4,000	--	2,682	--	--
	Loans				--	--	--	--	--	--	--	--	--
	PROGRAM TOTAL									37,000		50,000	
	Grants									37,000		50,000	
	Loans									--		--	

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1986 PROPOSED PROGRAM RANKING
(\$000)

Program: Southern Africa Regional

<u>RANK</u>	<u>DESCRIPTION</u>	<u>ONGOING/ NEW</u>	<u>LOAN/ GRANT</u>	<u>APPR ACCT</u>	<u>FUNDING (\$000)</u>	
					<u>INCREASE</u>	<u>CUM</u>
1	690-0206 Planning, Management & Research	0	G	ESF	1,300	1,300
2	690-0231 Regional Transportation Dev.	0	G	ESF	5,000	6,300
3	690-0213 Training for Disadvantaged South Africans	0	G	ESF	4,000	10,300
4	690-0230 South Africa Bursaries Program	0	G	ESF	3,500	13,800
5	690-0232 Agricultural Training	0	G	ESF	2,350	16,150
6	690-9801 Human Rights Fund	0	G	ESF	1,100	17,250
7	690-0208 Management Manpower Development	0	G	ESF	2,000	19,250
8	690-9901 Special Self-Help	0	G	ESF	750	20,000
9	690-0206 Planning, Management & Research	0	G	ESF	850	20,850
10	690-0231 Regional Transportation Dev.	0	G	ESF	18,000	38,850
11	690-0208 Management Manpower Development	0	G	ESF	3,000	41,850
12	690-0232 Agricultural Training	0	G	ESF	2,650	44,500
13	690-0222 University Preparation Program	0	G	ESF	3,000	47,500
14	690-0220 Entrepreneurial Training for Disadvantaged South Africans	0	G	ESF	2,000	49,500
15	690-0223 Labor Union Training for South Africans	0	G	ESF	500	50,000

Regional Legume Research

FY 85 Obligation \$5,000,000

FY 86 Obligation: \$ - 0 -

Life of Project Cost: \$5,000,000

ESF Account

Project Purpose

Grain legumes are important crops for the small farmers of Southern Africa. A total of 1.4 million tons of such legume crops were produced on about two million hectares in 1981. Yields by world standards are low. Yet little research has been carried out to develop varieties more appropriate to the conditions found in the region. This reflects the resource constraint of too few trained researchers and severely limited budgets. It may also reflect a predilection to focus efforts on more important crops such as maize.

The Southern Africa Development Coordination Conference (SADCC) has included a program to improve research on grain legumes as one of its initial regional agriculture research program. AID's regional strategy concurs with this decision in that it proposes to treat agriculture research as one of the program's highest priorities. This strategy element is also in keeping with the Agency's policies on increasing food production and developing indigenous institutional capacity to carry out research on food crops. This project proposes to provide a grant, together with other donors, to support the establishment of a regional 'Grain Legume Improvement Program' with the aim of developing new varieties adapted to the region's climate and soil and introducing new cultural practices.

Problems and Means

National agricultural research programs have allocated few resources to develop new, improved varieties of grain legumes. Limited resources, both human and financial, and the perceived need to focus efforts on more important food crops are reasons for this lack of attention. Yet grain legumes are widely cultivated and consumed by the small Southern Africa farmer. They are also crops which can be grown extensively in the poor soil and the climatic

conditions extant in the region. A regional program to assist national research programs to expand their grain legume research activities and to help develop new varieties offers a cost effective means of overcoming the current state of affairs.

The Southern Africa Development Coordination Conference (SADCC) has developed a feasibility study for implementing such a program. The program would be focussed on only four (groundnuts, cowpeas, phaseolus beans, and either bambara nuts or soybeans) of the identified nine grain legume crops grown in any significant amounts in the region. This limitation reflects the assessment of relative importance of the crops, their adaptability to local growing conditions, and design concerns that SADCC not undertake too complex of a program. The emphasis in conducting the project will be to network the various national research efforts through a system of a main center in Malawi at which a critical mass of scientists would be stationed and through a couple of sub-centers in other countries which would concentrate on a only one or two of the grain legumes. The program would also involve short and long-term training of local researchers.

