

PD-AAU-944

UNCLASSIFIED

Southern Africa Regional
TRAINING FOR DISADVANTAGED SOUTH AFRICANS
(690-0213)

UNCLASSIFIED

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ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM : AFR/PD; Norman Cohen *Supp Routes for*

SUBJECT: Southern Africa Regional, Training for Disadvantaged South Africans (690-0213)

Problem: You requested to authorize a project pursuant to Section 105(a) of the Foreign Assistance Act. It is planned that the full \$4,000,000 amount will be obligated in FY 1983.

Discussion:

A.1. Project Purpose and Goal:

The purpose of this project is to provide higher education in the United States for black South Africans, who are expected to return to South Africa upon completion of their studies in the U.S. The goal of this project is to contribute to the process of preparing black South Africans to participate at all skill and responsibility levels in the operation of South Africa's industrialized economy, a process which the U.S. believes is an important element in bringing about fundamental social change there. This goal can be met only if many public and private organizations contribute financial resources.

A.2. Project Background and A.I.D. Country Strategy:

This project responds directly to a specific Congressional mandate to provide scholarship assistance to black South Africans for undergraduate and professional (graduate) education in the United States. It is a continuation of the initiative begun in FY 1982. Because of the mandatory nature of this project and the unique situation arising from operating in a country where there is no AID Mission, nor as yet a fully developed country strategy statement, the documentation providing the justification for this activity deviates substantially from the normal PID/PP procedure. The FY 1982 scholarship program for disadvantaged South Africans was presented in the form of an Action Memorandum to AA/AFR and obligated by a Memorandum of Agreement between AID and USICA. The FY 1983 project document updates the program for the current year. Although the projects for FY 1982 and FY 1983 are being authorized separately, the overall scholarship initiative is seen as a continuing multi-year effort in accordance with the Congressional mandate. AID's Office of Southern African Affairs is currently developing a Small Program Strategy Statement for South Africa. When this is completed, it will be possible to place the scholarship program in the context of a broader strategy governing U.S. objectives in South Africa.

It is therefore expected that in FY 1984 a more complete Project Paper can be prepared covering the balance of the scholarship program and providing justification for a multi-year authorization of approximately \$22 million.

This project targets the many black men and women who are already academically qualified to do work in a normal academic environment.

All scholarships under this project will be fully funded for the entire period of study.

A.3. Beneficiaries of the Project:

The immediate project beneficiaries will be the approximately 100 blacks trained with the funds provided by this project and supplemented by participating university scholarships. Ultimately, project benefits will extend to all of South Africa, as students return from their studies in the U.S. and assume positions of leadership in the public and private sectors.

B.

Financial Summary Table
(\$000)

	<u>FY 1983</u>	<u>LOP</u>
Participants	\$4,000	\$4,000 (DA -3,000 ESF-1,000)
Grand Total	\$4,000	\$4,000

C. Socio-economic, technical and environmental description:

1. Socio-economic Description:

There is a growing realization in South Africa that the ultimate success and health of the country depends on its ability to fulfill growing skilled manpower requirements for South Africa's industrial and agriculturally oriented economy. South African business recognizes the need and is committing resources to improving black education. The U.S. believes that education can be a key engine of social change in South Africa in the 1980's.

USG assistance to the education of black South Africans is consistent with U.S. opposition to the apartheid system, and supports the objective of promoting equality of education for black South Africans. It also supports the objective of improving the skills of black South Africans, enabling them to earn higher income and achieve a higher standard of living through employment in the country's highly industrialized economy.

2. Technical Soundness of Project:

The technical soundness of the project has been assured by AID through selection of highly qualified firms to handle selection, placement and support of students in U.S. universities. Firms selected are experienced in training programs involving foreign students in accordance with procedures established by AID's own Office of International Training, Handbook 10.

3. Environmental Considerations:

As a scholarship program, this project will not involve activities directly affecting the environment, such as construction. Accordingly, it is determined that this project is categorically excluded from the requirements for an Initial Environment Examination, and Environmental Assessment or an Environmental Impact Statement, in accordance with Section 216.2(c)(2)(i) of AID Regulation 16.

AID has taken the necessary project implementation actions to carry out the project based on a "reasonably firm estimate of the cost to the U.S. of the assistance" as required by Section 611(a)(1) of the FAA.

D. Legislative Actions Required:

No further legislative action is required within the recipient country as a condition to the successful implementation of this project.

E. Responsible Officers:

Project monitoring will be the responsibility of the AID/Washington offices of AFR/SA and AFR/PD/SAP. AID will work closely with the U.S. Country Team in Pretoria, South Africa to effectively monitor project progress.

Justification to the Congress:

Justification for this project appears on page 457 of the FY 1983 Congressional Presentation, Annex 1, Africa.

Recommendation:

That you sign the attached Project Authorization and thereby approve life-of-project funding of \$4 million.

