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A.I.D. Project Number 645-0231

PROJECT
GRANT AGREEMENT
BETWEEN
THE KINGDOM OF SWAZILAND
and the
UNITED STATES OF AMERICA
for
THE SWAZILAND TRAINING AND INSTITUTIONAL
DEVELOPMENT PROJECT

Dated: May 31, 1990

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Project Grant Agreement

Dated: May 31, 1990

Between

The Kingdom of Swaziland ("Grantee")

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Project Grant Agreement ("Agreement") is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the project described below ("Project"), and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, is designed to strengthen Swazi managerial/administrative capabilities in the private sector and in government service, and to strengthen training institutions that support private sector growth in Swaziland. These objectives will be achieved by three components: (1) the training of Swazi managers and administrators; (2) the strengthening of key in-country tertiary training institutions; and (3) support to priority ministries for reform of policies constraining private sector growth and through training traditional leaders. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2, without formal amendment of this Agreement.

Article 2: The Project (Continued)

SECTION 2.2. Incremental Nature of Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. It is anticipated that, subject to the provisions of this Section, A.I.D.'s total contribution to this Project will be U.S. \$10,000,000.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement an amount not to exceed One Million, Eight Hundred and Twenty One Thousand United States ("U.S.") Dollars (\$ 1,821,000) ("Grant"). The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the Project over its seven year life will be not less than the equivalent of U.S. \$ 3,340,000, including costs borne on an "in-kind" basis.

Article 3: Financing (Continued)

SECTION 3.3 Project Assistance Completion Date

(a) The "Project Assistance Completion Date" ("PACD"), which is May 31, 1997, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed or goods furnished subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank referred to in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Condition Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of any documentation pursuant to which any disbursement may be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a written statement setting forth the names and titles of those persons in the Government of the Kingdom of Swaziland who are authorized to sign Project documents and communications, together with a specimen signature of each such person specified in such statement.

SECTION 4.2. Notification. When A.I.D. has determined that the condition precedent specified in Section 4.1 has been met, A.I.D. will promptly so notify the Grantee.

SECTION 4.3. Terminal Date for Condition Precedent. If the condition precedent specified in Section 4.1 has not been met within ninety (90) days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and/or at one or more points thereafter:

(a) evaluation of progress towards attainment of the objectives of the Project;

(b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Additional Covenants

The Grantee agrees to undertake the following actions:

(a) ensure that all individuals who are to receive training under the Grant undertake to reimburse to A.I.D. the cost of any project financed training outside Swaziland if upon completion of such training the trainee does not return for a period of time equivalent to the length of the training received to an established position in the government or occupy another position in Swaziland commensurate with his or her training;

(b) provide the funds for airfare and incidental travel expenses to and from the site (country) of training outside Swaziland for all approved public sector participants in project financed training outside Swaziland;

(c) pay the salary of any approved public sector participant for a period up to one year while the participant is in project financed training outside Swaziland;

(d) establish and fund through normal GOS procedures two additional teaching posts in accounting at the Swaziland College of Technology in order to facilitate the strengthening of that institution in support of the goals of the Project; the two posts may be created either through re-allocations of existing posts or increases in overall posts;

(e) establish and fund through normal University procedures two new teaching posts in the Department of Accounting and Commerce of the University of Swaziland in order to facilitate the strengthening of instruction in accounting and management, in support of the goals of this Project; the two posts may be created either through re-allocations of existing posts or increases in overall posts;

Article 5: Additional Covenants (Continued)

(f) facilitate a fruitful linkage of a university in the United States with the University of Swaziland and the Swaziland College of Technology;

(g) provide release time for appropriate public sector officials to participate in the short term in-country training provided under this Project;

(h) take the steps necessary to ensure that the goals for the participation of women in the external and in-country training provided in the Project are achieved;

(i) facilitate the inclusion of private sector participants in the external and in-country training as established in this Project.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to suppliers of commodities and services, their nationality, in the United States, Swaziland, or any other country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Foreign Exchange Costs"), except as provided in Annex 1 to this Agreement or as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1 (b) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, except as A.I.D. may otherwise agree in writing. All other goods and services for the Project financed under the Grant shall have their source, origin or nationality, as the case may be, in the United States to the maximum practicable extent.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services, their nationality, in the United States, Swaziland, or any other country included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Local Currency Costs"), except as provided in Annex 1 to this Agreement or as A.I.D. may otherwise agree in writing. To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

(a) After satisfaction of relevant conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services on the Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts, (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for goods or services.

(b) Banking charges incurred by the Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2 Disbursement for Local Currency Costs

(a) After satisfaction of relevant conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Local Currency Costs of goods or services required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars by purchase or from local currency already owned by the U.S. Government; or

Article 7: Disbursement (Continued)

(2) by A.I.D., (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of the subsection (b) (1) above, the amount of U.S. dollars required by A.I.D. to obtain local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into the Kingdom of Swaziland by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of the Kingdom of Swaziland at the highest rate of exchange which, at the time the conversion is made, is not unlawful in the Kingdom of Swaziland.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telex, telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To the Grantee:

Mail Address:

Principal Secretary
Department of Economic Planning and Statistics
P.O. Box 602
Mbabane, Swaziland

or

Principal Secretary
Ministry of Labour and Public Service
P.O. Box 179
Mbabane, Swaziland

Article 8: Miscellaneous (Continued)

To A.I.D.:

Mail Address: Director
USAID/Swaziland
P.O. Box 750
Mbabane, Swaziland

Alternate address for telex: 2016 USAID WD,

Alternate address for fax: Swaziland 44770

All such communications will be in English unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Principal Secretary, Department of Economic Planning and Statistics, and A.I.D. will be represented by the individual holding or acting in the office of Director, A.I.D. Mission to Swaziland. By written notice, the foregoing individuals may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Governments of the Kingdom of Swaziland and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

THE UNITED STATES OF AMERICA

THE KINGDOM OF SWAZILAND

By: 
Arwa Jane Karaer

Title: Charge d'Affaires
Embassy of the United
States of America

Date: 31 MAY 1990

By: 
Adelaide P. Mkhonza

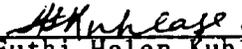
Title: A/Principal Secretary
Dept. of Economic Planning and
Statistics

Date: 31 MAY 1990

By: 
Roger D. Carlson

Title: Director
USAID/Swaziland

Date: 31-5-90

By: 
Futhi Helen Kuhlase

Title: A/Principal Secretary
Ministry of Labour and Public
Service

Date: 31 MAY 1990

/ /

SWAZILAND TRAINING AND INSTITUTIONAL DEVELOPMENT
PROJECT AGREEMENT

ANNEX 1

Amplified Project Description

Except as specially provided herein, and within the limits of the definition of the Project set forth in Section 2.1, elements of the Amplified Project Description may be changed by written agreement of the authorized representative of the Agreement. This Annex is illustrative; it will be reviewed, changed and updated periodically, as required (usually following a planned internal review).

ARTICLE I. General Project Description

Improved economic performance characterized by accelerated investment and economic growth has brought new jobs but at the same time highlighted an acute scarcity of managerial and technical skills within the Swazi labor pool. The problem is most noticeable in the private sector where one third of all managerial and senior administrative posts and 38 percent of professional and technical jobs were filled by expatriates in 1987. Executive positions are occupied almost exclusively by expatriates. Localization has progressed much further in the public sector, where 97 percent of administrative and managerial posts and 93 percent of professional and technical posts are held by Swazis, but the government still relies on expatriates to provide certain critical professional and technical services.

Analyses of Swaziland's human resource requirements estimate a shortfall of almost 2,000 Swazis qualified for administrative and managerial positions by 1997. Should demand increase more rapidly, or training by the GOS and donors be less than anticipated, the gap will be even greater. An increase in "brain drain" to neighboring countries could also exacerbate the situation. The shortage is particularly acute in the areas of financial management and accounting.

Employers in the public and private sector have also expressed concern about the quality of managerial and administrative skills. Frequently, people without sufficient and appropriate qualifications and experience are promoted simply because there is no one better qualified. Many individuals show talent, but need training to develop their aptitudes. Furthermore, some private sector employers have expressed doubts about the quality and appropriateness of the education and training people receive before they enter the job market.

The STRIDE project will address the several problems associated with skill shortages and the consequent vacancies and need to use expatriates through long and short term participant

training, incountry training; technical assistance to address critical issues of administrative efficiency impacting on private sector growth and institutional strengthening of business management and accounting programs at the University of Swaziland and the Swaziland College of Technology.

ARTICLE II. Project Description

A. Project Goal

The goal of the project is to strengthen Swazi direction of and participation in the economic growth process. Progress towards goal achievement will be monitored during LOP through tracking the number and rate at which Swazis move into executive positions in existing and new businesses, including Swazi-owned businesses. Increased community participation in development activities will also indicate achievement of this goal. In particular, the rate at which Swazis replace expatriates in key administrative and managerial positions (the localization rate) will be tracked.

B. Project Purpose

The project purpose is to strengthen Swazi managerial/administrative capabilities in the private sector and in government service and to strengthen training institutions that support private sector growth. This purpose will be achieved by three project components:

- the training of Swazi managers and administrators,
- the strengthening of key in-country tertiary training institutions, and
- support to priority ministries for reform of policies constraining private sector growth and through training traditional leaders.

C. Project Components and Expected Achievements

1. Training for Swazi Managers and Administrators

End of Project Status (EOPS): Returned long term participants will be qualified for promotion into leadership positions in private firms and GOS ministries.

EOPS: Swazi middle and upper level public and private sector managers will be using improved financial, project and personnel management practices.

This component will include U.S. academic degree training, short term external training in the U.S. and third countries, and in-country short term courses at local institutions. A

target for at least 35 percent female participation in both external and in-country training programs has been established. Each of the three sub-components is described below.

