

D-AAZ-1-3

UNCLASSIFIED

SOUTH AFRICA

Educational Support and Training
(674-0302)

PP Supplement

UNCLASSIFIED

APPENDIX 3A, Attachment 1
Chapter 3, Handbook 3 (TM 3:43)

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE C A = Add C = Change D = Delete		Amendment Number 1	DOCUMENT CODE 3						
COUNTRY/ENTITY South Africa		3. PROJECT NUMBER 674-0302							
4. BUREAU/OFFICE USAID/South Africa		5. PROJECT TITLE (maximum 40 characters) Educational Support and Training							
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 01 9 24 91 6		7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4) A. Initial FY 85 B. Quarter <input checked="" type="checkbox"/> C. Final FY 91 4							
8. COSTS (\$000 OR EQUIVALENT \$1 =)									
A. FUNDING SOURCE	FISCAL FY 86			LIFE OF PROJECT					
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total			
AID Appropriated Total	550		550	2,000	17,500	19,500			
(Grant)	(550)		(550)	(2,000)	(17,500)	(19,500)			
(Loan)									
Other									
U.S.									
Host Country									
Other Donor(s)									
TOTALS	550		550	2,000	17,500	19,500			
9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EHR	600	680		550		0		550	
(2) SDA	600	680		1,146		0		1,146	
(3) ESE	600	680		754		0		754	
(4) DFA	600	680		2,604		14,446		17,050	
TOTALS				5,054		14,446		19,500	
10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each)								11. SECONDARY PURPOSE CODE	
610		620		633		634		682	
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)									
A. Code									
B. Amount									
13. PROJECT PURPOSE (maximum 480 characters)									

To support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of human resources caused by the apartheid education system.

14. SCHEDULED EVALUATIONS				15. SOURCE/ORIGIN OF GOODS AND SERVICES			
MM YY	MM YY	MM YY	MM YY	<input checked="" type="checkbox"/> 000	<input type="checkbox"/> 941	<input checked="" type="checkbox"/> Local	<input type="checkbox"/> Other (Specify)
01 91 0	06 92	07 91 6					

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 21 page PP Amendment)

This P.P. Supplement incorporates the recently completed Mission Education Sector Strategy, increases the total funding level to \$19.5 million and extends the PACD by two years, from 9/24/94 to 9/26/96.

17. APPROVED BY	Signature <i>Dennis P. Barrett</i>	Date Signed MM DD YY 11/12/89	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 11/24/89
	Title Dennis P. Barrett Mission Director		

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

FROM: Mark Johnson, Supervisory Project Development Officer

**SUBJECT: South African Educational Support and Training
Project (674-0302); Project Paper Amendment Number One**

I. Problem: Your approval is required to authorize the Project Paper Amendment for the subject project, Educational Support and Training (ESAT), increasing the LOP funding level from \$6 million to \$19.5 million and extending the PACD to September 24, 1996, as further described below.

II. Authority: Pursuant to Africa Bureau Delegation of Authority 551, Section 4, Principal Officers of Schedule "A" Missions, which includes South Africa, have the authority to amend project authorizations executed by any AID official unless: the amendment will result in total life-of-project funding of more than \$30 million; the amendment will result in a total life-of-project exceeding 10 years; the amendment presents significant policy issues or deviates materially from the original project purpose; or the amendment requires issuance of waivers that may be approved only by the Assistant Administrator or the Administrator, unless such waivers are approved prior to authorization of the amendment.

The action described in this Action Memorandum is within your authorization authority under DOA 551.

III. Background: ESAT was authorized on September 24, 1986 with a LOP total of \$6,000,000 and a Project Completion Date (PACD) of 09/30/91. Designed as an "umbrella project", twenty-two Agreements have been executed with various nongovernmental organizations (both local and U.S.) since project inception. Cumulative obligations are \$5,389,000, \$1,082,000 of which has been expended as of the date of this action. Project expenditures are progressing on schedule, and the pipeline for the project is \$4,407,000.

The project authorization was amended for the first time on August 24, 1988 to extend the PACD from 09/30/91 to 09/24/94. This action further extends the PACD to 09/24/96, bringing the total LOP to ten years.

IV. Discussion: ESAT was authorized to provide a means to address the South African education crisis arising from the reaction of black South Africans against SAG-supported "bantustan education". Black education is unquestionably inferior to the quality of education provided to whites. Therefore, support for local education initiatives which recognize and address the inequity of black education, and offer alternatives to the SAG's brand of education remains a high priority of black South Africans in general, and South African educationists in particular. Thus, the rationale for the project remains fully valid.

In 1988, the Mission embarked on a lengthy exercise to clarify its educational strategy. This "Education Sector Strategy", approved by AID/W and the Embassy, forms the basis and much of the content for this Project Paper Supplement.

