AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete) — Amendment Number

DOCUMENT CODE: 3

2. COUNTRY/ENTITY: SOUTH AFRICA

3. PROJECT NUMBER: 674-0314

4. BUREAU/OFFICE: Africa Bureau — 06

5. PROJECT TITLE (maximum 40 characters): S.A. Basic Ed. Reconstruction

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 09 DD 30 YY 98

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)
A. Initial FY 92 B. Quarter C. Final FY 97

8. COSTS ($000 OR EQUIVALENT $1 =

A. FUNDING SOURCE	FIRST FY 92 B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(6,000)	(-)	(6,000)	(20,000)	(-)	(20,000
(Loan)	( )	( )	( )	( )	( )	(
Other U.S. 1.						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	6,000	-	6,000	20,000	-	20,000

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1) DFA	EDEC			-	-	20,000	-	20,000	-
(2)									
(3)									
(4)									
TOTALS				-	-	20,000	-	20,000	-

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CO

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	INS	PVL	RRE	SPR	TTL	WDI	PVX
B. Amount	25%	40%	30%	30%	35%	50%	25%

13. PROJECT PURPOSE (maximum 480 characters)

Increased development and use of innovative educational models and policy systems which improve the quality of primary education for historically disadvantaged South Africans.

14. SCHEDULED EVALUATIONS
Interim MM 09 YY 94 | MM 09 YY 96 | Final MM 06 YY 98

15. SOURCE/ORIGIN OF GOODS AND SERVICES
☐ 000 ☐ 941 ☐ Local ☒ Other (Specify) 935

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

17. APPROVED BY
Signature: Leslie A. Dean
Title: Leslie A. Dean, Director
Date Signed: MM 07 DD 23 YY 92

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MM 08 DD 05 YY 92

AID 1330-4 (8-79)

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PROJECT AUTHORIZATION

Name of Country: South Africa

Name of Project: South Africa Basic Education Reconstruction (SABER)

Project Number: 674-0314

1. Pursuant to the Foreign Assistance Act of 1961, as amended, and the Comprehensive Anti-Apartheid Act of 1986, as amended, I hereby authorize the South Africa Basic Education Reconstruction (SABER) Project involving planned obligations of not to exceed twenty million United States dollars ($20,000,000) in grant funds over a period of five years from the date of authorization, subject to the availability of funds and in accordance with the A.I.D. OYB/allotment process, to finance foreign exchange and local currency costs for the Project. The planned expiration date of the Project is September 30, 1998.

2. The Project consists of assistance to increase the development and use of innovative educational models and policy systems which are focused on improved quality of education for historically disadvantaged South Africans.

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

a. The source and origin of commodities and nationality of services (except ocean shipping) financed by A.I.D. under the Project with DFA funds shall be the United States, South Africa or other countries included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing. All reasonable efforts will be made to maximize procurement from the United States, whenever practicable.

b. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States or countries included in A.I.D. Geographic Code 935.

Leslie A. Dean

Leslie A. Dean
Director
USAID/South Africa

Date: July 23, 1992

Drafted: DKeene, RLA DK
Cleared: JBisgard, PDO
RSanGiovanni, A/HRDO
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FMangera, APROG
JAddleton, PROG
JWeber, AD

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ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

FROM: William G. Duncan, Chief of the Project and Human Resource Development Office WGD

DATE: July 22, 1992

SUBJECT: South Africa Basic Education Reconstruction (SABER) Project (674-0314)

I. PROBLEM:

Your approval is required to authorize the subject project at a level of $20,000,000, to be funded under the FAA, as amended, from the DFA account. The planned expiration date of the project is September 30, 1998.

II. AUTHORITY:

Pursuant to State 053631 and to Section 4 of Africa Bureau Redelegation of Authority No. 551, as amended, AID/W has delegated authority to the Mission Director, USAID/South Africa, to approve the Project at a level not to exceed $20,000,000 (See Annex B).

III. DISCUSSION:

A. Background

Primary education for South Africa's[1] majority population is clearly in a state of crisis. Lack of adequate teachers, curricula and materials have led to repetition rates of 30% in the first grade and few children make it over the hurdle of shifting from a local language medium of instruction to the mandatory English medium in grade 5. The curriculum, widely evaluated as inappropriate and unresponsive to the needs of children, has not been changed since the early 1950s. This situation is the legacy of the South African Government's (SAG) treatment of blacks[2] under apartheid.

The legacy of this education system is reflected in statistics and descriptions which illustrate the problem. It is estimated that only two percent of the white population is illiterate compared with fifty percent of the black population. Not surprisingly, per capita SAG spending on white students is more than six times that spent on blacks. And, perhaps most alarmingly, only one out of every one

[1] For the purposes of this project, the Republic of South Africa includes the "independent" and "self-governing" homelands.

[2] The term "black" is used to refer to all individuals of African, "colored", or Asian descent who were legally disadvantaged by apartheid. The primary beneficiaries of this project will be members of the majority South African population.

hundred black students who begin primary school manages to successfully graduate from high school with a passing grade allowing university entrance.

To further analyze these problems, the Mission commissioned a Primary Education Sector Assessment (PESA) in 1991. PESA identified the following problems facing the primary education system in South Africa: black teachers, themselves victims of apartheid policies, are unprepared and untrained for their roles in the classroom; primary school curriculum is ill-suited and irrelevant for black development in the modern South African economy; management and administration of black schools, weak in the best of circumstances, is unable to function effectively within an environment of financial distress and political chaos; and even such basic tools as textbooks and teaching materials are nonexistent or in short supply.

After wide consultations with the black opposition leadership, NGOs and community members, it was recommended that USAID design a new project specifically to address these issues. The focus should be on primary education, which in South Africa, as in other countries, has a weaker political constituency. Further, the phased structure of SABER directly promotes and supports the move towards an interim and a new democratically-elected government.

The design of this project is built on Mission experience under the Educational Support and Training (ESAT) Project (674-0302). Focussed exclusively on NGO support in the basic education sector, ESAT has obligated nearly $17 million in approximately 65 grant agreements to promote innovative work in education. SABER takes the process one step further and provides for the replication of successful interventions in primary education[3].

B. Project Description

The South Africa Basic Education Reconstruction (SABER) Project is a six year, $20 million project with a completion date of September 30, 1998. The summarized goal and purpose are to improve the quality of education for disadvantaged South Africans through increased development and use of innovative educational models and policy systems which promote a democratic, nonracial, nonsexist, compulsory, unitary education system (hereafter referred to as a "new education system").

As recommended in PESA, the project will make investments in four key educational areas: school administration; teacher training; curriculum development; and provision of materials and technology. In addition, a number of cross-cutting issues will be addressed, including: improving the monitoring capacity of relevant NGOs and the anticipated new government; promoting nonsexist role models; and developing new educational policies which improve the quality and efficiency of the overall education system.

[3] Primary education encompasses, for the purposes of this project, pre-primary education as well.

Given the current political environment in South Africa, the project has been structured in phases to respond to the transition to a new education system:

Phase I-- NGO Support: Phase I, which will continue throughout the six year life-of-project, will focus on NGO programs to improve the quality of primary education for historically disadvantaged South Africans. Support under this phase will be provided through grant agreements with, and technical assistance for, NGOs. In addition, policy reform and research will be supported to begin to prepare the black opposition leaders to negotiate and promote a new education system. Estimated expenditure is $12.5 million.

Phase II-- Negotiations Support: Phase II requires that an interim education negotiating forum[4] be in place with a prominent role for representatives of the black majority. The purpose of the forum or similar entity will be to formulate policy for a new education system. To commence this Phase, the Mission will require a request for assistance from the leaders of the black majority on the negotiating forum. Assistance will be provided to this negotiating forum through a direct grant and/or through grants to NGO intermediaries, depending on whether the forum is characterized as "SAG financed" for purposes of the legislative/policy restriction on assistance to organizations "financed or controlled by the SAG". Support for the forum will include technical assistance and training based on guidelines established during the annual SABER action plan. During this Phase, support for NGOs will continue. No U.S. legislative or policy change is necessary to implement this phase. Estimated expenditure is $7.5 million.

Phase III-- Support for a New Government: This phase is not authorized or funded under this project authorization and will be authorized only after a new government has been democratically elected and implementation has been successful in Phases I and II. Funding for this stage, estimated at $10 million, will require amending the project authorization and gaining concurrence from AID/W (per State 053631). Support will be provided to the new government and NGOs through grant agreements and technical assistance. Phase III will last for approximately one year, while a bilateral education project is concurrently being designed by the Mission and representatives of the new government.

Phase I assistance to NGOs in the focal areas will continue throughout the six year life-of-project. It is unclear when Phase II will begin and end, as the timing is dependent on political developments in South Africa. If the transition to a new government were to be greatly accelerated, and Phase III happened as early as

[4] It is not clear what form the interim negotiating forum will take or how it will be structured. It is not expected that the forum will be part of the SAG or a SAG-controlled entity. However, it is possible that the forum might receive funding from the SAG.

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1994, the project would still continue past 1995 as many of the grants to NGOs funded under SABER would have an expiration date past this point.

C. Summary of A.I.D. Financing

Estimated project costs for SABER, including Phase III, total $30.0 million of grant funding from the Development Fund for Africa (DFA) over the six year life-of-project. The requested authorization of $20 million for Phases I and II will be divided among grants, technical assistance, audits, evaluations and impact studies as detailed below.

Phase I	
Grants	$ 10.0 million
Technical Assistance & PSC	2.0 million
Evaluation, Audit, Impact Studies	0.5 million
Sub-Total	$ 12.5 million
Phase II	
Grants	$ 3.0 million
Technical Assistance	4.0 million
Evaluation, Audit, Impact Studies	0.5 million
Sub-Total	$ 7.5 million
TOTAL	$ 20.0 million

D. Findings of Project Analyses

The project design recognizes the complexity, unpredictability, and dynamic nature of the current situation in South Africa and the risks to project implementation that they engender. Particular care has been taken to consult with persons from all levels of South African society in the design process. Assuming that the political, economic, and social environments remain conducive to project implementation, the project is technically, socially, economically, and institutionally sound, and is implementable.

E. Project Issues

A number of issues were raised by AID/W during the review of the Project Identification Document (PID) and were resolved during the final Executive Project Review Committee meeting. (A copy of the PID approval and PP guidance cable is attached in Annex B.) In accordance with the guidance provided, the Mission carefully considered and eventually rejected incorporating the objectives of SABER under the ESAT Project through an amendment. See Annex C.4, Technical Analysis of SABER PP. Another PID concern, incorporation of Evaluation and Monitoring elements, is now a strong part of the SABER design and all grantees will be required to develop Management Information Systems. Finally, to ensure that grantees have the administrative capability to adequately implement grants, the implementation plan documents the

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selection criteria, the provision of technical assistance and the Mission's procedures to examine organizations' policies and procedures.

AID/W also raised a concern about possible Phase II funding of organizations financed or controlled by the SAG. As a general matter, U.S. legislation and A.I.D. policy prohibits assistance to such organizations. However, A.I.D. policy on this subject has been revised to permit the following exception to the general prohibition:

> "A.I.D. assistance [can be provided] through nongovernmental organizations to support health, education, and housing institutions even if such institutions or facilities are financed or controlled by the Government of South Africa, so long as such assistance is not expressly prohibited by law." [5]

Since USAID/South Africa does not contemplate directly funding the SAG, or any organization "financed or controlled" by the SAG, no U.S. legislative action or further A.I.D. policy revision is required to implement Phases I and II. As noted above, in the event the negotiating forum is characterized as being SAG financed, any A.I.D. assistance to it will be provided through NGOs.

IV. TECHNICAL AND FINANCIAL PLANNING:

Each grant agreement or other mechanism for obligation of funds under SABER will fully take into account FAA Section 611(a)(1) concerns regarding adequate technical and financial planning.

V. GRAY AMENDMENT:

Gray Amendment concerns have been fully addressed through the Gray Amendment certification (see Annex D), to be signed by the Mission Director, USAID/South Africa, which includes a statement that contracts over $500,000 will have at least 10% of their dollar value subcontracted with Gray Amendment entities.

VI. WAIVERS:

No waivers are required under Phases I and II of the Project.

VII. CONGRESSIONAL NOTIFICATION:

The SABER CN was sent to the AID/W on March 25, 1992, per State 212232; it was forwarded to Congress on May 8, 1992, and expired, without objection, on May 22, 1992.

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[5] Paragraph 1, State 150452; attached as Annex E of the Project Paper.

VIII. ENVIRONMENTAL REVIEW:

The Bureau Environmental Officer has approved and GC/AFR has cleared a categorical exclusion for environmental matters (see Annex F).

IX. RECOMMENDATION:

That you approve the South Africa Basic Education Reconstruction (674-0314) Project at a six year life-of-project funding level of $20,000,000 by signing below and on the attached Project Authorization document.

Approved: Leslie A. Dean
Leslie A. Dean
Director

Date: July 23, 1992

Disapproved: _____

Drafted: JBisgard, PDO
Cleared: CMango, GDC
RSanGiovanni, A/HRDO
FMangera, APROG
JAddleton, PROG
DKeene, RLA
WLivengood, A/CONT
JWeber, AD

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ACRONYMS

ABEL	Advancing Basic Education and Literacy
A.I.D.	Agency for International Development
ANC	African National Congress
APEX	Assessing Policies for Educational Excellence
CAAA	Comprehensive Anti-Apartheid Act
CHED	Committee of Heads of Education Departments
CSS	Central Statistical Service
DEC (HoA)	Department of Education and Culture (House of Assembly), for whites
DEC (HoD)	Department of Education and Culture (House of Delegates), for Indian (or Asian) Population
DEC (HoR)	Department of Education and Culture (House of Representatives), for "Colored" Population
DET	Department of Education and Training, for African Population
DNE	Department of National Education
ERF	Education Reconstruction Forum
ESAT	Educational Support and Training Project
FDE	Further Diplomas in Education
FY	Fiscal Year
GDP	Gross Domestic Product
GNP	Gross National Product
HRDO	Human Resource Development Officer
HSRC	Human Sciences Research Council
IDT	Independent Development Trust
INSET	In-Service Teacher Training
IQC	Indefinite Quantity Contract
LEU	Local Education Unit
LOP	Life-of-Project
NECC	National Education Coordinating Committee
NEPI	National Education Policy Investigation
NGO	Nongovernmental Organization
PESA	Primary Education Sector Assessment
PRESET	Pre-Service Teacher Training
PSC	Personal Services Contract
PVO	Private Voluntary Organization
PWV	Pretoria Witwatersrand Vereeniging (region in Transvaal)
SABER	South Africa Basic Education Reconstruction Project
SADTU	South African Democratic Teachers' Union
SAG	South African Government
SAIRR	South African Institute for Race Relations
SECC	Soweto Education Coordinating Committee
SGT	Self-Governing Territory (non-independent "homelands")
SOMAFCO	Solomon Mahlange Freedom College
SSA	Sub-Standard A (equivalent to grade 1)
SSB	Sub-Standard B (equivalent to grade 2)
TESA	Tertiary Education Sector Assessment
TBVC	Transkei, Bophuthatswana, Venda, Ciskei ("independent homelands")
USAID	United States Agency for International Development (Mission)

SOUTH AFRICA BASIC EDUCATION RECONSTRUCTION --SABER--

I. BACKGROUND AND RATIONALE

A. Introduction

Apartheid is ending in South Africa. Serious negotiations are well underway between the South African Government (SAG) and the anti-apartheid leadership to determine the structure of the new, democratic, post-apartheid government. In these negotiations, education has been a critical, high priority and contentious area. However, it has been generally acknowledged that the present educational system must be replaced by a unitary approach in which race is no longer the defining factor. What is lacking is consensus on the mechanics of establishing a "unitary education system," which in this Project Paper is defined as one which is democratic, nonracial, nonsexist, compulsory and unitary and hereafter referred to as a "new education system."

The need for change is obvious. For almost four decades, the entire structure of education in South Africa has been based on the Bantu Education Act of 1953. This Act mandated a rigidly segregated school system and resulted in a markedly inferior education for blacks. Students classified as white had access to a free (and compulsory) education, amply financed from public funds. Blacks --- if fortunate enough to afford school fees, uniforms, and transportation costs --- were directed toward schools marked by poor physical facilities, limited equipment, and inadequate instructional materials. Moreover, the curriculum was irrelevant to their needs, and most of their teachers were either underqualified or unqualified for their positions.

Even now, this deplorable situation remains relatively unchanged. Nonetheless, significant efforts are underway to change drastically the nature and extent of public education in South Africa.

Until legal and political changes are negotiated and implemented, much of the significant efforts to improve educational programs for the disadvantaged blacks will be provided by Nongovernmental Organizations (NGOs), which are developing an impressive record of innovative educational interventions, especially in pre-primary and primary education.

B. USAID Policy Regarding Education

1. USAID Strategy and the Comprehensive Anti-Apartheid Act (CAAA)

In accordance with the United States Comprehensive Anti-Apartheid Act (CAAA) of 1986, as amended, the aim of the United States Agency for International Development (USAID) in South Africa is to hasten the end of apartheid and assist South Africa's black population to prepare for leadership roles in a democratic, post-apartheid South Africa.