(a) U.S. Academic Degree Training

To address the current shortage of appropriately qualified managers and administrators in the country, approximately 42 academic scholarships (equivalent to 108 person-years) will be awarded over the life of the project. Funds are provided for 6 B.A.'s and 32 M.A.'s. In addition, 4 Ph.D.s are planned for UNISWA faculty. These 42 scholarships will be publicly advertised, and awarded competitively by a panel with representation from USAID, the Ministry of Labor and Public Service, and the Federation of Employers. When appropriate, the panel will consult with GOS technical ministries. At least 33% of these scholarships will be awarded to private sector training candidates. Special efforts will be made to recruit women applicants, and in selecting both public and private sector candidates, preference will be given to qualified female candidates. In ranking long term candidates, the panel will use the following competitive selection criteria:

(i) Each candidate must provide a certification from his or her employer that confirms that the candidate is currently occupying or at the completion of the proposed training will be transferred into a middle or upper management or administrative position. This requirement does not mean candidates will necessarily be promoted upon return from study, but it ensures that an individual will use his or her training in a management capacity. The documentation must demonstrate the extent to which the candidate's existing or future promised position will exercise influence and impact on improved management or administration in his or her organization. The panel will give preference to candidates whose job responsibilities will result in the greatest acceleration of private sector development.

(ii) Each candidate must agree in writing to continue working in Swaziland after completion of training for at least twice the length of time of the training program.

(iii) The candidate's proposed training must clearly result in improved management/administrative skills. Technical training will only be funded if it is required in order to qualify the candidate for his or her role as a mid- to upper level manager.

A minority of participants will be sent for bachelor's and PhD degrees. While AID policy is to avoid academic training for periods exceeding three years, the Agency also recognizes that there are cases in which longer training is justifiable. In

Swaziland's case, the small size of the population makes it economically unsound to offer degrees in specialized undergraduate subjects at the national university. The PhDs will only be available to UNISWA faculty who require an academic qualification at that level to teach at the undergraduate and graduate level.

The assumptions regarding the length of time required to complete the various degree programs are based on USAID's experience in previous projects. Should the number of person-years prove to be more than necessary for the planned 42 scholarships, USAID and the GOS have agreed that remaining resources will be used to supplement the short-term external training component of this project.

(b) Short Term External Training in the U.S. and Third Countries

This sub-component is the preferred mode for training private sector participants, since they can rarely be released from their jobs for long term academic training. Thus, 50% of participants in this training will come from the private sector. Funds are provided for at least 115 person months of short term training in regional institutions (e.g. ESAMI in Tanzania), and U.S. management and business skill courses and/or apprenticeships in private companies. Some public sector administrators and local faculty from in-country management training institutions will also be sent to appropriate external conferences, short courses, or study tours. This training will be designed to strengthen the public sector's responsiveness to the private sector's needs. It is expected that at least 40 participants will benefit from these training opportunities.

(c) In-Country Short Term Courses at Local Institutions

Over LOP, 6,600 participant days of in-country short courses will be funded, on a range of management themes, including financial management, personnel supervision, decision-making, problem-solving, and strategic planning. It is anticipated that about 12 weeks of short courses will be offered in the first year, 15 weeks in each of the next two years, and 12 weeks in the fourth and fifth years of the project. Assuming an average of 20 participants per course and an average course length of two weeks, this schedule implies the delivery of training to 120-150 participants/year, or 660 participants over LOP. Half of these participants are expected to come from the private sector.

An In-Country Training Advisor will coordinate all training needs assessments and the design and implementation of short courses, assisted by specialized U.S., regional and local

consultants as needed. As course descriptions are developed, and specifications for trainers, facilities, and scheduling are defined, the prime contractor will solicit competitive bids from the four local short-term training institutions (IDM, SIMPA, DEMS, and MAMC), and then sub-contract with the winning bidder for the local faculty, facilities, and logistical support. Sub-contracts will include funds for local consultants, when needed. U.S. and local trainers will collaborate with the selected local institution's faculty to deliver the in-country training, particularly when the undertaking of special needs assessments and/or the design of innovative new curricula is required. Support will be provided for approximately 7 person months of U.S. consultants, and 10 person months of regional/local consultants. In special cases, courses may be conducted solely by external consultants rather than sub-contracting with local institutions.

Sub-contracting with local training institutions is expected to strengthen participating institutions' capacity to continue delivering in-country management training in the future. An institution will benefit from technical assistance in developing new or refining old course offerings and from the experience it and its faculty will derive from providing the training. To maximize the institutional strengthening that can be derived from the in-country training program, the in-country training advisor will work with participating local training institutions, especially IDM and SIMPA, to encourage specialization, to avoid course duplication and to improve the quality of course offerings. Where feasible, s/he will work with faculty to improve pedagogical skills. It is expected that this will take approximately one quarter of the advisor's time. The advisor's role will be more fully defined in a special study of local training institutions that will be undertaken in the first year of the project. The study will report on institutions' strengths and weaknesses and areas of comparative advantage, and make appropriate recommendations. In this way it is hoped that all of the interested local training institutions can participate in and benefit from the training program.

In addition to this study, needs assessments will be undertaken where necessary to identify priority training needs, such as those of private sector and women participants and to examine the issue of the private sector's support for training.

Short term in-country training for both the public and private sectors will strengthen basic management skills. GOS officials and private sector representatives will also receive specific training geared towards improving operational and administrative efficiency. In consultation with GOS and private sector representatives, an in-country training strategy will be formulated at the beginning of the project. Target groups in both the public and private sectors are to be identified.

Training provided by other USAID and other donor funded projects will be taken into consideration in determining the target group(s) for private sector training.

Examples of possible training courses for the public sector are:

- * Project planning
- * Project management
- * Computer-based management information systems
- * Financial planning/management
- * Personnel management
- * Managerial skills
- * Communications
- * Strategic planning
- * Policy development

Examples of possible training courses for the private sector are:

- * Production planning
- * Organizational analysis
- * Operations management
- * Personnel management
- * Financial planning/management
- * Marketing
- * Credit and financing
- * Merchandising/pricing

2. Institutional Strengthening

EOPS: UNISWA and SCOT will be producing more and better qualified graduates in accounting and business management.

The project's second component will strengthen institutions of higher learning in the fields of management and accounting. Assistance will be provided to the Department of Accounting and Business Studies in the Faculty of Social Science, University of Swaziland (UNISWA), and to the Swaziland College of Technology (SCOT). The collaborative assistance approach will be used to develop and implement a linkage(s) with a U.S. university business/accounting program aimed at upgrading instruction in business management and accounting to produce the higher quality and greater volume of graduates needed by the private and public sectors.

(a) Background

UNISWA's Bachelor of Commerce degree program (B. Comm.) prepares students for careers in business management and accounting, fields experiencing critical personnel shortfalls, which are crucial to Swaziland's economic growth and industrial

development. SCOT offers courses in commercial studies and has a strong accounting program that provides the private sector with entry level accounting technicians.

The private and public sectors have both expressed a need for improved and expanded training in management and administration. Thus, UNISWA and SCOT are committed to collaborating with a U.S. university to strengthen their programs to produce qualified graduates with the relevant skills to meet the needs of the private sector and to upgrade public sector administration.

The objective of a linkage with a U.S. university is to establish long term local institutional capability to provide more and better trained managers and accountants on a self-sustaining basis, and to build local institutions' capacity to seek and direct similar linkages in the future.

Assessments of the UNISWA and SCOT programs indicate the following activities are needed to accomplish the objective: (1) strengthen the B. Comm. curriculum to address private and public sector management and accounting needs, (2) improve SCOT's accounting curricula and pedagogical methods in the Association of Accounting Technicians (AAT) courses, and expand SCOT AAT course offerings to the more advanced AAT Level III, (3) upgrade the skills of at least five business department faculty at UNISWA and three accounting faculty at SCOT through U.S. academic or short term external training, and (4) increase the relevance of both programs to private sector needs.

The UNISWA B.Comm program has more courses and more enrollees than SCOT's accounting program, and the B.Comm program requires a more comprehensive and intensive effort to meet the objectives of the strengthening exercise. For example, upgrading the B.Comm's management track, which has only recently been introduced and has limited course offerings, is expected to be a major focus of the linkage. The resources allocated to the UNISWA component of the linkage are therefore proportionately greater.

The assistance to SCOT and UNISWA is intended to be complementary. UNISWA prepares students for entry into business at a higher level than SCOT graduates, but at the same time, UNISWA graduates could further their qualifications in accounting by completing the AAT Level III program. While accounting skills are in high demand, it is desirable to avoid a proliferation of offerings in this area. The project's special study on training institutions will include a survey of accounting programs and consider whether adjustments to the range of offerings are appropriate.

(b) Assistance to UNISWA

In the first year of the project, UNISWA administrators and B. Comm. faculty will visit U.S. universities selected from a pool of those who have expressed interest (through response to a published Request for Expressions of Interest) in developing a linkage. Subsequently, UNISWA and USAID will identify a candidate for collaboration. UNISWA and the U.S. university will jointly design a program of assistance that is likely to include technical assistance, faculty training, and improved instructional and reference materials over a three to four year period.

The institution-to-institution linkage will require detailed and thorough analysis of program and faculty needs resulting in the development of a phased plan for technical assistance, training and commodities. All the planning and implementation should be participatory. For example, curriculum development, case study preparation, and assessment of teaching methodologies will be undertaken collaboratively by B.Comm. and U.S. business faculties.

Technical assistance will help UNISWA to review and modify curricula and teaching methodologies, develop new courses and programs where appropriate, identify commodities necessary to support academic and technical improvement (e.g. textbooks, journals, and computer software), and adapt the curricula to meet Swazi private sector needs.

Efforts are already underway to establish closer links between the B.Comm. program and private industry by developing a forum for coordination and collaboration in curriculum improvement. The linkage might further these efforts with modest support for conferences/seminars to bring together academic and business leaders. This improved communication will help to provide more relevant training and to produce university graduates who meet career requirements.

The improvement of course offerings along with pedagogical support are likely to be a critical element of the strengthening effort. Courses should sharpen analytical, problem solving, decision-making, and communication skills. Courses should become more experiential and practical and clearly link what is learned in school to how it is applied in work. This approach responds to expressed needs, particularly in the private sector, where overall preparation for filling job openings may require well-rounded leadership skills as well as preparation in business studies and management. The case study method of teaching may be introduced where appropriate and faculty would need to be trained in this teaching method. A more interactive curriculum that incorporates oral and written presentations, greater use of computers, and the extensive use of papers, projects and problems identified with input from the private sector is anticipated.