It is projected that this program will extend over a period of 25 years with this first 5 year phase concentrating on establishing the necessary infrastructure, developing a long-term training strategy and beginning initial research projects.

Research Activities

Research during Phase I will be concentrated on improving varieties of the four crops which are suited to the growing conditions found throughout the region and provide larger yields. Initial efforts will concentrate on germ plasm collection and evaluation, the start of crossing of some species and seed multiplication.

Target Group

The research results are intended mainly to benefit the small farmer who currently grows grain legumes primarily as a subsistence food crop. More successful varieties will result in surpluses being produced for marketing or allow the farmer to use part of his/her land for growing other cash crops. More extensive availability of grain legumes will also affect the nutritional intake of the rural population and contribute generally to improved health.

Participant Training

The overall SADCC program will utilize a training program based on a ten year project of needs for scientific resources in the national and regional research programs for grain legumes. Based on this training program it is envisaged that a total of 22 MSc's and 5 PhD's would be trained in the first five year phase. Short-term training would also be provided to scientists already working within the region through a series of workshops/seminars.

Regional Transport Development (690-0231)

FY 1985 Obligation: \$10,000,000

FY 1986 Obligation: \$23,000,000

Life of Project Obligation: \$60,000,000

ESF Account

Project Purpose

Southern Africa is well-endowed with developed transportation infrastructure as a result of its history as a major export producer of minerals for export. Much of this infrastructure has suffered serious deterioration over the past couple of decades as a result of the effects of poor maintenance and management practices, conflicts, particularly in Angola, Mozambique and Rhodesia, and an underinvestment due to financial constraints on the newly independent states. The poor condition of the transportation systems imposes a heavy burden on the ability of the region's economies by adding unnecessary costs to the movement of goods. Exports become less competitive in the world market and imports are more expensive. The Southern Africa Development Coordination Conference (SADCC) has assigned the highest priority to rectifying the problems besetting the transportation system in recognition of the effect it has on the region's development. AID has similarly focused on the needs of addressing this major constraint to achieving economic growth.

The strategy for the regional program is to focus assistance on projects within only a couple of corridors running from the interior to the ports on the east coast with the objective of addressing discreet, high priority pieces of the system running through those corridors and establishing capabilities for better maintenance and management of the existing infrastructure.

The FY 1985 obligation represents the AID contribution to assist in the construction of a regional road link from northern Malawi to the Tanzanian road system connecting to the Tazara road, rail and pipeline corridor at Mbeya, Tanzania. Involved is construction of approximately 50 kilometers of tarmac road (an existing unusable murrum road now exists along the same route). The project will

be jointly funded and implemented with another donor unless additional funds can be identified within AID's budget. The road when complete will give Malawi a shorter and less costly route for shipping.

The FY 1986 component of the project will be focussed on redressing the inefficiencies identified in the Masterplan Study for the Beira Port in Mozambique done by the Dutch. This port is very important for both Malawi and Zimbabwe and is to undergo a major rehabilitation effort. The AID assistance would be applied to improvements in port management.

Problems and Means

The Malawian economy has been severely affected by difficulties in utilizing its historical transportation routes. Its shortest routes of egress have been the corridors from Blantyre to the ports of Nacala and Beira in Mozambique. These routes have been all but inaccessible for the past several years as a result of internal conflict within Mozambique and the severe deterioration of the road/rail/port systems. Its alternative routes have necessarily been the much longer and much more expensive ones through Zambia and Zimbabwe to ports in South Africa. While projects are already underway to rehabilitate the Mozambique corridors; this will take many years and on-going conflict in Mozambique makes it problematical that plans will be achieved in the timeframe envisaged. However, even if these systems were fully operational now, it is in Malawi's interests to have a cost effective alternative available. The Tazara/Dar es Salaam road/rail/port system passes just above Malawi's northern border. Existing lake transport capacity and more limited internal road capacity make it feasible to open a new point of egress for Malawi's shipping. Required is construction of only about 50 kilometers of tarmac road to connect to the Tanzanian road system leading to Mbeya where the railline and major east-west road and pipeline exist leading to the port of Dar es Salaam. The potential economic effect of this road project on Malawi's economy make the highest priority transportation project for AID's regional program. Budget resources in FY 1985 however do not permit funding the entire estimated cost of \$20 million and it will, therefore, be necessary to fund this activity with another donor.

