
An Evaluation of OIC International: Its Institutional Development Performance, Impact and Cost Effectiveness

Prepared by

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Westport, Connecticut

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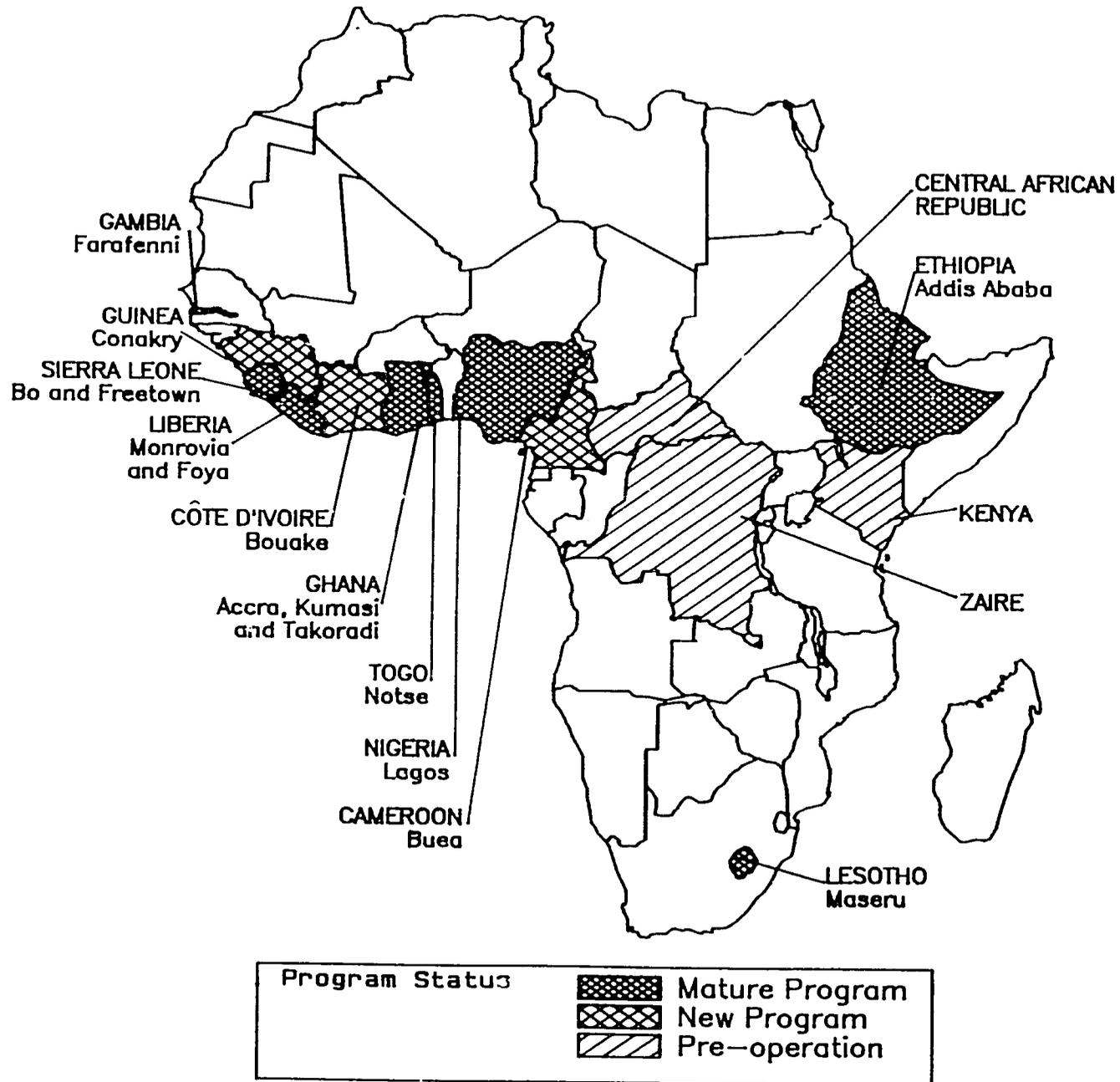
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Training Centers of OIC International in Africa



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LIST OF ABBREVIATIONS AND ACRONYMS

ADC	African Development Conference
AID	Agency for International Development
ETMD	Entrepreneurial Training and Management Development
EZE	Evangelische Zentralstelle Für Entwicklungshilfe
FVA/PVC	Food for Peace and Voluntary Assistance/Private and Voluntary Cooperation
FY	Fiscal Year (October-September)
ICCO	Interkerkelijk Coordinatie Commissie Ontwikkelingsprojecten (Interchurch Coordination Committee for Development Projects)
IFAD	International Fund for Agricultural Development
IFESH	International Foundation for Education and Self-Help
ILO	International Labor Organization
ISTI	International Science and Technology Institute, Inc.
MIS	Management Information System
MVTC	Monrovia Vocational Training Center (Liberia)
NGO	Non-Governmental Organization
NIAT	National Institute of Agricultural Training (Togo)
OIC	Opportunities Industrialization Center
OICI	Opportunities Industrialization Centers International
OSIF	Opportunities Self-Reliance Investment Foundation (Ghana)
PPT	Project Performance Tracking
PSU	Production/Service Unit (Liberia OIC, Monrovia)
PVO	Private Voluntary Organization
REDSO	Regional Economic Development Support Office
RRNA	Robert R. Nathan Associates, Inc.
SPO	Special Projects Officer
TAC	Technical Assistance Conference
TCT	Technical Cooperation Team
TDY	Temporary Duty
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commission for Refugees

PREFACE

A. Aim of the Evaluation

This assessment of Opportunities Industrialization Centers International (OICI) was conducted in compliance with two FVA/PVC initiatives: the evaluation requirements of Cooperative Agreement Grant AFR-0453-A-00-3063-00 for the assessment of OICI's program impact and cost effectiveness as revealed by its headquarters and field program operations; and the Round Two Field Evaluation Series initiated by FVA/PVC to evaluate the performance of FVA/PVC-funded private voluntary organizations (PVO), including OICI, with goals of institutional development.

Hence, the combined study focuses on three main aspects of OICI's activity: (1) its long-term institutional development, measured by institutional characteristics, staff development, and economic sustainability; (2) OICI's impact, measured through its field programs' effects on target beneficiaries, and the local communities and larger societies in which the programs operate; and (3) OICI's cost effectiveness measured by its achievement of program output relative to the committed resources, its operational strategies, and the cost effectiveness of the OIC programs.

B. Background and Short History of OICI

Developed through the initiative of Dr. Leon H. Sullivan, the first community-based OIC training center was established in Philadelphia, Pennsylvania in 1964. Shortly afterwards, additional OICs opened elsewhere in the United States.

OIC International was founded in direct response to Africans who had requested that Dr. Sullivan replicate in their countries the proven United States model. The first African OIC opened in Nigeria in 1970. During the 1970s, additional non-formal vocational/technical OICs were founded in Ghana, Ethiopia, Liberia, Sierra Leone, and Lesotho. During the mid-1970s, OICI shaped agricultural training programs to teach rural youth practical methods and technologies appropriate to small family farms -- first in Togo, then in The Gambia. In Sierra Leone and Lesotho, public and private need spurred OIC to develop courses to stimulate entrepreneurship and business management skills, and to upgrade middle-level management.

In recent years, OICI has initiated a series of individualized rural development programs that combine elements of earlier projects. This new generation of OICs has started in Cameroon, Côte d'Ivoire, Liberia (Foya), and Guinea. Today, 15 OIC training centers operate in 11 countries of Africa, and one OIC operates in the United Kingdom.¹ Four fifths of the training centers -- including the six surveyed during this assessment -- function without funding from AID.

1. Appendix A to this report contains capsule summaries of OICI's African programs.

OICI's mission is to establish and institutionalize self-help grassroots training programs adapted to the needs of the countries in which OICI is active. The PVO believes that the transfer of marketable skills through the OICI informal training model can help unskilled and disadvantaged Third World youths to become self-reliant and productively involved in the development of their nations. OICI's target group is young people who for the most part have never had a job, or who at best face a life of unemployment or casual labor.

The OICI model takes an unusually comprehensive approach to training. Qualified applicants are accepted at an OIC on a first-come, first-accepted basis. Entrants receive special motivational and attitudinal training before starting technical courses. Technical instruction is paced for individual training and concentrates on practical, "hands-on" instruction in entry-level skills. Personal counseling services are provided throughout the trainee's association with the OIC. Job developers find employment for the majority of vocational completers, and agricultural OICs provide resettlement assistance. Finally, follow-up on the progress of OIC graduates continues for a year after they have entered the market place.

C. Members of the Assessment Team

The team that conducted this evaluation of OICI had three members:

- . Stanley A. Barnett, A.I.C.P., C.M.C., program design and evaluation consultant, has been contract supervisor for three AID Program Design and Evaluation Indefinite Quantity Contracts (1975-1985). During his work in 37 developing countries since 1953, he has participated in two dozen evaluations, including 10 of OICI or its African OICs on behalf of AID or OICI.
- . Richard Huntington, Ph.D., is Project Manager for International Science and Technology Institute's current Institutional Development Evaluation Series being performed for FVA/PVC. A social science analyst, he has been concerned for 10 years with the institution-building aspects of development, especially with linkages between national governments and indigenous local organizations.
- . Judith Kroll, M.A. Public and International Affairs, has been a consulting economist with Robert R. Nathan Associates, Inc. (RRNA) since 1978. She is a specialist in African economic and social development. Ms. Kroll prepared RRNA's cost effectiveness study manual for OICI, designing cost effectiveness methodologies appropriate to OICI's headquarters operations and field projects.

Dr. Huntington is primarily responsible for Chapter II of this report, Mr. Barnett for Chapter III, and Ms. Kroll for Chapter IV.

During the course of the assessment, both at OICI in Philadelphia and during the field survey in Africa, the team had an unofficial member, Quy D. Nguyen, OICI's Director of

Evaluation. Mr. Nguyen provided continuous, valuable assistance and counsel and participated in various aspects of team research. He has conducted several dozen evaluations and program reviews of OICI's training programs in Africa since 1977. He also has been active in developing, designing, and monitoring OICI projects.

D. Methodology of the Team

Before departing for Africa, the assessment team conducted primary and secondary research at OICI headquarters, received detailed orientation from the PVO's officials, and briefed members of FVA/PVC and OICI regarding their detailed work plans. This activity took place between March 16 and April 23, 1987.

Cost and time constraints caused the evaluators to confine their African field survey to a limited number of the 11 nations and 15 training centers affiliated with OICI. Because OICI's new rural development-oriented programs in Cameroon, Côte d'Ivoire, and Guinea (begun in FY 1986 and FY 1987) lack measurable histories of institutional development, program impact, and cost effectiveness, they had to be eliminated from consideration. The evaluators and OICI decided jointly that the focus of the survey would be on four of the eight mature OIC programs -- those in Liberia, Ghana, Nigeria, and Lesotho. OIC Togo was eliminated because it had been the subject of an in-depth joint evaluation in October-November 1986 and the comprehensive evaluation report was available to the team. OICs in Sierra Leone, The Gambia, and Ethiopia were eliminated because of

logistics, limited documentation, and AID policy, respectively. The evaluators reviewed past assessments and other available documentation to compensate for the lack of on-site visits to the four eliminated programs.

Because three-quarters of the mature African programs feature OICI's basically urban-directed vocational skills training, and because five of the six training centers visited featured vocational skills training, this report of necessity stresses that aspect of OICI activity, to the detriment of the new rural development project initiatives which presently consume much of OICI's day-to-day attention. However, the evaluators made it a point to include a field visit to OIC Foya, a branch of Liberia OIC. That young-farmer training program, which began operation in FY 1985, was to some degree a prototype for OICI's new generation of rural development projects.

As stated earlier, this evaluation assesses OICI's program impact and cost effectiveness as revealed by its headquarters and field program operations and appraises the performance of FVA/PVC-funded PVOs with goals of institutional development. The scope of this report is limited to the six training centers visited during the field survey and the one training center, OIC Togo, incorporated through a review of a recent, comprehensive evaluation report. These seven training centers in five countries represent almost one-half of all OIC African centers and more than one-half of the mature programs. Therefore, to a certain extent, this evaluation can serve as the basis for some general conclusions on OICI and the impact, institutional development

aspects, and cost effectiveness of its overall vocational and agricultural training approach. Where appropriate, such general conclusions have been drawn.

The team spent six weeks (April 27-June 6) in the field, surveying the operations of OICs in Monrovia and Foya, Liberia; Accra and Kumasi, Ghana; Lagos, Nigeria; and Maseru, Lesotho. During that period, the evaluators met with key members of the OICs' Boards of Directors and staffs, host-government officials, educators, and civic leaders; and conducted impact surveys among representative, randomly selected employers and supervisors of job-placed OIC vocational/technical trainees, and among self-employed graduates of Lesotho's Entrepreneurial Training and Management Development (ETMD) program and Foya's rural development program. The team met with pertinent USAID missions and other bilateral and multilateral donors, and performed secondary research of pertinent documents available in country. The evaluators debriefed the executive directors and key Board members of the OICs before leaving each country.

Upon returning to the U.S., the team members wrote the various chapters of this report and reviewed each others' contributions. RRNA edited the final report and had it reproduced. The evaluators made formal presentations of their findings, conclusions, and recommendations during meetings in mid-July 1987 at OICI headquarters in Philadelphia and at AID/Washington.

Several key subjects such as resource mobilization, trainee output, and OIC-government relations have implications for institutional development, program impact, and

cost effectiveness. In those cases, the same subject must be discussed in each of the three main chapters of the report. This is not redundant: In each instance the subject is treated in the light of the particular chapter's perspective.

E. Organization of the Report

In addition to this preface, the report has five chapters and three appendices. Chapter I, the Executive Summary, presents the evaluators' findings and recommendations on OICI's institutional development, program impact, and cost effectiveness. Chapter II addresses OICI's institutional development, looking at institutional characteristics, staff development, and economic sustainability. Chapter III discusses the various OICI African training programs and the impacts they have made on their target beneficiaries and on the societies and local communities in which they operate. Chapter IV addresses the cost effectiveness of OICI and of the OIC programs in the four countries visited. Among the specific issues discussed are the programs' cost per trainee, the cost per trainee at other vocational/technical schools, awareness of cost effectiveness issues, the programs' economic ventures, and the cost effectiveness of OIC International. Chapter V presents in detail the evaluators recommendations regarding OICI personnel, institutional development strategies, and cost effectiveness.

Appendix A contains short descriptions of the 15 African training centers affiliated with OICI. The program impact survey instruments are presented in Appendix B.

Appendix C is the list of persons contacted, including the employers and supervisors of vocational/technical graduates who were interviewed for the impact survey. Appendix D presents the methodology used by the Togo OIC evaluation team to determine the cost per trainee.

I. EXECUTIVE SUMMARY

This evaluation included a review of OICI headquarters' operations and on-site assessments of six OIC training centers in four African countries. On the basis of its findings, the evaluation team concluded that (1) OICI is highly successful in developing independent institutions that continue to operate after the termination of funding from the U.S. government; (2) the institutions -- OIC programs -- established by OICI have substantial impact on their target beneficiaries and local communities; and (3) OICI is cost effective in its approach to institution building, and OIC programs are cost effective in their training mission.

A. Institutional Development

The four "graduated" OICs of Ghana, Liberia, Nigeria, and Lesotho have successfully made the transition from being AID-funded projects under OICI to being independent national organizations carrying out programs of great importance to the development of their countries. OICI's record in the area of institutional development is perhaps unsurpassed by any comparable organization working in Africa. Although maintaining the relationship with OICI is important, these African organizations would continue on their own even if

OICI ceased to exist. The chief factors responsible for this successful institutional development are the following:

- . OICI uses a "reactive" method when setting up OIC programs. Requests come from an interested group in the country. The burden of starting the OIC is put on the local group from the start, and the years of effort strengthen the commitment of this voluntary group of citizens.
- . The OIC philosophy is uniquely effective and attractive. It appeals to a combination of self-interest and moral concerns simultaneously. It is politically neutral and attractive in countries of rightist or leftist orientation. It is embodied in the charismatic personality of Rev. Leon H. Sullivan. The philosophy is intensely shared by all those who work in the OICs. The philosophy is also reflected in OICI's home office's commitment to excellence and the high professional standards that are evident in their support of the African OICs.
- . The OICs of Africa have developed in diverse ways, appropriate to the conditions in each of the countries. There has been a flexible approach to management styles, types of funding sources, and skill areas taught. At the same time, the OICs have a common commitment to excellence, self-help, community responsibility, and the basic OIC training methodology including counseling and job placement.
- . OICI's assistance under the Cooperative Agreement with AID focuses on helping the OICs to enhance their independence. Especially, it works with the OICs in resource mobilization and management systems. The African Development Conference (March 1986) of 400 African OIC representatives and 200 representatives of donor organizations, governments, and NGOs was a signal event which will yield benefits for years to come.

- . Funding is the necessary but not sufficient condition of institutional development. The most important financial factor for the institutional development of the OICs in our study is the support of their national government to cover salaries and certain recurrent costs. Additionally, each OIC found its own way to put together a diversified pattern of funding sources. An exception is the program in Nigeria which has suffered due to the lack of sustained government support. This situation is expected to improve shortly.
- . Training in both vocational and agricultural skills is the OICs' core activity. The activity is well suited to institutional development due to its easily measurable outputs -- employed trainees. The institutional success of the OICs would not be possible were it not for the proven and repeated success of the OIC training methodology which combines attitude training with individualized attention, practical experience, counseling, and job placement. Various sophisticated institutional features such as management systems and resource development are made possible by the fact that OIC has a successful technology and product.

The demand for OIC's technology and product is increasing. Every country the team visited is embarking on new programs of training unemployed youth and retraining redundant public employees for jobs in the private sector or as self-employed entrepreneurs.

OICI's approach to institutional development has evolved over the years. The current approach is much leaner and more efficient than the expensive and technical assistance laden projects that once started the programs in Ghana, Lesotho, Nigeria, and Liberia. The current approach recognizes that the availability of African managerial resources has increased greatly during the last two decades.

It also is able to make use of the established OIC programs in neighboring countries to provide examples and technical assistance in starting up new programs. The team did not review directly the new OIC projects. But from observation of the graduated programs, the current approach to institutional development makes sense as a means of responding to demand and giving the OIC movement the increased impact it deserves.

B. Program Impact

1. Impact on Target Beneficiaries

The demand in Africa for OIC training far exceeds the programs' capacities. Applicants generally must wait up to five years before gaining admittance. The OICs trained more than 14,000 disadvantaged youths in basic skills from the programs' inceptions through FY 1986. Six OICs placed 8,300 vocational trainees in jobs; three OICs provided instruction to 3,400 young farmers and agriculturalists; and 2,300 persons at two OICs completed management development, entrepreneurial training, and skills upgrading courses. The OICs found jobs for 75 percent of their vocational course completers during the past four years.

Starting wages of OIC vocational skills graduates generally range from 16 percent to 66 percent above minimum wage, and graduates usually receive further increases within four to six months. Acquisition of added skills and know-how enables resettled graduate young farmers and animal husbandry specialists to increase their incomes -- often significantly -- after OIC agricultural training.

Females make up 40 percent of vocational course completers and most of those who enroll in OIC entrepreneurial training and management development courses.

Impact surveys conducted among 78 supervisors of OIC vocational skills graduates from five training centers reveal that OIC transforms its disadvantaged target beneficiaries into workers who compare quite favorably with others. Almost 98 percent of supervisors rated their OIC employees above average or average in work attitude; 95.6 percent rated them above average or average in technical knowledge; and 94.4 percent judged them above average or average in practical skills. Seventy-one percent rated OIC graduates better than other entry-level workers, while an additional 23.2 percent rated them equal to others.

Comparison of the results of this just-completed survey with similar impact surveys conducted between 1980 and 1985 indicates a small but consistent improvement over the years in employers' perceptions of the skills and competence of OIC vocational graduates.

The team found considerable trainee satisfaction during a second survey of 24 recent young-farmer graduates of the Liberia OIC's rural development program at Foya. All are farming (most full-time); almost all own their own land (an average of 4.4 acres) or are in the process of acquiring it; and the Foya graduates report they have persuaded 15 relatives and friends to enroll at the training center.

Late 1986 surveys of agriculturalists trained at Togo OIC's instructional center and demonstration farm indicate high trainee regard for the practical techniques taught at

the OIC and trainee ability to implement successfully what was learned. This is true for all groups -- resettled young farmers, animal husbandry specialists, village adult farmers, and students of academically oriented agricultural institutions who learn elements of practical farming at Togo OIC.

A spot survey conducted among completers of Lesotho OIC's 72-hour foreman-upgrading course reveals that the training was directly applicable to their needs and jobs; and that two-thirds have been given added responsibilities or promotions, or have gained a necessary second source of income. Interviews conducted with entrepreneurs in the rural town of Semonkong who recently completed a Lesotho OIC course in management training and loan procurement indicate upgradings of business operations and sales. However, it is still too early to measure increases in trainee incomes.

2. Societal Impact of OICI's Programs

OICI may have received more written and oral accolades from African chiefs of state and high government officials than any other PVO. The support takes tangible form. Since AID/OICI funding ended for OICs in Ghana, Lesotho, Liberia, and Sierra Leone in FY 1983-FY 1985, host governments have provided financial subventions that cover most of the programs' operating costs. The governments also have provided non-financial support, including land, training facilities and equipment, and seconded personnel.

3. Community Impacts

The OICs' independent, policy-making boards of directors have, since the beginning, consisted of community leaders from government, business, the clergy, and the professions. Exemplifying OICI's self-help philosophy, the boards and staffs of the OICs engage in diverse resource mobilization efforts that include "traditional" fund-raising events, drives for international donations, construction and other revenue-producing contracts, economic ventures, local business drives, and parent and alumni contributions. The income and publicity generated by these efforts testify to the strong impacts the programs have in their communities.

C. Cost Effectiveness

1. The African OIC Programs

Quantitatively, the programs' cost effectiveness in training is demonstrated by the following three facts: (1) for most of the programs the cost per trainee decreased between FY 1985 and FY 1986; (2) the real cost per trainee has declined or remained constant over the last three fiscal years; and (3) the programs' cost per beneficiary (enrollee) is comparable to, or considerably less than, the per beneficiary cost of other vocational institutions in their countries.

Qualitatively, cost effectiveness was reflected in program impact (discussed earlier) with respect to target beneficiaries, national governments, and local communities. Governments' support, notwithstanding their depressed economies and severely strained financial resources, is

testimony to the critical and effective contributions of OIC programs to their countries' development. The programs also succeeded, in varying degrees, in gaining the support of external donors other than the U.S. government. This support was for construction of permanent training facilities (Lesotho, Liberia, and Nigeria OICs), operating costs (Ghana and Liberia/Foya OICs), or in payment of OIC services in special training projects (Lesotho OIC).

Contributing to program cost effectiveness has been the adaptation of OICI's management and control tools, including its management information system, although progress in these areas varied from one program to another. Additional control mechanisms were also developed locally, in some cases, to further regulate the use of scarce resources. Overall, the programs visited were not only cost-conscious but have become aware of cost-effectiveness issues. They operate according to clearly defined objectives. Program results are regularly reviewed and contrasted with plans. Budgets are adequately monitored and flexibility exists to reallocate funds, if necessary, to areas of greatest need.

Cost effectiveness has also been enhanced by strongly committed and, in most cases, well qualified program staffs at both managerial and operational levels. They are guided in turn by the consistent policies of their Boards of Directors who have succeeded in keeping their programs in line with the OIC philosophy and methodology. The Boards also displayed a serious concern with costs and cost-effectiveness issues.

While the programs were generally cost-effective in their training endeavors, their increased engagement in resource development through small and diverse economic ventures needs to be reassessed. On the one hand, these ventures have assisted the programs with respect to cash flows, local community awareness, and on-the-job training opportunities -- through contractual arrangements with the programs -- for OIC trainees. On the other hand, OIC programs do not yet have the management resources, training, and business perspective necessary to operate some of their economic ventures as ongoing business concerns with a profit motive.

2. OIC International

The cost effectiveness of OICI was assessed through an analysis of its activities relative to the committed resources, its planned versus actual program outputs in implementing the Cooperative Agreement grant from AID, and its current approach to program development and support. The conclusion on OICI's cost effectiveness also takes into consideration field results in terms of institutional development and program impact as discussed earlier.

OICI's program development and support activities increased significantly between FY 1984 and FY 1986. The number of field programs served has actually doubled, and intensive preparations were underway in FY 1986 for starting three additional programs. During the same period, OICI headquarters' annual operating costs increased by 53 percent, including a much less than proportionate increase (38 percent) in the costs of managerial and general support

services. The number of headquarters staff positions went up by two, from 29 to 31. Overall, the increase in OICI's program activities was much greater than the corresponding increase in the necessary financial and staff resources.

OICI's current program activities are supported mainly by a Cooperative Agreement grant from AID, which aims at augmenting the capacity of OICI to develop and service OIC programs effectively, and to generate increased levels of non-U.S. government resources. The grant's initial period was from FY 1984 to FY 1986. Most critical program outputs have been achieved, some have been exceeded, and a number of unplanned outputs have been realized. Non-U.S. government contributions accounted for 39.6 percent of the total revenue of OICI and its field programs in FY 1986, exceeding the 30 percent projected for the same year and reflecting a substantial increase from the 28 percent achieved in FY 1984. During the same three-year period, OICI remained within the grant budget for headquarters and its AID-funded programs.

As recommended by independent consultants in the 1982 assessment of its institutional capability, OICI has revised its mission and translated it into appropriate operational strategies. In addition, it has successfully streamlined its approach to program development and support by incorporating its experience from three generations of OIC projects in Africa in the last 17 years. The newly designed OICs are smaller in budget and require less long-term in-country technical assistance than their predecessors did. Both new and mature OIC programs are now benefiting from OICI's regional conferences and workshops, short-term

in-country technical visits, and standardized management and control tools. These services -- unavailable to the earlier OICs in their development stage -- have demonstrated an overwhelming impact in the program countries visited during this evaluation. They provided, in total, a cost-effective strategy for OICI to adequately support a growing number of programs with its limited resources.

OICI has evolved and matured as a development organization. Its record to date includes OIC programs in seven countries that continued to operate after the termination of AID funding. This performance and other accomplishments shown in this evaluation point to OICI as a capable and cost-effective organization. Contributing to these achievements has been the Cooperative Agreement grant from AID which enabled OICI to strengthen the earlier OICs and to better develop and support the more recent programs. Significantly, the grant assisted OICI and OIC field programs in further developing their institutional strength, program impact capability, and their overall effectiveness as development organizations.

D. Recommendations

Based on the evaluators' findings, recommendations are forwarded in three areas -- OICI personnel, institutional development strategies, and cost effectiveness. The recommendations are summarized below and discussed in greater detail in Chapter V.

1. In relation to OICI personnel: OICI should fill the positions of Entrepreneurial Training and Management Development (ETMD) Specialist and Vocational Training Specialist as soon as possible.
2. In relation to institutional development strategies:
 - a. To the extent financially possible, OICI should provide Technical Cooperation Team (TCT) advisors to new programs, including new satellite centers starting in remote areas of countries where OIC programs already operate.
 - b. OICI should continue its excellent work in helping OIC programs to develop successful strategies for resource mobilization -- especially in obtaining adequate resources for replacing, upgrading, and updating training equipment and materials.
 - c. OICI should recommend to any OIC considering starting satellite centers that the country director responsible for coordinating two or more centers be different from the manager of any of the individual centers.
 - d. As part of its technical assistance, OICI should perform a comprehensive review of the strategic role of job development and how it can be best implemented. The results of this review should be shared with the OICs.
3. In relation to cost effectiveness: OICI should expand and refine its accounting system to determine and monitor the cost of technical assistance and program development by country and type of technical assistance. OICI should also assist local programs to expand and refine their financial information systems to better monitor details of operating costs.

II. INSTITUTIONAL DEVELOPMENT

A. Introduction

This evaluation is part of a comparative study of the institution-building efforts of 12 American PVOs that have received support from AID for this purpose.

This section of the report discusses aspects of training impact and resource mobilization as they relate to the long-term institutional development of the four African OICs. The details of impact and cost effectiveness will be analyzed in subsequent chapters.

The OICI program is a major success story for institutional development of local private voluntary organizations. Eleven national OICs operate 15 training centers in Africa. Seven of the older of these national OICs, operating 11 training centers, are "graduated" programs; that is to say, they no longer receive AID support through OIC International. They persist in their work through combinations of support from their own governments, local fund raising, local cost recovery and income generation operations, and special grants from international donors. Furthermore they

have achieved this financial and institutional autonomy in economic and political environments that are as difficult as any in the Third World. If PVOs operating in recent years in countries such as Liberia and Ghana can achieve such a degree of self-sufficiency, then poverty, underdevelopment, and economic hard times do not create a barrier to achieving the institutionalization of private development efforts.

OICI is unique in the extent to which it has been instrumental in creating and supporting independent indigenous development organizations. This does not mean that the story is uniformly positive. Indeed it is the comparison of the four OICs of this study, their successes and their problems, that best reveals the important variables of the success.

An important factor in OICI's success is the diverse ways in which these four OICs developed. Although the OIC philosophy, the vocational training emphasis, and the methodology are unmistakably present in each place, the management styles and the patterns of funding vary widely. Each country program has been able to develop in its own way in response to local conditions. The following section first stresses those factors that are constant -- the OIC philosophy and the pattern of OIC technical assistance to its graduated affiliates. Then it stresses the ways in which the local OICs, as autonomous institutions, have diverged regarding their management styles, program emphases, and patterns of funding.