The range of tasks that might be undertaken jointly by UNISWA and U.S. faculty include:

- o Develop a catalog file of curriculum models appropriate for the B.Comm. program.
- o Solicit comments from the private sector and advisory council on job skills and requirements which can be addressed through course offerings.
- o Review current curricula and recommend needed improvements in course offerings.
- o Circulate the curriculum to appropriate private and public sector groups, educators and relevant institutions concerned with human resource development in Swaziland (e.g. the Institute of Accountants and business chambers).
- o Develop case study material through contacts with business and the GOS, and train faculty in teaching by the case method.
- o Cultivate interaction and cooperation between the private sector and the university's B.Comm. program including the establishment of cooperative education arrangements.

The linkage is likely to include purchase of UNISWA library reference and research materials. The two universities will analyze current text stocks and the range of academic and technical resource materials, as an important adjunct of its curriculum and pedagogical support.

A cooperative agreement with a U.S. university which has a well established undergraduate and graduate business school offering a Masters in Business Administration (MBA) will be negotiated. It is desirable for the U.S. institution to have a commitment to international business education with experience or interest in southern African business and economic development. Experience has shown that institution building in higher education can be facilitated by an affiliation with a U.S. university. The technical excellence which can be gained through collaboration with a U.S. institution can also open up opportunities for integration into the international network of management education.

In order for UNISWA to achieve its objective of a stronger B.Comm. program an increase in the Department's staff is needed. It is expected that at least two new faculty members will join the 7 lecturers currently working in the Department by the end of the second year of the linkage. This will increase the Department's ability to offer an expanded and

upgraded curriculum, teach the already growing number of students enrolled in the program, and improve and make more practical the program's pedagogical content. Such an increase is consistent with the fact that the department has the largest and fastest growing enrollment on campus, and recognizes that despite a 92 percent increase in enrollments, and the addition of a management major, there have been no increases to the Department's faculty since 1986. The University's 1988 - 1993 development plan projected a need for a minimum of 10 professional positions by 1990 and 12 by 1992.

Master's degree level scholarships for B.Comm. faculty will be an important means of upgrading faculty capabilities and strengthening ties between the two institutions. Some short term training for faculty is also anticipated.

(c) Assistance to SCOT

A similar collaborative arrangement with a U.S. university is proposed for SCOT's accounting program. The Principal of SCOT will also go on a study tour to visit universities interested in pursuing a linkage. If feasible, SCOT and UNISWA will visit and ultimately establish a linkage with the same institution (see section 2(d) below for discussion of benefits). Should this arrangement not prove practicable, SCOT can develop its own linkage.

The principal objective of a linkage is to assist SCOT to expand the scope of its accounting program by adding advanced Level III to the current course offerings of Levels I and II of the Association of Accounting Technicians (AAT) program and increasing the capacity of the program to absorb students.

The institutional strengthening needs of the SCOT accounting program are primarily faculty upgrading through long term academic and short term training, curriculum expansion and computerization, and procurement of computers and other commodities to support accounting and business studies. A detailed plan for addressing these needs will be developed jointly by the faculty of SCOT and the U.S. university with which they collaborate. Such a plan is likely to include academic degree training, short term training, short term technical assistance and commodities such as instructional materials and computer software. A.I.D. will separately purchase four computers to supplement SCOT's existing computer facilities, and it is anticipated that SCOT will also purchase six computers that can be used by accountancy students.

To facilitate increased enrollment in the accounting program, Peace Corps plans to recruit 2-4 volunteers during the LOP with skills in accountancy training to replace SCOT faculty who are away on training leave. While this will help address short term faculty shortages, the expansion of the AAT program to

Level III and an increase in student enrollment will require an expansion of SCOT's accounting faculty. It is expected that two new faculty members will join the accounting department during the linkage period.

(d) Justification for Use of One U.S. University
to Assist Both Institutions

A cooperative agreement with a single U.S. university to assist both institutions is programmatically desirable and cost-effective for the following reasons: 1) assistance to the SCOT and UNISWA accounting programs would be complementary and mutually supportive; 2) a single cooperative agreement (CA) would provide more technical assistance to both SCOT and UNISWA than two separate CAs, by reducing U.S. management and international travel costs (funds would be separately budgeted for UNISWA and SCOT to protect the level of effort planned for support to each institution); 3) A.I.D. procurement and administration is simplified.

3. Upgrading Policy Implementation

EOPS: New and revised administrative policies and procedures in selected public institutions will foster private sector development.

EOPS: Traditional leaders will actively promote policies and activities that facilitate economic development in their communities.

Swaziland has sound, free market-oriented macroeconomic policies. The country does not have a structural adjustment program because it does not need one. Swaziland's macro-level policy environment is good. In such a context, attention has focused on how policies are implemented and what practices and procedures are followed to carry out the business of government. Government officials, members of the business community and donor representatives agree that here there is much scope for improvement.

This component will improve selected administrative policies and procedures within the public sector to foster private sector economic growth. It includes two sub-components: administrative reform and community leader training.

(a) Administrative Reform

The effectiveness of public policies and the efficiency of policy implementation impacts directly on private sector growth. This is readily apparent in such areas as infrastructure development and maintenance, public utilities, manpower planning, and public finance. In addition, mid- and senior-level representatives of government and the private

sector have identified a number of critical policy or policy implementation issues during in-country workshops under the SWAMDP Project. These include industrial relations; Customs and common monetary agreements with the Republic of South Africa; manpower planning; personnel management; tax policy; and capital project appraisal, management, and monitoring. Other potential topics include defining more cost-effective solutions to current management inefficiencies in public utilities and streamlining of procedures for business-related permits such as business licenses, work and residency permits, and import and export permits.

Short-term technical assistance and training to improve selectively public sector management and administrative efficiency to foster private sector growth will be provided under STRIDE. A total of sixteen person months of U.S. short term technical assistance and sixteen person months of local consultancies will be available over LOP to address up to eight specific issues. Through on-going consultations with senior government officials and the private sector, USAID and the GOS will identify specific themes which can be effectively addressed through project assistance.

At the start of project implementation, USAID and the GOS will agree in writing on criteria for the prioritization of issues under this component. These criteria will include requirements that the funding for the proposed activity is sufficient to achieve the objective of the activity within the time frame of the project and that the cost estimates for the proposed activity are reasonable, reasonably firm, and based on appropriate analysis. Final selection of a topic will require the approval of the GOS' Planning and Budget Committee.

For each new issue, short term technical assistance will: (a) analyze a specific problem identified by the GOS and private sector, (b) help appropriate GOS officials to identify possible solutions and build consensus with the private sector on action priorities, (c) develop specific operational recommendations, and (d) help the GOS monitor and evaluate the implementation of accepted recommendations. Feedback from the short-term advisors will help to set priorities for appropriate in-country training. For example, as follow-up to strategic planning for sub-contracting at the Ministry of Works, the advisors could recommend a format for delivering in-country training in sub-contracting to Ministry of Works managers.

Where formalized training is useful for changing practices and procedures, a U.S. advisor will collaborate with a local consultant to prepare an issues/options paper, facilitate in-country workshops for public and private sector participants, as appropriate, and help to develop post-workshop action plans for the concerned Ministry. Workshops may be split into initial sessions for top GOS and private sector

managers, and follow-on sessions for technicians in relevant ministries and private firms. The GOS will fund the workshops undertaken in this component. Technical advisors may conduct follow-up visits later in project implementation, to monitor the implementation of action plans. As the level of technical assistance proposed for each issue is modest, it is expected that topics will build incrementally upon earlier administrative reforms.

During the first year of the project, one potential activity is continued support to the Ministry of Finance to improve the capital budgeting process. Later consultancies could assist the Ministry of Works to: first, assess the viability of sub-contracting more infrastructure construction and repair to the private sector, and second, define performance incentives for such sub-contracts.

USAID will be responsible for the management of and procurement of services for this subcomponent. U.S. consultants will be contracted through established IQCs, and the Regional Contracting Officer will procure the services of local and regional consultants.

(b) Community Leader Training

This sub-component will provide in-country training to local level community leaders to strengthen their managerial and administrative capabilities, particularly with respect to promoting the development of business enterprises and development projects in rural areas. Because of traditional and other local leaders' enormous influence over community level development and their role in administering rural communities (where more than two-thirds of the population resides), this component is an important element in achieving the Project goal of strengthening Swazi participation in economic growth.

Training provided under this sub-component will build on and continue the experimental traditional leadership training in the predecessor SWAMDP Project. This experiment was designed to test the assumptions that 1) local leaders more active and supportive of development initiatives would accelerate the pace and quality of development in rural communities; and 2) training for local leaders would result in their more active participation in promoting development in their areas.

Training provided under this sub-component will build on and continue the experimental traditional leadership training in the predecessor SWAMDP Project. This experiment was designed

to test the assumptions that 1) local leaders more active and supportive of development initiatives would accelerate the pace and quality of development in rural communities; and 2) training for local leaders would result in their more active participation in promoting development in their areas.

An impact evaluation of the experimental training carried out in June 1989 (E. Green, USAID/S) confirmed the validity of these two assumptions. The evaluation concluded that the continuation of such training can be expected to have further positive impact.

The traditional leadership training program under the SWAMP Project has built general knowledge and awareness of development topics and issues affecting Swazi communities. While recognizing the utility of an approach that encompasses the spectrum of relevant topics, training supported by the STRIDE Project will inject a focus on local business development, (which has not been covered in the training to date), community involvement in the implementation of development projects, and training in administrative and other skills to support these areas of emphasis. This more focused approach carries forward the evolution of the current program from a general awareness building to a more specific action oriented handling of topics. Also, it is consistent with recommendations in the impact evaluation and responds to the development priorities of local and traditional leaders who recently identified lack of jobs and cash as the most serious constraints to rural development.

New topics will be developed and added to the training curriculum to improve local administration and increase community leaders' ability to identify business and income generating opportunities. Training concerned with business development will raise local leaders' awareness of the nature of what is needed to promote the development of businesses in their areas. The training will establish the links between the needs of small businessmen and aspiring entrepreneurs and local issues of land management, licensing and permission to open businesses, transportation and infrastructure, credit and marketing, and local administration. Infusing this perspective into the discussions of local development issues should result in environments more supportive to income generation and entrepreneurship and the establishment of business enterprises on Swazi Nation Land.