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Since its inception, USAID program officials have consulted widely with members of the historically disadvantaged community to ensure that U.S.-assisted projects strongly support their goals. One of their main priority areas is human resource development, particularly education. Without an adequate education, black South Africans have little hope of effectively participating in South Africa's post-apartheid government or economy. Access to, and the improved quality of, preschool and primary education for disadvantaged South Africans must be achieved so that a firm base is established to support their advancement in education and leadership.

The USAID program responds to the CAAA mandate and the black leadership in three major sectors:

a. promotion of human rights and a civil society;

b. private sector mobilization; and

c. human resource development.

Approximately half of all USAID resources in South Africa are targeted to human resource development, which includes both basic and tertiary education.
Direct USAID interventions in the public primary education system are, however, currently circumscribed by the CAAA legislation and Agency for International Development (A.I.D.) policy, which prohibit USAID from working directly with organizations financed or controlled by the SAG. Given that most primary education is carried out under State auspices, USAID activities in this field are, necessarily, limited to providing support and assistance to NGOs working in pre-primary and primary education.

However, in May 1992, A.I.D. policy was changed to allow assistance through NGOs to support health, education and housing institutions even if such institutions or facilities are financed or controlled by the SAG (See Annex E). This modification of A.I.D. policy still prohibits direct financing of the state education system, but allows financing NGOs who are negotiating with the SAG or directly intervening in the state education system. It also permits A.I.D., through financing NGOs, to fund organizations such as universities although they receive significant SAG financing.

In addition, consultations with Congress indicate that they endorse placing greater emphasis on improving primary and secondary education in South Africa. As apartheid is dismantled, USAID will have increasing opportunities to address the broader development concerns that affect the majority black population.

2. Present USAID Primary Education Program

Because of the CAAA legislation, USAID's experience with pre-primary and primary education is with the NGO community through the Educational Support and Training Project (ESAT). ESAT's purpose is to support the development of innovative, community-based education models which could be adopted under a post-apartheid education system. The project, which began in 1986, has a projected funding level of

$19.5 million to 1996. To date, grant agreements have been implemented with approximately sixty-five NGOs that support or work in basic education. Organizations selected for funding are those with experimental programs which, if successful, could be replicated and expanded. Typically, agreements are for three years; grants average between $250,000 and $300,000 for innovative grants in the following areas: preschool; teacher training; community-based schools; science, mathematics, English upgrading; adult literacy; curriculum and materials development; and education policy support.

USAID's work with the NGO community ensures working relationships with most of the innovative and creative organizations in pre-primary and primary education in South Africa, many of which are certain to play leadership roles in the post-apartheid era. This relationship will help to ensure that the SABER project responds to the needs of the disadvantaged South African community and that it retains grassroots credibility. USAID will use the experience it has gained over the past six years, as well as the evaluations of the ESAT-funded programs, as factors in determining which organizations will receive grant support under the three phases of SABER. With few exceptions, it will be the NGOs which have already proven their effectiveness and capacity that will be considered for funding. Small grants to NGOs with new and innovative proposals will be continued under ESAT.

In addition, USAID funded two activities which will provide critical inputs in the design and planning of future primary education activities. The first, an education policy modelling exercise entitled "Reconstructing Education for South Africa: A Policy Modelling Approach" provides a tool for policy makers to assess costs of various education policy options. It provides policy makers with an opportunity to evaluate, on a cost basis, education input and output scenarios. Prominent black opposition leaders had requested such a model to analyze the financial and quantitative trade-offs resulting from changing critical variables, including budgetary inputs, enrollment levels, salaries, and student:teacher ratios.

The second study, "South Africa: Primary Education Sector Assessment" (PESA), focused on the basic problems facing the primary education system in South Africa. In addition to these qualitatively-oriented sub-sectors of the South African educational system, PESA also identified other problem areas for possible future project interventions. These include policy issues related to compulsory education, the construct of "compensatory education," and quantitative imbalances in the access of South Africans to primary education. It also recommended that future projects be designed in a flexible and phased manner. Such an approach is critical given South Africa's rapidly changing political environment and these recommendations are being followed in the SABER Project.

Based on the PESA report and the need to use scarce USAID resources efficiently, USAID concluded that project interventions should focus on quality rather than on access problems; this approach will best utilize USAID's predominant capabilities and provide maximum impact. As a project addressing the qualitative deficiencies of the primary school system, SABER will attempt to ease South Africa's transition from an apartheid system of education to a unitary primary school system.

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C. Problems Facing Primary Education

Serious quantitative and qualitative problems abound in the primary education sector.

1. Quantitative Problems

* Recent estimates indicate that over 800,000 children between the ages of 6 and 12 - nearly 12% of all primary school-aged children - were not in school in 1990.

* Even in the non-homeland rural areas, 36% of African children between the ages of 6-14 were not in school.

* Lack of classroom space is correlated with high dropout and failure rates. For example, a farm school study showed that teachers sometimes only pass the number of pupils that can be accommodated in the next classroom.

2. Qualitative Problems

As serious as the quantitative problems are, South African educational leaders consider qualitative concerns to be even a higher priority, meriting immediate attention.

The following alarming statistics suggest something of the qualitative crisis facing education in South Africa:

* Repetition rates approach 30% in the first grade.

* Few children can successfully shift from using the local language as the medium of instruction to English at the start of Standard 3 (Grade 5).

* Only between 51% and 62% of beginning school children in the African Department of Education and Training (DET) and homeland schools reach Standard 6 (grade 8). In the white Department of Education and Culture (DEC) schools, the corresponding percentage is 96%.

* Only one of every 100 African students who begins primary school graduates from high school with a pass level permitting university entrance.

* Per capita expenditures for African primary pupils is R545, while per capita expenditures for white pupils is R3,679; (for "Coloreds," it is R1,253, and for Asians, R1,741).

* The average pupil/teacher ratio for African pupils is 41:1; it is 16:1 for white pupils.

* The illiteracy rate for the African population is at least 50%; for the white population it is only 2%.

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Most of the principal problems facing basic education in South Africa can be grouped under four main categories:

* Curriculum;
* Educational Materials and Supplementary Aids;
* School Administration; and
* Teacher Education and Training.

CURRICULUM

The present primary school curriculum is outdated, incomplete, and irrelevant, especially for black pupils. In South Africa under apartheid, the curriculum development process was bureaucratic, secretive, and highly authoritarian. Dominated by the white DEC --- only one of the 19 departments of education --- other racial groups had little participation in developing a curriculum that served its needs. No systematic or extensive use is made of professional support specialists to enrich the curriculum (e.g., psychologists, sociologists or language experts). In sum, the current curriculum lacks legitimacy, is narrowly focused, promotes concepts of white domination and inhibits the social mobility of black South Africans (e.g., through its language policy).

As national political development progresses, leading to a truly democratic society, issues dealing with gender, race, and class inequalities must be identified and dealt with in the new primary school curriculum. More relevant curricula must be developed in the basic skill areas of language, mathematics and the natural and social sciences. A child-centered, practically-oriented curriculum must emerge to prepare South African children to deal successfully with a rapidly changing, more democratic, and technologically advancing society. A unified, basic, national curriculum will emerge, but regional and local interests will also have to be respected and incorporated.

EDUCATIONAL MATERIALS AND SUPPLEMENTARY AIDS

Accurate data regarding the availability of textbooks in black primary schools are not presently available, but it is generally accepted that a serious shortage of basic textbooks, teachers guides, workbooks, and supplementary education aids (maps, charts, globes, reference materials, etc.) exists in black schools. The cost of commercially available texts and materials is reported to be beyond the financial capability of black parents.

Moreover, the quality and relevance of these materials have been criticized by educational and political leaders. Evidence suggests that most materials are in languages that are too difficult for either teachers or pupils to understand. Charges are frequently made that much of the materials contain political and cultural biases, which have led to numerous instances of black teachers refusing to use the materials.

A significant unresolved issue related to instructional materials is the language which will be used as the principal medium of instruction. This issue has major implications for the writing, production and distribution of basic textbooks and related materials.

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The solution to the problem of appropriate educational materials is complex and will require, at a minimum, the development, testing and revision of new materials that are educationally, culturally and politically acceptable. In addition to commercially produced basic textbooks, the need will grow for locally-produced classroom materials prepared by classroom teachers and pupils.

A final problem related to educational materials utilization is the appropriate use of new technologies to supplement traditional classroom practices and materials. The increased use of interactive radio-assisted instructional programs needs to be investigated and tested in South African primary schools. Past research and experience indicates that this technology can be effective and cost-efficient. The use of newspaper supplements and other print aids also needs to be further investigated.

SCHOOL ADMINISTRATION

The present structure and operation of black primary school administration is usually viewed as extremely weak. Currently, it cannot cope effectively within a system that is financially distressed, politically chaotic and staffed with untrained professional administrators.

At the national level, entirely new policies and functions related to the creation and management of a unitary educational system must be developed, negotiated and installed. At present a Department of National Education (DNE) is responsible for establishing national policies and standards for certification and remuneration, and at least 19 separate departments of education are operating.

The complexities and difficulties confronting the establishment of a national unitary education system are recognized by all parties, but consensus is present that the new system will require large numbers of highly trained administrators at the national, regional, and local levels.

Current estimates indicate that approximately 65% of principals in House of Assembly (white) and House of Delegates (Asian) schools possess minimum educational qualifications for their positions (i.e. a matric pass plus a four year degree in education). African school principals, however, usually possess only a teaching diploma in education. Also, although primary teachers are predominantly women, about 62% (8,776) of the 13,992 principals in African primary schools are women, and only 13% of the 1,000 inspectors are women.

Some of the major problems related to primary school administration include:

(1) inadequately trained administrators;
(2) overcrowded classrooms;
(3) inadequately trained classroom teachers;
(4) inadequate support from higher education levels (e.g., inspectors, supervisors, specialists);
(5) poor physical facilities, equipment and supplies; and
(6) lack of parental and community cooperation.

Solutions to these critical administration problems must be pursued as a high priority item if South Africa is ever to realize its goal of an effective and cost-efficient primary school system.

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TEACHER EDUCATION AND TRAINING

Approximately 35% of all black primary school teachers - over 75,000 teachers - are considered unqualified to teach by the current Government departments. In addition to launching massive pre-service and in-service training programs to increase the quantity of trained teachers, measures must be taken to revise teacher education and training programs to produce an entirely different kind of primary school teacher. The teacher in the new primary school will be non-authoritarian, democratic, open-minded, and sensitive to the academic, social and personal needs of his or her pupils. Teacher training programs in primary education will have to prepare teachers to master their subject matter content; develop their classroom organization and management skills; and focus on new methodologies (which stress pupil diagnosis, individual teaching techniques, testing and evaluation). In addition, teachers will need new skills, such as: understanding and use of multiple media approaches to educational materials preparation (including new technologies like interactive radio); orienting students to the changing economic, political, and social environment; providing individual personal, educational, and occupational guidance; and participating in more school/community relations grants.

Although some of the teacher training programs will be necessarily located in pre-service institutions like colleges of education for the foreseeable future, major emphasis will continue to be placed on in-service, relatively short-term programs conducted principally by NGOs, which have established an excellent record for developing and delivering high quality programs - especially in the areas of English, math, and sciences - to disadvantaged black primary school teachers.

D. Other Donors Financing Education

There are over sixty major donors providing assistance to historically disadvantaged South Africans, virtually all of which support basic education through NGOs. They can be characterized as follows:

1. Foreign Governments, including most European and Scandinavian countries, Australia, Taiwan, Japan, Canada, and the European Community;

2. Private Sector, such as South African and multinational companies (e.g., the Anglo-American Chairman's Fund, IBM, Johnson and Johnson and many more);

3. Foundations, including the local Independent Development Trust, the Urban Foundation and most major American foundations (e.g., Ford, Carnegie and Kellogg); and

4. International Organizations, such as the World Council of Churches, World University Service, etc.

It should be noted that the World Bank, the International Monetary Fund and the United Nations do not operate in South Africa due to continuing sanctions.

Donor coordination takes place at all levels, often through informal fora. The Mission often consults with major actors within the donor community, whose programs generally reinforce

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USAID's own objectives in basic education. Many of these donors provide funding to the NGOs which will be considered for funding under SABER.

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II. DETAILED PROJECT DESCRIPTION

A. Project Goal and Purpose

1. Project Goal: A developed democratic, nonracial, nonsexist, compulsory, unitary education system in South Africa.

2. Project Purpose: Increased development and use of innovative educational models and policy systems which improve the quality of primary education for historically disadvantaged South Africans.

B. Project Overview

SABER is designed to assist South Africa as it moves towards a post-apartheid democracy. The rapidly changing environment calls for a three-phased project which can respond to opportunities as they arise. All three phases focus on four education sub-sectors, improvements in which can have a marked impact on improving the overall quality of basic education in South Africa:

1. school management and administration;

2. curriculum development;

3. educational materials and technology provision; and

4. teacher training.

If these four facets of education are improved simultaneously, they will have a significant effect on improving the overall quality of the South African primary education system.

Within SABER two elements will be addressed by all grantees: monitoring and evaluation; and gender issues. Monitoring and evaluation are critical to assess implementation for purposes of program improvement and decision-making, as well as to determine impact; gender issues are critical to insure fairness and equity within grants in order to present effective role models for the beneficiaries of SABER. How these cross-cutting elements will be incorporated within the project is described below.

C. Project Elements

The following table is a summary of the Project Elements by phases:

TABLE 1

SABER PROJECT MATRIX			
Project Elements	PHASE 1 Support of NGOs	PHASE II Policy Reform	PHASE III Bi-lateral Relationship with New Government
1. Educational Administration	Grant Agreements ——>	Grant Agreements —> and Technical Assistance	Grant Agreements and Non-Project Assistance
2. Teacher Training	Grant Agreements ——>	Grant Agreements —> and Technical Assistance	Grant Agreements and Non-Project Assistance
3. Curriculum Development	Grant Agreements ——>	Grant Agreements —> and Technical Assistance	Grant Agreements and Non-Project Assistance
4. Materials and Technology Provision	Grant Agreements ——>	Grant Agreements —> and Technical Assistance	Grant Agreements and Non-Project Assistance
BENEFICIARIES	• 6-10 NGOs ——>	• 10-15 NGOs ——> • National Interim Administration	• 10-15 NGOs • New Government

Project elements are discussed below under each phase of the project. Each year the Mission will develop an Action Plan which, based on criteria outlined in this Project Paper, will identify those organizations targeted for grants and technical assistance. Potential mechanisms for contracting technical assistance include buy-ins to centrally managed projects, use of Mission and Washington-based Indefinite Quantity Contracts, contracting with U.S. or South African firms to provide specific services and Personal Services Contracts. The mechanism chosen will depend on the circumstances, timing and funds availability.

1. Phase I: Support for the NGO Community

Assumption: That current CAAA legislation and A.I.D. policy remain unchanged, prohibiting USAID from directly supporting organizations funded or controlled by the SAG, but allowing USAID's continued support for innovative, alternative education programs, materials development and services through NGOs.

Description: In South Africa, the NGO community plays a key role in determining the quality and prospects for reform in education for disadvantaged South Africans. Among the black leadership, there is consensus that NGOs will continue to play a key role in the post-apartheid government. Therefore, the support for NGOs included under Phase I will continue throughout the life-of-project of SABER.

After the 1976 Soweto riots, black communities began developing their own structures to address the crisis in education. As a result, there are numerous education NGOs, each addressing problem areas in its community. Over the years, some of these organizations have become increasingly sophisticated and have developed excellent methods which improve the quality of education. USAID has had extensive experience working with this education NGO community under the

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ESAT Project. Through ESAT, USAID supported small-scale, innovative programs which could provide models for the future. Phase I of SABER will provide USAID, for the first time, with a mechanism to capitalize on that experience and to expand, perfect and replicate those programs. Finally, support under this phase will lay the foundation for policy reform and eventual reconstruction of the education system utilizing the innovations developed by NGOs. Additional funding will be provided for technical assistance, evaluations and audits.

This project phase will support, through grants or cooperative agreements, NGOs providing services and materials in one or more of the four sub-sectors in the pre-primary and primary sectors. Large grants will support the expansion of pilot projects which have a proven capability to improve the quality of education. For the most part, grantees selected under SABER will have received previous United States Government (USG) support. Approximately $6 million will be obligated in FY92 through approximately six grant agreements and one buy-in to the LearnTech centrally-funded project under this phase.

The SABER Project Officer will be responsible for the management of these NGO agreements. Grantees selected for participation in SABER will be expected to monitor the progress and performance of development activities during their implementation. This continuous monitoring will provide information on the use of assistance resources and may be used to adjust or redesign activities, as well as to demonstrate impact.

To facilitate the process of implementation monitoring, the development of efficient management information systems (MIS) will be recommended for those grantees lacking such mechanisms for tracking progress. Baseline data will be identified for entry into the MIS, with emphasis on data relevant to the current status of key project elements. Grantees will incorporate oversight procedures, as well as regular quality control procedures, in their MIS.

Each grantee will designate one or more persons within its organization to be responsible for monitoring functions. Upon request, this person(s) will attend SABER or Mission-sponsored training sessions on the topics of monitoring and evaluation. These sessions will focus on the assessment of whether or not interventions are operating in conformity with their specified designs and are reaching the specified target populations. Strategies and techniques for securing credible answers to these questions will be addressed as part of the training.

