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AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID MISSION TO SWAZILAND

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14 FEB 1994

Mr. Keith Brown
Director
AFR/SA
Agency for International Development
Washington, D.C. 20523

Dear Keith,

USAID/Swaziland has been concerned over the past year, or more, with the API for the 1990 through 1995 program. When we first looked at the current formulation, we realized that there were many problems. The API, as it is currently structured, is simply not workable. To accomplish the stated intentions of the system would require a major redesign, and even with major redesign, there is real doubt that sufficient data is available, or could be generated without a substantial investment in new data systems, to meet the stated intent, i.e. measuring macro effects of the AID program through FY 1995.

Some of the problems, or reasons for the problems, are obvious. For example, the API assumes a major new NPA Population/Family program. The Mission was not able to reach agreement with the GOS on NPA and it was dropped as a new initiative at the end of FY92. Attributing significant national effects on population policies or growth rates to an NGO program which ends in two years is simply not realistic. Our belief, confirmed by a major evaluation in 1993, is that the Family Health Services project is extremely effective. Project outputs can be measured to demonstrate this. However, what the API asks for is measurement of effectiveness beyond the project outputs. We believe there is a good case to be made that, over the long term, there will be positive effects from the very effective Information Education and Communication (IE&C) campaign. Demand for FP services will increase and, the GOS will be induced to use their extensive network of health facilities to deliver FP services more effectively. However, we have not been able to fit this into the API framework which calls for quantitative indicators of the effect by 1995.

The API was formulated while several other projects were either still under design or in very early implementation stages. Some of the indicators which were proposed in the API design have proven to be either inappropriate for the project as finally designed or beyond the capacity of the project to generate or collect.

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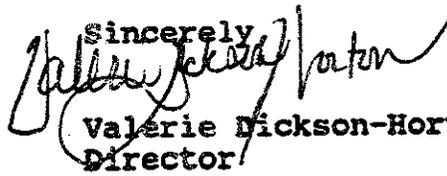
We have also had a problem in finding some of the data which was proposed in the API to measure higher level impact, beyond the project level. We have not been able to find where the designers of the report proposed to get this information. In many instances we have been looking for other data to meet the need but have not yet been able to find it. We have had further problems in understanding some of the purported causal links from the project outputs to the macro indicators.

If we were dealing with a continuing program, it would have made sense to devote major personnel and financial resources to redesigning the objective tree and the indicators and, possibly, to developing new systems to generate the needed data. It does not seem prudent to use scarce resources for these purposes for a program which will end in approximately two years.

We have tried over the past year to use the PIR process, the scheduled evaluations, and project redesign efforts to help in finding ways to meet the API requirements in a meaningful way without undertaking a costly effort, just for the API. While we may have had some success in improving project level measurements, we have not been very successful in finding suitable or feasible indicators of impact above the project level.

As reviewers will see, we have had to drop some of the indicators and modify others. Section III of the report provides explanations for the changes. On a more positive note, we have been able to provide more gender specific data for a number of the indicators, and we believe that this reveals some progress in bringing more women into the development process.

Sincerely,



Valerie Dickson-Horton
Director

ASSESSMENT OF PROGRAM IMPACT
USAID/SWAZILAND, JANUARY 1994

SECTION I. SPECIAL FACTORS AFFECTING THE USAID PROGRAM

A. FACTORS EXTERNAL TO AID

1. Restrictions on GOS capital and recurrent expenditures.

While Swaziland is still relatively well off compared to most of sub-Saharan Africa, donors and some elements of the Government of Swaziland (GOS) have become increasingly concerned over the past two years about the rapid declines in key economic indicators. While there is disagreement about the precise numbers, IMF, World Bank and GOS data all reflect slowing of the GDP growth rate and a decline in 1992. Although there were major fluctuations from year to year, the average annual growth in the GDP over the five years from 1985 to 1990, was about 4.4%. All estimates for 1992 indicate a decrease in GDP. The IMF estimates a decline of 2.6% and the Central Bank of Swaziland estimates a decline of 1.9%.

There is increasing concern among government officials that Swaziland will be subjected to an IMF adjustment program. Some elements of the GOS recognize an urgent need to control government spending and to increase revenue collection. Receipts from the South African Customs Union, (SACU), which have traditionally accounted for over half of the GOS tax revenue, have been stagnant over the past three years and there is some apprehension that they may decline with the anticipated political changes in South Africa.

The GOS current and capital accounts, which have shown a healthy surplus for most years since independence, are now projected by the IMF to have a 76.5 million Emalengeni deficit in budget year 1992/93. Current account expenditures, which through the late 80s averaged from 17% to 19% of GDP each year, are estimated by the IMF to have climbed to 20.4% in 1991/92 and 26.7% in 1992/93. Over half (55%) of the increase in current expenditures from fiscal year 1990/91 to fiscal year 1993/94 is attributable to rapid increases in the public sector wage bill.

(Sources: Central Bank of Swaziland Annual Report for Financial Year 1992-93, May 1993; Swaziland Public Expenditure Review, World Bank, July 1, 1993; Swaziland - Statistical Appendix to Staff Report on 1993 interim Article IV consultations, March 29, 1993.)

Attempts by the GOS to reduce expenditures will likely have effects on USAID and other donor programs. Both the donors and the GOS are increasingly concerned that new projects and programs must not require significant increases in government positions to implement the project. At the moment, there is one effect on USAID's program which is immediately apparent. News reports indicate that the Ministry of Education was informed in early January that only 88 new teaching posts will be allowed this year, rather than the 700 which had been planned. This implies a worsening rather than improvement of the teacher/student ratio

which is currently one teacher per 50 or 60 students in the primary grades. While this crisis in the primary education budget should have little, if any effect on the achievement of project outputs under the Education Policy, Management and Technology (EPMT) project, there will be effects on the longer term impact of AID's interventions in the sector.

While it is too early to be sure whether this specific restriction will hold or be reversed or mitigated, it does seem clear that GOS budgets for many development projects will be curtailed over the next few years. The overall effects on AID and other donor development initiatives can not yet be predicted but will need to be carefully monitored.

2. Political Developments

In October 1993, Swaziland held elections for parliament under a new system which allows for more direct election of the majority of parliamentarians. The new cabinet has been appointed and is functioning but the new parliament has not yet met. While some of the new ministers have made some very positive statements about development problems, it is too early to see whether these statements can be turned into action. We may be better able to judge the omens for development impact after parliament meets and the budget for the coming financial year is approved. The King has said that, following the recent political reforms, the next priority is to formulate a strategy for economic development.

B. INTERNAL A.I.D. FACTORS

The possible long term impact of the USAID program will be affected by the decision to phase out AID's residential presence by the end of FY 1996. Rather than looking to following up on lessons learned from the current program, most of which will end by mid 1996, and building on successes of the projects, we are now in a somewhat different strategy of trying to find ways to assure sustainability of current programs, particularly in family planning and in small and medium business development, and designing a new program which can be managed without and A.I.D. staff in country. The long term impact will depend largely on the success of strategies to sustain such AID created institutions as the Business Management Extension Program (BMEP), the Swazi Business Growth Trust (SBGT), and the Family Planning Association of Swaziland (FLAS).

SECTION II. PROGRESS TOWARDS OVERALL PROGRAM GOALS

The stated goal of the Swaziland program is to "Expand Swaziland's accelerating economic growth into a process of equitable and sustainable development that enhances the quality of life of all Swazis."

As noted in Section I, the assumption that Swaziland's economic growth is accelerating now appears dubious. While we do not have any new data to measure distribution directly, GOS statistics

show that growth is mainly in the larger industrial sector and in estate agriculture. The small farmers, without access to irrigation were the most affected by the drought in 1992. In the last two years inflation has hit hardest on the lower income groups. Data from the GOS Central Statistical Office show that the Consumer Price Index increase from 1992 to 1993 was 13.6% for lower income groups and 11.5% for middle and high income groups. The largest increases were in basic foods and health care. (Source: Swaziland Government Statistical News, Central Statistical Office, August 1993.) This data provides a strong indication that the disparities between urban and rural populations persist and that the distribution of income and benefits remains skewed.

It remains to be seen whether the political changes which were initiated during 1993 will increase the will and ability of the GOS to address these problems. On the positive side, the GOS remains committed to private sector led growth and has encouraged USAID programs such as SBT, BMEP, and CAPM, as well as similar programs funded from other sources which are targeted to lower income groups.