Training will also seek to improve local administration by providing skills training in areas such as project identification, methods of involving communities in the monitoring and maintenance of development projects, project management, record keeping and public finance.

Two categories of local leaders will be trained: traditional leaders, such as chiefs and their subordinates (i.e: tindvuna, bomsumphe, emabandla) and officers in community development committees (i.e: water committee, land use committee, school committee, etc.). These individuals comprise local government and their approval or disapproval of development efforts define the range of possibilities on Swazi Nation Land.

The training will continue to be carried out by the Community Development Department (CD) within the Tinkhundla, the Ministry responsible for local administration. CD is the only agency with the institutional experience to train local leaders. During the SWAMPD Project CD developed and implemented an effective training curriculum, drawing where necessary on other Government ministries and private sector organizations (i.e: SEDCO, Commercial Amadoda, etc.) to provide in-country technical assistance. Expanding the curriculum to incorporate administrative skills and to infuse a market orientation will require specialized training for the CD staff.

CD staff directly responsible for training local leaders in the focal areas described above will receive specialized training. Sixteen weeks of training of trainer (TOTs) seminars in modular form (four per year) will be conducted during the first four years of the project. These courses will upgrade the skills of CD trainers in the areas of 1) the workings and requirements of market economies; 2) fostering entrepreneurial skills and developing small businesses on Swazi Nation Land; 3) project identification, development and management; and 4) administrative skills such as record keeping, banking, accounting and communicating with committees.

STRIDE will support workshop/seminar costs and training of the CD staff to enable them to develop and teach new topics. Workshops will be funded on a decreasing basis over the life of the project, with corresponding increases in GOS support for the same workshops.

120 workshops will be conducted over a four year period, during which approximately 1,800 local leaders will be trained. Assuming an average of 3 days per workshop, this is equivalent to 5,400 person days of training.

Forty-one CD staff, both senior and junior officers, will participate in the staff training program. Courses will be organized so that the CD staff trainees can transfer the curriculum and some of the training materials to their own training workshops for local leaders. It is anticipated that junior and senior officers will each receive a minimum of two weeks of training per year for four years.

Six months of short term U.S. and four months of local technical assistance is budgeted. TA will assist with design of staff training; adjust the training curriculum over the life of project; and carry out an impact assessment in year 3 of project implementation. In addition, TA will be used to provide more specialized instructors for private sector, technical, and financial management topics.

Funds will also be provided for the purchase of a photocopier to reproduce training materials and teaching aids, and one project vehicle will be turned over to CD after year 3 of the project to improve support and monitoring of field training activities.

Implementing activities in this component will rely on the structures and management procedures developed and successfully used during the SWAMDP Project. This continuity greatly simplifies implementation. A principal departure from the past is that project funds for seminars and workshops will be matched by the GOS at increasing levels over a four-year period. By the fifth year of the Project the GOS will have assumed 100 percent of such costs and the training will be fully institutionalized in the GOS recurrent budget.

Prior to any technical training, CD and the U.S. contractor will develop an overall training strategy that incorporates the elements described above. Participants will identify various constraints to effective local administration and private sector economic development, both at the national level and on Swazi Nation Land, along with strategies to help overcome these constraints. This exercise will be useful in developing a detailed strategy and workplan for infusing new perspectives and skills into the local leader training.

Following this seminar CD will convene meetings, as needed, to explain additions and other changes in its training curriculum to other Ministries and PVOs that participate in local leader training.

ARTICLE III. Project Management Plan

A competitively selected prime contractor will manage in-country and external participant training and some of the technical assistance. In addition, the prime contractor will backstop the 52 SWAMDP-funded participant trainees that are still in the U.S. completing training. The contractor will also backstop the three operational experts (OPEXers) hired under SWAMDP through the end of their contracts in calendar year 1992.

he contractor will establish a field office in Swaziland, staffed by a Chief-of-Party with technical expertise in managing participant training (5 person years), and an in-Country Training Advisor (3 person years). The Chief of Party will have both technical assistance and project management duties, allocated as: 35 percent project management, 5 percent participant training coordination, 30 percent technical assistance to the GOS and private sector to address human resource development issues. Two local hire administrative assistants, resident in Swaziland, and a secretary, will handle the routine administrative tasks of participant trainee recruitment and post-training follow-up, backstopping of short term advisors, and in-country training arrangements.

he contractor's home office support for long term participant training and short term consultancies will require 30 percent time from a mid-level professional training officer, 40 percent time from a program/placement officer, and 30 percent time from a secretary. The short term technical assistance requirements under the prime contract are outlined in Table 1. Short term A to be managed by the Mission is shown in Table 2.

management and administrative services for implementation of long and short term participant training activities include but are not limited to: developing administrative procedures and criteria to select participants; maintaining files on candidates and participants during each stage of the training process on a computer tracking system compatible with the A.I.D. Participant Training Management System (PTMS); arranging registrations and preparing candidates for all test required to apply to U.S. universities; preparing draft PIO/Ps and budgets for all participants and revising them upon placement of the participants; and support to the participant alumni association. Training plans will be developed in consultation with the trainee and his/her employer.

he home office backstop officer will travel to Swaziland each year to monitor field activities. The field office will be closed at the end of year 5 of the project, as all in-country project activities will be completed. U.S.-based support for participants still in the U.S. will be required through the project's final two years. The prime contract will be awarded for five years, but if appropriate, A.I.D. may renew the prime contract to continue home office backstopping for these trainees until their training ends prior to PACD at the end of year 7.

A separate cooperative agreement (CA) with a U.S. university will establish a linkage to strengthen the SCOT AAT and the NISWA B. Comm. programs. An illustrative list of inputs for the UNISWA sub-component of this CA includes long term U.S. faculty assistance (2 person years), short term technical

assistance (10 person months), UNISWA faculty exchange visits and short term external training, long term academic degree training (3 M.A.'s) for UNISWA B. Comm. faculty, and teaching materials (software, university library materials including journals and textbooks). The SCOT sub-component is likely to include long term academic training in the U.S. (2 M.A.'s) for accounting faculty, short term curriculum development assistance (10 person months), short term external training for accounting faculty, and teaching materials.

Activities directly managed by USAID include the technical services procured for the administrative reform component of the project, the purchase of two project vehicles for the TA team, four computers for SCOT and a photocopier for CD, and the midterm and final evaluations and non-federal audits. A project-funded PSC will be hired locally for four and half years of the project, to work under the supervision of the USAID Human Resource Development Officer to monitor project implementation.

Table 1
Short Term Technical Assistance in Prime Contract
(in Person Months)

Type of Activity	U.S. Consultants	Local Consultants
In-Country Training Program (66 weeks of courses and studies)	7 (4 p.m.yr.1) (1pm/yr 2-4)	10 (2 p.m./yr.)
ST TA to Traditional Leaders' Training (from U.S. consultants, 2 p.m. each for design, TOT, Impact Monitoring; for local consultants, 16 p.m. for TOT and Co-Teaching with CD)	6	4
LOP Totals:	13	14

Table 2
Short Term Technical Assistance Managed by USAID
(in Person Months)

Type of Activity	U.S.	Local
ST TA to Admin. Reform (2 p.m./topic from U.S. consultants+ 2 p.m./topic local consultants x 8 topic)	16	16
LOP Totals:	16	16

Table 3
Person Months of ST TA By Project Year

	Yr. 1		Yr. 2		Yr. 3		Yr. 4		Yr. 5	
	US	L								
In-Country Courses	4	2	1	2	1	2	1	2	0	2
Admin. Reform	0	0	4	4	4	4	4	4	4	4
Trad. Leaders	2	1	2	2	2	1	0	0	0	0
Totals:	6	3	7	8	7	7	5	6	4	6

ARTICLE IV. Cost Estimate and Financial Plan

A. Summary Cost Estimate

The total project cost is \$13,340,000 consisting of \$10,000,000 in grant funds from USAID, and \$3,340,000 in cash and in-kind contributions from the GOS. The GOS contribution includes amounts for airfares and salaries expected to be paid by employers in the private sector. Table 4 itemizes A.I.D. and GOS costs, by project activity. All A.I.D. costs will be in dollars, and all GOS costs will be in Emalangeni equivalents.

Table 4
Summary Cost Estimate
(US\$ 000)

	AID	GOS	TOTAL
Technical Assistance	3,970	305	4,275
Participant Training	3,464	922	4,386
In-Country Training	550	916	1,466
UNISWA Linkage	1,023	226	1,249
SCOT Linkage	484	112	596
Project Management	151	760	911
Commodities	58	99	157
Evaluations/Audits	300	--	300
Total	10,000	3,340	13,340

B. A.I.D. Inputs

A.I.D. inputs comprise 75 percent of the project's total cost. All of A.I.D.'s costs are expected to be in U.S. dollars; no local currency will be required. The inputs are summarized below:

1. Technical Assistance (\$3,970,000)

Long Term TA (8 person years)	1,413,742
Short Term TA (59 person months)	1,023,701
Project Management	1,532,557

A Chief of Party for 5 years and an In-country Training Advisor for the first 3 years of the project comprise the long term technical assistance. The 59 person months of short-term technical assistance is split into 29 person months of U.S. consultants and 30 person months of local/regional consultants allocated for in-country training, traditional leader training, and administrative reform. Project management reflects the prime contractor's home and field office expenses and a fee for services provided. The contractor's home office supports long and short term participants training in the U.S. (including 52 participants currently in training funded by SWAMDP) and recruitment of long and short term technical advisors. The contractor's field office manages all aspects of the project's in-country field activities that fall under the prime contract. Budgeted expenses for the field office include a personal computer, some office furniture (SWAMDP office equipment will be transferred to the STRIDE contractor), supplies, communications, and maintenance of project vehicles.

2. Participant Training (\$3,464,000)

Long term (108 person years)	\$2,741,770
Short term (115 person months, study tour)	722,230

Approximately 42 scholarships will funded: 6 four-year bachelor's degrees, 32 two-year master's degrees, and 4 five-year Ph.D.s. All scholarships will be competitively awarded. Short term training includes study tours for faculty and administrators from UNISWA and SCOT. Cost estimates for participant training conform to A.I.D. Handbook 10 training cost guidelines and include U.S. income tax liability.

