

PD-ABN-270
91650



USAID/SOUTH AFRICA

**FY 1996-97 Action Plan/Budget
Planning Document (AP/BPD)**

JUNE 1995

A

TABLE OF CONTENTS

FY 1996-97 Action Plan/Budget Planning Document

ACRONYMS	i
I. PROGRAM SUMMARY	1
A. Overview	1
B. Overall Progress	2
C. Appropriation Summary (Table I)	6
D. Strategic Objective Tree	7
II. STRATEGIC OBJECTIVES	8
A. Strategic Objective 1 - To Help Consolidate Sustainable Democratic Governance	8
1. Relevance to Agency Objectives	8
2. Progress to Date	8
3. Assessment of Strategic Objective Performance	9
4. Participation	10
B. Strategic Objective 2 - To Support the Development of Policies, Systems, and Capacities for the Integration of the Education System	10
1. Relevance to Agency Strategic Objectives	10
2. Progress to Date	11
3. Assessment of Strategic Objective Performance	12
4. Participation	12
C. Strategic Objective 3 - To Help Increase Opportunities for Access and Ownership of Assets by Historically Disadvantaged While Supporting Economic Development	13
1. Relevance to Agency Strategic Objectives	13
2. Progress to Date	14
3. Assessment of Strategic Objective Performance	14
4. Participation	14
D. Strategic Objective 4 - To Support the Development of a Unified System to Provide Integrated Primary Health Care to Underserved Populations	16
1. Relevance to Agency Strategic Objectives	16
2. Progress to Date	17
3. Assessment of Strategic Objective Performance	17
4. Participation	17
III. PROGRAM AND BUDGET SCENARIOS	19
A. Agency Funding Scenario 1	19
1. S.O. Projected Impact (AFR Table Ia)	20
2. Summary of S.O. Funding (Table III)	26
3. New Partnerships Initiative Attributions (AFR Table II)	27
4. Microenterprise Funding (Table X)	28
5. Global Bureau Services (AFR Table III)	30
6. Strategic Objective Mortgages (AFR Table IV)	31
B. Agency Funding Scenario 2	32
1. S.O. Projected Impact (AFR Table Ib)	34

IV.	OPERATING EXPENSE AND WORKFORCE REQUIREMENTS	40
A.	Narrative	40
B.	Vulnerability Assessment	41
1.	VIII(a) - Operating Expense Budget Request	42
2.	VIII(b) - Workforce Request	44
3.	VIII(c) - Consulting Services	45
4.	VIII(d) - Foreign National Voluntary Separation Costs	46
5.	VIII(e) - Cost of Controller Operations	47
V.	POTENTIAL IMPACT OF "LOST" HOUSING GUARANTY RESOURCES	48
A.	Political Stability of South Africa	48
B.	Needs/Resources Gap in Shelter and Environmental Infrastructure	48

Annex I

Table IIIa, b, & c

ACRONYMS

ANC	African National Congress
AOJ	Administration of Justice
API	Assessment of Program Impact
BICSN	Black Integrated Commercial Support Network
CUSSP	Community and Urban Services Support Project
CBOs	Community-Based Organizations
CIDA	Canadian International Development Agency
CDT	Community Development Trusts
CAAA	Comprehensive Anti-Apartheid Act
COSAS	Congress of South African Students
CPSP	Country Program Strategic Plan
DANIDA	Danish International Development Agency
D/G	Democracy and Governance
EQUITY	Equity in Integrated Primary Health Care Project
ESAT	Education Support and Training Project
ESKOM	South African Electric Company
GNU	Government of National Unity
GDP	Gross Domestic Product
HDI	Historically Disadvantaged Institution
IBEC	Independent Business Enrichment Center
IDCC	International Development Coordinating Committee
IEC	Independent Electoral Commission
IBTT	Informal Business Training Trust
IFP	Inkatha Freedom Party
INLOGOV	Institute for Local Governance
JICA	Japanese International Cooperation Agency
MECs	Members of the Executive Councils
MPs	Members of Parliament
MOH	Ministry of Housing
MERIT	Monitoring, Evaluation, Reporting and Information Transfer
NORAD	Norwegian Development Agency
NP	National Party
NGOs	Non-Governmental Organizations
ODA	Overseas Development Agency (British)
PAC	Pan Africanist Congress
PSHG	Private Sector Housing Guaranty
RSA	Republic of South Africa
RDP	Reconstruction and Development Program
SIDA	Swedish International Development Agency
UNDP	United Nations Development Program

d

I. PROGRAM SUMMARY

A. Overview

A little more than one year ago, the majority of South Africans were without voting rights and severely limited in their access to basic social and economic benefits. Today, through a triumph of democratic will, the policy of apartheid, with all its injustice and inhumanity, is history. The world has witnessed the birth of a new South Africa, one that merits the fullest support of the world community to help erase the injustices and inequities of the past. Only with the coordinated and continuing support of the world community can South Africa hope to realize its potential to become the African continent's best example of democracy and economic growth, to the benefit of the entire continent.

This Action Plan presents USAID/South Africa's program strategy and resource requirements for the next two years. A companion document, USAID/South Africa Concept Paper, provides a rough sketch and rationale for USAID's program for the next ten years which will be further elaborated in our Country Program Strategic Plan scheduled for completion in November.

USAID/South Africa has shaped its future assistance program around support for the Government of National Unity's (GNU) Reconstruction and Development Program (RDP). Our evolving strategy is focussed on the goal of **sustainable transformation**. Sustainable transformation means:

Assisting South Africa through the point where democracy is sufficiently consolidated. basic systems and policies for social service delivery are in place. processes of institutional change and the development of management and technical capacity are far enough along so that there is reasonable confidence that South Africa's majority population is on a course to sustainable political, economic and social development.

Sustainable transformation does not mean the actual attainment of that development. South Africa is a country in transition. If the products of that process can be built upon and sustained, there exists a high probability that the people of South Africa, with the resources they possess, can achieve sustainable development. This higher than average potential for rapid economic and social gains from transition assistance is largely due to the fact that the change processes have their own dynamic -- their plans and the momentum behind them are home-grown. The basic elements of political stability, good governance, sound economic policies and participatory development are present, but there is a dearth of management and technical skills among the majority population. The additional capabilities that USAID can bring to the process -- especially through technical assistance and training -- can make a major contribution because they address key missing elements in an otherwise favorable environment.

In developing proposals for a future program, we considered GNU plans under the RDP, areas important for sustainable transformation, the Mission's experience and comparative advantage, and what we thought we could realistically aim to accomplish within reasonable bounds of program duration and funding levels. This led us to focus on four strategic objectives:

1. Democracy/Governance. Help consolidate democracy (elections, parties, parliament, human rights/administration of justice), reducing violence, and strengthening civil society; and support reform of the public service to make it more representative and effective (particularly in RDP implementation in the provinces).
2. Education. Help establish new policies, models, and management capacity in basic education; assist historically disadvantaged institutions of tertiary education (HDIs, universities and technikons) to build faculty capacity, establish "centers of excellence" in specific areas, and improve the quality of education; and fund short-term and degree training in the U.S. and in South Africa.
3. Economic Policy/Private Sector/Housing. Support economic policy research and exposure to outside ideas on economic policy; assist disadvantaged South Africans to increase ownership, access capital, and participate in private business; and help to demonstrate new private sector-based models of housing delivery, housing finance, urban infrastructure development, and urban finance.
4. Health. Support the development of a model of sustainable primary health care in the Eastern Cape Province and national replication of lessons learned; and continue work on HIV/AIDS prevention.

The rationale for these program choices is based on four long-term challenges facing South Africa: 1) consolidating democracy and improving governance; 2) making adequate progress on basic social service delivery; 3) reforming economic policy to achieve sustained growth; and 4) expanding the participation of the historically disadvantaged majority population in the private sector and ownership of assets. Our strategic objectives will help the GNU meet these challenges. SO 1 will help with the first challenge. SO 2 and SO 4 will help with the second challenge. SO 3 will help with the third and fourth challenges.

B. Overall Progress

Predicting the pace and content of change in South Africa is fraught with uncertainties and potential errors. With that caveat, the following comments are offered on key issues in the political, economic, and social spheres.

Political. In general, South Africans are doing a highly creditable job on political elements of the transition. Within the GNU, the African National Congress (ANC) is working hard to maintain the support of the National Party and whites in general. Constitutional problems vis-a-vis Kwazulu-Natal have not been resolved, but this is more of a regional than a national problem. Parliament has rejected its past rubber-stamp role and has gradually moved to develop more meaningful oversight and legislative capacity.

Civil society is active in governance and policy advocacy, although the role of NGOs in RDP delivery has not yet been fully worked out. Reform of the judiciary, development of policies on decentralization, and reform of budget processes are all proceeding at a reasonable pace, albeit not as rapidly as anticipated.

One transition point will be the local elections in November 1995, which will establish democratically-elected local authorities. However, registration has been lower than hoped for. A pivotal transition point will be the national election scheduled for 1999. This election will mark the end to the Government of National Unity and the transition to unrestricted majority rule.

Economic. In 1993 and 1994, the economy began a recovery from its most recent recession which began in 1989/90. Gross domestic product (GDP) grew at 1.1 percent in 1993 and 2.3 percent in 1994. Preliminary indications are that GDP could grow at an annual rate of approximately 3 percent in 1995. Thus, for the first time since 1988, South Africa's per capita income is increasing. Despite this turnaround, real per capita income today is at the same level as in 1966/67 and is 20 percent less than at its peak in 1981. Despite positive turnarounds in the flow of foreign savings and investment, which was positive in 1994 for the first time since 1984, the current recovery is likely to begin faltering as soon as 1996 and 1997 as a variety of capacity and financial constraints begin to bind the economy.

The basic rationale for this pessimism is found in the following series of longer-term trends in the economy:

- (1) The basic productive capacity of the economy has been steadily declining over time, with the current growth rate of capacity output being in effect since 1981;
- (2) South Africa's past growth has primarily been driven by the expansion of factor usage and not productivity growth;
- (3) Since 1970, capital rather than labor has been the driving force of expanding output;
- (4) Since 1960, the capital intensity of production has risen by over 38 percent and the labor-capital ratio has fallen by between 40 percent and 45 percent;
- (5) Since 1965, annual average multifactor productivity growth has been negative or less than 0.5 percent;
- (6) Since 1982 net domestic investment has been less than 10 percent of GDP and less than 5 percent of GDP since 1984;
- (7) Net domestic saving has also been less than 10 percent of GDP since 1982 and less than 6 percent of GDP since 1986; and
- (8) Beginning in 1984, government budgetary deficits have been a drain on savings, with that drain rising significantly since 1990.

The GNU recognizes that South Africa's economy is in a structural crisis and requires significant changes to produce the growth in incomes and employment to be able to address the needs of the disadvantaged population. In recognition of this, the GNU has taken positive policy steps. The dual exchange rate system has been abolished and a commitment to eliminate foreign exchange controls in the near future has been made. The GNU 1994/95 budget reduced the fiscal deficit from 9.8 percent of GDP to an estimated 6.4 percent of GDP. The 1995/96 budget is projected to reduce this deficit to 5.8 percent of GDP. The 1995/96 budget began the process of reforming the tax system to eliminate discriminatory provisions of the tax system. The interim constitution provides for the continued independence of the Reserve Bank so that control of inflation will be an independent goal. The GNU has confirmed the General Agreement on Trade and Tariffs (GATT) commitment of the previous government to undertake a major reform of South Africa's tariff structure which will simplify the system and reduce the level of nominal and effective protection. The GNU is taking a prudent approach to contracting foreign debt given the large total debt load of the country. Despite these changes, and unlike the situation in the social sectors, there is not the widespread recognition of the need for structural economic change. This, in turn, could lead to future difficulties in the implementation of the structural policies which will be required.

Social. Even though South Africa's 1994 GDP totals roughly \$120 billion and the average per capita income is over \$2,600, the extreme inequality of the distribution of the country's income and wealth means that much of South Africa is at best in the "Second World" and often in the "Third World." Overall South Africa's median household income is Rand(R) 12,604 (\$3,550). This breaks out across population groups as follows: Africans—R8,534 (\$2,404); Coloreds—R19,485 (\$5,409); Asian—R37,402 (\$10,536); and Whites—R57,546 (\$16,210). Thus, median household incomes for Africans are less than 15 percent of those for Whites; for Coloreds and Asians the percentage is 34 percent and 65 percent, respectively. An alternative way to look at this issue is to consider the composition of the poorest segments of South Africa. Africans, who make up 75 percent of the population, account for 96 percent of the poorest income quintile and 94 percent of the bottom 40 percent of the population. Coloreds who account for 9 percent of the total population, compose 3 percent of the poorest quintile and 4.5 percent of the two bottom quintals. Whites on the other hand account for less than one percent of the poorest 20 percent and poorest 40 percent of the population, even though they account for 13.4 percent of the total population.

Examining indicators for health and education, especially on a regional basis within South Africa, clearly demonstrates the less than "First World" living standards of much of South Africa's population. New programs in education, housing, health, and other areas have been initiated under the RDP. However, the funds available to support RDP initiatives are limited because of the tight budget situation. The previous government left a high deficit, which the GNU is trying to reduce. South Africa is already relatively highly taxed. The needs for social services are enormous because of the legacies of apartheid. For these reasons, progress in meeting social needs is likely to be far below political expectations and possibly future political demands. Because of the magnitude of education, housing, and other needs, major progress in reducing the social service gap may take twenty years or more.

RDP delivery has been slow, particularly in terms of redirecting ministerial budgets and programs.¹ As funds are reallocated, difficult issues of implementation, management, and community involvement will have to be worked out. RDP progress is likely to be slow for the next several years, after which progress will depend heavily on the pace of economic growth and the implementation capacity of provincial and local governments. Meanwhile, there are heavy demands being made for visible change in housing, education and health services. Budget restrictions on state subsidies are restraining rapid movement on the provision of housing. The type of subsidy currently in use can only address a small portion of the long pent-up demand. A key issue in the education sector is not just equal access but also equal quality. Basic education, the key to long-term growth through increased productivity, is suffering from a serious shortage of adequately trained teachers, classrooms and relevant curricula. In the tertiary sector, student dissatisfaction is on the rise as the government struggles with issues of providing some form of student financing to make equal access a reality. While universal health coverage has been promised, the budget for primary health care is starting at a low base for a country of South Africa's income level. In addition, the system is struggling with huge disparities in overall health status.

Notwithstanding the above challenges, the general assumption is that South Africa will follow a scenario of continued political stability and progressive economic and social reform. We think there is a high probability that South Africa will evolve along these positive lines. However, the people and fledgling Government of South Africa still must contend with such hurdles as political factionalism, growing demands for government services while there is a critical need for budget discipline, and volatile populist sentiment.

¹ The GNU has said that the first national budget that will be really shaped by the new priorities of the GNU will be the 1996-97 budget, which will not be issued until March 1996. The 1994-95 budget was developed totally by the previous Government, and even the 1995-96 budget contained only limited changes.

SOUTH AFRICA (674)

FY 1997 BUDGET PLANNING DOCUMENT

TABLE I : APPROPRIATION SUMMARY (\$000)

ACCOUNT	FY 1995 ESTIM.	FY 1996 ESTIM.	FY 1997 REQUEST	FY 1997 @ 67%
DEVELOPMENT FUND FOR AFRICA	119,996	120,000	100,000	80,000
<u>SUBTOTAL SUSTAINABLE DEVELOPMENT:</u>	119,996	120,000	100,000	80,000
SUSTAINABLE DEVELOPMENT THEMES:				
BROAD BASED ECON GRWTH	93,993	87,111	67,910	50,343
GLOBAL ENVIRONMENT	2,550	7,762	6,116	6,039
POPULATION GROWTH	3,120	3,225	3,068	3,068
DEMOCRATIC PARTICIPATION	20,333	21,903	22,906	20,551
OPERATING EXPENSES (U.S. \$)	5,558	5,558	5,523	5,523

GOAL: SUSTAINABLE TRANSFORMATION

SUB-GOAL: POLITICAL, ECONOMIC, AND SOCIAL EMPOWERMENT

STRATEGIC OBJECTIVE 1
To help individuals, sustainable livelihoods, and performance

- 1.1 Access to and use of integrated package of primary health care increased
- 1.2 Access to and use of integrated PHC services increased in most of 8 other provinces
- 1.3 Access to and use of integrated package of primary health care increased
- 1.4 Effectiveness and efficiency of PHC services increased
- 1.5 Effectiveness and efficiency of PHC service delivery increased in most of 8 other provinces increased

- 1.1 Access to and use of integrated package of primary health care increased
- 1.2 Access to and use of integrated PHC services increased in most of 8 other provinces
- 1.3 Access to and use of integrated package of primary health care increased
- 1.4 Effectiveness and efficiency of PHC services increased
- 1.5 Effectiveness and efficiency of PHC service delivery increased in most of 8 other provinces increased

- 1.1 Access to and use of integrated package of primary health care increased
- 1.2 Access to and use of integrated PHC services increased in most of 8 other provinces
- 1.3 Access to and use of integrated package of primary health care increased
- 1.4 Effectiveness and efficiency of PHC services increased
- 1.5 Effectiveness and efficiency of PHC service delivery increased in most of 8 other provinces increased

- 1.1 Access to and use of integrated package of primary health care increased
- 1.2 Access to and use of integrated PHC services increased in most of 8 other provinces
- 1.3 Access to and use of integrated package of primary health care increased
- 1.4 Effectiveness and efficiency of PHC services increased
- 1.5 Effectiveness and efficiency of PHC service delivery increased in most of 8 other provinces increased

STRATEGIC OBJECTIVE 2
To support the development of policies, systems, and capacities for the improvement of the education system

- 2.1 Quality of public primary education improved
- 2.2 National and provincial systems of basic education improved
- 2.3 Private sector education improved
- 2.4 Systems and capacities for human resource development improved

- 2.1 Quality of public primary education improved
- 2.2 National and provincial systems of basic education improved
- 2.3 Private sector education improved
- 2.4 Systems and capacities for human resource development improved

- 2.1 Quality of public primary education improved
- 2.2 National and provincial systems of basic education improved
- 2.3 Private sector education improved
- 2.4 Systems and capacities for human resource development improved

- 2.1 Quality of public primary education improved
- 2.2 National and provincial systems of basic education improved
- 2.3 Private sector education improved
- 2.4 Systems and capacities for human resource development improved

STRATEGIC OBJECTIVE 3
To help increase opportunities for access and ownership of assets by historically disadvantaged while supporting economic development

- 3.1 Quality of public debate on economic policy issues improved
- 3.2 Quality of public debate on improved urban functioning policy issues improved
- 3.3 Quality of public debate on improved urban functioning policy issues improved
- 3.4 Access to capital for expanded ownership of business by historically disadvantaged increased

- 3.1 Quality of public debate on economic policy issues improved
- 3.2 Quality of public debate on improved urban functioning policy issues improved
- 3.3 Quality of public debate on improved urban functioning policy issues improved
- 3.4 Access to capital for expanded ownership of business by historically disadvantaged increased

- 3.1 Quality of public debate on economic policy issues improved
- 3.2 Quality of public debate on improved urban functioning policy issues improved
- 3.3 Quality of public debate on improved urban functioning policy issues improved
- 3.4 Access to capital for expanded ownership of business by historically disadvantaged increased

- 3.1 Quality of public debate on economic policy issues improved
- 3.2 Quality of public debate on improved urban functioning policy issues improved
- 3.3 Quality of public debate on improved urban functioning policy issues improved
- 3.4 Access to capital for expanded ownership of business by historically disadvantaged increased

STRATEGIC OBJECTIVE 4
To support the development of a unified system to provide integrated primary health care to underserved populations

- 4.1 Access to and use of integrated package of primary health care increased
- 4.2 Reform systems increased in most of 8 other provinces
- 4.3 Reform systems increased in most of 8 other provinces
- 4.4 Effectiveness and efficiency of PHC services increased

- 4.1 Access to and use of integrated package of primary health care increased
- 4.2 Reform systems increased in most of 8 other provinces
- 4.3 Reform systems increased in most of 8 other provinces
- 4.4 Effectiveness and efficiency of PHC services increased

- 4.1 Access to and use of integrated package of primary health care increased
- 4.2 Reform systems increased in most of 8 other provinces
- 4.3 Reform systems increased in most of 8 other provinces
- 4.4 Effectiveness and efficiency of PHC services increased

- 4.1 Access to and use of integrated package of primary health care increased
- 4.2 Reform systems increased in most of 8 other provinces
- 4.3 Reform systems increased in most of 8 other provinces
- 4.4 Effectiveness and efficiency of PHC services increased

117

14 Capacity for civil society to mobilize and invest resources for service provision

- strong civil society
- effective public institutions
- sustainable NGOs monitoring government performance and human rights

15 Technical and disadvantaged institutions of tertiary education strengthened and reformed

- support for the transformation of higher education to include financing, curriculum development and national standards developed
- formula to distribute resources equitably to IEDIs established
- academic programs at IEDIs responsive to market demands
- Centers of Excellence at IEDIs strengthened and addressing critical development needs research center
- women's center, governance center, economic policy center

16 Access to capital for expanded ownership of shelter and strengthened financing mechanisms available to all sectors of the private sector

- financing for housing from commercial banks for low income
- financing from non-traditional sources of credit for shelter, e.g. "community" banks and "retail" outlets for very low income
- expanded access to credit by historically disadvantaged construction contractors
- newly organized, racially inclusive local govts accessing private capital/other resources for urban dev

17 Capacity for PICC training institutionalized in the rest of other provinces

- PICC training curriculum institutionalized in the rest of other provinces
- PICC training curricula institutionalized in the rest of other provinces

18 Capacity for civil society to monitor and evaluate government services rendered

- terms of reference on public service issues and human rights
- national and provincial public sector NGO networks in place
- democracy and human rights curriculum instituted nationally
- human rights education programs (street law) available to all sectors

19 Capacity of NGOs to impact national and provincial educational systems strengthened

- system of national RDP Office, national and provincial Human Resources Development Departments and NGOs improved
- system for program performance planning established to link NGO results to the GNU's performance eval
- human resources capacity of selected NGOs developed

20 Institutional capacity to facilitate expansion of ownership of business assets by historically disadvantaged strengthened

- effective organizations providing services to small/micro enterprises
- unbanning privatization
- franchising opportunities
- business chambers assisting with affirmative procurement programs
- structures strengthened to avail of increased U.S. trade and investment
- sustainable structures functioning to provide access to the best of knowledge and technologies related to int'l trade dev