Approved: _____

MAY 17 1983

Disapproved: _____

Clearances:

AFR/SA:R. Carlson *RC*

AFR/PD/SAP:M. Gilbert *MG*

AF/S:D. Dlouhy *DD*

GC/AFR:T. Bork *TB*

PPC/PDPR:F. Method *FM*

HA/MA:R. Graner *RG*

AFR/TR/EHR:C. Perry *CP*

DAA/AFR: GPatterson *GP*

AFR/PD/SAP:^{FX}LJackson:5/09/83:0270H

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PROJECT AUTHORIZATION

Name of Country: Southern Africa Region
Name of Project: Training of Disadvantaged South Africans
Number of Project: 690-0213

1. Pursuant to section 105(a) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Training of Disadvantaged South Africans project, involving planned obligations of not to exceed \$4,000,000 in grant funds, subject to the availability of funds in accordance with the AID OYB allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is four years from the date of initial obligation.

2. The project consists of the financing of undergraduate and professional training in the United States for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate undergraduate or professional education in South Africa.

3. The Project Agreement(s) which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4. Source and Origin of Commodities, Nationality of Services

a. Commodities financed by A.I.D. under the project shall have their source and origin in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the United States as their place of nationality, except as A.I.D. may otherwise agree in writing.

b. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.


F. S. Ruddy
Assistant Administrator
for Africa

Date: MAY 17 1983

Clearances:

DAA/AFR/EA:GPatterson GP
AFR/DP:HJohnson HJohnson
AFR/SA:RCarlson RCarlson
AFR/PD/SA:LJackson LJackson

GC/AFR:TB  OF k:my:5/6/83:632-9218

TRAINING OF DISADVANTAGED SOUTH AFRICANS

I. SUMMARY AND RECOMMENDATIONS

- A. Project Title: Training of Disadvantaged South Africans
- B. Project Number: 690-0213
- C. Cost of the Project:
FY 1982 \$ 4,000,000 (\$3.0 M. DA, \$1.0 M. ESF -
transferred to USICA by
Memorandum of Agreement
dated April 5, 1982)
FY 1983 \$ 4,000,000 (\$3.0 M. DA, \$1.0 M. ESF)
- D. Period of Project Implementation: FY 1982 - FY 1987
- E. Terms: Contracts with Non-governmental
Organization(s)
- F. Background and Authorization Procedure:

This project responds directly to a specific Congressional mandate to provide scholarship assistance to black* South Africans for undergraduate and professional (graduate) education in the United States. It is a continuation of the initiative begun in FY 1982 which also provided \$4 million for the purpose of providing higher

* "Blacks", as used in this paper, refers to African, Asian, and so-called colored South Africans.

education in the United States for black South Africans, to prepare them to participate at all skill and responsibility levels in the operation of South Africa's economic and political systems.

Because of the mandatory nature of this project and the unique situation arising from operating in a country where there is no AID Mission, nor as yet a fully developed country strategy statement, the documentation providing the justification for this activity deviates substantially from the normal PID/PP procedure. The FY 1982 scholarship program for disadvantaged South Africans was presented in the form of an Action Memorandum to AA/AFR and obligated by a Memorandum of Agreement between AID and USICA. The FY 1983 project document updates the program for the current year. For both FY 1982 and 1983, authorization was for one year only, \$4 million in each case. The overall scholarship initiative, however, is seen as a continuing multi-year effort in accordance with the Congressional mandate. AID's Office of Southern African is currently developing a Small Program Strategy Statement for South Africa. When this is completed, it will be possible to place the scholarship program in the context of a broader strategy governing U.S. objectives in South Africa. It is therefore expected that in FY 1984 a more complete Project Paper can be prepared covering the balance of the scholarship program and providing justification for a multi-year authorization of approximately \$22 million.

G. Summary Project Description:

Under South African law, the education systems for South Africa's various racial groups are administered separately, and only pupils of specific racial groups are allowed to attend schools in their particular system, although a few private schools and the open universities admit pupils from differing groups. According to available evidence, the quality of education in the white education system is substantially better than that in the black system. As a result of legal restrictions on their ability to attain an adequate

education, black South Africans seek an expansion of scholarship programs for undergraduate and professional education in the United States. Provision of such scholarships directly supports U.S. foreign policy objectives in South Africa. To fund this program, the International Security and Development Cooperation Act of 1981 (Section 105) states, in part, the following:

"For each of the fiscal 1982 and 1983, the President shall use not less than \$4,000,000 of the funds made available for the purpose of this section to finance scholarships for undergraduate or professional education in the United States for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate undergraduate or professional education, except that up to \$1,000,000 of the funds made available for each fiscal year under Chapter 4 of Part II of this Act for Southern Africa regional programs may be used to finance such scholarships in lieu of an equal amount under this section."

Funds for the 1982 scholarship program were obligated via Memorandum of Agreement between AID and the International Communication Agency (USICA) on April 5, 1982. This project authorizes an additional \$4,000,000 million for implementation of the FY 1983 scholarship program.