B. Philosophy and Spirit of OIC

Most PVOs have their own special philosophy and approach to development and to helping needy people. This is one of the traditional strengths of private voluntary and charitable organizations. PVO philosophies may grow out of the religious principles of the organization (YMCA), or from a commitment to the peoples of a certain region (Foundation for the Peoples of the South Pacific), or from a carefully analyzed approach to rural development (Save the Children's Community-Based Integrated Rural Development). Because the commitment of people to such philosophies of service is an important strength of most PVO programs, one hesitates to judge the relative usefulness of different PVO credos. Five aspects of OIC's philosophy however, taken together, make it a uniquely powerful and effective motivating device.

1. OIC's philosophy appeals simultaneously to individual self-interest and to general societal welfare. It is not merely altruism, but self-motivating altruism.
2. The philosophy of self-help is simple, universally shared, and immediately understood. Although OIC programs have developed in somewhat different ways, this basic, simple commitment to training school dropouts to be independent and productive members of society has never wavered. "Self help, self help, self help" is the clear and simple call, repeated over and over.
3. The philosophy (self-help), the nature of the program activities (training young people to be independent), and the method (an individualized instructional approach) all naturally support one another.
4. OIC's philosophy is politically neutral. It is attractive to both leftist and rightist regimes, in poorer as well as better endowed nations.

5. OIC's is embodied in one charismatic personality. Rev. Sullivan provides a physical and psychological form and presence to the motivating idea of the organization. The philosophy is not just an abstraction.

The OIC philosophy is deeply ingrained in everyone involved in the program, from the most senior board member to the instructors and graduates. Interestingly, the philosophy becomes stronger the longer the person has been involved with OIC. Individuals' commitment to OIC and respect for its philosophy grows. This is not a place where early enthusiasm wanes.

C. OICI'S Support of Graduated Programs

A photo shows a downhill skier dramatically in mid-air on a jump across a mountain chasm. The caption reads, "Enthusiasm Only Gets You Halfway." OICI works with its affiliates to help them (and itself) develop the management sophistication and skills needed to survive and grow in a difficult environment.

Being forcefully graduated was a traumatic experience for these African OICs. After years of relatively generous funding and support from AID through OICI, the spigot was turned off: no more special extensions, no more American resident technical advisors.

1. Current Types of OICI Support

The Cooperative Agreement between AID and OICI supports OICI to provide limited technical services to its graduated affiliates, technical assistance that helps strengthen the capacity of the affiliate to survive and grow while

maintaining its commitment to the principles of OIC. OICI support for its graduated affiliates currently takes several forms, including a certain amount of generalized home office support from Philadelphia and a provision for annual audits of each country program by Lucas, Tucker and Company. The most important inputs for institutional development are the African Development Conference and the technical assistance visits, and the annual Technical Assistance Conference.

The African Development Conference held in Lome, Togo, in March 1986 was a major undertaking bringing together more than 600 people -- 400 OIC instructors, staff, and board members from all African OICs, and 200 representatives of governments, international agencies, and American corporations. The impact of such a conference is difficult to measure, but interviews with OIC attendees revealed several effects:

1. It greatly enhanced the participants' sense that although each OIC is an independent organization, they are all part of a great movement.
2. The representatives from different countries discovered that the problems they face are not unique. In interviews during this evaluation, many OIC personnel emphasized this point, and said that the realization that others were struggling with similar problems helped put their problems in a proper perspective.
3. An unintended but inevitable consequence of the ADC is that representatives from different countries compared their programs in a competitive fashion, and looked with envy upon some of the accomplishments of other programs. For instance, Ghana heard about the new training centers that Monrovia and Lagos had built with the help of American and European donors, and returned to Accra determined to finally "have our own place."

4. It provided a shared experience and point of reference for OIC people from the same country. Board members, instructors, and administrative staff all shared the event. This common point of reference helps them work together over the years that follow.

The technical assistance provided by OICI takes the form of annual Technical Assistance Conferences (as well as technical workshops at the ADC) and visits to individual OICs by home office personnel. OICI technical assistance to its graduated programs has focused on resource mobilization and management skills and systems.

The first Technical Assistance Conference was held in Freetown, Sierra Leone in early 1987, and focused on resource mobilization, taking the representatives from the African programs through the steps necessary to create an effective strategy for procuring support from international donors and foundations of various kinds.

Positive results of this workshop can be seen at all four OICs visited during this evaluation. Only a matter of weeks after the workshop, the OICs in Liberia, Ghana, Nigeria, and Lesotho were pursuing new and promising sources of support. They had portfolios of possible donors, with analyses of types of interest based upon contacts and interviews. Work had begun and contacts had been made regarding major new proposals. This is not to say that such activity was entirely new. The workshop helped provide realistic direction, a sense of strategy, and encouragement to those programs that had less experience in this area. It also provided a chance for the representatives from Liberia to share with the others some of their experiences in securing significant support from European donor organizations.

OICI has provided much technical assistance in the area of management systems. OICI has prepared and distributed manuals on management information systems, performance tracking systems, internal evaluation activities, and cost-effectiveness analysis. And it follows up the distribution of manuals with technical assistance visits, whenever the opportunity presents itself. For instance, on this evaluation trip, the OICI evaluation officer held workshops at every OIC on aspects of the MIS, evaluation systems, use of video equipment, and other topics as requested. Each workshop was lively and effectively tailored to the specific needs of the group.

OICI has also helped the OICs to produce an adequate set of standard operating procedures, and to use effective procedures for developing annual budgets and longer term strategies. Although there was reportedly some resistance to many of these management tools at first, the OICs now seem eager for such technical assistance as their realization grows that they need such devices to operate as independent organizations with multiple sources of income and diversified programs.

OICI's management "package" helps gradually move local OIC organizations, each at its own speed, along several paths:

1. From personalistic to universalistic styles of management. One of the traditional problems with local voluntary organizations is that they form around one charismatic leader, and the strengths and limitations of that individual become the strengths and limitations of the organization. As the organization grows, the limitations outweigh the strengths. At the OICs visited, the gradual institution of management systems has helped

create organizations in which no one person is indispensable, in which the strengths of a small number of key individuals are extended by a management system.

2. From day-to-day crisis solving to forward planning. It is easy for small organizations such as the OICs to become focused on dealing with the many short-term problems and issues that present themselves almost daily -- problems with vehicles, personnel, cash flow, reporting to donors, searching for funds, and so forth. At the OICs visited, annual planning processes, performance tracking systems, and budgeting processes, while often not used to the fullest extent, did in every case help to give management a longer and broader perspective, and to make decisions based on more accurate information than would have otherwise been the case.
3. From partial documentation to complete and readily utilizable information systems. The records on trainees kept by each OIC document the impact of the programs. An OIC can show exactly how many people were trained in each skill area and placed in jobs since the beginning of the center's operation. This ability to document at least the immediate fates of all trainees, to be able to provide quantitative evidence of the impact of its programs, makes the OICs attractive to potential donors.
4. Toward more open management styles and tighter control of scarce resources. So often one finds the reverse in small voluntary organizations -- semi-secret decision making and a loose control over vehicles, telephones, paper, and other supplies. At some of the OICs visited, the team found a remarkable combination of collegial decision making regarding all aspects of the program along with carefully monitored systems regarding the use of all scarce resources. The resources are monitored by a system for the good of the organization, not by an individual jealously guarding his or her power. Where such systems were less in evidence, there were the expected jealousies and suspicions on the part of those who felt

that other parts of the program were getting more than their fair share; and there were critical shortages of key (but often inexpensive) materials and resources.

Although receptivity to these management tools and demand for such technical assistance has grown, not all the OICs in the sample have the same absorptive capacity for these tools. Some OICs are better managed than others. However, in each of the countries visited, the OIC has a well-deserved reputation as one of the best, if not the best, managed organizations in that country.

2. Earlier OICI Technical Assistance

All four of these OICs began as large technical assistance activities with AID funding and relatively large numbers of OICI resident advisors. Two important lasting contributions from the technical assistance provided in originally setting up these OICs are still very much in evidence today.

One is the reactive approach of OICI in setting up new country programs. OICI puts the major responsibility on the shoulders of a local group right from the start. OICI responds to a request from an interested party or parties, and lays out for that group what it must do in order to bring about an OIC. From the start, there is a committed local group, and the commitment of that group is deepened through the long process of establishing an OIC training center. Decades later, the commitment of that group, now a board of directors, is a key factor in the institutional survival and development of the OIC.

OICI also contributed, right from the start, a revolutionary teaching method that continues to yield results in African OICs today. The team interviewed most of the instructors, and almost every one praised the method -- individualized attention with a heavy emphasis on practical training organized around concrete problems that are carefully sequenced according to complexity. It sounds like a standard, well-designed curriculum. But compared with the highly theoretical, rote learning emphasis of most education in Africa, this approach is revolutionary. It is designed to encourage and assure that people learn. Over and over during this evaluation, the team heard how the built-in efficiency of this training methodology enables the instructors to teach skills in half the time spent at government vocational institutes in their country.

D. Diverse Institutional Styles

1. Africa and the United States

Each African country presents a different situation in terms of its economy, educational system, and general culture. It is important that an OIC be assessed in the context within which it must work. It is not surprising that the OIC approach, fairly uniformly spread to a large number of U.S. cities, has taken some divergent paths in various African countries. This diversity is one of the keys to the successful institutional development witnessed in this evaluation.

Before examining the differences among these four African OICs, it is worth considering a few of the general

differences between the OIC situation in the U.S. and in Africa.

First is the fundamental economic difference. The U.S. economy is a mature, industrial economy, a powerful and large economic system. The problem with it is one of being denied access because of lack of education (arising from a whole constellation of disadvantages resulting from racial prejudice). In Africa, it is not merely a problem of access to a strong economic system. The system itself is weak. The job-providing private sector is limited. It is not surprising that some African OICs have added training for self-employment and farming to the traditional OIC training for vocational employment. Nor is it surprising that African OICs rely more on government, both for financing and for employment of their trainees, than is the case in the United States.

Second, OIC is a minority organization in the United States. OIC comes to Africa as a respected international movement, closely allied with the USAID program. OIC negotiates at the highest levels of government, and its board members are influential citizens.

Third, the nature of the beneficiaries, the school dropout, is different in Africa. The African school leaver is not necessarily a socially disadvantaged member of a neglected class of people. For instance, in Liberia, the difference between those who leave school and those who finish is often an accident. The early death of a parent means that that extra money for school fees is suddenly not there. The school leaver is poor and his or her plight is the demoralizing waste of potential

talent. But the school leaver's background and cultural experience is not significantly different from the neighbors who were able to graduate and go on to the free government university or technical institute. As another example, the Nigerian school dropout has not "dropped out." He or she might have finished secondary school without test scores high enough to go on to higher training. The dropout in Nigeria has been dropped out of a highly competitive, examination-ruled system.

2. Different Survival Strategies:
Ghana and Nigeria

Ghana and Nigeria, the two senior African OICs, have taken radically different management strategies. Ghana has emphasized and elaborated its senior management apparatus. As it created two additional training centers besides its original center in Accra, it set up a national coordinating office. This office, freed from the day to day pressures of managing a training center, focuses its attention on planning, evaluating, coordinating, and generally helping to avoid problems before they become serious. The National Office has taken the lead in involving every OIC staff member at each of the three training centers in the process of long-range planning and annual budgeting. This office includes a full-time resource mobilization specialist, a vocational education coordinator, a public relations officer, a finance officer, and others. All of those important activities that understandably often get put on a back burner in many organizations, get full attention from the Ghana National Office. The National Office coordinates and leads the planning, funding, and evaluation processes. The training centers are free to run training and job placement programs.

The Nigerian OIC has been in a very different situation from Ghana. Its AID funding ended early. The Nigerian government supported the OIC partially (60 percent) up until 1979. Since then the program has been running almost entirely on contributions from trainees' families and board members. Since resources have been extremely scarce, Nigeria OIC has been running almost without a management level. It has no executive director, no job developer, no counselor. And it certainly does not have the luxury of specialized staff to focus on community relations, research, or resource mobilization. The program rests largely on the shoulders of the instructors and the training manager, with one dedicated board member acting as part-time executive director, and a committee of parents and alumni helping with finance and job placement. If the Ghanaian organization is one of functional elaboration, then the Nigerian OIC presents a minimalist approach to running an OIC. Both train and place comparable numbers of trainees in similar vocational areas. And each OIC has survived and provided almost two decades of service to the unemployed and to its country.

E. Diverse Patterns of Funding

The cost effectiveness of OIC programs and the impact of OICs as reflected in financial support received will be discussed in some detail in Chapters III and IV. This section discusses what kinds of support patterns provide a stable, long-term institution. The key is again diversity. An organization needs to have several sources of financial support in order to avoid dependence and assure a future supply of funds. OIC International has successfully broadened its own base of support. Between 1984 and 1986

OICI increased the percentage of non-AID support of its program from 28 percent to 40 percent.

The four African OICs, with different emphases and some exceptions to be discussed, diversify their resource base to include local fund raising, local income generation activities, multilateral/bilateral/foreign NGO support, and support from their own government. This is not an easy task for local OIC management, which must simultaneously keep up a network of contacts with European donors, the USAID mission, OICI, their own government (several ministries), and local donors. On top of this, they are arranging training contracts in exchange for a donation, and trying to run enterprises such as petrol stations and commercial farms. No one OIC is doing all of these tasks. Each has chosen a different combination of fund-raising activities to juggle.

1. Crucial Role of Government Support

The most important ingredient is basic support from the national government. In three of the four countries visited, the governments support the basic recurrent costs of the OIC training centers. In Liberia, the government support is from Liberia's development budget supported by PL-480 local currency. In Ghana, a large portion of the government support is indirectly supported by local currency generated by USAID. The one program not receiving government support, Nigeria, has been adversely affected by this, but seems now to be on the brink of receiving government support of its basic expenses.

Training centers for the poor must be supported either by the government or by the local businesses that utilize

the trained manpower. In Africa, government support is crucial for basic support because government plays such a large role in the economy. Businesses are helpful by providing on-the-job training, hiring, and in other ways supporting the program through in-kind gifts of training materials.

The OICs receive government subventions but maintain their autonomy and integrity as independent voluntary organizations. They have proven that they make an important contribution to the nation, and that they do it best as independent organizations rather than by becoming just another government training program. Governments in Africa change personnel and political direction relatively frequently. The OICs of Liberia, Ghana, and Lesotho have all been through periods of serious political change. Government support and respect for the OICs' integrity have survived these coups.

2. Local Resource Mobilization

All four African OICs surveyed raise funds locally, but local resource mobilization does not provide a significant percentage of program costs. Neither fund raising, economic enterprises, commercial farms, trainee contracts, nor all these together are likely to provide a significant percentage of program funding (especially if you consider the hidden costs and opportunity costs of running such activities). It is unrealistic for OICs to plan on major support from these activities, and dangerous to promise donors, for instance, that the Foya training program will largely support itself through commercial farming after just a few years.

Given this situation, it is important to note three positive aspects of the local resource mobilization efforts of the OICs surveyed:

They increase community and government awareness of and commitment to the OIC.

The income may be only 10 percent of the total OIC budget, but it is a large percentage of the unrestricted funds and can help avoid cash flow problems that restrict availability of critical training materials.

These efforts, realistic and documented, impress potential donors that there is a local concern and effort.

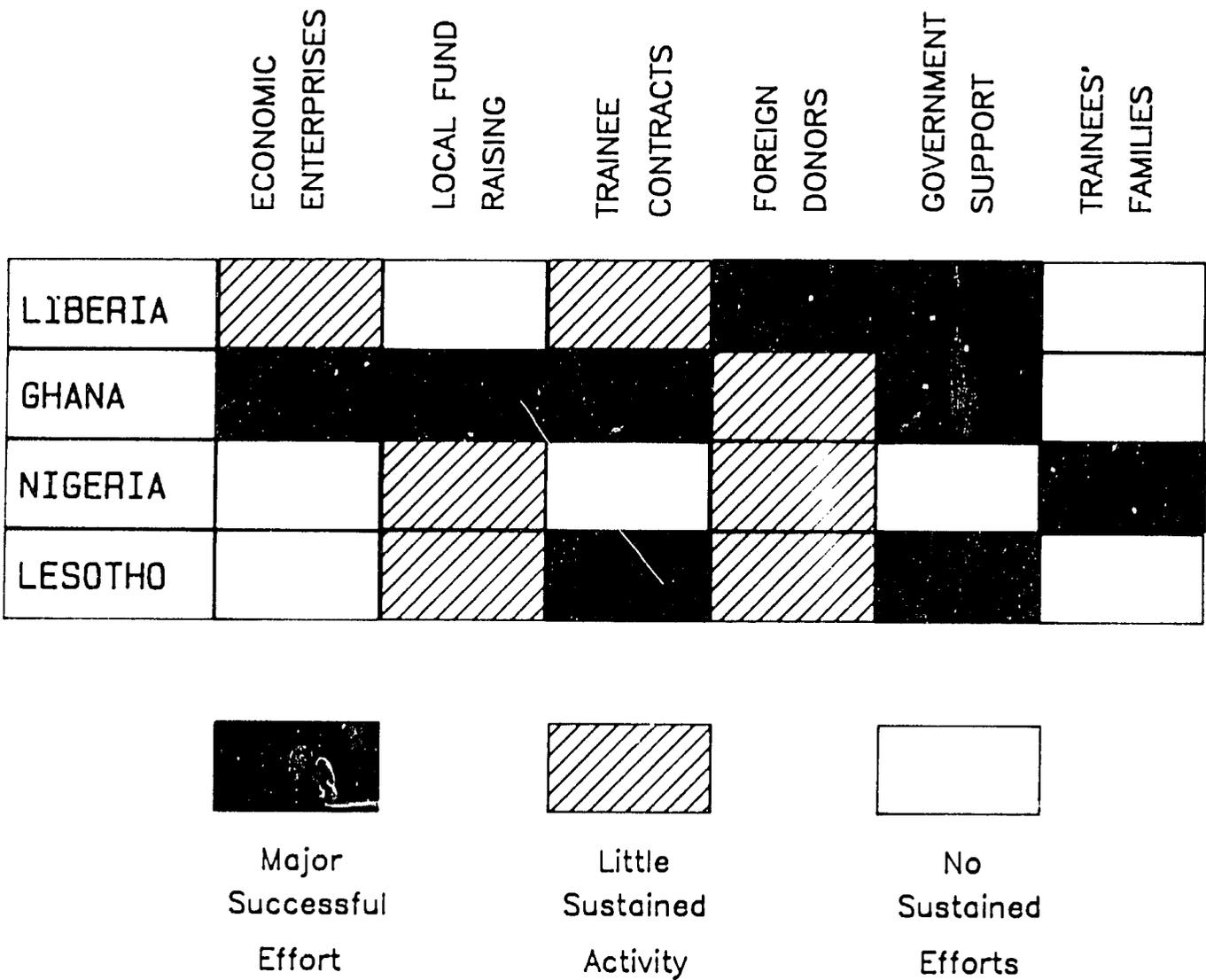
3. Foreign Donor Support

Lesotho, Liberia, Ghana, and Nigeria have all received significant support from European donors and multilateral agencies in recent years. The Foya training center and program in Liberia, the entrepreneurial training activities in Lesotho, and the training center in Lagos, Nigeria, have all been made possible by significant grants or contracts from such donors. As important as these contributions are, however, they do not constitute an adequate strategy for securing the resources needed for continuing and expanding the OIC programs in these countries. Such a sense of strategy, combined with broadening contacts with possible donors, is a major contribution of OICI under the terms of the Cooperative Agreement.

4. Patterns of Funding Diversification

Figure II-1 presents the different patterns of resource mobilization utilized by the four OICs at the time of this

Figure II-1. Patterns of Resource Mobilization



survey. Three of the four OICs have followed a somewhat similar pattern of funding, relying on the government to cover basic salary and recurrent costs (more or less, sooner or later), requesting foreign donors for major new investments in facilities or new programs, and using locally raised funds to help with cash flow. Liberia has focused most successfully on securing foreign donor support, and has in recent years largely neglected local fund raising. The program has benefited (the Foya and Production/Service Unit facilities) and suffered (constant cash flow problems) accordingly.

In Ghana, a relentless local fund-raising program, trainee contracts, and a well-organized program of economic enterprises, combined with solid support from government, keeps the program moving smoothly. But no amount of local resource mobilization will enable the Accra training program to move out of its cramped and rented building to occupy a place of its own comparable with the facilities of other OICs.

Lesotho probably best exemplifies the advantages of a balanced approach to diversified funding. The government provides the basic recurrent costs; OIC engages in a certain amount of trainee contracts to offset certain costs and keep a flow of cash; the World Bank provided an excellent facility, and OIC carries out training contracts for ILO and German development programs. To date, they have avoided investing in major local economic enterprises, although their arrangement regarding the Semonkong revolving credit program might eventually turn a modest profit for OIC. (See Chapter IV for a discussion of the financial strengths and weaknesses of that activity.)

Nigeria provides an exception to the pattern. Nigeria relies almost solely on contributions from trainees' families (actually a modest fixed fee) to cover the recurrent costs of its program in a facility provided by European NGO donors. This approach to funding is one they arrived at gradually and in order to keep the program from closing down. It has certain advantages in that the income, while modest, is certain and predictable. The trainees and their families are committed to the OIC program and closely involved in its operation.

It is no accident that the Nigerian OIC has the largest number of trainees and the highest trainee-to-instructor ratio of any of the six centers visited, since student "fees" are their major source of income. The team hypothesized that this would adversely affect the quality of the training, but cannot say for sure if this is so, because the employers in the impact survey employ trainees who went through the OIC before its major enrollment expansion. Observations and interviews suggest that the instructors have little difficulty with the large numbers of relatively well-prepared trainees. (Remember, these are not exactly dropouts off the streets.) The real problems are in those subjects most lacking in equipment, especially secretarial sciences, where an army of young women share a handful of typewriters.

F. OIC and Agricultural Training

Special mention should be made of the developing importance of agricultural training programs in the OIC portfolio. There is considerable demand for such programs in Africa, largely because African community leaders and government officials are concerned about the lack of absorptive capacity in the formal job sector. Agricultural

training for self-employment such as that in Foya, Liberia (and that for the resettled farmers in Togo) is a means of reducing the ranks of the urban and rural unemployed. As part of this evaluation, the team visited the Foya Agricultural Training Center in Lofa County, Liberia, and reviewed the recent USAID evaluation of the Togo OIC. (It did not seem cost effective to repeat the field evaluation of the Togo program.)

The program in Foya combines training in agriculture with training in an additional rural skill, such as construction, crafts, or mechanics. Graduates are expected to farm their fields during the rainy season and earn money at their craft during the dry season. Individual trainees are free to emphasize either the agriculture or the trade to the extent that suits them. The important thing is that the dual training gives them flexibility and provides needed skills to a rural area without overstraining the absorptive capacity of the local job market.

The Foya program has graduated two classes of trainees. The first group has been out on its own for just a little over a year; the second group, for only a few months. The current class of students is smaller than anticipated, and the OIC staff is trying to recruit more trainees. Recent graduates display a high level of satisfaction with the program, and these graduates are actively recruiting new trainees. The team anticipates that the center will soon have the usual long waiting list for entrance.

An evaluation of the Foya program, by a Liberian consulting firm, recommended that the Foya program should be extended and upgraded so that it would be more like other

community agricultural colleges. Others echoed this opinion. Because the program is relatively new, people fail to understand that an OIC differs from government schools in that it takes school dropouts and gives them the minimal training needed to launch them in successful employment or self-employment. People do not understand that it is not designed to train agricultural extension agents or employees with large commercial agricultural endeavors or international donor projects. A four-year training program is a luxury neither the poor trainee nor the OIC can afford.

The Foya program is an intensely community-based organization. Originally started as a result of the efforts of leaders of the Kisii tribe, including the paramount chief, the program is now attempting to broaden its appeal to bring in more trainees from other tribes in greater Lofa County. An important definition for the board in the future will be the extent to which the program is a "Foya" OIC or a "Lofa County" OIC. The Foya program is funded by European NGOs through a grant to the Liberian OIC; it does not receive direct financial support from the budget of the Liberian government. The training program's associations with the Ministry of Agriculture and related government entities is minimal. The instructor in agriculture and the job developer are both qualified graduates of government agricultural institutes. One problem with the Foya program, however, is that the training manager is not primarily an agriculturalist and the executive director in Monrovia is not trained in the field at all. They need to establish better links with the national and Lofa County agricultural establishment.

The evaluation of the Togo OIC documented a somewhat different institutional arrangement. The Togo program has

evolved into a program that is intimately connected with the national government, especially the Ministry of Rural Development. The members of the board of directors have been strategically selected to represent important and concerned Government of Togo entities. Furthermore, these board members have impressive credentials in the fields of rural development, agriculture, and rural credit.

The development of agricultural training OICs is an important expansion of OIC activities, the most important aspect of which is that the agricultural training is largely for self employment. The team is not qualified to judge the strengths of the curriculum in agricultural training. The evaluation team in Togo gave the Togo program high marks in that area. Its livestock training component has received special notice as being superior to that offered elsewhere in Togo. In Foya, the training curriculum is a tailored version of what is taught at the government higher institutes of agriculture.

G. Issues for OICI

1. Expansion Within Countries

In order to broaden the impact of OICs, there are plans to set up multiple centers within a country, as has been done in Ghana and Liberia. Observations of the "satellite" training centers in Foya, Liberia, and Kumasi, Ghana suggest some possible lessons.

Ghana provides a model for one way of coordinating such a program, whereby tensions and competitions between different training centers are minimized. In Liberia, the

Monrovia program also serves as the National Office, causing all of the expected jealousies and misunderstandings. Although it would be premature to set up a separate national office for only two centers, some clearer separation of the functions of national director and Monrovia OIC executive director need to be made.

Satellite training programs need at least some limited TCT support during their formative period. A few weeks of orientation at the training center in the capital is not enough to provide adequate depth of understanding of the OIC philosophy and methodology. OICI plans suggest that an advisor, although necessary for a new country program, is not needed for the start of a satellite training center. However, remote areas lack the skilled manpower and sophistication found in capital cities and have even greater need for technical assistance.

In a country such as Ghana that already has three centers and a developed system of coordination, a TCT advisor at a proposed new center at Tamale might not be necessary (although Tamale is a very long way from Accra). However, a country starting its first satellite program will find considerable strain on management at the "parent" center, as well as the natural problems of ambiguous roles during the transition from a single to a multiple center program. The funding situation may not always permit a TCT, even briefly, at a new satellite training center. Plans and proposals for such expansion should be realistic, recognizing that either such a resource must be provided to the satellite center or additional management resources must be given to the parent center during the start-up.

2. Importance of Vocational Training

Effective vocational training, be it in urban-based or in agricultural skills, must be a priority. An important factor in the success of the OICs in institutional development is that the organizations are built around a concrete, successful, and known technology. OIC is not pushing the latest technology, which may be strange to the residents of the countries where they work. OIC builds basic skills such as carpentry, auto repair, typing, agriculture, catering, and masonry. Although focus on a concrete, measurable output (trained people, employed) in recognizable skills is a great strength for OIC, this does not mean that vocational training can remain static.

The team is concerned that there has been relatively little technical assistance in vocational training since the original implementation of the OIC training method. Although none of the members of the evaluation team is an expert in vocational training (a fact perhaps indicative of the neglect in this area), the team ventures to suggest that it is time for OICI to review and update its vocational training approaches. This means filling the vacant position at OICI for a vocational training expert, reviewing the portfolio of training skills areas currently covered in the African OICs, and planning for a Technical Assistance Conference, focused on both the form and substance of vocational training, which could help instructors upgrade their professional skills as masons, mechanics, and so on, as well as improve their teaching techniques.

3. Changing Patterns of OICI Assistance

OICI learns from its mistakes and from its successes and is dedicated to finding more effective ways of operating. In recent years, OIC programs have expanded into French-speaking Africa, into rural areas and agricultural training, into entrepreneurial training for self-employment, and into the operation of small credit schemes for micro-entrepreneurs. Although these activities go far beyond the original OIC mandate, they are logical and necessary extensions if OIC is to have an impact worthy of its resources.

There are two types of change in OICI's relationship with African affiliates. One kind of change is the maturing of a relationship as it develops over time. OICI's assistance to its mature, graduated programs focuses clearly on those areas critical to the maintenance of the autonomy of the affiliate. They no longer provide financing, but they are greatly helping the OICs to learn the hows and wheres of possible support, and providing management skills necessary to deal with international donors. They also maintain the sense of brotherhood and common commitment to the OIC movement. Given the pressures to carry out more local economic ventures of various kinds, it is important for OICI to provide more information and assistance regarding this risky area. Other types of assistance would be welcome and useful, but OICI's priority on providing assistance that increases the real independence of its affiliates is correct for this late stage of partnership.

The other change in OICI's relationship with its African programs relates to the new way it goes about

starting an OIC. It has not changed its basic reactive approach nor its system of interest group support and board formation. As a result of its growing experience, OICI now starts a new OIC with much less technical assistance than the cohorts of advisors and trainers that once resided for years in Ghana, Liberia, and Nigeria. This is also a response to the funding situations, and a recognition of the increased availability of managerial talent in the Africa of the late 1980s in comparison with 20 years ago.

Efficiency is a key aspect of current OICI approaches to institutional development. They use fewer expatriates (often doubling up as advisor to two new programs in adjacent countries), start smaller programs (they can grow later), and make use of the skilled resources of the older OICs nearby in Africa. The team did not visit any of these newly started programs on this evaluation. However, the evolving style of OICI operation makes sense a priori as a natural reaping of OICI's and Africa's cumulative experiences of the last 20 years.