21 Information base for policy planning, program decisions and program monitoring improved

- effective health information system operating in 10/10 provinces and being used for policy, planning, program decisions, program monitoring
- effective health information system operating in most of 9 other provinces and being used for policy, planning, program decisions, program monitoring

22 Capacity for effective and efficient local government structures strengthened

- more provinces effective transition to devolved structures
- cities renovated in order to meet needs
- local govts and provincial govts in negotiations have agreed to better represent poor services

23 Substantial number of disadvantaged South Africans trained and educated

- 100,000 completed a degree program in the U.S. in fields consistent with sustainable development
- 2,240 received short-term technical training in the U.S. or other countries
- 4,480 received short-term technical training in South Africa or participated in conferences and workshops dealing with critical policy and management issues

24 Institutional capacity to facilitate expansion of ownership of shelter assets by low-income historically disadvantaged strengthened

- more effective sustainable professional organizations providing skills training and financing for housing urban infrastructure delivery based on env sustainable principles
- planning, project design, and service delivery capacity of community organizations strengthened
- planning, project design, and service delivery capacity of a number of strategic local govts strengthened

25 Capacity for public service delivery institutionalized

- vocationally-oriented schools of govts providing graduates to serve in the public service
- network of IEDIs and other institutions providing high quality training for national, provincial, and local public servants and legislators
- critical mass of officials and legislators exposed in int'l training and management ideas

26 Civil Society capacity for non-violent social change strengthened

- conflict mediation, resolution and prevention efforts instituted in all local sectors and key communities
- non-violent mediation and conflict resolution institutionalized in key sectors
- training systems for non-violent mediation to reduce and prevent the use of violence

8

ACRONYMS

ANC	African National Congress
AOJ	Administration of Justice
API	Assessment of Program Impact
BICSN	Black Integrated Commercial Support Network
CUSSP	Community and Urban Services Support Project
CBOs	Community-Based Organizations
CIDA	Canadian International Development Agency
CDT	Community Development Trusts
CAAA	Comprehensive Anti-Apartheid Act
COSAS	Congress of South African Students
CPSP	Country Program Strategic Plan
DANIDA	Danish International Development Agency
D/G	Democracy and Governance
EQUITY	Equity in Integrated Primary Health Care Project
ESAT	Education Support and Training Project
ESKOM	South African Electric Company
GNU	Government of National Unity
GDP	Gross Domestic Product
HDI	Historically Disadvantaged Institution
IBEC	Independent Business Enrichment Center
IDCC	International Development Coordinating Committee
IEC	Independent Electoral Commission
IBTT	Informal Business Training Trust
IFP	Inkatha Freedom Party
INLOGOV	Institute for Local Governance
JICA	Japanese International Cooperation Agency
MECs	Members of the Executive Councils
MPs	Members of Parliament
MOH	Ministry of Housing
MERIT	Monitoring, Evaluation, Reporting and Information Transfer
NORAD	Norwegian Development Agency
NP	National Party
NGOs	Non-Governmental Organizations
ODA	Overseas Development Agency (British)
PAC	Pan Africanist Congress
PSHG	Private Sector Housing Guaranty
RSA	Republic of South Africa
RDP	Reconstruction and Development Program
SIDA	Swedish International Development Agency
UNDP	United Nations Development Program

I. PROGRAM SUMMARY

A. Overview

A little more than one year ago, the majority of South Africans were without voting rights and severely limited in their access to basic social and economic benefits. Today, through a triumph of democratic will, the policy of apartheid, with all its injustice and inhumanity, is history. The world has witnessed the birth of a new South Africa, one that merits the fullest support of the world community to help erase the injustices and inequities of the past. Only with the coordinated and continuing support of the world community can South Africa hope to realize its potential to become the African continent's best example of democracy and economic growth, to the benefit of the entire continent.

This Action Plan presents USAID/South Africa's program strategy and resource requirements for the next two years. A companion document, USAID/South Africa Concept Paper, provides a rough sketch and rationale for USAID's program for the next ten years which will be further elaborated in our Country Program Strategic Plan scheduled for completion in November.

USAID/South Africa has shaped its future assistance program around support for the Government of National Unity's (GNU) Reconstruction and Development Program (RDP). Our evolving strategy is focussed on the goal of **sustainable transformation**. Sustainable transformation means:

Assisting South Africa through the point where democracy is sufficiently consolidated, basic systems and policies for social service delivery are in place, processes of institutional change and the development of management and technical capacity are far enough along so that there is reasonable confidence that South Africa's majority population is on a course to sustainable political, economic and social development.

Sustainable transformation does not mean the actual attainment of that development. South Africa is a country in transition. If the products of that process can be built upon and sustained, there exists a high probability that the people of South Africa, with the resources they possess, can achieve sustainable development. This higher than average potential for rapid economic and social gains from transition assistance is largely due to the fact that the change processes have their own dynamic -- their plans and the momentum behind them are home-grown. The basic elements of political stability, good governance, sound economic policies and participatory development are present, but there is a dearth of management and technical skills among the majority population. The additional capabilities that USAID can bring to the process -- especially through technical assistance and training -- can make a major contribution because they address key missing elements in an otherwise favorable environment.

In developing proposals for a future program, we considered GNU plans under the RDP, areas important for sustainable transformation, the Mission's experience and comparative advantage, and what we thought we could realistically aim to accomplish within reasonable bounds of program duration and funding levels. This led us to focus on four strategic objectives:

1. Democracy/Governance. Help consolidate democracy (elections, parties, parliament, human rights/administration of justice), reducing violence, and strengthening civil society; and support reform of the public service to make it more representative and effective (particularly in RDP implementation in the provinces).
2. Education. Help establish new policies, models, and management capacity in basic education; assist historically disadvantaged institutions of tertiary education (HDIs, universities and technikons) to build faculty capacity, establish "centers of excellence" in specific areas, and improve the quality of education; and fund short-term and degree training in the U.S. and in South Africa.
3. Economic Policy/Private Sector/Housing. Support economic policy research and exposure to outside ideas on economic policy; assist disadvantaged South Africans to increase ownership, access capital, and participate in private business; and help to demonstrate new private sector-based models of housing delivery, housing finance, urban infrastructure development, and urban finance.
4. Health. Support the development of a model of sustainable primary health care in the Eastern Cape Province and national replication of lessons learned; and continue work on HIV/AIDS prevention.

The rationale for these program choices is based on four long-term challenges facing South Africa: 1) consolidating democracy and improving governance; 2) making adequate progress on basic social service delivery; 3) reforming economic policy to achieve sustained growth; and 4) expanding the participation of the historically disadvantaged majority population in the private sector and ownership of assets. Our strategic objectives will help the GNU meet these challenges. SO 1 will help with the first challenge. SO 2 and SO 4 will help with the second challenge. SO 3 will help with the third and fourth challenges.

B. Overall Progress

Predicting the pace and content of change in South Africa is fraught with uncertainties and potential errors. With that caveat, the following comments are offered on key issues in the political, economic, and social spheres.

Political. In general, South Africans are doing a highly creditable job on political elements of the transition. Within the GNU, the African National Congress (ANC) is working hard to maintain the support of the National Party and whites in general. Constitutional problems vis-a-vis Kwazulu-Natal have not been resolved, but this is more of a regional than a national problem. Parliament has rejected its past rubber-stamp role and has gradually moved to develop more meaningful oversight and legislative capacity.

Civil society is active in governance and policy advocacy, although the role of NGOs in RDP delivery has not yet been fully worked out. Reform of the judiciary, development of policies on decentralization, and reform of budget processes are all proceeding at a reasonable pace, albeit not as rapidly as anticipated.

One transition point will be the local elections in November 1995, which will establish democratically-elected local authorities. However, registration has been lower than hoped for. A pivotal transition point will be the national election scheduled for 1999. This election will mark the end to the Government of National Unity and the transition to unrestricted majority rule.

Economic. In 1993 and 1994, the economy began a recovery from its most recent recession which began in 1989/90. Gross domestic product (GDP) grew at 1.1 percent in 1993 and 2.3 percent in 1994. Preliminary indications are that GDP could grow at an annual rate of approximately 3 percent in 1995. Thus, for the first time since 1988, South Africa's per capita income is increasing. Despite this turnaround, real per capita income today is at the same level as in 1966/67 and is 20 percent less than at its peak in 1981. Despite positive turnarounds in the flow of foreign savings and investment, which was positive in 1994 for the first time since 1984, the current recovery is likely to begin faltering as soon as 1996 and 1997 as a variety of capacity and financial constraints begin to bind the economy.

The basic rationale for this pessimism is found in the following series of longer-term trends in the economy:

- (1) The basic productive capacity of the economy has been steadily declining over time, with the current growth rate of capacity output being in effect since 1981;
- (2) South Africa's past growth has primarily been driven by the expansion of factor usage and not productivity growth;
- (3) Since 1970, capital rather than labor has been the driving force of expanding output;
- (4) Since 1960, the capital intensity of production has risen by over 38 percent and the labor-capital ratio has fallen by between 40 percent and 45 percent;
- (5) Since 1965, annual average multifactor productivity growth has been negative or less than 0.5 percent;
- (6) Since 1982 net domestic investment has been less than 10 percent of GDP and less than 5 percent of GDP since 1984;
- (7) Net domestic saving has also been less than 10 percent of GDP since 1982 and less than 6 percent of GDP since 1986; and
- (8) Beginning in 1984, government budgetary deficits have been a drain on savings, with that drain rising significantly since 1990.

The GNU recognizes that South Africa's economy is in a structural crisis and requires significant changes to produce the growth in incomes and employment to be able to address the needs of the disadvantaged population. In recognition of this, the GNU has taken positive policy steps. The dual exchange rate system has been abolished and a commitment to eliminate foreign exchange controls in the near future has been made. The GNU 1994/95 budget reduced the fiscal deficit from 9.8 percent of GDP to an estimated 6.4 percent of GDP. The 1995/96 budget is projected to reduce this deficit to 5.8 percent of GDP. The 1995/96 budget began the process of reforming the tax system to eliminate discriminatory provisions of the tax system. The interim constitution provides for the continued independence of the Reserve Bank so that control of inflation will be an independent goal. The GNU has confirmed the General Agreement on Trade and Tariffs (GATT) commitment of the previous government to undertake a major reform of South Africa's tariff structure which will simplify the system and reduce the level of nominal and effective protection. The GNU is taking a prudent approach to contracting foreign debt given the large total debt load of the country. Despite these changes, and unlike the situation in the social sectors, there is not the widespread recognition of the need for structural economic change. This, in turn, could lead to future difficulties in the implementation of the structural policies which will be required.

Social. Even though South Africa's 1994 GDP totals roughly \$120 billion and the average per capita income is over \$2,600, the extreme inequality of the distribution of the country's income and wealth means that much of South Africa is at best in the "Second World" and often in the "Third World." Overall South Africa's median household income is Rand(R) 12,604 (\$3,550). This breaks out across population groups as follows: Africans—R8,534 (\$2,404); Coloreds—R19,485 (\$5,409); Asian—R37,402 (\$10,536); and Whites—R57,546 (\$16,210). Thus, median household incomes for Africans are less than 15 percent of those for Whites; for Coloreds and Asians the percentage is 34 percent and 65 percent, respectively. An alternative way to look at this issue is to consider the composition of the poorest segments of South Africa. Africans, who make up 75 percent of the population, account for 96 percent of the poorest income quintile and 94 percent of the bottom 40 percent of the population. Coloreds who account for 9 percent of the total population, compose 3 percent of the poorest quintile and 4.5 percent of the two bottom quintals. Whites on the other hand account for less than one percent of the poorest 20 percent and poorest 40 percent of the population, even though they account for 13.4 percent of the total population.

Examining indicators for health and education, especially on a regional basis within South Africa, clearly demonstrates the less than "First World" living standards of much of South Africa's population. New programs in education, housing, health, and other areas have been initiated under the RDP. However, the funds available to support RDP initiatives are limited because of the tight budget situation. The previous government left a high deficit, which the GNU is trying to reduce. South Africa is already relatively highly taxed. The needs for social services are enormous because of the legacies of apartheid. For these reasons, progress in meeting social needs is likely to be far below political expectations and possibly future political demands. Because of the magnitude of education, housing, and other needs, major progress in reducing the social service gap may take twenty years or more.

RDP delivery has been slow, particularly in terms of redirecting ministerial budgets and programs.¹ As funds are reallocated, difficult issues of implementation, management, and community involvement will have to be worked out. RDP progress is likely to be slow for the next several years, after which progress will depend heavily on the pace of economic growth and the implementation capacity of provincial and local governments. Meanwhile, there are heavy demands being made for visible change in housing, education and health services. Budget restrictions on state subsidies are restraining rapid movement on the provision of housing. The type of subsidy currently in use can only address a small portion of the long pent-up demand. A key issue in the education sector is not just equal access but also equal quality. Basic education, the key to long-term growth through increased productivity, is suffering from a serious shortage of adequately trained teachers, classrooms and relevant curricula. In the tertiary sector, student dissatisfaction is on the rise as the government struggles with issues of providing some form of student financing to make equal access a reality. While universal health coverage has been promised, the budget for primary health care is starting at a low base for a country of South Africa's income level. In addition, the system is struggling with huge disparities in overall health status.

Notwithstanding the above challenges, the general assumption is that South Africa will follow a scenario of continued political stability and progressive economic and social reform. We think there is a high probability that South Africa will evolve along these positive lines. However, the people and fledgling Government of South Africa still must contend with such hurdles as political factionalism, growing demands for government services while there is a critical need for budget discipline, and volatile populist sentiment.

¹ The GNU has said that the first national budget that will be really shaped by the new priorities of the GNU will be the 1996-97 budget, which will not be issued until March 1996. The 1994-95 budget was developed totally by the previous Government, and even the 1995-96 budget contained only limited changes.

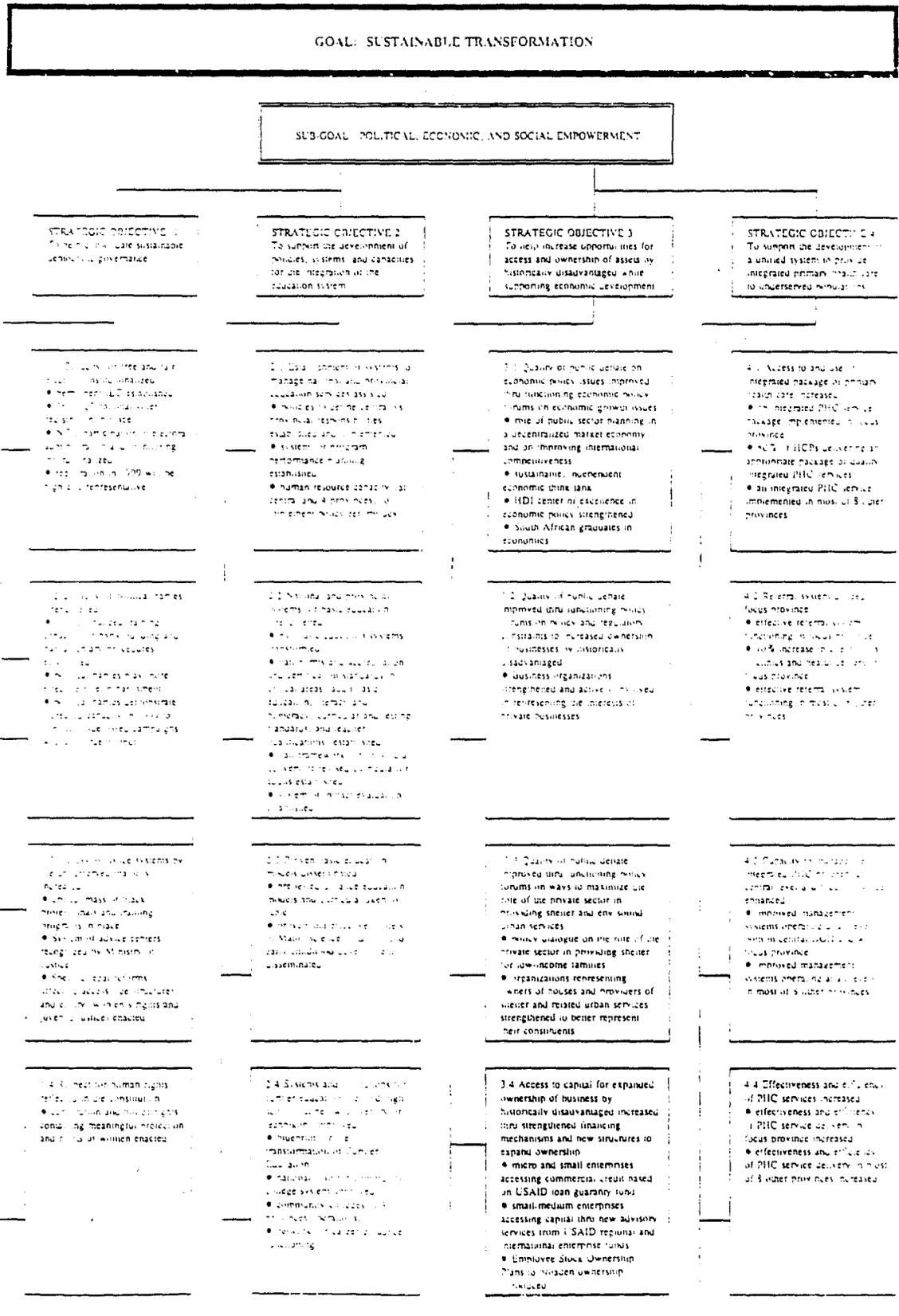
SOUTH AFRICA (674)

FY 1997 BUDGET PLANNING DOCUMENT

TABLE I : APPROPRIATION SUMMARY (\$000)

ACCOUNT	FY 1995 ESTIM.	FY 1996 ESTIM.	FY 1997 REQUEST	FY 1997 @ 67%
DEVELOPMENT FUND FOR AFRICA	119,996	120,000	100,000	80,000
<u>SUBTOTAL SUSTAINABLE DEVELOPMENT:</u>	119,996	120,000	100,000	80,000
SUSTAINABLE DEVELOPMENT THEMES:				
BROAD BASED ECON GRWTH	93,993	87,111	67,910	50,343
GLOBAL ENVIRONMENT	2,550	7,762	6,116	6,039
POPULATION GROWTH	3,120	3,225	3,068	3,068
DEMOCRATIC PARTICIPATION	20,333	21,903	22,906	20,551
OPERATING EXPENSES (U.S. \$)	5,558	5,558	5,523	5,523

19



117

1.4 Capacity of civil society to monitor, finance and oversee government services

- Sustained civil society capacity for policy information analysis and debate established
- Sustained NGOs monitoring government performance in human, civil and political rights

1.5 Mechanisms in civil society to provide complementary and/or government services strengthened

- Trends in public forum (press, public policy issues and forum) and other
- National and provincial guidelines for NGO operations in place
- Democracy and human rights curriculum instituted nationally at primary and secondary
- Non-formal education programs strengthened available in all provinces

1.6 Issues in effective efficient municipal governance structures resolved

- More municipalities effective in provision to delivery of services
- More municipalities in outer provinces
- Municipal and provincial members of legislatures have mechanisms to better represent their constituents

1.7 Capacity for public service training institutionalized

- Nationally-oriented schools of gov't providing graduates to serve in the public service
- Network of HDIs and other institutions providing high quality training for national, provincial, and local public servants and legislators
- Critical mass of officials and legislators exposed to managerial and management ideas

1.8 Civil Society capacity for to mediate social change strengthened

- Conflict mediation, resolution and intervention efforts instituted in judicial sectors and key communities
- Conflict mediation and conflict resolution institutionalized in key sectors
- Mediation systems for labor relations functioning to resolve disputes and settle lawsuits

2.5 Historically disadvantaged institutions of tertiary education strengthened and institutionalized

- Influence for the transformation of Higher Education to include financing, curriculum development and national standards developed
- Formula to distribute resources equitably to HDIs established
- Academic programs at HDIs responsive to market demands
- Centers of Excellence at HDIs strengthened and addressing critical development needs (research center, women's center, governance center, economic policy center)

2.6 Capacity of NGOs to impact national and provincial educational systems strengthened

- System for the RDP Office national and provincial Human Resources Development Departments and NGOs improved
- System for program performance financing established to link NGO results to the GNLS performance eval.
- Human resources capacity of selected NGOs developed

2.7 Substantial number of disadvantaged South Africans trained and educated

- More completed a degree program in the U.S. in fields consistent with sustainable transformation
- 2,240 received short-term technical training in the U.S. in 10 countries
- 4,850 received short-term technical training in South Africa or participated in conferences and workshops dealing with critical policy and management issues

3.5 Access to capital for expanded ownership of shelter thru strengthened financing mechanisms strengthened to increase the role of the private sector

- Financing for housing from commercial banks for low income
- Financing from non-traditional sources of credit for shelter, e.g. "Community" banks and "retail" outlets for very low income
- Expanded access to credit by historically disadvantaged construction contractors
- Newly organized, racially inclusive local govt accessing private capital/other resources for urban dev

3.6 Institutional capacity to facilitate expansion of ownership of business assets by historically disadvantaged strengthened

- Effective organizations providing services to small/micro enterprises
- Unbundling privatization
- Franchising opportunities
- Business chambers assisting with affirmative procurement programs
- Structures strengthened to avail of increased U.S. trade and investment
- Sustainable structures functioning to provide access to the best of international experience and technologies related to int'l trade dev

3.7 Institutional capacity to facilitate expansion of ownership of shelter assets by low-income historically disadvantaged strengthened

- More effective sustainable professional organizations providing skills training and financing for housing (non-infrastructure delivery) based on env't sustainable principles
- Planning, project design, and service delivery capacity of community organizations strengthened
- Planning, project design, and service delivery capacity of a number of strategic local govt strengthened

4.5 Capacity for PHIC training institutionalized

- PHIC training curricula institutionalized in the province
- PHIC training curricula institutionalized in most of 5 other provinces

4.6 Information base for policy planning, program decisions and program monitoring improved

- Effective health information systems operating in focus province and being used for policy planning, program decisions, program monitoring
- Effective health information system operating in most of 5 other provinces and being used for policy, planning, program decisions, program monitoring

II. STRATEGIC OBJECTIVES

A. Strategic Objective 1 - To Help Consolidate Sustainable Democratic Governance

1. Relevance to Agency Objectives

The Mission's first strategic objective is to promote and sustain democratic governance. Democratic governance is a basic goal of the GNU and is important for sustainable economic growth and for the effectiveness of other USAID sectoral programs. It is also, according to Agency guidance, an objective that deserves support as an end in itself.