3. In-Country Training (\$550,000)

Workshops for senior/mid level managers	\$446,652
Workshops for traditional leaders	50,000
Workshops for CD staff	53,348

6,600 person days of in-country management training workshops are to be funded. The workshop costs are exclusive of long and short term technical assistance, which is budgeted under the technical assistance line item. 5,400 person days of traditional leader training will be supported on a decreasing basis during the first four years of the project, and 1,640 person days of training for the Community Development (CD) staff who deliver traditional leader training will be funded.

4. Linkages for Institutional Strengthening (\$1,507,000)

(a) UNISWA Linkage \$1,023,000

An illustrative list of inputs for the UNISWA B.Comm program includes 2 person years of long term technical assistance, 10 person months of short term technical assistance, 3 MBA degrees for UNISWA faculty, 11 person months of short term external training, and commodities such as library reference materials and computer software. The budget also includes estimates of the U.S. institution's project management cost. The actual array of inputs will be determined by UNISWA and the U.S. university during development of the linkage.

(b) SCOT Linkage \$484,000

An illustrative list of inputs for the SCOT accounting program is as follows: 10 person months of short term technical assistance, two master's degrees for SCOT accounting faculty, 8 person months of short term external training, commodities such as reference materials and computer software, and the U.S. institution's management cost. Actual inputs will be defined by SCOT and the U.S. university when the linkage is negotiated.

5. AID Project Management (\$151,000)

AID project management consists of 4.5 person years of a local hire personal services contractor (PSC) to be employed by the USAID Mission to help manage project implementation.

6. Commodities (\$58,000)

Two vehicles are budgeted for the project field office, one a sedan and the other a light delivery vehicle (pick-up truck). Four computers will be purchased for SCOT and one photocopier will be purchased for the Community Development department.

7. Evaluations and Audits (\$300,000)

A total of two evaluations and two audits will be conducted during the life of the project. An audit and mid-term evaluation will be conducted in year 3 and a final evaluation and audit will be undertaken in year 5 when the project's field activities draw to a close.

The AID obligation schedule by fiscal year is given in Table 5 below.

Table 5
A.I.D. Obligation Schedule
(U.S. \$000)

Fiscal Year:	<u>'90</u>	<u>'91</u>	<u>'92</u>	<u>'93</u>	<u>'94</u>	<u>'95</u>
Tech Assist	948	370	700	690	693	569
Partic Trng	710	780	450	550	474	500
In-Cnt Trng	90	50	100	100	115	95
UNISWA		225	210	205	383	
SCOT		160	110	50	105	59
Proj Mngt	15	15	30	30	30	31
Commodities	58					
Eval/Audit				175		125
Total	1,821	1,600	1,600	1,800	1,800	1,379

C. Methods of Implementation and Financing

As noted previously, most project's activities will be implemented under an AID direct contract. A linkage between UNISWA and SCOT and a U.S. university will be funded through a cooperative agreement with the U.S. institution. Some commodities, technical services for administrative reform activities, AID project management, and evaluation and audit services will be procured directly by AID. The following table summarizes the methods of implementation and financing proposed for the project.

	<u>Method of Implementation</u>	<u>Method of Financing</u>
Technical Assistance	Direct Contract	Cost Reimbursement
In-country Training	"	"
Participant Training	Mission Issued & Funded PIO/Ps	Pass through TA Contract for Payment of Costs
UNISWA/SCOT Linkage(s)	Cooperative Agreement	Letter of Credit
AID Proj Mngt	Personal Services Contract	Direct Reimbursement
Commodities	PIO/Cs, POs	Direct Reimbursement
Evaluations/Audits	Direct Contract (IQC)	Direct Reimbursement

D. GOS/Private Sector Inputs

The GOS contribution in cash and kind is \$3,340,000, representing 25 percent of the total project cost. 40 percent of the contribution is in cash and the remainder is in kind. All costs will be paid in local currency; there is no foreign exchange requirement. It is anticipated that the private sector will contribute substantially to the total GOS cost through provision of round trip international airfares and salaries to private sector participants who receive training through the project.

Contributions associated with technical assistance include housing, office space and utilities for long-term advisors and allowances and housing for Peace Corps volunteers recruited to replace SCOT faculty during their U.S. training. Contributions to participant training are made up of roundtrip international airfares and salaries for all long and short term external participants, salaries for long term trainees for the first year of study, and salaries for participants in short term external training. In-country training costs are comprised of salaries for participants in the management training program, salaries of CD staff implementing the traditional leader training, and workshop costs for traditional leader training and the administrative reform activities.

UNISWA will provide subsidized housing, office space, and a cash contribution to salaries for long term technical assistance from a U.S. university, round trip international

airfares and salaries for faculty in training, and the salaries of two additional staff members in the B. Comm department. SCOT will also provide round trip international airfares and salaries for participants from the Accounting Department and will pay the salaries of two additional members of the department.

Commodities to be purchased include petrol and oil for project vehicles, supplies for offices involved in project implementation, six computers at SCOT and ten computers at UNISWA.

GOS project management reflects the cost of senior level oversight and administration of project activities, primarily by officials at MLPS, MOF, DEPS, CD, UNISWA and SCOT. A portion of these costs are associated with the MLPS's processing of all long and short term participant trainees, whether they be from the public or the private sector.

1. Private Sector Contribution

USAID and the GOS recognize that public resources are insufficient to meet the demand for training and that a greater private sector contribution towards high level training is needed to achieve Swaziland's human resource development objectives. While private sector employers will be expected to finance international airfares and at least one year's salary for their employees who receive scholarships under the project, increasing the private sector's contribution beyond this level is, strictly speaking, outside of the manageable interest of this project. It is, however, an appropriate issue for the project to address.

The Contractor's training strategy and project-funded training analyses, such as the private sector training needs assessment, should explore the rationale and possible means for increasing the private sector's contribution to training. For example, one project-specific approach to encourage greater private sector contributions would be to require a sponsoring employer to pay a fee to offset all or part of the costs associated with the management of an employee's training funded under the project. In this way the private sector would make a fair contribution that would free additional resources for training.

ARTICLE V. Implementation Plan

A. Background

The following is an illustrative plan for project implementation, showing dates by which critical actions should be completed. Two considerations are of paramount importance in the design of this plan. First, the new STRIDE Project must be operational

prior to the expiration in December 1990 of the current AID contract with TransCentury Corporation, the prime contractor for the SWAMDP project, to enable a new prime contractor to assume the carry-over monitoring responsibilities for participants funded under SWAMDP who are still in the U.S. on long term training. Thus, the RFP for the prime contractor will need to be advertised as soon as possible. Second, a separate cooperative agreement will be signed with a U.S. university to strengthen the UNISWA B. Comm. program and the SCOT accounting program. This will require a separate selection process.

In developing the implementation plan, it was recognized that most inputs will be delivered during the first five years of the project, but LOP will extend for seven years, to allow sufficient time for the completion of long term academic training in the U.S. It was also anticipated that there would be no substantive conditions precedent to meet prior to project start-up.

B. GOS Responsibilities

The following agencies and institutions will participate in project implementation and will be responsible for supporting and coordinating activities under their jurisdiction.

1. Ministry of Labor and Public Service (MLPS)

The MLPS will have major GOS technical oversight of this project. MLPS will be responsible for approving suitably qualified public and private sector candidates for long term academic training in the U.S., short term technical training abroad, and participation in project supported in-country training programs. The Department of Economic Planning and Statistics (DEPS) will negotiate and sign the Project Grant Agreement, which will be amended annually to provide incremental funding.

2. The University of Swaziland

The Department of Business and Accounting Studies at UNISWA will coordinate activities, under a cooperative agreement with a U.S. university, designed to upgrade its faculty skills, curricula, and training materials. The Department will make its faculty available for long term U.S. academic training; short term training (including an initial study tour to interact with U.S. business schools); and short term in-country training, workshops, and seminars. The faculty will work closely with the U.S. university to establish an institutional linkage.

3. Swaziland College of Technology (SCOT)

Funds are provided for an initial study tour for the SCOT Principal to visit U.S. universities with accounting programs with a view towards identifying (in collaboration with UNISWA) a U.S. institution with which to establish a linkage, funded by a cooperative agreement, to upgrade SCOT's accounting program. After selection of an appropriate institution, SCOT will coordinate the upgrading of its Association of Accounting Technicians (AAT) program, nominate faculty for long term academic training and short term external training, and work with the U.S. university to plan short term technical assistance for curriculum upgrading.

4. Tinkhundla

The Community Development Section in Tinkhundla will be responsible for implementing the training and technical assistance activities for the traditional leaders' training program.

C. A.I.D. Responsibilities

USAID/Swaziland will (1) process PIO/Ps to fund directly external participant training, (2) prepare PIO/Cs to procure directly computers for SCOT, two vehicles for the project management office, and a photocopier for CD, (3) prepare PIO/Ts and scopes of work and directly procure or contract through A.I.D. IQCs for technical services for administrative reforms, (4) contract with a locally hired PSC for project monitoring assistance, and (5) contract through A.I.D. IQCs for project evaluations and audits. The Mission's Human Resources Development Officer will be the A.I.D. project manager.

D. Procurement Plan

Procurement of services under the project will be processed through 3-4 contractual/assistance instruments as follows:

- a) Participant training, in-country training, traditional leader training, training technical assistance and ancillary management of all of these elements will be procured by issuance of a Request for Proposals limited to Small Disadvantaged Businesses in the United States. This action will be undertaken as a direct AID contract issued by the Regional Contracting Officer (RCO) USAID/Swaziland.
- b) Institutional strengthening, which is a combination of traditional linkage concepts and technical assistance, will be procured through one or two cooperative agreements solicited competitively using the

collaborative assistance mode described in Handbook 13, Appendix 6B. This action will be undertaken by the RCO USAID/Swaziland.

- c) The Project Manager will prepare PIO/Ts for technical services for administrative reforms and audits and evaluations which will be procured either in Washington (MS/OP/O/AFR) via AID world-wide IQCs or by the RCO USAID/ Swaziland for local/regional contracts.
- d) Project Management at USAID/Swaziland will require one personal services contractor (PSC). The PSC will be procured by either the RCO or the Executive Officer USAID/Swaziland.