This extremely efficient approach to starting OICs must be viewed as an experiment subject to revision. The team has suggested that the complete elimination of TCT in some cases may be risky. There is strong evidence that the old-fashioned way, expensive though it may have been, as seen in Liberia, Nigeria, Ghana, and Lesotho, works. OICI and its interest groups have a difficult time finding the funding to start up a new center, especially if this includes the expense of a resident advisor. In theory, USAID missions could provide some funding, but it has been difficult for OICI to negotiate with these missions in schedule with the planning cycle of the individual missions. This is especially difficult because OICI does not have a presence in these countries.

4. No Shortcuts to Progress

Institutional development takes a long time. The programs in Ghana, Lesotho, Liberia, and Nigeria have taken a long time to reach their current institutional solidity. Only a few years ago, evaluations found serious problems, all of which have improved considerably. Nigeria is in many respects the most precarious of the four programs, largely because outside support was withdrawn too early and too abruptly. Ghana is the most institutionally mature and solid program; it is also the one that received the most assistance for the longest period of time. The amount of assistance, however, does not seem to be as important as the longevity of partnership. It is important that the partnership between OICI and the African OICs is seen as a permanent relationship, even though the dependency of the graduated OICs on OICI and AID is ended.

5. The Cooperative Agreement

The Cooperative Agreement between AID and OICI is uniquely important in that with relatively modest resources it allows OICI to continue the partnership with programs that are now "on their own." It helps keep these programs from becoming isolated and static with their own success, and it taps their experiences and skills to transfer to new OICs in neighboring countries. One of the ironies of donor support to institutional development is its "on and off" nature, with extremes of generous funding followed quickly by total financial withdrawal. The structure of the OICI Cooperative Agreement with AID (FVA/PVC) provides a sound and modest means of protecting the large investment AID made in these institutions early on.

III. IMPACT OF OICI THROUGH ITS AFRICAN PROGRAMS

This Chapter discusses various aspects of the impacts made by OICI's African training programs in countries where they operate.

Section A covers the programs' impacts upon target beneficiaries. It starts by measuring demand for OIC training, as reflected by the proportion of applicants to intake; and reviews quantitative training outputs in terms of completions, job placement, and gender. Then, it investigates the programs' transfers of skills in qualitative terms, through (1) review of the results of impact surveys conducted among employers and supervisors of OIC voc/tech skills graduates and among the graduates of OIC Foya's young farmer training program; (2) 1986 surveys of agriculturalists trained at OIC Togo; and (3) spot surveys conducted among completers of OIC Lesotho's foreman training and entrepreneurial training courses. The section ends by considering the impact of OIC training upon the earnings of graduates.

Section B focuses on the societal impact of OICI's African programs as reflected by host government subventions and non-financial indicators of official support, and by possible effects of OICI's training philosophy and methodology on other educational institutions.

Lastly, Section C reviews the programs' impacts on their local communities, in terms of community participation in OIC management and operation, and of fund-raising techniques and results. The latter subject considers local fund-raising events, Board approaches to international donors, construction and other revenue-producing contracts, economic ventures, support from local businesses, and contributions from parent and alumni groups.

A. Impact on Target Beneficiaries

1. Applications vs. Enrollments

All of OICI's African training centers have had long waiting lists of qualified applicants, practically since the beginning of each program. Applicants on the "open entry" lists generally must wait at least three to five years before gaining entrance to feeder, or prevocational, instruction. In large measure, the lengths of the waiting lists reflect the OICs' reputations as effective instructional establishments for those otherwise destined for casual labor and underemployment, who seek job skills.

At the end of FY 1986, Ghana's three OICs reported an overall waiting list of 3,268 applicants, compared to a year's intake of 236 trainees. At the time of the team's African field survey, Lesotho OIC, with 75 trainees enrolled in vocational courses, had a cumulative waiting list of 1,496 and a current backlog of 579; Monrovia OIC, with an average intake of 150, had 838 names on its list; and Nigeria OIC's list totalled 1,348, even though the program had doubled intake and set stricter controls to eliminate

those who might qualify easily for other schools. Other indicators of the programs' popularity: In 1982, OIC Ethiopia received 2,200 applications in response to a notice it issued seeking 100 trainees; and in 1986, OIC Togo received more than 500 applications for the 44 young-farmer trainee slots open that year.

2. Training Outputs

a. Completions and Placements

The impact of the training output of OICI's "mature" African programs (i.e., those initiated in the 1970s) has become significant in the countries where they operate. As revealed by the waiting list data above, however, demand far exceeds training capacity.

Figure III-1 discloses that eight mature OICs have trained more than 14,000 young men and women. Of these, some 8,300 vocational trainees from six centers have been job-placed; 3,400 young farmers and agriculturalists have completed courses at three OICs; and another 2,300 persons at two OICs have completed management development, entrepreneurial training, and skills-upgrading courses.

OICI's vocational training and young-farmer training programs were designed to provide skills training for unemployed and underemployed school leavers and dropouts. This emphasis still stands. However, modifications in the general policy occasionally take place, to adjust to changing circumstances. Thus, the target group for Nigeria OIC's Lagos training center includes a large number of secondary

Figure III-1. OICI's Mature Programs in Africa -
Training Outputs from Start of Operations Through FY 1986

SPECIALIZED OUTPUTS	GHANA		ETHI- OPIA	LESOTHO			LIBE- RIA		NIGE- RIA	SIERRA LEONE				TOGO				THE GAMBIA	
	Vocational Job Placements	Redundant Civil Servants	Vocational Job Placements	Vocational Job Placements	Foreman Training Completers	ET and MD Completions	Vocational Job Placements	Resettled Farmer Trainees	Vocational Job Placements	Vocational Job Placements	Mgmt Development Trainees	Acctng/Bkxpng Trainees	Consultancy Participants	Resettled Farmer Trainees	Off-Site Farmer Trainees	Tng Seminar Participants	Animal Husbandry Completers	Resettled Farmer Trainees	Off-Site Farmer Trainees
THRU FY82	1650	232	525	152	100	155	293	0	2268	423	441	148	100	78	165	0	0	55	80
FY83	203	0	81	58	21	129	72	0	108	87	54	28	83	0	100	387	0	0	0
FY84	202	0	139	49	23	81	84	0	142	118	64	27	213	24	71	384	21	0	0
FY85	200	0	161	61	24	128	84	51	96	94	31	41	341	36	486	630	83	0	0
FY86	191	0	70	52	20	25	102	32	170	115	n.a.	n.a.	n.a.	44	122	470	76	0	0
TOTALS	2446	232	976	372	188	518	635	83	2784	837	590+	244+	737+	182	944	1871	180	55	80

- ▶ 8,300 VOCATIONAL TRAINEES PLACED IN JOBS.
- ▶ 2,300 PARTICIPANTS IN ENTREPRENEURIAL TRAINING, MANAGEMENT DEVELOPMENT AND FOREMAN UPGRADING COURSES.
- ▶ 3,400 YOUNG FARMERS RESETTLED, ADULT FARMERS AND ANIMAL HUSBANDRY SPECIALISTS TRAINED, AND AGRICULTURALISTS ATTENDED SEMINARS AND WORKSHOPS.

Source: Independent Audits and OIC Program Records.

school completers; but they are completers whose low grades effectively bar them from higher schooling or, for that matter, any but unskilled jobs.

b. Ratio of Placements
to Completions

OICI's vocational training methodology is perhaps unique among educational institutions in Africa because of the heavy stress it places on the placement in jobs of trainees who complete OIC courses. Job placement, and follow-up on trainees' work place progress, is a full-time activity of staff "job developers" assigned to the OICs. Job developers generally comb pertinent segments of business and government for job openings. Their record in that respect is considered extraordinary.

Figure III-2 reveals that 2,288 OIC trainees, fully three-quarters of the total 3,080 vocational-course completers at seven OICs during the past four years, were placed in jobs. Three of the centers found jobs for more than 85 percent of their completers; one found jobs for more than 81 percent; and the lowest-ranked found jobs for almost 60 percent of its vocational trainees. These performances took place during a period of generally decreasing business activity and rising unemployment in West Africa, where six of the training centers operate.

c. Gender of OIC Trainees

During the early months of 1987, 1,087 OIC trainees were enrolled in vocational and ETMD courses at the programs visited. An average of 60.1 percent of them were males and

Figure III-2. OICI's Programs in Africa -
Vocational Training Completions and Placements, FY 1983 - FY 1986^a

OIC Training Center	FY 1983		FY 1984		FY 1985		FY 1986		FOUR YEAR TOTAL		
	Comple-tions	Place-ments	Comple-tions	Place-ments	Comple-tions	Place-ments	Comple-tions	Place-ments	Comple-tions	Place-ments	% Placed
Accra	145	131	117	112	156	110	119	112	537	465	86.6
Kumasi	23	32	62	51	57	48	62	45	204	176	86.3
Takoradi	60	40	49	39	61	42	69	34	239	155	64.9
GHANA, Total	228	203	228	202	274	200	250	191	980	796	81.2
LESOTHO	39	58	72	49	61	61	76	52	248	220	88.7
LIBERIA, Monrovia	153	72	99	84	141	84	178	102	571	342	59.9
SIERRA LEONE, Bo	153	87	116	118	123	94	116	115	508	414	81.5
NIGERIA	162 ^b	108 ^b	168	142	185	96	258	170	773	516	66.7
5-COUNTRY 7-CENTER TOTALS	735	528	683	595	784	535	878	630	3,080	2,288	74.3%

a. Excludes data from OIC Ethiopia

b. Estimated by assessors based on recent trends.

Sources: Independent Audits by Lucas, Tucker & Co., CPAs, FY 1983-FY 1986, for OIC Ghana Lesotho OIC, Liberia OIC and Sierra Leone OIC, plus Nigeria OIC records.

39.9 percent females, with the percentage of females ranging from a high of 55.7 percent at the Lagos training center to a low of 16.7 percent at the Maseru facility (Figure III-3).

Figure III-3. Breakdown, By Gender, of Trainees Enrolled at Five African OICs, 1987

	Total	Male	Female	Percent female
Accra OIC/Ghana ^a	210	135	75	35.7
Kumasi OIC/Ghana ^a	62	48	14	22.6
Lagos OIC/Nigeria	531	235	296	55.7
Maseru OIC/Lesotho	120	100	20	16.7
Monrovia OIC/Liberia	164	135	29	17.7
Totals	1,087	653	434	39.9

a. Estimate based on course enrollments.
Source: MIS and other records at the OICs.

The natures of the courses determine the gender breakdown. At Nigeria OIC, females predominated, since the two largest courses, hotel catering and secretarial studies, almost exclusively enroll females. On the other hand, OIC Lesotho's vocational courses in building construction enrolled 74 males and one female. The total number of females at the OIC increased when 19 women took ETMD courses with 26 men.¹

1. Lesotho's ETMD courses cater primarily to females: 59.4 percent of 234 persons who completed such courses in FY 1984-FY 1986 were females; and 20.9 percent of the 67 persons completing "foreman" training courses at the OIC during that period were females.

However, significant numbers of females attend other mature OIC vocational training programs. Although OIC Ethiopia offers courses only in carpentry, masonry, electricity, and plumbing, its 127 graduates in February 1987 included 41 females, 32.3 percent of the total. From the time of Sierra Leone OIC's first output of trainees in 1978, 32.7 percent of its 837 placements have been females.

3. Transfer of Skills

Section A.2. discusses the impacts of OICI's African programs upon target beneficiaries in quantitative terms. This Section investigates qualitative aspects of these impacts as determined through impact surveys of (1) employers and supervisors of job-placed OIC vocational skills graduates, and (2) OIC Foya farmer trainees.

a. 1987 Impact Surveys of Employers and Supervisors of Job-Placed Vocational Skills Graduates

Feedback obtained from impact surveys among randomly selected samples of employers/supervisors of OIC graduates is valuable to assessors seeking accurate measures of program impact. Such survey results provide qualitative measures (e.g., whether OIC graduates are better trained than others; the areas in which they are strong and weak, and so forth) rather than simple measurements of numbers of trainees who completed their OIC courses and were job-placed. To put it another way, the fact that OIC graduates have been placed in jobs is no assurance that they are productive members of the work force.

Figures III-4 and III-5 summarize the results of the impact surveys conducted among employers/supervisors of voc/tech graduates of five African OICs in April-June 1987. It demonstrates that the impact of OIC vocational skills graduates on the job market is quite positive.

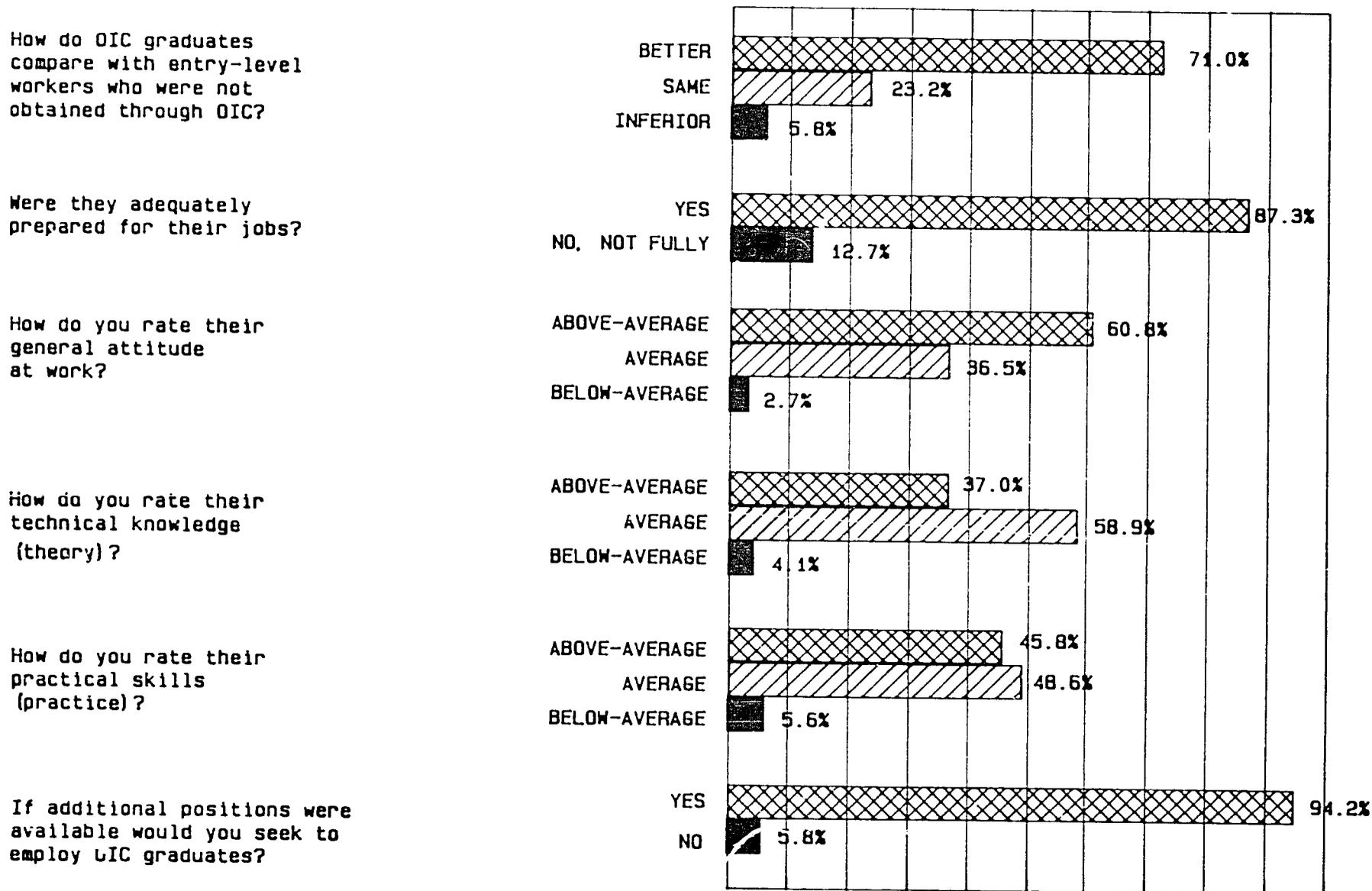
In all instances, the team concentrated on job-placed graduates of the class of FY 1985. These trainees have been working sufficiently long for their employers and supervisors to have gotten to know them and their strengths and weaknesses. In the case of three centers, those in Monrovia, Accra, and Kumasi, the team conducted random surveys. Starting with the third name on the list of graduates submitted, the team selected for questioning the employer/supervisor of every fifth graduate listed. When the graduate identified had not been job-placed, the graduate listed on the next line was chosen and his/her employer selected.

The surveys conducted in Lesotho and Nigeria were not random. In Lesotho, OIC Maseru's training output is relatively small and the employers geographically congregated and accessible, so in the time available the team was able to cover fully two-thirds of the firms that had FY 1985 trainees working for them. On the other hand, OIC Nigeria's FY 1985 trainee completions were numerous and their employers are so widely spread throughout the traffic-congested Lagos area, that the team was able to cover only a small, possibly unrepresentative, portion of them, in the time available.

Figure III-4. Impact Surveys of Employers/Supervisors
of Voc/Tech Graduates of Five African OIC Training Centers, April-June 1987

	Monrovia OIC LIBERIA	Accra OIC GHANA	Kumasi OIC GHANA	Lagos OIC NIGERIA	Maseru OIC LESOTHO	TOTALS	
No. Supervisors/Employers Interviewed	18	19	13	10	18	78	
Number of Firms Visited	12	18	11	8	16	65	
How many OIC grads work under you?	32	80	33	15	100	260	
How long have you supervised them?	3.2 yrs	3.6	2.9	4.1	3.1	3.4 yrs	
During that time, how many OIC grads have worked for you?	207	371	54	23	131	786	
Were they adequately prepared for their jobs?	YES	12	18	13	9	10	62 (87.3%)
	NO, NOT FULLY	2	0	0	0	7	9 (12.7%)
How do you rate their general attitude at work?	ABOVE-AVERAGE	8	11	5	8	13	45 (60.8%)
	AVERAGE	7	6	8	2	4	27 (36.5%)
	BELOW-AVERAGE	0	1	0	0	1	2 (2.7%)
How do you rate their technical knowledge (theory)?	ABOVE-AVERAGE	6	9	2	6	4	27 (37.0%)
	AVERAGE	8	8	11	4	12	43 (58.9%)
	BELOW-AVERAGE	1	0	0	0	2	3 (4.1%)
How do you rate their practical skills (practice)?	ABOVE-AVERAGE	9	9	5	6	4	33 (45.8%)
	AVERAGE	5	9	8	3	10	35 (48.6%)
	BELOW-AVERAGE	0	0	0	0	4	4 (5.6%)
How do you compare them with entry-level workers who were not obtained thru OIC?	BETTER	10	15	7	9	8	49 (71.0%)
	SAME	3	3	4	0	6	16 (23.2%)
	INFERIOR	0	0	2	0	2	4 (5.8%)
If additional positions were available in your area of supervision, would you seek to employ OIC graduates?	YES	14	16	12	9	14	65 (94.2%)
	NO	0	1	1	0	2	4 (5.8%)

Figure III-5. Summary of Key Responses in the April-June 1987 Impact Surveys of Employers/Supervisors of Voc/Tech Graduates of Five African OICs



Source: Figure III-4.

In each instance, respondents were interviewed individually and in the absence of OIC personnel. Overall, 78 supervisors/employers of FY 1985 graduates placed in 65 firms were surveyed. The term "firm" is used loosely to include public as well as private entities.¹ These firms employed 260 OIC graduates at the time of the surveys. The repetitive nature of OIC trainee usage can be seen from the fact that the 65 firms reported having employed or still employing 786 graduates over the years -- an average of 12 per firm.

Responses to key questions are summarized in Figure III-5. They reveal that:

- . 87.3 percent of employers/supervisors reported that their OIC graduates were adequately prepared to assume their jobs; 12.7 percent said they were not fully prepared.
- . 60.8 percent deemed their OIC employees to have an above-average general attitude at work; an additional 36.5 percent said they had an average work attitude; and 2.7 percent reported they had a below-average work attitude.
- . 37.0 percent stated that their OIC graduates were above average in technical knowledge, compared with others, when first reporting for work; that 58.9 percent had average technical knowledge, and that 4.1 percent had below average technical knowledge.
- . 45.8 percent rated the practical skills of their entering OIC graduates as above average; 48.6 percent rated them average in practical skills; and 5.6 percent rated them below average.

1. Names and affiliations of the supervisors/employers surveyed are listed in Appendix C. The survey instruments are reproduced in Appendix B.

71.0 percent rated their OIC employees better than entry-level workers who had not been obtained through OIC, including in many cases, graduates of fee-charging formal vocational schools that require higher academic attainment; 23.2 percent rated the OIC graduates equal to other entry-level workers; and 5.8 percent judged them inferior.

Given the OICs' concentration at intake of the under-educated and those who cannot get into other schools, their rating on the attributes above is testimony to the high quality of OICI's training methodology and philosophy imparted to its graduates. When 97.3 percent of placed OIC completers are judged by their employers to be above average or average in work attitude, and when 95.9 percent and 94.4 percent, respectively, are deemed above average or average in technical knowledge and practical skills, the impact of OIC training on its comparatively disadvantaged target beneficiaries must be seen as striking.

More than 94 percent of respondents declared their intention to continue seeking to employ OIC graduates, if additional positions became available in their areas of supervision; and 5.8 percent said they would not, often for reasons that bore no relation to the quality of their OIC employees.

b. Comparison of the 1987
Impact Surveys with Earlier
Impact Surveys of Employers
and Supervisor. of Job-Placed
Vocational Skills Graduates

Joint formal evaluations of OICI and its individual country programs since 1980 generally have included impact

surveys of employers of vocational skills graduates. The form of the questionnaire has remained essentially unchanged since then, so comparisons of results over the years have some validity.

Figures III-6 and III-7 make just such a comparison. The results indicate a small but generally consistent improvement over the years in employers' perceptions of their OIC workers' competence and skills:

The proportion of OIC graduates deemed adequately prepared for their jobs rose from 84 percent in 1980-85 surveys to 87 percent in the 1987 survey.

In the earlier surveys, 52 percent of employers had judged OIC graduates better than, and 33 percent the same as, entry-level workers obtained from sources other than OIC. In 1987, OIC graduates scored 71 percent "better" and 23 percent "the same."

All of the employers in the 1980-85 surveys indicated they would continue seeking to employ OIC graduates; in 1987, 94 percent indicated the same intention.

Whereas 52 percent of OIC graduates' work attitudes had been rated above average and 45 percent average in 1980-85, in 1987, 61 percent were rated above average and 36 percent average.

During the earlier surveys, 35 percent of employers had judged OIC graduates above average and 56 percent average in their technical knowledge. Those ratings rose to 37 percent and 59 percent, respectively, in the 1987 surveys.

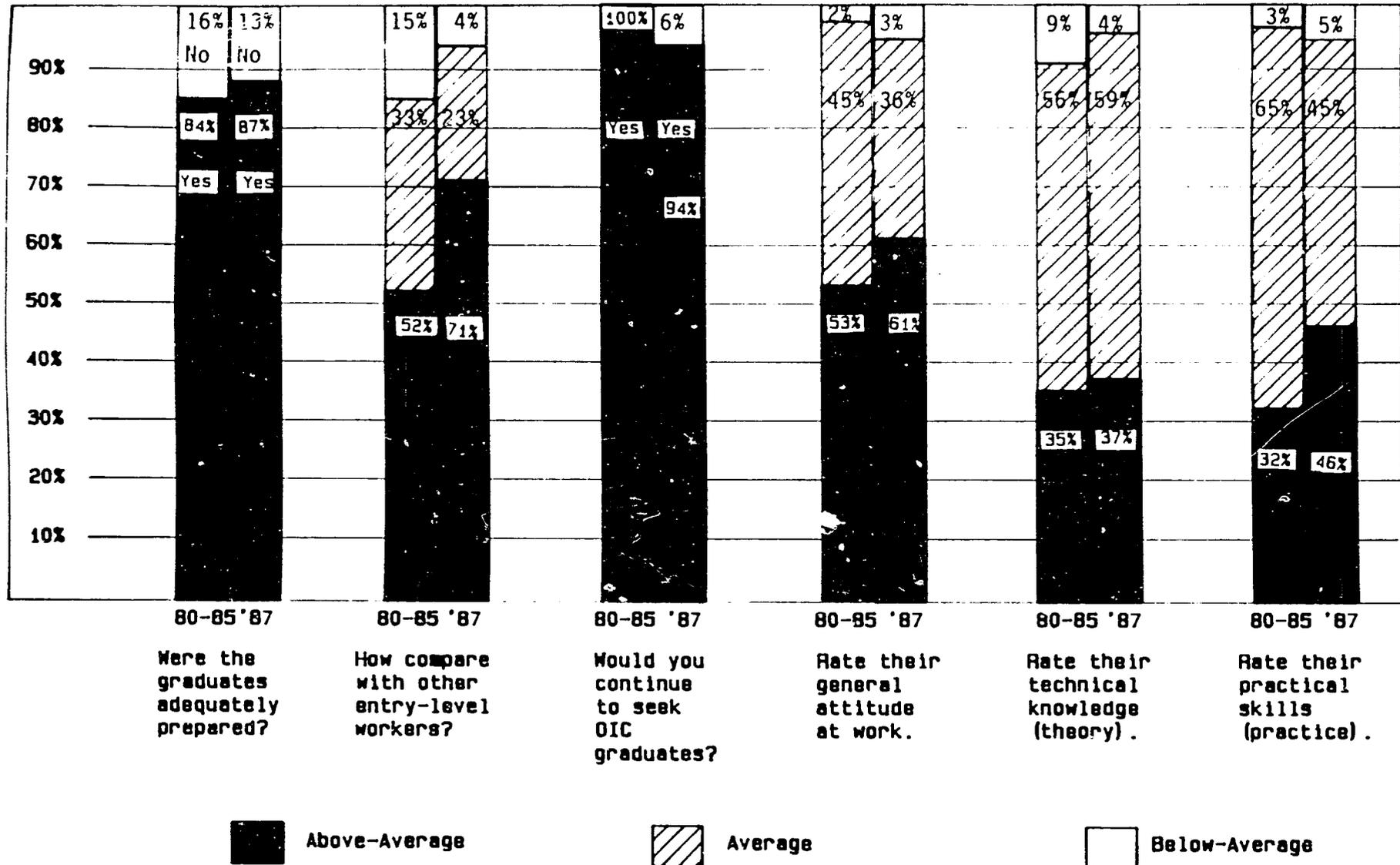
In 1980-85, 32 percent of employers had rated the practical skills of OIC graduates above average and 65 percent had rated them average. In 1987, the above average rating rose to 46 percent, while the average rating fell correspondingly to 49 percent.

Figure III-6. Impact Surveys of Employers/Supervisors
of Job-Placed OIC Voc Skills Graduates, 1980-1985 vs. 1987

	LIBERIA		GHANA		LESOTHO		SIERRA LEONE	NIGE- RIA	TOTALS			
	'82-'85	'87	'80-'82	'87	'82-'84	'87	'82-'85	'87	'80-'85		1987	
									#	%	#	%
Number of Supervisors/Employers Interviewed	27	18	52	32	24	18	38	10	141		78	
Were your OIC grads adequately prepared for their jobs? YES	22	12	7	31	4	10	33	9	66	84%	62	87%
NOT FULLY	2	2	4	0	2	7	5	0	13	16%	9	13%
How do they compare with entry-level workers who were not obtained thru OIC? BETTER	11	10	25	22	5	8	22	9	63	52%	49	71%
SAME	6	3	13	7	14	6	7	0	40	33%	16	23%
INFERIOR	4	0	13	2	1	2	1	0	19	15%	4	6%
If additional positions were available in your area of supervision, would you seek to employ OIC graduates? YES	26	14	11	28	23	14	35	9	95	100%	65	94%
NO	0	0	0	2	0	2	0	0	0	0%	4	6%
How do you rate their general attitude at work? ABOVE AVERAGE	5	8	6	16	8	13	24	8	43	53%	45	61%
AVERAGE	3	7	4	14	16	4	14	2	37	45%	27	36%
BELOW AVERAGE	1	0	1	1	0	1	0	0	2	2%	2	3%
How do you rate their technical know- ledge (theory)? ABOVE AVERAGE	5	6	5	11	2	4	8	6	20	35%	27	37%
AVERAGE	4	8	5	19	19	12	4	4	32	56%	43	59%
BELOW AVERAGE	1	1	1	0	3	2	0	0	5	9%	3	4%
How do you rate their practical skills (practice)? ABOVE AVERAGE	4	9	3	14	2	4	16	6	25	32%	33	46%
AVERAGE	4	5	6	17	22	10	19	3	51	65%	35	49%
BELOW AVERAGE	0	0	1	0	0	4	1	0	2	3%	4	5%

Source: Program evaluations -- OIC Ghana Phase II (1980); OICI Institutional Capability Assessment (1982); Liberia OIC Mid-Term (1983); Sierra Leone OIC Mid-Term (1983); Lesotho OIC EOP (1984); Liberia OIC EOP (1985); Sierra Leone OIC EOP (1985); and OICI Institutional Development/Program Impact/Cost-Effectiveness Assessment (1987).

Figure III-7. Comparison of Results of the 1987 Impact Survey of Voc/Tech Graduates' Supervisors/Employers With Earlier Surveys During 1980-1985



c. 1987 Impact Survey of
Farmer Trainees of OIC Foya

During a visit to Liberia OIC's new community-based training center at Foya, in rural Lofa County, the team interviewed 24 graduates of its first two classes to determine the program's impact upon their lives (Figure III-8). OIC Foya trainees take two courses -- one in modern farming methods, and a second elected from one of the following: rural construction, arts and crafts, and farm mechanics.

The graduates of the Foya center averaged 25.9 years of age, had about eight years of schooling, and almost all came from farm families. Twenty-two were males and two were females. Their assessment of OIC training was quite positive.