Under democratic governance, proposed USAID transition support will focus on four program areas which correspond closely to the four priority areas listed in the Agency's Democracy/Governance (D/G) strategy. These areas are democratic institutions, civil society, human rights/administration of justice (AOJ), and governance/public administration.

2. Progress to Date

Election Support Activities. Local elections are scheduled for November 1995. Election support programs developed by NGOs and National and Provincial Local Government Election Task Groups supported by USAID have resulted in a greatly increased registration rate of approximately 65 percent of the estimated electorate. USAID/South Africa will provide additional election management support through NGOs to the Provincial Election Task Groups. In addition, political party training programs trained over 500 party specialists in formerly disenfranchised parties, strengthening the peaceful engagement of disadvantaged political parties in the democratic elections. Political polls assessing the opinions and interests of the electorate were carried out in the major population areas. Leadership training programs for women to participate in the local government elections have been initiated. Approximately 100 women leaders have attended training. Polling information has been used in political party training and has influenced policy and decision-making within the political parties significantly. Also, focus group interviews were conducted with major population groups to identify the reasons for the initially slow registration. Information campaigns were developed by the GNU on the basis of this information. The registration has significantly increased as a result of this information and revised program support activities. Finally, USAID-supported NGOs are developing a summary statistical poll which will provide additional information to decision-makers and NGO leaders about the status of the local government elections. This poll information will be available in July-August 1995, and will serve as the basis of revising support programs for the local government elections.

Violence and Conflict Resolution. A major pilot program for community conflict prevention was established in a highly troubled township in South Africa. Youth and other conflict mitigation programs trained over 200 specialists in non-violent, social change and conflict mediation activities. Other training programs and conflict intervention activities were started for land mediation, resource allocation and other

highly troubled and conflict-prone areas.

Democracy Support Activities. A national information program for informed decision-making was launched with the establishment of a Democracy Information Center located next to the National Parliament. The first output from this activity, a National Budget Analysis, has been distributed to members of parliament, the media, and civil society leaders. Opinion and other polling information are now being compiled. Also, a program to provide support to members of parliament to strengthen their engagement and responsiveness to their constituencies was established.

Human Rights Activities. A national legal forum of over 30 human and civil rights groups was convened by the Ministry of Justice to plan legal and judicial reform activities under the USAID/South Africa program. A human rights education primer has been completed for distribution through school systems and adult education programs under the auspices of the Ministries of Justice and Education. Youth education programs trained over 100 youth leaders from disadvantaged communities in human and civil rights.

Governance. Lawful governance with the goal of political accountability to its citizens is a crucial tenet of democracy that the newly-elected leaders are just beginning to internalize and translate into practice. USAID/South Africa, in cooperation with NGO counterparts, is working at both the national and provincial levels to strengthen management capacity, assist structural reforms, and expose decision-makers to options on critical issues such as economic policy and public sector reform.

3. Assessment of Strategic Objective Performance

USAID/South Africa's D/G strategic objective can only be rated as a high performer. There are very few places in the world that, a year after a major election, can cite such a smooth transition. Granted, the bulk of the credit goes to the South Africans themselves, but USAID was, and continues to be, there to assist in providing the tools for change. USAID has provided assistance critical to the election process and, before that, to majority-led NGOs to assure that they would be well-prepared to participate actively in the democratic process. USAID-supported NGOs also assisted in mitigating violence that threatened to disrupt successful elections. Following the elections, USAID has worked closely with the government and NGOs, training parliamentarians both at the local and provincial levels. Programs are underway to increase governance capacity within the transforming public service, particularly at the provincial level, involving appropriate NGOs and tertiary institutions. Human rights organizations, which were so critical in denouncing past abuses, are now being strengthened to provide input into new legislation and to act as a watchdog to assure that the new systems function to the benefit of majority citizens. Legal assistance at the grassroots level is being provided to assist the individual, while broad systemic reform is being negotiated at the national level. It is worth noting that this latter effort also involves participation of NGOs, representing the voice of the people in these reforms. Currently, USAID is working with NGOs to promote participation in the upcoming local elections. Based on the above accomplishments and the great potential for future progress in this area, the Mission supports a high performance rating for this strategic objective.

4. Participation

Donor Coordination. A large number of donors are involved in D/G assistance activities. Two donor coordination groups were formed in 1992. The first, chaired by USAID, covers democratization/governance issues, including elections assistance. It now meets less frequently but provides information-sharing and coordination on assistance to political parties, parliament, and human rights groups. The second group, chaired by Canada, coordinates assistance in public administration. This group is increasing its intensity of meetings in recognition of the growing GNU and donor interest in governance/public administration.

Some of the principal areas of focus of other donors are:

--The European Union is still defining its post-elections emphases with a large input from the national RDP office. It appears likely to focus on elections support, local governance, and community development.

--Britain is active in elections support but devotes most of its D/G efforts to public administration, e.g., support to the Government's civil service training institute and to provincial administrations.

--Canada contributes to elections support, plans some administration of justice work, but devotes most of its D/G efforts to public administration (constitutional issues, training, fiscal federalism, and provincial support).

--Sweden is assisting the Government's public service training institute.

--The UNDP plans to work on public administration in the areas of decentralization and the Government's public service training institute.

--Other bilateral donors, such as Germany and the Netherlands, are primarily engaged in elections support, parliamentary support, and provincial assistance.

Consultation. All USAID programs, including government support activities, in this sector are carried out with heavy involvement of NGOs. Because of this NGO involvement and frequent consultations with relevant government officials, USAID receives constant information from South Africans on the problems and opportunities in the areas of elections, community development, human rights, and public administration. USAID has not yet had extensive consultation with stakeholders and other donors on our future strategy. However, preliminary discussions have been held based on USAID's draft Concept Paper for its country strategy. A more extensive consultation process on D/G strategy will take place between now and when the Mission's CPSP is due, and will continue, thereafter, as a permanent feature of the USAID program.

B. Strategic Objective 2 - To Support the Development of Policies, Systems, and Capacities for the Integration of the Education System

1. Relevance to Agency Strategic Objectives

Education is one of the most important areas shaping the debate in the New South Africa. Under apartheid, a web of instruments was created by the State to maintain second-class education for blacks as a matter of national policy. Although apartheid is officially over, it will take decades to dismantle its legacy and create a new educational system which is responsive to the needs of the free market democracy envisioned under the RDP. Education, although not an explicit Agency strategic objective, undergirds our entire program. Adequate education systems provide a literate citizenry able to participate in the democratic process, increase productivity and result in lowered population rates. Although the inherent right to an equal education is an end in itself, there are other pragmatic reasons for leveling the playing field by providing access, through transparent policies and an efficient system. For example, it has become clear in recent years that the white population alone cannot meet the skills requirements of a modern, market-oriented economy. The legacies of inferior Bantu education are regarded as a major contributing factor to the low productivity levels which characterize so much of the South African workforce. Efforts at enhancing the skills base to improve productivity and expand economic growth will necessarily have to focus on the majority population. The educational system at large, including not only the more traditional categories, basic, tertiary, etc., but also informal education and innovative adult learning schemes, must be reformed to meet these needs.

2. Progress to Date

The most notable progress since the Assessment of Program Impact (API) has been the beginning of a sound dialog with the GNU on education policy and systemic structure. Four bilateral agreements are expected in basic and tertiary education by the end of this fiscal year. Policy and operational technical assistance is currently being provided at the provincial and national levels. Successful relationships with NGOs are being maximized as the liberalized environment allows us to "take to scale" models which they have developed. One successful application under the South African Basic Education Rehabilitation Project (SABER) brought major advances to distance learning nationwide. Open Learning Systems Education Trust (OLSET), a local PVO, had developed a distance learning application entitled "English in Action." Through an agreement with the South African Broadcast Corporation (SABC), that program will now be broadcast nationwide. This has been followed by an agreement with the Argus Newspaper Group to publish a half-page student workbook and teacher guide each weekday throughout the year.

In tertiary education, progress has been made in several key areas. The Tertiary Education Linkages Project (TELP) is underway, the project steering committee has been selected and HDI grantees have been selected for strengthening grants. The U.S. is now the largest donor in the student finance area. Over one third of funds under the Support to Tertiary Education Project (STEP) has been used to finance bursaries. This June, a group of 85 new students will be sent to the U.S. to study priority fields such as economics, public administration, engineering, business administration, education and law. Under a program with the African-American Institute, 60 junior faculty members are also being sent to the U.S. in a special program to upgrade their skills through a mentorship program. In January 1995, USAID sponsored a policy workshop on higher education finance which has led to further study by the Higher Education Commission. The Commission will bring the same group of stakeholders back together in July to

present its findings. Additional assistance to the Commission is supporting study on resource allocation, optimal number of institutions required, and the competitiveness of higher education, particularly in priority areas such as science. Progress is continuing in discussions on further education. Nine provincial workshops have been held on the future of community colleges. Another youth-focused activity, career guidance centers, has also made significant progress. The 21 member centers have now formed an association, South African Vocational Guidance Education Association (SAVGEA), in order to better position themselves under new dispensation to lobby for this sorely-needed student support.

3. Assessment of Strategic Objective Performance

In moving from working with only 2 percent of the education system to encouraging broad changes and innovative practices at the national and provincial level, USAID's education strategy has taken a quantum leap. Our API cited work with NGOs in developing models, many of which, such as the English in Action program for distance education, are now in broad application. The Interim Constitution made the provinces responsible for basic education. USAID has responded rapidly, offering tailor-made assistance to several of the provincial education ministries. All provinces have been contacted and all have participated in at least one USAID-sponsored forum. Adult basic education has been made a priority for the GNU. To facilitate greater responsiveness in this area, USAID is amending its Educational Support and Training (ESAT) project to enable bilateral agreements and to direct more resources to this priority area. Tertiary education now falls under national auspices, USAID has established a committee of deans which is beginning to entertain proposals for improvements in the historically disadvantaged institutions. Over the past ten years, USAID has provided bursaries to over 2,000 disadvantaged students to gain a higher education. These former beneficiaries now form part of the core of highly capable leaders in all sectors. Career counselling efforts to assist young majority students to use the education system to their future advantage, have been piloted. Models such as community colleges are being examined to help these students to gain a suitable education or prepare for entry into the university system. USAID is providing flexible technical assistance to the RDP to enable it to respond to the vast human resource development needs facing the country. Activities in this strategic area have been high performers, training technicians and leaders and developing educational models which are now being adopted nationally. USAID/South Africa's education program has maintained a flexibility which has allowed it to respond quickly to opening opportunities. The Mission believes that, based on past performance and the enormous potential this area shows for supporting all of our other strategic areas, it should be placed in the category of high performance.

4. Participation

Collaboration with the larger donor community has been stressed by USAID. The list of donors comprising the Coordination Group, which meets approximately every second month, is exhaustive, including the European Union, Great Britain, Canada, Germany, Japan, the World Bank, the UNDP Liaison Office, Sweden, and the Ford Foundation. In addition to communicating sector and sub-sector targets of each donor, experiences and even frustrations are shared. The group meeting is also an effective forum for speakers

who discuss issues of common interest, such as the discussion on the RDP, the national literacy campaign, the culture of learning issue, and prioritizing Ministry of Education's needs.

By design, because of the Comprehensive Anti-Apartheid Act (CAAA) legislation, USAID/South Africa's management approach has included grassroots capacity building. In the new, post-elections era, this effort has led to substantial collaboration of non-governmental organizations, both U.S.-based and indigenous, in assisting the GNU to perform its new role. As mentioned above, NGOs are now poised to provide tested practices, services, and products, allowing the GNU to start with a solid foundation. The collaboration that has taken place among USAID/South Africa, government and non-government clients has built trust and solid relationships that are now producing valuable dividends.

USAID assistance to the national or provincial governments in fields of policy analysis, strategic planning, and finance is well received. Therefore, decentralization of educational services to Provincial authorities is expedited. In tertiary education, relationships built have facilitated the Commission on Higher Education to initiate its task of providing a blue print to the GNU on higher education. The NGO community is being assisted in addressing important issues such as sustainability, marketing services to the GNU, reorganization and amalgamation.

Future efforts to enhance collaboration will include increased contact with the private sector (private sector already occupies a seat in tertiary education advisory group), increased collaboration with other governmental agencies impacting human resources development in the country (e.g., civil service commission), academia, and large government parastatals which exercise a donor role (e.g., the national electric utility company [ESKOM]). The Mission will also explore joint efforts through intra-office coordination (e.g., democratization, civil society and education projects).

C. Strategic Objective 3 - To Help Increase Opportunities for Access and Ownership of Assets by Historically Disadvantaged While Supporting Economic Development

1. Relevance to Agency Strategic Objectives

Sustainable economic transformation requires changes in the policy environment, more effective organizations, and increased access to capital. In South Africa, these changes will enable the historically disadvantaged community to achieve increased ownership of businesses and of shelter accompanied by improved levels of urban services.

The USAID/South Africa strategy is consistent with the Agency's guidance that economic growth must be rapid, broad-based, sustainable, environmentally sound, and participatory. The South Africa situation, however, requires special attention to making economic growth broad-based and participatory. Political stability resulting from broad-based and participatory economic growth is necessary if economic development is to be sustainable in South Africa.

Three broad areas for support have been identified by USAID: strengthening markets, investing in people, and expanding access and opportunity. In South Africa at this time, the most critical of these three basic areas is expanding access and opportunity. Limited USAID/South Africa resources will mean that support for strengthening markets and investing in people will be limited to activities directly linked to expanding access and opportunities.

2. Progress to Date

The leveraging of resources from other South African agencies or other donors by means of the careful placement of grants or loans is one of the pillars of USAID's strategy. The Mission has, through a variety of mechanisms, had considerable success in these efforts. For every \$US1 invested in housing and in small business loans, approximately \$US2.00 was leveraged. From the \$75 million Private Sector Housing Guaranty (PSHG) Loan Program, USAID/South Africa has been able to leverage \$150 million available for mortgages for 20,000 low income households which would normally not have been serviced by the banking sector.² Utilizing the Small Business Loan Portfolio Guaranty Program, \$6 million leveraged \$12 million in private domestic capital for small enterprises. The program has served as an impetus to 6 major banks in South Africa to pursue loan programs for African-owned, small businesses.

The USAID relationship with the Ministry of Housing has resulted in our providing technical assistance on the drafting of the sectoral "White Paper" setting forth policy in this highly politicized sector. We have also been working with the GNU and the private sector to prepare for a major U.S./South African trade and investment conference scheduled for this fall.

3. Assessment of Strategic Objective Performance

SO 3 is one of the younger components of USAID's strategic framework. Within the housing portfolio, one guaranty has been authorized and two more are planned--one each in FY 96 and 97. Lending has begun under the first guaranty. Many components of the private sector portfolio are still in design. Recognizing the weakness of the GNU in economic policy and the need to bring outside players into the debate, USAID has decided to round-out this strategic area by introducing an economic policy component. The Mission classifies this objective currently as one of medium impact but believes that as, it matures, and as more activities proceed into full implementation, high impact can be expected.

4. Participation

The economic empowerment strategic objective has been shaped over time by input from three different sources: (1) input resulting from the implementation of USAID/South Africa funded activities, including contact with local organizations; (2) input on the

² The concept of "leveraging" reflects the fact that the original USAID investment is provided as a loan which will be repaid. Thus, the total amount available for mortgages (twice the amount of the USAID investment) ultimately represents local resources which USAID/South Africa mobilized.

strategy explicitly requested from South Africans; and (3) input from contact with other donors. There are significant differences between the approach taken in the housing and urban development sector and the approach taken in the private sector.

The program in the housing and urban development sector has been heavily influenced by consultation with the participants in the South Africa Housing Forum, a broad-based advisory group that includes representatives of the building industry, housing professional, the civic movement and the private sector. USAID/South Africa has also had varying amounts of direct contact and input from the 64 community-based projects that have been grant-funded.

USAID has chaired the South Africa Donor Group on Housing and Urbanization for the last 12 months. During this time, there has been active participation from representatives from USAID, the World Bank, United Nations Development Program (UNDP), UNHCS (Habitat), the British Development Division of the Overseas Development Agency (ODA), the Japanese Embassy (representing the Japanese International Cooperation Agency [JICA]), Canadian International Development Agency (CIDA) and Canadian International Development Research Centre (IDRC), the German Embassy (representing the German Technical Cooperation [GTZ] as well as the various parastatal, political development foundations), the French Embassy (including the Caisse de Developpement) with intermittent representation from Swedish International Development Agency (SIDA), the Norwegian Development Agency (NORAD), the Danish International Development Agency (DANIDA) and Australian Agency for International Development.

Late in 1994, USAID worked with the GNU to structure a bilateral grouping of all donors in housing and urban development. This bilateral donors group then presented its plan of action to the plenary grouping of the GNU's International Development Coordinating Committee (IDCC) and the full donor body. Periodic meetings (every 4 - 6 weeks) of the donors are convened for this sector, and, in these meetings, there is usually a period of donor consultation following by a bilateral session with the IDCC.

The private sector strategy has relied on input from individual private businesses, business leaders and groups (including chambers of commerce), and non-government organizations (including organizations involved in providing support to businesses). USAID interviewed representatives from more than 20 non-governmental organizations about their views of the type of assistance that would be most useful for this sector.

The private sector strategy has had less input from the donor community than the housing and urban development sector. The private sector donor coordinating committee meets irregularly. Other donors are also in the process of developing their own private sector support strategies and have often sought-out USAID/South Africa for advice. Input about the programs of other donors has been collected on an ad hoc basis, especially in connection with the visits of consultants. Recently, the Ministry of Trade and Industry has assumed responsibility for calling regular meeting of donors to discuss the relationship of donor assistance in the private sector arena to the programs of the GNU.

USAID has gathered specific input on its appropriate role in the small, medium, and micro enterprise sector from the newly-organized, Small Business Division of the

Ministry of Trade and Industry. USAID has been an active participant in several conferences and has provided technical expertise to assist the Small Business Division in reorganizing its facilities to meet current and future demands.

D. Strategic Objective 4 - To Support the Development of a Unified System to Provide Integrated Primary Health Care to Underserved Populations

1. Relevance to Agency Strategic Objectives

The Equity in Integrated Primary Health Care (EQUITY) Project has been designed to accomplish Strategic Objective 4 (SO4). The design has carefully incorporated USAID's recently formalized agency strategy in population, health and nutrition (PHN) (February 1995). USAID's three broad priorities are summarized as follows:

- Promoting the rights of couples and individuals to determine freely and responsibly the number and spacing of their children, and addressing unmet need for contraception through comprehensive, effective, affordable and high-quality family planning information, education and communication (IEC) and service delivery systems which are responsive and accountable to the end user;
- Improving public health and reducing high levels of child mortality through key preventive and child survival information and services, especially among high-risk families and neglected girl children; and
- Developing appropriate responses to needs, particularly among women and young adults, for reproductive health care, including maternal health and safe motherhood, treatment for serious complications of unsafe abortion, control of sexually transmitted infections, including prevention of HIV infection, and prevention of female genital mutilation.

In addition, USAID's strategy states that, while the primary focus of PHN sector activities is generally on services, USAID does not directly provide these services. Rather, we sponsor interventions to improve the capacity, infrastructure, systems, and policies which support these services in a sustainable way. Thus, an important, overarching objective for USAID's efforts in sustainable development is to build national human, technical and institutional capacities. The Agency's strategy considers this to be an "essential supporting activity." This includes sustained support to private- or public-sector institutions, investments in human resources, and nurturing indigenous technical capacities to develop and carry out programs. The EQUITY Project, and, in turn, SO4, reinforces all of these key elements of USAID's current PHN strategy.

Furthermore, USAID/South Africa's rationale for supporting the development of an integrated PHC system rather than specific health interventions is based not only on the fact that such a system is the cornerstone of the GNU's priorities, but also on lessons learned from health and child survival programs elsewhere in Africa. USAID's child survival strategy of the 1980s, which was based largely on selective PHC services, was only a qualified success. The principal lesson learned is that such interventions cannot be sustained without a functioning health system. The institutional analysis for the EQUITY

Project strongly supports this view by stressing that "a working health system will enable clinical program success and not vice-versa," and that "until a new system is in place and until new managers have direction, there is unlikely to be (positive change) at the service delivery level."

2. Progress to Date

The EQUITY Project is unique in being the first project designed to fully achieve a strategic objective, and also the first major USAID/South Africa bilateral project with the GNU. Both the GNU and USAID/South Africa recognize that a bilateral project provides the only strategy that will achieve mutual objectives. However, both parties also understand the critical role that NGOs played in developing alternative health services under apartheid, and the necessity of continuing NGO support to augment GNU capabilities in the short- to medium-term future. Thus, a portion of EQUITY Project resources will be targeted at key NGO interventions both in broad PHC services and in critical HIV/AIDS program elements.

In view of the fact that the EQUITY Project will not likely begin full implementation until mid-1996 when the TA contractor is in place, the GNU and USAID/SA have identified several high-priority activities that should be initiated before that time in order to lay the foundations for more rapid implementation later. These activities, termed "bridging activities," are being supported by the Global Bureau's field support funds and will not draw on EQUITY Project funding. Approximately \$2.8 million of Global field support has been made available in FY 95, and a like amount is requested in FY 96. All of these bridging activities are being developed and implemented to ensure that they provide continuity with similar activities that will continue under the EQUITY Project.

3. Assessment of Strategic Objective Performance

AID/Washington's guidance states that no assessment need be made of strategic objectives not having been established for at least one year. This Strategic Objective meets the exemption requirement since the primary implementing activity will not begin until 1996. However, as just summarized, the development of the project underlying this objective has already shown excellent performance in involving all sectoral actors.