Malawi and Zimbabwe have shared the negative effects on their economies of the poor performance of Beira port. Both countries used this facility extensively in the past but have had to divert more and more shipping to less satisfactory ports as internal conflict in Mozambique and poor performance by the entire transport system along the Beira shipping corridor made it less reliable. The anticipated ending of the conflict and the implementation of a major port rehabilitation plan together with planned road and rail projects will provide both economies again with a cost effective means of moving their goods.

Target Group

There is no specific target group identified as benefitting from this particular activity. It is expected however that Malawi's farmers will realize the benefits of more reliable availability and cheaper sources of fertilizer and be able to sell their produce abroad more easily. Businesspersons will also benefit by the same economic principals. Even more generally, Malawi's population as a whole should see more resources begin to flow into development as transport costs now being diverted from available resources are freed up.

The Beira port activity will have similar benefits for Malawi and for Zimbabwe, as well. Zimbabwe will gain a cheaper means of exporting its minerals and thus realize greater profits, which in turn can be re-invested into its development.

Agricultural Training (690-0232)

FY85 Obligation: \$5,000,000

FY86 Obligation: \$5,000,000

ESF Account

Life of Project Cost: \$30,000,000 (G)

Project Purpose

The Southern African region faces a bleak future based on the poor performance of the agricultural sector and projected increases in the size of the population. Only three countries in the region have demonstrated a capacity to produce food surpluses (Malawi, South Africa, and Zimbabwe) and the fragility of this capacity has been exposed by the effects of widespread drought over the past few years. There is nothing that can significantly alter the effects of the population growth rate over the next few decades. There is, however, much that can be done to achieve the potential of agriculture to meet the increased demand for food. The technology exists to effect change and the systems are known which can assist farmers to get higher yields from their land. The region is replete with national development efforts and donor assistance projects which are trying to improve policy formulation and implementation, adapt technology, develop efficient market systems and farmer support systems, such as credit and extension programs, and provide easier access to inputs like fertilizer, seed, tools and machinery. Despite these efforts, little evident progress is being achieved. Part of this failure is probably the lead time necessary to produce results under the various development efforts. But a consistent constraint throughout the region is the shallowness of the pool of professional agriculturists.

Each country in Southern Africa has made major gains in training agricultural personnel over the past couple of decades. Many are equal to the best found anywhere in the world. But the numbers are too few. This conclusion is emphasized in the FY 1985 Regional Development Strategy Statement (RDSS). Efforts to assist in the initiation of regional agriculture research, another major area of emphasis in the RDSS, turned up the fact that the manpower resources were inadequate to even this one aspect of agriculture development. This project would provide assistance to a multi-donor supported program to increase the numbers of agricultural professionals being trained

and shift the locus for such training at the graduate level to the region's own educational institutions. In doing so, it is fully consistent with A.I.D.'s policies on agriculture production, human resources development and institutional development.

Problems/Means

At present only a few institutions offer graduate training and most students must go abroad. Despite donor efforts to provide opportunities for such study by incorporating training as part of project design, this is proving increasingly expensive and is not producing the numbers needed. Even at the undergraduate level, there is a need for significant improvement in the quality of training being offered. Recognition of the problem is not new. Yet its magnitude is such that donors, whose resources have grown in real terms very little in the past decade, have been reluctant to commit the necessary resources required for traditional approaches to expanding and improving educational institutions. Bilateral assistance programs have also had other priorities. Where support to development of training institutions has occurred, it has focussed on a particular college, faculty or discipline and has been directed to national needs. Southern Africa has some impressive educational institutions. But they provide uneven coverage and do not fulfill the requirements of the region or individual countries. And they are not geared to meeting future demand in either quantity or quality.