Characterizing themselves as having lacked skills, jobs and means of support before starting at OIC Foya, the graduates uniformly expressed satisfaction with their training because it has enabled them to improve their farming skills and gain another skill, usually rural construction. Eighty-three percent now farm on their own land (usually five acres in size), almost invariably acquired with the assistance of OIC Foya's extension agent. Their land had been obtained from relatives or their villages. An additional 8 percent were in the process of acquiring land at the time of the survey.

Many OIC graduates engage in off-season construction activity to augment their cash incomes. All reported having recommended OIC Foya training to others. Based upon information the graduates' provided and at their urging, 15

Figure III-8. Impact Survey of Farmer Trainees of
OIC Foya, May 1987

The sample:

INTERVIEWEES: 19 from Class I, who had graduated in early 1986, plus five who had graduated early in 1987. Twenty-two were males; two females.

AGE: Range 19 to 36; mean age, 25.9 years of age.

YEARS OF EDUCATION: Mean 7.7 years. Three had not gone to school and three had had 12 years of schooling. Median, 8 years of schooling.

FAMILY BACKGROUND/MARITAL STATUS: 22 were from farmer families; two had a father who was in construction. Fourteen of Class I were married (all before starting OIC), five were single. Only one of Class II married.

* * * * *

Why did you go to OIC? 13 said they had had no skill, no job, no means of support and wanted to learn. Two said to become a modern farmer; 2 to learn building construction; and one each to become an auto mechanic, to learn a trade, or because a friend recommended the program.

Are you satisfied with your training at OIC? Yes, said all 24.

Why are you satisfied? 8 noted instruction good; learned how to do things. 5 said they had learned modern farming; 5 mentioned learning building construction or carpentry; 3 reported learning both farming and construction. 3 said they had learned new skills/attitudes; 2 had learned reading/writing skills. (Some multiple answers.)

What are you doing now? Of class I respondents, 14 said farming, 4 said mostly farming and some construction, and 1 mentioned mostly construction plus some farming. All 5 from Class II mentioned farming.

Amount of land, and who owns it? 20 own their own land (16 have 5 acres, 4 own less than 5 acres); 2 work their fathers' land; and 2 of Class II were in the process of acquiring their own land.

From whom was the land obtained? 9 cited their father; 5 the village chief; 3 said "the family;" 2 an uncle; and one his step father.

Did OIC's Extension Agent help you acquire your land? Yes said 20; no said one. The Extension Agent expedited the process, working with village officials, parents and relatives.

Is your OIC training useful in performing your present tasks? Yes said 19; no said one (a crafts student).

Will you recommend OIC training to others? All 21 answering replied "Yes." 12 respondents said they already had recommended relatives and friends to go OIC. From their answers, it appears that 15 of the recommended persons may have attended Class II or are attending Class III. The two females said that they have recommended the training to other females, but that the agricultural course is too strenuous for females.

What did you expect from OIC in your resettlement? Almost all said building tools and/or tools for farming; others mentioned crafts tools, insecticides, fertilizer and seeds.

friends and relatives enrolled in OIC Foya's Classes II and III. The graduates' major criticism was the program's failure to provide promised resettlement packages of farm implements, fertilizer and insecticide, and building tools.

d. 1986 Surveys of Agriculturalists
Trained at OIC Togo's
Instructional Center/
Demonstration Farm

OICI's oldest and largest agricultural training project, and precursor of subsequent agricultural OICs in Africa, is located at Notse, in the Plateau Region of the Republic of Togo. Through FY 1986, the program has provided instruction for almost 3,000 young farmers, adult farmers, animal husbandry specialists, government extension and livestock agents, and students of Government agricultural training institutions.¹

Program impact was a focus of an in-depth mid-term evaluation of OIC Togo in October and November 1986. Five of the surveys conducted during the 1986 evaluation reveal aspects of OIC Togo's acknowledged significant impact on agriculture and agricultural training in that nation:

- . A survey of 43 current and 24 former young-farmer trainees found the group of trainees and graduates of an eight-month OIC Togo

1. The findings recounted in this subsection are based on the November 1986 report, Mid-Term Evaluation of Phase II, OIC Togo Agricultural Extension and Training Project, prepared for USAID/Togo by a five-person team comprising representatives from REDSO/WCA, Togo's Ministry of Rural Development, OICI and independent consultants.

course unanimous in their approval of the program. All indicated their appreciation of the practical nature of the training. Most of the young graduates indicated that their incomes had increased substantially since completion of the program. In order of importance, they listed the following aspects of training: animal husbandry, cultural practices for crops, vegetable production techniques, rural construction and animal traction. Through FY 1986, OIC Togo produced 182 resettled young-farmer graduates of the course.

- . The 1986 evaluation team interviewed graduates of OIC Togo's 12-week animal husbandry training course. Each of them was involved in the business of producing layers and broilers as a primary source of income. All gave high marks to their OIC training and each of their poultry operations was patterned after methodologies featured in OICI instruction and the practicum. Most indicated that their poultry enterprise already had resulted in substantial increase of income.¹
- . A sample of the 151 graduates of OIC Togo's one-week post-graduate training course for young farmers judged the course beneficial.

1. OIC Togo has developed a reputation for providing quality livestock training. Togo's Ministry of Rural Development has recognized this strength and has begun using OIC Togo as its major source for non-academic livestock and poultry training. The Ministry closed a former Government center devoted to poultry training and formally requested that OIC provide regular instruction to those interested in small-scale livestock and poultry production.

- . Interviews of 31 adult farmer trainees from three villages in the vicinity of OIC Togo revealed considerable enthusiasm for OIC training. Most indicated they had been able to implement specific technologies (e.g., row planting, spacing, and animal traction) taught during biweekly village visits by OIC Togo's instructional staff and one-week courses at the training center.
 - . OIC Togo has provided from one to four weeks of training to 160 students of the National Institute of Agricultural Training at Tove. Students of the Institute were quite positive in their assessment of OIC Togo training, reporting that its emphasis on "hands-on," practical experience complements the more theoretical training they receive at the Institute. They most highly regard OIC Togo's animal husbandry component.
- e. 1987 Spot Survey of Lesotho OIC Foreman-Training Graduates and Their Employers

To obtain reaction to Lesotho OIC's part-time, 72-hour courses to upgrade construction workers, six graduates of the 24 foreman-training graduates in FY 1985 (25 percent of the total) were interviewed for this report. Four worked for government agencies, one for a private construction firm and one for a high school. Responding to questions:

- . Five reported that foreman-training had enabled them to improve work efficiency. The sixth said new drafting skills provided a second source of income. All responded that the OIC course had provided what they had expected and that it had been directly applicable to their needs and jobs. All stated that the supervisory and management methods learned at Lesotho OIC had been accepted by their employers.

Three reported having been given added responsibilities and promotions or pending promotions; one reported added income; and two had not been promoted. Most useful techniques learned: drawing house plans (mentioned by 6), learning how to motivate and supervise people (by 4), and planning and designing for construction sites (by 3). Their major recommendations: extend course duration (by 5), and periodic OIC refresher courses (by 2).

Four supervisors of those completing the FY 1985 foreman training course were interviewed. Three reported their employees had become more effective supervisors of their own staffs; and one responded that he did not know the employee well enough to be able to judge.

f. 1987 Survey of Lesotho
OIC Entrepreneurial-Training
Graduates in Semonkong

Lesotho OIC recently undertook a program of entrepreneurial training coupled with a revolving credit scheme in the rural town of Semonkong. This was done under contract to a German agricultural development project in that area. Under the agreement, Lesotho OIC ran a series of entrepreneurial training courses for micro-entrepreneurs of Semonkong, and now supervises a revolving loan fund which has made loans to 14 trainees.

In Semonkong, 11 out of the 14 establishments were visited: three carpentry shops, one butchery, one bakery, two tailor shops, two saddle makers, and two retail/grocery shops. In five of the establishments, principal beneficiaries (three men and two women) were interviewed. In

other instances, questions were asked of the spouse or other person minding the store, and the nature of the business and state of the stocks was observed.

In one case, the training and credit is making a major difference in the life of the beneficiary. She had been a hawker, selling clothes and other objects she carried through the market. She once had worked in a commercial bakery. As part of the Lesotho OIC program, she attended entrepreneurial training sessions and received a loan of 7,950 Maloti to start the first commercial bakery in Semonkong. Although the bakery has not yet begun full operation, there is a strong likelihood that it will do well; she already has verbal agreements with the district hospital, secondary school, and local cafe owners.

Most of the other entrepreneurs are continuing the trade they have been engaged in for years. In interviews, they stressed that they had wanted improved abilities in pricing and bookkeeping. One interviewee stated frankly that he took the training course so that he could receive a loan. He appreciated the lessons in bookkeeping and pricing, but appreciated the money more.

It is difficult to assess the impact of Lesotho OIC's Semonkong entrepreneurial training and credit program at this early point. But 12 micro-businesses in that small, rural agricultural and commercial town have been upgraded and perhaps put on a firmer basis of operation. To date, two of the beneficiaries have defaulted on their loans. They apparently used the proceeds for purposes other than investing in their businesses.

The team questions whether the design of the loan program (not designed by Lesotho OIC) is the most appropriate for the situation. Some of these "businesses" need access to small amounts of short-term credit rather than a long-term debt. This is especially true where the loan is used to buy materials and stock, rather than as a long-term investment for equipment such as a baking oven.

4. Impact of OIC Training Upon Earnings of Graduates

a. Impact on Earnings of Voc/Tech Graduates

Before their OIC skills training, the vast majority of OIC vocational skills enrollees have not been employed, except casually and sporadically as unskilled workers. Hence it is of little use to compare their pre-training earnings with their post-training as skilled, entry-level workers.

Instead, the team measured two indices in determining the monetary effects of OIC training upon their vocational skills graduates: (1) the minimum wage for unskilled workers; and (2) the entry-level wages of OIC graduates and wage increases they might anticipate after four to six months of work. Because of more or less severe inflation or devaluations in three of the countries visited, employers were asked to translate original entry-level wages paid to OIC graduates into current entry-level wages, when the supervisor had employed the OIC graduates before recent changes in basic minimum wages and entry-level wages took effect. Otherwise, comparability would have been impossible.

Investigations during the field survey among 50 or so employers of OIC vocational skills graduates in three countries revealed the following benefits accruing to the graduates:

- . In Ghana, job-placed voc/tech graduates start at salaries that average 25 percent to 36 percent above the minimum wage of 90 Cedis per day.
- . In Lesotho, entry-level OIC graduates generally start at 16 percent to 66 percent above the minimum wage of 5.09 Maloti per day, and can expect to earn from 44 percent to 96 percent more than minimum wage within four to six months.
- . In Nigeria, entry-level OIC graduates start work at 17 percent to 66 percent above the minimum wage of 1,500 Naira per annum received by unskilled laborers.

Comparable figures were not obtained for OIC vocational graduates in Liberia, where the \$200 per month minimum wage was reduced by 25 percent in 1985 and has since remained unchanged. However, it is unlikely that OIC trainees placed there initially receive multiples of the minimum wage that differ significantly from the magnitudes reported by employers in Ghana, Lesotho, and Nigeria.

1. These minimum wages and percentage increases received by OIC entry-level employees are quoted exclusive of fringe benefits.

b. Impact on Earnings of
Graduates of OIC Agricultural
Training Programs

The answers of graduates of OIC Foya's young-farmer training program indicate that their cash earnings had increased markedly because of improved productivity using modern farming methods and their building and roof construction activity during non-farming periods.

The 1986 mid-term evaluation of OIC Togo is enthusiastic about the earnings prospects of a group of 24 young-farmer graduates who settled a virgin tract at Agoto in the spring of 1985. Their average gross revenue ranged from the equivalent of \$319 to \$358 that year, compared with the minimum Togo wage for unskilled labor of \$281. Moreover, "The group's revenues can be expected to increase (significantly) in 1986. Production will not be delayed by start-up activity...there should be three times as many chickens...and cultivated area is expected to have doubled."

Based on comparable expenses for the young farmers and urban workers, the evaluation concludes that the farmer is "in a better position to improve his quality of life in the medium term...Beneficial impact can be realistically anticipated from the OIC program -- both in terms of an individual's relatively greater resources compared with those of an unskilled worker, and in terms of the socio-economic welfare accruing from decreased urban migration."

B. Societal Impact of OICI's
African Programs

1. Government Subventions

During the early phases of OICI's mature programs in Africa, especially during the first five years or so of their existence, the Agency for International Development, through OICI, provided the overwhelming proportion of project funds. Project designs for OICI's earliest African programs did not call for host governments to provide subventions until later project phases or until after "graduation."

When AID/OICI funding ended for Lesotho OIC in FY 1983 and for OIC Ghana, OIC Monrovia, and Sierra Leone OIC in FY 1985, and in the absence of significant other funding, the respective governments were called upon to provide rapid, significant infusions of monetary support to keep the programs from foundering. That all did testifies to the impact that those programs had made in Ghana, Lesotho, Liberia, and Sierra Leone since their inceptions:

- . From FY 1985 (when the program still was, in part, funded by AID) to FY 1986, the Government of Ghana's subvention to OIC Ghana rose from 5.4 million Cedis to 15.0 million Cedis. In early FY 1987, when the Cedi was devalued by 25 percent, OIC Ghana's subvention was increased proportionately. The annual subvention comes close to covering the program's operating costs.
- . The Government of Lesotho's subvention to Lesotho OIC normally falls slightly below the program's annual salary costs, requiring the program to raise small amounts of additional funds to meet operating costs.

- . All but a minor portion of OIC Monrovia's annual operating cost is covered by funds allocated to the program from the Ministry of Planning and Economic Affairs' special Development Budget.
- . Between FY 1984 and FY 1986, Sierra Leone OIC's annual Government subvention tripled to a level where it now meets recurrent costs.

During the team's visit to Lagos, there were strong signs that Nigeria OIC would begin receiving Government funding for the first time since 1978. The new National Directorate of Employment reportedly has decided, in recognition of the program's accomplishment in training unemployed youth, to contribute 250,000 Naira to Nigeria OIC. OIC Ethiopia's annual reports indicate receipt of grants-in-aid from various Government ministries, but the program has not yet received a substantial annual subvention.

2. Other Forms of Government Support

OICI's training programs possibly have received more oral and written accolades from African chiefs of state and high government officials than any other PVO. The support has been as consistent as it has been enthusiastic. OICI's commitment and ability, through local OICs, to transform society's castoffs into productive workers with entry-level competence in needed skills, free of charge, has an intense emotional impact on emerging nations and their leaders. The OICs transform into reality their abstract beliefs in the inherent capability of disadvantaged youth to become valued, productive members of society.

- . OICI's Executive Director and its Board Chairman have been received personally by numerous heads of state, including rulers of the Central African Republic, Ethiopia, Ghana, Guinea, Lesotho, Liberia, Sierra Leone, and Togo.
- . Many African heads of state and government ministers have issued proclamations and statements of support for the work of OICI and the individual country programs. Team meetings with pertinent government officials during the field survey corroborated this backing. Those interviewed included Lesotho's Minister of Trade and Industry; Liberia's Minister of Youth and Sports; Director, Youth Development Department of Nigeria's Ministry for Youth Affairs; and key officers of Liberia's Ministry of Planning and Economic Affairs.
- . Not unexpectedly, the team heard the same intensity of support for the community-based OICs from local and regional officials, civic leaders, and traditional chiefs.
- . Host governments have provided much in the way of non-financial assistance to the OICs, including:
 - The Government of Lesotho donated land in Maseru for the OIC's new facility; paid for construction of the training center; and stocked it with basic furniture and equipment. Total value: about \$800,000.
 - The Government of Liberia donated the land on which the OIC's new vocational training facility was constructed at Monrovia's Matadi Estates.
 - Approximately 40 percent of OIC Togo's program staff is seconded from the Government, including its Program Director, Training Coordinator, Farm Manager, extension agents, Finance/Administrative Officer, and several instructors. The Government of Togo also provides in-kind support.

3. Impact on Local Educational Methodologies

OICI's project designs for the African OICs did not call for replication of the OICI training philosophy and methodology elsewhere in host countries' educational institutions. However, on the possibility that evidence of such an impact might be found, the team looked into the subject.

Although some aspects of the OIC model are present in the educational system of countries in which OICs operate, most are absent from any specific institution. The team found no vocational training centers that carried on the wide range of individualized support services and instruction that characterize the OIC model: intake, orientation, counseling, feeder instruction, skills training, on-the-job training, job placement, and post-placement follow-up.

In most instances, no direct link was found between OIC techniques and similar practices of other training establishments, although some are said to have been inspired by them. The Government-operated Monrovia Vocational Training Center reportedly was to have employed job-developers, but funding cuts prevented their introduction. The current interest of Ghana's Ministry of Education in shorter vocational courses may result from OIC Ghana's demonstration of what can be done in that respect; and the same may be true concerning the Ghana Education Service's short-lived feeder-like "welfare unit." But, there was no proof in any of those instances (or in similar instances reported in other countries visited) of a direct linkage, except in one case, the non-formal vocational training center at Thaba Tseka in Lesotho.

In 1982, the Ministry of Education requested Lesotho OIC to recruit and train the Thaba Tseka center's management and instructional staffs in the OICI methodology and philosophy. Although relations between the OIC and that new institution ended in 1986, two years after its inauguration, USAID/ Maseru reports that Thaba Tseka still employs the feeder, counseling, and job-placement aspects of OIC.

C. Community Impacts

Reviewed below are the impacts of various African OICs as measured by the nature and extent of their support from within their local communities.

1. Community Participation in OIC Management

In its manual on starting a country training program,¹ OICI identifies OICs as "community-based programs...the fruit of the local communities' labors. They begin with an idea. They are nurtured by the roots of the community's organizing for a purpose. They transcend the pre-natal stage through the assets of total community participation. Upon the capital of these accomplishments, the OIC evolves into being."

The board of directors is the OIC's policy-making unit. It is autonomous, bound only by its legal responsibilities under its charter and by-laws, and its contractual obligations to funding sources. Because of a board's autonomy,

1. Opportunities Industrialization Centers International, "How to Start an International OIC Program, A Manual," pp. 1-2.

and the differing compositions and orientations of the interest group members who become its initial cadre, each OIC board of directors, although sharing common grassroots origins, develops into a unique body with a community configuration, personality, and character of its own.

Figures III-9 and III-10 detail the sizes and configurations of 15 boards of directors of African OICs. The Figures include boards of new programs as well as those of mature programs. In many instances, board members are public and private executives with long experience in decision-making posts, people positioned to assist their OICs in governmental, business, and civic relationships. Their grassroots diversity testifies to their programs' widespread impact among and upon the community.

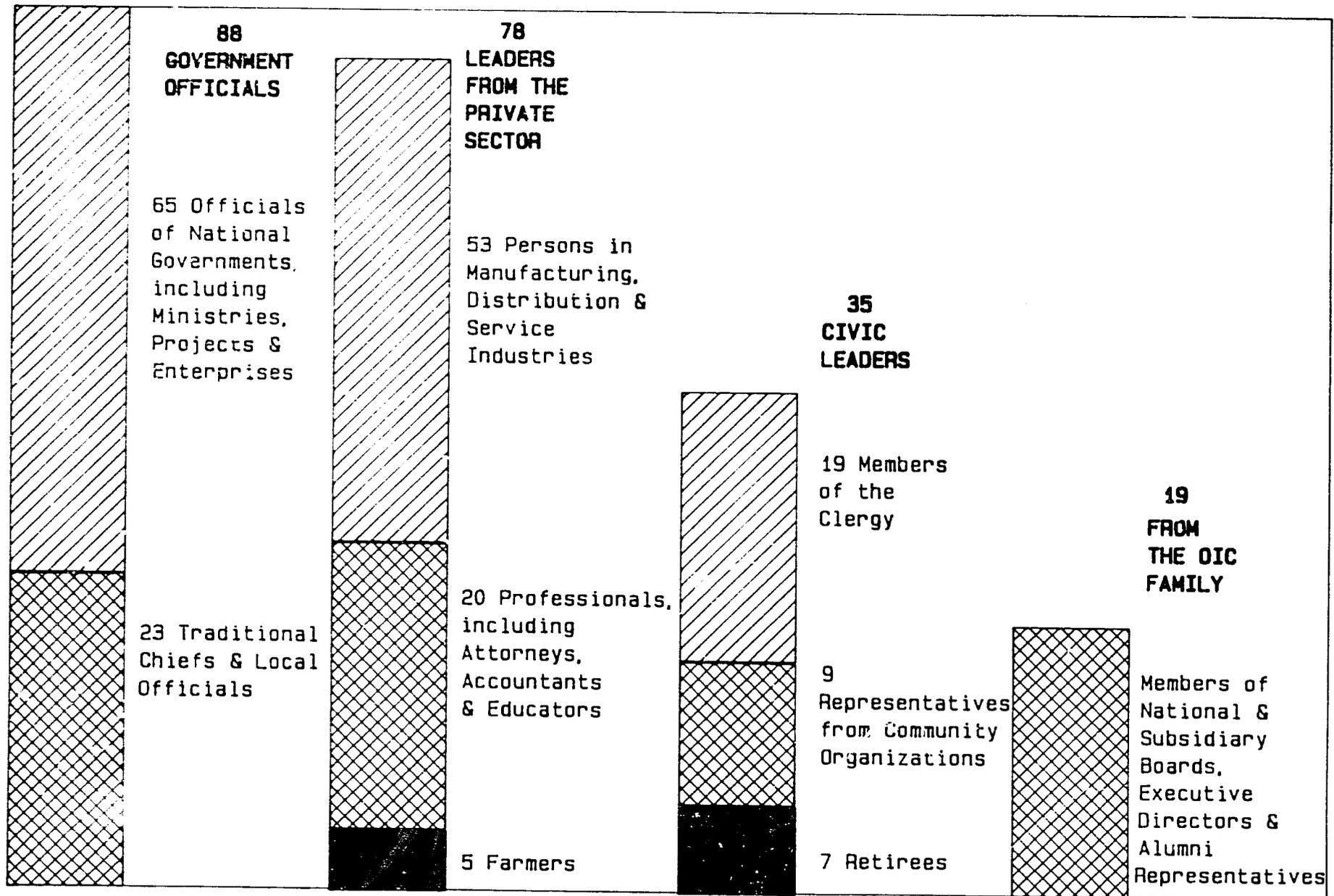
The 15 boards range in size from eight to 28 members and total 220 men and women. The composition is a spectrum of backgrounds and affiliations:

- . Forty percent are officials of national or local governments -- some officially representing relevant government entities, but most community leaders who happen to work for public bodies. Sixty-five persons, or 29.6 percent of total membership, are officials of government ministries (e.g., ministers of state and officials of ministries of planning, development, labor, youth and sports, agriculture, trade and commerce, human resources, small and medium enterprise, and (in Guinea) "privatization"). Others are officials of public enterprises and parastatals, or are legislators (one, in Sierra Leone, is Speaker of Parliament). An additional 23, or 10.5 percent of the total, are traditional chiefs and local officials.

Figure III-9. Composition of the Boards of Directors
of African OICs, 1986-1987

	Cameroon	Côte d'Ivoire	Ethiopia	Gambia, The	Ghana/Natl Office	Ghana/Accra	Ghana/Kumasi	Ghana/Takoradi	Guinea	Lesotho	Liberia/Foya	Liberia/Monrovia	Nigeria	Sierra Leone	Togo	TOTALS
Government officials: of ministries, projects & enterprises	6	2	1	3	4	4	2	2	5	7	3	10	2	11	3	65
Traditional chiefs/local officials	1			2	1			1	1	1	11			2	3	23
Retired govt officials/business persons			1	1	1								4			7
Business persons: mfgng, distribution & service	1	2	4	2	10	5	4	5	2	3	4	5	5		1	53
Attorneys/Educators/accountants	2				2	3	2	3		1		3	2	2		20
The Clergy	4		1		1	1	2	1			1	5	2	1		19
Community organizations, individs		2			1	1	1					3	1			9
Farmers											5					5
OIC Alumni reps						2	1				1	1	1			6
Program Directors	1		1				1							1		4
Members of National Board						6										6
Chairmen of Subsidiary Boards					2							1				3
TOTALS	15	6	8	8	22	22	13	12	8	12	25	28	17	17	7	220

Figure III-10. Members of African OIC Boards of Directors,
Grouped By Related Affiliations Or Occupations



(Source: Figure III-9.)

One-third are from the world of business. Fifty-three, or 24.1 percent of total, are business persons engaged in manufacturing, distribution or service industries; an additional 20, 9.1 percent of the total, are professionals, including attorneys and accountants.

Nineteen, or 8.6 percent of the total, represent the clergy; and nine others, 4.1 percent of the total, work for community organizations or are important individuals in their community.

Five, representing 2.3 percent of the total and all on the Foya Board, are full-time farmers; and seven, 3.2 percent of total, are retired persons.

Lastly, 19, 8.6 percent of the total, are members of the OIC family. Six (all on the Board of OIC Accra) are members of OIC Ghana's National Board; two on OIC Ghana's National Board and one on OIC Monrovia's Board are chairmen of subsidiary boards; four are Program Directors; and six represent OIC alumni associations.

2. Fund Raising As A Reflection of Community Impact

Pursuant to the self-help philosophy that characterizes OIC program efforts, the Boards and management staffs of OICI's African OICs traditionally have engaged in multifarious means of fund-raising -- efforts whose natures and degrees of accomplishment reflect the programs' standings and impacts on their surrounding communities.

These self-help efforts take various forms, including the successful activity (discussed in Section B) to gain financial, in-kind, and moral support from host governments.

Discussed briefly below are several other self-help techniques used by the African OICs: (1) local fund-raising events; (2) drives by local OIC management to raise funds from international donors; (3) construction and other revenue-producing contracts; (4) economic ventures; (5) efforts to gain support from local businesses; and (6) contributions from parents and alumni groups.

a. Local Fund-Raising Events

OIC Ghana relies on its home communities to supplement the Government subvention through a variety of local fund-raising activities. These include appeals for funds and in-kind gifts at church services and sporting events, annual flag weeks, football matches, tea parties, dances, raffles, and direct-mail appeals. The program also places articles in print media and OIC Ghana representatives appear on radio and television. During their November 1986 OIC Graduate Certificate Award Ceremonies, OIC Ghana's three training centers received 335,300 Cedis from market women during a "support OIC" month, and its trainees sold 31,000 Cedis of 10-Cedi coupons to program supporters.

Other OICs conduct similar events. Sierra Leone OIC runs dances, and performs Christmas carols at industrial plants. Nigeria OIC has open houses and its trainees conduct "Naira-a-Job" activities. And Lesotho OIC sponsors parties, raffles, and other fund-raising events. However, as economic conditions continue to deteriorate in most of the countries in which the African OICs operate, raising funds through the programs' traditional methods has become progressively more difficult. Therefore, new avenues have been increasingly explored.

b. Board Approaches to
International Donors

Thus far, Liberia OIC's Board of Directors has been most successful in this area. As noted elsewhere in this report, ICCO, Evangelische Zentralstelle fur Entwicklungshilfe (EZE) and the Swedish Free Church Association granted the program \$560,000 to build and start up the Foya Training Center, and ICCO granted an additional \$276,000 for the Monrovia OIC's Production/Service Unit. Liberia OIC also recently was granted \$365,600 by Bread for the World to defray part of its operating budget over a three-year period.

Nigeria OIC's Board obtained a \$450,000 grant from ICCO to build its new training facility, and funding from a Netherlands foundation to move its existing pre-fabricated training structure to the new site. Other OIC Boards have obtained smaller grants from international NGOs. OIC Ghana is receiving \$40,000 annually for three years from World Vision International for training costs; Lesotho OIC received project vehicles from the ILO and a Canadian donor; and OIC Ethiopia received donations from ICCO and others.

During recent years, OICI has mounted a campaign to assist the African OICs to raise additional funds from international donors. These efforts, which are beginning to bear tangible fruit, have included resource mobilization workshops at the 1986 African Development Conference and the 1987 Technical Assistance Conference; TDY visits to help OICs prepare proposals; and continuing contact by OICI, acting on behalf of the African OICs, with international donor agencies in Europe and North America.

Construction and Other
Revenue-Raising Contracts

The African OICs are increasingly entering into construction and building-rehabilitation construction contracts to generate income and, concurrently, to provide on-the-job training to their vocational skills trainees. All conduct activity of this type. Typical examples include OIC Takoradi's renovation of an office building, and OIC Accra's construction of a nursery building for a local PVO. OIC Ghana estimates that, between FY 1984 and FY 1986, it earned 1.8 million Cedis for work performed by its building construction and furniture production units.

Using a different approach to contracting, Lesotho OIC has undertaken fee-for-services contracts to generate income. For the ILO and United Nations High Commission for Refugees, it conducted self-employment workshops for refugees. For a German donor and the Ministry of the Interior, it has conducted entrepreneurial training courses in the Semonkong area and administers loans made to graduates of the courses. These contracts are estimated to have grossed \$98,000 for the program.

d. Economic Ventures

In 1985, OIC Ghana incorporated a limited liability company, the Opportunities Self-Reliance Investment Foundation (OSIF), as an income-generating venture to provide financial assistance and support for the operation of its training programs. At the time of our assessment, OSIF's initiatives included operation of the Osu Texaco service station in Accra which earned 848,000 Cedis in calendar year

1986; an ice cream machine at Accra's Ambassador Hotel; photocopying machines at Kumasi and Takoradi; screening of video films at Kumasi; and film rental activities. Liberia OIC's Production/Service Unit at Monrovia was constructed to operate as an autonomous unit generating program revenues through the sale of goods and services.

e. Support from the
Business Sector

African OICs long have looked to local businesses, the actual or potential employers of most of their vocational skills graduates, for program contributions. As industrial production decreases or stagnates and foreign exchange restrictions tighten, the ability of the business communities to support OIC programs weakens.