The degree of the impact for each program depends to a large extent on the quality of the service or product provided. In situations where the grantee is producing new materials, product evaluation should be built into the design process. Similarly, in situations where the grantee is engaged in training teachers, managers and administrators, monitoring the effectiveness of the training should be included in the design. Where appropriate, technical assistance will be provided to grantees involved in these types of activities. The results of the monitoring/evaluation should be incorporated into the MIS and be used for program improvement as part of the implementation monitoring system.

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2. Phase II: Support for the Negotiating Body for National Education

Assumption: This phase will require the development of a tenable education negotiating body with substantial involvement of credible leaders of the black majority and SAG representatives. No amendment of the CAAA, new legislation or modified AID policy is necessary. The May 1992 A.I.D. policy determination allows assistance through NGOs to support health, education and housing institutions even if such institutions or facilities are financed or controlled by the SAG (See Annex E). This modification of A.I.D. policy still prohibits direct financing of the state education system, but allows financing NGOs who are negotiating with the SAG or directly intervening in the state education system. It also permits A.I.D., through financing NGOs, to fund organizations such as universities although they receive significant SAG financing.

Description: There are indications that negotiations now underway will create an interim government which will have a limited scope (as described in the Political Analysis in Annex C.3). At the same time, it appears that negotiations around the structure of the education system will occur in the near future. This proposed body is being referred to as the Education Reconstruction Forum (ERF) and is expected to operate during the transition period until a new constitution is adopted.

To commence this phase, the Mission will require a request for assistance from the leaders representing the black majority on the ERF. Phase II of SABER would assist the ERF or other recognized interim organization, primarily through technical assistance, but potentially through grant agreements as well. Through this mechanism, USAID would assist the interim body both in the identification of desirable policy options and in the redesign of the structure of the education system. It is anticipated that this phase will end when an election is held and a new constitution, guaranteeing basic education for all children, is adopted.

Phase II of SABER is designed to provide USAID with a planned "immediate response capability" to respond to the needs of the anti-apartheid negotiators. At that point, the experience gained from ESAT projects, Phase I of SABER and the guidance provided by other USAID-funded studies, especially policy-related studies, will provide the experiential and conceptual bases for educational initiatives to assist the negotiation fora.

The transition government may possibly be formed as early as calendar year 1992. However, obligations under this project phase are not likely to take place before FY93. According to the current SAG constitution, there must be elections no later than January, 1994. Therefore, while there could be a two-year transition period, the time table could also be accelerated. Should the relevant negotiation fora not be formed, this project phase will never be implemented and funds which would have been utilized in assisting the ERF during Phase II will instead continue to be used to fund NGO activities pursuant to the criteria described in Phase I.

With the advent of Phase II, the monitoring focus will shift increasingly from tracking grantee impact to the identification and ratification of policy options and the

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design of a new education system structure. Initially the outputs of the grantees participating in the expected interim organization may be amenable to quantification and inclusion in an MIS. However, it is to be expected that Phase II activities will lend themselves to monitoring from a quality of output perspective.

Technical assistance provided to the interim organization will also be monitored in terms of the outputs it generates or supports.

A multi-faceted case study approach to monitoring may supplant the need for an MIS at this stage, since the intent will be to enhance the development of a new education system.

Monitoring procedures for Phase I NGOs will continue as noted above, since their activities continue through Phases II and III.

3. Phase III: Support for the New Unitary Education Department

Assumption: After democratic elections, the CAAA restrictions are removed and A.I.D. successfully negotiates a bilateral agreement with the new government.

Description: The period between the end of the negotiation fora, but prior to the finalization of a bilateral agreement, would define Phase III. During the first year in office of the new democratically-elected government, it is anticipated that a bilateral agreement will be negotiated which will include planning for a much larger bilateral primary education project. While the bilateral agreement is being negotiated, Phase III will permit the USG to demonstrate its commitment with immediate assistance to the new government. This Phase will continue to focus on teacher training, school administration, curriculum development and materials and technology provision. Phase III will be informed by Mission experience in basic education and policy research conducted in support of the transition government and from evaluations conducted on all USAID-supported education activities. Phase III assistance could be in the form of grant agreements or technical assistance.

Phase III, to commence after elections and the removal of all remaining CAAA restrictions, will provide the new government with immediate assistance during the first year. Meanwhile, the Mission will be negotiating and planning a bilateral primary education project. Monitoring strategies relevant to the nature of the assistance will be determined by USAID in consultation with the new government and AID/W. The focus on key project elements is expected to continue in order to insure incremental improvements in those aspects of the new education system.

Given the uncertainty still surrounding the negotiation process, the $10 million for Phase III will not be included in the initial project authorization. Prior to amending the project authorization for Phase III activities, the Mission will consult formally with AID/W for concurrence with its plans for providing assistance to a new government.

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D. Cross-Cutting Elements

These include the elements related to evaluating impact and emphasizing women in development issues. These elements cut across the phases and the focus on curriculum development, materials and technology provision, school administration and teacher training.

1. Monitoring and Evaluation

The particular approach to evaluation at both the grantee level and at the SABER project level will ultimately be directed at assessing impact, i.e., the effect of project activities or elements on the primary beneficiaries, historically disadvantaged South Africans, more specifically black pre-school and primary school children.

As with monitoring activities, the expectation will be that grantees will develop an internal capacity to evaluate the impact of their project. Logically, this capacity will reside in the person(s) assigned to monitoring tasks.

SABER grantees will be subject to annual programmatic reviews, or evaluations, as deemed necessary for the scheme of phases. These evaluations will be conducted largely by personnel directly concerned with implementing the respective grants, if appropriate capacity exists, or may be carried out by contracted external evaluators. These evaluations will use economic, physical, management and financial information which has been routinely collected, or is readily available to assess progress against planned targets. In addition, whenever possible, comparison groups will be built into the evaluation designs. A variety of data collection strategies will be encouraged, ranging from the more typical interviews, surveys and questionnaires, to the less frequently used simulations, structured observations and sociological approaches. Inputs from the broader community of stakeholders will be assessed. The results of the evaluations will be reported to USAID.

Seminars for clusters of NGOs with similar projects, and on-site consultations will provide support for evaluation exercises. Grantees will also be encouraged to hire part-time personnel during periods of more intense data collection.

These grantee evaluations will be supplemented by SABER, ESAT and Advancing Basic Education and Literacy (ABEL) project level evaluations. The Evaluation Plan, as outlined in Section VI, provides information regarding the project level evaluations. Evaluation at the project level will be critical for the selection of NGOs for participation in Phases II and III.

While monitoring and evaluation for SABER will begin with the initiation of the project, a number of the grantees previously participating in USAID-funded projects will have already been subject to monitoring and evaluation. Some grantee personnel will have attended seminars on conducting evaluations which were delivered through ABEL/South Africa. In addition, evaluations of the ESAT project in 1989 and again in 1992 will provide information for SABER concerning the effectiveness of grantees

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in implementing their programs. The decision to involve them in SABER will be based on an assessment of how particular grantees "fit" key SABER project elements of improving educational administration, teacher training, curriculum development, and materials and technology provision.

There will be both levels and stages of monitoring and evaluation in SABER. Levels: each grantee will monitor and evaluate implementation and impact within its respective program; SABER will be evaluated and monitored by USAID. Phases: each of the SABER phases will be monitored and evaluated using strategies which focus on the key activities of each phase.

Funds for short-term technical assistance for evaluation activities will be available to grantees, as will the resources of the ABEL team. Capacity building to efficiently carry out monitoring and evaluation activities within the NGOs will be encouraged if the capacity does not already exist. At the project level, a Personal Services Contractor (PSC) will be employed by USAID to monitor and provide oversight for the grantees.

2. Gender Issues

a. General Concerns

A major problem concerning gender analysis is the lack of an adequate data base which is needed for examining gender constraints in the educational system. A new educational system must establish and maintain a data base which is disaggregated by gender. Information that is available indicates that girls have lower enrollment in early primary years and that for girls, higher levels of education are not necessarily tied to higher wages, especially in the rural areas. Although 65% of the teachers are women, few women (18.4%) become principals and less than 5% of the management or supervisory administrative positions are held by women. Therefore, definitive steps need to be taken to encourage women and to prepare them for teaching and administrative positions where they can assume leadership roles and support creative approaches in the educational system.

In order to ensure that affirmative action goals are met, an appropriate data base needs to be established which can track students, teachers and school administrators within the new school system. Because the administrators establish the educational environment for the school system, it is important to ensure that a cadre of administrators represents both sexes and has geographic, ethnic and regional diversity. Therefore it is important to identify a pool of capable women and individuals from under-represented groups and groom them for positions as principals. This group might consist of department heads, lead teachers and exceptional classroom teachers who have the potential for and an interest in positions as principals.

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b. SABER-Funded Programs

NGOs that receive funding under SABER need to generate creative activities that attempt new ways to include gender considerations into their projects and activities. It is especially important that ways be found to identify and train potential female administrators and promote female leadership within the school system. A related activity is to discuss strategies with all school staff on how to work with female supervisors because of cultural and traditional biases of males in supervisory and administrative roles. More information is needed on the process of grooming women for positions as principals: What are the critical criteria, capabilities, skills, attitudes that can lead teachers to principals' positions?

Gender concerns should receive a major emphasis in the area of curriculum development. There should be a concerted attempt to use strong female role models throughout the curricula, both in pictures and in the text. An effort should be made to reduce or eliminate stereotyping of gender roles, interests and occupations. Case examples should be cognizant of not perpetuating gender stereotypes (e.g., only boys engage in sports). Curriculum materials should be gender sensitive, showing both boys and girls in non-traditional roles, using examples of both boys and girls in equal proportions and encouraging problem solving and independent thinking for both boys and girls. Innovative program delivery, such as radio programs, should have male and female voices delivering the lessons.

In the area of teacher training, it is important to develop awareness of different teaching styles for girls and boys and to provide instruction on how girls learn and how to increase girls' interest in school. Projects that address girls' learning styles will be highly encouraged. The lack of strong male role models in primary school teachers is also an important gender concern. Therefore, ways should be explored to encourage dependable, nurturing male role models in teaching activities at the pre-primary, junior primary and senior primary levels which can serve to dilute the stereotypical dominant, authoritarian male role that is being perpetuated at the administrative level. Using an occasional male teacher in pictures and stories and in other forms of curricula should also be encouraged.

Proposals by NGOs to USAID for grants under the SABER Project will be required to include a section on gender considerations that discusses the following points and how the proposed grant intends to handle each component.

(1) Inclusion of gender disaggregated data in all references to project participants and beneficiaries.
(2) Outline of constraints to women's participation in project activities.
(3) List of opportunities for enhancing women's participation in the project.
(4) Discussion of the strategies the grant will use to overcome the constraints or to make use of the opportunities.

(5) List of benchmarks or targets to measure progress in implementing these strategies and to measure how women's benefits have been improved by the project's activities.

In summary, gender concerns cannot be overlooked in the reconstruction of the new educational system in South Africa. Women need to have equal opportunities to be active participants in the decisions that dictate the parameters of the new system. They need to have equal opportunities to be in administrative and decision making roles within that new system, to have career ladders that promote dedicated and skilled women and that provide equal pay for equal work. The new educational system needs to promote both boys' and girls' attendance and persistence within the school system. The use of appropriate male and female role models in curricula which eliminate gender stereotyping of roles, occupations and school subjects will be crucial. The SABER Project is dedicated to promoting gender equality through its grants, technical assistance and dialogue with NGOs regarding the pending unitary educational system. As the project moves into Phases II and III, the objective will be to promote gender equality within the transition and post-apartheid education structures.

III. COST ESTIMATE AND FINANCIAL PLAN

Total six year LOP costs for the SABER project are estimated at $30 million with $20 million authorized for phases I and II under this Project Paper. As requested in the PID Review Cable (State 053631), AID/W will be consulted prior to authorizing the additional $10 million for Phase III. While bilateral activities are probable during Phase III, this financial plan assumes no host country government or other donor contributions and that all implementing grants and contracts will be A.I.D. direct. To the extent practicable, however, NGO grantees will be requested to contribute resources, including in-kind, to the relevant A.I.D.-financed activities. It is also probable that other donors will contribute funds to recipient NGOs.

The most important element of the project will be a series of Handbook 13 grants to indigenous NGOs to support pre-primary and primary education. In addition, technical assistance, periodic project evaluations, impact studies, and, as required, audits will be funded under the project. Lastly, project funds will be utilized to fund a project advisor to assist the Mission's oversight of project implementation.

The table below summarizes the costs of the SABER project.

TABLE 1 - A.I.D. OBLIGATIONS BY YEAR ($000,000)

	YEAR					TOTAL
TYPE OF ASSISTANCE	1	2	3	4	5	
Grants	5.3	4.6	2.5	.6	5.8	18.8
T.A. and Project Advisor	.7	1.0	1.3	3.0	4.0	10.0
Evaluation, Impact Studies, Audits	0	.4	.2	.4	.2	1.2
TOTALS	6.0	6.0	4.0	4.0	10	30.0

With the exception of costs related to expatriate Technical Assistance, the PSC Project Advisor and Evaluation/Impact Studies, the project funds will finance local currency costs.

The following table shows the methods of implementation and financing of the project. While no Mission General Assessment has been conducted (as A.I.D.'s South Africa program was not in existence at the time of the Payment Verification Policy Implementation Guidance), the methods of implementation and financing planned to be utilized are approved methods and require no further justification.

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TABLE 2 - METHODS OF IMPLEMENTATION AND FINANCING

TYPE OF ASSISTANCE	METHOD OF IMPLEMENTATION	METHOD OF FINANCING	AMOUNT (millions $)
Grants	Indigenous NGOs and new democratic Govt.	Direct Pay	18.8
Services (Project Advisor)	PSC	Direct Pay	0.5
Evaluation/Impact/Studies/ Audit	Direct contract for profit contractor/IQC	Direct Pay	1.2
Technical Assistance	Buy-in, direct contract, IQC	Direct Pay	9.5

HB 13 grants funded under SABER are envisioned primarily to be unsolicited proposals received from indigenous NGO's. Prior to the obligation of A.I.D. funds, each grantee's financial management practices will be reviewed by the Mission, utilizing one of the Mission's IQC contracts with a local certified public accounting firm. Additionally, financial reviews will be conducted during the implementation of grants to monitor the allowability of costs and to review supporting documentation. Finally, those grantees falling under the Recipient Audit Program will be audited on an annual basis. Included in the project budget are funds to cover NFA audit requirements, as may be necessary.

IV. IMPLEMENTATION PLAN

A. Roles and Responsibilities

1. USAID

USAID, through the Human Resource Development Officer (HRDO), will have overall responsibility for SABER, including negotiation of agreements, management and oversight and overall guidance on the implementation of the project. Day-to-day management will be conducted by a Personal Services Contractor (PSC) Project Advisor hired specifically to manage the SABER Project. This person will be responsible, within the scope of authority that can be legally delegable to PSC, for all planning, management, supervision, implementation monitoring, impact assessment, and commodity and service procurement functions. S/he will organize and manage all the details of Phase I and the handle the grant agreements in Phases I, II and III.

The major responsibilities of USAID will include reviewing unsolicited proposals, identifying grantees, preparing and negotiating grant agreements with NGOs and, in Phase III, with government officials, and contracting with appropriate institutions for the provision of TA and training, contracting for external mid-term and end of project evaluations, contracting for financial assessments and financial management reviews, conducting policy dialogue, disbursing funds and processing vouchers.

The Controller's Office will conduct financial reviews of NGOs to ensure they have adequate financial, operational and accounting procedures in place to account for USAID funds. In addition, they will process payments and monitor the recipient audit program. Services will also be required from A.I.D.'s regional legal and contracting office.

2. NGOs

NGOs receiving SABER funding will name a key counterpart project director who will be responsible for managing and monitoring activities under the proposed project. They will rely on staff in their respective organizations, or hire short-term assistance for such activities as accounting, monitoring and evaluation, or other areas requiring technical expertise.

3. Government

No government involvement is envisaged under Phase I. Involvement with the SAG under Phase II will be through the black opposition leaders and NGOs. A new democratic government will be very involved as the A.I.D. counterpart in Phase III. Its responsibilities will be laid out at that time.

Please refer to the following table for further elaboration of the Project's Roles and Responsibilities.

ROLES AND RESPONSIBILITIES OF SABER PROJECT

	PHASE I	PHASE II	PHASE III
USAID HRDO	· Overall Management and Oversight of Implementation	· Overall Management and Oversight of Implementation · Policy dialogue	· Overall Management and Oversight of Implementation · Policy dialogue
PSC/Project Advisor	· General implementation including planning, supervision, M&E, and commodity and service procurement. · Day-to-day details of project	· General implementation · Day-to-day details of project	· General implementation · Day-to-day details of project
Controller	· Process vouchers and disburse funds · Monitor financial aspects of grant agreements	· Process vouchers and disburse funds · Monitor financial aspects of grant agreements	· Process vouchers and disburse funds · Monitor financial aspects of grant agreements
NGOs Project Director	· Project development & implementation	· Project development & implementation	· Project development & implementation
Technical staff	· Develop project outputs · Monitor & Evaluate · Financial management and accountability	· Develop project outputs · Monitor & Evaluate · Financial management and accountability	· Develop project outputs · Monitor & Evaluate · Financial management and accountability

B. Implementation Schedule

1. Phase I

Phase I will be implemented as soon as SABER is approved. NGOs will submit proposals in July 1992, which will be reviewed by an appropriate SABER Project Committee. This committee will rank the proposals using the following criteria:

a. Substantial black leadership and empowerment within the organizational structure;
b. Institutional capacity to deliver project components;
c. Educational effectiveness of proposed program;
d. Cost effectiveness of proposed programs;
e. Innovative approach to educational problem;
f. Extent to which disadvantaged populations benefit from the activity;
g. Effective practices that can be adapted in a broader context;
h. Plan for monitoring and evaluation of project activities; and
i. Plan for the inclusion of women in project-related decisions and to improve gender representation of beneficiaries.