A. Summary of the Project Paper Supplement:

a. **Purpose:** The original project purpose is slightly modified to reflect the Education Sector Strategy: "To support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of human resources caused by the apartheid education system."

b. **Outputs:** Outputs under ESAT tend to be somewhat qualitative rather than quantitative and are best described in Section X, "Expected Impact", in the Project Paper Supplement. In all cases, grants are expected to deliver benefits to South Africans disadvantaged by the apartheid education system and to further community programs aimed at identifying viable alternatives to support a democratic South Africa. However, where possible, the project attempts to quantify outputs under each "area of focus": Models for Decentralized Education and Secondary School Remediation - documented experience of at least 12 community-based alternative schools or remediation programs; Qualitative Improvement of Black Education - at least 2,000 teachers will have been trained either in improved methodology or academic upgrading programs; Curriculum Development and Educational Planning - the development, publication, and dissemination of some 20,000 copies of curriculum or educational development materials; Preparation for Schooling - community preschool activities will influence some 5,000 children by delivering improved preparation for school programs; and Applied Adult Literacy Training - at least 1,000 adults will achieve literacy in their vernacular and/or English.

c. **Areas of Focus:** As a result of the experience gained through three years of implementation, the Education Sector Strategy further refined areas of project focus. These are i) models for decentralized education; ii) curriculum development and educational planning for a post-apartheid society; iii) qualitative improvement of black education; iv) expanded access to secondary education; v) post-secondary school remediation; vi) applied adult literacy training and vii) preparation for schooling.

d. **Funding Level:** The PP supplement recommends additional funding of \$13.5 million. The magnitude of this proposed increase is justified on the basis of the overwhelming needs in the education sector, as well as the favorable experience of current activities in achieving project objectives. Moreover, by extrapolating past project obligations and planned increases in grant size, the additional funds approximate current ESAT programming levels.

e. Evaluation: The evaluation plan for the project has been enhanced by the addition of technical subsector assessments of important ESAT subsectors. The assessments will: (a) provide current technical information on common areas of interest in basic education, i.e. primary schools and Saturday school tuition programs; and (b) provide the Mission staff with an improved tool for assessing prospective and current grantees.

The Interim Programmatic Evaluation will be designed to examine whether the project is maximizing its potential impact and utilizing the best possible criteria for choosing grantees. The Program Office will have the evaluation in place in September/October 1989, in order that the Mission can accept and incorporate its results by the second quarter of FY90.

Furthermore, as a result of the AID/W review of the most recent Mission Project Implementation Reports (PIRs), project officers, in conjunction with the Program Office, are working towards developing benchmarks to help ensure that ESAT is having its desired impact. The PIR reviews are supplemented by preparation of annual workplans to review new activities and ensure consistency with the ESAT strategy. The workplans permit adjustment of the project focus in response to the various evaluations described above.

B. Financial Summary

	<u>Original</u>	<u>Amendment</u>	<u>Total</u>
1. NGO Grants	5,800,000	12,700,000	18,500,000
2. Technical Assistance	<u>200,000</u>	<u>800,000</u>	<u>1,000,000</u>
TOTAL	6,000,000	13,500,000	19,500,000

C. Project Issues

a. Implementation: There are a number of on-going implementation constraints discussed in the PPS including: 1) political - which are imposed by a government largely unsympathetic to the aims and goals of improved black education; 2) economic/demographic - which relate to the sheer number of people who have been seriously disadvantaged or discarded by the system; and 3) administrative - which limit new and developing nongovernmental organizations as well as AID's grant oversight capabilities.

b. Financial Issues: All recipient organizations undergo a financial review prior to disbursement of funds to ensure that adequate bookkeeping and accounting systems exist. Where inadequate management or financial procedures/personnel exists, technical assistance is provided as part of the individual activity agreements.

c. Regional Bias: As pointed out above, the majority of the Agreements are located in urban areas of the Transvaal. To remedy this bias, the Mission is working to identify new activities in the Cape and Natal. Moreover, project officers will report on the regional division of resources during PIR and workplan reviews. For FY89, two grants are planned for rural/peri-urban Natal/KwaZulu and two teacher training activities will be supported in the Cape.

d. Pipeline: Currently the ESAT pipeline is \$4,307,000 out of \$5,389,000 cumulative obligations. On first inspection, the size of the pipeline relative to the cumulative obligations appears to be alarmingly large. In general, individual activities are forward-funded and multi-year agreements and the majority are being disbursed on schedule. The rate of expenditures is monitored through a periodic review of "problem activities".

e. HBCUs - The original project provided for substantial involvement by Historically Black Colleges and Universities (HBCUs). Indeed, one of the first grants executed under ESAT was with the American Black Colleges Consortium (ABC) in collaboration with the African Teachers Association of South Africa (ATASA). This grant, which is documented in the Project files, expires on September 30, 1989. The Mission continues to seek appropriate opportunities for HBCUs to contribute to the South Africa program.

V. Significant Policy Issues: There are no significant policy issues associated with this action.

VI. Congressional Notification: Notifications of planned annual obligation levels are submitted annually in accordance with Agency procedures. Congress requested a list of illustrative grantees in FY 1986, but has not done so since then. If such a listing is required Congress will advise AID upon reviewing the obligation notification. A detailed list was not requested in FY88.

VII. Provisions:

1. Local Cost Financing: The provision for local cost financing made in the original project paper remains valid.
2. IEE: The IEE provision in the original project paper remains valid.
3. Limited Competition for Grants: The provision for limited competition made in the original project paper remains valid.
4. Waivers: No waivers are required.

VIII. Responsible Officers: The project is managed in the field by the appropriate designee of the Mission Director.

IX. Recommendation: It is recommended that, pursuant to your authority under DOA 551, Section 4, you approve the Educational Support and Training Project Paper Supplement by signing the attached facesheet and corresponding Project Authorization Amendment Number Two.