Nevertheless, the OICs continue to court local businesses and achieve positive, although usually limited, results from the efforts. OIC Kumasi owns its own training facility, thanks to a donation from the Valco Trust Fund; and in 1986, it received a sizeable contribution from Kumasi Brewery Ltd. OIC Ghana calculates that more than 100 local manufacturing, distribution, and service businesses have provided cash and in-kind support to its programs. Lesotho OIC lists 25 businesses that have provided support. Liberia OIC recently received cash donations from Canon Copiers and Scanship, and in-kind contributions (e.g., utility poles, conductors, insulators, and transformers) for training use from Liberia Electric Company and Firestone.

The Nigeria Youth Trust, organized by large business firms, has, over the years, helped Nigeria OIC by funding construction of its auto mechanics workshop and its basic

training workshop for the catering course. Businesses such as Sierra Leone Rutile Mining and Sterling Drugs have made recent donations to Sierra Leone OIC. And the Addis Ababa Chamber of Commerce, St. Rufael Wood Factory, and Siemens Ethiopia, among others, contributed to OIC Ethiopia's support in FY 1986.

f. Contributions from
Parent and Alumni Groups

Most African OICs receive periodic donations from parents of trainees, parent-teacher associations, and alumni associations. The gifts usually are timed to coincide with the OICs' graduation ceremonies.

Because of its lack of appreciable levels of government and private funding, Nigeria OIC has, since the late 1970s, had to rely on its own resources. At first, the OIC's Board of Directors provided gifts and loans for short-term financing. Soon, the parent-teacher association came to the rescue, meeting staff salaries and minimum training requirements. Voluntary contributions by parents doubled each year between FY 1982 and FY 1985, rising from 10,500 Naira to 100,400 Naira. In FY 1986, parents' contributions increased by half, to 150,200 Naira (\$38,000 at the rate of exchange prevailing at the time of the field survey), sufficient money to provide the program an excess of income over expenses. OIC Nigeria is considered a paragon of OICI's self-help philosophy.

IV. COST EFFECTIVENESS

A. Introduction

1. Overview

Cost effectiveness will be discussed with respect to the African OICs (Section B) and subsequently, OICI (Section C). This approach takes into consideration the difference between the mission of OIC programs -- training -- and that of OICI -- institution building. However, it is understood that the resulting effectiveness of field programs would reflect also on OICI's cost effectiveness, because OICI's institution-building efforts are targeted at the creation of viable and effective OIC programs.

The determinants of cost effectiveness are detailed in the respective sections. The findings point to the conclusion that the four OIC programs visited (a total of six training centers)¹ are cost-effective training institutions.

1. The OIC programs that were visited operate a total of seven training centers. The evaluators did not go to one of the centers in Ghana, due to time constraints, hence the total of six was mentioned. Ghana OIC's National Office was not counted as a training center, although it is an important unit of Ghana OIC's structure, where the evaluators spent considerable time discussing program matters with the staff.

The same conclusion is applicable to another OIC program -- Togo OIC -- not visited but included in the cost-per-trainee analysis below, using the report of an in-depth program evaluation of Togo OIC that was conducted in November 1986.

The findings related to OICI also permit the conclusion that it is a mature and cost-effective international development organization. OICI expanded its scope of operations significantly since 1984, delivering a wide range of program development and support services. However, it remained within its budget, and its headquarters experienced only a modest increase in operating costs. Section C will elaborate further on these and other indicators of OICI's cost effectiveness.

2. Research Methodology

Before departure for Africa, Ms. Kroll¹ spent time in Philadelphia (8 days) and Washington, D.C. (4 days) interviewing OICI staff members and reviewing financial records and program documents of both OICI and the OICs in the four African countries on which the evaluation focused. A substantial portion of her efforts during this time period was spent working with the Director of Finance and Administration and members of his staff to develop tables and instructions to be used by the Finance Office to gather the information needed to estimate OICI's cost of technical assistance. Estimates were made of staff time-input and expenses associated with providing technical assistance to

1. RRNA consultant and a member of the evaluation team.

Nigeria, Liberia, Ghana, and Lesotho in the following areas: (1) staff and board training in the United States, (2) the African Development Conference, (3) TDYs, (4) evaluations, and (5) independent audits.

Ms. Kroll reviewed independent audits, detailed financial records, and program documents in each of the four countries. She interviewed Executive Directors, the chief financial officers, and the people primarily responsible for resource development, among others. The topics discussed included the budgeting process, the financial information system, tools for monitoring the use of scarce resources, economic ventures, and resource mobilization capabilities and prospects. Key management personnel were also asked a series of questions designed to determine their awareness of cost-effectiveness issues. Additional time was spent with the chief financial officers to separate the costs of vocational training from the costs of other pursuits and to separate recurring from non-recurring costs.

At the request of AID/Washington, Ms. Kroll visited other, non-OIC, vocational training institutions to determine their programs' features, the number of student enrollments and completions, the duration of training, and their annual recurring costs. This information was gathered with the goal of determining the cost per trainee.

B. The African OICs

The cost effectiveness of the African OICs was determined through an analysis of their cost per trainee during the period of FY 1984-FY 1986, and its comparison with the corresponding costs of other training institutions that bear some similarities to the OIC programs. Also considered as indicators of

cost effectiveness were the extent to which OIC program staffs were aware of and concerned with cost-effectiveness issues, and their systems of financial control and monitoring the use of scarce resources. In addition, their economic ventures were reviewed in order to draw lessons, knowing that most OIC programs are short of experience in this area.

1. Operating Environment and
General Program Performance

The three-year period under review, FY 1984-FY 1986, was a challenging one for all four of the programs visited. Severe economic problems in each of the four countries affected vocational training completions, job placements, program funding, and costs. OIC Accra was particularly hard hit. A freeze in government hiring has effectively reduced job opportunities for many trainees, causing substantial delays in vocational training completion and the movement of trainees from feeder to vocational training. In FY 1986 there were 119 vocational completions compared with 156 in the previous fiscal year; vocational training enrollments also decreased to 139 in FY 1986 from 209 in FY 1985.

Three of the four programs visited (the Liberia, Ghana, and Lesotho OICs), all of which received the substantial portion of their funding from their national governments, were obliged to adopt mandatory government-initiated wage changes. As a result, staff salaries almost tripled in three years in Ghana and decreased by 25 percent in Liberia. The fourth program -- Nigeria OIC -- which was funded principally by monthly fees/contributions by the trainees' parents or guardians, also had to adjust its wage and salary plan in keeping pace with civil service wages in order to attract and retain personnel.

Furthermore, high inflation and severe debt and trade problems often resulted in delays and reductions in government subventions for OIC programs. Consumable training materials also became scarce and, when available, were extremely costly. Each OIC program was forced to work with less than the amount of materials required while paying more for them.

Over the three-year period, FY 1984-FY 1986, the programs met the challenges presented to them relatively well. All four programs remained in full operation. Training output and job placements continued at a level difficult to achieve given the existing economic problems. Of particular significance is the overall quality of the OIC graduates and their increased earning capacity as indicated in our earlier discussion of program impact.

Following an increase between FY 1985 and FY 1986, three of the four programs experienced a decline, two in nominal terms, and all three in inflation-adjusted terms, in the annual recurring cost per vocational completion in FY 1986. This was a result of the combination of relatively unchanged or decreasing total recurring costs and/or an increasing number of vocational completions. Importantly, in two of the programs -- OIC Accra and Lesotho OIC -- the real cost per trainee declined in FY 1986 to levels below FY 1984.

For all four of the programs visited, the FY 1986 annual recurring cost per vocational completion was probably below optimum level. Without exception, financial resources available to the programs were very limited in FY 1986.

Little discretionary money was left after meeting salaries and certain unavoidable costs, such as those of electricity and gasoline. The balance was inadequate to purchase sufficient, critically needed, consumable training materials. For the same reason, the programs' capacity to purchase spare parts and replace worn-out training equipment and tools was evidently very limited. This problem requires the immediate attention of OICI and the management of the programs concerned. An early solution is necessary in order to prevent a decline in training effectiveness.

2. Cost Per Trainee: General Considerations

Cost-effectiveness analysis is the process of closely examining a project's costs and comparing them to the results, or benefits, of the project's activities. Among the measures of cost effectiveness, the ratio of per-unit cost is used for assessing projects whose output has no direct money value such as training projects.

The calculation of the per-unit cost measure, cost per trainee, as an indicator of a program's cost effectiveness is complex in any vocational/technical institution. The open entry/open exit system of OICI's programs compounds the problems inherent in this exercise. There are also other complicating factors. One of the programs visited conducts different types of training concurrently such as entrepreneurial training and management development (ETMD), foreman training, and vocational training. These courses vary in duration from two weeks to six months to twelve months, respectively. Furthermore, they begin at various times during the year rather than at one common time, such as the beginning of a calendar or a fiscal year, and trainee rolls are often carried from one year to another.

Notwithstanding these complexities, a per-unit measure was calculated, both in nominal and inflation-adjusted terms for Liberia OIC (Monrovia Center), Ghana OIC (Accra Center), Nigeria OIC, and Lesotho OIC. In addition, the cost per trainee of the Togo OIC -- not visited in this evaluation -- was obtained for discussion from the November 1986 evaluation report on Togo OIC (mentioned earlier in Section A). The annual recurring cost per vocational training completion, calculated for the four programs visited for fiscal years 1984, 1985, and 1986, appears in Figures IV-1 through IV-4. The independently audited accounts for the same programs are the source of all cost data. With respect to Togo OIC, Appendix D provides a description of the methodology used by the November 1986 evaluation team for computing the per-trainee costs presented in Figure IV-5.

While it would have been preferable to calculate a per-unit measure based on total annual costs including annualized investment costs, the time constraints during this evaluation were such that total investment costs since the inception of each of the programs concerned could not be reasonably estimated. Therefore, the per-unit measure presented in Figures IV-1 through IV-4 is based on annual operating costs, i.e., recurring costs. Non-recurring expenses and those not directly related to training were excluded accordingly from the estimation.

In addition, some adjustments were made in computing the per-unit measure of Ghana OIC's training center in Accra (commonly called OIC Accra). Ghana OIC has a National Office that provides technical assistance, financial support, and services in program development and long-term planning to its three training centers in Accra, Kumasi, and Sekondi-Takoradi.

Therefore, OIC Accra's annual recurring cost per vocational training completion should include a proportionate share of the annual expenses of the National Office. This share was estimated by determining, for each fiscal year, the percentage that OIC Accra's expenses represented of the total expenses of all three training centers, and applying that percentage to that year's National Office expenses.

The specific adjustments to the annual audited expenses of each program included in this evaluation are indicated in the footnotes to Figures IV-1 through IV-4.

3. Cost Per Trainee: Estimation and Analysis by Country Program

a. Liberia OIC (Monrovia Center)

The annual recurring cost per vocational completion of Liberia OIC in Monrovia fell dramatically, in both nominal and inflation-adjusted terms, in the last three fiscal years (Figure IV-1). This is a function of both a decrease in recurring costs and an increase in the number of vocational completions. The decrease in recurring costs is attributable, in large part, to the program having moved to its present consolidated facilities. Previously, the program operated from two widely separated facilities, with the feeder and support services in Monrovia city and the vocational training center located some 35 miles away in Klay, where trainees boarded. The number of vocational completions steadily increased since FY 1984, as reflected in Figure IV-1, after a 35 percent drop from the previous fiscal year. This decrease resulted from the training being disrupted during the program's relocation to Monrovia. It was not until FY 1986 that the number of vocational completions were at maximum, planned capacity.

Figure IV-1. Liberia OIC in Monrovia: The Annual
Recurring Cost per Vocational Completion,
FY 1984-FY 1986

(In Liberian Dollars unless otherwise specified)

	FY 1984	FY 1985	FY 1986
Total recurring costs ^a	423,831	355,075	268,326
Number of vocational completions	99	141	178
Nominal cost per vocational completion	4,281	2,518	1,507
Cost per vocational completion in FY, 1984 Liberian Dollars ^b	4,281	2,518	1,495

a. Excludes from total fiscal year expenses, as stated in the audits cited below, all capital expenses (USAID Capital Fund, Local Capital Fund, and Production Service Unit), all Foya Project Fund expenses, other expenses reported under the general and administrative expense category in FY 1984, and consultant expenses reported under fund raising.

b. Adjusted using consumer prices published in the International Monetary Fund, International Financial Statistics.

Sources: Lucas, Tucker & Co., Liberia Opportunities Industrialization Center, Report on Examination of Financial Statements and Program Results Review at September 30, 19(84-86) and for the Year then Ended.

b. Ghana OIC (Accra Center)

As was indicated earlier, Ghana OIC was particularly hard hit by the severe economic conditions faced by most African economies in the 1980s. Ghana OIC was obliged to pass through government wage changes, which almost tripled in the three years FY 1984-FY 1986. The effects of these mandatory wage changes can be clearly seen in the almost doubling of OIC Accra's total recurring costs (Figure IV-2). The number of vocational completions was also affected by the economic situation, dropping 25 percent between FY 1985 and FY 1986 after having increased by an even greater percentage in the previous two fiscal years. As a result, the annual recurring cost per vocational completion in OIC Accra increased in nominal terms.

In the case of the FY 1984-FY 1985 period, the 33 percent increase in vocational completions could not offset the 85 percent rise in recurring costs. Correspondingly, the nominal cost per vocational completion rose 39 percent. In inflation-adjusted terms, however, the cost per completion rose only 14 percent.

In the following period, between FY 1985 and FY 1986, while total recurring costs fell over 11 percent, the number of vocational completions fell about 25 percent. As a result, the cost per vocational completion increased 16 percent in nominal terms and decreased 22 percent in inflation-adjusted terms.

Figure IV-2. Ghana OIC in Accra: The Annual Recurring
Cost per Vocational Completion, FY 1984-FY 1986

(In Cedis unless otherwise specified)

	FY 1984	FY 1985	FY 1986
Total recurring costs ^a	6,748,530	12,516,257	11,102,224
Number of vocational completions	117	156	119
Nominal cost per vocational completion	57,680	80,232	93,296
Cost per vocational completion in FY 1984 Cedis ^b	57,680	65,836	51,355

a. Includes a share of National Office expenses in proportion to the Accra Center's share of total expenses of OIC training centers in Accra, Kumasi, and Sekondi-Takoradi.

b. Local personnel expenses adjusted using a real wage index. All other expenses adjusted using consumer prices published in the International Monetary Fund, International Financial Statistics.

Sources: Lucas, Tucker & Co., Opportunities Industrialization Centers, Ghana, Report on Examination of Financial Statements and Program Results Review at September 30, 19(84-86) and for the Year then Ended.

c. Nigeria OIC

As did OIC Accra and Lesotho OIC (to be discussed later), Nigeria OIC experienced an increase in total recurring costs between FY 1984 and FY 1985, and a corresponding increase in the cost per vocational completion (Figure IV-3). The cost area which increased most substantially was salaries and wages. Most of the increase in this cost item can be attributed to a 45 percent increase in the number of instructors and administrative staff. The program had substantially increased revenues and chose to add staff (which it sorely needed then and still does). It also raised the salaries of existing staff, who had long gone without any pay increase in the earlier years due to several financial constraints.

Recurring costs increased almost 13 percent between FY 1985 and FY 1986 while the number of vocational completions increased 40 percent. The net result was an almost 20 percent decrease in the nominal cost per vocational completion and an even greater decrease, 28 percent, in inflation-adjusted terms.

d. Lesotho OIC

The annual recurring cost per vocational completion in Lesotho OIC increased between FY 1984 and FY 1985 and fell between FY 1985 and FY 1986 (Figure IV-4). Total recurring costs increased 10 percent between FY 1984 and FY 1985 while the number of vocational completions dropped 15 percent. As in the case of Liberia OIC, Lesotho OIC's moved to a new site in the three-year period under observation. Also, similar to the program in Liberia, Lesotho OIC's program

Figure IV-3. Nigeria OIC: The Annual Recurring Cost
per Vocational Completion, FY 1984-FY 1986

(In Niara unless otherwise specified)

	FY 1984	FY 1985	FY 1986
Total recurring costs ^a	33,437	65,717	79,887
Number of vocational completions	168	185	258
Nominal cost per vocational completion	199	355	310
Cost per vocational completion in FY 1984 Niara ^b	199	316	280

a. Excludes from total fiscal year expenses, as stated in the audits cited below, depreciation and expenses associated with the dedication of the new training facilities.

b. Adjusted using consumer prices published in the International Monetary Fund, International Financial Statistics.

Sources: Mokuolu Rubens & Co. Opportunities Industrialization Center, Balance Sheet with Accounts at 30th September, 19(84-86).

Figure IV-4. Lesotho OIC: The Annual Recurring Cost per Vocational Completion, FY 1984-FY 1986

(In Maloti unless otherwise specified)

	FY 1984	FY 1985	FY 1986
Total recurring costs ^a	243,742	268,178	268,705
Number of vocational completions	72	61	76
Nominal cost per vocational completion	3,385	4,396	3,536
Cost per vocational completion in FY 1984 Maloti ^b	3,385	3,874	2,651

a. Excludes from total fiscal year expenses, as stated in the audits cited below, all non-recurring expenses, salaries and benefits of ETMD staff, portions of salaries and benefits of staff who spend some of their time managing or working on ETMD matters, and a proportion of all other, non-personnel expenses.

b. Adjusted using consumer prices in the International Monetary Fund, International Financial Statistics.

Sources: Lucas, Tucker & Co., Lesotho Opportunities Industrialization Center, Report on Examination of Financial Statements and Program Results Review at September 30, 19(84-86) and for the Year then Ended.

management offices were separate from its training facilities. The physical separation led to inadequate linkages between administrative leadership and operations staff. The move to a consolidated facility was necessary for the long-term effectiveness of the training program.

From its inception until the move, Lesotho OIC shared the physical facilities of Lerotholi Technical Institute (LTI), having free access to some of LTI's classrooms, workshops, and training equipment. Also free of charge were water, electricity, and maintenance of facilities and workshop machines. With the Government of Lesotho's support through a loan from the World Bank, Lesotho OIC was able to move into its present complex, built specifically for its use. The move to its new facilities, while necessary and desirable, increased the program's financial obligations. These obligations were extended further with unanticipated salary increases which Lesotho OIC was obliged, as a government-funded organization, to adopt. The move also temporarily disrupted training, resulting in a decrease in the number of vocational completions in FY 1985.

The program recovered from the relocation-related disruptions by FY 1986. Recurring costs were relatively unchanged from the FY 1985 level, and the number of vocational completions increased 25 percent. The net result was an almost 20 percent decrease in the nominal cost per vocational completion, and an even greater reduction, 31 percent, in inflation-adjusted terms.

e. Togo OIC¹

Togo OIC is OICI's oldest and largest agricultural training project. Since its founding in 1976, Togo OIC has concentrated its efforts on the training of village-level subsistence farmers, focusing primarily on young farmers. With the Phase II funding by USAID, the design of the program called for a shift of emphasis from the training of young farmers to the training of trainers -- extension agents and instructors at other farmer training centers.

However, the training of young farmers, an eight-month, six-component curriculum, remained Togo OIC's major farmer training effort in terms of person-weeks. In terms of the absolute number of trainees, however, extension agents constituted the largest group until recently when short-term training for extension agents was suspended due to policy review by the Government of Togo and the World Bank. The program also provided a one-week, post-graduate training program for settled Togo OIC graduates and settled graduates of other programs; a one to four week training program for students of the National Institute of Agriculture Training; a 12-week intensive animal husbandry course for interested individuals; and center-based, one-week courses combined with biweekly off-site training visits for adult farmers.

1. The findings recounted in this subsection are based on the November 1986 evaluation report, Mid-Term Evaluation of Phase II, OIC Togo Agricultural Extension and Training Project.

Figure IV-5 presents the Togo OIC FY 1984-FY 1986 estimated cost per trainee, with and without the cost of OICI's Technical Cooperation Team (TCT) added in, for six different trainee categories. The same figure also provides a corresponding annual average for all categories of trainees. Appendix D describes the methodology used by the Togo OIC evaluation team for computing these costs. The young farmers' training course is invariably the most expensive, at a three-year average of \$4,067 with TCT costs included, or \$3,751 if excluding TCT costs. The three-year average cost per trainee is substantially less for special animal husbandry trainees (\$970) and off-site assistance to former OIC trainees (\$796). There is another sharp drop to a three-year average of \$165 for seminar participants. More than 90 percent of the seminars were for government extension agents; the remainder were conducted for adult farmers' and farmer trainees. The cost per trainee declines to \$101 for one-time, ad hoc, special needs assistance, and \$85 for village-based assistance to adult farmers.

As shown in Figure IV-5, the per-trainee cost of the eight-month young farmers' course has declined by CFA 212,056, or \$643 (at the November 1986 exchange rate of CFA 330 per US dollar) since FY 1984. Accordingly, based on the group of 44 young farmer trainees in FY 1986, the Togo OIC program effected economies of \$28,292 in the same fiscal year. During the November 1986 evaluation, project management reported a major rethinking of the structure of the young farmers' training program. The revised training model would reduce further the cost per trainee, while increasing the number of beneficiaries from 40 to 80 trainees per year.

Figure IV-5. Togo OIC Estimated Cost Per Trainee,
FY 1984-FY 1986

	Young farmers	Seminars	Special animal husbandry trainees	Adult farmers off-site	Former trainees	Ad hoc assistance	Year average for all trainees
<u>FY 1984</u>							
Without TCT							
CFA	1,700,165	45,827	479,007	25,580	220,364	20,585	415,255
US dollars ^a	3,864	104	1,089	58	500	47	944
With TCT							
US dollars ^a	4,055	109	1,141	61	525	48	990
<u>FY 1985</u>							
Without TCT							
CFA	1,618,359	55,086	329,270	35,482	395,268	31,534	410,833
US dollars ^b	3,451	117	702	76	843	67	876
With TCT							
US dollars ^b	3,769	127	771	82	920	73	957
<u>FY 1986</u>							
Without TCT							
CFA	1,488,109	88,629	354,264	32,369	273,678	42,370	379,903
US dollars ^c	3,937	234	937	86	724	112	1,005
With TCT							
US dollars ^c	4,378	258	999	111	944	181	1,145
<u>Average FY 1984 - FY 1986</u>							
Without TCT							
CFA	1,602,211	63,181	387,514	31,144	296,437	31,496	401,997
US dollars	3,751	152	909	73	689	75	942
With TCT							
US dollars	4,067	165	970	85	796	101	1,031

Note: Costs are given for the full training period for each category -- not per training week. Computations which include the TCT indicate the cost to AID per trainee.

a. \$1 = 440 CFA

b. \$1 = 469 CFA

c. \$1 = 378 CFA

Source: Mid-Term Evaluation of Phase II, OIC Togo Agricultural Extension and Training Project, November 1986, p. 49A.

In the case of the seminars, per-trainee cost steadily increased in terms of both CFA and US dollars. Trainees participating in seminars used to account for about one-half of Togo OIC's trainees. The increase in costs between FY 1984 and FY 1985 is attributable to a four-fold increase in the use of local consultants. The increase between FY 1985 and FY 1986 stemmed from a combination of predominantly fixed costs and a significant decrease in the number of seminar participants.

The CFA cost per former OIC trainee who benefitted from Togo OIC's follow-up support services also reflected a sharp increase -- 80 percent -- between FY 1984 and FY 1985. This increase resulted from Togo OIC's efforts to assist many of its graduates in resettling at the 1,900-acre plot at Agoto. This piece of land was donated to Togo OIC by the local communities.

Overall, the per-trainee cost for the average of all trainee categories has declined CFA 35,352 or \$107 since FY 1984. The Togo OIC evaluation team's discussions with the TCT and Togo OIC staff indicated that "this decline has been effected deliberately (especially that for young farmers), and that further economies are being attempted through experiments with small villages guided by former trainees."¹

In its November 1986 report, the Togo OIC evaluation team addressed the question of whether the various per-trainee costs are reasonable. The team, having assumed the

1. The term small village -- as used here -- relates to a proposed training model according to which trainees would be organized into units resembling small villages. These units or small villages are to be located inside the Togo OIC training center and demonstration farm.

merit of Togo OIC's program directions (to assist in the training of trainers and to serve beneficiary groups, such as disadvantaged and often landless youth and other rural poor -- objectives squarely consistent with AID and Government of Togo priorities), concluded from its on-site investigation that:

Project activities are not being conducted in a deliberately nor a negligently wasteful fashion. There is an effort, largely successful, to execute project activities as cheaply as possible to produce an acceptable result. The present high average per-trainee cost stems mainly from the young farmers' training. Training the untrained is an inherently expensive activity for much the same reason that infants command the most nutritious food. Accordingly, the present cost is not necessarily unreasonable.

4. Cost Per Trainee: Comparing the OICs With Other Training Institutions

One method for ascertaining the reasonableness or cost-effectiveness of the current cost per trainee at the OICs is to compare it with the corresponding cost at similar institutions or programs that serve the same clientele for the same purpose, whether or not by the same method. At the request of AID/Washington's FVA/PVC representatives who took part in developing the scope of work for this evaluation, some non-OIC training institutions were visited and information gathered for cost comparisons. The information sought included program features, number of students enrolled, duration of training, and annual recurring costs.

Unfortunately, there was no comparable institution or program with a predominantly practical focus that concentrates on training unemployed/underemployed school leavers

and dropouts. To varying degrees, the non-OIC institutions differ from the OICs with respect to beneficiaries, training duration, scope and methodology, and overall training objectives, in addition to the differences in organizational philosophy and operational strategy.

In general, the training programs at the non-OIC institutions are limited to students with a secondary school certificate, in contrast to the OICs, whose target beneficiaries are school leavers and dropouts who may or may not have any certificate or diploma. In addition, a majority of the non-OIC training institutions offer courses ranging from two to four years in duration; OIC training is normally completed within a twelve- to fifteen-month period. The OIC curriculum aims at developing entry-level skills for job placement purposes; most other institutions prepare their students primarily for public examinations up to two grades or levels higher. As a result, the training at OIC is much more practical than elsewhere. Moreover, none of the other training institutions offer the extensive student support services provided by the OICs -- orientation, pre-vocational and motivational training, ongoing student counseling, and job placement and follow-up.

Most of the information gathered on the programs of non-OIC training institutions was obtained through on-site visits and interviews during the course of the evaluation. All cost-related data were verbally conveyed to the evaluators during the interviews. Financial records were not made available for verification and in-depth analysis. Neither were they reflected in the prospectuses given by three of the institutions visited.

Figure IV-6 summarizes the information gathered on non-OIC institutions and contrasts it with the corresponding data on OIC programs, including cost per trainee. The cost comparisons shown in Figure IV-6 should be used only with great caution. As was stated, cost data of other institutions were provided verbally and could not be verified. The possibility also exists that some cost figures were understated. At one of the institutions visited, five expatriate members of the management and instructional staff were paid directly by outside agencies. As a result, their salaries and benefits were not included in the recurring cost information presented in Figure IV-6.

The comparisons do not indicate parity in the readiness of the graduates for their crafts, or that a graduate of one institution is generally of a better entry-level caliber than another. However, the impact surveys, discussed in detail in Chapter III, determined that OIC graduates did bring with them to the workplace the practical skills and technical knowledge needed to enter their trades. Significantly, they did so after a shorter period of training; and they undertook that training with less academic qualifications than had been achieved by trainees of other institutions. The paragraphs that follow focus on some of the specifics related to the comparisons in Figure IV-6.

a. Liberia

Liberia OIC in Monrovia offers vocational technical training in a variety of skill areas requiring from nine to twelve months for completion. Most of its trainees are in the nine-month courses. The Monrovia Vocational Training Center (MVTC) also provides a wide range of skills training

Figure IV-6. Monthly Recurring Cost per Student Enrolled, Non-OIC Training Institutions and OIC Programs, 1986/87

Country/training institution	Minimal education requirement	Features	Current enrollment	1986/87 monthly recurring cost per student enrolled ^a		
				Non-OIC institute		OIC program ^b
Liberia Monrovia Vocational Training Center	High school graduate certificate	.60% practice .40% theory .3-year program 1 year vocational instruction 2 years monitored apprenticeship	115	175	Liberian dollars	146
Ghana Accra Technical Training Center (block release program)	Middle school leaving certificate	.4-year program with 22 weeks of instruction in years 2 and 3; employed by sponsor as an apprentice for the balance of the time	450	3,050	Cedis	6,656
YMCA	Middle school leaving certificate	.70% practice .30% theory .4-year program; 2½ years on the job and 1½ years of instruction	50	2,500	Cedis	6,656
National Vocational Training Institute	Middle school certificate and passing of entrance examination	.4-year program; 3 years on-the-job and 1 year of instruction .70% practice .30% theory	6,500	16,667	Cedis	6,656

Continued...

Figure IV-6. Continued

Country/training institution	Minimal education requirement	Features	Current enrollment	1986/87 monthly recurring cost per student enrolled ^a		
				Non-OIC institute		OIC program ^b
Nigeria						
Cbare Institute of Vocational and Management Education	Junior secondary school certificate or passing of admission test	Most classes are 3 years with no on-the-job training	2,180	133	Niara	14
Industrial Training Fund	Junior secondary school certificate	3-year program with years 2 and 3 full-time instruction and year 2 on attachment	127	113	Niara	14
Lesotho						
Lerotholi Polytechnic	Passing of school's aptitude test with other qualifications varying by chosen course of study	Most 2-year but some 3-year programs, depending upon course	600	181	Maloti	400

a. Data are rounded to the nearest whole number.

b. Training duration at the OICs averages between 12 and 15 months; for training duration of non-OIC institutions, see "Features" (third column).

but in the form of three-year programs. One year is for training at MVTC facilities. The remaining two years are for an off-site monitored apprenticeship program for which no expenses are incurred by the school.