It is expected that grant funds will start flowing to selected NGOs by late July 1992. Six million dollars will be obligated by September 30, 1992. NGOs receiving funds will start activities immediately upon receipt of the grant funds.

Although grants to NGOs will be the major focus during Phase I, support of NGOs will continue through Phases II and III. It is anticipated that USAID will persist in its efforts to support strong NGOs through the life of the SABER Project. Therefore, grants to NGOs will be an ongoing activity.

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2. Phase II

Phase II cannot be implemented until the black opposition develops a body to begin negotiating the restructuring of the education system. To commence this Phase, the Mission will require a request for assistance from the leaders of the black majority. Assistance will be provided to this negotiating forum. Assistance will be provided to this negotiating forum through a direct grant and/or through grants to NGO intermediaries, depending on whether the forum is characterized as "SAG financed" for purposes of the legislative/policy restriction on assistance to organizations "financed or controlled by the SAG". Support for the forum will include technical assistance and training based on guidelines established during the annual SABER action plan. During this Phase, support for NGOs will continue. During Phase II, USAID will evaluate proposals which will be reviewed by the SABER Project Committee using the criteria above and the following additional criteria:

j. Promotes parent/community support and participation; and
k. Has potential to influence policy of new government.

3. Phase III

After democratic elections are held in South Africa, the remaining CAAA restrictions presumably will be removed and USAID will be in a position to negotiate a bilateral agreement with the new government. Although democratic elections are scheduled to be held by January, 1994, the election schedule might be accelerated or, alternatively, negotiations could founder and there could be delays. Given this uncertainty, it is not possible to set a starting date for Phase III.

Scheduling of Phase III activities will occur as soon as possible after the elections. It is anticipated that NGOs will play a major role in the new government and will, therefore, continue to be recipients of USAID grants in Phase III.

D. Monitoring Plan

1. Phase I

As part of its overall management strategy, USAID will monitor project and grantee progress and grantees' ability to reach its intended target population. Continuous monitoring will include:

a. monitoring of discrete grants or cooperative agreements, whereby conformance with objectives and activities as outlined in the proposals submitted for funding and subsequent contractual agreements are assessed;

b. monitoring of the SABER project implementation, and progress toward achievement of outputs and assessment of the contribution to the achievement of the project purpose and goal, as stated in the logical framework; and

c. monitoring of performance of contractors and providers of technical assistance.

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Responsibility for monitoring functions will reside with a PSC who will report to the Mission HRDO.

The PSC will be expected to be knowledgeable about the organizational structure of each NGO, its operational strategies, budgeting procedures and its monitoring and evaluation methods and results of same. Visits to each Phase I NGO for monitoring purposes will be made a minimum of two times a year. These on-site visits will enable the PSC to assess implementation conformance with proposed activities, relevance to foci of SABER and compliance with SABER/USAID requirements. These visits will be structured to encourage an open dialogue with grantee personnel, participants and stakeholders. Problems and/or constraints hindering the achievement of objectives will be discussed and means to resolve them identified.

During the first monitoring visit to each NGO, an informal needs assessment will be conducted to identify areas of administration and implementation where training or consultative support is advisable. Technical assistance will be provided to cover a variety of monitoring and evaluation topics with the goal of reinforcing the NGO's internal capacity for monitoring and evaluation. Examples of technical assistance topics include developing monitoring instruments, maintaining efficient record-keeping systems, achieving credible evaluations, and using evaluation results for decision making and program improvement.

To encourage networking among NGOs and use the talent within NGOs, NGO personnel with expertise in related areas will be asked to participate in selected seminars or consultations. The PSC will liaise with ABEL and other technical assistance staff to avoid redundancy in training efforts and make efficient use of resources for seminars.

A management information system to record NGO data and contribute to analysis of same will be developed and maintained by the PSC. This system will provide information for grant evaluations, be useful for compiling internal reports, and support decisions regarding the continuation or deletion of individual NGOs beyond original funding commitments.

2. Phase II

A holistic approach to monitoring and analysis of information will be undertaken during Phase II. A roster of consultants, with emphasis on consultants in the region, will be developed and incorporated with descriptors in the MIS. These consultants will be employed on a short-term basis to provide political and sociological interpretations of data, determine sustainability potential and transferability to the new education system.

Project monitoring during Phase II will need to study the balance of NGO outputs and technical assistance support as they pertain to the incorporation of the project elements. If a deficiency is noted, for example, in curriculum development processes, attention can be given to strengthening technical assistance and/or the selection of new viable candidate NGOs for participation in SABER.

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Phase II SABER monitoring will complement NGO monitoring and the HRDO and PSC will serve as part of the proposed monitoring committee discussed earlier.

In both Phases I and II, the PSC will monitor the project in terms of outputs and objectively verifiable indicators in the project logical framework. And, in addition, will monitor and report on assessment of program impact indicators for USAID on an annual basis, including preparing reports with affirmative action disaggregated data, as noted in the section on gender concerns.

E. Procurement Plan[1]

In accordance with DFA guidance, U.S. procurement will be utilized to the greatest extent practicable in achieving project objectives. DFA latitude for procuring goods and services from code 935 countries, as required for compatibility or other compelling reasons, will be utilized as necessary or appropriate.

It is envisaged that A.I.D. Direct Contracting, Education Indefinite Quantity Contracts, buy-ins to AID/W centrally-funded technical service projects and Handbook 13 Grants will be utilized to provide for all project-funded assistance, goods and services. All Handbook 13 grants will be issued by USAID/South Africa directly. These procurement and assistance mechanisms will provide A.I.D. with sufficient control over the integrity of the procurement under SABER, guarantee financial accountability, and provide a proactive position to ensure that project interventions are implemented in a timely manner and in accordance with the project design.

In accordance with standard Mission policy, each year there will be an Action Plan which will detail the obligations for the SABER Project, including procurement of technical services and delineating grant recipients. This will enable the Mission to respond creatively and flexibly to a range of factors and develop well thought out plans for each phase.

In procuring technical services, the Mission plans to procure the services of the centrally-funded LearnTech project which supports efforts to deliver basic English and mathematics to primary schools through an interactive radio intervention. Further, it is possible that the Mission will also request AID/W (FA/OP) to procure services through the Improving Quality of Education centrally-funded project. Evaluations and impact studies will be funded through IQC or other contracting arrangements carried out by AID/W (FA/OP) or the Regional Contracting Officer. Finally, in Phases II and III, there is potential for a direct contract to provide technical assistance to the ERF or the new democratically-elected government. If this is undertaken, it will be procured by the Regional Contracting Officer or USAID/South Africa directly.

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[1]The Procurement Plan was cleared by Mr. Michael S. Kenyon, the Regional Contracting Officer, USAID/Swaziland, in a fax dated July 15, 1992.

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No direct procurement of educational materials is anticipated in Phases I and II, although this may be an option in Phase III. No direct procurement of capital equipment or vehicles will occur under this project.

A PSC will be awarded to assist the Mission in managing the project and monitoring its impact. This will be contracted directly by the Mission Executive Officer.

Since much of the funds will be provided through Handbook 13 grants, the following substantive conditions (the first of which is required under the CAAA) related to procurement of goods and services will be included in all grants:

1. Procurement

a. Scope: This provision is applicable to the extent that local cost financing is otherwise authorized by the Agreement. It does not require procurement in South Africa where offshore procurement could otherwise occur.

b. Policy: In the procurement of goods and services in South Africa, the Recipient shall, to the maximum extent practicable, award contracts to individuals who or organizations which are disadvantaged by apartheid and are responsive and appropriate providers of goods and services.

c. Definitions: Individuals and organizations disadvantaged by apartheid shall mean: (1) South African individuals of black, "colored" or Asian descent whose principal place of business is in the Republic of South Africa; and (2) private partnerships or commercial firms which are incorporated in or organized under the laws of the Republic of South Africa, whose principal place of business is in the Republic of South Africa, and which are more than 50 percent beneficially owned by South African persons of black, "colored" or Asian descent. The Republic of South Africa includes the so-called "independent" and "self-governing" homelands.

2. Competition: Except as otherwise provided in Sub-Section 1.b above, all procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, free and open competition.

3. Staff Recruitment: The Recipient agrees that all staff recruitment for positions funded by USAID will be carried out through an appropriate competitive process and that salary levels will be in accordance with community and professional standards.

The procurement plan of this project has been developed with full consideration of maximally involving Gray Amendment organizations in the provision of goods and services. Should there be any direct contracts or grants to U.S. NGOs, A.I.D. will give every consideration to contracting or subcontracting with Gray Amendment firms. A further discussion of Gray Amendment considerations and the required Certification by the Director, USAID/South Africa, is included as Annex D to this Project Paper.

V. SUMMARY OF ANALYSES

A. Economic Analysis

1. Introduction

This economic analysis was done as follows:

a. The project investment was examined from the overall economic rationale for investment in primary education in South Africa, including a review of the evidence and analysis of the benefits and costs of investment in primary education in South Africa and the cost savings from internal efficiency gains of the primary school system;

b. The project was reviewed from the perspective of least-cost and cost-effectiveness; and

c. A conclusion was drawn that the SABER Project is a sound economic investment and a good use of scarce investment resources.

2. Economic Rationale for Investment in Primary Education

Economists believe that investment in education contributes to increased individual productivity and to aggregate economic growth. The relationship between education and productivity is especially well-established in agriculture. In the urban economy the relationship is more difficult to establish empirically because of the uncertain relationship between formal sector wages and individual productivity and because of the difficulty of measuring output in the informal sector. The importance of literacy and numeracy in the performance of most urban jobs is, nevertheless, well documented. Educated people are better able to acquire and make use of information, and to recognize and respond to new opportunities.

Studies by the World Bank and others, conducted in developing countries around the world, of the social rate of return to investments in education show an almost invariant pattern of results. The rate of return to investments in human capital is consistently higher than the rate of return to investments in physical capital, and the rate of return to investments in primary education is consistently higher than rates of return to investments in secondary and higher education. These studies provide strong support for increased public investments in education, and especially in primary education where students acquire the essential skills of literacy and numeracy. Substantial returns accrue to society when all of its citizens are literate and numerate. Formal schooling remains the most cost-effective way of achieving this objective.

Primary education contributes to economic growth in less direct ways as well. Among the most important of these are the well-established relationships between education and health and between education and fertility. Good health makes a labor force more productive; reductions in fertility lessen the strain on public services (e.g., primary

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schools) and increase the quantity of public and private resources that can be invested in each child.

Basic education is also essential to the exercise of citizenship, and to the establishment and maintenance of democratic institutions.

Various studies, by Hosking (1990), Pillay (1991) and others, dealing with the rates of return to investments in primary education for different groups of South Africans are supportive of the hypothesis that an investment in improving the quality of primary education should yield a worthwhile economic return. The studies produced rates of return to completing primary school which ranged from a low of about 4 percent to a high of 35 percent, with common results in the 7 to 8 percent range.

It is reasonable to expect that the SABER Project will contribute to substantial external efficiency benefits arising from the increased productivity and job opportunities of better educated primary school students.

A second economic benefit which can be expected from the SABER Project will result from cost savings from improving internal efficiency in the primary school system. Worldwide studies indicate that improving the key instructional inputs (instructional materials, teachers, curriculum and school management) has had dramatic effects on improving the internal efficiency of schools.

3. Least-cost/Cost-effectiveness

A number of aspects of the project suggest that SABER is a least-cost and a cost-effective solution to the problem of quality improvement in primary education in South Africa. These factors include: full utilization of existing resources and infrastructure in the NGO sector; recruitment of qualified South African personnel to fill technical assistance and managerial positions; increased administrative and financial efficiency at the school level and instructional improvement; low cost and cost-effective learning strategies; improved coordination of public and private sector infrastructure and programs; and "performance-based" interventions and resource allocations.

4. Conclusion

As designed, the SABER Project promises to make a substantial impact on improving primary education in South Africa. Although no quantitative estimate of the benefits, costs and internal rate of return have been attempted, it is clear that there are substantial external and internal efficiency gains to be had from the SABER Project components. The main target group of the project is black children who in the past have not enjoyed equal access and opportunity in the educational system. The main output of the project will be an increase in the internal efficiency of the primary school system though a reduction in drop-out and repetition rates. The additional grades completed by more primary school children will result in higher labor productivity and a stronger likelihood of employment and participation in democratic institutions. The gains in internal efficiency will also translate into substantial savings in numbers of school years of instruction per student, allowing more students access to primary

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education. Moreover, the SABER Project promises to be a low-cost, cost-effective approach to addressing the problems of primary education in South Africa. The economic analysis indicates, therefore, that the SABER Project is a sound economic investment and a good use of scarce investment resources.

B. Social Analysis

The following is a breakdown and brief description of the eight categories addressed by the Social Soundness Analysis.

1. The Socio-Cultural Context: The social soundness of the SABER Project must be viewed in terms of the social, economic and political conditions resulting from forty years of apartheid rule. Further, it must take into consideration the current context of transition to a democratic society, and the tension, raised expectations and potential for development which accompanies that transition.

Education is highly politicized in South Africa and the SABER Project must be sensitive to the South African political context. Originally the SAG was responsible for the politicization, openly declaring that blacks would receive an inferior education to render them perpetually under-skilled and only available for manual labor. In the 1980s, the black opposition leaders and activists politicized education by using school boycotts as a means of political protest.

Today students and teachers challenge "top-down" decisions, principals, educational policy and any program perceived as supporting the "establishment" over the "community." Educational NGOs, through which SABER will work, are vying for a position in the new South Africa, and after decades of working in isolation, liberal educators are, themselves, learning how to work together for the first time in an atmosphere of democratic engagement.

2. Beneficiaries: The SABER Project targets South Africa's primary school-aged children, historically disadvantaged by the apartheid system. Nongovernmental organizations (NGOs), educational experts, primary school teachers, teacher trainers and administrators of primary schools will also benefit.

3. Socio-Cultural Feasibility: Black South Africans and progressive NGOs have, during detailed consultations, welcomed the SABER project. They feel that it is both timely and appropriate to the socio-cultural environment. On the other hand, the current South African Government is unsympathetic to the goal of establishing an equal education for disadvantaged South Africans and could provide an impediment to the completion of SABER objectives. Lack of legitimacy of the current system, may translate into lack of legitimacy of a future system producing other impediments which must be addressed by the project.

4. Participation: Community participation is essential in gaining the trust necessary for SABER-supported NGOs to operate within South Africa's disadvantaged society, and to continue past the lifetime of the project. Including community members on the Board of Directors of the NGOs, asking for community input in designing and evaluating

programs, and training community members and teachers to participate in the projects will encourage acceptance at the grassroots level and give legitimacy and credibility to the programs. All grants should begin with the commitment to hire and train disadvantaged South Africans to eventually manage the projects.

5. Impact: The immediate impact of the SABER Project will be to improve retention in primary schools and to arrest the decline in the quality of education, ensuring that there is a system for the new government to reform. The SABER Project will have a positive impact on the skills, particularly English and mathematics, of primary-aged school children. Educational NGOs supported by SABER will also be strengthened and the skills of primary school teachers will improve. Educational materials for disadvantaged communities will become available and will improve in quality as new, innovative teaching methodologies are adopted. The longer term impact will be to eliminate the disparity between black and white education, and to create a generation of black South Africans who posses the skills and self-confidence to participate in a democratic society.

6. Material Development and Distribution: By providing quality educational materials to disadvantaged communities, the SABER Project will make an immediate impact on communities conditioned by decades of receiving inferior, inadequate or no materials. Materials developed under the SABER Project will include the latest teaching methodologies proven successful in other countries and will be nonracial and culturally sensitive to the students they serve.

7. Curricula: The curricula supported by the SABER Project will include input from the community it serves to avoid parents, teachers and students feeling that yet another curriculum is being imposed. It will emphasize quality English language and mathematics instruction so that children can benefit from an English medium public education and acquire the skills needed to function in a modern work force.

8. Gender: Women are a subservient group in South African society. Education and employment are gender-biased and task specific. Women make up the bulk of teachers in South Africa, but as little as 18% become school principals. The SABER Project will actively support non-gender-biased education for women. This includes the advancement of women educators to leadership positions in both educational NGOs and school administrations as well as the development and use of non-gender-biased materials and curricula.

C. Political Analysis

The rapidly changing political environment in South Africa is creating a new political dynamic: the government and its main opponents are committed to a process of fundamental change through negotiation.

The Council for a Democratic South Africa (CODESA), the negotiating mechanism, has committees working in 5 areas: 1) creating a climate for free political participation; 2) constitutional principles and processes; 3) transitional arrangements; 4) the future of the TBVC states (homelands); and 5) timeframes and the implementation of decisions.