Draft: JBisgard ^{JB} PDO:00131

Clearances: MVanDoren, CONT (draft)
DRobertson, PDO
HWilkinson, PROG
DKeene, RLA (draft) DK
WStickel, DD M

AUTHORIZATION AMENDMENT NUMBER TWO

Name of Country: South Africa
Name of Project: Educational Support and Training (ESAT)
Number of Project: 674-0302

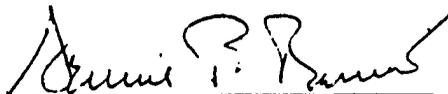
1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, the Educational Support and Training (ESAT) Project for South Africa was authorized on September 24, 1986 and amended on August 24, 1988 to extend the Project Assistance Completion date to September 24, 1994. That authorization is hereby further amended as follows:

A. Paragraph one is deleted in its entirety and the following is substituted in lieu thereof:

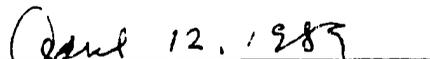
"1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, and to Title II of the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1989, I hereby authorize the Educational Support and Training Project (the "Project") involving planned obligations of not to exceed nineteen million five hundred thousand United States dollars (\$19,500,000) in grant funds over a eight-year period from date of authorization subject to the availability of funds in accordance with the AID OYB allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the Project is ten years from the date of initial obligation. Funding authorized under the project will be charged to the cited appropriations accounts as follows:

Development Assistance (DA):	\$ 550,000
Economic Support Funds (ESF):	\$ 5,450,000
Development Fund for Africa (DFA):	\$13,500,000"

2. The authorization cited above remains in force except as hereby amended.



Dennis P. Barrett
Mission Director, USAID/South Africa



Date

Draft: JBisgard:PDO;0013I

Clear: MJohnson, SDO
DRobertson, EDO
DKeene, RLA
HWilkinson, PROG (draft)
MVanDoren, CONT (draft)
WStickel, DD

TABLE OF CONTENTS

I.	Summary	1
II.	Project Rationale	2
	A. Background	2
	B. ESAT Project	3
III.	Progress to Date	4
	A. Current Portfolio	4
	B. Ongoing Implementation Issues	5
	1. Political	5
	2. Economic/Demographic	6
	3. Administrative	6
IV.	Goals and Outputs	7
	A. Goal	7
	B. Purpose	7
	C. Outputs	7
V.	Project Description	8
	A. Original Project Paper	8
	B. Identifying Priority Areas	9
	C. Areas of Focus	9
	D. Activity Selection Criteria	11
	1. Organizational Requirements	11
	2. Programmatic Requirements	11
VI.	Implementation	12
	A. Current Approach	12
	B. Other Options	12
	C. Personnel Requirements	12
	D. Implementation Plan	13
VII.	Mission Policy Issues	13
	A. Recurrent Costs	13
	B. Private Sector/Other Donors	14
VIII.	Evaluation Plan	14
	A. Original Evaluation Plan	14
	B. Revised Evaluation Plan	15
	C. Individual Activity Evaluations	15
IX.	Project Budget	16
	A. Financial Summary	16
	B. New Obligation Schedule	16
X.	Expected Impact	17
	A. Formal Education	17
	B. Non-formal Education	17

I. Summary

Country: South Africa

Project Name: Educational Support and Training (ESAT) Project

Project Number: 574-0302

Supplement Number: 1

PACD: September 24, 1996

Funding Level: The PP Supplement recommends additional funding of \$13.5 million. The magnitude of the proposed increase is justified on the basis of the overwhelming needs in the education sector, as well as the favorable experience of current activities. Moreover, by extrapolating past project obligations and future increases in average grant size, the additional funds approximate current ESAT programming levels.

Financial Data:

Previous	\$ 6,000,000
Additional	<u>\$13,500,000</u>
Total	\$19,500,000

Purpose: The purpose is slightly modified in the PP Supplement: to support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of human resources caused by the apartheid education system.

Project Rationale: The project rationale remains the same.

II. Project Rationale

South African educationists, community and business leaders have identified improved educational opportunities as critical in attacking apartheid structures throughout society and enabling black participation in a nonracial, democratic South Africa. Providing basic education is traditionally considered to be the dominion of the State and is a heavily subsidized public sector activity worldwide. However, the South African government's apartheid education system, which dictates separate facilities and curricula of widely differing standards for White, "Colored", Asian and African students, is totally unacceptable to the majority. This situation creates a void of inestimable proportions to provide educational alternatives for literally millions of disadvantaged South Africans who have been victims of an inferior education for years. This includes those formerly rejected by the system as well as those currently struggling to overcome it.

The Comprehensive Anti-Apartheid Act of 1986 (CAAA) specifically mandates that the AID assistance program include education as a central tool to demonstrate the U.S. commitment to ending apartheid. Particular mention is made of financing education and training for victims of apartheid, including teachers and other education professionals; and financing "alternative education", or community-based initiatives that are consistent with the majority will of South Africans. Accordingly, the ESAT project is based on an outreach approach which responds to the concerns of credible community leaders and educationists.

Involvement in the education sector is also critical in achieving the overall Mission objective of promoting the emergence of a nonracial democracy in South Africa. Key to achievement of this goal is the active participation by black South Africans in shaping a new society which overcomes the effects of decades of social engineering. For this to take place, a new, restructured educational system is essential.