The rate of population growth is a major constraint to increasing per-capita incomes and the quality of life of the majority of Swazis. Despite the inability to reach agreement with the GOS on NF in family planning, we believe there is progress in this area. The perception both in the government and in the general population that the rapid population growth is a major impediment to development and national well being seems to be increasing. There is increasing commentary in the press, by both government officials and the general public, linking problems such as inadequate health care and education facilities to rapid population growth.

The new Minister of Health has made numerous public statements about the importance of increased attention to family planning as well the need to accelerate programs for AIDS prevention and treatment. We are awaiting the new budget to see whether this increase in support will be manifested in higher budget allocations for such concerns.

During the past year, there has been a noteworthy success, outside of the strategic objectives, in improving the lives of Swazi people. This was in the response to the drought emergency. The USG was the major contributor of food for the drought relief effort, contributing a total of 21,500 MT of maize through the World Food Program toward a relief effort which reached nearly 400,000 Swazis. The Mission also took the lead in a drought recovery program under which OFDA granted \$1,866,000 through WFP for a program to provide agricultural inputs to approximately 13,000 homesteads which had lost their resources in the drought. The assistance allowed these families to plant maize in the 1992-1993 growing season and, to a large extent, regain their self sufficiency. Additionally, this program demonstrated that the

productivity of small, dryland farms can be dramatically increased with relatively modest increases in inputs such as improved seeds and fertilizer if these inputs are complemented by competent extension services. The successes of this program have been documented in several evaluations.

There has also been notable progress since the last API report in the HIV/AIDS prevention area, which is shown on the objective tree as a target of opportunity. In late 1992, the GOS established a national AIDS program within the Ministry of Health and appointed a highly qualified Swazi to head the program. A GOS/UNDP sponsored survey of HIV prevalence, released in December 1993, has stimulated a great deal of renewed interest in the problem. In recent weeks, the subject of AIDS has come into the spotlight with greatly increased coverage in the local media and numerous public statements by the new Minister of Health. The GOS is working to develop a workable strategy to address the AIDS problem. They have invited a wide variety of donor organizations, GOS ministries, NGOs, and members of the public to a conference, scheduled for February 1994, to review and comment on the draft strategy.

SECTION III. PROGRESS TOWARD STRATEGIC OBJECTIVES AND RELATED INDICATORS

(N.B. Numbers in the table which appear in parentheses are actuals)

STRATEGIC OBJECTIVE 1. Increase Contraceptive Prevalence Rate

While the targets and indicators for this S.O. are fairly narrowly defined to measure the effect of the FLAS program, there are other unquantifiable indications of progress toward the sub-goal of reducing the population growth rate which can, at least in part, be attributed to the information and education work done by FLAS.

After several years of indifference to the concept of commercial marketing for contraceptives, the GOS wrote a letter in 1992 pledging their support for the SOMARC program.

The FLAS target of introducing family planning programs in five industrial clinics was met in 1992 when the program was installed in the sugar plantation clinics, the five largest employers in the country. In 1993, at the request of four smaller industries, FLAS assisted them to initiate FP programs in their clinics. Within the last six months, FLAS has received requests from the large forestry plantations, citrus growers, and a mining company for assistance in initiating FP services.

Two years ago, when FLAS invited physicians in the country to attend a one day, weekend "Contraceptive Update" workshop to discuss technical information and advice on contraception, no one responded. In 1993, FLAS set up a workshop, anticipating that

nine doctors would attend. Nineteen showed up on Saturday and requested that the workshop be continued through Sunday.

STRATEGIC OBJECTIVE 2. Increase the Number of Swazis who effectively direct, manage and participate in National Development.

While we have been able to get data for indicator 2 for the strategic objective and for the two indicators for Target 2.1, we do not think they measure impact of USAID's EPMT project. The EPMT is introducing continuous assessment and criterion based testing (i.e. tests which measure each student's grasp of key concepts in the curriculum and pinpoint areas where remedial training is required) in two subjects, math and English. It would not be reasonable to anticipate positive effects on student achievement before the new system has been fully installed and operating for several years. The impact of the EPMT activity on the kinds of indicators in the API will only be after several years, beyond the end of the project in 1996, if the systems introduced by the project are institutionalized and expanded by the Ministry of Education.

Nevertheless, we believe there are strong indications that the concepts of the project are having an effect and that the prospects for institutionalization are good. Initial fears that parents would not understand, and would resist continuous assessment reporting have proven to be unfounded. Continuous assessment reports on each child's mastery of specific subjects and notes areas for improvement in lieu of the traditional report card which ranks each child by his or her standing in the class. Parents attending meetings where the new kind of reports in math and English were presented were quick to grasp the concept of the new system and enthused about its benefits. They demanded to know why similar reports could not be made for other subjects. As a result of parental interest, the MOE agreed to provide an expert who would institute the system for other subjects as quickly as possible.

MOE officials have seen the value of the data which can be provided to decision makers by the Management Information Systems (MIS) installed by the EPMT project. After presentations by the MOE in various planning and budgeting meetings, the Ministry of Economic Planning has recommended that other ministries follow the MOE lead in collecting relevant data for better decision making and resource allocation. This represents a change of nearly 180 degrees in the central ministries' views of the MOE compared to other line ministries.

The data for Target 2.4, indicator 1 show that the projected numbers for community leaders trained were exceeded in FYs 1991 and 1992. However, the program came to a standstill in 1993 because community leaders were preoccupied with drought relief activities and with preparations for the national elections. The Mission anticipates resumption of the activity in 1994 with

training of community leaders in support of the farmer organizations which are engaged in the CAPM program. With the installation of the new, elected parliament, we have received several requests for training of parliamentarians, most of whom have had no experience in government. We will consider using some of these training resources to meet critical Democracy/Governance training needs.

The second indicator for target 2.4 is being dropped because data is not available, as indicated in Annex A. However, we are able to get some idea of progress in this area by looking at the number of business training courses requested and provided by BMEP in rural areas. People trained in rural areas has increased dramatically from 17 (6 male, 11 female) in 1991 to 202 (50 M, 152 F) in 1992 and 326 (124 M, 202 F) in 1993.

STRATEGIC OBJECTIVE 3. Expand the Swazi-owned small business sector.

While we are trying to get data from the National Provident Fund (equivalent to Social Security system) to measure the growth in employment nationally, there are positive and quantifiable results at the project level. About 70% of the 100 self employed entrepreneurs with whom the BMEP has worked in the past three years have been able to expand and hire additional people. This group now employs a total of 235 additional people, an average of 3.5 new employees per enterprise.

In the absence of national data on the growth of sales and/or assets for small businesses, it is worth noting that the 29 firms which have established a relationship with SGBT (i.e. those which have used services over a period of a year or more), have shown an average increase in profit of 43% and an increase of liquid assets of 30%.

As shown in the table under sub-target 3.2B, business associations, with SGBT assistance, have exceeded expectations in sponsoring forums where members could share concerns and views among themselves and with other key organizations. The four fora in 1993 covered: Housing Policy, Transport Policy, Access to Credit, and Tendering Processes. All of the conferences brought together small and large businesses and the relevant GOS ministries.

Some of the results of these conferences and of other project efforts to increase communication between small business suppliers and GOS and large business consumers can be seen in the data reported for sub-target 3.3A. The numbers of small businesses which have been able to secure contracts and sub-contracts with government and large companies has greatly exceeded initial project expectations.

There are several positive developments in the area of this strategic objective which are not quantifiable and do not show up in the indicators. There have been numerous attempts in the past, primarily by the government, to assist the small business

sector. Most of these have encountered problems and failed. There remained a strong skepticism about the possibility of working with small businesses. The BMEP and SBTG programs are demonstrating that with proper management, small business training and financial services can be effectively delivered. When BMEP began operations in 1986, they had trouble attracting clients for free training courses and advisory services. In 1992, they began charging fees for these services and, although the fees represent a substantial outlay for the micro-enterprises which they serve, the demand for the services continues to rise.