Procurement of supplies under the project will be processed by one of three methods, as follows:

- a) Where it is determined that the item to be procured is either substantially less expensive in Swaziland or the southern Africa region, or for purposes of maintenance capacity must be purchased in this region, or qualifies for local procurement for some other reason, the Regional Contracting Officer will procure the supplies. This specifically applies to project vehicles.
- b) Occasional supply procurements of low dollar value may be processed through the primary technical assistance contract on an as-needed basis.
- c) The majority of the planned supply procurement will be performed in the United States by MS/OP/ COMS via issuance of PIO/Cs prepared by the USAID/ Swaziland Project Manager. This specifically applies to project computers.

To the maximum extent practicable, procurement of services and supplies will be from AID Geographic Code 000; then in descending order, Code 941 and Code 935. Notwithstanding the provisions of the Development Fund for Africa, supply procurement will comply with the Cargo Preference Act, requiring 50 percent of the ocean-vessel gross tonnage to be shipped on U.S. flag commercial vessels to Durban. Any and all vehicles to be purchased under this project will be purchased in accordance with the A.I.D. blanket waiver for purchase of right-hand drive vehicles, which generally permits purchase of non-US source/origin vehicles. Air travel to and from Swaziland will adhere to the AIDAR requirements implementing the preference for US air carriers. Participant training processed through the primary technical assistance contract will be performed in accordance with Handbook 10 requirements, although if justified to and approved by the Mission Director

third-country participant training in AID Geographic Code 899 countries can be financed without the special approval of the Director of the Office of International Training (OIT). The USAID/Swaziland Project Manager will be responsible for the final preparation of all participant training PIO/Ps. Responsibility for maintenance of supplies procured and used by contractor/ recipient field-team personnel will be in accordance with AIDAR/Handbook 13 regulations, and will include assuring that all AID-funded project vehicles be maintained by private, non-GOS facilities.

PIO/Ts for procurement of technical assistance both through the above-cited RFP and via cooperative agreement(s) will be prepared for signature as soon as possible after the signing of the project agreement. PIO/Cs for those supplies that can be currently identified will also be signed at that time. Request for Proposal and Request for Cooperative Agreement Applications will be issued within thirty to fifty days after project signing. Award of a contract resulting from the RFP should be made within 180 days after project agreement signing, and the field team should be in place within 210 days of project agreement signing. The award of cooperative agreements will depend upon the timing desired by UNISWA and SCOT. The USAID staff PSC will be awarded within 30 days of signing of the technical assistance contract. Procurement of all supplies will be accomplished within 60 days of issuance of the requisite PIO/Cs.

Two non-federal audits will be procured, during years 3 and 5, either via AID world-wide IQCs or by local contract. The Project Manager will prepare PIO/Ts for the services, which will be procured either in Washington (MS/OP/O/AFR) or by the RCO USAID/Swaziland. Similarly, the Project Manager will prepare PIO/Ts for two evaluations, mid-term and final, which will be forwarded to AID/Washington for procurement via IQC. Every consideration shall be given to utilization of small, disadvantaged businesses for the IQC Work Orders.

E. Implementation Schedule

The following illustrative schedule shows the project's major implementation actions and the implementing agent for each activity.

1st year Project Activities

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
<u>General Start-Up</u>		
(1) RFP and RFCAA(s) Advertised in Commerce Business Daily	May 10, 1990	USAID

(2) Project Agreement signed	May 31, 1990	USAID/GOS
(3) RFP Issued for Prime Contract	June 20, 1990	USAID
(4) Closing Date for RFP Proposals	Aug 15, 1990	RFP Bidders
(5) Best and Finals	Oct 1, 1990	USAID
(6) Contract Awarded	Oct 31, 1990	USAID
(7) Chief of Party Arrives in Country	Nov 30, 1990	USAID
(8) Prime Contractor Submits LOP Work Plan	Feb 28, 1991	Contractor USAID/GOS
(9) Prime Contractor Submits Annual Work Plan	April 1, 1991 (each year)	Contractor/ USAID/GOS

Management Training/
Prime Contractor

a. Long Term Academic Training in U.S.

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(1) Scholarship announced in local newspaper providing info on application procedures and requirements	Nov. 1990	USAID/TCC
(2) Candidates submit applications to Contractor	Dec.-Jan. 1990	Contractor/ Applicants
(3) USAID and GOS review applications	Jan.-Feb. 1991	GOS/USAID
(4) Contractor schedules TOEFL, GRE and GMAT Examinations	March 1991	Contractor/ Candidates
(5) Candidates take tests	April-May 1991	Contractor/GOS Candidates
(6) After receiving test results, USAID/GOS select finalists	Nov. 1991	USAID/GOS
(7) Contractor prepares draft PIO/Ps	Nov 1991 - Dec 1991	Contractor

(8) USAID arranges for processing of PIO/Ps	Jan 1992	USAID/ Contractor
(9) USAID forwards PIO/Ps to Contractor for placement in U.S. colleges and universities	Jan 1992	USAID
(10) Medicals, visas for candidates	July 1992	Contractor/ USAID
(11) Departure orientation	July 1992	Contractor/ USAID/GOS
(12) Participants begin long term academic training	August 1992	Contractor/ USAID

This process will be repeated each year for U.S. long term training (calendar years 1992-1995.) The first group of participants funded by STRIDE will be selected and placed during 1990/91 and will begin training in August 1991.

b. In-Country Training

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(1) Needs assessment conducted and training priorities established for in-country training	Feb-May 1991	Contractor/ USAID/GOS
(2) Training strategy approved	May 1991	Contractor/ USAID/GOS
(3) Local institutional sub-contractor(s) selected for short term in-country training	June 1991	Contractor
(4) Short term advisors arrive in-country and conduct first training	July.- Oct. 1991	Contractor

This process is repeated for each subsequent short-term training cycle by the prime contractor (Calendar Years 1992 - 1995)

c. Traditional Leadership Training

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(1) Work Plan for traditional leadership training completed and approved by Tinkhundla	April 1991	Contractor/CD

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(2) Training of trainers	July 1991	Contractor/CD
(3) Training workshops and seminars conducted each month	Sept. 1992- PACD	CD/GOS

This process is completed each year for training of traditional leaders (Calendar Years 1992-1995)

3. Institutional Strengthening (UNISWA and SCOT)

A cooperative agreement with a U.S. academic institution will support establishment of a linkage with the UNISWA B. Comm. program and the SCOT accounting program.

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(1) Design Request for Cooperative Agreement Applications and advertise	June 1990	USAID/UNISWA/ SCOT
(2) U.S. study tour for UNISWA & SCOT faculty & administration	October 1990	USAID/ UNISWA/SCOT
(3) Identify preferred candidate for linkage	December 1990	USAID/ UNISWA/SCOT
(4) Develop linkage program August 1991	January -	UNISWA/SCOT/ U.S. Uni.
(5) USAID reviews program and signs cooperative agreement	October 1991	USAID/U.S. University
(6) Approve grantee's work plan through April 1993 ST TA visit	Jan. 1992	SCOT/ USAID/UNISWA
(7) Technical assistance defines curriculum reform & faculty training needs	March 1992	SCOT/UNISWA/ Recipient

3rd Year Institutional Strengthening

(1) Develop plan for UNISWA & SCOT scholarships.	Apr. 1992	Recipient/ UNISWA/SCOT
(2) Issue PIO/Ps for LT degree training for UNISWA & SCOT faculty	May 1992	Universities USAID
(3) First participants leave for training	Sept. 1992	Recipient/ UNISWA/SCOT

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(4) Curriculum plans submitted	Sept. 1992	Recipient/ UNISWA/SCOT
(5) Curriculum plans approved	Feb. 1993	Recipient/ UNISWA/SCOT
(6) Second faculty placements at U.S. training institutions	March 1993	Recipient/ UNISWA/SCOT
(7) Approve work plans for 3rd year	Sept. 1993	Recipient/ SCOT/UNISWA
(8) Conference/seminars with business community on human resource needs, grantee's TA visits	As scheduled	Recipient/ UNISWA/SCOT
(9) Implement curriculum plans (initial actions)	Sept. 1993	Recipient/ UNISWA/SCOT
(10) Second faculty participants begin academic training	Sept. 1993	Recipient/ SCOT/UNISWA

4th Year of Project- Institutional Strengthening

(1) Workshops/conferences; TA visits faculty/curriculum strengthening	Jan. 1994	SCOT/UNISWA/ Recipient
(2) Prepare final reports on grant activities	April 1994	Recipient/ UNISWA/SCOT

ARTICLE VI. Monitoring and Evaluation Plan

As many data and information needs fulfill dual functions, monitoring and evaluation arrangements are discussed together in this project paper. Gender disaggregated data will be collected in all cases, to allow A.I.D. to monitor the impacts of the project on women.

The USAID/Swaziland Human Resources/General Development Office will be responsible for the overall project monitoring in collaboration with other appropriate management and technical officers in the Mission. The HRDO will maintain continuous liaison with the GOS participating institutions and with pertinent Southern Africa regional programs and the AID/Washington Africa Bureau. The HRDO will serve as the main contact between the appropriate fiscal, legal, and administrative offices of USAID/Swaziland to ensure accurate and complete reporting for the mission and for AID/Washington. A local PSC will assist the HRDO in monitoring implementation.

A. Reporting Requirements

The contractors will be required to submit the following reports to USAID/Swaziland beginning with the effective date of the contract:

(a) Semi-annual progress reports summarizing all actions which have taken place. USAID will provide the contractor with a format for these reports.

(b) Training Implementation Plans (TIPs), Quarterly and/or semester academic reports for all participants in external training detailing any changes in the status (name, university, field of study, entrance and graduation dates, performance, and other remarks in accordance with the requirements in AID Handbook 10)

(c) Quarterly financial reports summarizing all financial activity in the project during the given period. This will include information on each long and short term participant.

(e) A final report, to be submitted within 60 days after the completion date of the contract, of the accomplishments and implementation problems.