A. Background

Education has long been a primary tool used by the South African government to subjugate blacks. Since the virtual abolition of Mission schools in the 1940s, blacks have been the victims of a Bantu Education system designed by white South Africans to prepare them to be laborers and servants for whites. The system doled out an inferior education which is characterized by:

- (1) embarrassingly low per student expenditures (one seventh that of white students, although recently as low as one twentieth);
- (2) high teacher student ratios (class sizes three times that of whites);

(3) totally unqualified teachers to staff the State school system (more than 70% teaching without minimum credentials); and,

(4) a curriculum which propagates, through language and social studies, a racist, white government's history of black inferiority.¹

The result of the inequity institutionalized by the State educational system is almost guaranteed failure (only 1% of the students who enroll in Standard 1 successfully complete secondary school), tremendous resentment against formal education in general by black youth, and a tragic waste of human potential in the black community where only the most exceptional and privileged have the opportunity to obtain a basic education. As long as apartheid policies continue to dictate the educational system, the cycle of inferior education, high unemployment and hopelessness among blacks will persist.

B. ESAT Project

The Educational Support and Training Project (674-0302) is the AID Project vehicle which was designed to address basic education program requirements in South Africa. This "umbrella" project, authorized in 1986 at a level of \$6 million, permits consideration of a broad range of activities which are identified and developed in consultation with educationists and community leaders.

In recent years, the Project has funded selected activities including: a) Community-Based Schools, which provide quality, nonracial, private education at the secondary level; b) Preschool Programs, providing nonracial, private education at the pre-primary level; c) Materials Development/Research, to support the development of racially and culturally non-biased educational materials and research; d) Teacher Training and Upgrading, which provide the opportunity for teachers to upgrade academic and teaching credentials at the primary and secondary levels; e) Literacy Programs, which prepare adults with skills in literacy; and f) Secondary School Bursary Programs, which address the tremendous student demand for non-governmental, alternative secondary studies.

¹ - South African Institute for Race Relations Social and Economic Update; February 1988

III. Progress to Date

A. Current Portfolio

1. Community-based Schools: ESAT now includes agreements with nine community-based schools, which represent the community's response to the unrest in the townships of the mid-80's and the inferior education provided in Department of Education and Training (DET) schools. Most are located in the Witwatersrand Area (Johannesburg). These schools are heavily dependent on foreign donor funding, and as a consequence, they are multi-year agreements to provide a degree of stability in the operation of the facilities. Although there is a range of quality associated with these schools, they constitute an important part of the experimentation necessary with non-DET education. An assessment of the schools will be completed soon which will provide further guidance on the role community-based education will play in a post-apartheid society.

2. Preschool Programs - There are two ESAT preschool activities, both of which are in the Western Cape. Although the area of preschool education is considered to be important to community leaders, the DET regards it as the domain of child welfare and consequently, does not currently exercise authority over such activities. ESAT activities in this area focus on black preschool needs, which are especially critical in areas like the Western Cape.

3. Literacy Programs Adult illiteracy in South Africa is a serious problem, with 70% of the rural population and 50% of the urban population estimated illiterate. It stems directly from the lack of a free compulsory education system and is compounded by the dearth of government provided adult education courses. At present there is one literacy project under ESAT. This activity is particularly important because it provides accessible and affordable literacy training in Pretoria, a city noted for its lack of such opportunities.

4. Materials Development and Research - There are two diverse activities in this sector. One responds to the necessity of developing non-biased literature which presents black culture and history in a realistic and positive light. The other assists the only independent professional education journal, an important forum for discussing a post-apartheid education system.

5. Teacher Training and Upgrading - One result of poor DET schools is a vicious cycle turning out underqualified primary and secondary teachers. Four activities funded out of this category respond to this problem in a variety of innovative methods. These range from formal studies to complete secondary matriculation to an informal program designed to improve primary school teachers' math teaching skills.

6. Secondary School Bursary Programs - Education is expensive everywhere, but in South Africa the poor quality government provided schools force students to search for private alternatives which are far more expensive. Four activities provide bursary funds to community organizations who award it to needy or politically disadvantaged secondary students. Bursaries are also available for non-formal education, vacation school, Saturday tutoring and other forms of supplemental education.

B. Ongoing Implementation Issues

Because the SAG is well aware of the importance blacks place on education, the sector is fraught with constraints. These constraints are described below as political, demographic, economic, administrative, and technical. They provide a clear picture of the sensitivities of the sector and the problems associated with successfully implementing a meaningful program.

1. Political - The SAG has used its immense power to maintain the status quo in education, which politicizes the issue of education dramatically. It severely restricted educational activities in schools and hostels through the December 1986 Emergency Decree (subsequently incorporated into the current State of Emergency Decree), and has threatened to cut off universities' generous subsidies unless steps are taken to curtail political activities on campuses.

Another SAG tactic for restricting educational activities has been the detention of many important figures involved in promoting change. Indeed, whole organizations have been detained by forceful means thus eliminating alternatives to the status quo.

A complementary feature of the political constraint to working in education is the divisiveness and conflict which exists in the black community. Views differ widely over the way in which to address education, from capitulating to the DET encouraging school attendance, to the development of a "people's education" which refocuses the entire education system to the needs of the student. Unification in the field of education is further hampered by the above-described SAG detention of recognized educational leaders.