The role of NGOs during this period of political uncertainty is crucial as a mechanism to channel resources to human resource development programs and activities.

The political situation will impact on the SABER Project in the following areas: 1) community participation in local school management; 2) a non-partisan approach to the identification of SABER recipients; 3) identification and implementation of projects; 4) flexible, responsive educational programs; and 5) acceptance of an element of risk.

D. Technical Analysis

The technical analysis examined the following three options for implementing the SABER Project:

1. implementing the project directly through the Mission, with the assistance of a PSC project advisor and a U.S. firm or organization(s) providing technical support to grantees and counterpart organizations;

2. implementing the project through an institutional contract with a U.S. firm or non-profit organization which would provide grants and technical assistance; or

3. implementing the project through a South African Trust which would distribute the funds directly.

Based on the political sensitivity of South Africans, the complex environment and the important contribution the USG is providing to the education negotiations, the Mission chose the first option of direct management with the technical assistance of other organizations.

In addition, the Mission decided against amending the Educational Support and Training (ESAT) Project to fill the role of SABER. ESAT has a specific mandate to respond to small-scale, innovative education programs which have the potential for replication. SABER is the next step; grantees which have proven their effectiveness now require support to provide their services to a wider beneficiary base. In addition, the primary education system has been largely ignored and must be included in the negotiations towards a new system. Finally, SABER gives the Mission authority to respond to the changing environment as we move towards an interim government and a new democratic government.

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VI. EVALUATION:

A. Evaluation

The uncertainty regarding the pace of negotiations and speed of educational reform requires flexibility in specifying the number and timing of project evaluations.

With this caveat, there is an expectation that three project evaluations will occur during the LOP. The occurrence of key events, e.g., initiation of Phase II, will influence the timing of these evaluations. Should delays occur in the transition to Phase II, Phase I will be subject to its first evaluation no later than 18 months from project initiation and, subsequently, at approximately two-year intervals. These evaluations will be used to suggest any needed mid-course strategy corrections.

A separate evaluation is proposed for Phase II after 12 months of activity. A Phase III evaluation, following 12 months of assistance, will examine the effects of technical assistance and will assess the contributions of SABER grantees to the new government.

A team of three specialists with expertise in the project elements will be selected by USAID to carry out the project evaluations for all three phases. The rationale for retaining the same team members is to provide for greater efficiency and continuity within the project and across the phases. These evaluations will each be of five weeks duration.

Specific hypotheses will be identified by the PSC and HRDO for testing during each evaluation. It is expected that the first Phase I evaluation will focus attention on the provision of inputs to accomplish the outputs, while subsequent Phase I evaluations will be more concerned with the accomplishment of outputs and the reexamination of overall hypotheses of the project design. The final Phase I evaluation will examine the probability of the attainment of the Project Purpose, and/or address reasons for variance from the Purpose. It will review what has happened since interventions were tried, collect impressions about the extent to which interventions made a difference, and review what problems remain.

Quantitative and qualitative evaluation methods will be employed, including examinations of records, on-site observations and interviews, and small group consensus checks on key events and interpretations of same.

B. Impact Studies

In addition to monitoring and evaluation activities, a minimum of three impact studies of selected grant agreements will be implemented. Each will focus on one of the four major project elements, and specialists experienced in these areas will be retained to carry out the studies. Four weeks will be allotted for each study. The PSC and HRDO will develop the scope of work for each study to insure relevance of research for potential incorporation into a new unitary education system.

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SOUTH AFRICA BASIC RECONSTRUCTION (SABER)
LOGFRAME
ANNEX A

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL A developed democratic, nonracial, nonsexist, compulsory, unitary quality education system in South Africa.	The abolition of the fifteen ethnic and regionally defined departments of education. The development of laws requiring attendance in schools. Legislation guaranteeing equal access to to education all regardless of race, religion or gender.	The new constitution and laws published in the South African Gazette.	The political transition proceeds smoothly through an interim government to a new democratic government.
PURPOSE Increased development and use of innovative educational models and policy systems which improve the quality of primary education for historically disadvantaged South Africans.	EOPS Increased participation and persistence rate of male and female primary school students. Increased percent of quality and quantity of student achievement at the end of primary schooling. Phase I: 1. At least 3 innovative models for teacher training. 2. At least 2 models for improved administration. 3. At least 4 innovative curricula for pre-primary and primary school (eg. Science, Math and Language). 4. A set of validated instructional materials in science, math, and languages. 5. At least one model technology in place ready for national implementation. Phase II: 1. At least 2 resource centers including technical assistance available to key black educational policy makers and advisors. 2. At least 10 key black leaders and advisors receive short-term training in education policy, planning, curriculum development, etc. Phase III: 1. Ministry of Education uses resources for teacher training, development of unitary education system, curriculum development, and provision of materials. 2. New policies in place and new system being implemented.	Projects reports and bi-annual reports by NGOs. Evaluations of SABER and of individual NGOs. Statistical overview of the education system (conducted yearly).	Phase I: Unsolicited proposals are submitted by well-administered NGOs in Teacher Training; School Administration; Curriculum Development; and/or Materials Provision (including technology). Phase II: A body negotiating the future of South African education, with representatives of the black majority, is in place. Phase III: A new constitution is developed and nonracial elections are held for a new democratic government.

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
OUTPUTS **Phase I:** Strengthened NGOs to address current educational needs of legally disadvantaged South Africans. **Phase II:** Strengthened capacity of leadership for the development of a new educational system. **Phase III:** Strengthened Ministry of Education to address innovative planning and implementation of the educational system.	**Phase I:** 1. At least 40 NGO staff trained in appropriate educational areas. 2. Proposed materials and activities accomplished. **Phase II:** 1. At least 10 national leaders trained in educational administration and policy development. 2. New policies outlined and discussed as part of the education negotiations. 3. NGOs play critical role in policy decisions on curriculum and educational methodology. **Phase III:** 1. NGO models incorporated into public sector. 2. Plans to incorporate the disenfranchised are in place. 3. System for implementing a single ministry of education is in place. 4. NGOs continue to play active role in innovative education programs.	USAID Project documents NGO's Monitoring and Evaluation System Project reports.	Environment which encourages innovative programming and policy reform in education.
INPUTS **Phase I:** 1. Grant agreement and T.A. to 10-15 NGOs. **Phase II:** 1. Grants and resources to key personnel in key positions in interim education negotiating forum. 2. Grants to NGOs instrumental to the interim education negotiating forum in shaping the educational system under a new government. **Phase III:** 1. Grants and T.A. to the new Ministry of Education formed as part of the new government. 2. Grants to key NGOs instrumental in progressive education and able to leverage policy change in the new Ministry of Education.	1. $12.5M in Phase I 2. $ 7.5M in Phase II 3. $10.0M in Phase III (funds not authorized)	USAID Project documentation. Annual reports from NGOs. End of Grant reports from NGOs. Reports from interim government projects. Reports from new Department of Education. Audit Reports.	**Phase II:** Interim government is in place in a timely fashion. **Phase III:** New government is an outcome of general elections and is operational in a timely fashion.

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SUBJECT: REVIEW OF SOUTH AFRICA BASIC EDUCATION PROJECT (674-2314) PID: ECPR DECISION AND GUIDANCE

REF: PRETORIA 01469

1. SUMMARY: THE EXECUTIVE PROJECT REVIEW COMMITTEE (ECPR) MEETING, HELD ON 1/21/92 TO CONSIDER THE SUBJECT PROJECT, DECIDED TO (A) APPROVE THE PROJECT IDENTIFICATION DOCUMENT, (B) AUTHORIZE THE MISSION TO PROCEED TO THE FINAL DESIGN PHASE, AND (C) PERMIT THE PROJECT TO BE AUTHORIZED IN THE FIELD. THE REVIEW ALSO DISCUSSED AMENDING THE EDUCATIONAL SUPPORT AND TRAINING (ESAT) PROJECT (RATHER THAN STARTING A NEW PROJECT), IMPLEMENTING THE THREE PHASES OF THIS ACTIVITY IN CLOSE CONSULTATION WITH AFR/W AND CONGRESS, AND VARIOUS OTHER CONCERNS TO BE CONSIDERED DURING DESIGN. END SUMMARY

2. THE ECPR MET ON 1/21/92 TO CONSIDER THE SUBJECT PID. THE MEETING WAS CHAIRED BY LESLIE DEAN, DIRECTOR, AFR/SA, AND ATTENDED BY REPRESENTATIVES FROM AFR/DP, AFR/ARTS, DPG/CL, GC/AFR, PD/EL, AND AFR/SA. USAID/SOUTH AFRICA WAS REPRESENTED BY JENNIFER BISGARD, EDUCATION PROJECT OFFICER. THE REVIEW BENEFITTED FROM MS. BISGARD'S CLEAR

PRESENTATION OF THE PROJECT AND RESPONSES TO QUESTIONS.

THE ECPR MEETING DECIDED TO APPROVE THE SUBSTANCE OF THE PROJECT, BUT SUGGESTS THE MISSION REVISIT ONE LAST TIME WHETHER TO PURSUE THESE OBJECTIVES THROUGH AN AMENDMENT TO ESAT OR THROUGH DEVELOPING A NEW PROJECT. WE UNDERSTAND AND RECOGNIZE THE VALUE OF HAVING A PROJECT THAT IS DEVOTED SOLELY TO PRIMARY EDUCATION, DEMONSTRATES CLEARLY TO CONGRESS A NEW INITIATIVE THAT KEEPS PACE WITH THE CHANGING SITUATION IN SOUTH AFRICA, AND ALLOWS SOUTH AFRICAN COUNTERPARTS TO BE INVOLVED IN DEVELOPING A NEW ACTIVITY.

WE BELIEVE, HOWEVER, THAT ESAT COULD BE AMENDED TO PERMIT THE REPLICATION AND EXPANSION OF SUCCESSFUL PILOT PROGRAMS AS WELL AS CONTINUE TO FUND INNOVATIVE ACTIVITIES. THIS WOULD ENTAIL LESS DESIGN EFFORT AND ALLOW PHASE I OF THE PROPOSED PROJECT, AND EVENTUALLY PHASE II, TO CONTINUE

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UNDER A SINGLE MANAGEMENT UNIT, THE AMENDED ESAT. THIS WOULD MAKE MORE EFFICIENT USE OF SCARCE STAFF TIME, DURING A YEAR IN WHICH THE MISSION MUST OBLIGATE DOLS 80 MILLION AND COPE WITH SIGNIFICANT CHANGES IN STAFF. THE FINAL DECISION ON THIS MATTER IS LEFT TO THE MISSION.

3. THE ECPR NOTED THAT PHASE II DEPENDED UPON THE EMERGENCE AND FUNCTIONING OF AN INTERIM EDUCATIONAL BODY SUCH AS THE EDUCATION RECONSTRUCTION FORUM (ERF), AS WELL AS CHANGES CONCERNING THE PROHIBITION AGAINST ASSISTANCE TO OR THROUGH ORGANIZATIONS FINANCED OR CONTROLLED BY THE GOVERNMENT OF SOUTH AFRICA (SAG) (SEE PARA 4 BELOW). SINCE THE MISSION REPRESENTATIVE NOTED THAT PHASE I ACTIVITIES COULD ABSORB DOLS 20 MILLION, THE ECPR SUGGESTED THAT, IN ORDER TO SATISFY ADEQUATE PLANNING REQUIREMENTS, THE MISSION AUTHORIZE THE DOLS 20 MILLION FULLY FOR PHASE I ACTIVITIES, WITH AN OPTION TO USE UP TO DOLS 7.5 MILLION OF THIS FOR PHASE II-TYPE ACTIVITIES, IF AN ACCEPTABLE ERF-LIKE BODY IS ESTABLISHED AND IF THE ABOVE CONCERN ABOUT SAG-FINANCED OR CONTROLLED ENTITIES IS SATISFACTORILY RESOLVED THROUGH CONSULTATIONS WITH APPROPRIATE COMMITTEES IN CONGRESS.

THE PID ALSO INCLUDED INFORMATION ABOUT A POSSIBLE DOLS 10 MILLION PHASE III (TO PROVIDE ONE YEAR OF ASSISTANCE TO A NEW, FREELY-ELECTED GOVERNMENT) WHICH MIGHT BE FULLY DEVELOPED LATER AND ADDED BY AMENDMENT (AUTHORIZED BY THE MISSION DIRECTOR) TO THE PP. THE ECPR UNDERSTANDS THAT THE MISSION CURRENTLY PROPOSES TO FULLY PLAN AND AUTHORIZE A DOLS 20 MILLION ACTIVITY FOR PHASE I ACTIVITIES, WITH THE ABOVE PHASE II OPTION AND THAT THE INFORMATION ON A

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POSSIBLE PHASE III IS TO GIVE AID/W A SENSE OF THE MISSION'S LONGER-TERM THINKING. AID/W CONCURS IN THIS APPROACH WITH THE CONDITION THAT THE MISSION FIRST SUBMIT THE PROPOSED AMENDMENT (WITH AN APPROPRIATE LEVEL OF DETAIL) FOR AFR/W REVIEW AND CONSULTATION WITH THE APPROPRIATE COMMITTEES IN CONGRESS.

4. AS NOTED IN THE PID, PHASES II AND III CANNOT PROCEED WITHOUT CHANGES IN THE PROHIBITION AGAINST FURNISHING ASSISTANCE THROUGH ORGANIZATIONS FINANCED OR CONTROLLED BY THE SAG. AT THE ECPR IT WAS AGREED THAT THE CONGRESSIONAL NOTIFICATION FOR THIS ACTIVITY SHOULD MENTION PHASES I AND II, BUT STATE THAT PHASE II WOULD BE IMPLEMENTED ONLY (A) AFTER CONSULTATIONS WITH THE APPROPRIATE COMMITTEES IN CONGRESS AND (B) IF APPROPRIATE CHANGES IN THE PROHIBITION PERMIT IT. THE FINAL PROJECT DOCUMENT ALSO SHOULD

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PROMINENTLY NOTE THIS CAVEAT.

HOWEVER, SINCE THE PID REVIEW IN JANUARY, AFR/W HAS RECEIVED A MISSION REQUEST, CONTAINED IN REFTEL, TO REVIEW AND AUTHORIZE A LIMITED EXCEPTION TO THE A.I.D. POLICY PROHIBITION ON ASSISTANCE TO ORGANIZATIONS FINANCED OR CONTROLLED BY THE GOVERNMENT OF SOUTH AFRICA (SAG). AFR/W AND AF/S MET ON 2/5/92 TO DISCUSS THE REQUEST IN REFTEL AND DECIDED TO DISCUSS THIS WITH CONGRESSIONAL STAFF AT THE EARLIEST POSSIBLE MOMENT. WE WILL KEEP THE MISSION ADVISED OF THESE DISCUSSIONS (INCLUDING WHETHER THE CN GUIDANCE IN THE PRIOR PARAGRAPH REMAINS VALID) AND WILL TRY TO REACH A CONCLUSION AS QUICKLY AS POSSIBLE. A MORE DETAILED ACCOUNT OF THE 2/5/92 MEETING AND PRELIMINARY GUIDANCE WILL BE PROVIDED IN SEPTEL.

3. CONCERNS:

A. MONITORING AND EVALUATION CAPACITY-BUILDING - THE MISSION SHOULD CONSIDER DEVELOPING A CAPACITY WITHIN THE PARTICIPATING NGOS TO MONITOR AND EVALUATE THEIR ACTIVITIES. ESTABLISHING A BASIC MANAGEMENT INFORMATION SYSTEM (MIS) WOULD BE AN ESSENTIAL FIRST STEP IN BUILDING SUCH A CAPACITY. FOUR EXPECTED PROJECT ACHIEVEMENTS ARE CITED IN THE PID. THE DEVELOPMENT OF A MONITORING AND EVALUATION (M&E) CAPACITY COULD BE A FIFTH ACHIEVEMENT. THIS FUNCTION WOULD PROVIDE BOTH THE NGOS AND OUTSIDE INTERESTED PARTIES WITH INFORMATION ABOUT THEIR ACTIVITIES WHICH COULD IMPROVE IMPLEMENTATION AND ASSIST THE DESIGN OF FUTURE PROGRAMS.

B. ADMINISTRATIVE ANALYSIS OF NGOS - QUESTIONS WERE RAISED DURING THE REVIEW REGARDING THE CAPACITY OF THE NGOS TO IMPLEMENT SUCCESSFULLY THE LARGER PROGRAMS AND GREATER RESOURCES ENVISIONED UNDER THIS PROJECT. POOR ADMINISTRATION HAS BEEN A WEAKNESS CITED IN MANY EVALUATIONS OF NGO PROJECTS. APPLICATION OF THE CRITERIA FOR SELECTION CITED IN THE PID SHOULD HELP SCREEN OUT THOSE NGOS NOT READY YET TO ASSUME INCREASED RESPONSIBILITIES. AFR/W SUGGESTS THE ADMINISTRATIVE ANALYSIS SECTION OF THE PROJECT DOCUMENT EXAMINE FULLY THE STRENGTHS AND WEAKNESSES OF THE PARTICIPATING ORGANIZATIONS.

