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The main body of the DAP, which constitutes OSARAC's proposals for the future direction of the AID program in Swaziland, is the joint product of several OSARAC and REDSO/EA staff members but the responsibility of OSARAC. REDSO's contributions are acknowledged with thanks. Three sector assessments are attached as annexes. They should be read as technical background papers rather than policy recommendations from OSARAC.

DEVELOPMENT ASSISTANCE PROGRAM: SWAZILAND

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OVERVIEW

I. Economic and Social Development since Independence

A. Setting

The Kingdom of Swaziland is a small landlocked country of 6700 square miles situated between Mozambique and the Republic of South Africa. The country is divided geographically into four well-defined regions: the mountainous and high-rainfall Highveld in the west, the Middleveld with somewhat lower rainfall, the subtropical and semi-arid Lowveld, and the Lubombo Plateau in the east with a climate similar to that of the Middleveld. Swaziland's population as of 1974 was estimated at 470,000, not including 20,000-30,000 workers absent in South Africa; the population growth rate is estimated at 3 percent or more per annum. All but 3 percent of the populace is African, and of the Africans about 95 percent share Swazi linguistic and cultural traditions. At least 80 percent of the people live in rural areas. The literacy rate is about 20 percent. Life expectancy is estimated at 40 years.

Swaziland's commercial economy is relatively advanced and diversified, and is characterised by well-developed physical infrastructure. The modern sector is based on export-oriented exploitation of Swaziland's natural resource endowment, and includes production of sugar, citrus, forestry products, iron ore and asbestos for export, and a rapidly growing tourist industry.

The modern sector absorbs about 27 percent of the labor force of 235,000 and accounts for about 85 percent of gross domestic product (GDP). The remainder of the labor force and GDP are accounted for by subsistence agriculture based on maize production and cattle holding. Per capita GDP as estimated in 1974 is roughly \$240, although this figure masks vast disparities in income between the relatively few participants in the modern economy and the vast majority supported by the traditional sector. Per capita cash income in the traditional sector is on the order of \$45 per year.

Swaziland first came into contact with European settlers in the second half of the nineteenth century. In 1881 the boundaries of Swaziland were defined and the country's independence recognized by the British and Transvaal governments with the ratification of the Pretoria Convention. Nevertheless, South Africa took over the country's administration in 1894. In 1902, following the Boer War, Britain assumed administration of Swaziland as a protectorate. By this time the majority of the Swazi land had been ceded on a concessional basis to expatriates. At independence in 1968 substantial blocks of land had reverted to the Swazi Nation for communal use and expatriate-held Title Deed Lands accounted for somewhat less than 50 percent of the total land area.

The political system reflects the high degree of social and economic dualism in Swaziland. The traditional Swazi Government, consisting of the King and two advisory councils, exists alongside

the modern government established by the British to replace the colonial administration. The modern government was based on a constitution which called for a cabinet responsible to the Parliament. In 1973 King Sobhuza II suspended the constitution and Parliament to permit the development of a constitution more consistent with Swazi tradition. In the meantime the former cabinet, consisting of the senior ministers, continues to function as an advisory council to the King. Administratively, the modern system divides the country into four districts, each under a District Commissioner.

B. Swaziland and South Africa

Like its sister states, Botswana and Lesotho, Swaziland is tightly bound to the Republic of South Africa. Swaziland's relationship with the neighboring South African regime, although not warm, has been one of formal cordiality. Certainly ties with South Africa have been far more significant and pervasive in a practical sense than contact with Black Africa. The impact of current changes in Mozambique and Angola on southern African relationships remains to be seen.