In provision of credit to small businesses, the high cost of administration for small loans has always been a major problem. SBTG has introduced a new technology, the "Smart Card" to Swaziland and Southern Africa. This low cost electronic technology can reduce the time and the cost needed to administer small loans. Both commercial banks and other government assisted loan schemes are beginning to pick up on this cost saving technology. SBTG's lending history is still fairly short but the 100% repayment rate on the 140 loans made to date, helps to dispel the long standing prejudice that small business loans necessarily require a high rate of write-offs.

ANNEX A. CHANGES IN TARGETS AND INDICATORS

STRATEGIC OBJECTIVE 1, Increase in the contraceptive prevalence rate.

Second indicator - Couple Years of Protection. (CYP) This indicator is being dropped from the S.O. level but retained at the Target level. The measurement of CYP at the S.O. level was based on the start-up of a program in GOS clinics. Since this will not be a part of the program, the indicator has been limited to the industrial clinic program, Target 1.4.

Target 1.1, Increase in the Family Planning services provided by the Ministry of Health, was based on the Family Planning NPA which was being designed when the last API was submitted. After extended negotiations, the Mission reluctantly concluded that we could not reach agreement with the GOS on this program. The money was reprogrammed for an extension of the FLAS project. Therefore, the target and associated indicators are being deleted from the API.

Target 1.2, Increase commercial availability of contraceptives.

The indicator for this objective was formulated before the SOMARC program, to implement the objective, was designed. Now that the design is completed, we are revising the indicator to measure the number of condoms sold through new commercial outlets rather than the number of new commercial outlets. This appears to be a more direct measure of the project's effectiveness and utilizes data which the project will be collecting.

Target 1.3, Increase community-based distribution/sales of contraceptives. This would have been a component of the proposed NPA and is therefore deleted from the API.

Target 1.4, Increase Family Planning services provided through industrial clinics. We are adding two additional indicators for this Target. In addition to CYP in industrial clinics, we will be tracking new FP acceptors in the industrial clinics and the number of condoms distributed through the industry based program. We believe this additional measure will enhance the understanding of program effectiveness. Also, the number of industrial clinics (5) is being deleted from the indicator. FLAS has exceeded the original design and is now working with 9 clinics and will probably be able to add several more during the life of the project.

Target 1.5, Increase understanding of family planning among adults under 45 and students. With completion of project design, the indicators for this target have been refined, and disaggregated to measure effectiveness of specific messages. Also note that indicator number 2 is geared for males.

STRATEGIC OBJECTIVE 2, Increase the number of Swazis who effectively direct, manage and participate in national development.

Indicator No. 1, Increased proportion of Swazis in mid-senior management positions is being dropped. The Central Statistics Office (CSO), which is shown as the source of the data, does not collect data in the format required. The definition used by CSO for "Management Position" is not relevant to what we are trying to measure and there is no breakout by level of management. USAID has not been able to identify another source for similar data which could measure the desired effect.

Target 2.1, indicator 1 will need to be modified because: a) the main component of the project which directly affects this indicator, i.e. continuous assessment, was delayed by a year when the Ministry of Education was not able to fill the positions required for implementation, and b) the mid-term evaluation of the project in mid 1993 recommended that the project be redesigned to focus on grades 1 through 4 rather than 1 through 7 as was proposed in the original design. Also we have changed the language from "Standardized tests" to "Criterion referenced tests" since the objective of continuous assessment is to move away from standardized tests.

The quantifiable, measurable impact of the project will be slight during the life of the project. Under the new schedule, the baseline data for grade 1 was collected in 1993 and is now being analyzed. In 1994, the baseline data for grade 2 will be collected and the first year of continuous assessment test results for grade 1 will be available. In FY 95, baseline data for grade 3 will be collected and test results for grades 1 and 2 will be available. Further, it is unrealistic to expect improved test results in the first year after a shift from standardized testing to criterion referenced testing. We are projecting an improvement for grade 1 in FY 1995 which will be the second year under the new system.

Target 2.2, Improve the effectiveness of Swazi mid-senior managers. The description of the indicator has been revised to more accurately describe the data which is being collected. Although the description referred to percent of Swazi managers, the data was clearly absolute numbers and not percentage. The data being collected is not changed.

Target 2.4, Indicator 2, increased number of requests received by Community Development agents (CDs) for assistance with business related activities, is being dropped. There is no central collection of data by which this indicator could be measured, getting any realistic numbers would involve contacting community development agents throughout the country.

STRATEGIC OBJECTIVE 3, Expand the Swazi-owned small business sector.

Indicator No.1 has been modified. The accuracy of the initial baseline is dubious and, in any case, there is no way to provide a comparable annual measure without special studies which would be prohibitively costly. We have therefore substituted data from the Registrar of Companies, in the Registrar General's Office of the Ministry of Justice. The data represent the number of companies registered and operating each year. We can not disaggregate the numbers by gender and the totals include large and small companies. However, the number of large Swazi-owned companies (over 50 employees) in Swaziland is so small that the total growth can be almost entirely attributed to small companies.

Indicator no. 2 is being modified. The data as presented in the current table are not available. SGBT has recently gained access to the data base of the National Provident Fund and we believe that meaningful data to measure employment growth in small businesses nationally can be extracted from this data base. The number presented for 1993 comes from SGBT's analysis of the National Provident Fund data. The data is for 2,070 registered companies of which 1,865 have 1 to 50 employees. The 1,865 small companies employ 15,693 people or an average of 8.4 employees per company. However, some further information is needed from the Provident Fund regarding how the data was entered before, similar numbers for prior years can be extracted. SGBT, in cooperation with the fund, hopes to get the required information in the next few months. If we can continue to get access to the Provident Fund's data, collection of future annual data should be relatively easy.

Indicator no. 3 is also being modified for the same reason, the data is not available from the source cited. The Mission believes that there is data in the GOS Tax Office which could provide relatively good information on growth in sales, but we have not yet been able to secure the data.

Indicator no. 4, which intended to measure the gross value of small farmer fresh produce sales has been modified. The project was not able to collect reliable data to measure progress in this indicator because a significant amount of production is sold informally. We propose to look at export sales by small commercial farmers. This together with the next indicator which tracks imports of similar produce, will give an approximation of the same effect. The export increases can be largely attributed to CAPM activity since the project works with over 90% of the small commercial vegetable growers in the country.

Target 3.1. Indicator No. 2, which measured tonnage per hectare produced by project farmers has been modified. The tonnage produced per hectare is highly variable depending on what crop is being grown. The aim is to improve the small farmers income

by growing high value crops which meet market needs. Therefore, it seems more reasonable to measure income per hectare than tonnage per hectare.

Target 3.2. The business associations have not been able to provide the data for this indicator. SBTG has been working with four business associations and has recently begun to provide them with assistance in management information systems. We hope this data will be available in FY 1994. Note, however, that indicators for sub-targets 3.2 A and B also demonstrate progress toward the stated Target 3.2, to strengthen business associations.

Target 3.3. Increase access to markets.

The indicators for this sub-target have been modified or eliminated. For the first indicator, it has been found that the markets for which linkages have been established through 1993 can easily absorb the produce of the target farmers. The emphasis is now on strengthening existing market linkages and assuring a reliable supply so that the established markets will continue to demand Swazi produce.

Reliable data for the second indicator, produce supplied to domestic markets, has proven impossible to collect. In the absence of any significant changes in domestic consumption, the desired impact should be captured by the measurement of decreases in imports of fresh produce and the increases in farmer income as shown in the Strategic Objective indicator and the indicator for Target 3.1.

The third indicator, Increase in # of project assisted small businesses offering new types of products and services, is being eliminated. Experience in both BMEP and SBTG projects has shown that there is sufficient room for expansion in markets for the goods and services which small businesses are already producing. Attempts to induce small businesses to move into other products have not proven to be an efficient use of project resources. BMEP has, in fact, decided that they need to focus their services more narrowly on businesses which deal in a smaller number of products and services.

Sub-target 3.3 C. Although the subtarget remains the same, the indicator has been changed to reflect redirection of the project following the 1993 evaluation. The project no longer works with marketing firms but intervenes in the marketing chain at the level of farmer associations. Thus, the indicator will measure effectiveness of the farmer organizations in marketing produce.

Sub-target 3.3 D. The 1993 project redesign eliminated the effort to penetrate specialty markets. The target for FY 1994 has been dropped.