The project will provide annually scholarship assistance to 75-100 disadvantaged South Africans for undergraduate and professional education in U.S. colleges and universities for two to four years of study. The students will be expected to return to South Africa upon completion of their education. Priority will be given to training in the development sciences, including agriculture, business administration, economics, engineering, management and the sciences. The appropriated funds will be obligated through contracts with competitively selected U.S. implementing organizations. AID will monitor the project and coordinate it with

other educational and cultural exchange activities in South Africa. Each participant will be fully funded for the duration of his/her planned training. Through the efforts of the implementing organizations, cost-sharing with U.S. universities, corporations and private foundations can increase the number of scholarships made available. The goal of 75-100 students is illustrative, but with private sector cost-sharing, should be achieved in every year of the project. Some universities will finance a share of the cost through tuition waivers and others through waiver of titution, room and board.

H. Eligible Geographic Code Source: Code 000 (U.S. only)

I. Project Waivers Required: None

II. PROJECT BACKGROUND

A. Introduction

Separate educational systems for the different races were established in South Africa through the Bantu Education Act of 1953. The consequent inadequate educational opportunities for blacks are reflected in statistics which indicate that very few have access to quality higher education. A September 1980 analysis undertaken by the Institute of International Education (IIE) described the situation:

Despite the fact that there are four and one half times as many Africans as whites in South Africa, in 1970 there were only 1,400 African university graduates, contrasted with 104,500 white university graduates. In 1979 university enrollment on a full-time, residential basis included 80,000 whites and only 7,000 Africans. Despite growth in university places for Africans, a white child still has 100 times more chance of being a university graduate than an African child.

Through an exemption in the law, some blacks are allowed to attend South Africa's white universities to take courses not available at black colleges. For example, while the number of blacks who can actually take advantage of this opportunity is small, their presence is growing on open university campuses. At Witwatersrand University in Johannesburg, total enrollment for black students in 1978 was 797. The number of black students at Witwatersrand increased to 1,593 in 1982, effectively doubling black enrollment in four years. Nevertheless, with this restriction in the South African educational system, there are few black South African professionals and even fewer who occupy managerial or skilled positions in South Africa's economy. A recent South African commission reported that there are not more than 100 black engineers and certified accountants, no black corporate lawyers and fewer than 100 black managers. Significant access to training in these fields is not available to black South Africans, in spite of the small efforts of open universities like Witwatersrand.

In part, the impetus for improvements in black education stems from an emerging realization of the need to fill the growing requirement for skilled manpower in the South African economy. Harry Oppenheimer, chairman of the Anglo-American Corporation, reportedly stated in July 1980 that "it is obvious that the great and growing need for trained men cannot possibly be met from the white population, nor from the white, colored (mixed-race) and Indian populations together. Obviously, there is an urgent need for more trained blacks" (Africa Report, September-October 1980). The business community is committing resources to improving black education. Anglo-American and DeBeers, of which Oppenheimer is also chairman, have pledged \$6.5 million for a technical education school for blacks near Durban. The American Chamber of Commerce has pledged \$5.0 million for the Project to Accelerate Community Education (PACE), a private co-educational commercial high school in Soweto. While these and other developments represent some progress,

SAG, other donor and business community efforts to improve black education over the coming decade will still fall short of needs and expectations.

B. U.S. Interests and Objectives

In South Africa education has played a central role in defining social goals and has served as an engine for social change throughout its history. The U.S. believes that education can be a key engine of social change in South Africa in the 1980's. Regarding the role of education and the pace and nature of change in South African society, Assistance Secretary of State, Chester Crocker recently stated:

If change is underway in South Africa, albeit slowly, the choice confronting South Africa between radical violent revolution and peaceful evolutionary change is becoming even more starkly drawn. It is too simple a dichotomy, but in a sense the choice which confronts South Africa and those who would influence it lies in part between the battlefield and classroom. Certainly, failure in the latter will hasten violent confrontation on the former. Education is, therefore, central to peaceful evolutionary change; in that sense the classroom suggests itself as one very important key to our policy toward South Africa.

Secretary Crocker reiterated the U.S. commitment to help the educational needs of black South Africans and underscored the view that education is a key to the process of social change in South Africa.

USG assistance to the education of black South Africans is consistent with the stated policy of abhorring the apartheid system, and supportive of the objective of promoting equality of education for black South Africans by increasing the opportunities for quality

education available to them. It also supports the objective of improving the skills of black South Africans, enabling them to earn higher incomes and achieve a higher standard of living through employment in the country's highly industrialized economy.

C. AID Assessment Team's Visit

In November-December 1981 a three-person fact-finding team travelled to South Africa to explore needs and possibilities for USG assistance to programs designed to respond to the education/training needs of disadvantaged South Africans. During its three weeks of travel to three of the country's four geographic regions, the team conducted over eighty interviews, consulting with almost 200 black and white educators and community leaders from the private and public sector. Contacts represented the full geographic and political spectrum of South African society.

The Team explored opportunities for assisting black South African students through a scholarship program for study in the U.S., as well as through selected in-country training activities. It found a critical and immediate need and virtually unanimous support for a U.S. scholarship program and it received numerous requests for financial assistance to in-country training activities.