Cost per trainee enrolled at Liberia OIC is 1,754 and 1,315 Liberian dollars for the twelve- and nine-month courses, respectively. As mentioned above, most of Liberia OIC's trainees are in the nine-month courses which account for four of the six skill areas in which training is conducted. MVTC, on the other hand, reported its annual per-trainee cost to be 2,100 Liberian dollars, i.e., 19-59 percent higher than Liberia OIC's annual per-trainee cost. (According to the officials interviewed, the training completion rate at MVTC since its inception has been about 60 percent; virtually all trainees of Liberia OIC's vocational component completed their training.)

b. Ghana

Ghana OIC's Center in Accra offers vocational technical training in nine skills areas. On the average, the training requires 9 months in five of these areas and 12 months in the other four. It costs between 59,904 and 79,872 Cedis for an Accra Center student to complete 9-12 months of training at the Center's facilities. Three other training institutions were visited in Accra. The annual cost per student enrolled at these institutions ranges from 30,000 to 200,000 Cedis. However, the training at all three of these institutions requires four years to complete, combining classroom instruction and on-the-job training. As a result, the cost to complete the training at any one of these institutions would be comparable to, if not greater than,

the per-student cost to complete vocational training at the Accra Center. Data from an unpublished survey undertaken by Ghana's National Vocational Training Institute in 1987 indicate that the Accra Center's costs are well within the average per-student cost for a one-year course leading to a Tradesman Grade II certificate, i.e. 52,200 Cedis for masonry and 72,200 Cedis for carpentry.

c. Nigeria

Nigeria OIC has vocational training in five skill areas, each of which requires an average of 12 months to complete. Nigeria OIC's annual recurring cost per student enrolled is 165 Niara compared with 1,350 Niara at one institution and 1,600 Niara at a second institution. It costs, therefore, 16 and 30 times more to complete coursework at the two other institutions visited than at Nigeria OIC.

d. Lesotho

Lesotho OIC's vocational technical training covers four skill areas, each of which requires 9 to 12 months for completion. The training costs between 3,598 and 4,798 Maloti per trainee.

The student cost per year at Lerotholi Technical Institute (LTI) was estimated at 2,170 Maloti. However, because the training is longer, cost per completion varies; it ranges between 4,340 and 6,510 Maloti for a two-year and a three-year course, respectively. As indicated earlier, LTI's cost figures were underestimated due to the exclusion of salaries and benefits of expatriate members of the management and instructional staff.

Overall, it costs less to prepare an OIC trainee to enter the world of work. This conclusion was also reflected in a 1984 evaluation report on Lesotho OIC.¹

e. Togo

During the November 1986 program evaluation of Togo OIC, a comparison was made between the National Institute of Agricultural Training (NIAT) and Togo OIC's young farmers' training program with respect to their costs per trainee.

NIAT's data indicated that its per-trainee cost was about CFA 192,669 per month, or CFA 1,541,352 for an eight-month course. These estimates include the cost of expatriate instructors, a permanent feature in NIAT's instruction, but they exclude the cost of temporary technical assistance equivalent to OICI's TCT approach.

The cost per trainee of Togo OIC's eight-month young farmers' training program in FY 1986, excluding TCT costs, was CFA 1,488,109, which is about 3 percent less than NIAT's. The November 1986 evaluation report pointed out that, arguably, the training at NIAT should have been less expensive because its students had higher academic achievements prior to enrollment, and its programs -- primarily theoretical -- do not require the amount of equipment and supplies entailed in the practical work which is the predominate feature of Togo OIC.

However, as mentioned by the evaluators in November 1986, Togo OIC and NIAT have some similarities, as well as

1. Nat Engel, et al., Lesotho Opportunities Industrialization Center: End-of-Project Evaluation, December 1984.

some significant differences. They further pointed out that they had insufficient bases for a meaningful comparison; all that the existing data showed was that Togo OIC's per-beneficiary cost was not out of line, even for its most expensive category of trainees (young farmer aspirants), once the decision has been made to provide training to the rural poor and their trainers. In addition, the implementation of Togo OIC's proposed changes in its young farmers training structure/organization was expected to reduce further its per trainee cost.

f. Conclusions on Costs Comparison

The comparison above contrasted the per-trainee costs of the OICs with those of selected training institutions which bear some similarities to the OIC programs. As already discussed, these institutions also differ from the OICs in several respects. A perfect case for comparison, therefore, did not exist. However, the data available do suggest that, in general, the OIC programs' cost per beneficiary is comparable to, if not considerably less than, the corresponding costs at other institutions in their respective countries.

Given that the key objective is to prepare trainees to enter the world of work effectively, an additional conclusion can also be made. The data available indicate that the OICs are less expensive for this purpose than other institutions, in part because the duration of training is shorter. In regard to whether OIC trainees are effectively prepared for their trades, the impact surveys that were conducted during this evaluation already provide an overall picture of OIC vocational graduates' on-the-job performance -- generally

rated average or above average by their employers/supervisors. Significantly, they were also rated better than other entry-level workers by 71 percent of the employers/supervisors interviewed, and their starting wages were 16 to 66 percent above minimum wage. The effectiveness of OIC training was equally demonstrated by the considerable satisfaction of OIC agricultural graduates with what was taught, and by their capacity to implement successfully the techniques learned -- as in the cases of Liberia OIC graduates in Foya, who were interviewed during this evaluation, and Togo OIC graduates visited by the November 1986 evaluation team.

It is necessary to emphasize again the type of trainees who make up most of the OICs' beneficiaries. They consist of unemployed and underemployed school leavers and dropouts who have neither the skills necessary to secure employment, nor the qualifications required for admission to local technical training institutions, nor the financial means. OIC programs are their last resort.

In training the unskilled -- particularly those unacceptable to other institutions -- the OICs have accepted a formidable challenge. They train not only the untrained but also those regarded as untrainable. The impact surveys during this evaluation indicated a tremendous success in the OICs' undertakings, achieved at a cost comparable to -- if not considerably less than -- the costs of other institutions that generally operate in much more favorable conditions. It is possible, therefore, to conclude that the OICs are cost-effective in performing their mission.

5. Assessment of Staff Awareness of Cost-Effectiveness Issues

For a development program to utilize its resources in an efficient and effective manner, key management staff members -- executive directors, program and training managers, finance officers -- must be aware of the cost-effectiveness issues pertaining to their programs' operations. This awareness was determined through a series of questions posed to staff members of the OIC programs visited during this evaluation. A summary of the questions and staff responses will be presented toward the end of this Section.

In general, the management staff of the OIC programs are aware of cost-effectiveness considerations. Such an awareness is reflected in three critical areas. First, management staff members concur with the viewpoint that it is their responsibility to make maximum use of the resources at their disposal, and consequently to ensure that all classes operate near or at full capacity. Second, operating budgets are reviewed and adjusted periodically, and expenditures are closely monitored, including a comparison between planned and actual expenditures on a regular basis. Third, staff resources are properly selected, in most cases, and their duties assigned according to program needs and individual staff member's qualifications.

However, the programs can determine their cost-effectiveness better and, probably, plan their operations better if the cost per trainee is calculated on a regular basis, to complement the estimates provided by OICI and external evaluators during periodic evaluations. Regular cost-per-trainee analysis should be added to the programs'

current laudable efforts to control their budgets while striving to achieve their targeted levels of training completions and job placements.

OICI has made a concerted effort to increase the awareness of cost-effectiveness issues among the various OIC program staffs. Evidence of this is reflected in OICI's field program support plans and activities: (1) cost-per-trainee estimates are developed on a regular basis during each program evaluation; (2) cost-effectiveness study methodology was discussed in a workshop during OICI's March 1987 Technical Assistance Conference in Sierra Leone, where two manuals¹ on cost effectiveness by Robert R. Nathan Associates (RRNA) were distributed; and (3) OICI plans to incorporate cost effectiveness into its future staff development program for the affiliate OICs, through additional conference workshops, field support TDY visits, and regular communications with field programs on this particular topic.

The rest of this Section summarizes the evaluation questions and staff responses in relation to staff awareness of cost-effectiveness issues in the OIC programs visited.

Do you consider it your responsibility to stretch program resources as far as possible? This question was answered affirmatively by all. Those expanding on their answers indicated that they saw this as a responsibility shared by others in management.

1. Robert R. Nathan Associates, Inc., Cost-Effectiveness Manual (Prepared for Opportunities Industrialization Centers International, Inc.), August 1986 and The Cost-Effectiveness Analysis Field Manual, (Prepared for the Office of Private and Voluntary Cooperation, U.S. Agency for International Development and distributed by PACT), November 1986.

Is it important to keep enrollments near class capacity? Is there a cost associated with delays in moving students from orientation to feeder and from feeder to vocational training? The answers to both of these questions were unanimously affirmative. Most interviewees expanded on their answers by indicating their use of management and control tools such as the Program Performance Tracking (PPT) system and MIS reports, including the attendance analysis report, to alert them to potential problems in these areas. Some pointed out that class overcapacity had more often been a problem than undercapacity. Action had been taken to reduce classes to capacity levels as overcapacity was deemed to be a threat to effective training.

Do you review and adjust your budget periodically? Do you compare budgeted to actual expenditures? With one exception, the upper- and middle-level managers interviewed said that they reviewed and adjusted their budgets periodically. The one exception said that his budget was so extremely tight that adjusting it was an unattainable luxury. Most managers said that they compared budgeted to actual expenditures at least quarterly; some made comparisons monthly. The exceptions were some middle-level managers who said either that financial information was not made available to them on a regular basis, or that such reviews and comparisons were handled by the Executive Director, the finance staff, and members of the Board of Directors.

Does vocational training increase the trainees' lifetime earning potential? Are students' earnings tracked or monitored? Everyone answered that they believed that the trainees' lifetime earning potential was enhanced by the program's vocational training. This positive response is

corroborated in the program impact analysis in Chapter III. Many interviewees pointed out that even when trainees were placed in jobs that earned a starting wage little more than the minimum wage, their training later enabled them to find a position with a regular income despite the national economic situation of high unemployment and significant personnel redundancy cuts by the government. Two middle-level managers in two different programs were not aware of whether students' earnings were tracked. One program not only maintained adequate records on placed trainees' starting wages, but collected wage data on graduates who had been gainfully employed for at least one year. This program also pointed out in its literature that the combined earnings of its graduates have contributed to the economy through purchases of goods and services and through income taxes.

Do you compare, at the same time, student enrollments or completions to expenditures? Managers of three of the four programs said that they did not make such comparisons, and the managers of the fourth program said that they were not systematic in making such comparisons.

6. Financial Control and Monitoring
the Use of Scarce Resources

Cost effectiveness requires, in addition to the awareness of related issues, sufficient financial control and monitoring of the use of scarce resources. Overall, the OICs are particularly conscientious about regulating, controlling, and following up the use of their programs' financial and other resources. These activities were demonstrated by the existence and implementation of standard financial, administrative, and other operating procedures.

However, individual programs differed markedly in some of their control practices, apparently as a result of different management styles. A few examples are provided below to highlight some of the positive experiences that were observed during this evaluation.

All of the four programs visited generate standard financial information on a regular basis. This information is distributed to the Board of Directors and to top management. Each individual program varies somewhat in the level of detail and frequency with which financial information is distributed, and the number of managers to whom such information is made available, as well as the number of individuals who are brought into the budgeting and financial decision-making process.

Ghana OIC has the most open management style and most widely shared financial information and associated decisions. Ghana OIC also has the tightest financial controls and is the program which most closely monitors the use of scarce resources. For example, Ghana OIC's National Office and its training center in Accra maintain detailed vehicle logs and a weekly schedule for the use of program vehicles by various staff members. The competing demands for the vehicles are properly addressed. Staff members in need of transportation for program-related matters feel that they have adequate access to program vehicles. The same situation reportedly exists in Ghana OIC's training centers in Kumasi and Sekondi-Takoradi. Such a strict control of vehicle use was not observed in two of the other three country programs visited. One of the programs did not have any vehicles.

Ghana OIC's program managers in Accra, Kumasi, and Sekondi-Takoradi develop their own annual budgets and meet

as a group with the Executive Director and the finance staff to develop Ghana OIC's program-wide budget. Managers are regularly informed about the expenditures against their budgets. This process seems to instill a financial conscientiousness partnered with a common goal of making optimum use of program resources. Ghana OIC also has a strong office and training equipment inventory system and is well along in logging and valuing its fixed assets -- an activity recommended by the independent auditing firm, Lucas, Tucker and Company.

Of the programs visited, those with a more closed management style have more centralized financial management control. Middle-level staff of these programs, who are responsible for planning the acquisition and use of program resources, feel that they lack the financial information needed to make informed decisions. The burden of review and control, therefore, is concentrated at the top management level.

It was observed also that the programs were capable of adjusting their internal controls to achieve greater efficiency. Most illustrative is the case of Nigeria OIC, which experienced a substantial increase in program revenue by developing improved procedures to collect voluntary contributions from the parents or guardians of trainees. These contributions currently constitute most of Nigeria OIC's revenue. Following the adoption of the new procedures, the programs' records showed a 217 percent increase in contributions between FY 1984 and FY 1986, even though trainee enrollments increased only 72 percent and the requested amount of the monthly contribution remained unchanged during the same period.

Overall, the programs visited showed adequate financial control, ensured by generally sound procedures and a keen concern with the proper use of resources at both managerial and operational levels. Most evident was the limited amount of financial resources at their disposal and the programs' efforts to expend them with care and accountability. With the exception of Nigeria OIC, which was out of the mainstream of OICI's support services until FY 1984 (the first year of the current Cooperative Agreement Grant from AID to OICI), the system of financial management and control introduced by OICI was still in effect although modified to varying degrees by individual programs to meet local changing needs.

Most helpful to the programs in maintaining adequate financial management and control has been the independent annual program and financial audit initiated by OICI with funds provided by the current Cooperative Agreement Grant. The exception is Nigeria OIC, which was scheduled for audit by local firms and at the program's own expense. TDY support visits by OICI's finance staff were also of significant assistance, as were the workshops on finance during the March 1986 African Development Conference in Togo.

The positive performance in financial management and control was also noted in the case of Togo OIC, by the November 1986 evaluation team. According to the evaluation report, Togo OIC's financial control was found to be more than adequate. The program's administration and finance division prepared annual budgets for the program as a whole, and for each administrative division. The program has developed a well-constructed planning tool that enables management to easily inject various programmatic hypotheses into a budget format to ascertain the effect of a given programmatic change on overall cost.

Common to Togo OIC and the programs visited during this evaluation is the need to disaggregate the general cost categories according to the type of activities for which they are expended. The personnel costs related to training, for example, should be separated from those of general administration or revenue-generating projects. The aforementioned cost disaggregation will enable the management of each OIC program to understand better the impact of various activities on the overall cost level. More importantly, it will provide program management with a sounder basis for making informed decisions on the allocation of financial resources, as well as the choice between alternative areas of program endeavors.

7. Economic Ventures: Review and Assessment

The Liberia, Ghana, and Lesotho OICs are undertaking activities, above and beyond community fund-raising, that are intended to generate revenue to support their programs. Nigeria OIC is planning to undertake such activities. These endeavors differ greatly in their scale, level of risk, complementarity to the programs' principal focus -- vocational training -- and likelihood of generating net profits.

The economic ventures pursued by these African OIC programs can be classified into three categories -- student contracts, fee-for-services contracts, and separate enterprises. As each of the categories is different, the standards for judging "success" also vary. The standards should be higher and more restrictive, in a business sense, as the amount of capital invested and the risk level increase. The same applies to economic ventures that do not directly complement training activities.

Trainee contracts provide practical experience and no-cost access to training materials. They are successful to the extent they cover the costs incurred by the trainees or the OIC program in pursuing and executing them. Fee-for-services contracts are successful to the extent that the fee charged compensates the program for all direct costs and staff time, and nets the program some revenue. In addition, they should not expose the program to undue risk. The third category -- separate enterprises -- generally involves more capital and higher risks than the other two categories, and does not always complement the vocational training activities, e.g., a photocopy service and a gasoline station. In terms of performance, the separate enterprises are expected to be self-sustaining and to contribute substantially to the operating budget of the vocational training programs. They need to be operated as going business concerns with a profit motive. Furthermore, they require management resources, training of personnel, and a business perspective not yet in evidence in the programs visited.

Although economic ventures constitute only a small part of each OIC program's current undertakings, the increasing interest in them as a source of additional revenue makes it necessary to review and derive lessons from past ventures. For this purpose, a detailed and extensive analysis of program experiences with each type of economic venture is provided in the subsections below.

a. Trainee Contracts

Ghana OIC and Lesotho OIC are currently undertaking student contracts. These contracts use trainee labor under the supervision of OIC instructors. They provide trainees

with valuable practical experience by involving them in a variety of projects from start to finish. For example, in construction, the trainees use the drafting skills which they have learned and see where their specialization, e.g. plumbing, fits into the construction process and the finished product. The practical experience offered by this type of economic venture is particularly important at present, as the OIC programs are facing severe problems in securing adequate consumable training materials, such as timber and bricks, because of financial constraints and local shortages of materials. These trainee contracts provide the program and the trainees with access to valuable training materials purchased by those who contracted for the trainees' services.

The programs concerned assign specific members as contract managers to screen and manage these contracts. They estimate all costs so that all out-of-pocket expenses are met and a fee can be properly determined to recover the investment in workmanship, supervision, and student labor. The contract managers work with the vocational instructors to determine whether to undertake the contract, and, if so, to determine the type and cost of materials needed; the types, number, and days of labor and supervision required; the machinery to be rented; and the cost of transporting a work crew to and from the site. The labor is normally priced at a reduced rate -- about 25 percent below market value in one program -- to account for the fact that trainee labor with limited experience is being used. Ghana OIC and Lesotho OIC closely monitor the rates charged by other vocational programs competing for the contracts.

At Ghana OIC, Special Projects Officers (SPO) manage the operations of each local program's economic ventures.¹ They assume a number of responsibilities including identifying outlets for and promoting the sale of marketable products of trainees, and canvassing for trainee services contracts and assisting in the preparation of contract estimates. The SPOs submit a three-part monthly operations report that details the activities undertaken (number of organizations contacted, and the number and value of contracts received), financial progress, and progress on projects under development. Each local program finance officer undertakes a monthly audit review of all economic ventures, and the financial controller conducts such a review on a quarterly basis.

Of the two programs having trainee contracts at the time of this evaluation, only Ghana OIC generates routine and detailed financial reports on such contracts, as described above. Understandably, Ghana OIC has a long history of trainee contracts, particularly in the construction area. Its system of contract development and management is an example worthy of replication in programs engaging in similar activities.

However, both the Ghana and Lesotho OIC programs met the standard of "success" defined earlier: revenue from the contracts was adequate to cover the costs of pursuing and executing them. The programs also gained in terms of on-the-job training opportunities and no-cost access to training materials for their trainees, and in additional discretionary funds that helped to improve each program's cash flow position.

1. Ghana OIC has three training centers -- Accra, Kumasi, and Sekondi-Takoradi. Each of these centers has economic ventures.

b. Fee-For-Services
Contracts

At the time of this evaluation, one of the programs visited -- Lesotho OIC -- was engaged in two fee-for-services contracts; another program -- Liberia OIC -- was finalizing plans for one such contract.

In the case of Lesotho OIC, a contract was ongoing with the ILO to provide small business training for self-employment to refugees sponsored by the UNHCR. Lesotho OIC was awarded this contract by the ILO, after being assessed along with other local training institutions. However, at the time of this evaluation, the contract reportedly was under review due to planned changes in ILO/UNHCR strategy. The evaluation effort was concentrated, therefore, on the second fee-for-services contract undertaken by Lesotho OIC. This contract is related to Lesotho OIC providing small business training and credit management services to a group of entrepreneurs in the up-country rural community of Semonkong. Some of the key aspects of this contract are described below.

The Semonkong project was initiated as a German-funded development project¹ under the auspices of the Ministry of Interior, Government of Lesotho. During the course of project development, the Ministry of Interior designated Lesotho OIC to assume the responsibility of project implementation according to plans finalized by the German donor source in collaboration with the Ministry.

1. The project is called Small-Scale Business Assistance Programme - Credit Scheme; it is part of a larger undertaking known as the Rural Development Centre Semonkong Project. The term Semonkong project, as used in this report, is limited to the scope of activities assumed by Lesotho OIC.

In line with the Semonkong project design, Lesotho OIC conducted entrepreneurial training and some limited vocational technical training for a group of Semonkong entrepreneurs. In addition, Lesotho OIC collaborated with the donor source and the Ministry of Interior in selecting 14 individuals from among those trained to be the beneficiaries of a revolving credit program for which funds had been allocated.¹

At the time of this evaluation, Lesotho OIC was providing follow-up services to the loan recipients, as well as monitoring and enforcing their compliance with loan terms. The follow-up services include technical assistance in business management and bookkeeping. Lesotho OIC's involvement will continue to span the entire five-year loan repayment period, i.e., until about 1992.

Lesotho OIC was compensated for the staff time and expenses associated with the initial training. However, with the exception of up-front payment for out-of-pocket expenses including transportation costs, Lesotho OIC has not been fully compensated for the staff time and efforts in selecting loan recipients and providing ongoing support and management services.

However, per contractual terms related to the program's involvement, Lesotho OIC receives rent payment from a bank in Semonkong that uses the building facilities intended as a source of revenue for the project under implementation by Lesotho OIC. The program will also receive, at the end of the loan repayment period, what is left in the project's

1. The budgeted amount for the credit-scheme loans is an indirect grant to Lesotho OIC.

account, including interest earnings, after placing the original principal amount in a new revolving loan fund account.

On the liability side, Lesotho OIC is to absorb the costs of any loan default, of which there have been two. The evaluator from RRNA prepared an estimate of the costs and benefits (from a monetary viewpoint) of the Semonkong project over its life, based on the information provided by Lesotho OIC staff managing the project, and on some conservative assumptions about future interest rates on the project's bank account. Assuming no additional loan defaults and that the interest rate remains at the current level, Lesotho OIC would net over US\$13,000 (at current exchange rate) in early 1992, i.e., by the end of the loan repayment period. Staff time and efforts were taken into account as cost factors in this estimate.

In this projection, any more defaults, particularly if they occur early in the repayment period as the first two did, would significantly erode the expected net revenue. Fortunately, it is more likely than not that this contract will work out to the program's benefit, compensating it for out-of-pocket expenses and time-input and most likely netting revenue. This analysis, however, illustrates some aspects of return-to-investment that did not receive adequate consideration in the early stage of the project. Most important was that not all staff time and efforts were factored as costs and expressed in monetary terms.

Understandably, Lesotho OIC had little choice but to accept the responsibility assigned to the program. However, better contractual terms might have been achieved, or a more

proportionate compensation level obtained, if all cost elements were clear from the beginning to all parties concerned. An acknowledgement should be made of the estimates provided by Lesotho OIC management during this evaluation, pointing to a satisfactory revenue from the Semonkong project. However, it was not evident that all management and administrative costs have been accounted for.

These observations do not negate the non-monetary benefits of the project: a remote rural community being served, increase in local entrepreneurial and business skills, increase in income-earning capacity of the beneficiaries and attendant multiplier effects, and experience gained by Lesotho OIC staff that can be useful to their future endeavors in similar undertakings.

The following review of Liberia OIC's planning for a fee-for-services contract, while this evaluation was underway in Liberia, will illustrate some of the points made above.

When the evaluation team visited Liberia OIC in Monrovia, the program's Executive Director was preparing a quotation on a employee training program requested by the Liberia Water and Sewer Corporation. Liberia OIC would provide training, three to six months in duration, to between five and 50 participants -- depending on the courses -- in the areas of auto mechanics, electrical maintenance, machine maintenance, and plumbing. The Executive Director indicated that he would calculate the quotation based on direct costs, e.g., those related to teaching and training materials and utilities; and the estimated number of hours of instructors' preparation work and teaching, at a cost per

hour which takes into consideration management and administrative time required by the project (in a sense, overhead cost). Also incorporated in the quotation will be a fee above all costs. The team believes that this is a well-reasoned approach to costing a fee-for-services contract. The fee charged will compensate the program for all direct costs and the time and services of instructors as well as management and administrative personnel. It will also enable the program to net a satisfactory revenue. Undertaking such a contract does not expose the program to any undue risk.

c. Separate Enterprises

Two of the programs visited -- Ghana and Liberia OIC -- operate income-generating ventures, some of which are in the form of limited liability companies that are independent of the "philanthropic" vocational training programs. This separation is important for the sound operation of the companies as business ventures. The separation also allows the companies to distribute their net proceeds tax free to the non-profit training programs.

Following the cessation of USAID funding, Ghana OIC intensified its earlier initiatives to secure alternative funds for the continuation of the program's training activities. One such initiative was the decision to establish a limited liability company known as Opportunities Self-Reliance Investment Foundation (OSIF). Currently, OSIF manages several economic ventures, including a gas station, a beverage dispenser, an ice cream business, and a photocopying business. These ventures are expected to be viable and to provide additional finances in support of the vocational training programs.

Since its formation, OSIF has continued to improve its profit performance. Some ventures that once operated at a loss are now operating at a profit. Others have increased the level of their net revenues. Following the recommendations of an evaluation in 1984, Ghana OIC is operating OSIF as recommended "with closer, business-oriented analysis, direction, management and control."¹ Following another recommendation of the evaluation cited, Ghana OIC secured some short-term technical assistance from Technoserve/Ghana, an indigenous Ghanaian PVO that fosters small-enterprise businesses and production cooperatives. Technoserve assisted Ghana OIC in developing a management information system for OSIF and in improving management control.

OSIF netted approximately 1,200,000 Cedis in calendar year 1986. The salaries and benefits of OSIF staff, and portions of the salaries and benefits of finance staff who spend some of their time on OSIF matters, had a value of approximately 320,000 Cedis, according to estimates made during this evaluation. After adjusting OSIF's net proceeds to account for personnel costs, the company netted about 880,000 Cedis (US\$5,570 at current exchange rates), an amount equal to about 10 percent of the OIC Accra Center's FY 1986 revenue.

OSIF as a whole is self-sustaining and contributes revenue to Ghana OIC's vocational training programs. One venture, the gas station, accounted for 70 percent of the net proceeds. Some ventures, such as the ice cream and the photocopying businesses, net little more than the

1. Evaluation of OIC Ghana Phase III (Dr. F.A. Lewis, Team Leader), Accra, March 1984, p. 78.

equivalent of a few hundred U.S. dollars. A few ventures operate at a small loss; however, these ventures are small, low-capital, and low-risk. It would not be difficult for OIC Ghana to abandon them, should they continue to be unprofitable.

Two areas were identified during this evaluation for possible improvement in OSIF's operations. One, the salaries of the Ghana OIC National Office OSIF manager and the OSIF managers in the three program centers need to be factored as cost to OSIF. Currently, the salaries of these individuals are absorbed by the budget of Ghana OIC's National Office, not by OSIF's operating budget. The change in cost calculations will enable Ghana OIC and OSIF to assess more accurately the profitability of the economic ventures. Two, use of some simple monitoring tools, such as a logbook for the photocopy machine that would indicate when the machine is operational and when it is down for repair, might assist Ghana OIC in taking more timely corrective actions, and in making the decision to continue or quit one venture in consideration for another that might net a greater profit. Those tools will also help to calculate some of the hidden costs, such as the revenue foregone when the photocopy machine is down.

Liberia OIC presented a quite different activity and experience in the separate enterprises category of economic ventures. Liberia OIC in Monrovia has a Production/Service Unit (PSU), that includes two large workshops, offices, and a showroom. The production side is set up to produce furnishings, toys, and other wood products. The service section of the unit is equipped for electrical appliance repair and automotive servicing.

The PSU was intended to produce revenue in support of the training component of Liberia OIC and, at the same time, to provide on-the-job training opportunities to the program's students. Satisfying these two objectives requires an operational balance that is difficult to achieve. While it is certainly desirable for the program to provide on-the-job training to its students, it is difficult to provide this training and cover the PSU's full operating costs, much less generate revenue to support the vocational training component. The program was unable to achieve this balance in the crucial first months of the PSU.

The funding proposal for the PSU assumed the following course of events. After one year of operations, the unit would be able to absorb its own operating costs, including salaries of personnel. It was to become fully self-supporting in the second year, with revenue at the break-even point, and was expected to net a profit in the third year.

Unfortunately, the PSU opened at a time when there was a significant downturn in the Liberian economy, and a severe shortage of raw materials. It only had one contract within the first few months of its operation. This small contract netted revenue far below the PSU's operating expenses. Expecting this trend to continue, the Board and Executive Director decided, with good sense and courage, to cut their losses by closing the unit in early 1987, six months after it had opened.

Liberia's PSU represents the largest risk and the largest capital investment in an economic venture of any of the four programs evaluated. The Executive Director and

members of the Board have discussed the current situation with OICI and the donor source. They are developing alternative strategies as well as seeking outside technical assistance to ensure that they will be on a better course of action. They are also working on a clear definition of the organizational distinction between the vocational training program and the PSU. The lack of a well-defined demarcation line between Liberia OIC's training component and its production unit has hampered effective coordination and timely as well as sound decision-making needed by the PSU.

Three lessons can be learned from the PSU experience of Liberia OIC. First, co-mingling the training and production objectives reduces the effectiveness of a business venture and its chance of survival. Second, a clear organizational distinction between the training and business components is critical in ensuring the proper performance of each component. Third, the importance of accurately assessing the impact of local economic conditions on a business venture cannot be overemphasized. This assessment is essential to the proper decisions on the type and magnitude of a venture that an OIC program can undertake.