In addition to these general requirements, the university grantee(s) will be required to submit the provisional plans for the designated programs in SCOT and UNISWA. Those plans must include information on staff members, courses, library holdings, texts available, and long term training requirements. Co-teaching arrangements, exchange faculty, and other pedagogical approaches should be detailed so as to give a clear picture of the work to be done.

B. Studies

During the early months of the first contract year, studies of the private sector training needs and in-country training institutions will be conducted as part of development of the in-country training strategy. The strategy shall include course/workshop outlines for at least three training activities as specified by the private sector in the special study.

USAID/Swaziland, in conjunction with MLPS and other GOS and private sector entities, may determine other studies that are required during the course of the project. For example, the issue of the private sector's contribution towards training, especially at mid and senior levels could be examined. Separate statements of work and selection procedures will be prepared for the acquisition of Swazi, regional, and/or US specialists to carry these out.

C. Audits and Evaluations

The STRIDE project includes arrangements for audits and evaluations in addition to monitoring and detailed reporting. Two sets of each are explicitly called for: a pre-audit and formative evaluation at mid-term, year 3, and an audit and summative evaluation during the fifth year of the project.

1. Audits

The mid-term audit scheduled for year 3 will take place prior to the formative evaluation so that its results add to the information available to make any mid-course changes required because of changed circumstances or implementation problems.

A final audit will be carried out during year 5, prior to the final evaluation. The Mission will require an audit of the home office accounts of the contractor/grantee(s). A combination of local and US auditors may be called on to perform this audit function depending upon the requirements determined at the time. The audits are likely to be non-federal audits performed under AID IQCs or direct contracts.

2. Formative Evaluation

As noted, the mid-term evaluation will concentrate on process variables in order to assess the necessity of making any modifications to the project plan and implementation or to the specified performance tasks of the contractors and/or the functions of the implementing agencies. This evaluation will be conducted during the third year of implementation.

The formative evaluation will focus on the performance variables concerning the management of each of the project's three components. In addition, the mid-term evaluation will examine the post training progress of a sample of returned participants, determine if the returnees are experiencing the expected promotions or other increases in responsibility in their work places, record their opinions on whether they have been able to put their new knowledge and skills into practice, and give them an opportunity to make suggestions about arrangements for future returnees.

3. Summative Evaluation

The summative evaluation shall be conducted in the fifth year before the prime contractor and U.S. university complete their work in country. The evaluation will describe the impact of the participant training program on localization rates and on the profile of the management cadre in both public and private sectors, the impact of the short term, in-country training, the progress made in strengthening training institutions, and the impact of the administrative reform activities. The evaluation

will also summarize the characteristics of participants trained by types/levels of training and participants.

ARTICLE VII. Technical Analyses

A. Estimates of Demand for and Supplies of Trained Administrative/Managerial Personnel in Swaziland

The Kingdom of Swaziland has an estimated population of 785,000 that is increasing at 3.3 percent per year. The nation's economy has experienced variations in growth during the last decade but since 1986, has grown at an average rate of 5 percent per year. Employment has risen steadily but not enough to absorb all of the young Swazis entering the labor market. Further, the rapid growth in business and industrial establishments has been accompanied by ever larger demands for Swazis trained at middle and upper levels in many fields but particularly in administration, management, and finance. Despite efforts to train more Swazis for these positions, the number of expatriate personnel in the private sector has increased during the last two years.

The technical analysis of the demand and supply of management personnel shows a strong demand and an insufficient supply. Data on personnel, and estimates based on trends over the past ten years, project continuous increases in the demand for managers and other professionals during the next decade. Assuming that Swazis will replace expatriates at about the same rate as in the recent past, and occupy new positions being created by continued economic expansion, more than 1,100 additional Swazi professional and technical personnel will be needed to fill the posts in the private sector by 1997. Fewer, but more highly trained, personnel will be needed in new and replacement professional/technical positions in the public sector.

The demand for administrative, managerial and finance personnel during the decade of the 1990s is even greater: nearly 1,600 in the private sector and as many as 1,360 in public service. These managerial and administrative demands are composed of entry level accounting and supervisory positions, a large contingent of middle level managers and finance personnel, and a growing number of upper level decision-makers in business and government.

The supply of personnel to meet the managerial and financial demands comes primarily from external training programs. There are two domestic sources: the Swaziland College of Technology (SCOT) and the University of Swaziland (UNISWA). SCOT now produces AAT Level I bookkeepers and Level II accountants. It plans to offer Level III, a higher and more specialized set of finance skills. UNISWA trains for AAT Levels I and II plus a B.A. in accounting (Level III with other business/commercial

subjects). A year ago it added a second B.A. track in management. Eventually, the university envisages offering an MBA.

The estimated supply of management and finance personnel trained by local institutions and overseas scholarships from the GOS, USAID and other donors is calculated to reach 1,015 by 1997 for the diploma, B.A., M.A., and Ph.D. graduates. The supply of entry level accountants with certificates will also be augmented. A comparison of the supply with projected 1997 demand leaves about 1,900 positions unfilled.

The overall view of the demand during the next decade, and the present deficient quantity and quality of management and finance graduates from local sources emphasize the need to provide M.A. and Ph.D. training to assist SCOT and UN. SWA to strengthen their programs. The Swaziland economy is growing in complexity as well as in volume. To meet the demands of that growth, these institutions must have teachers that can teach the skills needed now and plan for those that will evolve. They must be able to interact meaningfully with the private sector, to ascertain its needs, and then design programs to fulfill them. Similarly, they must be able to prepare existing managers and finance personnel to assist the Kingdom in its efforts to become more efficient, and thus promote economic growth.

B. Private Sector Needs Assessment

USAID/Swaziland's current development strategy emphasizes a focus on private sector growth, including attention to public policies and administrative practices that support the growth of the private sector. STRIDE will contribute to the achievement of this goal by increasing the ability of Swazis to manage the growth of the country's private sector.

The private sector in Swaziland has grown significantly in the last 5 years to a point where, in 1986, it accounted for 71 percent of GDP, 69 percent of wage employment, and 80 percent of all new investments. Employment in mining has steadily declined and has been replaced by a rise of employment in the manufacturing sector.

Much of the country's recent growth is attributable to a small number of large, foreign-owned and predominately exported-oriented companies that have come into the country, including several that have relocated from South Africa. Although firms employing more than 25 workers represent only 28 percent of the more than 1600 firms registered in the country, they provide 9 out of every 10 formal private sector jobs. Thus, while the economy is comparatively strong overall, it is tied to the fortunes of relatively few large companies.

There is general agreement that the most severe constraint on further growth in the private sector is the shortage of skilled and experienced manpower. The problem exists in a number of occupational areas, but it is most acutely felt in mid and upper-level management positions where as many as 30 percent of personnel are expatriates. The government's 1985 National Manpower Survey projected a need for a 75 percent increase in the number of managers for private and parastatal companies by 1993.

The university and other training institutions in the country do not have the capability at this time to turn out the quality and numbers of graduates needed to meet this demand. The larger companies fill most of their management positions from outside the country, and, as a result, do not invest much of their training budgets on management development. Together, these factors not only affect the growth of the economy in general, but also limit opportunities for Swazis to participate in and control this growth.

Management education and training are widely believed to be a prerequisite to Swazi participation and advancement in the private sector. The most often-cited areas of management training are accounting, financial planning, and personnel management. In addition, business representatives stress the need for training in such management-related skills as problem analysis, strategic planning, communications, supervision, and leadership. MBA programs are generally believed to be the most appropriate type of degree training to meet these needs and to give graduates the most influential opportunities in private companies.

The STRIDE project can help to address the need for management/administrative training through support for U.S. MBA degrees, short-term external training in U.S. universities, business organizations, and private firms, and by continuing to help develop the capabilities of local institutions to provide the kind of management training relevant to the private sector. A minimum number (35 percent) of scholarships should be allocated to private sector participants.

Approximately 11 percent of previous participants in SWAMDP in-country training have come from private sector. Many more could participate, if they saw that the training would meet their needs, and if it was structured in a way that facilitated their participation. In order to increase the likelihood that training will lead to advancement within firms, project leadership should take the steps necessary to build strong relationships between the project and the business community. This can be done in a number of ways. Project leadership should consult with senior managers in companies to identify candidates and map out relevant training programs. Existing business chambers, although still weak organizationally, should be used

to disseminate information about STRIDE training to member companies. Business representatives should be consulted in developing and implementing in-country training programs.

C. In-Country Training Institutions' Capability

Four institutions have some capacity and experience to provide in-country short term training in management under STRIDE. These are: (1) Department of Extra-Mural Services (DEMS), University of Swaziland; (2) Institute of Development Management (IDM); (3) Swaziland Institute of Management and Public Administration (SIMPA); and (4) Mananga Agricultural Management Center (MAMC). All of these institutions provide training in management and various other skills, although each differs in the scope and technical content of individual course offerings.

The existing capabilities of training providers are first discussed in terms of experience in delivering in-country training. Second, each institution's needs are assessed relative to enhancing permanent capability for quality manpower training and skills development in Swaziland.

1. Providers of Short Term Management Training in Swaziland

(a) Department of Extra-Mural Studies (DEMS) of the University of Swaziland

DEMS programs focus on adult education but more recently have started to address the needs of mid-level managers in both public and private sectors. Training courses are usually tailor-made to address a variety of mid-management subjects on such themes as employer motivation, assertiveness training, planning, supervision, leadership, etc. Besides its faculty, DEMS draws on other trainers from the University, the private sector and the GOS. DEMS' training is deemed to be of good quality, but its resources are too limited and its area of emphasis too specialized to consider it a major provider of in-country training under STRIDE.

(b) Swaziland Institute of Management and Public Administration (SIMPA)

SIMPA, located in the MLPS, is the main training arm of the GOS. It has a broad mandate for upgrading government institutions, and focuses on general management and public administration. SIMPA has had difficulty attracting and retaining qualified faculty to carry out its training mandate, limiting its ability to serve as a major source of management training under STRIDE.

(c) Institute of Development Management (IDM)

IDM provides training for middle and senior level managers and administrators in both the public and private sectors in Swaziland, Botswana, and Lesotho. It is a regional, self-governing institution registered as a private company. It has the capability to offer quality training on a broad spectrum of management and technical themes.