2. Economic/Demographic - Another fundamental constraint in education is the sheer number of people who have been discarded or otherwise victimized by the system. The most recent statistics available indicate that in 1985, there were 6,013,050 Africans enrolled in school (including white-designated areas, non-independent homelands and independent homelands), compared with and 971,197 whites, 1,033,251 "colored" and Asians.² Per capita government expenditures for white students are roughly seven times that of black African students. Although the government has made a commitment to bringing black education expenditures to parity with whites, the economic realities of such a commitment reduce it to a long-term goal with little hope of achievement. The overcrowding of black schools is a familiar theme, with teacher student ratios for blacks estimated at 1:40 compared to 1:17 for whites. The further irony is in the existence of empty white schools which, due to Group Areas restrictions, can do little to ease the overcrowding of black schools.

3. Administrative - As referred to above, the SAG has imposed severe restrictive controls on organizations involved in education, such as detention of activists, general harassment, and close scrutiny of funding sources. One of the unfortunate consequences of these restrictions is that many alternative organizations are limited in their size and capacity to mount effective programs. Furthermore, many of these organizations are staffed largely by white South Africans, due to difficulties of recruiting qualified black staff (a further result of the poor education system), a reality which represents the desire and intention to empower blacks.

Throughout the world, most AID education projects collaborate closely with the corresponding host country ministry to identify technical bottlenecks or problems of urgency. Projects are then designed jointly, taking into account the country's ability to staff and sustain the effort when assistance is completed. No such approach is possible in South Africa. Due to the nature of the program, no technical resources are obtained from the Department of Education and Training (DET), and no government contact whatsoever is encouraged. As a consequence, none of the traditional set of technical resources exist.

The non-traditional base with which AID works - private nongovernmental organizations supported by their respective communities and the wider donor community - is thin and unpredictable. In addition, many potential grantees are inexperienced in the administrative aspects of education. The SAG has permitted very few alternative and nonformal educational activities historically, and leaders of these activities are often detained and otherwise harassed.

² - South African Institute for Race Relations March, 1988.

In cases where local expertise is thin, AID normally brings in outside consultants on a long or short-term basis. This is impractical in South Africa because few international consultants have experience with the complexities of working in an apartheid society, and those who would be our prime candidates are likely to be denied entry to the country.

In summary there is no mainstream education system support for ESAT. Many activities are experimental or are run by persons who have been denied the opportunity to acquire background experience. Thus, the sector requires a degree of support and oversight not usually associated with AID education sector programs.

In spite of the need for oversight of implementation issues, the Mission continues to experience staffing constraints. Currently 50% of a USDH and 60% of a US PSC's time are devoted to outreach, with the objective of identifying new grantees, and to administration, managing existing grants. While there are plans to remedy this situation, Mission hiring is controlled by the Embassy, which places strict ceilings on personnel.*

IV. Goals and Outputs

A. Goal - The goal remains the same "To promote the political and social change in South Africa that leads to an end of apartheid and to a political system based on the consent of the governed."

B. Purpose - The original project purpose was: "To support and expand selected activities in South Africa that advance the black community goals of educational equity and elimination of all forms of apartheid in the content and structure of the educational system in South Africa." In this supplement the project purpose has been modified to reflect the central objective of the recent Education Sector Strategy. It is: "to support indigenous, nongovernmental initiatives which test improved models for basic education for disadvantaged South Africans and confront the waste of human resources caused by the apartheid education system." There is no operational alteration, but rather a refinement of the intent of the Project.

C. Outputs - Outputs under ESAT tend to be somewhat qualitative rather than quantitative and are best described in Section X, "Expected Impact", of this Project Paper Supplement. In all cases, grants are expected to deliver benefits to South Africans disadvantaged by the apartheid

* Due to the unique political situation, USAID does not have a bilateral relationship with the South African Government. Therefore, USAID is a section of the Embassy and must abide by its rules and regulations.

education system and to further community programs aimed at identifying viable alternatives to support a democratic South Africa. However, where possible, the project attempts to quantify outputs under each "area of focus": Models for Decentralized Education and Secondary School Remediation - documented experience of at least 12 community-based alternative schools or remediation programs; Qualitative Improvement of Black Education - at least 2,000 teachers will have been trained either in improved methodology or academic upgrading programs; Curriculum Development and Educational Planning - the development, publication, and dissemination of some 20,000 copies of curriculum or educational development materials; Preparation for Schooling - community preschool activities will influence some 5,000 children by delivering improved preparation for school programs; and Applied Adult Literacy Training - at least 1,000 adults will achieve literacy in their vernacular and/or English.

V. Project Description

A. Original Project Paper - The project description is only slightly modified in this Project Paper Supplement. The original project paper describes ESAT as an "umbrella" project which permits AID to directly fund non-governmental organizations working in alternative education in support of black community goals. Emphasis was on four program areas.

- 1) strengthening the capacities of black educational organizations;
- 2) supporting educational planning and research (especially on such key issues as curriculum reform and school finance and administration);
- 3) upgrading the performance and leadership skills of black teachers; and
- 4) supporting pilot and experimental programs for black students (with special focus on bridging programs in science, math, and English and on developing supplementary curricula in black history and arts).

The focus has been refined as expanded in Section C. below, based on experience gained in three years of implementation.

Total project funding was \$6,000,000. Of this funding, \$5,800,000 was reserved for grants and the remaining \$200,000 for technical assistance. This pattern will continue with the additional \$13.5 million devoted to: \$12,700,000 for grants and the remaining \$800,000 reserved for local or U.S. technical assistance.