This project assumes that the problems of resource limitations, uneven development (and thus uneven coverage), and the need to improve and expand educational training for agricultural professionals, particularly at the graduate level, are amenable to a regional solution. The A.I.D project, together with resources to be provided by other donors, would assist in the establishment of an agricultural training fund to provide on a competitive basis scholarships to Southern Africans for undergraduate study in agriculture in their own country or another in the region; fellowships for graduate study in the region, where extant, and in Europe and North America, and grants to individual faculties or departments to upgrade their teaching capacity and to institute or improve their graduate degree programs. The grants, like the scholarships and fellowships would be awarded competitively and would fund such diverse inputs as visiting faculty members, laboratory and classroom equipment, library materials, exchange professorships, etc. The project

would assist in the establishment of an administrative body to operate the fund and to administer competitive exams for the stipends, evaluate grant applications and possibly with student placement. The one area of institution building the fund would avoid is bricks and mortar assistance.

Target Group

The objective of the fund will be to stimulate the in-region training of larger numbers and better qualified agricultural professionals. It is aimed at those potential students who for lack of opportunities or funding would otherwise not consider a career as agricultural professionals. The numbers to be trained can at this stage only be estimated. A five year life of project figure of \$30 million represents only the A.I.D. contribution. The program envisaged is envisaged as requiring three times that amount. The goal will be to award up to 100 scholarships per year for undergraduate training. Fellowships for graduate degrees would rise from ten the first year to thirty in the fifth year with a shift over that same period from predominantly master's level students to a split between master's and doctoral degrees.

Management Manpower Development

FY 85 Obligation: \$4,000,000

FY 86 Obligation: \$5,000,000

ESF Account

Life of Project Cost: \$12,000,000 (G)

Project Purpose

The efficiency of operations in the public and private sectors in Southern Africa suffers from the limited numbers of trained and experienced managers. Many officials and business personnel have assumed positions directing the work of subordinates and use of facilities and resources without having the needed administrative and management skills. Given the relatively short-time that Africans have had access to professional employment positions, they have also usually lacked the opportunities of acquiring such skills through guidance by superiors and the effects of experience. It is not unusual to find an African only a few years out of university, by necessity, occupying a position comparable to one his/her counterpart in a developed country would only attain after twenty years of work experience. This situation exacts a price in terms of efficient use of resources or competitiveness of businesses.

While time is the only solution to providing the benefits of on-the-job training and acquired experience, the provision of management and administrative training can be addressed directly. The purpose of this project is to address the constraints within the region's numerous management schools to offering more appropriate training to larger numbers of trainees. There is a need to use these schools to help governments and the private sector to improve their performance. The project would undertake to assist in this by giving the schools the means to upgrade and expand their services.

Problems/Means

Institutions offering training in management and administration exist in almost every country of Southern Africa. They represent a range of quality. Each has needs to improve its capacity to train and to extend its services to greater numbers of organizations and people. While some have and are receiving assistance, others are

not. All could benefit from more assistance to improve their curricula, develop staff capacities, be able to respond to special, ad hoc training needs, introduce new teaching techniques, etc. The Regional Development Strategy Statement places assistance to developing the capacity of these institutions as a high priority. A study being conducted for AID and the Southern Africa Development Coordination Conference (SADCC) is examining the magnitude and composition of management requirements throughout the region and identifying the needs of the various institutions to better respond to these.

It is not practical to initiate individual projects for each institution. Through this regional project however it is possible to provide inputs to each. It also will contribute to a networking of these institutions and sharing of their capabilities. The project will provide one overall grant to one management school - to be identified by the study on the basis of its capacity to administer the grant. The grant would be used by the recipient institution to finance inputs for its own improvement needs and to other institutions with similar needs. U.S. experts, both short and long term, would be employed to work with each institution to carry out agreed development programs. The project will also seek to utilize modern communications techniques to design mobile training course which can be conducted at various locations in the region. Also, the project will undertake to give each institution a greater ability to respond to ad hoc requests for specially designed training courses for organizations and businesses.

Target Group

The training to be provided under this project is designed to enhance the capabilities of a range of government officials and businessmen who have or are about to attain a level of responsibility in which they will be responsible for directing the performance of a unit or organization within a unit.

Participant Training

The number of participants to receive training under this project cannot be determined with any exactitude until the current study is completed and the design has been finalized. Participants will be members of the staff of the various management training institutions who will receive both short- and long-term training. It will also involve a number of attendees at experimental training courses carried out within the scope of the project to test techniques and train instructors. Indirectly (since it is not intended that the project fund them) the project will involve those attendees at the courses conducted during the project's life.