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	Planned and (Actual) FY93 Report			FY94	FY95
					FY92	FY93			
Strategic Objective 1 Increase contraceptive prevalence (CP) rate	1. Increase CP rate Source: Population Survey 2. (DELETED)	17% (1988)			22% (22%)				30%
Target 1.1 (DELETED)									
Target 1.2 Increase commercial availability of contraceptives.	Condoms sold through new commercial outlets (thousands) Source: SOMARC project data	0 (1992)					334		401
Target 1.3 (DELETED)									
Target 1.4 Increase family planning services provided by industrial clinics	1. Increase CYP in industrial clinics 2. New FP acceptors in indus. clinics 3. Condoms distributed by indus. based distributors (thousands) Source: Project Data	0 (1992) 0 (1992) 0 (1992)				(2,447) (1,841) (87.7)	2,725 2,025 105.3		2,898 2,228 128.3
Target 1.5 Increase knowledge of family planning among adults under 45 and students	1. Knowledge of FP benefits 2. Reduction of misunderstandings and fears among males about contraception 3. Enlightened attitudes about FP, STD treatment and HIV/AIDS 4. Improved knowledge and attitudes about sexual responsibility and FP among teenagers. Source: FHS Project reports	(June 1994 KAP study will establish baselines. Sample surveys conducted every 6 months thereafter will measure progress)							

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	Planned and (Actual) FY 93 Report					
			FY90	FY91	FY92	FY93	FY94	FY95
Strategic Objective No. 2 Increase the number of Swazis who effectively direct, manage and participate in national development	1. Increased proportion of Swazis in mid-senior management positions (DELETED) 2. Increased number of children who complete 7 years of primary school on time.	1988 (85) CSO Nat'l workforce survey	85% (N/A)	85-88 (N/A)	86-87 (N/A)	87-89 (N/A)	89-92	92-95
		160/1000 (1988)	160/1000 (172/1000)	160/1000 (178/1000)	160/1000 (143/1000)	170/1000 (N/A)	180/1000	200/1000
Target 2.1 Improve the quality of basic education	1. Improved student achievement in grades 1-4 math and English measured by criterion referenced tests. 2. Fewer children drop-out of primary school	N/A	N/A	N/A		Baseline established for grade 1	Baseline established for grade 2	10% improvement grade 1 and baseline for grade 3
		46% (1988)	46% (35%)	46% (35%)	46% (41%)	42% (39%)	38%	36%
Target 2.2 Improve the effectiveness of Swazi mid-senior managers	1. Number of Swazi managers who complete academic and technical training	N/A	N/A	10 long term fellows (degrees training US) (10)	16 STT (US/TC) (11) 10 LTT US (11) 120 In-C (448)	8 STT (US/TC) (10) 10 LTT (US) (13) 120 In-C (967)	8 STT (US/TC) 10 LTT 120 In-C	8 STT (US/TC) 4 LTT
Target 2.3 Strengthen business education in tertiary institutions	2. Increased number of Bachelor of Commerce graduates 3. Increased number of students studying A&T level III at SCOT 4. Number of students trained in computer applications for business - Source: SCOT, UNISWA, STRIDE 5. Increase number of qualified business faculty (MS or better)	45 (1990) 0 (1992) 0 (1990) 40% Unqualified (890)	45 0 0 (40%)	52 (50) 0 0 (10) 40% (5%)	52 (52) 0 320 (289) 30% (0%)	53 (50) 20 (20) 440 (480) 20% (0%)	88 25 580 0	127 25 580 0

OBJECTIVE TREE OF USAID/SWAZILAND

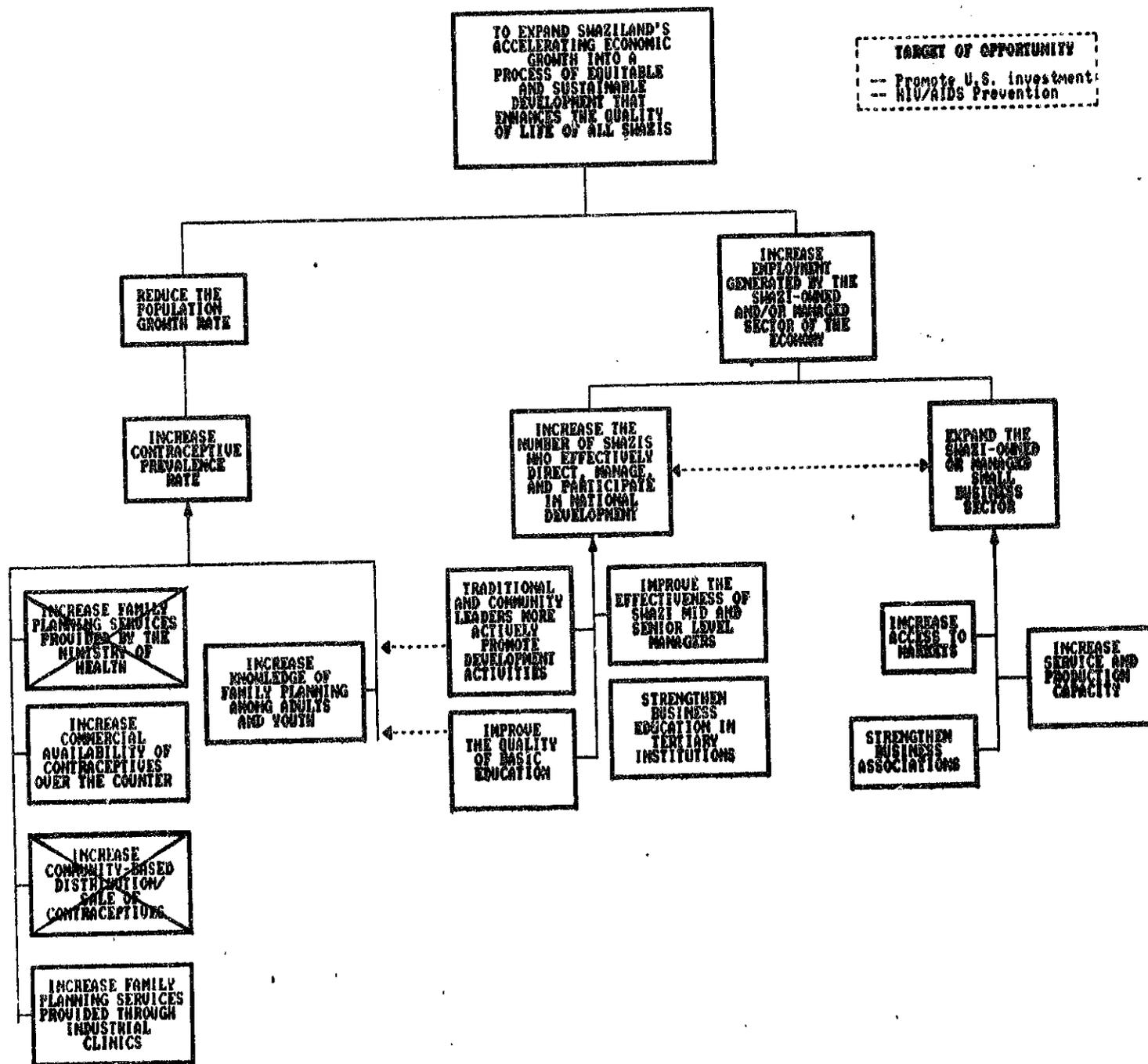
JANUARY 1994

COUNTRY
PROGRAM
GOAL

PROGRAM
SUB-GOAL

STRATEGIC
OBJECTIVES

TARGETS



Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY80	FY91	Planned and (Actual) FY 93 Report FY92	FY 93 Report FY93	FY94	FY95
Target 2.4 Traditional and community leaders more actively promote the economic development of their areas	1. Increased number of leaders trained in economic development	0 (1990)	0	0 (73)	30 (65)	435 (0)	450	450
	2. Increased number of requests received by CD for assistance with business related activities (DELETED)	(DELETED)	0	0	8	8	10	10