The original PACD was September 30, 1991. However, agreements obligated in FY 1988 and henceforth necessitated an extension of the PACD to permit programming on a multi-year basis. As a consequence, an authorization amendment, signed on August 15, 1988, extended the Life of Project by three years to September 24, 1994. With the addition of \$13.5 million which will allow programming through FY 1993 another PACD extension is necessary to allow Agreements commenced in 1993 to run their full three-year course. Therefore, the PACD will be extended to September 24, 1996 bringing the total LOP to 10 years.

Project management relies on periodic assistance from USAID/Swaziland (Regional Legal Advisor, Regional Contracts Officer). Originally, the Regional Controller serviced the Mission, although staffing has expanded to include a PSC Controller.

The average grant under this project will continue to be between \$200,000 and \$500,000. Although exceptions are considered, administrative constraints prohibit grants of less than \$100,000 except under special circumstances. In these instances, it is preferable to fund the organization through other sectors.

B. Identifying Priority Areas - Educational priorities which were identified under prior ESAT grant selections were made in consultation with community and educational leaders based on an outreach strategy. These organizations also provide feedback on the general education strategy and future programming decisions on an ad hoc basis. Consultation continues to be an important part of the Mission's strategy in identifying priority areas.

C. Areas of Focus - The ESAT Project has a dual focus on formal and nonformal education. In formal education, the project supports testing of models which act as forceful proponents of change in the country's historically inequitable primary and secondary school systems (basic education). The intended beneficiaries of such a strategy are the current and future students in those systems.

In nonformal education, the project supports attempts to confront or forefend against education's failings. As with formal education, the emphasis is on developing viable, replicable prototype programs. The target beneficiaries are: 1) blacks who have completed the primary/secondary system, but who find that the poor quality of their education has not equipped them to pass the matriculation exam or to perform adequately at the university level; 2) marginally literate persons to whom the education system has given virtually nothing; and 3) preschool children who may, with some preparation, be able to overcome the system's inadequacies.

- 17 -

There are four key areas of substantive focus in formal education:

1. Models for Decentralized Education - The current, highly structured system permits virtually no decision-making at any level below the national authority. Alternative schools are developing numerous approaches to school governance and support which will offer post-apartheid planners tested models which encourage local initiative and flexibility.
2. Curriculum Development and Educational Planning for a Post-Apartheid Society - In tandem with decentralization must be the production of materials which apply effective learning theory and transcend the limitations of the current white-centered course of studies. Planning exercises are also necessary to shape the transformation from inequity to a system based on parity.
3. Qualitative Improvement of Black Education - In-service teacher training, although not attacking apartheid directly, is an attempt to address the poor quality of black schools in the short term. This is one of the only options open for addressing the notoriously low efficiency of the system while simultaneously offering black teachers the opportunity for professional upgrading.
4. Expanded Access to Secondary Education - Thousands of primary school leavers each year fail to go on to secondary school because they have no money to pay school fees. The magnitude of the problem is too great to be met with our project's resources, but assistance is focused on subgroups whose plight is particularly poignant and/or of maximum symbolic importance.

Nonformal education has three principal foci. In priority order, they are:

1. Post-secondary School Remediation - The cumulative impact of inferior education puts blacks at a disadvantage in entering university or obtaining a job. Reversing that situation through a variety of short-term programs is one of the most positive steps to prepare for the transition to a post-apartheid society which will face critical scarcities of blacks ready to move into leadership and management roles. It also offers low-cost assurance that a student's twelve year investment in education will not have been wasted.
2. Applied Adult Literacy Training - Without basic literacy and numeracy skills, large numbers of blacks are unable to participate fully in society. South Africa's educational system has produced black illiteracy rates comparable to some of the world's poorest countries. Because their needs vary greatly, no one model can purport to serve the numerous subpopulations which could benefit tangibly and quickly from such training.

3. Preparation for Schooling - Research is confirming the long-term effects of preschool education: better school performance, lower adolescent crime rates, improved employment prospects. Young black cadres entering the primary school may be able to cope more effectively with the inadequacies of the system following some preschool training.

D. Activity Selection Criteria - The Project's activity selection criteria has been revised to incorporate general programming criteria adopted for the entire USAID/SA program. These criteria, specified below, are divided into two groups: organizational requirements and programmatic requirements.

1. Organizational Requirements - To be eligible to receive ESAT project funds, organizations must satisfy the following requirements:

- a. Reflect in nature and intent the objectives of ending apartheid and the promotion of a just¹ society through peaceful means;
- b. Demonstrate genuine commitment to promoting disadvantaged South African education;
- c. Evidence community support; and
- d. Be financially responsible and have sufficient management capabilities to carry out their proposed program.²

2. Programmatic Requirements - Activities are selected on an annual basis according to their conformance with:

- a. AID's overall program objectives in South Africa;
- b. ESAT's goal and purpose
- c. ESAT areas of focus' and
- e. availability of funds.

¹ An important part of the "just" or "equality" theme in education surpassing that of the racial barriers of apartheid is the breaking down of sex stereotypes. The project supports organizations which contribute to the fight against sex discrimination.

² Unfortunately, many educational organizations are formed by apartheid caused necessity, with little funds and/or experience in setting up and running organizations. ESAT grants allow groups to commence or expand activities, sometimes exceeding previous simple, but satisfactory financial and management systems. Therefore, agreements often fund financial and management technical assistance (and audits) to assist achievement of approved USAID status.