The main constraint to using IDM for project-funded training is its lack of facilities, and its present schedule of regional training, which occupies its faculty full time. IDM is, however, an appropriate source for some short-term in-country training under STRIDE.

(d) Mananga Agricultural Management Center (MAMC)

MAMC provides training activities for worldwide clients in the public and private sectors. It is a private organization incorporated under the laws in Swaziland.

Training is given to mid- and senior level officials and executives. MAMC is regarded as one of the strongest training institutions in Swaziland; it conducts training both on-campus and off-site in a wide range of management and skill courses for clients in business, industry, manufacturing, insurance, banking and the public sector. Training is also provided to SADCC and other regional development organizations.

MAMC is considered to be the most qualified and effective source for in-country management training in Swaziland. Constraints to using MAMC for STRIDE-funded training are limited facilities, a full schedule of training, and a regional focus- in contrast to concentrating on the unique training needs of Swaziland.

2. In-Country Institutions of Higher Education

(a) University of Swaziland (UNISWA),
Department of Accounting and Commerce,
Faculty of Social Sciences

The Bachelor of Commerce Program (B. Comm.) at UNISWA provides a four year degree in accountancy and business studies. It also offers a two year diploma in Business and Commerce, and a one year certificate in accountancy, an introductory basic bookkeeping program. The University's highest degree is the Bachelor of Science degree.

There is a widely recognized need for closer liaison between UNISWA and the private sector to address training needs in business and industry. Also, more qualified faculty are needed

to strengthen and broaden the management track in the B. Comm. program to meet the need for middle and upper managers in the private sector.

(b) Swaziland College of Technology (SCOT)

SCOT, Swaziland's primary technical training institution, offers 12 month courses in accounting which are helping to relieve the acute shortage for accounting technicians in both the public and private sectors. Currently, SCOT is offering levels I and II of the British Association of Accounting Technicians course (AAT); it plans to introduce AAT level III in the near future. The success rate of students completing accountancy courses and securing employment is high, as is the demand for increasing enrollments. If the four faculty now teaching accounting courses were increased to eight, AAT enrollments could double to 80 students per year.

SCOT is a sound technical training institution. However, faculty skills need to be strengthened through short and long term external training, before the Level III program can be introduced. All levels of the accounting program need to integrate better computer skills into curricula and teaching methods. More in-depth assessment of private sector accountancy needs should be undertaken, and used as input to strengthen curriculum design.

D. Public Policies and Administrative Practices

Government policies in Swaziland are generally supportive of the business community, and typical inducements are offered to companies who wish to locate in the country. The growth of the private sector in recent years has increased demands upon a number of government agencies whose services are essential to business development and operations.

Larger companies are in a stronger position to effect government policies and practices than are the many smaller businesses. In the longer term, smaller companies can have greater influence on change through business chambers and associations which exist in the country, but are still in early stages of organization. USAID has demonstrated in the SWAMDP Project that it can help the GOS to address administrative constraints on a selective basis.

For example, Mission-funded consultants are currently working with the Ministry of Finance to resolve bottlenecks in the implementation of capital projects. Much of the success of this effort thus far is attributed to the Mission having resources available to respond to this need when it arose. This collaboration with the Ministry of Finance is expected to lead to recommendations for streamlining project identification, management, and monitoring within the Ministry

of Works. In turn, it provides a logical lead-in to help focus some of the in-country training for administrative reform within the STRIDE project in support of private sector growth.

E. Economic Analysis

A qualitative least cost approach was used for the economic analysis; no rate of return could be calculated. The major effects of STRIDE actions will not be felt until some years after PACD. The analysis describes indicators of economic benefit that will be monitored during implementation. Performance against these indicators can be quantified during project evaluations, permitting ex post rate of return calculations for some project components at that time.

Long term external training will be made available to a specific number of people in the public and private sectors. This will improve the financial, supervisory, and general managerial skills of the ministries and firms from which they are drawn. Private sector firms will operate more efficiently and therefore more profitably; public sector institutions will operate more efficiently and thus be able to furnish more and better services at less cost, which will facilitate economic growth. Short term external training is expected to have similar results that will be more difficult to quantify, because of its more limited scope.

In-country training will focus on three areas: specific management skills needed by private businesses, greater efficiencies in government services, especially those that support private sector growth, and improving traditional leaders' administration of community development. The first, management skills, will immediately impact on the conduct of government and business, since the training will address specific needs. The second, public sector efficiency measures, will indirectly promote economic growth through better services to the private sector. Finally, helping traditional leaders to facilitate and promote economic growth in their communities will have an immediate impact on the residents and an indirect impact on the growth of the private sector in the rural areas.

The institutional strengthening component will provide advanced training to SCOT and UNISWA faculty members and help them improve their accounting and management programs. These changes are expected to result in more and better prepared students. Graduates in turn, will function more effectively and efficiently in their future public and private sector positions, resulting in greater profits for businesses and improved and lower cost government services.

While the components of STRIDE and the parameters for selection of participants are well defined, specific participants will be selected during implementation. Therefore, no rate of return

analyses can be calculated at the design stage. However, by the time of the midterm and final evaluations, the participants and their private and public sector origins will be known. During the implementation of the project, information will be collected on the positions and salaries of the long term participants. Changes in these indicators of productivity will be monitored when the participants return to their jobs and adjusted for inflation. Both measures (change in position and salary) can be quantified to yield interim measures of economic impact. Further, information from the participants and from their employers on effects already noted in the conduct of business or government will be valuable qualitative measures of impact.

The impact of in-country training will be assessed by feedback from the participants and their employers on changes that occurred because of the training and probable future impact. The impact of traditional leaders' training can be assessed by actions already taken to improve the conditions for community development, and descriptions of new or improved businesses attributable to the training...

A proxy measure of increased productivity from institutional strengthening activities can be calculated from the position and salary changes of faculty and graduates. The number of students prepared before and after the project can also be reported as an indirect measure of impact. Estimates of applicability of the training, and probable impact on business and government can be obtained to calculate minimum returns from the project.

Presumed lost income because of the inability of a country to produce efficiently is one of the results of insufficient education at any level. From past research, there is good evidence that a country just beginning to educate its citizenry obtains the greatest overall returns to investment from primary education. While the returns are relatively lower for investment in secondary and tertiary education, they are necessarily large and important. Using wage/salary differentials as proxy measures for increased productivity due to higher education in the 1970's, rates of return from investment ranged from 12 to 18 percent for higher education (World Bank, 1988). The rate in Swaziland may be even higher because of its rapidly expanding economy. The recent influx of expatriates to fill jobs, for which no Swazi was found capable, attests to the eventual returns from providing training for management, finance, and administration. STRIDE has the potential to affect substantially the economic returns for the nation.

F. Social Soundness Analysis

The direct beneficiaries of the project will be: (1) the approximately 47 Swazis trained for an external degree; (2) 660 Swazis from the modern sectors of business and government trained in-country, and (3) nearly 1,800 traditional leaders. The indirect beneficiaries include the families of the direct beneficiaries (perhaps as many as 18,000 persons), the students who benefit from the expanded and improved instruction at SCOT and UNISWA, and the large number of citizens who will benefit from the improved government services and the enhanced productivity of private businesses. Direct beneficiaries, from both public and private sectors, are a part of the formal economy and represent mostly middle and upper economic levels, but many of the indirect beneficiaries of enhanced public and private sector productivity are from lower economic groups: laborers, small farmers, and the unemployed. In the training given to the traditional sector, however, a high percentage of direct beneficiaries will come from the informal sector and from lower economic ranks. Through the traditional leaders' training component, many opportunities will be opened or expanded for the rural poor.

STRIDE is not culturally obtrusive; it does not introduce totally new technologies nor require new behaviors, or changes in existing practices. It does not entail much social or cultural risk. The project will build on a firm foundation of pre-existing external and in-country training. Past traditional leaders' training has enabled chiefs to maintain cultural traditions while absorbing many new ideas and practices of the formal modern sector. The STRIDE project is socio-culturally feasible.

The Mission has set a target for 35 percent women participants in external training. This target will be a challenge, but it will materially strengthen women's upward social and economic mobility. Short term in-country training for the private and public sectors will include short courses for women managers that address the special needs of women in Swazi society who supervise male staff members.

The rapid economic growth of Swaziland has increased the demand for skilled managers, administrators, and financial specialists, but insufficient numbers and quality of graduates are being trained in the country to meet these demands. This has slowed down GOS efforts toward localization. STRIDE will contribute to localization by preparing more and better trained Swazis to fill these vacancies and replace expatriates in middle and upper levels of management, administration, and finance.

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TABLE 1

INCREMENTS TO DATE

ILLUSTRATIVE OBLIGATION BUDGET (DOLS)
SWAZILAND TRAINING AND INSTITUTIONAL DEVELOPMENT

645-0231
(\$000s)

Inputs	Authorized		Obligated thru 05/31/90		Total Obligations	
	AID	GRANTEE	AID	GRANTEE	AID	GRANTEE
Technical Assistance	3970	305	948	51	948	51
Participant training	3464	922	710	150	710	150
In Country Training	550	916	90	170	90	170
UNISWA Linkage	1023	226				
SCOT Linkage	484	112				
Proj. Mngt	151	760	15	120	15	120
Commodities	58	99	58		58	
Evaluation/ Audit	300			4		4
Total	<u>10,000</u>	<u>3340</u>	<u>1821</u>	<u>495</u>	<u>1821</u>	<u>495</u>

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Drafted by Valencia Msibi, August 12, 1991 (0172D) *VBMsibi*

Clearances:	PROG/JBednar	Date	
	HRGDO/PFine	<i>RC</i>	Date <u>9/19/91</u>
	RLA/TRiedler	<i>TR</i>	Date <u>19/9/91</u>
	FM/CBrooks	<i>CB</i>	Date <u>20/9/91</u>

Appropriation: 72-1111021, 72-111/21014
 Budget Plan Code: GDEA-91-21645-JG13, GSS1-91-21645-KG13
 Amount: \$70,719, \$1,100,000
 Res. Control No. X910066, X910067
 Reference: STATE: 304224 of 9/16/91
 STATE: 304496 of 9/16/91

FUNDS AVAILABLE: *Maha Mugh* 
CONTROLLER, USAID/SWAZILAND

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