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	Planned and (Actual) FY 93 Report					
			FY90	FY91	FY92	FY93	FY94	FY95
Strategic Objective No. 3	1. Increase # of Swazi-owned small business (Calendar Year data) Source: GOS Registrar of Companies	634 (1990)	(634)	(678)	(791)	(920)	1,200	1,500
Expand the Swazi-owned small business sector	2. Increase in employees of small (1 - 50 employees) businesses (To be modified) Source: National Provident Fund	Ave. 2.12 (1991 (excluding owner)		2.72 (N/A)	2.79 (N/A)	2.86 (8.4) (1,865 Cos.)	2.93	3.00
*Defined as having at least one paid employee in addition to the owner and a fixed place of business	3. Increase in number of businesses having 5-50 employees with increased sales or assets (To be modified) Possible Source: GOS Tax Records	Est. 500-1000; to be refined during FY 92			(Refined Baseline)	6%	15%	25%
	4. Exports of vegetables produced by Swazi small commercial farmers (MT) Source: CAPM Project	Negligible (1991)			(128)	(300)	1,000	1,500
	5. National fresh produce imports (Annual, calendar year) Source: NAMBoard	23,357 metric tons (1990)	(23,357)	(20,768)	22,082 (21,878)	21,282 (N/A)	20,582	
Target 3.1								
Increase service and production capacity	1. No. of SBD assisted firms which increase capital and net worth Source: SBD project	0 (1992)			0	(21)	+15%	+25%
	2. Average annual income/per hectare for project farmers. Source: CAPM Project	E3,000 (1991) CAPM baseline study		(E3,000)	(N/A)	(E4,500)	E6,300	E8,500
Sub-target 3.1A								
Increase access to institutional credit	1. Increase in project assisted institutional loans extended to small business and farmers (of which female) Source: SBD/CAPM, RMEP, Central Bank	19 (1988)	(29) SSE	303 (32) SSE	353 SSEs (270, (102F)) 3 firms (3) 15 farmers (15, (2F))	403 SSEs (403, (125F)) 5 firms (3) 24 farmers (20, (3F))	453 SSEs 33 farmers	503 SSEs

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	Planned and (Actual) FY 93 Report					
			FY90	FY91	FY92	FY93	FY94	FY95
Sub-target 3.1B Improve business management skills	1. Increase number of people trained Source: SBD, BMEP, CAPM projects	28 Male, 35 Female (1991)		300 (28 M, 35 F)	900 (309 M, 307 F)	1,300 (601 M, 484 F)	1,800	2,300
Sub-target 3.1C Accelerated irrigated small farm technology transfer	1. No. of farmers adopting new technologies annually 2. Introduction of new horticultural crops Source: CAPM Project	0 (1991) 0 (1991)		5 (0) (1)	65 (100:84M,16F) 10 (6)	100 (168:126M,42F) 15 (17)	135 18	260
Target 3.2 Strengthen business associations	1. Increase in paid membership (% of member paying dues) Source: SBD project	To be estab. by SBD project FY94			(Baseline) (N/A)	20% (N/A)	40% (Baseline)	60%
Sub-target 3.2A Increase services provided by business associations	1. Increase in programs provided to members Source: SBD project	5 (1992)			(8)	40 (51)	50	140
Sub-target 3.2B Increase business association initiation and participation in policy dialogue	1. Increase in forums for dialogue Source: SBD project	0 (1992)			0	1 (4)	2	3
Target 3.3 Increase access to markets	1. Increase in # of regional markets supplied with fresh produce 2. Increase in volume of fresh produce supplied by small farmers to domestic markets (DELETE) Source: CAPM project	2 (1991) (DELETED)		2	17 (9) 1,500 MT	25 (9) 2,300 MT	30 Delete 3,000 MT	
	3. Increase in # of project assisted small businesses offering new types of products and services (DELETE)	(DELETED)			(Baseline)	10%	15%	20%

Swaziland OBJECTIVES	INDICATORS	BASELINE (YR)	FY90	FY91	Planned and (Actual) FY 93 Report		FY94	FY95
					FY92	FY93		
Sub-target 3.3A Increase provision of goods and services to large business and GOS	1. No. of SBGT assisted small businesses with subcontracts to large businesses or the GOS Source: SBD project	0 (1991)		(0)	0 (4)	5 (24)	10	15
	2. No. of SBGT assisted Swazi construction firms having a contract with the GOS Source: SBD project	0 (1991)		(0)	0 (4)	3 (28)	6	10
Sub-target 3.3B Improve market information for fresh produce	Number of farmers receiving market information signalling product quality, quantity and timeliness demand details Source: CAPM project	0 (1991)		(0)	70 (100: 84M,18F)	100 (168: 128M, 42F)	134	230
Sub-target 3.3C Improve marketing chain for fresh produce	No. of farmer organizations effectively managing production, grading, packing and marketing of vegetable crops. Source: CAPM project	0 (1992)		0	(0)	(1)	3	3
Sub-target 3.3D Increase supply of fresh produce to specialty markets	1. Increase in sales to specialty/niche markets Source: CAPM project	Negligible (1991)			E100,000 (E47,000)	E600,000 (E322,000)	E1 million (Deleted in project redesign)	

ASSESSMENT OF PROGRAM IMPACT

USAID/SWAZILAND, OCTOBER 1991

SECTION I: SPECIAL FACTORS AFFECTING THE USAID PROGRAM

Swaziland is reaching a level of development that few other African countries can match. The Government is committed to an equitable, pro-growth strategy leading to the social and economic betterment of the Swazi people. Many professionals, technicians and senior managers in the Government have acquired the skills to support Swaziland's continued progress and deal with difficult issues confronting the nation. While additional training and technical assistance is still needed, especially for private sector development, more and more Swazis are actively involved in addressing development issues facing their country.

More positive attitudes towards family planning, traditionally a sensitive topic, are one illustration of the country's more mature outlook. Public leaders increasingly note the importance of family planning in maintaining the country's economic and social gains. Society in general is more open to discussions on the subject, as illustrated by frequent articles and commentary in the media. This new-found receptivity is spurred by the threat of HIV/AIDS and the need to frankly discuss the consequences of certain sexual behavior. As a result of this new openness, USAID's family planning dialogue with the GOS advanced significantly during 1991. The Ministry of Health has agreed that family planning should be given higher priority, accepted social marketing of condoms and agreed to pilot test community-based distribution of contraceptives. The latter two agreements are not only significant for increasing contraceptive availability but also for their acknowledgement that the Ministry of Health will consider allowing others besides health professionals to distribute contraceptives. This change in attitude is an important step towards increasing the contraceptive prevalence rate, one of the Mission's strategic objectives. This momentum is expected to help conclude negotiations for a Non-Project Assistance program in early 1992.

An important change in the environment for private sector development has also occurred during the past year. At the top levels of government, there has been a recognition of the need to support the private sector and a willingness to use donor assistance, traditionally channeled through the government, to foster private sector development using non-government mechanisms. The business community itself has begun to close the long-standing communication gap between the large, expatriate-dominated firms and small, Swazi-owned enterprises. Both sides are moving towards a more enlightened attitude towards the other and are recognizing that they can benefit from working together. These developments auger well for USAID's private sector strategy.

While there are numerous other examples of positive change, there is also potential for derailment of Swaziland's development progress. During 1991, power struggles between the traditional and modern sectors of government and within the modern government weakened the country's decision-making ability. As in other African countries, the political system is being challenged by newly organized labor and political groupings. The government's response, particularly its use of a 60-day detention without charge order, raised concerns about its commitment to basic human rights.

A committee appointed by the king to review the traditional political system (Tinkhundla) began to hold public hearings in late 1991 which opened a wide-ranging and at times heated debate on the roles and responsibilities of the traditional and modern sectors, the role of political parties and the appropriate form of government for Swaziland. Many observers are skeptical, however, about the prospects for meaningful changes in the system. If they are right, modern government decision-making is likely to be further stifled, and discontent, particularly among youth, will increase. Much depends on the decisions made by King Mswati III during the next year. One hopeful sign is the recent Cabinet change which brought in individuals who do not have strong ties with the traditionalist, "old guard" politicians.

Events in neighboring countries are also affecting Swaziland's future prospects. Professional and blue collar workers are leaving the country for better opportunities in "the new South Africa." Although important benefits are expected from prospective political changes in South Africa, as well as in Mozambique, the unsettled atmosphere in South Africa appears to be inhibiting foreign investment in the region.

The global economic downturn has also contributed to a reduced rate of investment in Swaziland. It is a factor in delaying a major U.S. textile investment planned for 1991. Infrastructural improvements are falling seriously behind the needs of foreign investors and the expectations of the population. Rapid urbanization along the Manzini-Mbabane corridor, attended by rising unemployment and crime, is straining the social fabric of the society.