VI. Implementation

A. Current Approach - The current approach to implementation has been to select nongovernmental organizations for funding, based on full consultation with appropriate community and technical advice. Proposals are accepted and negotiated to streamline implementation and to ensure key criteria are met. There are twenty-two separate, fully-funded educational activities under ESAT from FY 86-88. These range in size from \$25,000 to \$900,000, although agreements generally average between \$100,000 and \$300,000 over a three to four-year period.

B. Other Options - In response to the constraints which have been described, there may be other options which will be considered in implementation of the project. Of most interest is the possibility of aggregating individual activities under broader administrative arrangements (contracts, trusts, U.S. PVOs, etc.) to permit more coverage with fewer management units.

Globally, AID has effectively used U.S. and indigenous PVOs as intermediaries to program U.S. assistance. ESAT and other USAID/SA projects adopt the umbrella concept, but have made minimal use of U.S. intermediaries for both technical and political reasons. While useful for shifting internal programming decisions to external entities, intermediaries reduce contact with end recipients and could foreclose opportunities to build important relationships.

Equally serious, few organizations in the current South African environment escape political labels, regardless of their intent. A greater reliance on intermediaries, particularly in the early stages of the program, could have led to undesired associations of the AID program with specific political groupings. These issues are fully analyzed and discussed in the Mission's approved program strategy document, Volume III Section I, the Administrative Strategy.

C. Personnel Requirements - ESAT is, by its outreach nature, labor intensive. In so being, it requires substantial personnel resources for proper implementation. Until recently, the Mission has only been able to devote a part-time USDH to implement existing grants, develop and design new activities, and maintain the consistent contact and consultation with educationists and community leaders which are critical to the project's credibility. This has entailed significant constraints: the need to concentrate activities in the Witwatersrand area; a focus on urban areas; and, the need to defer more labor-intensive but possibly highly innovative new activities. This has been partially addressed by the employment of a PSC project officer who will be gradually taking responsibility for the project. Nonetheless, the project will continue to make tradeoffs, prioritizing maintenance of current grantees over development of new grants, and continuing consultation wherever possible. In addition, future programming will forward-fund multi-year agreements and increase the size of successful individual agreements.

D. Implementation Plan - Implementation of ESAT is relatively uncomplicated, requiring selection of new grantees or amending agreements on a fiscal year basis. The following table provides an illustrative number of new grants and amendments by fiscal year. The Project Office prepares an ESAT action plan on a bi-annual basis for internal Mission approval. The purpose of the action plan is to propose new grant or amendments, estimate levels of funding and target the fiscal quarter for obligation.

Illustrative Number of New, Expired and Amended Agreements
Table 1

<u>Activities</u>	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93
New	1	12	9	10	9	8	7	5
Amended	0	0	5	5	6	7	8	5
Expired	(0)	(0)	(1)	(1)	(4)	(4)	(4)	(4)
<hr/>								
Total Mgmt Units	1	13	21	30	35	38	41	42

VII. Mission Policy Issues

A. Recurrent Costs - As detailed in the Mission's recurrent cost policy, financing of recurrent costs can be justified under three scenarios. The first is for projects requiring start-up capital to produce a product or service that will generate revenue over time. The second is for projects that compensate for market or the State's failure to provide goods or services undervalued by market mechanisms. The third is for activities and issues with high political symbolism or extraordinary developmental impact.

Most ESAT agreements fall into the second category. Throughout the world, market forces consistently undervalue education compared to the value society places upon it. As a result, in a "normal" society the government bridges the gap through subsidizing all levels of education. In apartheid-defined South Africa, this is not the case. Consequently, donors, both international and local, assist with recurrent costs.

In order to ensure that recurrent costs for such projects are financed responsibly and in accordance with both AID and Mission policy, USAID has developed a set of guidelines for designing agreements that entail recurrent cost support. These guidelines are tailored to each of three categories described above. The principal guidelines applicable to ESAT activities are:

1. clearly identify within the agreement the link between project objectives and the need for recurrent cost support;

2. avoid overdesigning activities;
3. build in revenue measures whenever possible;
4. encourage and/or facilitate other donor assistance;
5. provide technical assistance to enhance an activity's viability when necessary; and
6. try to decrease AID's support for the organization's recurrent costs over the course of the agreement.

B. Private Sector/Other Donor Assistance - All individual activities funded are private interests. Thus, the private sector has potential to make a strong contribution in the field of education. While education requires the support of the public sector, these nongovernmental organizations have refused all subsidies offered by the State in order to maintain their own independent, nonracial standards. Secondary schools, pre-schools, organizations which prepare educational materials, etc. all have relied on donor and corporate funding to defray the cost of their services. The pull-out of U.S. firms has hurt many laudable educational activities and the U.S. assistance program is increasingly asked to fill the gap. While these activities may not lend themselves to privatizing entirely, they are evidence that people are willing to pay for quality, nonracial education.

The Mission also encourages other donor support to reduce dependence and because the needs are overwhelming in comparison to the resources available. The importance of working in the education sector in the fight against apartheid is recognized by the wide range of donors (private, public, foreign, domestic) heavily involved in similar activities.

VIII. Evaluation Plan

A. Original Evaluation Plan - The original project paper proposed a system of formal evaluations based on a six month cycle. After six months of grantee activities the Mission, with technical assistance, was to undertake an evaluation. Then at the end of the year, with AID/W assistance, the project was to be evaluated again. This cycle was to continue throughout the life of project.