C. GENDER ISSUES - THE FINAL DESIGN SHOULD SPECIFY HOW GENDER CONCERNS WILL BE ADDRESSED, SETTING GENDER DISAGGREGATED TARGETS AS APPROPRIATE. NGOS SHOULD BE REQUIRED TO MEASURE, MONITOR, AND EVALUATE HOW WELL THEY ARE ACHIEVING GENDER EQUITY GOALS AND TARGETS. THE MISSION SHOULD CONSIDER HAVING THE AFWID REGIONAL ADVISOR, CAROL CULLER, WHO IS BASED IN BOTSWANA, PARTICIPATE IN THE SABER DESIGN TO ASSURE GENDER ISSUES ARE INCORPORATED INTO THE CURRICULUM DESIGN, TRAINING, MANAGEMENT AND ADMINISTRATION, AND EDUCATIONAL MATERIALS DEVELOPMENT EFFORTS. MS. CULLER ALSO COULD ASSIST WITH INCLUDING GENDER CONCERNS IN THE MIS AND M&E SYSTEM DESIGNS. IF SHE IS NOT AVAILABLE AND MISSION WANTS WID ASSISTANCE, R&D/WID

(CONTACT: NINA BOWEN) MIGHT BE ABLE TO HELP.

5. DESIGN STRATEGY - AFR/W SUGGESTS THE MISSION INCLUDE A PROJECT DEVELOPMENT OFFICER (PDO) IN THE DESIGN TEAM FOR THIS PROJECT. IF ONE IS NOT AVAILABLE WITHIN THE MISSION, WE WILL HELP IDENTIFY/RECRUIT A DIRECT-HIRE OR CONTRACT PDO FOR YOU.

6. THE BUREAU ENVIRONMENTAL OFFICER HAS APPROVED AND GC/AFR HAS CLEARED THE REQUEST FOR A CATEGORICAL EXCLUSION FOR ENVIRONMENTAL MATTERS. BAKER
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ECONOMIC ANALYSIS

I. - Introduction

The purpose of an economic analysis of any project is to determine whether or not the proposed project represents a sound investment of scarce economic resources. In traditional economic analysis, the comparison of the monetized benefits and costs of a project provides an indicator of its worth as a potential investment. While comparison of the benefits and costs and cost-effectiveness have been a critical consideration in the design of the project and will be employed throughout the evolution of the project, an educational intervention like the SABER Project does not easily lend itself to traditional tools of economic analysis for a host of reasons. The two most important reasons are:

A. the data necessary to calculate the magnitude of the private monetary benefits of the project (particularly information on the likely employment outcomes and income streams of primary school graduates) are not available in South Africa; and

B. a number of the most important social benefits of the project are very difficult to measure in monetary terms.

As a result, this analysis will take a somewhat broader approach to traditional economic analysis in order to compensate for these deficiencies without losing the insight that the economic perspective offers.

This analysis involves approaching the question of the economic soundness of the proposed investment in the SABER Project from several angles. First, the project investment will be examined from the overall economic rationale for investment in primary education in South Africa, including a review of the evidence and analysis of the benefits and costs of investment in primary education in South Africa and the cost savings from internal efficiency gains of the primary school system. Next, the project will be reviewed from the perspective of least-cost and cost effectiveness analysis. Finally, the non-monetary benefits and labor market effects will be reviewed and a conclusion drawn about the soundness of the economic investment.

II. Economic Rationale for Investment in Primary Education

Economist have long argued, and empirical studies have shown, that investment in education contributes to increased individual productivity and to aggregate economic growth. The relationship between education and productivity is especially well-established in agriculture, where a number of studies in Africa and elsewhere have shown a positive relationship between years of education and measures of farm output. These relationships are especially strong in settings where non-traditional crops and farm inputs are being adopted. The ability to read instructions and to calculate costs and application levels is critically important for the success of such efforts. In the urban economy the relationship is more difficult to establish empirically because of the uncertain relationship between formal sector wages and individual productivity

and because of the difficulty of measuring output in the informal sector. The importance of literacy and numeracy in the performance of most urban jobs is nevertheless well documented. Educated people are better able to acquire and make use of information, to negotiate the complexities of the urban economy, and to recognize and respond to new opportunities.

Studies of the social rate of return to investments in education conducted in developing countries around the world show an almost invariant pattern of results. The rate of return to investments in human capital is consistently higher than the rate of return to investments in physical capital, and the rate of return to investments in primary education is consistently higher than rates of return to investments in secondary and higher education. These studies provide strong support for increased public investments in education, and especially in primary education where students acquire the essential skills of literacy and numeracy. Substantial returns accrue to society when all of its citizens are literate and numerate. Formal schooling remains the most cost-effective way of achieving this objective.

Primary education contributes to economic growth in less direct ways as well. Among the most important of these are the well-established relationships between education and health, and between education and fertility. Educated mothers have been shown more likely to immunize their children, and educated individuals are more likely to adopt effective health and sanitation practices. Educated mothers have also been shown to have fewer children than those with little or no education. The consequences of these education-related changes for economic growth are clear. Good health makes a labor force more productive; reductions in fertility lessen the strain on public services (e.g., primary schools) and increase the quantity of public and private resources that can be invested in each child.

Basic education is also essential to the exercise of citizenship and to the establishment and maintenance of democratic institutions. As apartheid is ended and the political system of South Africa is transformed, South African citizens will be increasingly obliged to: absorb and evaluate information; weigh the often difficult political choices that face them and their nation; organize and act to protect and advance their own nation; and organize and act to protect and advance their own interest in the larger political system. Citizens who lack literacy and other basic skills will be ill-equipped to fulfill their civic obligations. They will be handicapped simultaneously in the political competition for resources and opportunities. Democratic politics may, thus, compound the economic disadvantages of the poorest and most vulnerable groups if these groups are not assured of equitable access to basic education.

Several South African academics have estimated rates of return to primary education for different groups of South Africans, including Hosking (1990), Pillay (1991), Donaldson and Roux (1991), Archen and Moll (1990), Moll (1991) and Louw (1979). The methodology used in these studies was to estimate the external efficiency benefits (increased lifetime earnings arising from increased productivity) and for the opportunities of better educated primary school students. Each of these studies, except for the two involving Moll, use different data sources and different methodologies, so it is not surprising that they produce different results. There are always great inherent difficulties in estimating rates of return to investments in education, particularly when data sources are very far from perfect. Nevertheless, this group of studies is supportive of the hypothesis that an investment in improving the quality of primary education should yield a worthwhile economic return. The studies produced rates of return to completing

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primary school which ranged from a low of about 4 percent to a high of 35 percent, with common results in the 7 to 8 percent range.

It can be argued that the academic studies conducted to date may show lower results than may be expected in the future. Unfortunately, South Africa has until recently been characterized by extraordinary barriers to geographic and occupational mobility, particularly for Africans. Most of these barriers were still in place when the data on which the rate of return studies were made and collected. Moreover, there is also consensus that in recent years the quality of primary education, particularly for Africans, has been poor. Given that barriers to mobility are being reduced and that the SABER Project and other efforts will improve the quality of education, it is reasonable to expect that the SABER Project will contribute to substantial external efficiency benefits arising from the increased productivity and job opportunities of better educated primary school students.

A second economic benefit which can be expected from the SABER Project will result from cost savings from internal efficiency gains in the primary school system. Unfortunately, there are almost no reliable direct quantitative indicators of learning outcomes in South African primary schools. The most available indirect indicators of the internal efficiency of South African primary schooling involve drop-out and repetition rates and the number of student-years of investment required to produce an African primary school graduate. Data assembled in the South Africa Primary Education Sector Assessment yielded an estimate of between 11.4 and 12.2 years to produce an African primary school graduate with repetition rates as high as 24 per cent for some grades. Because of the lack of desegregated information on attrition and repetition rates, these figures are approximations, but they give a sense of magnitude and relative prevalence of internal inefficiencies in the African schools which are the target of the SABER Project.

Worldwide studies of the impact of various interventions to improve primary education, as well as information from primary schools in South Africa gathered by the Primary Education Sector Assessment, indicate that improving the key instructional inputs (instructional materials, teachers, curriculum and school management) has had dramatic effects on improving the internal efficiency of schools. Although these efficiency gains are discussed in greater detail in other sections, some discussion is provided here. First, the rationalization of administrative structures and increased efficiency of trained administrators should over time allow savings in administrative overhead and improved educational environments. Second, improved teachers and teaching methods, the improved availability of instructional materials, (including increased use of technology) and the redesign of curriculum should lower repetition and drop-outs from African primary schools. Although these efficiency gains are impossible to measure or to attribute to SABER, the gains are potentially huge.

III. Least-cost/Cost-effectiveness

Given the difficulty of quantifying the monetary returns to the SABER Project, one alternative approach to measuring the economic soundness of the project is to assume that primary education is a needed service and to compare the costs at which that service would be provided under the SABER Project methodology with the costs incurred under another project design. If the service is a fixed desideratum, then one simply looks for the least cost method of providing

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it. If the desired educational outputs are variable in quantity and type, then one looks for the most cost-effective solution, i.e., the solution that ensures the highest ratio of outputs to inputs.

To some extent, least-cost analysis of the SABER Project methodology has already been discussed in the technical analysis of the project. Given the constraints on alternative approaches imposed by the CAAA legislation and other factors, the SABER Project design cannot address a full range of educational strategies. Nevertheless, there are a number of aspects of the project which suggest that SABER will be, in fact, a least-cost and a cost-effective solution to the problem of quality improvement in primary education in South Africa. Some of those factors include:

A. the project design is based on the careful analysis of the primary education sector resulting from the Primary Education Sector Assessment and extensive consultations with South African educators from the private sector;

B. the project proposes full utilization of existing resources and infrastructure in the private sector and recruitment of qualified South African personnel to fill technical assistance and managerial positions;

C. the project emphasizes instructional improvement and increased administrative and financial efficiency at the school level;

D. the project approach is aimed at identifying low-cost and cost effective learning strategies most appropriate to South African conditions and proposes evaluation and dissemination of the best innovations already devised in-country;

E. the project will promote improved coordination of public and private sector infrastructure and programs; and

F. the project interventions and the allocation of resources under the project will be performance-based.

Alternative strategies considered during the project design process included:

A. contracting the development of a major new educational technology for South African primary education; and

B. direct administration of primary education support by an expatriate staffed institute.

The first involved major front-end investment costs for expatriate technical assistance and material with no assurance that the methods to be introduced would be superior to the best of those already in experimentation in existing South African NGOs or that they could be disseminated on a large enough scale to amortize the initial expenditures.

The second alternative also supposed heavy investments of outside personnel and raised questions about the sustainability of costs and infrastructure. None of these alternatives appears, therefore, to offer us low-cost or a more cost-effective solution to the problem as that offered by support to indigenous South African NGOs.

IV. Conclusion

As designed, the SABER Project promises to make a substantial impact on improving primary education in South Africa. Although no quantitative estimate of the benefits, costs and internal rate of return have been attempted here due to lack of reliable data and concerns about attribution, it is clear that there are substantial external and internal efficiency gains to be had from the SABER Project components. The main target group of the project is children who in the past have not enjoyed equal opportunity in the educational system. The main output of the project will be an increase in the efficiency and effectiveness of the primary school system through a reduction in drop-out and repetition rates. The additional grades completed by more primary school children will result in higher labor productivity and a stronger likelihood of employment and democratic institutions. The gains in internal efficiency will also translate into substantial savings in number of school years to complete primary school, thus, allowing more students access to primary education. Moreover, the SABER Project promises to be a least-cost, cost-effective approach to addressing the problems of primary education in South Africa. The economic analysis indicates, therefore, that the SABER Project is a sound economic investment and a good use of scarce investments resources.

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SOCIAL SOUNDNESS ANALYSIS

A. THE SOCIO-CULTURAL CONTEXT:

The social, economic and political context under which the SABER Project will operate must be understood in the context of transition from the apartheid system (which has been in place in South Africa from 1950 to the present) to a democratic, nonracial unified society which is the hope for the future.

Education has been politicized by the South African Government which institutionalized apartheid by providing blacks with inferior education that restricts their social and economic advancement and, hence, their full participation in society. According to a 1990 statement made by the National Education Coordinating Committee (NECC), the government spent R3,000 educating each white child in 1989, while only R650 was spent on each African child. The government spent 19% of its total budget on education in that year, but to bring black education up to the level of white education, it would have had to triple that amount. Whereas in the past the government, administrators and educators defined the terms of education's political significance, today it is black South Africans who are doing so. In 1990, 40% of black school pupils were not attending classes and pupils argued there was no reason to obey "go back to school" orders because of the poor conditions and lack of textbooks at schools.

Under the apartheid system, economic, social and political privilege was reserved exclusively for whites. Blacks, so-called "coloreds", Asians and other ethnic groups were treated as inferior, but to different degrees, in order to foster ethnic animosities and strengthen the Government's control through a strategy of "divide and conquer." So-called "colored" and Indian schools received more resources than African schools, pitting ethnic groups against each other. Nineteen separate education departments further atomized the black community along geographic as well as ethnic lines.

The extent of the animosity which has resulted from the Government's policies and South Africa's history of war and tribal conflict must be considered when trying to create a unified education system. Not only are divisions confined to the political arena between political parties (such as the ANC, Inkatha, or the National Party), or the 19 separate education departments, but it also exists between ethnic groups, white, Asian, so-called "colored", black, Afrikaans, English, Zulu, Tsonga, Xhosa, Sotho, etc. SABER's interventions must be designed to be sensitive to these divisions when designing curriculum, training teachers, materials, planning school locations, and working with an interim government or a new government to develop educational policy.

Now that the negotiation process has begun, South Africans disadvantaged by apartheid, find themselves in a time crunch. They will soon be asked to participate in a democratic political

system and a market economy, without the resources or skills needed to succeed in either. Rates of illiteracy in South Africa are estimated at anywhere from 50 to 73 percent. The vast majority of the South African work force does not possess the skills needed to enter into the modern, technology-based work force, and the apartheid system of education, coupled with the school boycotts of the 1980s, have left the vast majority of South Africans without a culture of learning or of democratic participation

Nonetheless, democratic participation will be a reality in the very near future and time must be utilized to its maximum advantage to prepare people for democracy.

B. BENEFICIARIES:

The main beneficiaries of the SABER Project are South Africa's primary school-aged children, historically disadvantaged by the apartheid system. Primary school teachers, teacher trainers, administrators, educational experts and nongovernmental organizations (NGOs) targeted by SABER will also receive benefits from the program.

Studies have demonstrated that the early years of a child's education lay the foundation for future development and learning. Money spent on an early and sound educational base will save on future education and social costs down the road. Development research has shown that investment in education is the best long-term contribution to economic recovery, that education makes its greatest contribution to development not when it is reserved for a privileged few, but when it is widely and equitably distributed, and that in countries that have not yet achieved universal completion of high quality basic education, investments in basic education have higher rates of return than do investments in higher education.

In addition, younger children are still impressionable and, in the case of South Africa, have not been politicized to boycott school or mistrust the system as is the case with their older brothers and sisters who stayed away from school during the political boycotts of the 1970s and 1980s and are now being called the "lost generation" or the "marginalized youth."

The concept of equal participation for black South Africans is unfamiliar and very recent. Primary school children can be taught from an early age that democratic participation and equality are their right, and as the gap between white and black education is closed, these children can be prepared to take their place as active participants in society, guaranteeing a more democratic South Africa in the future.

C. SOCIO-CULTURAL FEASIBILITY:

The current South African Government serves as an impediment to the accomplishment of project goals. On one hand, is its resistance to equal education for all on a race-blind basis, on the other is the lack of emphasis placed on early education. The South African Government has allocated few resources to pre-school education. As a result, little exists in

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terms of qualified instruction, schools or resources (educational material development) for pre-school educare.

A second impediment is the lack of trust which has been the culmination of 40 years of intentional neglect on the part of the South African Government. Under apartheid, divide and rule was carried out within the schools, themselves, where principals were viewed as loyal to the Department of Education and Training (DET), the government agency which put them in control, and distrusted by the teachers and pupils with whom they worked. These principals often find themselves trying to run their schools while they, themselves, are under a state of siege. Students insist they join the community in school boycotts or demonstrations against the government, teachers are antagonistic towards the principals and, in a few instances, principals have been forced to flee their schools for refusing to adhere to teacher and student demands.

Unity, working together and sharing resources is a new concept to South African NGOs. Due to the dangers of operating under the apartheid system, survival dictated most liberals and activists operate in isolation and secrecy. Overcoming this fear and bringing groups together will be an important aspect of the SABER Project.

D. PARTICIPATION:

Because of the distrust fostered under apartheid, community participation and grantee participation is essential in every phase of the project to win the trust of the beneficiaries and guarantee success of the projects and their continuation once A.I.D. funding has ended. To ensure this happens, the Mission will insist upon active participation from the community in the grants it supports.

SABER works through community NGOs which have gained respect and legitimacy within their community and which have been judged competent and successful after close scrutiny by the Mission. Administrative training programs are based on a South African model, using local case studies and focusing on the current political and social situation in South Africa. Community members are asked to sit on the boards of directors of the organizations supported by SABER, and grassroots participation is required to ensure that teachers, students, administrators and parents feel some responsibility for the success of the grants. This means, in practice, that if a program is to be adopted in a school, input, evaluation and critical participation must be part of the project. Pilot programs must be tested with input and evaluation from students, teachers, principals, outside educators and community members. Wherever possible, community leaders from within South African society will be hired to run the programs, and where possible design and implement programs. All grantees will have a commitment to hire and train disadvantaged South Africans to eventually manage the grants.