4. Participation

Participation of stakeholders in the EQUITY Project design has been a critical element of that process. Early in the PP design process, USAID/South Africa began to hold weekly EQUITY Project progress meetings with the Department of Health (DOH) to identify project focus, content and design approach. As a result, the major elements of the design process included: (1) an initial, one-day national-level project design workshop that involved national DOH officials, representatives of the nine provinces, and relevant NGO and donor representatives; (2) participation of both DOH and focus province officials in intensive consultations and field visits -- both in the focus province and elsewhere -- as the PP was drafted; (3) follow-up workshops (involving the same stakeholders) to obtain detailed feedback leading to a final PP draft; (4) further participation of focus province stakeholders through the use of focus group discussions and a work session with both

government and NGO health service providers; (5) the development of a focus province EQUITY Project Steering Committee; and (6) joint review of the final draft to ensure full agreement by both the GNU and USAID/South Africa. This extensive and intensive participation of relevant parties in the EQUITY Project design process has led to a PP -- and thus a strategy for SO4 -- that represents mutual agreement on the project purpose and outputs, as well as on major project interventions and implementation steps. Without this collaboration, both the design process and its positive outcome would have been much more difficult to achieve.

At a different level, USAID/South Africa has invested considerable time and effort with other relevant donors in the health sector to ensure that donor resources are effectively coordinated. USAID/South Africa's initiative with these key donors -- especially the European Economic Union, British ODA, the World Bank and UNICEF -- has been instrumental in achieving this objective. Collaboration has included the more usual donor-only and donor-with-government meetings, and also coordinated short-term TA visits to develop plans for linked activities. This close working relationship among donors in the health sector will have a major impact on the effective use of both donor and GNU resources.

III. PROGRAM AND BUDGET SCENARIOS

A. Agency Funding Scenario 1

As noted in Section I, Program Summary, USAID/South Africa's strategy for the years 1996-2003 is currently being elaborated (the Concept Paper has been submitted simultaneously with this Action Plan). The attached Strategic Objective Tree (which should be considered as "Draft" pending completion of the CPSP) outlines what we believe is necessary for having a substantial impact on the goal of Sustainable Transformation. Underlying that goal are a series of four strategic objectives which will be achieved through accomplishing the 29 specific program outcomes. These outcomes are detailed in the Strategic Objective Project Impact Tables (AFR Table Ia). FY 96 and 97 are critical years to our program. Projects designed immediately following the elections are currently moving into full implementation, a time when a lag in funding can place a drag on the impact of the whole program. A new project start is in final design for the health sector. Project amendments are envisioned in FY 96 and 97 to permit activities in economic policy dialog and trade and investment. Health, economic policy and trade and investment are three areas critical to the RDP where gaps have been identified and in which USAID has a strong capability.

Strategic Objective 1: To Help Consolidate Sustainable Democratic Governance

As shown in Table III, the Mission is programming continued steady funding in its Democracy SO (SO1). This will allow for strong support for the 1995 local elections; continued strengthening of electoral systems leading up to the critical 1999 elections; continued support for violence mitigation efforts as tensions rise around these two events; and a sustained effort at strengthening the long-term governance capability at the national and provincial level.

Strategic Objective 2: To Support the Development of Policies, Systems, and Capacities for the Integration of the Education System

Both SO 2 and 3 are hitting a critical peak in their funding precisely in FY 96 and 97. In education, we are moving into a bilateral relation with the GNU which will allow us to assist in consolidating the education system and move education models developed by NGOs through to government supported public schools. We are also launching a national effort to strengthen historically disadvantaged tertiary institutions which serve the majority population. The result of this assistance will be the creation of several centers of excellence which will provide quality education, particularly in areas deemed critical by the RDP.

1. S.O. Projected Impact (AFR Table Ia)

STRATEGIC OBJECTIVE #1 (SO 1): TO HELP CONSOLIDATE SUSTAINABLE DEMOCRATIC GOVERNANCE

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
1.1 Capacity for free and fair elections institutionalized	
<ul style="list-style-type: none"> • A permanent independent electoral commission established. 	2002
<ul style="list-style-type: none"> • A "rolling" national voter registration will be in place. 	2002
<ul style="list-style-type: none"> • NGO participation in electoral administration and monitoring institutionalized. 	2002
<ul style="list-style-type: none"> • Registration and participation in the 1999 elections will be high and represent all disadvantaged groups. 	1999
1.2 Capacity of political parties to participate peacefully in political processes strengthened	
<ul style="list-style-type: none"> • Institutionalized training capacity for party building and parliamentary responsibilities established. 	2000
<ul style="list-style-type: none"> • Disadvantaged political parties play more effective role in parliament. 	2001
<ul style="list-style-type: none"> • Political parties demonstrate increased capacity in 1999 elections to conduct issue-based campaigns which indicate constituent input. 	2000
1.3 Access to justice system increased	
<ul style="list-style-type: none"> • A critical mass of black professionals and training programs in place. 	1999
<ul style="list-style-type: none"> • A functioning Ministry of Justice-recognized system of advice centers/paralegal services providing legal assistance to the poor. 	1999
<ul style="list-style-type: none"> • Specific legal reforms affecting access (i.e. fee structure) and equity (i.e., women's rights and juvenile justice) enacted. 	1999
1.4 Respect for human rights reflected in new constitution	
<ul style="list-style-type: none"> • A constitution and bill of rights containing meaningful protection for human rights and the rights of women enacted. 	1997
1.5 Capacity of civil society to counterbalance and oversee government strengthened	
<ul style="list-style-type: none"> • Sustainable capacity for policy information, analysis and debate established outside the government. 	2003
<ul style="list-style-type: none"> • Sustainable non-governmental groups to monitor governmental performance in human, civil and political rights. 	2003
1.6 Mechanisms in civil society to provide complementary efforts to government strengthened	
<ul style="list-style-type: none"> • A series of public fora and continued dialogue on critical public policy issues, including land reform and labor are institutionalized. 	2003 *
<ul style="list-style-type: none"> • National and provincial guidelines for NGO operations in place. 	2002 *
<ul style="list-style-type: none"> • Democracy and human rights instituted nationally as a compulsory subject at the primary and secondary levels. 	2000
<ul style="list-style-type: none"> • Sustainable programs of non-formal democracy education available such as "street law" available to critical sectors, including out of school youth. 	2002
1.7 Models of effective/efficient provincial government structures pilot-tested	
<ul style="list-style-type: none"> • In focus provinces, effective government delivery of services, civil services responsive to RDP priorities, effective community involvement in delivery of services, and NGOs cooperating with government in service delivery. 	2002
<ul style="list-style-type: none"> • Lessons of focus provinces replicated in other provinces. 	2002
<ul style="list-style-type: none"> • National and provincial members of legislatures have mechanism to better represent constituencies. 	1999
1.8 Capacity for public service training institutionalized	
<ul style="list-style-type: none"> • Nationally-oriented schools of government in place providing graduates to serve in the public service. 	2005
<ul style="list-style-type: none"> • A network of HDIs and other institutions providing high quality training for national, provincial and local public servants and legislators. 	2005
<ul style="list-style-type: none"> • Critical mass of South African officials and legislators exposed to new policy and management ideas. 	2001
1.9 Civil society capacity for non-violent social change strengthened	
<ul style="list-style-type: none"> • Conflict mediation, resolution, and prevention efforts instituted in critical sectors and key communities. 	2003
<ul style="list-style-type: none"> • Labor mediation and conflict mediation efforts institutionalized in key sectors. 	1999
<ul style="list-style-type: none"> • Sustainable systems for labor mediation functioning to reduce labor conflict and settle disputes. 	2000

STRATEGIC OBJECTIVE #2 (SO 2): TO SUPPORT THE DEVELOPMENT OF POLICIES, SYSTEMS, AND CAPACITIES FOR THE INTEGRATION OF THE EDUCATION SYSTEM

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
2.1 Establishment of systems to manage national and provincial education services assisted	
<ul style="list-style-type: none"> • Policies to define national vs provincial responsibilities established and implemented. • System for program performance planning established. • Human resource capacity at national and 4 provinces to implement policy reform developed. 	1998 1998 1998
2.2 National and provincial systems for basic education strengthened	
<ul style="list-style-type: none"> • National basic education systems transformed. • National norms and accreditation and certification standards established in critical areas such as adult basic education, literacy and numeracy, teacher qualifications, and curricular and testing standards. • A national framework for the provincial delivery of revised curriculum for adults established. • System of impact evaluation established. 	1999 1999 1997 1997
2.3 Proven basic education models disseminated	
<ul style="list-style-type: none"> • Pre-tested distance education models and curricula are disseminated nationally. • Proven and effective models in Maths, Science, Early Childhood Development and English disseminated. 	1998 1998
2.4 Systems and institutions for further education (beyond high school but below university or technikon) improved	
<ul style="list-style-type: none"> • Blueprint for the transformation of Further Education to include financing, curricular development, and national standards developed. • National plan for community college system approved. • Community colleges operational in 3 provinces. • A national outreach network for career guidance and student and community support is functioning. 	1997 1999 1999 1999
2.5 Historically disadvantaged institutions of tertiary education (universities and technikons) strengthened and rationalized	
<ul style="list-style-type: none"> • Blueprint for the transition of Higher Education to include financing, curricular development and national standards developed. • Formula to distribute resources equitably to HDIs established. • Academic programs at HDIs responsive to market demands. • Centers of Excellence at HDIs strengthened and are addressing critical developmental needs (e.g., research center, women's center, student support center, economic policy center). 	1997 1997 1997 2000
2.6 Capacity of NGOs to impact national and provincial education systems strengthened	
<ul style="list-style-type: none"> • System to link RDP Office, national and provincial Human Resources Development Departments, and NGOs improved. • System for program performance planning established to link NGO results to the GNU's performance evaluation. • Human resources capacity of selected NGOs developed. 	1997 1997 2004
2.7 Substantial number of disadvantaged South Africans trained and educated	
<ul style="list-style-type: none"> • 660 disadvantaged South Africans have completed a degree program in the United States, with academic focus in fields critical to South Africa's development. • 2,240 disadvantaged South Africans have received short-term technical training in the U.S. or third countries. • 4,850 disadvantaged South Africans have received short-term technical training in South Africa, or have participated in conferences and workshops dealing with critical policy and management issues in development. 	2000 2004 2004

STRATEGIC OBJECTIVE #3 (SO 3): TO INCREASE OPPORTUNITIES FOR ACCESS TO AND OWNERSHIP OF ASSETS BY HISTORICALLY DISADVANTAGED SOUTH AFRICANS WHILE SUPPORTING THE NECESSARY OVERALL ECONOMIC DEVELOPMENT TO MAKE THIS POSSIBLE

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
3.1 Quality of public debate on economic policy issues improved through functioning economic policy forums involving the business community, labor, and government actively addressing economic growth issues	
<ul style="list-style-type: none"> • Policy dialogue underway on the limited and appropriate role of public sector planning in a decentralized market economy and on improving South Africa's international competitiveness. • Policy dialogue benefiting from the input of a sustainable, independent economic think tank. • Policy dialogue benefiting from the participation of the graduates of HDI center of excellence in economic policy. • Policy dialogue benefiting from the participation of at least 40 historically disadvantaged South Africans with graduate degrees in economics with policy orientation from U.S. universities. 	1996 1997 2000 2004
3.2 Quality of public debate on economic policy issues improved through functioning policy forums actively addressing policy and regulatory constraints to increased ownership of businesses by historically disadvantaged South Africans	
<ul style="list-style-type: none"> • Business organizations strengthened and actively involved in representing the interests of private businesses. 	1997
3.3 Quality of public debate on economic policy issues improved through functioning policy forums actively addressing ways of maximizing the role of the private sector in providing shelter and environmentally sound urban services for low-income, historically disadvantaged South Africans	
<ul style="list-style-type: none"> • Policy dialogue on the role of the private sector in providing shelter for low-income families benefiting from the experience of USAID/South Africa programs in this area. • Organizations representing owners of houses as well as providers of shelter and related urban services strengthened and better representing the interests of their constituents. 	1997 1998
3.4 Access to capital for expanded ownership of business by historically disadvantaged South Africans increased thru strengthened financing mechanisms and new structures for expanding ownership	
<ul style="list-style-type: none"> • Micro small enterprises accessing commercial credit based on mechanisms by USAID loan guaranty facilities. • Small and medium enterprises accessing capital with the assistance of new advisory services initiated by USAID from regional and international enterprise funds. • Employee Stock Ownership Plans introduced as a means to broaden ownership. 	1996 1997 1998
3.5 Access to capital for expanded ownership of shelter by historically disadvantaged South Africans increased thru strengthened financing mechanisms focusing on the role of the private sector in providing shelter and environmentally sound urban services for low-income families	
<ul style="list-style-type: none"> • Low income families availing of both short and long term financing for housing from commercial banks. • Very low income families availing of financing from non-traditional sources of credit for shelter, including "community" banks and other "retail" outlets. • Expanded access to construction credit by contractors from the historically disadvantaged community. • Newly organized, racially inclusive local govts accessing private capital and other resources for urban development. 	1997 1997 1997 1998
3.6 Institutional capacity to facilitate expansion of ownership of business assets by historically disadvantaged strengthened	
<ul style="list-style-type: none"> • A limited number of sustainable and more effective organizations providing services to small and micro enterprises. • Structures functioning that provide the benefits of unbundling and privatization to historically disadvantaged. • Sustainable structures in place to assist historically disadvantaged avail of opportunities resulting from franchising. • Business chambers assisting enterprise owned by historically disadvantaged South Africans in responding to affirmative procurement programs. • Structures strengthened that permit historically disadvantaged to avail of increased U.S. trade and investment. • Sustainable structures functioning that provide disadvantaged South Africans with access to the best of international experience and technologies related to international trade development. 	1996 1997 1998 1997 1997 1998
3.7 Institutional capacity to facilitate expansion of ownership of shelter by historically disadvantaged strengthened	
<ul style="list-style-type: none"> • A limited number of more effective and sustainable professional organizations providing skills training and planning for housing and urban infrastructure delivery based on environmentally sustainable principles. • Planning, project design, and capacity for service delivery of community organizations strengthened. • Planning, project design, and implementation capacity for service delivery of a limited number of strategic local governments strengthened. 	1996 1997 1998

STRATEGIC OBJECTIVE #4 (SO 4): SUPPORT THE DEVELOPMENT OF A UNIFIED SYSTEM TO PROVIDE INTEGRATED PRIMARY HEALTH CARE SERVICES TO UNDERSERVED POPULATIONS

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
4.1 Access to an integrated package of PHC services in the focus province has been increased	
<ul style="list-style-type: none"> ● An integrated PHC service package will be effectively implemented in the focus province. ● 80 percent of health care points in the focus province will be delivering an appropriate package of quality, integrated PHC services. ● The integrated service package will be implemented in most if not all of the other eight provinces. 	1999 2002 2002
4.2 An effective referral system is functioning in the focus province	
<ul style="list-style-type: none"> ● By 1999, an effective referral system will be functioning in the focus province. ● Client visits to clinics and health centers in the focus province will increase by 10 percent as a result of the referral system. ● Effective referral systems will be functioning in most if not all of the other eight provinces. 	1999 2002 2002
4.3 The capacity to manage the integrated PHC program has been enhanced at central level and in the focus province	
<ul style="list-style-type: none"> ● Improved management systems will be operating at all levels both in the central DOH and within the focus province. ● Improved management systems will be operating at all levels in most if not all of the other eight provinces. 	1999 2002
4.4 The effectiveness and efficiency of PHC service delivery has been increased at the provincial level and below	
<ul style="list-style-type: none"> ● The effectiveness and efficiency of PHC service delivery in the focus province will be increased. ● The effectiveness and efficiency of PHC service delivery will be increased in most if not all of the other eight provinces. 	1999 2002
4.5 The capacity for PHC training has been institutionalized	
<ul style="list-style-type: none"> ● PHC training capacity will be institutionalized in the focus province. ● PHC training capacity will be institutionalized in most if not all of the other eight provinces. 	1999 2002
4.6 The information base for policy-making, program development and management has been improved	
<ul style="list-style-type: none"> ● An effective health information system will be operating in the focus province, and will be used both for policy, planning and programmatic decisions and for program monitoring. ● An effective health information system will be operating and will be used in most if not all of the other eight provinces. 	1999 2002

Strategic Objective 3: To Help Increase Opportunities for Access and Ownership of Assets by Historically Disadvantaged while Supporting Economic Development

Under SO 3, USAID/South Africa continues to support the Southern African Enterprise Development Fund (SAEDF) which should begin operations this year. In addition, our private sector portfolio will be advancing complementary efforts and continuing its assistance to small and micro-entrepreneurs. With one Housing Guaranty program established, another scheduled to be signed this year and one next year, SO 3 is providing the support services to that effort. With these three programs in place, aside from providing basic shelter down to the poorest of the poor (and, thus, responding to a priority RDP pledge), the Mission is encouraging environmentally-sound development and strengthening local governments to manage community services.

Strategic Objective 4: To Support the Development of a Unified System to Provide Integrated Primary Health Care to Underserved Population

Health sector systems, like those of the education sector, were never designed to cover the entire population. Overnight, these systems are expected to cover the entire population and incorporate coverage for the historically disadvantaged whose health status is by far the worst nationally. One project has been designed to accomplish the Mission's strategic objective in this area and funding in FY 96 and 97 will be critical to getting this effort off the ground.

USAID/South Africa's evolving strategy is entirely consistent with the Agency's New Partnerships Initiative (NPI). Key elements of congruency are:

- Emphasis on the role of local NGOs, universities, foundations, small business, and decentralized government in sustainable development. (The NPI specifically mentions local government, but the broader concept appears to be decentralized government.)
- Focus on empowerment through citizen participation and ownership.
- Mobilizing U.S. nongovernmental resources to support capacity building in local organizations.
- Improving the enabling environment for NGOs and small business.
- A goal of graduating from U.S. assistance.

AFR Table II, presents the resource flows anticipated to contribute to this effort. It should be noted that we have defined local governance broadly, interpreting this area to include provincial governments and efforts to assist the GNU in its decentralization efforts.

Finally, the Mission has included in AFR Table III a request for \$3.05 million in additional funding from the Global Bureau in the area of Population, Health and Nutrition. This is based on an agreement with the Global Bureau/PHN to support bridging activities for the start-up of our own project. These activities are underway and are expected to continue during FY 96.

SOUTH AFRICA (674)

FY 1997 BUDGET PLANNING DOCUMENT

TABLE III : STRATEGIC OBJECTIVES (\$000)

OBJECTIVE ACCOUNT	FY 1995 ESTIM.	FY 1996 ESTIM.	FY 1997 REQUEST	FY 1997 @ 67%
S.O. 01 TO HELP CONSOLIDATE SUSTAINABLE DEMOCRATIC GOVERNANCE				
DEVELOPMENT FUND FOR AFRICA	30,496	24,450	25,725	23,725
S.O. 02 TO SUPPORT THE DEVELOPMENT OF AN INTEGRATED EDUCATION SYSTEM				
DEVELOPMENT FUND FOR AFRICA	39,000	43,950	25,825	22,825
S.O. 03 TO HELP INCREASE ECONOMIC OPPORTUNITY AND ACCESS FOR HIST. DISADV.				
DEVELOPMENT FUND FOR AFRICA	42,500	40,850	38,225	23,225
S.O. 04 TO SUPPORT THE DEVELOPMENT OF A UNIFIED PHC SYSTEM				
DEVELOPMENT FUND FOR AFRICA	8,000	10,750	10,225	10,225

27

3. New Partnerships Initiative Attributions (AFR Table II)

FY 1995

(\$000)

Strategic Objective	DFA Funding	Local Governance	Small Business	NGO Empowerment	Implementing Agent
SO 1	\$ 30,496	\$4,700 (15%)		\$15,300 (50%)	NGOs
SO 2	\$ 39,000	\$2,066 (5%)		\$ 8,874 (23%)	NGOs, Contractor
SO 3	\$ 42,500	\$995 (2%)	\$5,100 (12%)	\$3,140 (7%)	NGOs
SO 4	\$ 8,000	\$6,400 (80%)			Contractor
Total	\$119,996	\$14,161 (7%)	\$5,100 (3%)	\$24,174 (14%)	

FY 1996

Strategic Objective	DFA Funding	Local Governance	Small Business	NGO Empowerment	Implementing Agent
SO 1	\$ 24,450	\$4,700 (19%)		\$13,600 (56%)	NGOs
SO 2	\$ 43,950	\$4,200 (10%)		\$12,000 (27%)	NGOs, Contractor
SO 3	\$ 40,850	\$3,100 (8%)	\$5,000 (12%)		NGOs
SO 4	\$ 10,750	\$8,640 (80%)			Contractor
Total	\$120,000	\$17,540 (17%)	\$5,000 (4%)	\$25,600 (21%)	

FY 1997

Strategic Objective	DFA Funding	Local Governance	Small Business	NGO Empowerment	Implementing Agent
SO 1	\$25,725	\$ 4,500 (17%)		\$20,500 (80%)	NGOs
SO 2	\$25,825	\$ 5,000 (19%)		\$ 8,000 (31%)	NGOs, Contractor
SO 3	\$38,225	\$3,500 (9%)	\$ 5,100 (13%)		NGOs
SO 4	\$10,225	\$ 8,160 (80%)			Contractor
Total	\$100,000	\$21,160 (21%)	\$ 5,100 (5%)	\$28,500 (29%)	

SOUTH AFRICA (674)
FY 1997 BUDGET PLANNING DOCUMENT

TABLE X : MICROENTERPRISE PROGRAMS
(U.S Dollars Thousands)

FUNCTION FUND & FUNCTION	FY1994 ACTUAL	FY1995 ESTIMATE	FY1996 PLANNED	FY1997 PROPOSED
01 To Help Consolidate Sustainable Democratic Governance OBJECTIVE TOTAL:				
02 To Support the Development of an Integrated Education System OBJECTIVE TOTAL:				
03 To Help Increase Economic Opportunity and Access for Hist. Disadv.				
DA Loans to Microenterprises	2,809	1,900	1,000	
DA Training and Technical Assistance	5,384	2,835	1,000	500
DA Institutional Development & Support	500	1,000	500	500
DA Other	50		300	300
OBJECTIVE TOTAL:	8,743	5,735	2,800	1,300
04 To Support the Development of a Unified PHC System OBJECTIVE TOTAL:				
REPORT TOTAL:	8,743	5,735	2,800	1,300

SOUTH AFRICA (674)
FY 1997 BUDGET PLANNING DOCUMENT

TABLE X : MICROENTERPRISE PROGRAMS
COUNTRY RECAP
(U.S Dollars Thousands)