The manner in which the traditional and modern sectors of government respond to the problems and challenges outlined above will, to a large extent, determine the nation's future. Extraordinary openness to change and new ideas will be required. AID's strategy also asks the Swazi government to take greater risks than it is accustomed to, especially in small business development and family planning. While the government has been responsive, there have also been hesitations. The GOS's often cautious approach or inability to build an internal consensus has contributed to longer than expected project design and negotiations.

In sum, 1991 was a year in which USAID offered new approaches to help Swaziland address its development issues. USAID's program is one of high risk but potentially high returns. It is risky in the sense that the new approaches, particularly in the private sector, might arouse resistance among those who have traditionally benefited from similar projects but who are no longer involved. The proposed NPA program will test the ability of the government to take the lead in implementing major changes in the delivery of primary health care; and it may not work. If the new approaches do work, however, USAID assistance will have made a major contribution to the sustainability of Swaziland's development, and the stage will be set for a new, mutually beneficial relationship between our two nations.

SECTION II: PROGRESS TOWARDS OVERALL PROGRAM GOALS

A. PROGRAM GOAL AND INDICATORS

USAID/Swaziland's program goal is to "expand Swaziland's accelerating economic growth into a process of equitable and sustainable development that enhances the quality of life of all Swazis."

With AID/W and contractor assistance, the Mission has identified six macro-economic and social indicators to measure progress towards the program goal. The status and expected progress of each is discussed below.

1. A stable or increasing GDP growth rate. Swaziland's economic growth, as measured by real Gross Domestic Product (GDP) averaged four percent over the last decade, with some significant fluctuations - growth as high as 8.5 percent and as low as -2.3 percent. Estimates for 1991 are for growth of about four percent. The prospects for a substantial improvement in the growth rate do not appear good, given the political and economic uncertainties in the region. The country's more rapid growth in the latter half of the 1980's was driven by increased foreign investment. New investment is continuing, but at a slower rate. USAID therefore believes that Swaziland will be doing well if it can maintain a four percent annual increase in GDP.

2. Increase in real per capita income. Per capita GNP was \$810 in 1988 and the average annual growth rate was 2.2 percent from 1965-88 (World Development Report 1990). Continued growth in per capita income depends on maintaining or increasing economic growth and reducing population growth. Given current estimates of population growth (see below), it is likely that the growth in per capita income is currently substantially less than the 2.2 percent average cited above, perhaps in the neighborhood of 0.5-0.8 percent annually.

3. Increase in the number of formal sector employees. In 1988, 88,000 people were employed in the private and public sectors. The rate of increase of formal sector employment averaged just under 2 percent per year between 1984 and 1988. USAID expects to see a stable rate of increase over the next few years. Growth will occur as a result of labor intensive investments in the textile industry and expansion of the public sector, but at the same time, employment has been or will be scaled back at least one large parastatal and a company that received substantial government loans.

4. Decrease in infant mortality rate. The infant mortality rate is estimated at 98/1000 in 1986. This represents a substantial drop from a 1976 estimate of 140/1000. While 98 is still high considering Swaziland's income level, it is clear that infant mortality is dropping and will continue to drop over the next decade due to rising income and education levels and better quality health care.

5. Decrease in the population growth rate. A recent re-examination of the 1986 census data (J.G.C. Blacker, Fertility, Mortality and Population Growth in Swaziland, 1990) has concluded that the population growth rate reported following the Census (3.2 percent) may have been significantly underestimated due to undercounting of children. The 1990 study calculates a growth rate of 3.7 percent. The growth rate of 3.4 percent that USAID has reported in other documents lies between these two estimates. Whatever the figure is now, it can be expected to fall due to declining fertility rates. Projections for the period 1991-96 suggest a population growth rate of 3.6 percent if fertility falls slowly and 3.1 percent if fertility falls more rapidly. Increasing use of family planning is expected to have a substantial impact on fertility rates.

6. More equitable income distribution. While there is very little data available on income distribution in Swaziland, analysis of the 1985 National Income and Expenditure Survey suggests that the 10 percent of rural homesteads at the top of the income distribution earned 35 percent of national income while the poorest 10 percent earned less than 2 percent of national income. A comparison of these results with an earlier study suggest that the distribution of income is becoming more equitable. Observation, on the other hand, suggests that the income disparity between urban and rural households is increasing. USAID intends to work with the GOS's Central Statistics Office to obtain additional income distribution data.

B. RELATIONSHIP BETWEEN PROGRAM GOAL, SUB-GOALS AND STRATEGIC OBJECTIVES

The relationship between the country program goal, sub-goals, strategic objectives and targets is illustrated in the diagram on the following page. Two sub-goals link USAID's three strategic objectives to the program goal:

- * Reduce the population growth rate;
- * Increase employment generated by the Swazi-owned and/or managed sector of the economy.

OBJECTIVE TREE OF USAID/SHAZILAND

NOVEMBER 7, 1991

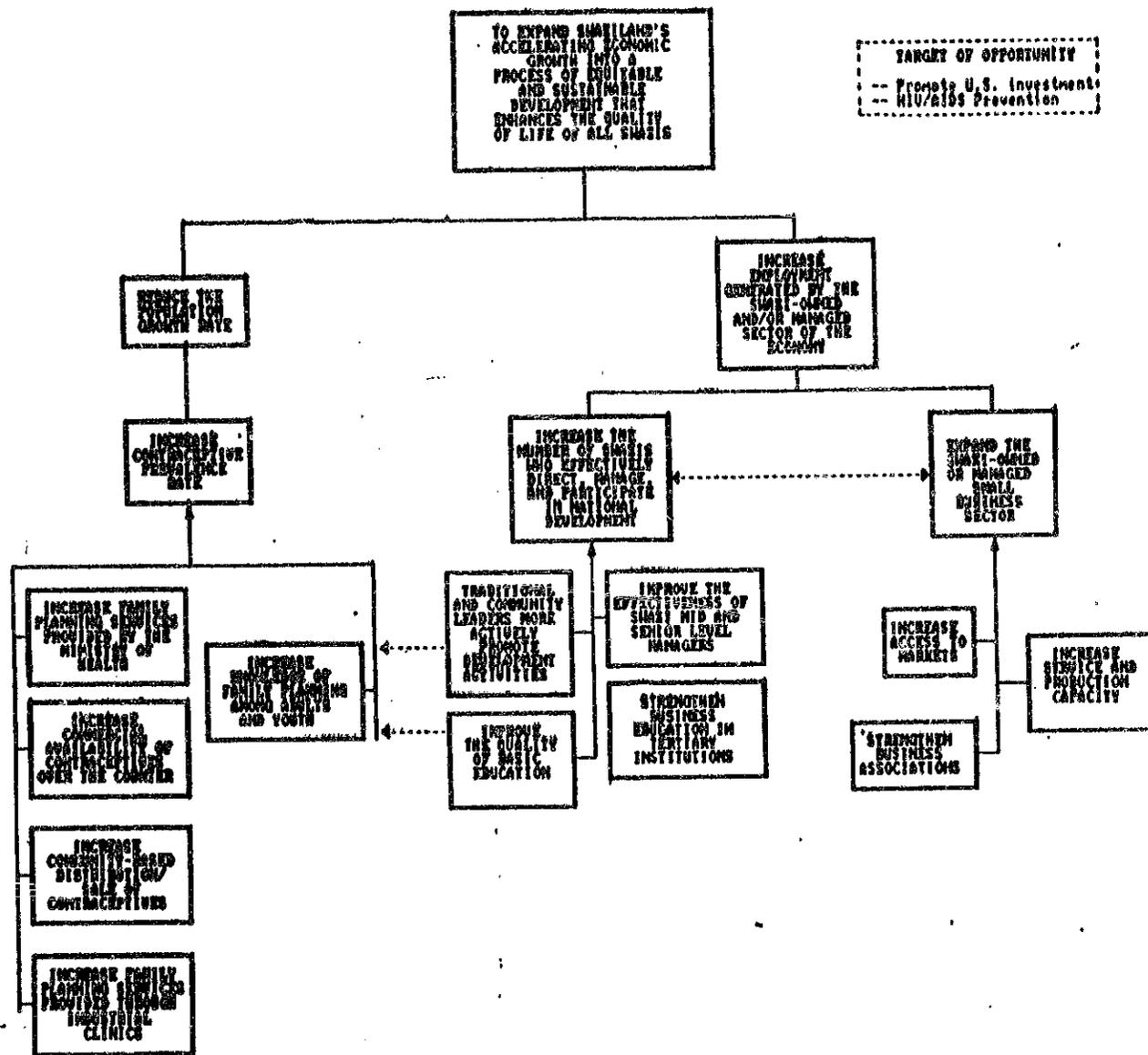
COUNTRY PROGRAM
0048

FUNCTIONS

STRATEGIC OBJECTIVES

TARGETS

TARGET OF OPPORTUNITY
-- Promote U.S. Investment
-- HIV/AIDS Prevention



These sub-goals relate directly to the equity and sustainability of Swaziland's economic development. A lower rate of population growth will mean that incomes will increase, even with a constant rate of economic growth. Furthermore, a more gradual increase in population reduces the pressure on natural resources and on social expenditures. The latter implies that resources can be devoted to improving the quality of health, education and other social services rather than merely increasing the quantity, while degradation of the natural resource base negatively impacts the long-term prospects for continuing economic growth.