By insisting that NGOs receiving SABER funds are run in an open, democratic fashion involving community participation, the SABER Project will foster the development of

democratic, educational institutions at the community level. By so doing, teachers, board members, community members and administrators learn group participation, democratic decision making and how to take control of the education of their children and, eventually, their society. Although community groups began to assume control for their needs in the 1980s by forming their own community organizations, the idea that these groups are condoned and supported by the government, is new and could be supported by SABER.

E. IMPACT:

It is essential that the impact of the SABER grants be measured in terms of improved learning on the part of the beneficiaries, primary school-aged students, and not just in terms of numbers reached or amount of materials produced and distributed. How well students are learning and what they are learning, are often more difficult to measure. For that reason, it is important that in every grant funded under SABER, a system set up to evaluate impact is included in the program description.

The immediate impact of the SABER program will be to arrest the decline in the quality of education and improve the school retention rate, thus providing some stability and a positive outlet for parents, teachers and community members who are impatient for change now that apartheid is ending.

The second impact will be on the students, themselves, whose skills will improve markedly as resources are channeled into their education. The third impact will be on teachers, institutions and NGOs who work with students and communities involved with their children's education. The fourth impact will be on the interim government and the educational policies adapted as a result of SABER's research and input. The fifth will be the impact on the future government as it increases emphasis on nonracial primary and pre-primary education in the future. Finally, democratic society as a whole will benefit as the primary school students go on to become productive members of society who can act as role models for the next generation.

SABER is committed to supporting those NGOs striving to achieve self-sustainability to allow them to continue to promote quality primary school education after the SABER Project has ended.

F. MATERIAL DEVELOPMENT AND DISTRIBUTION:

Providing adequate educational materials (such as books, workbooks, chalk, paper, pencils), is vital in showing the disadvantaged communities that things are changing in South Africa. A tangible difference then can immediately be felt is to encourage teachers and parents to work within the system to better South African schools and fight for equality and unity. The alternative is for school boycotts to continue, property to be destroyed and the current system abandoned, which would result in a transitional period of chaos. The result would further

harm the children who are needed to help build the future economic, political and social system of South Africa.

Materials developed under the SABER Project must be culturally sensitive and relevant, and help to break down the animosities built by apartheid. Materials development and distribution should happen quickly to demonstrate that change is occurring with a commitment to channel resources into disadvantaged communities.

G. CURRICULA:

Choice of curricula should include input from the community to avoid parents, teachers, and students feeling a curriculum is being imposed from outside. Any curricula adopted must be culturally sensitive to the students it serves.

English language instruction will be a major emphasis of SABER-supported curricula. In most of South Africa's public schools, English is the language of instruction and it is most probable that a unified department of education will continue with an English-based system. Currently, most African children do not speak English and yet, from Standard 3 (grade 5), all classes are taught in English. At that point the average child has acquired only 700 words of English, while a vocabulary of 7000 is needed to benefit from an English-based curriculum. For that reason SABER will also focus much of its curriculum work on helping accelerate English learning in the early grades.

For this reason it is essential that quality programs based on the latest language teaching methodology be put in place so that non-native English speakers are proficient in English by the time instruction is switched to English only. An emphasis on quality mathematics instruction in the curriculum is also important. Mathematics lays the foundation for the skills needed to function in a modern, technology-based job market. If black private enterprise is to increase and the productive base of South African society is to grow, mathematics must be provided from an early age.

H. GENDER:

Educating women has proven to be one of the most successful methods of promoting development within a country. It has been shown that education of women lowers fertility rates and infant mortality rates, and eventually contributes to decline in population growth rates. Educated women tend to get married later and participate more in the labor force.

Socially, women are a subservient force in South African society which is very gender-divided and task-specific. As stated earlier in this Project Paper, despite the fact that 65% of South African teachers are women, only 18.4% become principals and less than 5% become supervisory administrators. By promoting women to positions of leadership and responsibility in the primary schools, children are able to see women and men as equals at an age when they are be still forming opinions. Therefore, the goal of gender equality in

schools will contribute to a nonsexist South African society in the future, and gender equality within NGOs is prerequisite for SABER funding.

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POLITICAL ANALYSIS

South Africa is undergoing fundamental political and social reform as profound as that experienced in Eastern Europe. Any initiative to impact upon education in the country must be sensitive to factors surrounding this reform.

The unbanning of political parties and repeal of apartheid legislation during the past 26 months have resulted in a shift from the politics of protest and revolution to the politics of development. Movement towards a new constitution and government is proceeding, although slowly and with hitches, not the least of which is violence. The recently unbanned political groups have had to rapidly adjust from being protest movements to becoming fully fledged parties with policies and effective organizations. They are still adjusting to that role. Even with the return of many exiles, the extra-parliamentary groups have a severe shortage of people with skills and experience in running a country.

South Africa's transition is driven by a primary dynamic: the government and its main opponents are committed to a process of fundamental change through negotiation. Several major steps have been taken along the transition road, such as the Peace Accord, the Patriotic Front meeting and the formation of the Convention for a Democratic South Africa (CODESA). Most importantly, participants in the transition are driven by a sense of urgency to restore confidence in the economy and to draw up a blueprint for the future economic development of the country. The critical problem that all the players involved in the transition are beginning to face is attempting to match the available development resources with the basic needs of the entire population.

Previously held fears of a swing to the right wing by many whites as a result of increased crime and violence in urban and rural areas, public discussion of nationalization and land reallocation, weaknesses in the ANC and the continued presence of the SA Communist Party have, to a large extent, been allayed by the strong white support for the Government's policies. Almost 69% of the white population supported a negotiated transition as demonstrated in the referendum held on March 17, 1992.

In the wake of the referendum and the resultant alleviation of the fear of the conservative lobby in the white community, the most likely scenario for the short-term political development of South Africa is transformation through negotiation. The current vehicle for this is CODESA, which consists of five committees or task groups working in the following areas:

- Creating a climate for free political participation and the role of the international community;
- Constitutional principles and processes;
- Transitional arrangements;
- The future of the TBVC states (homelands); and
- Timeframes and the implementing of decisions.

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While these negotiations have been suspended by the ANC due to recent incidents of violence, it is expected that a new negotiating forum will be created in the near future. It is still possible that a form of interim government could be in place by the end of 1992, with elections for a constituent assembly taking place not long thereafter.

During this period of political uncertainty, the role of NGOs and development agencies becomes crucial, as it is largely only in nongovernmental sector that progress can continue. If a robust, creative, independent NGO sector can be consolidated within civil society, chances are high that enough pressure can be built up to ensure that resources are made available, by whichever government that emerges, to agencies accountable to their communities. Educational NGOs are likely to continue to be a force and to represent citizens across the political spectrum for the foreseeable future, even after a new constitution and governmental system has been put in place.

It is crucial, therefore, to develop the human resources of community groups and NGOs and to strengthen their capacity to manage education projects.

In this environment, five key issues are important for the effective implementation of the SABER Program:

1. Community participation in local school management should be strengthened.

Since 1976, schools have been one of the key sites of the struggle against apartheid. "Bantu" education has been derided as inferior; still, if the system is totally abolished, the problems of reconstruction of an education system will be far more difficult for a new government. Improved oversight by communities and parents is needed to emphasize that children must go to school and teachers must teach.

Through support for NGO programs in pre-primary and primary schools, parents and communities will have greater opportunity to participate in managing their schools.

2. Improvement in education is politically significant.

During the transition, expectations of immediate improvements in the living conditions in the post-apartheid society are extremely high. One means of making a visible difference is to provide educational materials to schools. This is particularly the case since the political opposition has focused on the corruption and inefficiencies of the current system.

3. A non-partisan approach should be taken to the identification and implementation of projects.

Given the highly charged political environment in SA, the project should work with a wide range of counterpart organizations and individuals to avoid identification with any one group or political affiliation and to avoid allegations of bias.

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Pressure to produce short-term results may require USAID to work through some established white-led NGOs. This approach must be balanced with a strong emphasis on affirmative action. This may result in possible slower progress and greater funding provided for staff development, but is essential in order to encourage black empowerment. USAID will require plans for training and integration of blacks into white-led groups.

Likewise, different political groups in various regions of the country necessitate equal attention to projects in all major geographic regions.

4. In light of the rapidly changing political environment, the program should remain flexible and responsive to changing circumstances.

The extremely rapid pace of political change will require constant monitoring by USAID of the political environment in which interventions are taking place, to impact upon the evolution of new education policies through national and regional fora. The technical assistance and support to NGOs lobbying for increased emphasis on policies related to their subsectors will be encouraged.

The political and social climate in South Africa at present is highly conducive to rumor and misconception. USAID, perhaps with the help of its education counterparts, should also ensure a reliable and ongoing flow of information and feedback to people involved in the project activities and to the general public.

5. Acceptance of an element of risk.

In the absence of a credible education system, NGOs are operating all over the country with varying degrees of popular mandate and acceptability. Therefore, there will still be times when implementation will be affected by the culture of protest and boycotts. It is expected that periodically teachers and students will interrupt the program because they are responding to a larger political issue. Likewise, township violence may cause schools to close or otherwise disrupt programs. In implementing the project, USAID will have to assume some risk in working with NGOs in the education arena.

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TECHNICAL ANALYSIS

I. Introduction

The purpose of the technical analysis is to examine options for implementing the project in order to ensure that the Mission has chosen the most cost-effective, rational design.

When considering the design during the Project Identification Document (PID) design, the Mission considered the following options:

1. implementing the project directly by the Mission, with the assistance of a PSC project advisor and a U.S. firm or organization(s) providing technical support to grantees and counterpart organizations;

2. implementing the project through an institutional contract with a U.S. firm or non-profit organization which would provide grants and technical assistance;

3. implementing the project through a South African Trust which would distribute the funds directly; or

4. amending the Educational Support and Training (ESAT) Project to broaden its scope to include large grants to support NGOs; support for the interim body governing education; and then design a new project to work with the new government.

II. Discussion

Each of these options were fully analyzed as follows:

1. Direct Implementation

This has been the preferred *modus operandi* since USAID/South Africa was started in 1986. In order to respond rapidly to the changing environment, the Mission has a series of umbrella projects under which grants and contracts are funded. This has been particularly useful since the Mission does not have a direct relationship with the SAG and has a number of constraints under the Comprehensive Anti-Apartheid Act (CAAA). Most importantly, there are strong political sensitivities related, on one hand, to the progressive community which is wary about USG funding and control and, on the other, to the SAG which regards much of our funding as a direct contest for its sovereignty.

The advantages of this approach are: (a) rapid response to organizations' needs; (b) an ability to creatively respond to problems; (c) direct USG involvement which has radically reduced political sensitivities in South Africa; (d) separating technical assistance from the granting of funds, allowing the development and assistance from an independent technical expert; and (e) no contractor overhead expenses.

The disadvantages of this approach are chiefly the management burden on the Mission. This includes the technical office which negotiates, develops and monitors this grant. This has been

alleviated by the inclusion of a Project Advisor, a personal services contractor to assist in implementation and monitoring.

Based on the political sensitivity of South Africans and the complex environment, the Mission chose the first option of direct management with the technical assistance of other organizations.

In addition, the Mission decided against amending the Educational Support and Training (ESAT) Project to fill the role of SABER. ESAT has a specific mandate to respond to small-scale, innovative education programs which have the potential for replication. SABER is the next step; grantees which have proven their effectiveness now require support to provide their services to a wider beneficiary base. In addition, the primary education system has been largely ignored and must be included in the negotiations towards a new system. Finally, SABER gives the Mission authority to respond to the changing environment as we move towards an interim government and a new democratic government.

2. Institutional Contract

In many countries, A.I.D. typically implements a project through the letting of an institutional contract. A detailed RFP is drawn up, describing what activities the contractor will manage; the contract is then put out for competitive bid. The Mission's primary role comes in the drafting of the Request for Proposal (RFP), the selection of the contractor and the monitoring of the contract once it has been executed. Actual implementation is handled by a long-term technical assistance team, including both expatriates and local professionals.

Although useful insofar as it places the bulk of the management burden on a commercial firm rather than on USAID's own staff, it has a number of drawbacks in the context of South Africa. First, it can be much less flexible, especially during a period of rapid change. Issues or concerns that may have been relevant at the time of the drafting of the original RFP become harder to deal with once the contracting process has run its course and the institutional contractor is in place. Second, it is often more difficult for an institutional contractor to respond effectively to politically sensitive issues. A contractor hired solely to address the "technical" aspects of a particular problem is likely to encounter difficulties, given the politicized nature of education in South Africa. Retaining full management control within the Mission will help ensure greater programming flexibility, in terms of project implementation as well as in terms of dealing with some of the politically controversial issues that are bound to arise during the course of implementation.

3. South African Trust

The European Community (EC) and its members have channeled the majority of their resources to a South African Trust (called "Kagiso") and the Mission has experimented with this form of assistance through support for specific trusts. The advantages to this approach are that South Africans are empowered to make decisions about investment. However, we and the EC have discovered that the political pressures on trusts often outweigh sound technical analyses of issues and organizations. Moreover, the Trust, rather than the USG, receives the credit for the assistance. It has many of the same disadvantages of the institutional contract.

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4. Amend the Educational Support and Training Project

Developed in 1986, ESAT's purpose 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." ESAT provides authorization for grant agreements with education NGOs working in teacher training, materials and curriculum development, preschool support organizations, service organizations focussing on improving English, science and math in primary and secondary schools, community-based schools, secondary school bursaries, adult literacy and educational policy development. Thus far, $17.5 million has been obligated to 65 organizations. Funds are provided to innovative programs which could be replicated in a post-apartheid South Africa.

In addition to direct support, technical assistance is provided to grantees and other education NGOs under a buy-in to the centrally managed Advancing Basic Education and Literacy (ABEL) Project. The objectives of this $1.6 million buy-in are to: (1) strengthen the organizational and educational capacity of NGOs; (2) promote networking; and (3) provide technical support to the Mission/HRDO.

ESAT could be amended to change the purpose and focus toward that of SABER: primary education specifically in the fields of school administration; teacher training; curriculum development; and materials and technology provision. The funding authorization, PACD date, purpose and program description would have required a Project Paper supplement. Nonetheless, some argued that amending ESAT would be easier and less of a management burden on the Mission.

After considering this carefully, the Mission decided against incorporating SABER into ESAT because:

a. It would have reduced the Mission's ability to respond to issues in secondary and adult education;

b. SABER's design, with its phased approach, is a direct political statement tailored to the needs of the anti-apartheid opposition; and

c. The Mission plans to amend ESAT's authorization level to $30 million for currently-approved ESAT purposes, but does not need to modify its design.

III. Conclusion

After considering the options carefully, the Mission selected direct implementation because it is the clearest political statement, allows the Mission maximum programmatic flexibility and is most cost-effective.

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Gray Amendment Certification

Legislative Requirement:

The Gray Amendment (Section 579 of P.L. 101-167, the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1990) requires AID to ensure participation in AID projects by business concerns which are owned and controlled by socially and economically disadvantaged individuals, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic American, and private voluntary organizations which are controlled by individuals who are socially and economically disadvantaged, including women, (referred to herein as Gray Amendment entities).

AIDAR Notice 90-2, implementing Section 579 of the Foreign Assistance Appropriations Act, requires that for any contract in excess of $500,000 (except for a contract with a disadvantaged enterprise) not less than 10 percent of the dollar value of the contract must be subcontracted to Gray Amendment entities, unless the contracting officer certifies that there are no contracting opportunities or unless the Administrator approves an exception.

Certification

Elements of this project may be appropriate for minority or Gray Amendment organization contracting. The procurement plan of this project has been developed with full consideration of maximally involving Gray Amendment organizations in the provision of required goods and services. The Mission will make every effort to identify disadvantaged enterprises, particularly women and minority-owned firms, which can manage certain procurements of equipment and/or provisions of technical assistance and evaluation services planned in the project. Where possible, qualified Gray Amendment firms will be given consideration under buy-in options for services required.

Furthermore, the Mission will, in the case of any contract in excess of $500,000 to which the Gray Amendment is applicable, include a provision requiring that no less than 10 percent of the value of the contract be subcontracted to Gray Amendment entities unless the contacting officer certifies that there is no realistic expectation of U.S. subcontracting opportunities, or unless the prime contractor is a Gray Amendment entity.

Leslie A. Dean
Leslie A. Dean
Director

Date: 7/23/92

Clearance: RLA: DK DKeene

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ACTION: AID-3 INFO: OIC (4)

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CHRG: AID
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E.O. 12356: N/A
TAGS:
SUBJECT: LIMITED EXCEPTION TO PROHIBITION ON ASSISTANCE TO ORGANIZATIONS FINANCED OR CONTROLLED BY THE SOUTH AFRICAN GOVERNMENT: A REVISED A.I.D. POLICY

REFS: (A) STATE 096926; (B) PRETORIA 01469

1. SUMMARY: AID/W, IN CONSULTATION WITH THE APPROPRIATE CONGRESSIONAL COMMITTEES AND WITH STATE/AF/S, HAS DECIDED TO ADOPT THE KENNEDY AMENDMENT LANGUAGE AS A.I.D. POLICY, THEREFORE PERMITTING A.I.D. ASSISTANCE THROUGH QUOTE NONGOVERNMENTAL ORGANIZATIONS TO SUPPORT HEALTH, EDUCATION, AND HOUSING INSTITUTIONS EVEN IF SUCH INSTITUTIONS OR FACILITIES ARE FINANCED OR CONTROLLED BY THE GOVERNMENT OF SOUTH AFRICA, UNQUOTE, SO LONG AS SUCH ASSISTANCE IS NOT EXPRESSLY PROHIBITED BY LAW. USAID/SOUTH AFRICA IS REQUESTED TO INFORM AFR/SA HOW IT PLANS TO IMPLEMENT THIS POLICY CHANGE AND WHAT AFFECT IT WILL HAVE ON ITS OBLIGATIONS SCHEDULE. END SUMMARY.