FUND SOURCE FUNCTION	FY1994 ACTUAL	FY1995 ESTIMATE	FY1996 PLANNED	FY1997 PROPOSED
NON SUST. DEV. DOLLAR OBLIGATIONS				
Loans to Microenterprises				
Training and Technical Assistance				
Institutional Development & Support				
Policy/Regulatory Reform				
Other				
NON SUST. DEV. DOLLAR OBLIGATIONS	TOTAL:			
SUST. DEV. DOLLAR OBLIGATIONS				
Loans to Microenterprises	2,809	1,900	1,000	
Training and Technical Assistance	5,384	2,835	1,000	500
Institutional Development & Support	500	1,000	500	500
Policy/Regulatory Reform				
Other	50		300	300
SUST. DEV. DOLLAR OBLIGATIONS	TOTAL: 8,743 5,735 2,800 1,300			
LOCAL CURRENCY EXPENDITURES				
Loans to Microenterprises				
Training and Technical Assistance				
Institutional Development & Support				
Policy/Regulatory Reform				
Other				
LOCAL CURRENCY EXPENDITURES	TOTAL:			
GRAND TOTAL	8,743	5,735	2,800	1,300

29

dh

5. Global Bureau Services (AFR Table III)
(\$000)

FY 1996

Strategic Objective	Global Bureau Services	Estimated \$ Amount
SO 1	New D/G Project: Assistance in design of USAID/D/G Project	\$ 200*
SO 2	ATLAS UDLP HNE-5832-201-4076 Advancing Basic Education and Literacy (ABLE)	\$ 500 \$1,000 \$1,000
SO 4	936-6004.08 Health and Child Survival Fellows Program 936-3023 Demographic and Health Surveys 936-5991 Data for Decision Making/CDC 936-6006 BASICS 936-3072 PRIME 936-3030 The Population Council, Operations Research/TA 936-3035 Options for Population Policy (OPTIONS II)	\$ 500 \$ 300* \$ 600* \$ 950* \$ 200* \$ 400* \$ 400*

* Additive Request

FY 1997

Strategic Objective	Global Bureau Services	Estimated \$ Amount
SO 1	New D/G Project: Technical Assistance	\$ 200*

41

6. Strategic Objective Mortgages (AFR Table IV)
(\$000)

Strategic Objective	SCENARIO 1 Terminal Year	Post '97 Mort.	SCENARIO 2 Terminal Year	Post '97 Mort.
SO 1	2003	121,250	2003	121,250
SO 2	2003	68,500	2003	63,500
SO 3	2000	40,100	2000	35,100
SO 4	2000	21,500	2000	21,500

B. Agency Funding Scenario 2

The Mission has submitted a Concept Paper to accompany this document and present its strategy for the completion of its program in South Africa. Two scenarios are presented: one would be funded over 8 years at \$500 million; the second would end in 6 years with funding of \$400 million. Adequate funding, as discussed above, in the early years of that strategy is crucial. If a 25 percent cut in DFA Bureau-wide for FY 97 is assumed, with a corresponding funding level of \$80 million for South Africa, an actual reduction of 33 percent, the Mission would adopt one of two strategies. If the Mission's Concept Paper proposal is accepted at the longer option, ten years (eight years of funding, with two years of closeout funds), the Mission could absorb the proposed FY 97 cut by stretching out funding over 10 years. Without the time to absorb funding cuts, a cut in FY 97 combined with a short-term strategy period option will have considerable negative impacts on the Mission's ability to substantially impact on the goal of sustainable transformation. Below is a summary of the anticipated negative impacts on our ability to attain the specific program outcomes identified under each strategic objective. AFR Table 1b itemizes program outcomes by strategic objective, and clearly indicates those end points which would either not be attained or substantially reduced as a result of applying a short-term, lower funding scenario.

Prior to noting the negative impacts by strategic objective, we must recognize that the low option will have several potential negative impacts beyond the direct impact on the Mission's program. First, a sharp reduction in U.S. economic assistance to South Africa will likely serve as a beacon to other international donors to follow suit in the same manner in which major increases in USAID support following the 1994 election helped to prompt other donors to similarly increase their aid. This likelihood should not be discounted as USAID has, from many perspectives, consistently been a leader in South Africa within the international donor community. For FY 94, USAID was the second largest international donor in South Africa, following the European Union.

Second, given the extent to which our program, and those of other donors, is integral to the RDP, a likely cumulative, sharp decline in donor resources for South Africa will slow down and put at risk the country's ability to meet the pent-up needs and expectations of the majority population. Again, this likelihood should not be discounted as donor funding represents a considerable contribution to the net investment (non-recurrent) resources available for the RDP. This will continue to be true until South Africa completes, over the medium-term, the process of restructuring the government budget, in particular, and, over a longer-term, realigning the priorities of the economy, in general, to the RDP. For this very reason, the GNU is aggressively working with the entire donor community to develop what may become a model for other aid recipient countries, to ensure integration of donor programs with government priorities.

Third, a significant decline in USAID (and other donor) assistance to South Africa will definitely lead to sharper competition between the GNU and the NGO community for donor resources. In FY 94-96, the substantial expansion in the USAID program effectively enables us to continue our broad support to the all-important NGO community while concurrently providing considerable government-to-government assistance. An

integral part of our strategy is to seek to build bridges, where appropriate, between the GNU at the national, provincial and municipal levels, and the NGO community. Our objective here is to build on key, successful NGO programs which we have supported. A sharp decline in USAID funding for South Africa will put at risk this important element of our strategy.

Fourth, a major decrease in USAID funding for South Africa will practically eliminate a hallmark of our program -- the *flexibility* which a sizeable program has enabled us to have in responding rapidly and creatively to very fluid, evolving situations on the ground. The low funding option will mean concentrating available resources to meet program mortgages and shutting the doors to our ability to provide catalytic, problem-solving assistance.

Fifth, across the portfolio, the low funding option will put at risk the Mission's ability to ensure institutionalization for the long-term sustainability of positive results. This is very important. The U.S. has consistently increased its assistance to South Africa since 1986, recognizing the importance of "making the investment" in not only bringing about change, but ensuring that this change is sustainable. In comparison to the total level of our official ODA investment since 1986, the difference between the two funding scenarios is a small, but important investment to make to help solidify the gains which we, the South Africans and the world community will have achieved by the turn of the century. The Mission will examine with all of the key role players in South Africa, what effective strategies and mechanisms can and should be applied to achieve this objective. This will include Housing Guaranties and endowments, where appropriate, to leverage domestic and international resources to leave behind select, sustainable institutions.

AFR Table Ib provides a summary of the anticipated negative impacts on our ability to attain the specific program outcomes identified under each strategic objective (results lost under Scenario 2 are indicated with an asterisk).

I. S.O. Projected Impact (AFR Table Ib)

STRATEGIC OBJECTIVE #1 (SO 1): TO HELP CONSOLIDATE SUSTAINABLE DEMOCRATIC GOVERNANCE

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
1.1 Capacity for free and fair elections institutionalized	
<ul style="list-style-type: none"> ● A permanent independent electoral commission established. ● A "rolling" national voter registration will be in place. ● NGO participation in electoral administration and monitoring institutionalized. ● Registration and participation in the 1999 elections will be high and represent all disadvantaged groups. 	<p>2002 2002 2002 1999</p>
1.2 Capacity of political parties to participate peacefully in political processes strengthened	
<ul style="list-style-type: none"> ● Institutionalized training capacity for party building and parliamentary responsibilities established. ● Disadvantaged political parties play more effective role in parliament. ● Political parties demonstrate increased capacity in 1999 elections to conduct issue-based campaigns which indicate constituent input. 	<p>2000 2001 2000</p>
1.3 Access to justice system increased	
<ul style="list-style-type: none"> ● A critical mass of black professionals and training programs in place. ● A functioning Ministry of Justice-recognized system of advice centers/paralegal services providing legal assistance to the poor. ● Specific legal reforms affecting access (i.e. fee structure) and equity (i.e., women's rights and juvenile justice) enacted. 	<p>1999 1999 1999</p>
1.4 Respect for human rights reflected in new constitution	
<ul style="list-style-type: none"> ● A constitution and bill of rights containing meaningful protection for human rights and the rights of women enacted. 	<p>1997</p>
1.5 Capacity of civil society to counterbalance and oversee government strengthened	
<ul style="list-style-type: none"> ▲ Sustainable capacity for policy information, analysis and debate established outside the government. ▲ Sustainable non-governmental groups to monitor governmental performance in human, civil and political rights. 	<p>2003 * 2003 *</p>
1.6 Mechanisms in civil society to provide complementary efforts to government strengthened	
<ul style="list-style-type: none"> ▲ A series of public fora and continued dialogue on critical public policy issues, including land reform and labor are institutionalized. ▲ National and provincial guidelines for NGO operations in place. ● Democracy and human rights instituted nationally as a compulsory subject at the primary and secondary levels. ▲ Sustainable programs of non-formal democracy education available such as "street law" available to critical sectors, including out of school youth. 	<p>2003 * 2002 * 2000 2002 **</p>
1.7 Models of effective/efficient provincial government structures pilot-tested	
<ul style="list-style-type: none"> ▲ In focus provinces, effective government delivery of services, civil services responsive to RDP priorities, effective community involvement in delivery of services, and NGOs cooperating with government in service delivery. ▲ Lessons of focus provinces replicated in other provinces. ● National and provincial members of legislatures have mechanism to better represent constituencies. 	<p>2002 * 2002 * 1999</p>
1.8 Capacity for public service training institutionalized	
<ul style="list-style-type: none"> ▲ Nationally oriented schools of government in place providing graduates to serve in the public service. ▲ A network of HDIs and other institutions providing high quality training for national, provincial and local public servants and legislators. ▲ Critical mass of South African officials and legislators exposed to new policy and management ideas. 	<p>2005 * 2005 ** 2001 *</p>
1.9 Civil society capacity for non-violent social change strengthened	
<ul style="list-style-type: none"> ▲ Conflict mediation, resolution, and prevention efforts instituted in critical sectors and key communities. ● Labor mediation and conflict mediation efforts institutionalized in key sectors. ● Sustainable systems for labor mediation functioning to reduce labor conflict and settle disputes. 	<p>2003 * 1999 2000</p>

Partial reduction under the low funding option

** Eliminated under the low funding option

45

STRATEGIC OBJECTIVE #2 (SO 2): TO SUPPORT THE DEVELOPMENT OF POLICIES, SYSTEMS, AND CAPACITIES FOR THE INTEGRATION OF THE EDUCATION SYSTEM

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
2.1 Establishment of systems to manage national and provincial education services assisted	
<ul style="list-style-type: none"> ● Policies to define national vs provincial responsibilities established and implemented. ● System for program performance planning established. ▲ Human resource capacity at national and 4 provinces to implement policy reform developed. 	<p>1998 1998 1998 *</p>
2.2 National and provincial systems for basic education strengthened	
<ul style="list-style-type: none"> ● National basic education systems transformed. ● National norms and accreditation and certification standards established in critical areas such as adult basic education, literacy and numeracy, teacher qualifications, and curricular and testing standards. ● A national framework for the provincial delivery of revised curriculum for adults established. ● System of impact evaluation established. 	<p>1999 1999 1997 1997</p>
2.3 Proven basic education models disseminated	
<ul style="list-style-type: none"> ▲ Proven distance education models and curricula are disseminated nationally. ▲ Proven and effective models in Maths, Science, Early Childhood Development and English disseminated. 	<p>1998 * 1998 *</p>
2.4 Systems and institutions for further education (beyond high school but below university or technikon) improved	
<ul style="list-style-type: none"> ● Blueprint for the transformation of Further Education to include financing, curricular development, and national standards developed. ● National plan for community college system approved. ▲ Community colleges operational in 3 provinces. ▲ A national outreach network for career guidance and student and community support is functioning. 	<p>1997 1999 1999 * 1999 *</p>
2.5 Historically disadvantaged institutions of tertiary education (universities and technikons) strengthened and rationalized	
<ul style="list-style-type: none"> ● Blueprint for the transition of Higher Education to include financing, curricular development and national standards developed. ● Formula to distribute resources equitably to HDIs established. ● Academic programs at HDIs responsive to market demands. ▲ Centers of Excellence at HDIs strengthened and are addressing crucial developmental needs (e.g., research center, women's center, student support center, economic policy center). 	<p>1997 1997 1997 2000 *</p>
2.6 Capacity of NGOs to impact national and provincial education systems strengthened	
<ul style="list-style-type: none"> ● System to link RDP Office, national and provincial Human Resources Development Departments, and NGOs improved. ● System for program performance planning established to link NGO results to the GNU's performance evaluation. ▲ Human resources capacity of selected NGOs developed. 	<p>1997 1997 2004 *</p>
2.7 Substantial number of disadvantaged South Africans trained and educated	
<ul style="list-style-type: none"> ● 660 disadvantaged South Africans have completed a degree program in the United States, with academic focus in fields crucial to South Africa's development. ▲ 2,240 disadvantaged South Africans have received short-term technical training in the U.S. or third countries. ▲ 4,850 disadvantaged South Africans have received short-term technical training in South Africa, or have participated in conferences and workshops dealing with critical policy and management issues in development. 	<p>2000 2004 * 2004 *</p>

* Partial reduction under the low funding option.

BEST AVAILABLE COPY

46

STRATEGIC OBJECTIVE #3 (SO 3): TO INCREASE OPPORTUNITIES FOR ACCESS TO AND OWNERSHIP OF ASSETS BY HISTORICALLY DISADVANTAGED SOUTH AFRICANS WHILE SUPPORTING THE NECESSARY OVERALL ECONOMIC DEVELOPMENT TO MAKE THIS POSSIBLE

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
3.1 Quality of public debate on economic policy issues improved through functioning economic policy forums involving the business community, labor, and government actively addressing economic growth issues	
<ul style="list-style-type: none"> • Policy dialogue underway on the limited and appropriate role of public sector planning in a decentralized market economy and on improving South Africa's international competitiveness. • Policy dialogue benefiting from the input of a sustainable, independent economic think tank. • Policy dialogue benefiting from the participation of the graduates of HDI center of excellence in economic policy. • Policy dialogue benefiting from the participation of at least 40 historically disadvantaged South Africans with graduate degrees in economics with policy orientation from U.S. universities. 	1996 1997 2000 2004 *
3.2 Quality of public debate on economic policy issues improved through functioning policy forums actively addressing policy and regulatory constraints to increased ownership of businesses by historically disadvantaged South Africans	
<ul style="list-style-type: none"> • Business organizations strengthened and actively involved in representing the interests of private businesses. 	1997 *
3.3 Quality of public debate on economic policy issues improved through functioning policy forums actively addressing ways of maximizing the role of the private sector in providing shelter and environmentally sound urban services for low-income, historically disadvantaged South Africans	
<ul style="list-style-type: none"> • Policy dialogue on the role of the private sector in providing shelter for low-income families benefiting from the experience of USAID/South Africa programs in this area. • Organizations representing owners of houses as well as providers of shelter and related urban services strengthened and better representing the interests of their constituents. 	1997 1998
3.4 Access to capital for expanded ownership of business by historically disadvantaged South Africans increased thru strengthened financing mechanisms and new structures for expanding ownership	
<ul style="list-style-type: none"> • Micro/small enterprises accessing commercial credit based on mechanisms by USAID loan guaranty facilities. • Small and medium enterprises accessing capital with the assistance of new advisory services initiated by USAID from regional and international enterprise funds. • Employee Stock Ownership Plans introduced as a means to broaden ownership. 	1996 1997 1998
3.5 Access to capital for expanded ownership of shelter by historically disadvantaged South Africans increased thru strengthened financing mechanisms focusing on the role of the private sector in providing shelter and environmentally sound urban services for low-income families	
<ul style="list-style-type: none"> • Low income families availing of both short and long term financing for housing from commercial banks. • Very low income families availing of financing from non-traditional sources of credit for shelter, including "community" banks and other "retail" outlets. • Expanded access to construction credit by contractors from the historically disadvantaged community. • Newly organized, racially inclusive local govts accessing private capital and other resources for urban development. 	1997 1997 1997 1998
3.6 Institutional capacity to facilitate expansion of ownership of business assets by historically disadvantaged strengthened	
<ul style="list-style-type: none"> • A limited number of sustainable and more effective organizations providing services to small and micro enterprises. • Structures functioning that provide the benefits of unbundling and privatization to historically disadvantaged. • Sustainable structures in place to assist historically disadvantaged avail of opportunities resulting from franchising. • Business chambers assisting enterprise owned by historically disadvantaged South Africans in responding to affirmative procurement programs. • Structures strengthened that permit historically disadvantaged to avail of increased U.S. trade and investment. • Sustainable structures functioning that provide disadvantaged South Africans with access to the best of international experience and technologies related to international trade development. 	1996 1997 1998 1997 1997 * 1998
3.7 Institutional capacity to facilitate expansion of ownership of shelter by historically disadvantaged strengthened	
<ul style="list-style-type: none"> • A limited number of more effective and sustainable professional organizations providing skills training and planning for housing and urban infrastructure delivery based on environmentally sustainable principles. • Planning, project design, and capacity for service delivery of community organizations strengthened. • Planning, project design, and implementation capacity for service delivery of a limited number of strategic local governments strengthened. 	1996 1997 1998

Partial reduction under low funding option

BEST AVAILABLE COPY

STRATEGIC OBJECTIVE #4 (SO 4): SUPPORT THE DEVELOPMENT OF A UNIFIED SYSTEM TO PROVIDE INTEGRATED PRIMARY HEALTH CARE SERVICES TO UNDERSERVED POPULATIONS

PROGRAM OUTCOMES (Conditions that indicate program outcomes have been achieved)	Timeframe
4.1 Access to an integrated package of PHC services in the focus province has been increased	
<ul style="list-style-type: none"> ● An integrated PHC service package will be effectively implemented in the focus province. ● 80 percent of health care points in the focus province will be delivering an appropriate package of quality, integrated PHC services. ▲ The integrated service package will be implemented in most if not all of the other eight provinces. 	<p>1999 2002 2002 *</p>
4.2 An effective referral system is functioning in the focus province	
<ul style="list-style-type: none"> ● By 1999, an effective referral system will be functioning in the focus province. ● Client visits to clinics and health centers in the focus province will increase by 10 percent as a result of the referral system. ▲ Effective referral systems will be functioning in most if not all of the other eight provinces. 	<p>1999 2002 2002 *</p>
4.3 The capacity to manage the integrated PHC program has been enhanced at central level and in the focus province	
<ul style="list-style-type: none"> ● Improved management systems will be operating at all levels both in the central DOH and within the focus province. ▲ Improved management systems will be operating at all levels in most if not all of the other eight provinces. 	<p>1999 2002 *</p>
4.4 The effectiveness and efficiency of PHC service delivery has been increased at the provincial level and below	
<ul style="list-style-type: none"> ● The effectiveness and efficiency of PHC service delivery in the focus province will be increased. ▲ The effectiveness and efficiency of PHC service delivery will be increased in most if not all of the other eight provinces. 	<p>1999 2002 *</p>
4.5 The capacity for PHC training has been institutionalized	
<ul style="list-style-type: none"> ● PHC training capacity will be institutionalized in the focus province. ▲ PHC training capacity will be institutionalized in most if not all of the other eight provinces. 	<p>1999 2002 *</p>
4.6 The information base for policy-making, program development and management has been improved	
<ul style="list-style-type: none"> ● An effective health information system will be operating in the focus province, and will be used both for policy, planning and programmatic decisions and for program monitoring. ▲ An effective health information system will be operating and will be used in most if not all of the other eight provinces. 	<p>1999 2002 *</p>

Partial reduction under the low funding option

BEST AVAILABLE COPY

48

Strategic Objective 1: To Help Consolidate Sustainable Democratic Governance

--Capacity building in civil society to create a counterbalance/watchdog to the government which is able to analyze and disseminate information and perform a monitoring function will only be partial. This calls into question the long-term sustainability of these groups as well as their ability to perform this function so urgently needed as South Africa continues in its transition to fully participative democracy.

--Fora for continued dialogue on critical public policy issues will be in place but not firmly institutionalized. Funding for non-formal democracy education programs, such as "street law," which have proven effective in protecting the rights of the poor and particularly the "marginalized youth," would not be continued. These programs have long-relied on donor funding and, while they have begun to design sustainability plans, they would not be able to provide services to the extent that they have. These groups protect those segments of the population most vulnerable to human rights abuse and those that can not afford or do not know how to access the legal system.

--Replication of models for effective community involvement and RDP/NGO cooperation for the delivery of services will not be accomplished.

--Public service training capacity would be greatly reduced. This would result in slower transformation to a representative public service in order to improve RDP delivery. This would also restrict the role of universities in public service training, leaving training more in central government hands. The impact of this would be a powerful bureaucracy which may not fully support majority rights or the transformation process.

--Only partial institutionalization of conflict mediation efforts will have occurred.

Strategic Objective 2: Support the Development of Policies, Systems, and Capacities for the Integration of the Education System

--While policies would have been established to manage education services, the human resource capacity will have been strengthened in only two of the planned four provinces. Without trained personnel, reforms and policies being developed to create a truly open education system will be delayed in implementation. With one generation having been severely disadvantaged due to dissatisfaction with the educational system, and the importance that primary education plays in economic productivity, education reform is something South Africa can ill afford to lose.

--Pre-testing and dissemination of new curricula and education models will not be completed.

--Community colleges, an avenue just being developed to assist those that desire further education, either to improve their job opportunities or to allow them to go on to university, are just now being instituted. The response to this intermediary measure has been encouraging. With reduced resources, only such colleges in one province, vice three, could be made operational. The national association of career guidance centers has just been formed. Their national outreach network for career guidance and student and

community service still needs to be conceptualized and put into action. This would only receive partial support.

--Centers of excellence located in historically disadvantaged institutions of tertiary education are planned to address critical development needs of South Africa. This effort will be seriously curtailed by the lack of time to develop these institutions. The center for governance, yet to be established, would not be attempted.

--USAID is working to create a critical mass of trained majority professionals. Any reduction will limit our impact on this effort.

Strategic Objective 3: To Help Increase Opportunities for Access and Ownership of Assets by Historically Disadvantaged while Improving the Enabling Environment

--Limited time and funds would restrict our interventions with private sector organizations designed to give voice to this constituency in policy areas. Only one would be chosen rather than several.

--Likewise, only one business chamber would be strengthened to provide assistance to historically disadvantaged South Africans. This will seriously weaken the impact of the recently-launched affirmative procurement programs.

--Trade and investment activities designed to complement the Enterprise Fund and take advantage of South Africa's renewed world status would be very limited. The new activity planned for FY 97 would not be started.