8. Conclusion on Cost Effectiveness of African OICs

These findings point to the conclusion that the four programs visited (a total of six training centers)¹ are

1. The OIC programs that were visited operate a total of seven training centers. The evaluators did not go to one of the centers in Ghana, due to time constraints, hence the total of six was mentioned. Ghana OIC's National Office was not counted as a training center, although it is an important unit of Ghana OIC's structure, where the evaluators spent considerable time discussing program matters with the staff.

cost-effective training institutions. Their cost per trainee compared favorably with the corresponding costs of other training institutions -- at the same level or considerably less. In real terms (inflation adjusted), it has declined during the three-year period under study, FY 1984-FY 1986. Overall, the programs are well managed. Their personnel are aware of cost-effectiveness issues and adopt sound program and financial control systems. Consideration should be given also to their profound impact -- as analyzed earlier in Chapter III -- on target beneficiaries, and the local communities and larger societies in which they operate.

However, their economic ventures need to be reassessed and, in many cases, replanned. Their financial information systems also require review and adjustments to enable a more detailed costing of program activities for planning and assessment.

The cost effectiveness of the OIC programs visited during this evaluation reflects, in some respects, the case of Togo OIC -- the largest agricultural training program of OICI. The report on the in-depth evaluation of Togo OIC in November 1986 provided this evaluation with a substantial amount of data on Togo OIC's cost per trainee, and its comparison with the corresponding cost of a local agricultural training institution. Togo OIC is another program of OICI that generated substantial impact and compared favorably with other training institutions.

C. OIC International

The cost effectiveness of OICI was assessed through an analysis of its activities relative to committed resources, its actual versus planned program outputs in implementing the Cooperative Agreement Grant from AID, and its current strategic approaches to program development and support services. Conclusions on OICI's cost effectiveness also take into consideration field results that were discussed earlier in terms of institutional development (Chapter 11), program impact (Chapter III), and cost effectiveness of OICI's programs in Africa (Chapter IV; Section B). These aspects are integral parts of the composite picture of OICI as an organization.

1. Activities Relative to Committed Resources

OICI's program development and support activities increased significantly between FY 1984 and FY 1986. The number of field programs served has actually doubled, from the four programs stated in the FY 1984 Cooperative Agreement Annual Report submitted to AID, to eight programs in FY 1986. In addition, the types of assistance to these programs have expanded in number to include program replication work, feasibility studies, resource mobilization, and proposal development. Furthermore, intensive preparations were underway in FY 1986 for starting three additional OIC programs, in Cameroon, Côte d'Ivoire and Guinea.

During this same period, OICI's headquarters' annual operating costs increased by 53 percent, including a much less than proportionate increase of 38 percent in the costs

of managerial and general support services.¹ In addition, the number of headquarters staff positions rose by only two, from 29 to 31, with 90 percent of these positions filled on the average. Hence, it can be concluded that the increase in OICI's program activities exceeded significantly the corresponding increase in the level of financial and staff resources that were committed.

2. Program Outputs Related to the Cooperative Agreement

When OICI completed the initial three-year period of the Cooperative Agreement (FY 1984-FY 1986), most critical program outputs had been achieved, some were exceeded, and a number of unplanned outputs had been realized.

As shown in Figure IV-7, new program development output goals were met or exceeded in terms of interest group development, pre-project appraisal studies, feasibility studies, and proposal development. However, field management control systems were in progress in 10 instead of 14 program countries as planned. This was due mainly to shortfalls in the number of new programs and replication initiatives as will be indicated later in this subsection. But, in contrast with the preceding case, significant output was achieved in terms of the actual number of key board and

1. The audited accounts showed that OICI Central Office's operating costs increased by 53.6 percent, from \$1,044,397 in FY 1984 to \$1,604,270 in FY 1986. The ADC costs of \$390,373, recorded as program services costs, are excluded from this calculation because they are not a regular item of OICI headquarters costs. Managerial and general services costs, which are part of the operating costs, increased by 38.9 percent, from \$336,901 in FY 1984 to \$467,913 in FY 1986, also according to the audited accounts.

Figure IV-7. OICI's Program Output Goals Under the
Cooperative Agreement Grant, Planned and
Actual, FY 1984-FY 1986

Program output goal	Fiscal year			Three- year total
	1984	1985	1986	
<u>New program development</u>				
Interest group development				
Planned	a	a	a	11
Actual	a	a	a	16
Pre-project appraisal studies				
Planned	2	2	2	6
Actual	3	4	0	7
Feasibility studies				
Planned	3	2	2	7
Actual	3	2	2	7
Proposal development				
Planned	4	1	2	7
Actual	3	10	6	19
<u>Service to existing programs</u>				
Field management control systems ^b				
Planned	a	a	a	14
Actual	a	a	a	10
Key local board and staff training				
Planned	34	33	37	104
Actual	38	6	396	440
Critical program documents ^c				
Planned	a	a	a	5
Actual	a	a	a	10

Continued...

Figure IV-7. Continued

a. Program output goals were not projected on an annual basis, but for the three-year period as a whole.

b. Program output goals were defined in terms of number of program implementing the systems.

c. One of the critical program documents that were developed consists of 16 board and staff development manuals.

Source: OIC International, Annual Progress Report, Cooperative Agreement (AFR-0453-A-00-3063-00), Fiscal Year 1986 and independent audit reports of OIC International by Lucas, Tucker & Company.

staff members trained that exceeded the number planned. The African Development Conference held by OICI in March 1986 primarily accounted for that accomplishment. (As mentioned in Chapter II, the Conference greatly strengthened the institutional development capacity of both OICI and its field programs.)

OICI was also particularly productive in the development of critical program documents. According to OICI management, it has deliberately raised the number of critical program documents to be developed, with the intent to facilitate and strengthen its institution-building work. Of particular significance was the series of board and staff development manuals - 16 in total -- the final version of which was ready for distribution to field programs. The cost-effectiveness study manual, developed for OICI by Robert R. Nathan Associates, Inc., was also completed.

Slightly below targets were the actual numbers of new programs and program replication/expansion initiatives (Figure IV-8). Funding constraints accounted largely for the shortfall. However, the actual number of graduate programs that continued to operate almost doubled the number planned (Figure IV-8). The continued operation of OIC programs following the cessation of USAID funding support, particularly with the impressive program impact reported in Chapter III, is a key indication of the effectiveness of OICI in its approach to institution building and in its periodic technical assistance to the graduate OICs to further strengthen their performance.

Figure IV-8. Objectively Verifiable Indicators of OICI's Achievement of Program Purpose Under the Cooperative Agreement Grant, Planned and Actual, FY 1984-FY 1986

Program purpose/ indicator	Fiscal year		
	1984	1985	1986
<u>Augment the capacity of OICI to develop and effectively service non-formal skills training programs</u>			
New program development			
Planned	a	a	6 ^a
Actual	a	a	4 ^a
Program replication/ expansion			
Planned	a	a	2 ^a
Actual	a	a	1 ^a
Continued operation of "graduate" programs			
Planned	1	3	4
Actual	3	6	7
<u>Generate increased levels of non-USG resources</u>			
Non-USG government support			
Planned	26%	29%	30%
Actual	28%	32%	40%

a. Program purpose goals were not projected on an annual basis, but for the three-year period as a whole.

Source: Independent audit reports of OIC International by Lucas, Tucker and Company and OIC International, Annual Progress Report; Cooperative Agreement (AFR-0453-A-00-3063-00), Fiscal Year 1986.

Another key performance indicator is the level of non-U.S. government support (Figure IV-8). As a percentage of the revenues of OICI and its field programs, non-U.S. government support contributions have consistently increased and exceeded annual goals. This subject will be discussed more extensively in the next subsection.

Overall, OICI's performance in implementing the Cooperative Agreement suggests a high level of efficiency and effectiveness in planning, managing and controlling its operations. Equally important is its ability to achieve the aforementioned program outputs and, at the same time, remain within the grant's budgets for headquarters and its AID-funded field programs.

3. Non-U.S. Government Support and Resource Development

Non-U.S. government contributions accounted for 39.6 percent of the total revenue of OICI and its field programs in FY 1986, exceeding the 30 percent projected for the same fiscal year and reflecting a substantial increase from the 28 percent achieved in FY 1984. This positive development is attributable to the fact that OICI has significantly strengthened its capability and that of the OIC programs to gain the support of non-U.S. government funding sources. Contributions from these sources, on the basis of OICI's experience to date, can be expected to account for an increasingly important share of the financial base of OICI and its programs.

OICI's resource development efforts have three major thrusts: (1) expanding OICI's funding base in the United States, (2) coordinating the submission of the OIC programs' proposals to selected multilateral, bilateral, and private donors, and (3) providing technical assistance to strengthen its field programs' capacity to mobilize resources. OICI's efforts to expand its U.S. funding base have focused on solicitations to corporations and foundations. Recently it also launched a direct-mail campaign targeted to selected households and church congregations. In addition to raising the level of donations/contributions from non-U.S. government sources in the U.S. from \$58,900 in FY 1984 to \$187,000 in FY 1986, OICI has increased its visibility to the U.S. corporate sector, and has begun to reach the public at large.

The second thrust of resource development efforts is based on OICI's liaison with multilateral, bilateral, and non-governmental organizations as a representative of and coordinator for the resource development interests of the independent, affiliate, African OIC programs. In this role, OICI has initiated an intensive program of visits, consultations, and continuing contact with a wide range of international donors, including the United Nations Development Programme (UNDP), the International Labor Organization (ILO), the International Fund for Agricultural Development (IFAD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Government of Canada, and a number of non-governmental organizations (NGOs) in Europe, Canada, and the United States.

Separate proposals have been developed on behalf of OIC programs in Côte d'Ivoire, Ethiopia, Ghana, Guinea, Nigeria, and Sierra Leone, and for OIC interest groups in Kenya and Zaire. In addition, two multi-program proposals have been prepared in response to requests from the UNDP and UNESCO. These various proposals are in different review stages at each donor agency.

In representing the OIC programs to international donors, and coordinating -- when necessary -- contacts, communications, and the submission of concept papers and proposals, OICI has adopted a strategic and cost-effective approach to deliver resource development related services. Given the large and increasing number of affiliate OIC programs, it is effective that some aspects of the resource development effort, particularly at the international level, be coordinated by one body that is capable of representing the interests of all. Furthermore, OICI headquarters has the requisite financial and managerial resources that its field programs simply do not have to research, contact, and communicate with prospective donor sources. Evidently, the financial capability of OICI to do so derives, to a large extent, from the current Cooperative Agreement Grant from AID.

As the third thrust of its resource development efforts, OICI has worked with the existing OIC programs to strengthen their resource mobilization capabilities. This strengthening has taken many forms, including resource mobilization symposia and workshops at the ADC in Togo and the first TAC in Sierra Leone, with supporting, detailed documents on prospective sources of support and proposal development concepts and surveys of existing resource mobilization efforts and needs. OICI also undertakes the

dissemination of a quarterly communique on resource mobilization to its field programs and the establishment of tracking systems to facilitate donor agency contacts and update information on program needs.

The result of OICI's efforts to strengthen the OIC programs' resource mobilization capabilities was much in evidence at the programs visited during this evaluation. All of the programs visited had submitted a substantial number of comprehensive funding proposals in the few months since the February 1987 TAC. Among the outstanding proposals were those that would allow the programs to expand their scope and broaden their impact, develop their staff, upgrade their curriculum, acquire new training equipment, and expand as well as strengthen their ability to become self-supporting through economic ventures.

These accomplishments indicate that OICI has been effective in developing the programs' proposal-writing capabilities, in assisting them in targeting their proposals to the most receptive funding sources, and in reviewing their proposals prior to submission. Technical assistance in resource mobilization strategy and proposal preparation is now provided, along with other assistance, during TDY visits by OICI staff. Assistance is also extended to each OIC program in developing its annual strategic plans on resource mobilization, including the preparation of a specific implementation schedule and the adoption of an evaluation plan that would enable the assessment of each program's efforts and results.

4. Alternative Program Design and Technical Assistance Strategies

Based on the recommendations of an independent team of consultants that conducted an assessment of OICI's institutional capability in 1982, and on the organization's experience with three generations of OIC projects in Africa over the last 17 years, OICI has successfully streamlined its approach to program development and technical assistance support. The end results, as of September 30, 1986: less costly new programs and more cost-effective technical support services, with an increased number of program beneficiaries.

Newly designed OICs are smaller in budget and require less long-term, in-country technical assistance than their predecessors did. Early OIC programs, such as those in Ghana and Nigeria, had as many as 12 Technical Cooperation Team (TCT) staff members during the first years of their development. Second-generation projects (Togo, Lesotho, Sierra Leone, Liberia, and The Gambia) had four to six TCT members. The newest programs have only three or fewer, such as in Côte d'Ivoire and Cameroon where OICI maintains one and three TCT members, respectively. There is no TCT for Guinea OIC and the program soon to be implemented in the Central African Republic. In these two countries, OICI's technical assistance is to be provided in the form of long-term TDY visits -- three to four months -- coupled with pre-service training of new program staff by the staffs of mature programs. This strategic adjustment in developing new programs reflects OICI's recognition of the increased managerial capabilities of indigenous staff members as compared to 10 or 15 years ago; the increased likelihood of program sustainability if an OIC center is smaller and more

manageable; and the cross-program training benefits to be accrued through interaction between new and mature OIC program board and staff members.

OICI's new mechanisms for providing technical assistance are also more efficient and cost effective than before. Both new and mature programs are now benefitting from OICI's regional conferences and workshops, short-term in-country technical visits, and standardized management and control tools. These services -- unavailable to the earlier OICs in their development stages -- have demonstrated an overwhelming impact in the countries visited during this evaluation.

By utilizing these various approaches to technical assistance, OICI demonstrates its organizational concern for cost effectiveness in two ways: first, by providing assistance to a greater number of beneficiaries -- OIC program board and staff members -- in a more effective and efficient manner; and, second, by improving individual program management and financial control systems so that limited resources are most effectively utilized by the OIC field programs. The following information on the African Development Conference and on management training helps illustrate these two points.

OICI's regional conferences and workshops enable OICI to reach a significant number of beneficiaries in a much more cost-effective manner than before, when most participant training was conducted in the United States. OICI's training of local board and staff members in FY 1986 took place in Togo as part of the ADC. Nearly 400 OIC board, staff, and interest group members from 13 African countries participated in numerous workshops and symposia, compared

with the FY 1986 planned program output of 37 participants. The purpose of the training was to strengthen the self-sufficiency of the OIC programs through increased technical, managerial, and resource development capabilities, and to develop a constituency in support of the OIC work in program countries and overseas. Based on the evaluation team's analysis, the ADC strengthened the institutional efficiency and effectiveness of the local OICs and accomplished this strengthening in a cost-effective manner.

The OICI focus on improving the field programs' cost effectiveness is also evidenced by the time and effort expended to introduce and further strengthen the implementation of management and financial control systems and tools in 10 existing programs. Examples of these tools include guidelines for developing standard operating procedures, a series of 16 manuals for board and staff development, a cost-effectiveness study manual, and OICI's Management Information System.

5. Control and Monitor Financial Resources

Directly relevant to the issue of cost effectiveness is the extent to which an organization controls and monitors its financial resources. In this respect, the following observations were made.

First, a major control and monitoring tool of OICI is its financial management information system, which has been well implemented.

Second, OICI has been diligent and regular in meeting both its internal reporting requirements and those of its major funding source, USAID.

Third, the annual independent audit of OICI's headquarters and its field programs -- in both programmatic and financial areas -- has been a standard practice. Funds from the Cooperative Agreement Grant enabled OICI to include most of its field programs in the audit. Each year, the auditors provide OICI and the audited programs with specific recommendations on how to strengthen and upgrade their internal control systems.

Fourth, a current feature of OICI management practice is its emphasis on compliance with fiscal guidelines and regulations, and on strictly observing budgets. The management of OICI has done well in this respect. It is in control of the organization's financial resources through systematic planning, coordinating, and supervision. Its executive staff is regularly informed of the financial status, both in general and at the departmental level. A fiscal performance tracking system enables the organization to keep track of its planned fiscal operations and compare them with actual conditions. As already stated, OICI remained well within its budget from the Cooperative Agreement Grant.

Fifth, the fiscal planning and control process of OICI can be made more effective if certain adjustments are introduced in its accounting system. This observation and the rationale for a related recommendation in Chapter V are explained below.

At present, OICI's accounting system only identifies costs by service categories such as interest group development costs and feasibility study costs. It does not distinguish these costs by country program. As a result, it was difficult, if not impossible, to determine the cost of OICI headquarters' technical assistance to each of the program countries visited during this evaluation.¹

The RRNA evaluator made a particular effort to assist OICI's Finance and Administration Office in estimating OICI's cost of technical assistance to the OICs in Ghana, Liberia, Nigeria, and Lesotho for each fiscal year from FY 1984 to FY 1986. This exercise was aimed at a two-fold objective: first, to obtain a general idea of the magnitude of technical assistance cost to the countries concerned as part of OICI's direct expenditures supported by the Cooperative Agreement Grant funds; second, to acquaint OICI with the rationale and the factors involved in this type of calculation -- ideally so that the organization will see its significance and adopt the necessary changes to facilitate such an estimation in the future.

The major steps adopted in preparing the estimate were as follows: (1) The Finance and Administration Office reviewed staff expense reports and other expense records to estimate all out-of-pocket expenses, such as travel and transportation, consultants, and participant expenses, (2) OICI staff were provided an estimate, based on expense reports, of the time they spent in each of the four countries and at the ADC, (3) OICI staff were asked to estimate the time spent preparing for and following-up on the

1. Only local program operating costs and TCT costs are available on a program country basis.

technical assistance activity for which travel was reported on their expense reports, (4) two technical assistance activities--staff and board training in the United States and the African Development Conference were undertaken for staff and board from all of the OIC programs; costs of these two activities that could not be directly attributed to the four country programs were apportioned, by RRNA, to the four programs based on the proportion their participants represented of all participants.¹

Figure IV-9 presents OICI's estimated cost of providing technical assistance to the OIC programs in Ghana, Lesotho, Liberia and Nigeria by type of technical assistance -- staff and board trained in the United States, the African Development Conference, temporary duty visits, evaluations and audits. Over the three fiscal years of the Cooperative Program Grant, FY 1984-FY 1986, OICI's estimated cost of technical assistance to the four country programs was approximately \$1.28 million, 40.2 percent of total OICI Central Office direct expenditures under the Cooperative Agreement.

It is difficult to draw a conclusive judgment on cost effectiveness directly from Figure IV-9. Some of the data used to construct Figure IV-9 were only rough estimates unsupported by documentation. An example of such data is the amount of staff time dedicated to a specific support service for a particular country. However, this does not negate the fact that a large amount of data used were supported by appropriate records. These data include travel expenses, number of days spent by staff in the field, and

1. For example, the Ghana program accounted for about 31 percent of all of the OIC program participants at the ADC.

Figure IV-9. OICI's Estimated Cost of Providing
 Technical Assistance to the OIC Programs in
 Ghana, Lesotho, Liberia, and Nigeria,
 FY 1984-FY 1986

Type of technical assistance/ country program	Fiscal year		
	1984	1985	1986
<u>Staff/board trained in the</u>			
<u>United States</u>			
Ghana	34,176	0	0
Lesotho	12,816	0	0
Liberia	25,632	0	0
Nigeria	8,544	0	0
Total	<u>81,168</u>	<u>0</u>	<u>0</u>
<u>African Development Conference</u>			
Ghana	45,910	74,954	242,845
Lesotho	11,383	18,584	60,209
Liberia	20,489	33,450	108,377
Nigeria	<u>7,209</u>	<u>11,770</u>	<u>38,132</u>
Total	<u>84,991</u>	<u>138,758</u>	<u>449,563</u>
<u>Temporary duty visits</u>			
Ghana	42,606	23,174	1,082
Lesotho	27,707	26,328	0
Liberia	33,456	23,222	6,267
Nigeria	<u>5,929</u>	<u>16,248</u>	<u>4,200</u>
Total	<u>109,698</u>	<u>88,972</u>	<u>11,549</u>
<u>Evaluations</u>			
Ghana	8,735	5,708	0
Lesotho	8,246	0	0
Liberia	11,594	12,414	21,740
Nigeria	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>28,575</u>	<u>18,122</u>	<u>21,740</u>
<u>Audits</u>			
Ghana	45,714	32,586	33,484
Lesotho	17,304	20,515	15,612
Liberia	27,477	23,105	24,074
Nigeria	<u>3,282</u>	<u>1,675</u>	<u>995</u>
Total	<u>90,777</u>	<u>77,881</u>	<u>74,165</u>

Figure IV-9. Continued

IV-68.

Type of technical assistance/ country program	Fiscal year		
	1984	1985	1986
<u>Total technical assistance</u>			
Ghana	177,141	136,422	277,411
Lesotho	77,456	65,427	75,821
Liberia	118,648	92,191	160,458
Nigeria	24,964	29,693	43,327
Total	<u>398,209</u>	<u>323,733</u>	<u>557,017</u>
Total OICI Central Office direct expenditures under the Cooperative Agree- ment	707,496	946,172	1,526,731
Total technical assistance to the four country pro- grams as a percentage of total OICI Central Office direct expenditures under the Cooperative Agreement	56.3	34.2	36.5
Percent of total direct expenditures on technical assistance on other coun- try programs and other program development and support activities	43.7	65.8	63.5

Source: OIC International Finance office and independent audit reports of OIC International by Lucas, Tucker and Company.

consultants and audit fees. With this awareness of both the value and the constraints of Figure IV-9, some general observations can be made.

First, a significant part of OICI's financial resources were expended in support of the OIC programs concerned. Success has its costs.

Second, a large percentage of all costs was incurred in technical TDY support visits and the African Development Conference, although these were not the only forms of support provided by OICI; neither did Figure IV-9 include all types of available support services such as those related to resource development.

Third, costs were sustained through the three-year period -- at a level that did not change much -- in order to provide annual audit services to the programs.

Fourth, the high percentage of direct expenditures devoted to assisting the four programs in FY 1984 was due mainly to (1) the OICs in Ghana and Liberia that did not fully graduate, and still required extensive support from OICI, and (2) Ghana OIC, which is the largest of the programs concerned in terms of number of training centers in addition to having a National Office that operates separately from the training centers.

Fifth, as all four programs fell in the graduate category in FY 1985, and as OICI increased its expenditures to implement additional program development and support activities, the percentage of expenditures on technical assistance to the four programs dropped.

Sixth, the percentages in the last line of Figure IV-9 suggest that as OICI increased its expenditures, a large part of them were channeled to supporting other program development and support activities outside of the four countries visited.

Finally, given the institutional performance and program impact discussed in Chapters II and III, it can be concluded that OICI's technical assistance costs were a worthwhile and cost-effective investment. They ensured and strengthened the sustainability of OIC programs in terms of both on-going operations and benefits, and thereby assured the return to investments that had been made in those programs in the earlier years.

6. Conclusion on OICI's Cost Effectiveness

The findings of this evaluation, including those discussed earlier in relation to institutional development and program impact, indicate that OICI is a cost-effective organization. OICI has been cost-effective in the utilization of its limited resources, particularly the Cooperative Agreement Grant funds. First, the increase in OICI's program activities was much greater than the corresponding increase in the necessary financial staff resources. Second, within the total grant budget, most critical program outputs have been achieved, some have been exceeded, and a number of unplanned outputs have been realized, as non-U.S. government contributions to the total revenue of OICI and its field programs increased from 28 percent in FY 1984 to 39.6 percent in FY 1986. Third, new program designs and alternative technical assistance strategies have lowered the cost of programs and increased the number of beneficiaries served by OICI and the affiliate OICs.

V. RECOMMENDATIONS

Based on the evaluators' findings, seven recommendations are forwarded. The recommendations fall into three areas -- OICI personnel, institutional development strategies, and cost effectiveness.

A. OICI Personnel

1. ETMD Specialist

OICI should fill the position of entrepreneurial training and management development (ETMD) specialist as soon as possible. The rationale for the entrepreneurial specialist is that OIC programs are becoming increasingly involved in economic ventures as part of their own resource development strategies. They also are turning increasingly toward providing training for self-employment as an alternative to job training for the formal sector. Both areas are complex and involve risks for the OICs and for their trainees. They need professional attention.

The ETMD specialist could provide the following types of technical assistance to the OIC programs: (1) technical support needed to develop new program initiatives and

strengthen the existing ETMD components of the OIC vocational training programs; (2) development of plans for marketing the program's ETMD training component; (3) development of a portfolio of low-risk, low-cost economic ventures (complementary to the vocational training programs) with operational guidelines and information on estimated start-up costs and break-even points; (4) feasibility studies of the larger economic ventures and assistance in understanding the full costs and possible risks of such ventures; (5) assistance in setting up and monitoring economic ventures that would operate on business guidelines with an understanding of product and service marketing and pricing; (6) assistance to programs in developing guidelines for pricing their service contracts so that such contracts recover costs as well as contribute revenue to the training program; and (7) counsel in business-related areas, such as credit management.

2. Vocational Training Specialist

OICI should fill the position of vocational training specialist as soon as possible. This position has been vacant for one year. The rationale for the vocational specialist is that, despite the OICs branching out into urban and rural self-employment, traditional vocational training remains at the heart of most OIC programs. Recent OICI technical assistance has rightly focused on management systems and resource mobilization strategies; however, attention should also be given to training techniques, skills areas, teaching materials, and development of the instructional staff. The vocational training specialist

would review the portfolio of training skills areas currently covered in the African OICs and determine which of these fields have seen significant advances in recent years. The specialist would organize a Technical Assistance Conference on topics related to vocational training. This person would also review the current state of training equipment and materials and take the lead in organizing OICI assistance to replace, upgrade, and update these critical items.

B. Institutional Development Strategies

1. TCT Advisors for New Programs

To the extent that it is financially possible, OICI should make every attempt to provide Technical Cooperation Team (TCT) support to new programs, including new satellite centers starting in remote areas of countries where an OIC already operates. The team did not visit the new centers; TCT personnel and the standards they set, however, are well remembered in the graduate programs the team visited. There is cause for concern if future plans call for new centers to be started without the benefit of at least one advisor from OICI for the first year. The great difficulty is finding adequate funding for starting new programs. However, the new, lean approach to institutional development should not be too lean.

2. Resource Mobilization

OICI should continue its excellent work helping the OICs develop successful strategies for resource mobilization. Especially needed is the development of a resource mobilization strategy to replace, upgrade, and update the training equipment and materials at the mature African OICs. The

gradual deterioration of the training equipment is bad for the morale of instructors and trainees. In several programs it will soon reach a critical point.

3. Multiple Training Centers

OICI should recommend to OICs considering starting satellite centers that the presence of two centers in a country requires that the country director responsible for coordination be separate from the manager of either of the centers. Obviously, the OICs are independent organizations and can do as they please. However, there is a tendency for them to underestimate the effort involved in setting up additional centers and in coordinating country programs with multiple centers. Both Ghana and Liberia have had experiences from which other programs can benefit. The conclusion that the team drew is that the minimal institutional requirement for coordinating two or more centers is that the country director and coordinator be freed from the day-to-day operation of the senior training center.

4. Job Development Role

The team recommends that OICI, as part of its technical assistance to the OICs, perform a comprehensive review of the strategic role of job development and share this perspective with the programs.

The individual job developers in the programs visited are excellent, resourceful, dedicated, and hardworking individuals. The continuous high rates of job placement are testimony to the work they are doing. However, their role

is usually defined and implemented too narrowly as a responsibility to place graduates in jobs, and they tend to work somewhat in isolation from the training staff.

The job developer is the main liaison between the OIC and the business community, and as such, has the potential to provide the necessary two-way communication between the training staff and the employers on important matters affecting curriculum emphasis, practical skills, and trainee selection. In order to do this he or she needs to operate more as part of a system or committee within the OIC. This is especially important because the Industrial Advisory Committees and Technical Advisory Committees rarely function well in Africa.

C. Cost Effectiveness: Expand and Refine Financial Management Information Systems

OICI should expand and refine its accounting system to determine and monitor the cost of technical assistance and program development by country and by type of service. The local programs' financial information systems should also be expanded and refined to monitor details of various operating costs better. As stated in the November 1986 Togo evaluation and as is the case for OICI and all its programs in general: "Program planning would be facilitated greatly by a more accurate idea of the costs of discrete activities. Accordingly, costs should be disaggregated and assigned to the functions for which they were incurred at the most detailed meaningful level of specificity."¹

1. Mid-Term Evaluation of Phase II, OIC Togo Agricultural Extension and Training Project, p. 45. Prepared for USAID/Togo by a five-person team comprising representatives from REDSO/WCA, Togo's Ministry of Rural Development, OICI, and independent consultants.

The programs could benefit from a cost system which, for example, enabled them to isolate completely the costs of training from the costs of generating revenues through economic ventures. While two programs have modified their accounting systems to generate such cost information, the other programs have not.

APPENDIX A
CAPSULE SUMMARIES OF OICI'S AFRICAN PROGRAMS

A-1

Capsule Summaries of OICI's African Programs

By mid-1987, 15 training centers affiliated with OICI taught practical skills to the disadvantaged in eleven countries in Africa. They include 11 centers that are now indigenously operated, managed, and financed: Addis Ababa in Ethiopia; Farafenni in The Gambia; Accra, Kumasi, and Sekondi-Takoradi in Ghana; Maseru in Lesotho; Foya and Monrovia in Liberia; Lagos in Nigeria; and Bo and Freetown in Sierra Leone. One center at Notse in Togo is well on its way to self-sufficiency. Three new centers, established by OICI in FY 1986 and FY 1987, have started operations: Buea, Cameroon; Bouake, Côte d'Ivoire; and Conakry, Guinea. This appendix contains short descriptions of each training center. Figure A-1 lists the courses offered by each.