With regard to a scholarship program, the team also found a consensus for a heavier emphasis on graduate training than on undergraduate. The rationale is that graduate students usually are more mature, have demonstrated an ability to do college-level work, and are often better prepared to handle both the rigors of U.S. academic study and adjustment to life in a society greatly different from their own.

D. AID Involvement to Date

Since 1978 AID has transferred more than \$6.0 million to the United States Information Agency (USIA) to conduct training and education programs for South Africans and Namibians. AID first provided funding assistance for a scholarship program for disadvantaged South Africans in FY 1981. In response to an unsolicited proposal, AID transferred \$380,000 to USIA, which in turn, granted the funds to the Institute of International Education (IIE) for its South African Education Program (SAEP). The SAEP was started in FY 1979 as an essentially private sector effort supported by contributions from U.S. corporations, foundations and universities. In 1981 the private sector provided fellowships for fifteen master's degree students. The \$380,000 contributed by AID enabled IIE to provide scholarship assistance to fifteen undergraduate students. To date, this program is proceeding very well.

In FY 1982, AID transferred \$4.0 million to USIA to be granted to two private U.S. implementing organizations - the Institute of International Education (IIE) and the American-African Education Foundation (AAEF). In its May 1982 grant agreement USIA granted \$2,675,543 to IIE to select, place in U.S. colleges and universities and provide the necessary participant support services to 68 disadvantaged South African students. In another May 1983 grant agreement, USIA granted \$1,265,560 to AAEF to select, place in U.S. colleges and universities and provide the necessary participant support services to 18 disadvantaged South African students. IIE's 68 students and AAEF's 18 students are presently enrolled and pursuing appropriate courses of study at U.S. colleges and universities.

In September 1982, AID let a sole source contract, justified on the basis of predominant capability, to IIE to identify 150 scholarship candidates from which would be selected the 75-100 participants to enter the program in September 1983. In cooperation with the

Educational Opportunities Council, a non-racial, community-based national education organization, to identify the 150 candidates. Under that contract, IIE also arranged for the required skills/aptitude testing required by (some) U.S. colleges and universities. Finally IIE has delivered to AID all application-related documents for the 150 candidates.

E. Congressional Interest and the Legislative Mandate

Congressional interest in U.S. assistance to a scholarship program for disadvantaged South Africans was generated following a fact-finding trip to South Africa in July 1980 by Congressman Stephen J. Solarz (D-NY), then Chairman of the Subcommittee on Africa of the House Foreign Affairs Committee. Through Congressman Solarz's leadership, additional funding for such a program was introduced in the FY 1982 foreign assistance authorization and appropriations legislation. The proposed funding is aimed at significantly expanding the number of scholarships available to disadvantaged South African students. Specifically, the International Security and Development Cooperation Act of 1981, Section 303(b), earmarks \$4.0 million for FY 1982 and FY 1983 to finance scholarships for undergraduate and professional education in the United States for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate education in South Africa. The Act provides further that in each year \$1.0 million of the \$4.0 million earmarked may be taken from the Economic Support Fund (ESF) for Southern Africa; the remaining \$3.0 million to be taken from the Education and Human Resources (EHR) account. These funds are reserved in the Southern Africa Regional Program. The House Foreign Affairs Committee (HFAC) Staff Study Mission to South Africa in August 1982 endorsed continuation of the scholarship program in its report. Consistent with

Congressional intent, continuation of this project is proposed in AID's FY 1984 Congressional Presentation. A project paper is in preparation by the Africa Bureau to provide multi-annual funding to this project beginning in FY 1984.

III. THE PROJECT

A. Description of the Project

1. Goal and Purpose

The goal of this FY 1983 project is to contribute to the process of preparing black South Africans to participate at all skill and responsibility levels in the operation of South Africa's industrialized economy, a process which the u.S. believes is an important element in bringing about fundamental social change there. This goal can be met only by the combined efforts of many groups to mobilize social commitments and financial resources. Dialogue with private interest groups, businesses, corporations and the education community in both South Africa and the U.S. will be maintained and strengthened in search of additional avenues to contribute to achievement of this goal.

The purpose of this project, is to provide higher education in the United States for black South Africans, who are expected to return to South Africa upon completion of their studies in the U.S.

2. Outputs

The project output, indicative of achievement of the project purpose, will be the approximately 100 black South Africans trained in the U.S., returned to and prepared for productive and gainful employment in South Africa.

In selecting scholarship recipients, the preference is for mature students who have the personal conviction to sustain them during their adjustment to study in the U.S. and their readjustment to life in South Africa. Students must also have demonstrated academic ability. Also, the selection process is designed to ensure that men and women from all political, geographic and socio-economic groupings in the black South African community have full access to publicity about the program, and that members of both sexes and from all groups have equal opportunity to apply. Priority will be given to placement in the development sciences, to include agriculture, business administration, engineering, economics, management, and the natural sciences. These are the fields in which only a small number of blacks have been trained in South Africa, and in which blacks have the fewest opportunities for study in South African institutions and productive employment in its industries. These are also the fields in which the greatest possibilities exist to have a multiplier effect. However, in the course of project implementation, additional fields may be identified and participants selected and placed for study. The students should be placed in a wide range of accredited academic institutions in the U.S.