The second sub-goal of increasing employment generated by the Swazi owned/managed sector of the economy is important for improved equity and for sustainability of economic growth. Swaziland's economy, and hence most of the private sector employment, is dominated by foreign interests. Swazi-owned businesses, which are less likely to pull out their capital in difficult times, need to develop a larger role in the economy. Likewise, Swazis must participate in the management of large, well-established industries so that when the costs of ex-patriate management become prohibitive, these industries do not suffer. For economic growth to be ultimately sustainable, Swazis themselves must have a leading role in the process.

The USAID program has three strategic objectives:

- * Increase the contraceptive prevalence rate;
- * Increase the number of Swazis who effectively direct, manage and participate in national development;
- * Expand the Swazi-owned or managed small business sector.

The first strategic objective contributes directly to the sub-goal of reducing population growth since increased use of contraceptives will lead to a lower fertility rate and hence, a lower population growth rate (even assuming gradual, modest increases in life expectancy).

The second and third strategic objectives interact with each other (i.e., progress in one contributes towards progress in the other and vice versa) and both impact on the second sub-goal relating to employment in the Swazi-owned/managed sector. Clearly, expansion of the Swazi-owned business sector will increase employment in this same sector, and if there are more, qualified Swazi managers and potential employees with good basic skills, employment in the Swazi-owned or managed sector can be increased.

SECTION III: PROGRESS TOWARDS STRATEGIC OBJECTIVES
AND RELATED INDICATORS

During FY 1991, USAID completed the design or redesign of its portfolio to be in position to implement its program strategy. While all three sectors had on-going activities that contributed to accomplishment of targets and strategic objectives, more substantial impact is expected beginning in FY 1992, after a full year or more of project implementation. Also during FY 1991, the Mission continued to refine its program logframe and impact indicators. A two-week visit by PRISM specialists in June/July was instrumental in this process. As a result of the team's work and further refinements by the Mission, a number of targets and indicators are different from last year's API. The strategic objectives and the means of accomplishing them are not, however, different from the FY 90 API. The Mission is confident that this revised API is a clearer and more realistic portrayal of the program and the expected impact.

Progress Towards Strategic Objective One:

Although a contraceptive prevalence survey will not be conducted until next year, prevalence may already be approaching the FY 92 target of 22 percent. Greater public awareness and receptivity to family planning, partly a result of leadership by the Family Life Association of Swaziland (FLAS) which USAID is assisting, and a dramatic increase in the condom use rate as a result of AIDS publicity and education are significant factors in this development. USAID is set to capitalize on the current situation with all but one of the pieces of its family planning strategy in place. The remaining activity, the Family Planning/Maternal and Child Health program, has been designed and is currently being negotiated with the GOS. This program will increase the provision of quality family planning services by the Ministry of Health (MOH) and introduce community-based distribution of contraceptives, two major targets under the strategic objective. Program initiatives will be underway by mid-1992. The recently begun second phase of the Family Health Services project with FLAS will increase the provision of FP services at industrial clinics (target 1.4) and play a key role in increasing knowledge of FP (target 1.5). As noted earlier, the MOH has signed off on a social marketing proposal that will increase commercial availability of contraceptives (target 1.2). Since FY 92 will be the first year of implementation under most of these targets, USAID believes that the first significant impact at the target levels will be seen in FY 1993.

Progress Towards Strategic Objective Two:

The proportion of Swazi managers in mid-senior level positions increased by 9 percent over the period 1982-1988, the most recent year for which this data has been published. Although the statistics do not distinguish between management levels, it is apparent that most of the increase is at lower management levels. Beginning in 1988, USAID's training program has focused heavily on management training: 1,200 Swazis have participated in in-country management training programs and 32 have gone for management-related short or long-term training. While the availability of qualified Swazi managers is a necessary condition for progress towards this strategic objective, it is not sufficient. Recent investigation has revealed the presence of a "glass ceiling" in the private sector that makes it difficult for Swazis to rise above a certain level. USAID expects that our dialogue with the private sector on management training will help to change prevailing attitudes that limit upward mobility for Swazi managers.

In basic education, continuous assessment and other systems are currently being put in place that will begin to positively affect student achievement in FY 1993. Already, however, USAID'S project activities are contributing to improved school management which directly affects the quality of education. One example is management of school finances. Mismanagement and misuse of parent-paid school fees by headmasters is a perennial problem. During ten days of training in managing school finances, the 200 participating headmasters identified important gaps in current procedures. Improved audit and other procedures are expected to make more headmasters more accountable and thereby increase resources for education.

Progress Towards Strategic Objective Three:

While much effort was devoted to putting the major components of USAID's private sector strategy, the Swazi Business Development (SBD) Project (645-0235) and the amended Commercial Agricultural Production and Marketing (CAPM) Project (645-0229), in place, some progress towards the strategic objective was made during FY 1991. On the small business side, there was a greater commitment among top government officials to support the growth of Swazi businesses, and there was a marked improvement in the climate for dialogue both between small and large (foreign-owned) businesses and between businesses and the government. USAID played a key role in these developments by organizing fora for dialogue and through the consultative process associated with the launching of the SBD project. In commercial agriculture, the CAPM team has already identified several new marketing opportunities and is currently working with private marketing firms and farmers to exploit these. As a result, USAID expects to see the establishment of linkages between the farmers and the marketing firms and improvements in small farmer fresh produce sales during FY 1992.

OBJECTIVES	INDICATORS	BASELINE (Y0)	FY90	Planned and Actual		FY93	FY94	FY95
				FY91	FY92			
Strategic Objective 1					22%			30%
Increase contraceptive prevalence rate	1. Increase CP rate Source: Population Survey	17% (1990)						
	2. Increase Couple years of protection (CYP) Source: ECH Information Systems (EIS); ELAS	10700 (1990)				50%		
Target 1.1						100% clinics		
Increase family planning services provided by the Ministry of Health	1. Increase percentage of MOH clinics and outreach sites offering FP Source: Ministry EIS	Est. 80% MOH clinics in 1991 (To be revised by 12/91) 0% outreach				50% outreach		100% CI
	2. 100% of clinics and outreach sites using integrated FP/UCB protocols Source: Ministry EIS	0 with integrated protocols				25% clinics 50% OR		100% clinics 100% OR
Target 1.2						To be generated by SONABC by 1/92		?
Increase commercial availability of contraceptives over the counter	1. Increase number of commercial outlets Source: SONABC project data	0 (1991)						
Target 1.3						To be generated in project by end of FY 92		?
Increase community-based distribution/sales of contraceptives	1. Increase number of CBD agents Source: Ministry EIS	0 (1991)						
Target 1.4						50% increase		
Increase family planning services provided through industrial clinics	1. Increase CYP in 5 industrial clinics Source: Ministry EIS, Project Data	To be est. 1/92			(baseline)			
Target 1.5						Focus group assessment		
Increase knowledge of family planning among adults under 45 and students	1. Changes in knowledge re family planning and STDS, especially misconceptions. Source: EIS Project reports	Focus group assessment						