--Graduate degree program in economics would be reduced. Our ability to then channel them into policy dialogue activities would be beyond the scope of our program.

Strategic Objective 4: To Support the Development of a Unified System to Provide Integrated Primary Health Care to Underserved Populations.

--The EQUITY project has been designed very carefully and in close coordination with the Ministry of Health to build systemic support for RDP and long-term efforts in health care. By either shortening the time frame or reducing funding for this strategic objective our investment and those of other donors would be put at risk.

--Institutionalization and replication of systems would probably not occur or only occur in the focus province.

IV. OPERATING EXPENSE AND WORKFORCE REQUIREMENTS

A. Narrative

USAID/South Africa's ability to deliver the desired impact is heavily dependent upon Washington's ability to provide either OE budget levels that adequately support workforce and other Mission support costs, or alternatively, remove perceived legal barriers to creative payment with program funds of necessary support costs that have traditionally been paid by the OE budget.

While the program budgets requested decline over time in all scenarios, the support overhead for this Mission is still growing and cannot responsibly be compressed. Therefore, the Mission has had to plan ways that program funds can legally and appropriately be used to pay for the overhead support required to achieve the strategic objectives, and identify possible ways to economize on OE resource expenditures.

Tables VIII A and B straight-line OE funding from FY 95 to FY 96. However, this assumes Washington's approval for the Mission to fund some positions in the Program/Project Development, Controller, and Executive Offices with program funds. If Washington determines that it cannot authorize program funding of these positions, these straight-lined levels can not be maintained. Our OE budget would then have to be increased substantially in FY 96 and FY 97 to implement the current program.

While Bureau guidance reduces USDH FTEs from 27 in FY 95 to 26 in FY 96 and FY 97, overall staff levels must be maintained to cover program requirements. Under either the high or low program funding options, the total workforce levels cannot be significantly reduced in FY 96 and FY 97 below the FY 95 levels. We have reduced our direct hire FSN FTEs in FY 96 and 97 from 4 to 3 in each year. We are exploring ways to reduce the direct hire workforce and replace the positions with program-funded FSN or dependent PSC contract personnel. Already, we have begun to change funding sources for as much of the workforce as is legally possible. We have also begun to levy charges to projects for overhead costs (e.g., utilities and office rental) that, until June 1995, were funded from the OE appropriation accounts. These efforts do not mean that the Mission's overall support needs have been reduced. It does mean that we have aggressively and successfully tried to change the way we deliver and the way we charge for indirect program delivery costs.

This program has been documented as successful in the past, in part, because of its unique delivery mechanisms. Until FY 95, the Mission was precluded from entering into bilateral agreements but, instead, utilized hundreds of grants to private, non-governmental organizations. The nature of the strategic objectives dictate that attainment of the desired end results will require the Mission to continue to use these mechanisms while expanding its use of bilateral and umbrella delivery mechanisms. Given the large program levels that were obligated in FY 94 and FY 95, and the FY 96 request for the third year of President Clinton's pledge to South Africa, the number of transactions which on-board staff need to manage and control remains high when compared to other Missions in the world.

The true overall support needs for the Mission in FY 95 exceed the currently authorized level of \$5.6 million by over \$200,000 (i.e., we have important unmet needs carrying over into FY 96). The costs to fund and support USAID staff are known to be escalating significantly in FY 96 and FY 97. Staffing the Mission remains problematic. Inordinate amounts of time and money are spent in recruiting and training staff. Once done, this makes our staff members highly competitive in a society starved for qualified black professionals. This requires that we provide a compensation increase to retain the staff we have in the increasingly competitive South African skills market.

Our warehouse has virtually no supply of non-expendable property (NXP) or expendable property as do many large missions. To keep our costs down, we continue to buy or acquire from closeout Missions whenever possible. We cannot realistically manage without the ability to acquire additional NXP. Office and housing lease costs are expensive and escalating within the South African economy. The Mission, at this writing, has pending requests to further increase the FY 95 level to cover computer software and hardware essential for the re-engineering roll-out on October 1, 1995.

The dual capitals (Cape Town and Pretoria) and program implementation needs of our large FY 94 and FY 95 programs dictate that management staff as well as project staff need to travel fairly constantly. Auditors have criticized the Mission for not traveling more, despite the fact that USAID direct hire management oversight travel must be funded from OE budgets. Many of our grantees are located in Johannesburg, the commercial hub of the nation. This means the vehicle fleet is in perpetual motion between Pretoria and Johannesburg. In addition, there is a constant stream of official visitors arriving on international flights or transiting to elsewhere in southern Africa. While we, like the Embassy, are asking travelers to utilize private fleet services, there is still an unending stream of official flights for the USAID motor pool to service.

This said, in order to implement the comprehensive program outlined in this document to its appropriate conclusion, the Mission either needs an increase in OE funds or the ability to transfer to program funding, costs that were previously OE. Options include:

- Reduce USDH and FSNDH staffing and convert the positions to project-funded positions wherever possible. The Mission has just deleted one USDH FTE position, as called for by the Bureau authorized levels for FY 96 and FY 97. The FY 95 approved level is 27. We are planning to operate with 26 direct hire positions in FY 96 and 25 in FY 97. Please note that our workforce chart (Table VIII b) shows two RHUDO and two PASA direct hire positions as project-funded FTE. The RHUDO direct-hires are actually funded with RHUDO OE funds and support our strategic objectives, but we did not want to double-count the two positions which should actually show in the Global Bureau's budgets. In addition, while FY 95 OE-funded USPSCs appear to exceed the Bureau's FTE ceiling for USAID/South Africa of 10, the numbers are reflecting dependent USPSCs. The Mission is actually under the off-shore PSC ceiling because we do not have money to fund all of our needed off-shore USPSCs. The reduced USDH position level in FY 96 and FY 97 will be converted to FSN positions. FSNDH staffing has been reduced from 4 in FY 95 to 3 in FY 96 and FY 97.

An FSN PSC will perform the duties of the deleted FSNDH position.

- Adopt an even more aggressive approach to funding FSN and USPSC costs with project funds, irrespective of whether supervisors are USDH. The Mission will seek Washington's authority to convert positions which have traditionally been viewed as mandatory, OE-funded positions, and convert those positions to project-funded positions. There are several technical offices which exist solely to implement a specific project for attaining a strategic objective. However, because Division Chiefs and Office Directors are USDH, the secretarial positions supporting those persons have been OE-funded. The advent of computer technology dictates that the secretaries spend virtually all of their time implementing the project and very little supporting their supervisors' policy overhead roles.
- Charge overhead support costs aggressively by ratios of project-funded people and services provided. This approach in some Missions has been labeled a "field support unit." However, in other Missions, Office Directors have negotiated advance ratios for funding support positions; each quarter the Controller provides actual charges, and ratios are appropriately adjusted. For instance, we could charge all GSO Housing support staff costs by a ratio of project-funded or OE-funded people supported. (This will not make much difference unless we can convert more OE-funded positions to project-funded positions. In FY 95 the Mission converted every position that it thought appropriate from OE to project funds. The positions that remain are, therefore, positions which have never before been project-funded. These are Controller's Office positions and most EXO management positions.) In those offices where OE-related work can be eliminated, we plan to charge office space, equipment and services to the appropriate project.
- The Mission will request permission to convert some Controller, EXO, and Program/Project Development Office positions to project direct or project split-funded positions.

Converting support to an institutional support contractor will not save OE funds. The Missions that tried that management mode in the past eventually took over self management because institutional support overhead costs are high and control of services is diminished.

We believe our program has become much tighter, with strategic objectives so strong and so achievable that USAID/Washington should not allow OE budget constraints to force us into cutting from interrelated strategic objectives. Furthermore, we have done our part within the world-wide management team to pare down our overhead costs wherever that is realistic and are offering creative approaches to funding the support needs directly related to attainment of our strategic objectives. This Action Plan, and the accompanying Concept Paper, have identified a well defined program which will accomplish a series of outcomes which are important to the U.S. Government and the people of South Africa. That program requires adequate resources for implementation -- we need the workforce

levels that we have requested and we need Washington support to assure that OE levels will continue to enable us to achieve our strategic targets.

B. Vulnerability Assessment

Although in developing its FY 96 and FY 97 requests USAID/South Africa has not exceeded its current FY 95 approved annual level, it is important to note that this was accomplished by making certain assumptions. USAID/South Africa's staff level is still growing to catch-up with its program levels, therefore, it is necessary to assume that a significant amount of costs will be transferred from OE to project funding. This transfer of costs is reflected in the Table VIII budget figures.

If this transfer does not happen, then, without an increase in the OE funding levels in Fys 95, 96 and 97, the Mission foresees imminent material weaknesses in the following areas:

- The Mission's ability to adequately monitor implementation of its numerous grant activities (due to inadequate staffing and insufficient site visits);
- The Controller's ability to maintain support services at a level that allows for efficient and effective implementation (continuity) of project activities (due to inadequate staffing); and
- The EXO's ability to provide adequate support services to the Mission in procurement, maintenance, ADP and personnel (due to inadequate staffing and a shortage of equipment, supplies and vehicles).

The funds requested in the Table VIII budget are intended to correct the imminent weaknesses, but only on the assumption that other costs (not included in the budget tables) are transferred to project funding.

TABLE VIII (a1) - Operating Expense Request
 BPC FOC (A-95-21674-U000)
 Mission USAID/South Africa

EXPENSE CATEGORY	FC	FY 1995 Estimate			FY 1996 Request			FY 1997 Request			FY 1998 Estimate			FY 1999 Estimate			FY 2000 Estimate		
		OE	TF	TOTAL	Units	OE	TF	TOTAL	Units	OE	TF	TOTAL	Units	OE	TF	TOTAL	Units	OE	TF
U.S. DIRECT HIRE:																			
Other Salary	U105			0 0			0 0				0 0								
Education Allowances	U106	323.5		323.5	27.0	386.1	386.1	26.0	386.1	386.1	26.0	386.1	386.1	330.7	330.7	300.0	300.0	300.0	300.0
Cost of Living Allow.	U100			0 0			0 0				0 0			0 0	0 0	0 0	0 0	0 0	0 0
Other Benefits	U110	14.0		14.0		4.2	4.2		4.2	4.2		4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Post Assign Travel	U111	39.0		39.0	7.0	102.0	102.0	7.0	102.0	102.0	7.0	102.0	102.0	102.0	102.0	36.0	36.0	36.0	36.0
Post Assign Freight	U112	110.0		110.0	7.0	200.0	200.0	7.0	140.0	140.0	7.0	140.0	140.0	140.0	140.0	60.0	60.0	60.0	60.0
Home Leave Travel	U113	65.8		65.8	24.0	130.0	130.0	42.0	130.0	130.0	42.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0	130.0
Home Leave Freight	U114	58.0		58.0	24.0	58.0	58.0	42.0	58.0	58.0	42.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0	58.0
Education Travel	U115	14.3		14.3	3.0	1.5	1.5	3.0	1.5	1.5	3.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
R & R Travel	U116	46.0		46.0	37.0	57.0	57.0	19.0	57.0	57.0	19.0	57.0	57.0	57.0	57.0	36.0	36.0	36.0	36.0
Other Travel	U117	33.0		33.0	5.0	39.0	39.0	5.0	39.0	39.0	5.0	39.0	39.0	20.0	20.0	20.0	20.0	20.0	20.0
Subtotal	U100	703.6	0.0	703.6		985.8	985.8	0.0	925.8	925.8	0.0	925.8	925.8	859.4	859.4	653.7	653.7	653.7	653.7
FN DIRECT HIRE:																			
FN Basic Pay	U201	120.0		120.0	4.0	140.2	140.2	3.0	166.9	166.9	3.0	186.7	186.7	208.4	208.4	229.2	229.2	229.2	229.2
Overtime/Holiday Pay	U202			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Other Code 11 - FN	U203	14.8		14.8	0.1	22.8	22.8	0.1	22.8	22.8	0.1	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8
Other Code 12 - FN	U204	6.7		6.7		8.0	8.0		8.0	8.0		8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Benefits - Former FN	U205			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Accrued Separation Liability	U206			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Subtotal	U200	141.5	0.0	141.5		179.0	179.0	0.0	197.7	197.7	0.0	217.5	217.5	239.2	239.2	260.0	260.0	260.0	260.0
CONTRACT PERSONNEL:																			
U.S. PSC - S&B	U302	663.2		663.2	11.0	688.7	688.7	8.0	710.3	710.3	5.0	733.5	733.5	639.0	639.0	784.6	784.6	784.6	784.6
Other U.S. PSC Costs	U303			0 0		50.0	50.0		50.0	50.0		50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
FN PSC - S&B	U304	1,635.1		1,635.1	78.0	1,387.0	1,387.0	50.0	1,470.2	1,470.2	53.0	1,489.7	1,489.7	1,608.8	1,608.8	1,696.1	1,696.1	1,696.1	1,696.1
Other FN PSC Costs	U305	15.0		15.0		15.0	15.0		15.0	15.0		15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Manpower Contracts	U306			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Accrued Separation Liability	U307			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Subtotal	U300	2,313.3	0.0	2,313.3		2,140.7	2,140.7	0.0	2,245.5	2,245.5	0.0	2,267.1	2,267.1	2,208.2	2,208.2	2,545.7	2,545.7	2,545.7	2,545.7
HOUSING:																			
Residential Rent	U401	355.6		355.6	27.0	381.6	381.6	26.0	381.6	381.6	26.0	381.6	381.6	320.0	320.0	320.0	320.0	320.0	320.0
Residential Utilities	U402	60.5		60.5		72.9	72.9		72.9	72.9		72.9	72.9	60.0	60.0	60.0	60.0	60.0	60.0
Maint/Repairs	U403	173.0		173.0		153.1	153.1		78.1	78.1		78.1	78.1	40.0	40.0	20.0	20.0	20.0	20.0
Living Quarters Allow	U404			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Security Guards	U407			0 0		0 0	0 0	0.0	0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Official Res. Exp	U408			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Representation Allow	U409	2.5		2.5		2.5	2.5		2.5	2.5		2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Subtotal	U400	591.6	0.0	591.6		610.1	610.1	0.0	535.1	535.1	0.0	535.1	535.1	422.5	422.5	402.5	402.5	402.5	402.5
OFFICE OPERATIONS:																			
Office Rent	U501	400.5		400.5		400.5	400.5		444.7	444.7		493.9	493.9	548.8	548.8	609.9	609.9	609.9	609.9
Office Utilities	U502	90.0		90.0		75.0	75.0		82.0	82.0		90.7	90.7	94.0	94.0	95.0	95.0	95.0	95.0
Building Maint/Repair	U503	20.0		20.0		15.0	15.0		15.7	15.7		17.3	17.3	15.0	15.0	15.0	15.0	15.0	15.0
Equip. Maint/Repair	U508	43.0		43.0		50.0	50.0		50.0	50.0		50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Communications	U509	150.0		150.0		170.0	170.0		180.0	180.0		182.0	182.0	183.0	183.0	184.0	184.0	184.0	184.0
Security Guards	U510	83.0		83.0	6.0	90.0	90.0	6.0	99.0	99.0	6.0	108.0	108.0	119.0	119.0	122.0	122.0	122.0	122.0
Printing	U511	0.9		0.9		1.0	1.0		1.0	1.0		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Site Visits - Mission	U513	153.0		153.0		157.9	157.9		157.9	157.9		140.0	140.0	139.6	139.6	90.0	90.0	90.0	90.0
Site Visits - AIDW	U514	40.0		40.0	6.0	30.0	30.0	6.0	30.0	30.0	6.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Information Meetings	U515	40.0		40.0	6.0	30.0	30.0	6.0	30.0	30.0	6.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Training Travel	U516	20.0		20.0	6.0	30.0	30.0	6.0	30.0	30.0	6.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Conference Travel	U517	50.0		50.0		30.0	30.0		30.0	30.0		20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Other Operational Tvl	U518	40.0		40.0	6.0	10.0	10.0	6.0	10.0	10.0	6.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Supplies	U519	133.8		133.8	10.0	115.5	115.5	6.0	125.0	125.0	6.0	80.0	80.0	70.0	70.0	60.0	60.0	60.0	60.0
VFAAS	U520	120.0		120.0		120.0	120.0		120.0	120.0		120.0	120.0	100.0	100.0	100.0	100.0	100.0	100.0
Consultant Contracts	U521			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Mgmt/Prof Svcs Cont	U522			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0
Spec. Studies/Analyses	U523			0 0		0 0	0 0		0 0	0 0		0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0

5

TABLE VIII (a1) - Operating Expense Request
 DPC FOIA-95-21674-U000
 Mission USAID/South Africa

EXPENSE CATEGORY	FC	FY 1995 Estimate			Units	FY 1996 Request			Units	FY 1997 Request			Units	FY 1998 Estimate			FY 1999 Estimate			FY 2000 Estimate		
		OE	TF	TOTAL		OE	TF	TOTAL		OE	TF	TOTAL		OE	TF	TOTAL	OE	TF	TOTAL	OE	TF	TOTAL
ADP I/WV Lease/Maint	U525			00				00				00			00			00			00	
ADP S/WV Lease/Maint	U526	9.0		90		7.5		75		7.5		75		75	5.0		50	7.5		75		
Trans/Freight - U500	U598			00				00				00		00	00		00	00		00		
Other Contract Svcs	U599	178.1		1781		148.3		1483		40.0		400		200	10.0		100	5.0		50		
Subtotal	U500	1,571.3	0.0	1,571.3		1,480.7	0.0	1,496.2		1,452.8	0.0	1,452.8		1,400.4	0.0	1,400.4	1,425.4	0.0	1,425.4	1,394.4	0.0	1,394.4
NXP PROCUREMENT:																						
Vehicles	U601	32.0		320	10	80.0		800	20	80.0		800	20	32.0		320	32.0		320	0.0		00
Residential Furniture	U602	95.0		950		57.0		570		57.0		570		35.0		350	5.0		50	5.0		50
Residential Equipment	U603	25.0		250		30.0		300		33.0		330		25.0		250	5.0		50	5.0		50
Office Furniture	U604	20.0		200		20.0		200		10.0		100		10.0		100	0.0		00	0.0		00
Office Equipment	U605	30.0		300		30.0		300		15.0		150		15.0		150	10.0		100	5.0		50
Other Equipment	U606			00				00		33.0		330		0.0		00	0.0		00	0.0		00
ADP I/WV Purchases	U607	120.0		1200		35.0		350		38.0		380		20.0		200	5.0		50	0.0		00
ADP S/WV Purchases	U608	25.0		250		25.0		250		10.0		100		10.0		100	3.0		30	3.0		30
Trans/Freight - U600	U698	10.0		100		10.0		100		10.0		100		10.0		100	2.0		20	2.0		20
Subtotal	U600	357.0	0.0	3570		282.0	0.0	2820		286.0	0.0	2860		157.0	0.0	1570	62.0	0.0	620	20.0	0.0	200
Real Property Purchase/Const.	U900			00				00				00				00			00			00
TOTAL OE COSTS		5,678.3	0.0	5,678.3		5,678.3	0.0	5,678.3		5,642.9	0.0	5,642.9		5,524.0	0.0	5,524.0	5,321.3		5,321.3	5,276.3		5,276.3
Less Dollar Funded FAAS		120.0		1200		120.0		1200		120.0		1200		120.0		1200	120.0		1200	100.0		1000
Less Real Property Savings																						
TOTAL OE REQUEST	U000	5,558.3	0.0	5,558.3		5,558.3	0.0	5,558.3		5,522.9	0.0	5,522.9		5,404.0		5,404.0	5,201.3		5,201.3	5,176.3		5,176.3
Alternative Budget If Bur Program Cut 25%	U000			5,558.3				5,558.3				5,201.3				4,939.7			4,837.2			4,503.3
SPECIAL INFORMATION																						
Local Currency Usage - %				85%				85%				85%				85%			90%			90
Exchange Rate used in Calculations				3.5				3.5				3.5				3.5			3.5			3.5
Trust Fund End-of-Year Balance																						
USD/FTE				27.0				26.0				26.0				26.0			23.0			23.0

56

TABLE VIII (b) - Workforce Request
 BPC FOEA-95-21674-U000
 MISSION/BUREAU/OFFICE: USAID/South Africa

Category	FY 1995 ESTIMATE				FY 1996 REQUEST				FY 1997 REQUEST			
	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL
U.S. Direct Hire (USDH) *	27 0		4 0	31 0	26 0		4 0	30 0	26 0		4 0	30 0
F.N. Direct Hire (FNDH)	4 0		0 0	4 0	3 0		0 0	3 0	3 0		0 0	3 0
U.S. PSC **	12 0		15 0	27 0	8 0		10 0	18 0	5 0		5 0	10 0
F.N. PSC	78 0		23 0	101 0	50 0		62 0	112 0	53 0		67 0	120 0
Total FTE	121 0	0 0	42 0	163 0	87 0	0 0	76 0	163 0	87 0	0 0	76 0	163 0

NOTE: Report USDH in FTEs.
 Report PSCs as end-of-year on-board

Category	FY 1998 ESTIMATE				FY 1999 ESTIMATE				FY 2000 ESTIMATE			
	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL
U.S. Direct Hire (USDH) *	26 0		4 0	30 0	23 0		4 0	27 0	23 0		4 0	27 0
F.N. Direct Hire (FNDH)	3 0		0 0	3 0	3 0		0 0	3 0	3 0		0 0	3 0
U.S. PSC **	5 0		5 0	10 0	5 0		8 0	13 0	5 0		8 0	13 0
F.N. PSC	53 0		67 0	120 0	53 0		57 0	110 0	53 0		57 0	110 0
Total FTE	87 0	0 0	76 0	163 0	84 0	0 0	69 0	153 0	84 0	0 0	69 0	153 0

NOTE: Report USDH in FTEs.
 Report PSCs as end-of-year on-board

NAMING CONVENTION: WFXXXXX WK4

BUDGET AT BUREAU
 PROGRAM CUT OF 25%

Category	FY 1995 ESTIMATE				FY 1996 REQUEST				FY 1997 REQUEST			
	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL
U.S. Direct Hire (USDH) *	27 0		4 0	31 0	26 0		4 0	30 0	24 0		4 0	28 0
F.N. Direct Hire (FNDH)	4 0		0 0	4 0	3 0		0 0	3 0	3 0		0 0	3 0
U.S. PSC **	12 0		15 0	27 0	8 0		10 0	18 0	5 0		9 0	14 0
F.N. PSC	78 0		23 0	101 0	50 0		62 0	112 0	48 0		60 0	108 0
Total FTE	121 0	0 0	42 0	163 0	87 0	0 0	76 0	163 0	80 0	0 0	73 0	153 0

NOTE: Report USDH in FTEs.
 Report PSCs as end-of-year on-board

Category	FY 1998 ESTIMATE				FY 1999 ESTIMATE				FY 2000 ESTIMATE			
	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL
U.S. Direct Hire (USDH)	24 0		0 0	24 0	22 0		4 0	26 0	20 0		4 0	24 0
F.N. Direct Hire (FNDH)	3 0		0 0	3 0	3 0		0 0	3 0	3 0		0 0	3 0
U.S. PSC **	5 0		7 0	12 0	5 0		7 0	12 0	5 0		7 0	12 0
F.N. PSC	50 0		60 0	110 0	48 0		54 0	102 0	48 0		46 0	94 0
Total FTE	82 0	0 0	67 0	149 0	78 0	0 0	65 0	143 0	76 0	0 0	57 0	133 0

NOTE: Report USDH in FTEs.
 Report PSCs as end-of-year on-board.