2. AS REPORTED IN REF A, AID/W AND STATE MET ON FEBRUARY 5 TO DISCUSS REQUEST (REF B) FROM USAID/SOUTH AFRICA FOR SUBJECT EXCEPTION. MEETING PARTICIPANTS WERE SUPPORTIVE OF REQUEST, WHICH, IF GRANTED, WOULD ALLOW A.I.D. TO

PROVIDE ASSISTANCE TO WORTHY GROUPS DESPITE THE FACT THAT THEY RECEIVE FUNDING FROM OR ARE CONTROLLED BY THE GOVERNMENT OF SOUTH AFRICA (SAG). SUCH A NEW POLICY WOULD NOT, OF COURSE, APPLY WITH RESPECT TO ASSISTANCE PROVIDED UNDER FAA SECTIONS 116(E)(2) (HUMAN RIGHTS) AND 535 (ESF), WHICH EXPRESSLY PROHIBIT ASSISTANCE TO SUCH FINANCED OR CONTROLLED ORGANIZATIONS. SUBSEQUENT TO THE MEETING, CONSULTATIONS WERE HELD WITH THE APPROPRIATE COMMITTEES IN CONGRESS ON THIS ISSUE. ALL CONSULTATIONS SUPPORTED THIS EXCEPTION AND ENCOURAGED A.I.D. TO REVISE ITS POLICY TO REFLECT THE KENNEDY AMENDMENT LANGUAGE, AS DRAFTED BUT NEVER PASSED.

3. THEREFORE, USAID/SOUTH AFRICA NOW IS PERMITTED, AS A MATTER OF POLICY, TO FURNISH DEVELOPMENT FUND FOR AFRICA-FUNDED ASSISTANCE, FOR THAT AMOUNT PROVIDED TO SOUTH AFRICA IN EXCESS OF DOLS 40 MILLION, QUOTE THROUGH NONGOVERNMENTAL ORGANIZATIONS TO SUPPORT HEALTH, EDUCATION

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AND HOUSING INSTITUTIONS OR FACILITIES EVEN IF SUCH INSTITUTIONS OR FACILITIES ARE FINANCED BY THE GOVERNMENT OF SOUTH AFRICA.UNQUOTE. CONSISTENT WITH THE INTENT OF SECTION 117, CONCERNING ASSISTANCE TO DISADVANTAGED SOUTH AFRICANS, THE REVISED POLICY ALLOWS NGOS COMMITTED TO ALLEVIATING THE LEGACY OF APARTHEID TO WORK WITH ORGANIZATIONS FINANCED OR CONTROLLED BY THE SAG ON THE CONDITION THAT THE ASSISTANCE PROVIDES DIRECT BENEFITS TO DISADVANTAGED SOUTH AFRICANS.

4. USAID/SOUTH AFRICA IS REQUESTED TO INFORM AFR/SA HOW IT PLANS TO IMPLEMENT THIS POLICY CHANGE AND WHAT AFFECT IT WILL HAVE ON ITS OBLIGATION SCHEDULE. THE MISSION'S RESPONSE SHOULD TAKE INTO ACCOUNT COMMENTS/OBSERVATIONS MADE AT THE 2/5/92 MEETING, FIRST REPORTED IN REF B AND REPEATED AS FOLLOWS: *

A. THE BEGINNING OF THE REQUEST IN REF B REFERRED TO THE USE OF NGOS, BUT LATER, IN REFERENCE TO UNIVERSITIES, MENTIONED DIRECT ASSISTANCE. THIS APPEARS TO CONTRADICT THE KENNEDY AMENDMENT LANGUAGE WHICH PERMITS ASSISTANCE THROUGH NGOS AND NOT DIRECTLY TO INSTITUTIONS OR FACILITIES. USAID/SOUTH AFRICA SHOULD CLARIFY THIS POINT.

B. THE REVIEW COMMITTEE SUPPORTED THE IDEA OF USING U.S. UNIVERSITIES OR OTHER ENTITIES AS THE QUOTE INTERMEDIARY NGO UNQUOTE TO ASSIST THOSE SOUTH AFRICAN UNIVERSITIES WHICH HAVE PLAYED A CONSTRUCTIVE ROLE IN ENDING APARTHEID, THOUGH OTHER TYPES OF INTERMEDIARIES MAY BE UTILIZED AS APPROPRIATE.

C. THE APPROPRIATE SELECTION OF INSTITUTIONS AND THEIR PROGRAMS WAS DISCUSSED. FOR EXAMPLE, WOULD THE UNIVERSITY OF THE WITWATERSRAND, WHICH HAS SOUGHT ACTIVELY TO SERVE THE DISADVANTAGED COMMUNITY BUT WHICH NONETHELESS TRADITIONALLY ACCOMMODATES AN INORDINATELY HIGH WHITE STUDENT BODY, BE ELIGIBLE? THE SENSE OF THE REVIEW WAS THAT SELECTION SHOULD BE BASED ON WHETHER OR NOT DISADVANTAGED SOUTH AFRICANS WOULD BENEFIT DIRECTLY FROM USAID-DERIVED ASSISTANCE (E.G., VIA SCHOLARSHIPS, ACADEMIC SUPPORT PROGRAMS, INTERNSHIPS, ETC).

THE ABOVE COMMENTS ALSO APPLY TO THE SUGGESTION IN REF B OF SUPPORTING URBAN PLANNING/MANAGEMENT PROGRAMS AT UNIVERSITIES. THE IDEA OF FACILITATING ARRANGEMENTS WITH SAG RESEARCH AND DEVELOPMENT INSTITUTIONS DID NOT RECEIVE STRONG SUPPORT.

FINALLY, THOUGH NOT EXPRESSLY STATED IN REF B, ASSISTANCE

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TO KEY BLACK UNIVERSITIES WAS FAVORABLY DISCUSSED AND SHOULD BE ADDRESSED IN MISSION'S RESPONSE.

D. WITH REGARD TO THE EDUCATION RECONSTRUCTION FORUM, A NASCENT BODY, THE SENSE WAS THAT A.I.D. FUNDS COULD ASSIST THE BLACK COMMUNITY TO PARTICIPATE, BUT SHOULD NOT BE USED TO COVER THE OPERATING EXPENSES OF THE FORUM. BAKER
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CATEGORIAL EXCLUSION

Project Country	:	South Africa
Project Title	:	S.A. Basic Education Reconstruction (SABER)
Funding	:	$20,000,000
IEE Prepared By	:	Paul Neifert Project Development Officer USAID/South Africa
Environmental Action Recommended	:	Categorical Exclusion

Categorical Exclusion:

This activity meets the criteria for Categorical Exclusion in accordance with 22 CFR 216.2(c)(2)(viii) and is excluded from further review because it is exclusively an education project and includes no components directly affecting the environment.

Concurrence:

John J. Gaudet
Africa Bureau Environment Officer

Approved ✓

Disapproved _____

Date 1/15/92

Clearance: GC/AFR William Nice Kleinman Donald Keane, RLA

TOTAL P.02

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5C(2) - ASSISTANCE CHECKLIST

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

Yes, one was completed for the Shelter and Urban Development Support Project authorized on May 13, 1992.

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. Host Country Development Efforts (FAA Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

(a) no
(b) yes it will encourage development of indigenious NGO's
(c) no
(d) no
(e) no
(f) no

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

Per DFA guidance, U.S. procurement will be utilized to the greatest extent practicable.

3. **Congressional Notification**

a. **General requirement** (FY 1991 Appropriations Act Secs. 523 and 591; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the notification requirement has been waived because of substantial risk to human health or welfare)?	N/A, Congress has been appropriately notified of this activity.
b. **Notice of new account obligation** (FY 1991 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?	N/A
c. **Cash transfers and nonproject sector assistance** (FY 1991 Appropriations Act Sec. 575(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic poolicy reforms to be promoted?	N/A
4. **Engineering and Financial Plans** (FAA Sec. 611(a)): Prior to an obligation in excess of $500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?	yes
5. **Legislative Action** (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of $500,000, what is the basis for a reasonable expectation that such action	No legislative action required within recipient country.

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will be completed in time to permit orderly accomplishment of the purpose of the assistance?	
6. **Water Resources** (FAA Sec. 611(b); FY 1991 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)	N/A
7. **Cash Transfer and Sector Assistance** (FY 1991 Appropriations Act Sec. 575(b)): Will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?	N/A
8. **Capital Assistance** (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?	N/A
9. **Multiple Country Objectives** (FAA Sec. 601(a)): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.	(a) no (b) yes it will encourage development of indigenous NGO's (c) no (d) no (e) no (f) no

10. **U.S. Private Trade** (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	Technical Assistance will be provided largely through U.S. private enterprise and non-profit entities.
11. **Local Currencies**	
a. **Recipient Contributions** (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.	N/A
b. **U.S.-Owned Currency** (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?	N/A
c. **Separate Account** (FY 1991 Appropriations Act Sec. 575). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:	N/A
(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?	N/A

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(2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government? N/A

(3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes? N/A

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government? N/A

12. Trade Restrictions

a. Surplus Commodities (FY 1991 Appropriations Act Sec. 521(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N/A

b. Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of N/A

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textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

13. **Tropical Forests** (FY 1991 Appropriations Act Sec. 533(c)(3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

NO

14. **PVO Assistance**

a. **Auditing and registration** (FY 1991 Appropriations Act Sec. 537): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

At this point in time it is not anticipated that any funds will be provided to U.S. PVOs.

b. **Funding sources** (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

See 14a.

15. **Project Agreement Documentation** (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

N/A- no government to government agreements contemplated in Phases I & II of project.

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16. **Metric System** (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?	N/A
17. **Women in Development** (FY 1991 Appropriations Act, Title II, under heading "Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased?	Yes - particularly related to school administration programs.
18. **Regional and Multilateral Assistance** (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.	NO

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19. **Abortions** (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? NO

b. Will any funds be used to lobby for abortion? NO

20. **Cooperatives** (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? NO

21. **U.S.-Owned Foreign Currencies**

a. **Use of currencies** (FAA Secs. 612(b), 636(h); FY 1991 Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. N/A

b. **Release of currencies** (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? NO

22. **Procurement**

a. **Small business** (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? There may be contracting opportunities for T.A. - no commodities are to be procured.

b. **U.S. procurement** (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? Yes

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c. **Marine insurance** (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?	N/A
d. **Non-U.S. agricultural procurement** (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)	N/A
e. **Construction or engineering services** (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)	N/A
f. **Cargo preference shipping** (FAA Sec. 603)): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?	No. However, no shipping contemplated
g. **Technical assistance** (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the	yes

facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?	N/A
h. U.S. air carriers (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?	Yes
i. Termination for convenience of U.S. Government (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?	Any USG procurement contracts will contain such a clause
j. Consulting services (FY 1991 Appropriations Act Sec. 524): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?	N/A
k. Metric conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest	N/A

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documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

1. Competitive Selection Procedures (FAA Sec. 601(a)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? — yes

23. Construction

a. Capital project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? — N/A

b. Construction contract (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? — N/A

c. Large projects, Congressional approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress? — N/A

24. U.S. Audit Rights (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? — N/A

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

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26. **Narcotics**

a. **Cash reimbursements** (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? yes

b. **Assistance to narcotics traffickers** (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? yes

27. **Expropriation and Land Reform** (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? yes

28. **Police and Prisons** (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? yes

29. **CIA Activities** (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? yes

30. **Motor Vehicles** (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? yes

31. **Military Personnel** (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? yes

32. **Payment of U.N. Assessments** (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? yes

33. **Multilateral Organization Lending** (FY 1991 Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? yes

34. **Export of Nuclear Resources** (FY 1991 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? yes

35. **Repression of Population** (FY 1991 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? yes

36. **Publicity or Propoganda** (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? NO

37. **Marine Insurance** (FY 1991 Appropriations Act Sec. 563): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? yes

38. **Exchange for Prohibited Act** (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? NO

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. **Agricultural Exports (Bumpers Amendment)** (FY 1991 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers? N/A

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2. **Tied Aid Credits** (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?	NO
3. **Appropriate Technology** (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?	Yes, in the provision of education related technology.
4. **Indigenous Needs and Resources** (FAA Sec. 281(b)): Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.	As described in the project paper, SABER is driven by the needs and objectives of black opposition leaders and indigenous NGOs in the field of education.
5. **Economic Development** (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?	Yes, there is a direct correlation between primary education and economic productivity.
6. **Special Development Emphases** (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries	(a) no (b) yes- assist with increasing community participation in school governance. (c) yes- through indigenous NGOs. (d) yes- particularly in the field of school administration.

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and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.	(e) no
7. Recipient Country Contribution (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?	N/A FAA Sec. 110,124 (a) are not applicable b/c no assistance to S.A. government.
8. Benefit to Poor Majority (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?	yes
9. Abortions (FAA Sec. 104(f); FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 535):	N/A
a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?	NO
b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?	NO
c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?	NO

d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services?	N/A
e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning?	NO
f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?	NO
g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization?	NO
10. **Contract Awards** (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?	Yes
11. **Disadvantaged Enterprises** (FY 1991 Appropriations Act Sec. 567): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?	Yes - See Gray Amendment Certification in Project Paper Annex.

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12. **Biological Diversity** (FAA Sec. 119(g): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas? N/A

13. **Tropical Forests** (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c)-(e) & (g)):

a. **A.I.D. Regulation 16:** Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Yes

b. **Conservation:** Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions N/A

which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

c. **Forest degradation:** Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded

(1) NO

(2) NO

(3) NO

(4) NO

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forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

(5) NO
(6) NO

d. **Sustainable forestry:** If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A

e. **Environmental impact statements:** Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?

N/A

14. **Energy** (FY 1991 Appropriations Act Sec. 533(c)): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?

N/A

15. **Sub-Saharan Africa Assistance** (FY 1991 Appropriations Act Sec. 562, adding a new FAA chapter 10 (FAA Sec. 496)): If assistance will come from the Sub-Saharan Africa DA account, is it: (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) to be used to promote sustained economic growth, encourage

(a) NO

(b) NO

private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector; (c) to be provided in a manner that takes into account, during the planning process, the local-level perspectives of the rural and urban poor, including women, through close consultation with African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa;	(c) Yes, through indigenous NGOs.
(d) to be implemented in a manner that requires local people, including women, to be closely consulted and involved, if the assistance has a local focus;	(d) Yes, through indigenous NGOs.
(e) being used primarily to promote reform of critical sectoral economic policies, or to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities;	(e) Yes, the reform of the education system.
and (f) to be provided in a manner that, if policy reforms are to be effected, contains provisions to protect vulnerable groups and the environment from possible negative consequences of the reforms?	(f) N/A
16. Debt-for-Nature Exchange (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.	N/A

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17. **Deobligation/Reobligation** (FY 1991 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?	N/A
18. **Loans**	N/A
a. **Repayment capacity** (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.	N/A
b. **Long-range plans** (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?	N/A
c. **Interest rate** (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?	N/A
d. **Exports to United States** (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?	N/A
19. **Development Objectives** (FAA Secs. 102(a), 111, 113, 281(a)): Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from	(1) NO

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cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

(2) yes - assist with increasing community participation in school governance

(3) yes - through indigenous NGOs

(4) yes - particularly indigenous NGOs

(5) NO

20. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A):

a. Rural poor and small farmers: If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

N/A

b. Nutrition: Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

N/A

a'

c. Food security: Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

N/A

21. Population and Health (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

N/A

22. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(a) This activity is focused on improving quality of preschools and primary schools through improving teacher training, school administration, curriculum development and materials provision.
(b) Particularly teacher training and school administration.

23. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;	Yes- applied research and policy research conducted through indigenous NGOs.
b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;	N/A
c. research into, and evaluation of, economic development processes and techniques;	N/A
d. reconstruction after natural or manmade disaster and programs of disaster preparedness;	N/A
e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;	N/A
f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.	N/A

CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY N/A

1. **Economic and Political Stability** (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

2. **Military Purposes** (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes?

3. **Commodity Grants/Separate Accounts** (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? (For FY 1991, this provision is superseded by the separate account requirements of FY 1991 Appropriations Act Sec. 575(a), see Sec. 575(a)(5).)

4. **Generation and Use of Local Currencies** (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106? (For FY 1991, this provision is superseded by the separate account requirements of FY 1991 Appropriations Act Sec. 575(a), see Sec. 575(a)(5).)

5. **Cash Transfer Requirements** (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 575(b)). If assistance is in the form of a cash transfer:

a. **Separate account:** Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds?

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b. Local currencies: Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements?

c. U.S. Government use of local currencies: Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available?

d. Congressional notice: Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

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