Distribution by field and level of study of the 150 candidates for entry into the program in September 1983 is as follows:

<u>Field of Study</u>	<u>Graduate</u>	<u>Undergraduate</u>
Accounting	1	5
Agriculture		3
Architecture		1
Biology	2	3
Botany	2	
Business	11	8
Chemistry	3	13
Communications		1
Computers	3	5
Dietetics	1	

Ecology	1	
Economics	2	3
Education	5	
Electronics		1
Engineering	3	29
ESL	2	3
Industrial Relations	8	
Journalism		1
Law	11	
Mathematics	2	
Microbiology	1	
Nursing	1	1
Pharmacy	4	1
Physiology		1
Psychology		2
Social Work	1	
Urban/Town Planning	4	
Zoology		1
Totals	68	82

It is noted that at present there are black South African students residing in the U.S. from whom candidates could be selected based on the foregoing criteria. Nevertheless, it is the intent of this project to increase the number of students able to study in the U.S.; consequently, candidates from those already here would occur only on an exceptional basis.

B. A.I.D. Inputs

AID inputs to the scholarship program are focused on financial support for (1) university/college expenses and (2) contractors' implementation of the program. These categories are discussed in further detail below.

(1) University/college expenses: Included in this category are specific scholarship costs, such as tuition, room and board on campus, books, clothing, laundry, incidentals, summer maintenance, medical insurance and international travel between South Africa and the U.S. AID will assure uniformity in conditions of U.S.-funded scholarships administered by contractors by requiring compliance with Handbook 10, Participant Training. Cost-sharing with universities, corporations and private sector interest groups and foundations will be maximized. In the case of universities, cost-sharing will be sought through tuition waivers, often in conjunction with partial or full waivers of room and board. All participants entering in September 1983 will be funded for the full period of their training by funds authorized in FY 1983.

(2) Contractors' implementation: The scholarship program will be implemented through contracts with non-governmental organizations. Maximum cooperation between the implementing organizations is to be encouraged. The contractors will be responsible for the following functions:

- participant selection in South Africa in collaboration with private South African educators and educational institutions;
- participant placement in an appropriate academic setting, with full financial and administrative support;
- student counselling and academic supervision, in collaboration with the university or college;
- work-related training experience or internship during university vacation periods, especially for summer breaks;
- appropriate supplemental academic experience as individual situations dictate;
- re-entry (into South Africa) orientation as needed; and
- follow-up job placement assistance to returned participants.

Fulfillment of this basic scope of work necessitates funding a contractor's costs for staff salaries and benefits, travel in the U.S. and to South Africa if necessary, universities, student conferences, communications, support services and general administrative overhead.

C. Private Sector Inputs

U.S. corporations, foundations and universities have demonstrated a continuing commitment to the education of disadvantaged South Africans including provision of scholarship support to such students. Contracts will be strongly encouraged to continue to elicit corporate, foundation and university contributions to the scholarship program.

IV. RESULTS OF SPECIFIC PROJECT ANALYSIS

A. Financial Analysis and Plan

1. Summary Cost Estimate and Financial Plan

Total funding requirements for the project are estimated at \$4.0 million. In FY 1982, \$4.0 million (\$3.0 million DA, \$1.0 million ESF) was transferred to USIA, and granted in turn, to two private implementing organizations. The planned obligation for FY 1983 will consist of \$3.0 million in DA funds and \$1.0 million in ESF. The following table indicates cost estimates for the AID and other supporting inputs to the project. Estimates are based on costs associated with the on-going scholarship program and on the following assumptions: (a) about 75-100 black South African students will be coming to the U.S. for long-term academic training; (b) the average period of study will be three years, or 33 months (two years plus 9 months); and (c) other supporting inputs will be primarily tuition waivers granted by universities or awarded by private corporations and interest groups.

Summary Cost Estimate and Financial Plan
(U.S. \$000)

<u>Inputs</u>	<u>A.I.D.</u>	<u>Private Sector</u>	<u>Total</u>
University/college expenses	\$2,934	\$1,600	\$4,534
Grantee implementation	<u>600</u>	<u>-</u>	<u>600</u>
Sub-Total	3,534	1,600	5,134
Contingency/inflation	<u>466</u>	<u>150</u>	<u>616</u>
Total	\$4,000	\$1,750	\$5,750

Given the nature of the project, only a fraction of the cost will represent local currency expenditures. The AID contribution represents 70% of the cost, and other supporting contributions represent an estimated 30%. The Ford and Carnegie Foundations are making grants to the Educational Opportunities Council, the private South African organization, which has been and may continue to be involved in participant recruitment and processing.