NAMING CONVENTION: WFXXXXX WK4

* Program-funded USDH include two RHUDD employees and two CDC PASA employees.
 ** USPSC level includes some temporary dependent-filled positions, consequently, Mission is under the ceiling for off-shore USPSCs.

TABLE VIII (c) - Consulting Services
BPC:
MISSION/BUREAU/OFFICE:

EXPENSE CATEGORY	FY 1995 ESTIMATE				FY 1996 REQUEST				FY 1997 REQUEST			
	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL
Management and Professional Support Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Studies, Analysis and Evaluations	0.0	0.0	1,040.0	1,040.0	0.0	0.0	415.0	415.0	0.0	0.0	550.0	550.0
Engineering & Technical Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Consulting Services	0.0	0.0	1,040.0	1,040.0	0.0	0.0	415.0	415.0	0.0	0.0	550.0	550.0

NAMING CONVENTION: CSXXXXX.WK3

58

TABLE VIII (d) - FN Voluntary Separation
 BPC:FOEA-95-21674-U000
 MISSION:USAID/South Africa

Category	FY 1995 ESTIMATE			FY 1996 REQUEST			FY 1997 REQUEST		
	OE	PG	TOTAL	OE	PG	TOTAL	OE	PG	TOTAL
F.N. Direct Hire (FNDH)			0.0			0.0			0.0
F.N. PSC			0.0			0.0			0.0
Total Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Estimated Withdrawals			0.0			0.0			0.0

NAMING CONVENTION: FSN2XXXX.WK4

NOTE: Not applicable to USAID/South Africa

TABLE VIII (a) - Cost of Controller Operations
 BPC:FOEA-95-21674-U000
 Mission:USAID/South Africa

EXPENSE CATEGORY	FUNC CODE	FY 1995 ESTIMATE			FY 1996 REQUEST			FY 1997 REQUEST			FY 1998 REQUEST			FY 1999 REQUEST			FY 2000 REQUEST		
		OE	IF	TOTAL	OE	IF	TOTAL	OE	IF	TOTAL	OE	IF	TOTAL	OE	IF	TOTAL	OE	IF	TOTAL
U.S. DIRECT HIRE	U100	8.0		8.0	30.0		30.0	23.0		23.0	23.0		23.0	23.0		23.0	23.0		23.0
F.N. DIRECT HIRE	U200	141.5		141.5	179.0		179.0	197.7		197.7	217.6		217.6	239.2		239.2	260.0		260.0
CONTRACT PERSONNEL	U300	272.4		272.4	350.9		350.9	257.9		257.9	294.7		294.7	294.7		294.7	390.8		390.8
HOUSING	U400	39.4		39.4	40.7		40.7	40.4		40.4	40.4		40.4	40.4		40.4	40.4		40.4
OFFICE OPERATIONS	U500	222.7		222.7	222.7		222.7	242.0		242.0	260.6		260.6	281.2		281.2	303.9		303.9
NXP PROCUREMENT	U600	39.4		39.4	39.4		39.4	30.5		30.5	33.3		33.3	36.4		36.4	40.0		40.0
TOTAL OE COSTS		723.4	0.0	723.4	878.7	0.0	878.7	791.5	0.0	791.5	869.6	0.0	869.6	914.9	0.0	914.9	1,058.1	0.0	1,058.1
Less "OE" FAAS																			
TOTAL OE REQUEST	U000	723.4	0.0	723.4	878.7	0.0	878.7	791.5	0.0	791.5	869.6	0.0	869.6	914.9	0.0	914.9	1,058.1	0.0	1,058.1

SPECIAL INFORMATION:

Local Currency Usage - %	85%	85%	85%	85%	90%	90%
Exchange Rate used in Calculations	3.5	3.5	3.5	3.5	3.5	3.5
Trust Fund End-of-Year Balance						
USDH FTE	2.0	2.0	2.0	2.0	2.0	2.0

NAMING CONVENTION: CO2XXXX.WK4

V. POTENTIAL IMPACT OF "LOST" HOUSING GUARANTY RESOURCES

A. Political Stability of South Africa

The success of the South African Government of National Unity has far reaching implications for the stability and economic development of the entire Southern African region. The success or failure of the program will be determined by its ability to fulfill the expectations of the majority population. One area where these expectations are prominently focused is improved shelter conditions. In this sense, the success of the GNU and the country's political stability are inextricably linked to the rapid delivery of housing and urban services. The GNU has consequently made the provision of housing and urban services a cornerstone of its RDP. Our program, and more broadly the U.S. Government, is committed to assisting the GNU in meeting this challenge.

B. Needs/Resources Gap in Shelter and Environmental Infrastructure

The estimated housing deficit is 1.3 million housing units, and required production levels are 300,000 housing units per year for the next year. The formal sector currently produces 35,000 houses per year. The cost of the infrastructure deficit is estimated to be R37 billion over the next five years. Resources are severely limited, therefore, innovative solutions are required to deliver the promised housing and services. American finance and construction technology are important potential sources of assistance to South Africa. In addition, an attractive investment climate for American financial institutions in South Africa makes access to that technology possible. The program is an effective development tool for several reasons:

- South Africa is a superior credit risk.
- HGs will permit the U.S. Government to generate \$400 million in investments for only \$20 million worth of appropriations.
- Through the judicious use of grants to the South African Ministry of Housing, the Housing and Urban Development Division of USAID/South Africa has supported the development of a policy environment which encourages banks to lend to low income families and permits black construction firms to become major housing providers. The HG will capitalize on this new policy environment.
- The \$75 million Private Sector Housing Guaranty Project, signed in September 1994, is inducing major South African Banks to provide mortgages to majority households working in the formal sector and earning below the median income.
- The upcoming \$75 million Basic Shelter and Environment Housing Guaranty Project, planned for FY 95, and the Mission's companion technical support/services project will: furnish below median income majority households with housing loans through non-traditional lenders; continue assistance to the Ministry of Housing with the development of appropriate policies; and, provide opportunities to use U.S. technologies with the construction of low-cost housing.
- The planned \$50 million Municipal Environmental Development Housing Guaranty Project, planned for mid-FY 96, will provide low-income households with a urban services such as water, electricity, sewerage, and refuse removal, and will assist newly-created municipalities to develop procedures for obtaining funding from the private sector.

TABLE IIIA : AC/SI AGGREGATE ANALYSIS
ACTIVITY CODES
(U. S. Dollars Thousands)

FY 1995 ESTIMATE FY 1996 PLANNED FY 1997 PROPOSED FY 1997 @ 67%

ACTIVITY	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
DICE CIVIC EDUCATION	2,440	2.0%	1,956	1.6%	2,058	2.1%	1,898	2.4%
DICS CIVIL SOCIETY	5,744	4.8%	5,868	4.9%	6,948	6.9%	6,151	7.7%
DIDE DECENTRALIZATION/LOCAL GOVERNANCE	780	0.7%	2,637	2.2%	1,808	1.8%	1,598	2.0%
DIEA ELECTORAL ASSISTANCE	3,050	2.5%	1,956	1.6%	2,058	2.1%	1,898	2.4%
DIFM ACCOUNTABILITY OF THE EXECUTIVE	390	0.3%	440	0.4%	517	0.5%	228	0.3%
DIHR HUMAN RIGHTS	2,135	1.8%						
DILA LABOR	915	0.8%	978	0.8%	1,029	1.0%	949	1.2%
DILJ LEGAL AND JUDICIAL DEVELOPMENT	2,135	1.8%	1,712	1.4%	1,801	1.8%	1,661	2.1%
DIME FREE FLOW OF INFORMATION	1,220	1.0%	3,423	2.9%	3,602	3.6%	3,322	4.2%
DIPI REPRESENTATIVE POLITICAL INSTITUTIONS	610	0.5%	1,467	1.2%	1,544	1.5%	1,424	1.8%
DIPP POLITICAL PARTY SUPPORT	915	0.8%	1,467	1.2%	1,544	1.5%	1,424	1.8%
EDAL ADULT LITERACY	4,120	3.4%	5,519	4.6%	2,323	2.3%	2,292	2.9%
EDEC BASIC EDUCATION FOR CHILDREN	9,750	8.1%	11,427	9.5%	4,907	4.9%	5,022	6.3%
EDEI HUMAN RES DVLPMT FOR EDUCATIONAL INSTITUTIONS	9,360	7.8%	7,032	5.9%	6,973	7.0%	5,478	6.8%
EDIO HUMAN RESOURCE DEVELOPMENT FOR INDIVIDUALS	6,630	5.5%	10,109	8.4%	3,099	3.1%	2,739	3.4%
EDPE GENERAL PUBLIC EDUCATION AND EXTENSION	2,340	2.0%	2,637	2.2%	2,066	2.1%	1,598	2.0%
EDVT VOCATIONAL EDUCATION AND TECHNICAL TRAINING	780	0.7%	2,198	1.8%	2,583	2.6%	2,511	3.1%
EVMP ENVIRONMENTAL MGMT, PLANNING AND POLICY	2,550	2.1%	7,762	6.5%	6,116	6.1%	6,039	7.5%
HEEV ENVIRONMENTAL HEALTH			1,226	1.0%	1,147	1.1%	929	1.2%
HEHA HIV/AIDS	4,380	3.6%	2,150	1.8%	2,045	2.0%	2,045	2.6%
HEMH WOMEN'S HEALTH	5,075	4.2%						
HESD HEALTH SYSTEMS DEVELOPMENT			5,375	4.5%	5,113	5.1%	5,113	6.4%
PDAS PROGRAM DEVELOPMENT AND SUPPORT	1,830	1.5%	1,093	0.9%	898	0.9%	698	0.9%
PEBD BUSINESS DEVELOPMENT PROMOTION	18,275	15.2%	8,987	7.5%	8,027	8.0%	3,948	4.9%
PEFM FINANCIAL MARKETS	19,975	16.6%	19,200	16.0%	18,348	18.3%	8,826	11.0%
PETI TRADE AND INVESTMENT PROMOTION	1,700	1.4%	1,634	1.4%	2,676	2.7%	1,858	2.3%
PNPD FAMILY PLANNING PROGRAM DEVELOPMENT	3,120	2.6%	3,225	2.7%	3,068	3.1%	3,068	3.8%
PRNS POLICY REFORM, NONSECTORAL N.E.C	610	0.5%	1,306	1.1%	1,279	1.3%	1,171	1.5%
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT	9,169	7.6%	7,221	6.0%	6,428	6.4%	6,118	7.6%
PROGRAM TOTAL	119,996	100.0%	120,000	100.0%	100,000	100.0%	80,000	100.0%

TABLE 111A : AC/SI AGGREGATE ANALYSIS
SPECIAL INTEREST CODLS
(U. S. Dollars Thousands)

FY 1995 ESTIMATE FY 1996 PLANNED FY 1997 PROPOSE FY 1997 @ 67%

SPECIAL INTEREST	PCT OF		PCT OF		PCT OF		PCT OF		
	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	AMOUNT	TOTAL	
	PROGRAM	PROGRAM	PROGRAM	PROGRAM	PROGRAM	PROGRAM	PROGRAM	PROGRAM	
I. Substantive									
A. Special Targets									
FBN	FEMALE SHARE OF BENEFITS	29,965	25.0%	33,900	20.3%	23,972	24.0%	19,362	24.2%
MBN	MALE SHARE OF BENEFITS	18,172	15.1%	16,749	14.0%	12,268	12.3%	6,456	8.1%
CHS	CHILD SURVIVAL	3,868	3.2%	4,300	3.6%	4,090	4.1%	4,090	5.1%
ADO	ADOLESCENTS	1,683	1.4%	2,346	2.0%	2,306	2.3%	2,246	2.8%
STD	SEXUALLY TRANSMITTED DISEASES	720	0.6%	3,494	2.9%	3,323	3.3%	3,323	4.2%
REH	REPRODUCTIVE HEALTH	720	0.6%	3,494	2.9%	3,323	3.3%	3,323	4.2%
DEC	DECENTRALIZATION	12,866	10.7%	17,070	14.2%	16,293	16.3%	15,688	19.6%
PSD	PRIVATE SECTOR DEVELOPMENT	27,964	23.3%	20,476	17.1%	19,745	19.7%	7,272	9.1%
SFI	SOCIAL SECTOR FINANCING	2,287	1.9%	2,934	2.4%	3,216	3.2%	2,847	3.6%
PVX	PVO INSTITUTIONAL DEVELOPMENT	12,568	10.5%	15,222	12.7%	14,016	14.0%	13,017	16.3%
INS	INSTITUTION BUILDING	21,571	18.0%	24,186	20.2%	23,008	23.0%	19,730	24.7%
SPR	SECTORAL POLICY REFORM	1,470	1.2%	690	0.6%	680	0.7%	510	0.6%
EPR	NONSECTORAL POLICY REFORM			748	0.6%	696	0.7%	562	0.7%
ECD	EARLY CHILDHOOD DEVELOPMENT	6,451	5.4%	7,199	6.0%	2,732	2.7%	2,785	3.5%
B. Food, Agriculture & Rural Development									
C. Energy/Environment									
II. Institutional Mechanisms									
A. PVO/NGOs									
PVU	PVO/NGOs, U.S.	2,066	1.7%	5,002	4.2%	5,333	5.3%	5,093	6.4%
PVL	PVO/NGOs, LOCAL	40,213	33.5%	36,090	30.1%	29,137	29.1%	26,334	32.9%
B. Universities									
HBC	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES	2,767	2.3%	2,614	2.2%	1,695	1.7%	1,266	1.6%
UNV	UNIVERSITIES (OTHER THAN HBC AND TITLE XII)	2,648	2.2%	2,241	1.9%	2,198	2.2%	1,611	2.0%
III. Research and Development Activities									
A. Applied Research									
RBE	EDUCATION RESEARCH	5,975	5.0%	9,361	7.8%	4,656	4.7%	4,353	5.4%
RSS	SOCIAL SCIENCE RESEARCH	1,098	0.9%	1,505	1.3%	1,520	1.5%	1,329	1.7%
ROR	OPERATIONAL RESEARCH	403	0.3%	958	0.8%	921	0.9%	913	1.1%
B. Basic Research									
RBS	BASIC RESEARCH (if not applied or development)	94	0.1%						
C. Development									
ROV	DEVELOPMENT (if not applied or basic)	1,830	1.5%	1,093	0.9%	898	0.9%	698	0.9%

69

TABLE IIIA : AC/SI AGGREGATE ANALYSIS
SPECIAL INTEREST CODES
(U. S. Dollars Thousands)

FY 1995 ESTIMAT FY 1996 PLANNED FY 1997 PROPOSE FY 1997 @ 67%

SPECIAL INTEREST		PCT OF AMOUNT TOTAL PROGRAM		PCT OF AMOUNT TOTAL PROGRAM		PCT OF AMOUNT TOTAL PROGRAM		PCT OF AMOUNT TOTAL PROGRAM	
IV. Training									
TUS	TRAINING, U.S.-BASED	8,377	7.0%	11,755	9.8%	6,469	6.5%	5,420	6.8%
TTH	TRAINING, THIRD COUNTRY-BASED	1,180	1.0%	1,075	0.9%	1,023	1.0%	1,023	1.3%
TIC	TRAINING, IN-COUNTRY	20,260	16.9%	20,223	16.9%	17,566	17.6%	14,072	17.6%
TPU	TRAINING, PUBLIC	7,995	6.7%	13,135	10.9%	10,858	10.9%	10,585	13.2%
TPV	TRAINING, PRIVATE	6,206	5.2%	6,261	5.2%	5,965	6.0%	3,477	4.3%

64

TABLE III B : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
OBJECTIVE NUMBER: 01 TITLE: To Help Consolidate Sustainable Democratic Governance									
DICE CIVIC EDUCATION									
SI CODE: ADO	20 %	20 %	20 %	20 %	0 %	487	391	411	379
SI CODE: FBH	20 %	20 %	20 %	20 %	0 %	487	391	411	379
TOTAL AC CODE:	8 %	8 %	8 %	8 %	0 %	2,439	1,956	2,058	1,898
DICS CIVIL SOCIETY									
SI CODE: DEC	50 %	50 %	50 %	50 %	0 %	2,287	2,934	3,215	2,847
SI CODE: PVL	90 %	90 %	90 %	90 %	0 %	4,116	5,281	5,788	5,124
SI CODE: PVX	75 %	75 %	75 %	75 %	0 %	3,430	4,401	4,823	4,270
SI CODE: SFI	50 %	50 %	50 %	50 %	0 %	2,287	2,934	3,215	2,847
TOTAL AC CODE:	15 %	24 %	25 %	24 %	0 %	4,574	5,868	6,431	5,694
DIEA ELECTORAL ASSISTANCE									
SI CODE: FBH	30 %	30 %	30 %	30 %	0 %	914	586	617	569
SI CODE: INS	50 %	50 %	50 %	50 %	0 %	1,524	978	1,029	949
SI CODE: PVL	90 %	90 %	90 %	90 %	0 %	2,744	1,760	1,852	1,708
SI CODE: PVX	50 %	50 %	50 %	50 %	0 %	1,524	978	1,029	949
TOTAL AC CODE:	10 %	8 %	8 %	8 %	0 %	3,049	1,956	2,058	1,898
DIHR HUMAN RIGHTS									
SI CODE: PVL	100 %	0 %	0 %	0 %	0 %	2,134			
SI CODE: PVX	50 %	0 %	0 %	0 %	0 %	1,067			
SI CODE: SPR	50 %	0 %	0 %	0 %	0 %	1,067			
TOTAL AC CODE:	7 %	0 %	0 %	0 %	0 %	2,134			
DILA LABOR									
SI CODE: FBH	20 %	20 %	20 %	20 %	0 %	182	195	205	189
SI CODE: INS	100 %	100 %	100 %	100 %	0 %	914	978	1,029	949
SI CODE: PVU	100 %	100 %	100 %	100 %	0 %	914	978	1,029	949
SI CODE: ROR	10 %	10 %	10 %	10 %	0 %	91	97	102	94
TOTAL AC CODE:	3 %	4 %	4 %	4 %	0 %	914	978	1,029	949
DILJ LEGAL AND JUDICIAL DEVELOPMENT									
SI CODE: ADO	20 %	20 %	20 %	20 %	0 %	426	342	360	332
SI CODE: FBH	20 %	20 %	20 %	20 %	0 %	426	342	360	332
SI CODE: INS	75 %	75 %	75 %	75 %	0 %	1,601	1,283	1,350	1,245
SI CODE: PVL	75 %	75 %	75 %	75 %	0 %	1,601	1,283	1,350	1,245

TABLE 111B : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
SI CODE: PVX	50 %	50 %	50 %	50 %	0 %	1,067	855	900	830
TOTAL AC CODE:	7 %	7 %	7 %	7 %	0 %	2,134	1,711	1,800	1,660
DIME FREE FLOW OF INFORMATION									
SI CODE: INS	50 %	50 %	50 %	50 %	0 %	609	1,711	1,800	1,660
SI CODE: PVL	75 %	75 %	75 %	75 %	0 %	914	2,567	2,701	2,491
TOTAL AC CODE:	4 %	14 %	14 %	14 %	0 %	1,219	3,423	3,601	3,321
DIPI REPRESENTATIVE POLITICAL INSTITUTIONS									
SI CODE: FBN	30 %	30 %	30 %	30 %	0 %	182	440	463	427
SI CODE: PVU	75 %	75 %	75 %	75 %	0 %	457	1,100	1,157	1,067
TOTAL AC CODE:	2 %	6 %	6 %	6 %	0 %	609	1,467	1,543	1,423
DIPP POLITICAL PARTY SUPPORT									
SI CODE: FBN	30 %	30 %	30 %	30 %	0 %	274	440	463	427
SI CODE: PVU	75 %	75 %	75 %	75 %	0 %	686	1,100	1,157	1,067
TOTAL AC CODE:	3 %	6 %	6 %	6 %	0 %	914	1,467	1,543	1,423
EDAL ADULT LITERACY									
SI CODE: FBN	30 %	30 %	30 %	30 %	0 %	182	73	77	71
SI CODE: PVL	90 %	90 %	90 %	90 %	0 %	548	220	231	213
TOTAL AC CODE:	2 %	1 %	1 %	1 %	0 %	609	244	257	237
HEHA HIV/AIDS									
SI CODE: PVL	100 %	0 %	0 %	0 %	0 %	3,659			
SI CODE: PVX	80 %	0 %	0 %	0 %	0 %	2,927			
SI CODE: TIC	80 %	0 %	0 %	0 %	0 %	2,927			
TOTAL AC CODE:	12 %	0 %	0 %	0 %	0 %	3,659			
HEMH WOMEN'S HEALTH									
SI CODE: CHS	100 %	0 %	0 %	0 %	0 %	914			
TOTAL AC CODE:	3 %	0 %	0 %	0 %	0 %	914			
PDAS PROGRAM DEVELOPMENT AND SUPPORT									
SI CODE: RDV	100 %	100 %	100 %	100 %	0 %	1,829	244	257	237
TOTAL AC CODE:	6 %	1 %	1 %	1 %	0 %	1,829	244	257	237
PRNS POLICY REFORM, NONSECTORAL N.E.C									