Cameroon, Buea

OICI's Cameroon program began in-country implementation in FY 1986, when three long-term OICI technical specialists -- a Program Advisor, Vocational Training Specialist, and Motor Mechanics Specialist -- arrived at the project site. The program is designed to provide instruction in carpentry, masonry, auto mechanics, hotel/domestic services, small business development, and management training. The courses are geared to either train unemployed youth in basic entry-level skills, or upgrade Cameroonians already in the work

Figure A-1. Courses Offered By OICI Field Programs In Africa, 1987

		Accounting/Bookkeeping	Air Conditioning/Refrigeration	Animal Husbandry	Auto Body Repair	Auto Mechanics	Catering	Carpentry	Ceramics	Commercial/Graphic Arts	Crop/Vegetable Production	Electrical/Electrician	Electronics	Farm Extension	Farm Management	Feeder (Pre-Vocational)	Hotel/Domestic Services	Masonry	Metalworking	Plumbing	Rural Construction	Secretarial/Office Skills	Small Business Development	Supervisor/Management Upgrading	Surveying	Textile Design
Cameroon	Buea																									
Côte d'Ivoire	Bouake																									
Ethiopia	Addis Ababa																									
Gambia	Farafenni																									
Ghana	Accra																									
	Kumasi																									
	Takoradi																									
Guinea	Conakry																									
Lesotho	Maseru																									
Liberia	Monrovia																									
	Foya																									
Nigeria	Lagos																									
Sierra Leone	Bo																									
	Freetown																									
Togo	Notse																									

place. The first trainee intake of 35 began feeder training in May 1987; another 35 were scheduled to start in August 1987.

Cameroon OIC is funded primarily by AID and the Government of Cameroon. More than 1,200 trainees are projected to complete instruction during its five-year project life.

Côte d'Ivoire, Bouake

OICI's Program Advisor for the new Côte d'Ivoire project arrived in January 1987; the Executive Director is there, and ground-breaking for the training facility at Bouake has been scheduled. OIC Côte d'Ivoire will have two training campuses -- one in Bouake, for management and small business skills training; and a second, on a 220-hectare site 19 kilometers outside the town, where training will focus on rural skills: rural construction, rabbit production, and cultivation of crops and vegetables.

The program also has AID funding. During its three years, a total of 445 trainees are to be served through both campuses.

Ethiopia, Addis Ababa

Since its founding in 1973, more than 1,400 disadvantaged young men and women have successfully completed building trades skills training at OIC Ethiopia, and almost 1,000 of the graduates have been job-placed. As a result, OIC-trained carpenters, electricians, masons, and plumbers

are employed throughout that nation's urban and rural areas, and OIC Ethiopia's certificate of completion is widely accepted by employers.

The Addis Ababa center receives financial and in-kind contributions from private and government sources and from international donors. In FY 1986, OICI helped the OIC procure a \$24,000 grant from the International Foundation for Education and Self-Help (IFESH). Pursuant to Ethiopian Government priorities, the Ministry of Education has asked the OIC to expand into agricultural training.

The Gambia, Farafenni

The Gambia OIC provides rural school leavers with full-time on-site training in feeder orientation, field crop and vegetable production, and rural construction at its 183-hectare training center and demonstration farm. It also provides extension services to resettled graduates and to adult farmers near the project site.

The Gambia OIC expanded operations during FY 1986, after some years of minimal operation, thanks to financial and technical support from the Government and the actions of an energized board of directors. Following a visit by the nation's president to the agricultural training center, the program received cash and in-kind contributions in excess of 120,000 Dalasis from the Government. Two of the center's staff, including its new Program Director, are seconded to the program by the Ministry of Agriculture.

Ghana, OIC National Office

OIC Ghana's National Office coordinates the program's policies and its training centers in Accra, Kumasi, and Sekondi-Takoradi. It serves three vocational training centers and an arts and crafts training facility, providing them with financial support, technical assistance, and planning and research counsel. Through FY 1986, OIC Ghana's centers have job-placed 2,446 young men and women.

The main source of financial support for OIC Ghana is an annual subvention from the Government. The program currently is helping the Government formulate strategies to retrain thousands of redundant civil servants. OIC Ghana plans to replicate the program further by opening additional training centers oriented towards agriculture and rural construction at Kpandu and Tamale.

Ghana, OIC Accra

OIC Accra operates two training centers. One, founded by OICI, provides vocational instruction in auto mechanics, catering, carpentry, electrical work, masonry, plumbing, and secretarial science. The second, taken over by OIC Ghana upon the request of the Government, is an arts and crafts center that teaches ceramics, commercial and graphic arts, and textile design. In FY 1986, 119 trainees completed OIC Accra courses; 112 of them were job-placed.

OIC Accra has long provided the Government with assistance in problem areas. It offered special training to redundant civil servants in the early 1980s and, in FY 1986,

provided the services of building trades trainees to large, Government-sponsored, low-cost housing project.

Ghana, OIC Kumasi

Located in the capital city of Ghana's Ashanti Region, OIC Kumasi has, since 1977, trained school leavers and drop-outs to become carpenters, masons, plumbers and secretary-typists. In FY 1986, 62 trainees completed courses at OIC Kumasi and 45 were job-placed. The OIC's current training facility was donated by the Volta Trust Fund, which also contributed training supplies and equipment.

Ghana, OIC Sekondi-Takoradi

OIC Sekondi-Takoradi's vocational training center is located in the major metropolitan area of Ghana's Western Region. Like OIC Kumasi, it represents a replication of OIC Accra and opened its doors to trainees in 1977. The OIC instructs young men and women in auto body repair, carpentry, masonry, and secretarial-office skills. In FY 1986, 69 trainees completed courses at OIC Takoradi and 34 were job-placed.

Guinea, Conakry

OIC Guinea began operations in FY 1986. Its initial three-year grant for \$449,400 was funded by IFESH, through an OICI initiative. Key project staff have been employed and are being trained at OIC Togo. Two Canadian technical assistance specialists are scheduled to arrive September

1987 to train Guinean counterparts. Renovation of the training facility has been completed. OIC Guinea is to train school-leavers in carpentry and masonry, and entrepreneurs and business persons in small business management and operations. Masonry instruction started in June and entrepreneurial/business training is to begin three months later. The program is geared to assist the new Government of Guinea with the human resources development component of its strategy for reconstruction.

Lesotho, Maseru

Lesotho OIC started in 1978 as a joint undertaking of the Government and OICI to combat unemployment. Shortly before expiration of AID financial support in 1983, the training center moved to an \$800,000 facility built for it by the Government from monies provided by the World Bank. Lesotho OIC's annual operating expenses are covered by the Government of Lesotho and by training contracts under which the center teaches small business persons and administers loans to them.

Lesotho OIC has two training components: a building-trades center that teaches youths carpentry, masonry, plumbing, and sheet-metal work; and a component that specializes in management development, entrepreneurship, and foreman training. Through FY 1986, Lesotho OIC placed 372 vocational completers in jobs, upgraded 188 foremen, and provided business management training to 518 men and women.

Liberia, Monrovia

OIC Monrovia is the largest developer of entry-level skilled personnel in Liberia. It enrolls more than 250 young men and women annually in feeder instruction and six vocational courses: air-conditioning/refrigeration, auto mechanics, carpentry, electrical work, masonry, and plumbing. OIC Monrovia's operating expenses have been covered by the Government of Liberia during recent years. Starting in FY 1987, for a three-year period, West Germany's "Bread for the World" is providing 25 percent of the recurring costs.

Liberia OIC has led its African counterparts in successful fundraising from international donors. It obtained \$560,000 from European sources to create the Foya program (see below) and an additional \$276,000 from the Interchurch Coordination Committee for Development Projects (ICCO) for a Production/Service Unit built adjacent to the Monrovia training center.

Liberia, Foya

Liberia OIC's community-based rural development training center at Foya, in agriculturally rich Lofa County, started operations in 1985. Since then, it has graduated 83 trainees and has enrolled a third group of young farmers. OIC Foya's trainees specialize in crop farming and in one of three electives: rural construction, farm mechanics or handicrafts. The project teaches trainees a combination of skills in the context of a self-employment strategy that provides maximum versatility on the local job market. Graduates of the first classes have settled successfully as

farmers on land given to them by their relatives or villages. During the agricultural slow season, they use their specialized elective skills.

The Foya experience helped OICI in the design of a new generation of cost-effective rural development training programs, including the new initiatives in Cameroon, Cote d'Ivoire, and Guinea, discussed in this Appendix.

Nigeria, Lagos

Nigeria OIC is the oldest and largest of OICI's affiliate training centers. In 1986, it enrolled 531 trainees, 55.7 percent of them female, in feeder and five vocational/technical courses: hotel catering, secretarial studies, auto mechanics, air-conditioning/refrigeration, and electronics. In FY 1986, Nigeria OIC had 258 training completions and 170 job placements.

When AID/OICI financial support of the program ceased in 1976, and Government support ended several years later, Nigeria OIC faced closure. After stop-gap assistance from the program's Board of Directors, a parents' association quickly formed to vote monthly contributions that continue to this day. Nigeria's new National Directorate of Employment reportedly has decided to award the OIC a 250,000 Naira grant, in recognition of the training center's past and current services in reducing unemployment.

Sierra Leone, National Office

Sierra Leone OIC was established by OICI in 1976. Its National Office is located in Freetown, the nation's capital. The program operates two training centers: a vocational skills center at Bo, and a management and business development training center that shares quarters with the National Office. FY 1986 witnessed the successful culmination of a drive by the OIC's Board and Program Director to provide short-term financial viability for the newly "graduated" program. Sierra Leone's Ministry of Education stepped into the breach by tripling its FY 1986 subvention to 450,000 Leones.

Sierra Leone, Bo

The OIC's vocational training center is located at Bo, capital of Sierra Leone's Southern Province, some 150 miles from Freetown. Through FY 1986, 837 of the Bo center's graduates have been placed in secretarial, masonry, auto mechanics, carpentry, electrician, and agricultural surveying jobs. In late 1986, the Government donated a large facility to serve as permanent quarters for the OIC's vocational training center, which, until then had operated in overcrowded conditions that hampered its ability to increase trainee output.

Sierra Leone, Freetown

OIC Sierra Leone's management and business development training center operates in facilities provided by the Government. The center upgrades personnel of both the private and public sectors. Since the management/business

development unit began in 1979, well over 1,600 persons have completed courses, seminars, and workshops under its auspices in accounting and bookkeeping, and in various areas of supervisory management and business management.

The center's consultancy services division has experienced rapid growth during recent years. On a for-fee basis, the division provides on-site advice and counsel to for-profit firms, non-profit private organizations, and parastatal and government agencies. It also conducts short-term courses, workshops, and seminars for their clients and grantees.

Togo, Notse

Since 1977, OIC Togo's 123-hectare agricultural training center/demonstration farm at Notse-Todome has been a key element in the Government's priority drive to improve the food production ability of Togolese farms and reduce unemployment and underemployment among rural youth.

OIC Togo offers a wide range of courses that have benefited more than 3,100 participants through FY 1986. It trains incipient young farmers in modern crop, livestock, and poultry production techniques, and helps them obtain credit and start their own farms. It teaches groups of adult farmers from neighboring villages how to improve their output. It has provided training for farm extension agents and animal husbandry agents working for the Government of Togo, and offers practical instruction to teachers and students of Togo's main agricultural training institutions. AID is OIC Togo's main funding source. The Togolese Government also provides cash and in-kind contributions.

APPENDIX B
SURVEY INSTRUMENTS

DATE: _____

INTERVIEWER: _____

1987 IMPACT SURVEY OF SUPERVISORS/EMPLOYERS OF GRADUATES*

OIC _____

Name of Randomly Selected OIC Graduate: _____

Name of Employing Firm/Ministry: _____

Address of Firm/Ministry: _____ City: _____

Name of Supervisor/Foreman/Employer: _____

Position of Person Interviewed: _____

1. How many OIC graduates work under your supervision? _____

2. In what work skills area(s)? _____

3. How long have you supervised/employed OIC graduates? _____

4. During that time, how many OIC graduates have worked for you? _____

5. Was/Were he/she/they entry-level workers? YES _____ NO _____

6. Are they presently still entry-level workers? YES _____ NO _____

7. If no, what proportion/number have risen to higher levels? _____

8. What are their present positions and rank? _____

9. Were they adequately prepared for their job at your firm? YES _____ NO _____

10. If no, what were/are their areas of deficiencies? _____

PLEASE ANSWER THE FOLLOWING QUESTIONS BY SELECTING ONE AND ONLY ONE OF THE
FOLLOWING THREE CHOICES

11. How do you rate their general attitudes at work?

Above Average _____ Average _____ Below Average _____

*Voc/Tech Graduates And Management Development Graduates

12. How do you rate their technical knowledge (theory)?

Above Average _____ Average _____ Below Average _____

13. How do you rate their practical skills (practice)?

Above Average _____ Average _____ Below Average _____

14. How do you compare them with entry-level workers that were not obtained through OIC?

Better _____ Same _____ Inferior _____

15. If additional positions are available in your area of supervision, would you seek to employ OIC graduates? YES _____ NO _____

Please explain why, briefly: _____

16. How can OIC improve the skills of its trainees?

ETMD ONLY

17. Did OIC training enable graduates whom you employ to benefit your enterprise in any of the following (or other) ways:

- _____ Improved financial management _____ Helped the business grow
- _____ More efficient operations _____ Helped increase profitability
- _____ Better supervision of staff _____ None of the above

Other ways: _____

DATE: _____

INTERVIEWER: _____

1987 FARMER TRAINEES ASSESSMENT FORM

OIC _____

Place: _____ Road Conditions: ___ Good ___ Poor ___ Extremely Poor

I. TRAINEE PROFILE

A) Trainee's Name: _____ B) Age: _____

C) Sex: ___ Male ___ Female D) Married: YES ___ NO ___

E) Number of Children: _____ F) Village: _____

G) Community: _____ H) Years of Schooling: _____

I) Family Background: ___ Agricultural ___ Non-agricultural

If non-agricultural, explain family background: _____

II. OIC TRAINING

A) Attended OIC training from _____ to _____

B) Precise reasons why you chose to undertake OIC training:

C) Major training areas at OIC:

___ Feeder ___ Crop Production ___ Vegetable Production

___ Animal Husbandry (Chickens, Pigs, Small Ruminants, Rabbits)

___ Farm Management ___ Marketing

Others (be precise): _____

D) Are you satisfied with your training? YES ___ NO ___

E) Give the reasons for your answer: _____

F) Did the OIC training provide you with enough theory? YES ___ NO ___

practicals? YES ___ NO ___

G) Explain briefly the practical training you had at OIC.

H) Overall, how do you rate your training at OIC?

___ Excellent ___ Good ___ Poor ___ Useless

III. RESETTLEMENT

A) What are you doing now? ___ Agriculture ___ Non-Agriculture

B) If non-agricultural, explain what profession you are exercising now.

NOTE: Surveyor: For non-agriculture workers, go to Impact Survey Form for Self-Employed Graduates, skipping remainder of this questionnaire.

APPENDIX C
LIST OF PERSONS CONTACTED

Persons Interviewed in Monrovia

Agency for International Development

Murray Simon, Project Officer, Human Resource
Development
Christopher Brown

Government of Liberia

Emmanuel W. Bropleh, Administrative Assistant,
Agriculture and Industrial Training Bureau, Ministry
of Planning and Economic Affairs
Isaac Gofan, Assistant Director, Agriculture and
Industrial Training Bureau, Ministry of Planning and
Economic Affairs
Sandra Monger, Director of Social Planning,
Ministry of Planning and Economic Affairs
Mrs. Liberty, Assistant Minister of Development,
Ministry of Planning and Economic Affairs
The Honorable John Beh, Minister of Youth and Sports
Charles E. Collins, Assistant Minister for
Vocational/Technical Training, Ministry of Youth
and Sports

Vocational Training Centers

John A. Tarr, Acting Executive Director, Monrovia
Vocational Training Center
Father Joseph Brown, Director, Arthur Barclay Technical
Institute

Employers/Supervisors of Vocational/Technical Graduates

T. W. Badio, General Services Manager, Liberia Water
and Sewer Corp.
Ansuama Bility, Supervisor, Firestone Plantation
Jackson Binteh, Supervisor, Advance Wood Work
David Botoe, Supervisor, Mechanical Maintenance
Section, General Services Dept., Liberia Electric
Corp.
Sam Delateh, Chief Engineer, Refrigeration/Air
Conditioning, Firestone Plantation (and private
contractor)

John Diggs, Maintenance Manager, Liberia Petroleum Refinery Co.
 John Gbole, Carpentry Supervisor, Roberts International Airfield
 Mr. Haiter, Garage Manager, Firestone Plantation
 Andrew Harding, Workshop Manager, C.F.A.O. Automobile Dealer
 Solopoger Korotee, Sales Manager, City Garage
 James Kpdeh, Resident Manager, Ducor Palace Hotel
 F. A. Kromah, Assistant Plant Manager, Union Glass Corp.
 Edward Paye, Assistant Chief, Public Buildings Construction/Maintenance Division, Ministry of Public Works
 Basse Sanni, Base Electrical Engineer, Roberts International Airport
 Archie Sawyer, Assistant Manager, Generation Department, Liberian Electric Corp.
 George Telewoda, Director of Maintenance, General Services Agency
 George Voker, Plumbing Supervisor, Roberts International Airport
 Capt. Wilmot Watson, Deputy Assistant Chief of Staff, Training, Ministry of Defense

Liberia OIC (Monrovia Center) Board of Directors

Reverend Walter D. Richards, Chairman
 Jacob S. Dogbeh, Treasurer
 E. Richmond Draper, Secretary
 Reverend Father J. Jellico Bright, Board Member
 Foday Massaquoi, Board Member
 Laura Fernandez, Board Member

Liberia OIC (Monrovia Center) Staff

Jonathan L. Harmon, Executive Director
 G. Victor Browne, Vocational Training Manager
 Grace L. Crayton, Feeder/Student Services Manager
 E. Quelmin Toto, Counselor
 J. Clarence Blapoo, Assistant Counselor
 Paul S. Korkoyah, Feeder Instructor
 Jeremiah T. Kugmeh, Feeder Instructor
 David Lea Dahn, Masonry Instructor
 James Chili Sio, Plumbing Instructor
 Samuel W. Sworr, Assistant Plumbing Instructor
 McGeorge Toweh, Auto Instructor
 Aaron Harris, Refrigeration/Air Conditioning Instructor

Persons Interviewed in Foya

Government of Liberia

John Kendor, District Education Officer, Foya District

Liberia OIC (Foya Center) Board of Directors

Chief Tamba Taylor, Paramount Chief, Foya District,
Board Member
Fumba Tulav, Chairman of the Personnel Committee
Samuel Parsons, Board Member

Liberia OIC (Foya Center) Staff

George S. Pawa, Training Manager
Dominic B. Ellie, Agriculture Instructor
Samuel G. Printers, Building Trades Instructor
George S. Yoleng, Crafts Instructor
Gabriel S. Saa, Extension Agent

Persons Interviewed in Accra

Agency for International Development

Frank Pavich, Acting Mission Director
Seth Vordzorgbe, Agricultural Economist

Government of Ghana

Mr. Boateng, Deputy Minister, Ministry of Mobilization
and Productivity

Vocational Training Centers

John Budu-Smith, Principal, Accra Technical
Training Center
Mr. Quarshie, Director, YMCA Training Center
Nana (Chief) Timothy Aye Kusi, Training Director,
National Vocational Training Institute

Employers/Supervisors of Vocational/Technical Graduates

E. M. Adjei, Administrative Manager, Naat Development
(Ghana) Ltd.
J. L. Adjei, General Secretary, Society of Friends of
Mentally Retarded Children

Nazir Ahma, Executive Chairman, Nitra Textile
 Industries, Ltd.
 Alex Akakpo, Managing Director, Standard Furniture
 Works
 Ruth Akornor, Sales Manager, Crafts Ltd. Ceramics,
 Adentan
 B. F. Ofei Amoo, Senior Executive Officer, Family
 Planning Program Secretariat, Ministry of Economic
 Planning
 Eunice Ampah, Manager, Shell Oil Company Canteen
 E. Adu Arthur, President/Chairman, Pee Wood Processing
 Francis Azu, Sales Director, Naaveeto Ceramics
 Victor Canson-Yevu, Acting Director for Special
 Education, Ghana Education Service, Ministry of
 Education
 Kofi Decraft-Johnson, Operations Supervisor, Dennicom
 Textiles
 Kodjo Dennis, Industrial Relations Manager, A. Lang
 Construction
 Frank Fiazorli, Manager, Diligence Ceramics
 Daniel Hanson, Owner, Hansa Printing Press
 Albert Kyei, Manager, Industrial & Commercial Art
 Services
 Sodja Mensah, Supervisor, Design & Display Publicity,
 Ltd.
 Dan Owusu, Afromedia, Ltd.
 Reuben Renner, Owner/Manager, Renner's Ceramics
 U. Richter, Engineer, Knitting Mill, Nitra Industries,
 Ltd.

Ghana OIC National Board

J. E. K. Moses, Chairman
 Isaac Eshun, Secretary
 G. Y. Odoi, Treasurer
 G. Adali-Mortty, 1st Vice Chairman

Ghana OIC (Accra Center) Program Committee

Nii Okai Kasablofo III, Chairman
 Andrew Swanzy-Essien, Committee Member

Ghana OIC National Office

K. A. Keelson, Executive Director
 E. E. Sackey, Finance Controller
 Stella Dzidzienyo, Planning/Evaluation Coordinator
 Kwame Boahene, Training Coordinator
 Vicky R. Quartey, Community Relations

Ghana OIC (Accra Center) Staff

Ebenezer K. Ennim, Programme Manager
George S. Okraku, Job Developer
C. T. Lamptey, Job Developer
E. L. Osanguaye, Special Projects Officer
Emmanuel K. Sambah, Training Supervisor
S. A. Amartey, Carpentry Instructor
T. N. Mensah, Feeder Instructor
Peter Agbenohevy, Electrical Instructor
P. A. Dwirantwi, Counselor
William K. Agbotsey, Counselor
Kwame Opuku, Ceramics Instructor
E. P. A. Ajyiri, Office Skills Instructor
P. V. Sorkpor, Auto Mechanics Instructor

Persons Interviewed in Kumasi

Employers/Supervisors of Vocational/Technical Graduates

George Aboateng, Supervisor, Special Development,
Manhyia Palace of the Ashantihene
Opoku Afirm, Accountant, J. Monta & Sons Construction
K. Kobiah Amanti, Administration, Prempeh College
George Amar, Secretary to the Bishop and Diocese,
Anglican Diocese
Samuel Anyomi, Program Officer, Institute of Management
Studies
Daniel Arthur, Personnel Manager, City Hotel
Stephen Awuah, Assistant Registrar, University of
Science and Technology
E. Bamfi-Adomako, Assistant Registrar, University of
Science and Technology
Jahid Barhat, Engineer/Manager, Barhat Furniture
Company
J. K. Bempah, Administration/Personnel Director, Bikkai
Pharmaceuticals Ltd.
John Kesson, Administrative Officer, State Construction
Company
John Matey, Personnel Manager, Guinness Ghana Ltd.
Alice Osei, Secretarial Supervisor, Prempeh College

Ghana OIC (Kumasi Center) Program Committee

Edward Afriyie Adu-Bobi, Vice Chairman
Victor Babu, Committee Member
E. A. Ntim, Committee Member
J. D. Bempah, Committee Member

Ghana OIC (Kumasi Center) Staff

K. Acheampong, Programme Manager
S. Y. Anokye-Boateng, Training Supervisor
Obeng-Fosu Brempong, Senior Finance Officer
Bafouchie, Assistant Finance Officer
Samuel Martin Owusu, Feeder Instructor
H. Douglas Appiagyei, Office Skills Instructor
P. A. Antwi, Carpentry Instructor
Nsiah Abebio, Masonry Instructor
Oppong Amankwah, Plumbing Instructor
Frank Obeng-Nkansah, Job Developer
John Osei-Yaw, Counselor
Mateu Osei Yeboah, Administrative Officer
R. K. Obiri Ygboah, Special Projects Officer

Persons Interviewed in Nigeria

Government of Nigeria

Ololade J. Oki, Director, Youth Development
Department, Federal Ministry of Social Development,
Youth and Sports

Vocational Training Centers

High Chief (Dr.) J. O. Agboye, Group
President/Director, Obare Institute of Management and
Vocational Education
G. O. Benson, Assistant Director, Industrial
Training Fund

Private Sector

F. O. Animashaun, Nigeria OIC PTA Chairman, 1981-82
Mr. Clarke, Executive Deputy Chairman, Cadbury Nigeria
Ltd.

Employers/Supervisors of Vocational/Technical Graduates

A. L. Arowosegbe, Training Manager, Cocoa Industries,
Ltd.
A. Ayodeji, Hospital Administrator, Blue Cross
Hospital, Ogba
E. O. Azuike, Materials Controller, Christlieb Sweets,
Ltd.
Herbert Holloway, Managing Director, Holloway & Sons
Co., Ltd.

Idris Lawal, Executive Chef, Federal Palace Hotel
Opedluwa Lawal, Canteen Manager, Cadburys, Ltd.
Chilke Madueke, Production Engineer, Boulos Enterprises
Ltd.
O. A. Odukunle, Company Medical Advisor, Cadburys,
Ltd.
Leye Ojo, Supervisor of Services, Cadburys, Ltd.
Olufemi Popoola, Personnel Manager, SCO Assembly Plant

Nigeria OIC Board of Directors

Alhaji M. O. Oseni, Chairman
Oladeinde O. Oso, Vice-Chairman
Abayomi O. Ogunbiyi, Board Member

Nigeria OIC Staff

Taiwo Okusanya-Tychus, Training Manager
M. A. Ladipo, Administrative Officer

Persons Interviewed in Lesotho

Agency for International Development

Carol Tyson, Deputy Director
Joseph Williams, Project Officer

Government of Lesotho

Honorable M. Kokoroane, Minister of Trade and Industry

Vocational Training Centers

Erhardt T. Heger, Director, Lerotholi Polytechnic

Employers/Supervisors of Vocational/Technical Graduates

Refuoe Chaka, Assistant Production Manager, Handspun
Mohair, Ltd.
Kai Christensen, Owner and General Manager, M & C
Construction
Mark Hammond, Chief Engineer, Lesotho Sun Hotel
Tom Hansen, Project Manager, Rural Clinics Project,
Ministry of Interior, Chieftainship Affairs and Rural
Development
Ewald Hattingh, Managing Director, Kingsway
Construction, Ltd.

Bernhad Hoffart, Roving Woodwork Counselor, Basuto
Economic Development Corporation
Claudia Kao, Services Manager, Handspun Mohair, Ltd.
Willy Leslie, Partner and Managing Director, Willy's
Metal Works
Joseph Macheli, Administrative Manager, D.S.
Construction
Makahlolo Makong, Senior Technical Officer, Urban
Sanitation Improvement Team, Ministry of Interior
Peter Marfleet, Managing Director, A.B. Construction
Emmanuel Mohale, Maintenance Supervisor, Lesotho Sun
Hotel
Tseliso Moleleki, Inspector Supervisor, Direct Labor
Team, Ministry of Works
W. L. Mosiane, Owner, Mosiane Construction
Anand Naidoo, Owner and General Manager, Dorcor
Construction
Youngsu Pak, Administrative Director, Liahelo
Construction
Ezekiel Sekori, Chief Officer, Prisons Department,
Ministry of Justice
Joseph Zimmerman, Training Engineer, Village Water
Supply Department, Ministry of Water, Energy and
Mining

Lesotho OIC Board of Directors

A. M. Morojele, Acting Chairlady
Honorable (Mrs.) A. M. Hlalele, Minister of State,
Co-op, Rural Development and Women's Affairs
Honorable P. M. Mabafoana, Minister of State, Ministry
of Education
M. Motselebane, Board Member
G. Mphakalasi, Board Member
M. T. Mokhobo, Board Member
Bryan McCarthy, Board Member
Lebohang Nt'sinyi, Board Member

Lesotho OIC Staff

J. N. Lepheana, Executive Director
M. N. Mapesela, Deputy Director, Administration
P. T. Lesela, Deputy Director, Training
B. Z. M. Mohapelo, Manager of Management/Business
Development
G. M. Ntlamelle, Foreman Training Instructor
Philip Tsehlo, Job Developer
S. T. Lesole, MD Instructor
P. Sekhesa, Masonry Instructor

T. Rakhomo, Carpentry Instructor
L. Malebo, Sheet Metal Instructor
F. M. Kimani, Counselor
P. M. Khotle, Lead Feeder Instructor

APPENDIX D
METHODOLOGY FOR DETERMINING THE TOGO OIC COST PER TRAINEE

The steps followed in calculating the Togo OIC cost per trainee are:

1. The chart of accounts was studied with the local staff and TCT to ascertain project resource use. On the basis of this study, percentages of resources were allocated to each training program and to institutionalization costs.

2. The CFA annual expense reports from the A.I.D. grant fund, the GOT contribution, and the revenues from the Center's agricultural production (which are kept separately) were combined. Combined expenses for each budget line item were multiplied by the appropriate percentage figure to determine the value of the resources used by each training program.

3. Most expenditures, with a few notable exceptions, have been treated as current costs. Non-consummable commodities have been spread over a three-year time horizon. Office and training equipment have been spread over a five-year period. These figures have not been adjusted to take the time value of money into consideration given the relatively short time horizon.

4. Costs related to the institutionalization of the program and to the TCT were not allocated to a specific training program. Because these costs are more related to creating a viable, self-sustaining organization, than to a particular training program, these costs have to be spread out over time. To remain consistent with the treatment of commodities and equipment, no calculation was made to adjust for the time value of money. However, indirectly, this element has been included through the choice of a relatively short time horizon for these costs. For costs pertaining to institutionalization, TCT as well as buildings and infrastructure, a 15 year time horizon was chosen.