2. Costing of Project Inputs

The above estimates for itemization of the contribution to the project are necessarily illustrative. Basically the AID funds will be spent to support as many participants as possible. For the purpose of estimating an average amount required to support each student scholarship for the full term of study in the U.S., an average of three years' expenses is used. The table below indicates this cost at \$29,340, for a total cost of \$2,934,000 for 100 students.

Per Student Cost (excluding tuition)

Selection in South Africa	70
U.S. placement	200
International round-trip travel	1,000
Settling in and clothing	600
Books and supplies (\$450/year)	1,350
Medical insurance (\$40/month x 33)	1,320
Supervision and fiscal management	5,000
Monthly maintenance (\$600/month for room and board)	19,800
Total	\$29,340

A tuition scholarship for a period of three years of study will cost an estimated \$15,000 for each participant. This estimate may seem low, but is actually realistic if it is assumed that most participants will receive full expense waivers or tuition waivers from the colleges/universities they attend. It reflects an average cost from the on-going scholarship program, with an increase for inflation. At this rate, the value of tuition scholarships for 100 students is \$1,500,000 and represents the targeted contribution of universities/colleges and other private sector sources. To the maximum extent possible, full scholarships covering tuition, room and board will be sought. In this case, the AID contribution for a particular student's support either will not be necessary, or will be minimal, and the savings can be applied to supporting additional students, above the estimated number of 75-100.

B. Institutional Analysis

Contractor administration of the scholarship program will require working with selected South African organizations and institutions, including South African universities and private businesses. Other organizations are community-based; some are church-affiliated; none

are organs of the South African Government (SAG). All of these are involved in on-going efforts to meet the particular education needs of disadvantaged South African students. Their programs are designed and implemented in a way to meet those needs despite limitations imposed by the South African social system.

C. Environmental Analysis

As a scholarship program, this project will not involve activities directly affecting the environment, such as construction. Accordingly, it is determined that this project is categorically excluded from the requirement for an Initial Environmental Examination, an Environmental Assessment or an Environmental Impact Statement, in accordance with Section 216.2(c)(2)(i) of AID Regulation 16.

V. IMPLEMENTATION ARRANGEMENTS

A. Executing Mechanism

Administrative direction and management of the project will be provided by the Office of Southern African Affairs (AFR/SA). This will involve continuing contact with the contractors (see next paragraph) to assure sound programmatic and financial management.

1. Project funds will be obligated through contracts with two private U.S. implementing organizations. One such contract will be awarded on a set-aside basis to a minority business firm, pursuant to Section 8(a) of the Small Business Act. This contract will provide the minority firm the opportunity to strengthen its organizational capacity while providing technical services to AID under this project.

There are several advantages of using private organizations to implement the program. First, it will serve to lower the official U.S. government involvement and profile. Second, private organizations will be able to attract additional sources of support, from universities, colleges, corporations and private interest groups, which will increase the impact and supplement the present and forthcoming funding for the program. Third, and implicit in the former advantage, the use of private organizations will develop a broader constituency of support for the program in the U.S. and South Africa.

2. While the implementation detail and costs will be negotiated by the Office of Contract Management, the contract scope of work will require the following:

a. General The contractor(s) duties will include but not be limited to establishing contact with the students in South Africa and coordinating and managing the activities of students once they arrive in the U.S. Specifically, the contractor(s) must establish a detailed methodology concerning how students are to be contacted and brought to the U.S. It is strongly recommended that contractor(s) obtain documentation available from the AID Office of Southern African Affairs (AFR/SA) regarding the processing of student dossiers and predeparture and re-entry orientation programs.

The new contractor can expect to receive complete documentation of the participants' academic credentials and qualifications from AFR/SA. For each participant, the contractor shall be expected to do the following:

(1) Establish contact with the student in South Africa, arrange for the orderly departure and meet the student upon arrival in the U.S.

- (2) Place the participant in an accredited U.S. college or university in a program of study consistent with the participant's expressed interests and academic preparedness.
- (3) Maintain a record system so that the individual student can be tracked through his or her entire program.
- (4) Provide all AID-financed allowances to the participant during both academic and technical training programs, i.e., maintenance, travel and book allowances, and pay tuition and authorized fees to training institutions.
- (5) Monitor all progress of each participant throughout the training process, using the procedure prescribed in AID Handbook 10. The proposal should specify staffing requirements in relation to the number and types of participants to be processed.
- (6) Contractor(s) will submit to AID a follow-up report on the professional progress of the student one year after the student has completed training in the U.S. and returned to South Africa.
- (7) Serve as a source of data on the types and location of academic and technical training available in the U.S. The contractor shall be expected to use this information primarily in placing participants and secondarily in providing information to AID as requested.
- (8) Establish evaluation criteria and mechanisms that will allow for the periodic review of the individual training programs in conjunction with AFR/SA.
- (9) AID will look favorably upon contractor'(s) ability to obtain waivers, scholarships, and/or room and board grants from educational institutions. This will be a consideration in the evaluation/ selection process.