26

TABLE IIIB : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
SI CODE: PVL	15 %	15 %	15 %	15 %	0 %	91	73	77	71
SI CODE: RSS	100 %	100 %	100 %	100 %	0 %	609	489	514	474
SI CODE: TIC	50 %	50 %	50 %	50 %	0 %	304	244	257	237
SI CODE: TPU	60 %	60 %	60 %	60 %	0 %	365	293	308	284
TOTAL AC CODE:	2 %	2 %	2 %	2 %	0 %	609	489	514	474
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT									
SI CODE: DEC	80 %	80 %	80 %	80 %	0 %	3,903	3,716	3,704	3,606
SI CODE: INS	15 %	15 %	15 %	15 %	0 %	731	696	694	676
SI CODE: PVL	8 %	8 %	8 %	8 %	0 %	390	371	370	360
SI CODE: RSS	10 %	10 %	10 %	10 %	0 %	487	464	463	450
SI CODE: TIC	70 %	70 %	70 %	70 %	0 %	3,415	3,251	3,241	3,155
SI CODE: TPU	70 %	70 %	70 %	70 %	0 %	3,415	3,251	3,241	3,155
TOTAL AC CODE:	16 %	19 %	18 %	19 %	0 %	4,879	4,645	4,630	4,507
OBJECTIVE TOTAL	100 %	100 %	100 %	100 %	0 %	30,496	24,450	25,725	23,725
OBJECTIVE NUMBER: 02 TITLE: To Support the Development of an Integrated Education System									
DICS CIVIL SOCIETY									
SI CODE: FBN	40 %	0 %	40 %	40 %	0 %	468		206	182
SI CODE: PVL	49 %	0 %	100 %	100 %	0 %	573		516	456
TOTAL AC CODE:	3 %	0 %	2 %	2 %	0 %	1,170		516	456
DIDE DECENTRALIZATION/LOCAL GOVERNANCE									
SI CODE: DEC	66 %	69 %	66 %	66 %	0 %	514	1,819	1,193	1,054
SI CODE: ECD	2 %	2 %	0 %	0 %	0 %	15	52		
SI CODE: PVL	56 %	30 %	13 %	13 %	0 %	436	791	235	207
SI CODE: RBE	51 %	52 %	48 %	48 %	0 %	397	1,371	867	766
SI CODE: SPR	8 %	15 %	11 %	11 %	0 %	62	395	198	175
TOTAL AC CODE:	2 %	6 %	7 %	7 %	0 %	780	2,637	1,807	1,597
DIFM ACCOUNTABILITY OF THE EXECUTIVE									
SI CODE: HBC	30 %	30 %	30 %	30 %	0 %	117	131	154	68
SI CODE: INS	100 %	100 %	100 %	100 %	0 %	390	439	516	228
SI CODE: RBE	25 %	25 %	25 %	25 %	0 %	97	109	129	57
SI CODE: TIC	15 %	15 %	15 %	15 %	0 %	58	65	77	34
SI CODE: TPU	10 %	10 %	10 %	10 %	0 %	39	43	51	22
SI CODE: TUS	10 %	10 %	10 %	10 %	0 %	39	43	51	22
SI CODE: UNV	70 %	70 %	70 %	70 %	0 %	273	307	361	159
TOTAL AC CODE:	1 %	1 %	2 %	1 %	0 %	390	439	516	228

TABLE IIB : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
EDAL ADULT LITERACY									
SI CODE: FBN	55 %	60 %	60 %	60 %	0 %	1,930	3,164	1,239	1,232
SI CODE: MBN	29 %	40 %	40 %	40 %	0 %	1,017	2,109	826	821
SI CODE: PVL	73 %	90 %	75 %	75 %	0 %	2,562	4,746	1,549	1,540
SI CODE: RBE	36 %	60 %	60 %	60 %	0 %	1,263	3,164	1,239	1,232
TOTAL AC CODE:	9 %	12 %	8 %	9 %	0 %	3,510	5,274	2,066	2,054
EDEC BASIC EDUCATION FOR CHILDREN									
SI CODE: ECD	66 %	57 %	50 %	50 %	0 %	6,435	6,513	2,453	2,510
SI CODE: FBN	62 %	64 %	71 %	71 %	0 %	6,045	7,313	3,483	3,565
SI CODE: MBN	38 %	36 %	29 %	29 %	0 %	3,705	4,113	1,422	1,456
SI CODE: PVL	53 %	52 %	50 %	50 %	0 %	5,167	5,942	2,453	2,510
SI CODE: RBE	34 %	33 %	33 %	33 %	0 %	3,315	3,770	1,619	1,657
TOTAL AC CODE:	25 %	26 %	19 %	22 %	0 %	9,750	11,427	4,906	5,021
EDEI HUMAN RES DVLPMT FOR EDUCATIONAL INSTITUTIONS									
SI CODE: ECD	0 %	9 %	4 %	5 %	0 %		632	278	273
SI CODE: FBN	32 %	31 %	32 %	32 %	0 %	2,995	2,179	2,231	1,752
SI CODE: HBC	12 %	13 %	13 %	12 %	0 %	1,123	914	906	657
SI CODE: INS	76 %	60 %	60 %	66 %	0 %	7,113	4,219	4,741	3,615
SI CODE: PVL	18 %	0 %	8 %	9 %	0 %	1,684		557	493
SI CODE: RBE	8 %	11 %	10 %	10 %	0 %	748	773	697	547
SI CODE: RBS	1 %	0 %	0 %	0 %	0 %	93			
SI CODE: TIC	20 %	21 %	21 %	20 %	0 %	1,872	1,476	1,464	1,095
SI CODE: TUS	20 %	21 %	21 %	20 %	0 %	1,872	1,476	1,464	1,095
SI CODE: UNV	24 %	26 %	25 %	25 %	0 %	2,246	1,828	1,743	1,369
TOTAL AC CODE:	24 %	16 %	27 %	24 %	0 %	9,360	7,032	6,972	5,478
EDID HUMAN RESOURCE DEVELOPMENT FOR INDIVIDUALS									
SI CODE: FBN	34 %	37 %	30 %	31 %	0 %	2,254	3,740	929	849
SI CODE: HBC	10 %	11 %	9 %	9 %	0 %	663	1,111	278	246
SI CODE: INS	13 %	7 %	22 %	20 %	0 %	861	707	681	547
SI CODE: RBE	1 %	1 %	1 %	1 %	0 %	66	101	30	27
SI CODE: TIC	21 %	19 %	0 %	0 %	0 %	1,392	1,920		
SI CODE: TPU	21 %	19 %	0 %	0 %	0 %	1,392	1,920		
SI CODE: TTH	12 %	0 %	0 %	0 %	0 %	795			
SI CODE: TUS	59 %	77 %	88 %	89 %	0 %	3,911	7,703	2,727	2,437
TOTAL AC CODE:	17 %	23 %	12 %	12 %	0 %	6,630	10,108	3,099	2,739
EDPE GENERAL PUBLIC EDUCATION AND EXTENSION									

22

TABLE 111B : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
SI CODE: FBN	35 %	37 %	35 %	36 %	0 %	819	975	723	575
SI CODE: HBC	2 %	1 %	2 %	2 %	0 %	46	26	41	31
SI CODE: INS	4 %	3 %	4 %	3 %	0 %	93	79	82	47
SI CODE: PVL	87 %	91 %	88 %	89 %	0 %	2,035	2,399	1,818	1,421
SI CODE: TIC	8 %	5 %	7 %	6 %	0 %	187	131	144	95
SI CODE: TUS	5 %	3 %	5 %	4 %	0 %	117	79	103	63
TOTAL AC CODE:	6 %	6 %	8 %	7 %	0 %	2,340	2,637	2,066	1,597
EDVT VOCATIONAL EDUCATION AND TECHNICAL TRAINING									
SI CODE: FBN	40 %	7 %	9 %	8 %	0 %	312	153	232	200
SI CODE: PSD	1 %	17 %	15 %	16 %	0 %	7	373	387	401
SI CODE: PVL	99 %	17 %	23 %	20 %	0 %	772	373	593	502
SI CODE: PVU	1 %	83 %	77 %	80 %	0 %	7	1,823	1,988	2,008
TOTAL AC CODE:	2 %	5 %	10 %	11 %	0 %	780	2,197	2,582	2,510
PDAS PROGRAM DEVELOPMENT AND SUPPORT									
SI CODE: RDV	100 %	100 %	100 %	100 %	0 %		439	258	228
TOTAL AC CODE:	0 %	1 %	1 %	1 %	0 %		439	258	228
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT									
SI CODE: DEC	72 %	0 %	0 %	0 %	0 %	3,088			
SI CODE: FBN	33 %	28 %	0 %	22 %	0 %	1,415	492		200
SI CODE: HBC	2 %	4 %	7 %	7 %	0 %	85	70	72	63
SI CODE: INS	6 %	10 %	0 %	16 %	0 %	257	175		146
SI CODE: PVL	12 %	0 %	54 %	54 %	0 %	514		557	493
SI CODE: RBE	2 %	4 %	7 %	7 %	0 %	85	70	72	63
SI CODE: TIC	2 %	4 %	7 %	7 %	0 %	85	70	72	63
SI CODE: TPU	5 %	9 %	14 %	14 %	0 %	214	158	144	127
SI CODE: TUS	1 %	1 %	1 %	1 %	0 %	42	17	10	9
SI CODE: UNV	3 %	6 %	9 %	9 %	0 %	128	105	92	82
TOTAL AC CODE:	11 %	4 %	4 %	4 %	0 %	4,290	1,758	1,033	913
OBJECTIVE TOTAL	100 %	100 %	100 %	100 %	0 %	39,000	43,950	25,825	22,825

OBJECTIVE NUMBER: 03 TITLE: To Help Increase Economic Opportunity and Access for Hist. Disadv.

EVMP ENVIRONMENTAL MGMT, PLANNING AND POLICY

SI CODE: FBN	30 %	30 %	30 %	30 %	0 %	765	2,328	1,834	1,811
SI CODE: INS	100 %	100 %	100 %	100 %	0 %	2,550	7,761	6,116	6,038
SI CODE: PVL	60 %	60 %	60 %	60 %	0 %	1,530	4,656	3,669	3,623
SI CODE: PVX	100 %	100 %	100 %	100 %	0 %	2,550	7,761	6,116	6,038
TOTAL AC CODE:	6 %	19 %	16 %	26 %	0 %	2,550	7,761	6,116	6,038

TABLE 111B : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
HEEV ENVIRONMENTAL HEALTH									
SI CODE: FBN	0 %	40 %	40 %	40 %	0 %		490	458	371
SI CODE: INS	0 %	100 %	100 %	100 %	0 %		1,225	1,146	929
SI CODE: PVL	0 %	50 %	50 %	50 %	0 %		612	573	464
SI CODE: PVX	0 %	100 %	100 %	100 %	0 %		1,225	1,146	929
TOTAL AC CODE:	0 %	3 %	3 %	4 %	0 %		1,225	1,146	929
PDAS PROGRAM DEVELOPMENT AND SUPPORT									
SI CODE: RDV	0 %	100 %	100 %	100 %	0 %		408	382	232
TOTAL AC CODE:	0 %	1 %	1 %	1 %	0 %		408	382	232
PEBD BUSINESS DEVELOPMENT PROMOTION									
SI CODE: FBN	11 %	12 %	12 %	0 %	0 %	2,010	1,078	963	
SI CODE: HBC	4 %	4 %	3 %	5 %	0 %	731	359	240	197
SI CODE: INS	26 %	25 %	24 %	35 %	0 %	4,751	2,246	1,926	1,381
SI CODE: MBN	16 %	18 %	19 %	0 %	0 %	2,924	1,617	1,525	
SI CODE: PSD	71 %	72 %	72 %	60 %	0 %	12,975	6,470	5,779	2,368
SI CODE: PVL	47 %	39 %	35 %	50 %	0 %	8,589	3,504	2,809	1,974
SI CODE: TIC	38 %	40 %	41 %	15 %	0 %	6,944	3,594	3,291	592
SI CODE: TPV	27 %	29 %	31 %	0 %	0 %	4,934	2,606	2,488	
SI CODE: TUS	11 %	11 %	10 %	15 %	0 %	2,010	988	802	592
TOTAL AC CODE:	43 %	22 %	21 %	17 %	0 %	18,275	8,987	8,027	3,948
PEFM FINANCIAL MARKETS									
SI CODE: EPR	0 %	1 %	1 %	1 %	0 %		191	183	88
SI CODE: FBN	30 %	16 %	16 %	1 %	0 %	5,992	3,071	2,935	88
SI CODE: INS	0 %	8 %	9 %	13 %	0 %		1,535	1,651	1,147
SI CODE: MBN	45 %	24 %	24 %	1 %	0 %	8,988	4,607	4,403	88
SI CODE: PSD	75 %	71 %	74 %	51 %	0 %	14,981	13,631	13,577	4,501
SI CODE: RSS	0 %	1 %	1 %	1 %	0 %		191	183	88
SI CODE: TIC	0 %	4 %	4 %	6 %	0 %		767	733	529
SI CODE: TPU	0 %	1 %	1 %	1 %	0 %		191	183	88
SI CODE: TUS	0 %	1 %	1 %	1 %	0 %		191	183	88
TOTAL AC CODE:	47 %	47 %	48 %	38 %	0 %	19,975	19,199	18,348	8,825
PET1 TRADE AND INVESTMENT PROMOTION									
SI CODE: EPR	0 %	4 %	2 %	3 %	0 %		65	53	55
SI CODE: INS	10 %	9 %	9 %	9 %	0 %	170	147	240	167
SI CODE: RSS	0 %	2 %	2 %	2 %	0 %		32	53	37
SI CODE: SPR	20 %	18 %	18 %	18 %	0 %	340	294	481	334

70

TABLE 111B : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
SI CODE: TIC	0 %	1 %	1 %	1 %	0 %		16	26	18
SI CODE: TPU	0 %	1 %	1 %	1 %	0 %		16	26	18
SI CODE: TUS	0 %	1 %	1 %	1 %	0 %		16	26	18
TOTAL AC CODE:	4 %	4 %	7 %	8 %	0 %	1,700	1,634	2,675	1,850
PRNS POLICY REFORM, NONSECTORAL N.E.C									
SI CODE: EPR	0 %	30 %	30 %	30 %	0 %		245	229	209
SI CODE: RSS	0 %	20 %	20 %	20 %	0 %		163	152	139
SI CODE: TIC	0 %	5 %	5 %	5 %	0 %		40	38	34
SI CODE: TPU	0 %	10 %	10 %	10 %	0 %		81	76	69
SI CODE: TUS	0 %	5 %	5 %	5 %	0 %		40	38	34
TOTAL AC CODE:	0 %	2 %	2 %	3 %	0 %		817	764	696
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT									
SI CODE: EPR	0 %	30 %	30 %	30 %	0 %		245	229	209
SI CODE: RSS	0 %	20 %	20 %	20 %	0 %		163	152	139
SI CODE: TIC	0 %	5 %	5 %	5 %	0 %		40	38	34
SI CODE: TPU	0 %	10 %	10 %	10 %	0 %		81	76	69
SI CODE: TUS	0 %	5 %	5 %	5 %	0 %		40	38	34
TOTAL AC CODE:	0 %	2 %	2 %	3 %	0 %		817	764	696
OBJECTIVE TOTAL	100 %	100 %	100 %	100 %	0 %	42,500	40,850	38,225	23,225

OBJECTIVE NUMBER: 04 TITLE: To Support the Development of a Unified PHC System

HEHA HIV/AIDS									
SI CODE: ADO	20 %	20 %	20 %	20 %	0 %	144	430	409	409
SI CODE: DEC	80 %	80 %	80 %	80 %	0 %	576	1,720	1,636	1,636
SI CODE: FBN	60 %	60 %	60 %	60 %	0 %	432	1,290	1,227	1,227
SI CODE: MBN	40 %	40 %	40 %	40 %	0 %	288	860	818	818
SI CODE: PVL	20 %	20 %	20 %	20 %	0 %	144	430	409	409
SI CODE: REH	100 %	100 %	100 %	100 %	0 %	720	2,150	2,045	2,045
SI CODE: STD	100 %	100 %	100 %	100 %	0 %	720	2,150	2,045	2,045
SI CODE: TIC	80 %	80 %	80 %	80 %	0 %	576	1,720	1,636	1,636
SI CODE: TPU	10 %	10 %	10 %	10 %	0 %	72	215	204	204
SI CODE: TPV	90 %	90 %	90 %	90 %	0 %	648	1,935	1,840	1,840
SI CODE: ITH	10 %	10 %	10 %	10 %	0 %	72	215	204	204
SI CODE: TUS	10 %	10 %	10 %	10 %	0 %	72	215	204	204
TOTAL AC CODE:	9 %	20 %	20 %	20 %	0 %	720	2,150	2,045	2,045

HEMH WOMEN'S HEALTH

71

TABLE 111B : AC/SI SUMMARY REPORT
(U. S. Dollars Thousands)

	% FY95	% FY96	% FY97 @100%	% FY97 @ 67%	% FY97 @ 0%	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
SI CODE: CHS	71 %	0 %	0 %	0 %	0 %	2,953			
TOTAL AC CODE:	52 %	0 %	0 %	0 %	0 %	4,160			
HESD HEALTH SYSTEMS DEVELOPMENT									
SI CODE: ADO	0 %	10 %	10 %	10 %	0 %		537	511	511
SI CODE: CHS	0 %	80 %	80 %	80 %	0 %		4,300	4,090	4,090
SI CODE: DEC	0 %	80 %	80 %	80 %	0 %		4,300	4,090	4,090
SI CODE: FBN	0 %	60 %	60 %	60 %	0 %		3,225	3,067	3,067
SI CODE: MBN	0 %	40 %	40 %	40 %	0 %		2,150	2,045	2,045
SI CODE: PVL	0 %	20 %	20 %	20 %	0 %		1,075	1,022	1,022
SI CODE: REH	0 %	25 %	25 %	25 %	0 %		1,343	1,278	1,278
SI CODE: ROR	0 %	10 %	10 %	10 %	0 %		537	511	511
SI CODE: STD	0 %	25 %	25 %	25 %	0 %		1,343	1,278	1,278
SI CODE: TIC	0 %	80 %	80 %	80 %	0 %		4,300	4,090	4,090
SI CODE: TPU	0 %	80 %	80 %	80 %	0 %		4,300	4,090	4,090
SI CODE: TPV	0 %	20 %	20 %	20 %	0 %		1,075	1,022	1,022
SI CODE: TTH	0 %	10 %	10 %	10 %	0 %		537	511	511
SI CODE: TUS	0 %	10 %	10 %	10 %	0 %		537	511	511
TOTAL AC CODE:	0 %	50 %	50 %	50 %	0 %		5,375	5,112	5,112
PMPD FAMILY PLANNING PROGRAM DEVELOPMENT									
SI CODE: ADO	20 %	20 %	20 %	20 %	0 %	624	645	613	613
SI CODE: DEC	80 %	80 %	80 %	80 %	0 %	2,496	2,580	2,454	2,454
SI CODE: FBN	60 %	60 %	60 %	60 %	0 %	1,872	1,935	1,840	1,840
SI CODE: MBN	40 %	40 %	40 %	40 %	0 %	1,248	1,290	1,227	1,227
SI CODE: ROR	10 %	10 %	10 %	10 %	0 %	312	322	306	306
SI CODE: TIC	80 %	80 %	80 %	80 %	0 %	2,496	2,580	2,454	2,454
SI CODE: TPU	80 %	80 %	80 %	80 %	0 %	2,496	2,580	2,454	2,454
SI CODE: TPV	20 %	20 %	20 %	20 %	0 %	624	645	613	613
SI CODE: TTH	10 %	10 %	10 %	10 %	0 %	312	322	306	306
SI CODE: TUS	10 %	10 %	10 %	10 %	0 %	312	322	306	306
TOTAL AC CODE:	39 %	30 %	30 %	30 %	0 %	3,120	3,225	3,067	3,067
OBJECTIVE TOTAL	100 %	100 %	100 %	100 %	0 %	8,000	10,750	10,225	10,225
REPORT TOTALS						119,996	120,000	100,000	80,000

7/2

SOUTH AFRICA (674)
FY 1997 BUDGET PLANNING DOCUMENT

PAGE 9

AGGREGATION OF AC/SI CODES FOR SPECIAL ISSUES
(U. S. Dollars Thousands)

	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
(1) Child Survival Funding	3,868	5,525	5,236	5,019
(2) Other Health	1,206	1,075	1,022	1,022
(3) Environment	2,550	7,761	6,116	6,038
(4) Energy	--	--	--	--

Refer to AC/SI Coding Instructions for aggregation basis

The above summaries are aggregations of ACs and SIs. Other aggregations consist of ACs only and can be derived from AC section of the Aggregate Analysis Report

13

TABLE IIIC : OBJECTIVES BY TARGET AREA
(U.S Dollars Thousands)

STRATEGIC OBJECTIVE	AREA	FY 1995 ESTIMATE	FY 1996 PLANNED	FY 1997 REQUEST	FY 1997 @ 67%
01 To Help Consolidate Sustainable Democratic Governance					
	BASIC EDUCATION	610	245	257	237
	TOTAL HEALTH	4,574	0	0	0
	CHILD SURVIVAL	915	0	0	0
	AIDS	3,660	0	0	0
02 To Support the Development of an Integrated Education System					
	BASIC EDUCATION	13,260	16,701	6,973	7,076
03 To Help Increase Economic Opportunity and Access for Hist. Disadv.					
	ENVIRONMENT	2,550	7,762	6,116	6,039
	TOTAL HEALTH	0	1,226	1,147	929
	CHILD SURVIVAL	0	1,226	1,147	929
04 To Support the Development of a Unified PHC System					
	POPULATION	3,120	3,225	3,068	3,068
	TOTAL HEALTH	4,880	7,525	7,158	7,158
	CHILD SURVIVAL	2,954	4,300	4,090	4,090
	NON-CHLD SURV	1,206	1,075	1,023	1,023
	AIDS	720	2,150	2,045	2,045
REPORT TOTALS	BASIC EDUCATION	13,870	16,946	7,230	7,313
	ENVIRONMENT	2,550	7,762	6,116	6,039
	POPULATION	3,120	3,225	3,068	3,068
	TOTAL HEALTH	9,454	8,751	8,304	8,087
	CHILD SURVIVAL	3,868	5,526	5,237	5,019
	NON-CHLD SURV	1,206	1,075	1,023	1,023
	AIDS	4,380	2,150	2,045	2,045

74