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OBJECTIVES	INDICATORS	BASELINE (1980)	Planned and Actual					
			1980	1981	1982	1983	1984	1985
		1980 (85) CSO Nat'l workforce survey	65%	65-66	66-69	67-69	69-72	72-75
Strategic Objective No. 2								
Increase the number of Swazis who effectively direct, manage and participate in national development.	1. Increased proportion of Swazis in mid-senior management positions 2. Increased number of children who complete 7 years of primary school on time.	160/1000 (1980)	160/1000	160/1000	baseline 160/1000	170/1000	180/1000	200/1000
Target 2.1								
Improve the quality of basic education	1. Improved student achievement in grades 1-7 math and English measured by standardized tests. 2. Fewer children drop-out of primary school	N/A 452 (1980)	N/A 466	N/A 462	Pilot test scores for grade 1 468	Nat'l baseline established for grade 1-2 424	10% improvement grades 1-2 368	10% improvement grades 1-5 360
Target 2.2								
Improve the effectiveness of Swazi mid-senior managers	1. Increased percent of Swazi managers who complete academic and technical training	N/A	N/A	10 Long Term Fellows (degree training 85)	10 STT (85/TC) 10 LTY 85 120 In-C (PrAP)	8 STT (85/TC) 10 LTY (85) 120 In-C	8 STT (85/TC) 10 LTY 120 In-C (improvement (collaborative))	8 STT (85/TC) 8 LTY Improvement (collaborative)
Target 2.3								
Strengthen business education in tertiary institutions	2. Increased number of Bachelor of Commerce graduates 3. Increased number of students studying BBT level III at SCOT 4. Number of students trained in computer applications for business 5. Increase number of qualified business faculty	45 (1980)	45	52	52	77 53	77 86	1 127
Target 2.4								
Traditional and community leaders more actively promote the economic development of their areas	1. Increased number of leaders trained in economic development 2. Increased number of requests received by CD for assistance with business related activities	0	0	0	30	435	450	450

1. Growth during 1982-83 averaged 2% per year.

2. Mission has been unable to identify any indicator of increased mgmt. effectiveness of Swazi incumbents that is measurable with available resources.

OBJECTIVES	INDICATORS	BASELINE (Y0)	Y190	Y191	Y192	Y193	Y194	Y195	
Strategic Objective No. 1	1. Increase # of Swazi-owned small businesses Source: SSB study	9110 Women-owned (650 non-owned (1981))		13,000	14,200		14,000	15,000	15,500
Expand the Swazi-owned small business sector	2. Increase in employees of small businesses (within firms) Source: SSB Study	Ave. 2.72 (1981) (excluding owner)		2.72	2.70		2.86	2.93	3.00
*Defined as having at least one paid employee in addition to the owner and a fixed place of business	3. Increase in number of businesses having 5-50 employees with increased sales or assets Source: SSB Study, SSB project	Est. 500-1000; to be refined during FY 92			(Refined Baseline)		5%	15%	25%
	4. Increase in gross value of small farmer fresh produce sales Source: CAPS Project	Baseline to be estab in FY 92			82.50		83.00	84.50	
Target 2.1	5. Decrease in national fresh produce imports Source: UNBoard	23,357 metric tons (1980)			22,002		21,202	20,502	
Increase service and production capacity	1. Increase in # of project-assisted businesses with non capital investment Source: SSB project	To be generated by SBD project Y192-Y193			(Baseline)		5%	15%	25%
	2. Increase in marketable yield per hectare for fresh produce Source: Contractor	Est. 29 ton/ha (1970) To be refined during FY 92			25 MT/ha		30 MT/ha	35 MT/ha	
Sub-target 3.1A	1. Increase in project assisted institutional loans extended (to business and farmers) Source: SBD/CAPS, UNEP, NYAS, Central Bank	Baselines to be estab. in FY 92	300	353 SSBs 3 firms 15 farmers	403 SSBs 5 firms 24 farmers	453 SSBs 33 farmers	503 SSBs		
Increase access to institutional credit									

* A country-wide study of Small Scale Enterprises in Swaziland by Jacob Visschers and Michael A. McPherson, May 1991 (SSB Study)

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OBJECTIVES	INDICATORS	PLANNED AND ACTUAL (CUMULATIVE)							
		BASELINE (TD)	1990	1991	1992	1993	1994	1995	
Sub-target 3.1B				300	900	1,300	1,800	2,300	
Improve business management skills	1. Increase number of people trained Source: SBD, DHRP, SGAS, CAPH projects								
Sub-target 3.1C				5	65	100	135		
Accelerated irrigated on farm technology transfer	1. Increase in # of farmers adopting new technologies 2. Introduction of new horticultural crops Source: CAPH project	0			10	15	10		
Target 3.2					(Baseline)	203	103	601	
Strengthen business associations	1. Increase in paid membership (% of member paying dues) Source: SBD project	To be estab. by SBD project 1992							
Sub-target 3.2A					(Baseline)	40	50	110	
Increase services provided by business associations	1. Increase in programs provided to members Source: SBD project	To be estab. by SBD project 1992							
Sub-target 3.2B						1	2	3	
Increase business association initiation and participation in policy dialogues	1. Increase in forums for dialogues Source: SBD project	0			0				
Target 3.3				2	17	25	30		
Increase access to markets	1. Increase in # of regional markets supplied with fresh produce 2. Increase in volume of fresh produce supplied by small farmers to domestic markets Source: CAPH project	2 (1991)				1,500 MT	2,300 MT	3,000 MT	
	3. Increase in # of project assisted small businesses offering new types of products and services	Est. 225 MT (Baseline to be refined)				(Baseline)	102	152	202
		To be generated by SBD project 1992							

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OBJECTIVES	INDICATORS	PLANNED AND ACTUAL (CONSECUTIVE)						
		BASELINE (YD)	1990	1991	1992	1993	1994	1995
Sub-target 3.31						5	10	15
Increase provision of goods and services to large business and GOS	1. Increase in # of small businesses with subcontracts to large businesses or the GOS	To be generated by SBD project PT92						
	Source: SBD project				(Baseline)	3	6	10
	2. Increase in # of Small construction firms having a contract with the GOS	To be generated by SBD project PT92						
	Source: SBD project				70	100	135	
Sub-target 3.32								
Improve market information for fresh produce	1. Increase the # of farmers receiving market information signalling product quality, quantity and timeliness demand details							
	Source: CIPM project							
Sub-target 3.33								
Improve marketing chain for fresh produce	1. Increase in the # of sustainable vertically integrated Small-owned fresh produce marketing firms							
	Source: CIPM project							
Sub-target 3.34								
Increase supply of fresh produce to specialty markets	1. Increase in sales to specialty/ niche markets	Baseline to be est. (March '92)				\$100,000	\$600,000	\$1 million
	Source: CIPM project							

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API Indicator: Objective No.2

Assumptions:

1. During 1989 and 1990 a 2% increase per year is assumed for the number of Swazi managers based on the 1988 CSO Employment and Wages Survey. It is important to note that this percentage is an average based on the 1982-1988 trend where in some years there was negative growth.
2. The second assumption is that there will be a 4% economic growth rate based on the 1989 Census Report GDP figures.
3. Expatriates occupy executive positions in the private sector. The pool of Swazi's that have the skills and experience to occupy these positions is limited. Training high caliber Swazi's in management should help to increase the number of Swazi Executive Managers.
4. It is assumed that the Government of Swaziland will be committed to strengthening the function of the localization unit in order to monitor the progress being made in the localization process.

Comments:

1. Issues outside the scope of the project e.g. foreign investment trends or climate, economic boom or depression are factors that are outside the control of the project.
2. The baseline data indicates that in 1988 there were 65% Swazi's and 35% expatriates in management/administrative positions. This figure is at odds with anecdotal information on this subject which suggests a lower percentage of Swazi's managers. To measure impact, a survey needs to be conducted that will give data on the number of Swazi's that are truly performing management/administrative functions.
3. The GOS does not issue work permits to lower/middle level managers.
4. Social/racial attitudes of expatriate managers create additional constraints to upward mobility of Swazi managers.

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5. Incountry training is not correlated with upward mobility or promotion but is necessary to improve skills that the individual lacks or needs to improve performance on the job.

6. Other donors e.g. Canadian International Development Agency, British Council, EEC, Australian Government are also involved in human resource training in Swaziland.

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