b. Specific The participants who will be assigned to the contractor represent only a portion of the total number of such individuals who travel to the United States each year for training under A.I.D. sponsorship. It is AID's policy that all participants receive equal treatment in that each will be entitled to the same financial allowances, visa regulations, insurance coverage, etc. To insure this uniformity, A.I.D. maintains a handbook (Handbook 10, dated April 30, 1981) which sets forth participant allowances, limitations and restrictions. The contractor is expected to operate within the framework of and adhere to the restrictions described within A.I.D. Handbook 10. However, detailed operating procedures, controls, personal arrangements, and information systems necessary for performing this Statement of Work are expected to be fully described in as much detail as seems warranted. Guidance on procedural requirements follows:

1) Liaison with A.I.D.'s Office of Southern African Affairs (AFR/SA): Liaison with AFR/SA shall be maintained through a Project Officer assigned by AFR/SA, in a manner which balances AFR/SA overall program managerial needs with the contractor's need for flexibility in carrying out contractual responsibilities.

2) Development of Training Programs/Outline of Course Work: This is one of the key responsibilities to be assumed by the contractor(s). Based on information supplied in the student's application, academic credentials, bio-data and the contractor's own understanding and background knowledge of the training needs of participants in the program, the contractor(s) shall be expected, immediately after receiving each new case, to arrange a suitable personalized training program for that individual. Each training plan is to include a description of the proposed training, a schedule and a detailed budget, and shall not be executed until approved by A.I.D. In all cases placement will be sought where the best academic and/or technical program and participant support can be obtained commensurate with the participant's qualifications and

the project's goals. Generally, training is to be academically oriented. There may arise however specific cases where short-term specialized work or technical training is deemed appropriate.

3) Management Information System: The contractor shall develop and maintain an extensive information file on academic and non-academic institutions for purposes of participant placement. This information system should include but not be limited to information on university enrollment requirements, university calendar, tuition expenses, documents required for enrollment, English language requirement, services offered by the Foreign Student office, academic programs and courses for selected areas, and academic requirements. Furthermore, this file will record: information developed as a result of contractor contact and experience with universities and colleges, a record of technical training institutions, industries, consultancy firms and private sector facilities willing to provide practical or technical training, the length and cost of such programming, specific professional fields and experience and other relevant information.

The proposal should describe in detail how the contractor intends to carry out this procedure, particularly, how information on training sites and program might be collected and organized into a resource to improve the placement process.

4) Training Plan: The contractor shall implement a particular training program only after it has been approved by AFR/SA. The contractor should describe the timing and content of a training plan including a detailed budget.

5) Communications: All communication with U.S. Government Agencies in the field necessary to carry out the provisions of this contract shall be through AFR/SA with information copies to the A.I.D. Office of Contract Management (M/SER/CM). The contractor should not include in the proposal a procedure for direct communications with any office other than those in AID/Washington.

- 6) Arrival and Orientation: Once a particular training plan has been approved, the contractor shall arrange transportation for the student to arrive on a particular date. AID's primary orientation contract is with the Washington International Center (WIC). The contractor should, however, describe how they could augment the WIC program with specific orientation designed to acquaint the participant with the role of A.I.D. and the contractor's operation and personnel. Orientation at specific training locations or on a regional basis should also be described if this is proposed.

- 7) Financial Support: This is another critical contractor responsibility. The contractor will be expected to be highly sensitive to the importance of timely payments to the overall success of the program. The contractor shall propose how this is to be done in such a way as to preclude the negative effect on the training experience which the delay of such payments inevitably causes. The contractor must be able to obtain bonding to cover this phase of the contractual obligation.

- 8) Participant Monitoring and Counseling: What is sought here is a mechanism for keeping in touch with and monitoring the progress of individual participants during the course of their training. The contractor will advise AFR/SA of any needed extensions to training programs, justify such extensions, and make timely estimates of additional funding requirements. It is expected that the contractor shall use the standard A.I.D. Academic Enrollment and Term Report (AETR) for academic participants, but a further procedure is sought which will insure that the general mental and physical health and academic standing of a participant is known at all times and that appropriate remedial action will be taken.

- 9) Completion of Programs and Departure: It is A.I.D. policy not to sponsor individuals for consecutive degrees even though many participants qualify for and desire such degrees. The contractor will be expected to enforce this policy rather than encourage

further academic study and insure that each participant completes the approved program on schedule and returns to his or her home country promptly upon completion. The contractor will advise AFR/SA of the successful completion of a student's training program and the date of the participant's departure from the U.S. The proposal should indicate how this issue is to be addressed. This process is assisted to some degree by the fact that each participant enters this country on a J-1 visa which carries specific limitations. Experience has shown, however, that consistent adherence to policy, adequate orientation of the participant and an understanding of the problems of non-return by all concerned, including the training institution, are also relevant factors. These should be addressed in the proposal.

10) Insurance: A.I.D. operates its own self-funded Health Accident Insurance (HAC) program in which all participants, other than those under a host country contract, must be enrolled in accordance with Handbook 10. The contractor is required to register each participant in this plan upon his or her arrival in the U.S.

11) Academic Training: Participants, in some cases, may be authorized supplemental practical training or experience which will be arranged by the contractor.