In actuality, due to a limited and overworked staff, the evaluation schedule has lagged considerably. Given the extension of the PACD to 1996, the following evaluation plan is expected to be more helpful and realistic.

B. Revised Evaluation Plan - Under the direction and management of the Program Office, there will be two types of evaluation: overall programmatic and specific technical sub-fields.

1. Programmatic: These evaluations will focus on overall project priority areas and selection criteria rather than on individual activities. There will be two mid-term evaluations scheduled in FY 1990 and FY 1992. The final evaluation, in FY 1996, will also be of this type.

2. Technical Sub-fields: The focus of these evaluations will be generally on the common problems and solutions experienced by ESAT-supported NGOs within major technical subsectors: e.g. primary education; community-based schools; pre-schools; teacher training; and secondary bursary funds. These evaluations will also provide the Mission with a tool for assessing new grantees and the overall development of the subsector.

The first of such evaluations is currently underway. With PD&S funds, the Mission has hired a contractor to examine common issues facing Community-Based secondary schools.

Evaluation Schedule

	FY89	FY90	FY91	FY92	FY93.....	FY96
Programmatic		X		X		X
Technical						
Comm. ed	X		X			
Teach. Tr.		X				
Primary Education		X				
Outreach Activities		X				
Pre-sch.			X			
Bursary				X		

C. Individual Activity Evaluations - Individual activity evaluations form an integral part of the ESAT project. The project officer and the recipient conduct informal inhouse evaluations periodically. Most agreements provide for at least one and sometimes two outside evaluations.

IX. Project Budget

A. Financial Summary - A financial summary of the project is presented below. The figures are illustrative based upon implementation experience gained in the first three years.

Table 1
(U.S. dollars)

	<u>Original</u>	<u>Amendment</u>	<u>Total</u>
1. NGO Grants	5,800,000	12,700,000	18,500,000
2. Technical Assistance*	<u>200,000</u>	<u>800,000</u>	<u>1,000,000</u>
Total:	6,000,000	13,500,000	19,500,000

* To date, funds under the technical assistance line-item have not been utilized because: 1) the project was too new to for an external evaluation; 2) financial reviews of the NGO grantees have been conducted either by the Mission's Controller office or an IQC firm funded under PD&S; and 3) none of the ESAT grantees have requested technical assistance. In the future, technical assistance will be used to fund: 1) external evaluations; 2) local and/or U.S. short or long-term TA to assist in management/strategizing of the overall project portfolio; and 3) local and/or U.S. short or long-term TA to assist with specific grantees. This is an appropriate level because of the planned 1990 and 1992 external evaluations; the continued constraints on the Mission staff time which may be remedied by hiring an additional PSC project officer using project funds; and the possibility that technical assistance may be requested by new grantees.

B. New Obligation Schedule for NGO Grants - In general, individual activities are forward-funded, multi-year agreements. Thus the project currently has a large pipeline. During FY86-88 a total of \$4,854,000 was obligated for NGO grants, leaving approximately \$13,646,000 to be obligated by FY94. A tentative schedule is presented in Table 2 below:

Table 2
Illustrative Obligation Schedule
(\$000)

	FY89	FY90	FY91	FY92	FY93
Percentage of New grants obligated	(80%)	(70%)	(60%)	(50%)	(40%)
	\$2,640	2,310	1,800	1,500	400
On-going Activities amended	(20%)	(30%)	(40%)	(50%)	(60%)
	660	990	1,200	1,500	600
Total	3,300	3,300	3,000	3,000	1,000
GRAND TOTAL=	\$13,600,000				

24

The obligation schedule reflects a gradual decline of new agreements and a leveling off on total agreements. Due to staffing limitations at the Mission and organizational limitations of local education NGOs, the Mission estimates that the total number of agreements will remain stable at approximately 45-50, given funding levels. This is supported by the project's objective of helping to experiment with models. Based on the success of activities, they should begin to diversify their funding sources or become more independent. Naturally, those activities which are found to be making insufficient progress will not continue to be funded.

X. Expected Impact

The expected impact of the ESAT project, given appropriate resources, is presented below by formal and nonformal activities:

A. Formal Education - In the short term, the relatively small numbers of students involved will benefit from the innovation and resulting educational improvements produced by the grantees through alternative and community-based schools. Because the strategy supports the development and testing of prototypes and putative models for future education in South Africa, the expectation is that in the longer term, the most successful of these experiments will be widely replicated to serve a large proportion of the black population which currently has access only to an inferior standard of education. Adoption of part or all of the new curriculum materials being written with AID support will open pupils' horizons to a world view which includes blacks as full participants. And black teachers, bolstered by improved skills and experience, will be ready and able to adopt new ideas and approaches that improve the efficiency and utility of their educational offerings.

B. Non-formal Education - In the short term, efforts should result in improved survival skills for persons long denied the right to basic education at the economic margin to acquire and apply literacy and numeracy capabilities in their work and homes. Post-secondary trainees should quickly demonstrate improved performance at university and in the labor market.

Although both literacy and post-secondary remediation are often viewed as transitional programs which should shrink and disappear once the problems are dealt with effectively by the formal system, realism dictates that given the scope of the current educational problems, both efforts will need to continue for at least a decade on a fairly large scale. That will mean that the longer-term impact should be a relatively widespread improvement in economic circumstances and self-image for blacks escaping illiteracy. In addition, a solid contribution to the growth of the black leadership cadre can be expected, which will largely emerge from the ranks of successful secondary school graduates.

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26