12) Operating Procedures: The contractor will be expected to develop an "operations manual" incorporating procedures related to all of the above program elements. The contents of the manual will be subject to AFR/SA approval. The operating procedures should describe how the contractor will effect staff adjustments relevant to a fluctuating participant case load.

13) Record Keeping: Each participant, or group of participants, will be formally assigned to the contractor at such time as AFR/SA transmits a cable, application-related documentation and bio-data, and/or other agreed upon assignment instrument to the contractor.

The contractor will be expected to store and easily retrieve information as needed to (1) track each participant from the time of assignment through one year after completion of training, and (2) produce periodic progress and status reports to A.I.D. AFR/SA will require standardized data on individual participants and require that the contractor's record keeping conform to those standards. The record system must be capable of producing periodic progress and status reports for the benefit of A.I.D.

14) Report Requirement: The contractor will be expected to initially provide AFR/SA and AFR/PD/SAP with a monthly participant transaction report showing its caseload as: (1) pending, (2) arrivals, (3) on-board, (4) departures, and (5) year's activity to date. The contractor(s) will provide semi-annual progress reports to AFR/SA.

c. Selection of Students: To carry out the selection process for students who will enter the program in September 1984, A.I.D. will select, through a competitive procurement process, a U.S. contractor to work with South African educators and education institutions. The full student selection process in South Africa includes advertising the program nationally, conducting personal interviews of candidates in the four major regions of the country, selecting the final candidates through a national panel, arranging the necessary language, skills and aptitude testing, and generally informing selected candidates of preparation for study in the United States. This process takes about fifteen (15) months and must therefore begin in June/July 1983. Financing for the selection contract (up to \$65,000) will be taken from funds authorized herein.

3. Terms of Contracts

Contractors will be required to place and provide support services to a specified number of South African students who are to enter U.S. colleges and universities in September 1983. The students will be

forward-funded for the full course of their programs, 2 years for graduate students, and 3-4 years for undergraduates. Graduate students should complete their studies by June 1985 and undergraduates by June 1987. It is anticipated, in addition, that contracts will also be required to select students for entry into study programs in the 1984/1985 academic year.

B. Implementation Schedule

<u>CY</u>	<u>Month</u>	<u>Action</u>	<u>Responsibility</u>
1983	May	Approved in AID/W	AID
	May	Negotiation and signature of contracts with private organizations	AID/Contractors
	May-July	Placement arrangements with U.S. universities and colleges	Contractors
	June/July	Selection of candidates for September 1984 entry	Contractors
	July	Pre-departure orientation program(s) completed	Contractors
	August	Participants arrive in U.S. for orientation prior to departure for campuses	Contractors
	September	Participants enroll and start studies in their universities/colleges	Contractors
1984	January	Evaluation of first six months of project implementation	AID
1984 - 1988		Cycle would be repeated, but would begin in January/February of the calendar year rather than April.	

C. Reports

Semi-annual reports on student progress will be required from the contractors beginning at the end of the first academic semester after the effective date of execution of the contracts. The contract will include a provision detailing the format of the progress report. They will be submitted to AFR/SA, and will describe and discuss the following:

- (1) problems encountered and/or foreseen;
- (2) planned solutions to implementation problems; and
- (3) specific identification of AID actions or assistance which may be required to resolve these problems.

Quarterly financial reports (Standard Form 1034) will also be required from the contractors, the first due 3 months after signing of the contracts.

D. Evaluation Plan

Three AID evaluations will be scheduled for the project. The first two evaluations are scheduled for January 1984, approximately six months into project implementation, and January 1986, 2-1/2 years into the project. The focus of these evaluations will be to validate the mode of project implementation, i.e., the effectiveness of AID's administrative direction of contractors charged with implementing the scholarship program. AID will also evaluate the capability of the contractors to place and support black South African students in U.S. universities and colleges. The results of these evaluations will be used to assess implementing procedures and contractors' performance for utilizing subsequent funding for this project. Also, if there are deficiencies in the scholarship program, remedial actions will be recommended which can be undertaken within the remaining life of the project. These

evaluations will take approximately 4 weeks, including discussions with AID/W and the contractors, contacts with participants and educational institutions, and preparation of the report.

A final, or summative, evaluation will be scheduled in the last year of the academic programs of the students estimated to be 1987. There will be two important components of the evaluation. One component will be a summary analysis and evaluation of the extent to which the scholarship program has had a measurable effect in providing quality education to participants, which prepares them for professional and skilled employment in South Africa. Another component will seek to determine if the student selection process is successful in providing educational opportunities to blacks, male or female, on an equitable basis for those black South Africans likely to return to South Africa and make effective use of their training.

Data and analysis generated by AID and the contractors during the life of the project will provide the core of information required for this component. The other component of the summative evaluation will be to measure qualitatively the extent to which the project output may indicate accomplishment of the project purpose and goal. Approximately 5-6 weeks of effort will be required. Membership on the evaluation team will be determined when the evaluation terms of reference are being formulated.