Swaziland's ties with South Africa are particularly evident in the economic realm. As mentioned previously, South Africa provides wage-paying employment for about 20,000 Swazis. The great majority of Swaziland's imports are produced or processed in South Africa and all imports are subject to the terms of a common customs union. With the important exception of the port at Lourenco Marques, all major transportation routes and accesses to markets and harbors lie in or through South Africa. Together with Botswana and Lesotho,

Swaziland currently is part of the South African rand currency area. Under the present arrangement the rand is legal tender in Swaziland, although in September 1974 Swaziland issued its own currency, the "lilangeni". Tied to and valued at parity with the rand, the lilangeni (plural, "emalangeni") is freely interchangeable with the rand in Swaziland. In April 1974, in conjunction with plans to launch the lilangeni, the government established the Monetary Authority of Swaziland. The Monetary Authority is charged with administration of the Financial Institutions Act of 1973, which is directed toward furthering Swaziland's control of its monetary affairs and developing the institutional and operational framework of the local money market. Currency issued by the Monetary Authority is fully backed by interest-bearing rand deposits held with the South African Reserve Bank. South Africa continues to manage the external reserves of the rand area as a whole, and the existing freedom of movement of funds between Swaziland and the rest of the rand area should not be affected.

With South Africa, Botswana, and Lesotho, Swaziland also belongs to the Southern African Customs Union. The first customs agreement was negotiated in 1910 and remained in effect until the present revised Customs Union Agreement was put in force in 1970. Customs duties are paid into the Consolidated Revenue Fund of South Africa and re-distributed according to each country's share of imports and its production and consumption of other taxable goods. The new Agreement also recognizes the economic inequalities among the partners and includes a negotiated pro-rata compensation for this situation

and for loss of fiscal discretion. Also included is provision for some protection of infant industries by the three lesser partners, articles guaranteeing consultation in important areas, and provision for bilateral trade agreements with countries outside the union under certain circumstances. The revised Agreement has dramatically increased revenues for Swaziland.

C. Development Trends Since 1968

Prior to independence in 1968 virtually all development expenditures were financed by the United Kingdom. In the four years leading to independence such expenditures averaged about \$2.5 million annually. In 1969 a \$30 million Post-Independence Development Plan was launched for the five year period 1969-1973, with the U.K. agreeing to furnish nearly half of the annual public investment capital envisaged under the Plan. Swaziland enlisted additional support from a variety of bilateral and multilateral sources, principally the UN, AID and the Scandinavian countries.

The first Plan was essentially a five-year capital expenditures budget drawn up on the basis of patterns prevailing in the pre-independence era. It did not include a clear statement of development targets, priorities and strategies, nor was it based on adequate sectoral and project-level surveys and studies. The First Plan's overall objective was improvement in the standard of living of the Swazi people. More specific objectives were mobilization of domestic and external resources and diversification of sources of foreign capital; renegotiation of the Customs Union Agreement; return of expatriate-controlled land; localization of the civil

service; promotion of agricultural development; and improvement of education and training with emphasis on secondary education.

The GOS made some progress toward all of these specific objectives during the First Plan period, particularly with respect to diversification of sources of aid, renegotiation of the Customs Union Agreement and expansion of secondary education. Little progress was made toward the overall objective of improving the position of the 55,000 Swazi families in the traditional sector, although this was to be expected given the limited financial resources available to the GOS (the development budget for the five-year period was only \$30 million), the extreme shortage of trained indigenous manpower and the absence of relevant studies or prepared projects. The First Plan period did see important progress, however, in preparing the way for a sustained effort in subsequent periods to achieve a more balanced development pattern through addressing the problems of the small Swazi farmer.

With respect to growth trends, the period since 1969 has been characterized by a strong revival of modern sector output following a slowdown in the second half of the 1960's. This was accompanied by relative stagnation in the traditional sector which grew at a rate of less than 4% annually in the post independence period or only slightly more than the rate of population increase. Gross domestic product (GDP) rose at an average annual rate of 9.8 percent in 1969/1970-1971/1972 to \$117 million (or \$240 per capita) and has probably continued to grow at roughly this rate in 1972/1973 and 1973/1974. Sectoral composition of

GDP has changed relatively little, although the contribution of traditional-sector agriculture dropped from 15 percent to 13 percent from 1969/1970 to 1971/1972, while that of commercial agriculture increased from 15 percent to 18 percent. Production of maize, the staple, rose considerably in 1971/72 due to favorable weather and increased area under cultivation, but declined sharply in 1972/73 as a result of drought, despite further expansion of cultivable land. The national herd has continued to grow, with slaughtering and live exports also increasing (most markedly during poor crop years when farmers' cash requirements were greatest).

Sugar refining, processing of wood products, fruit canning, and cotton ginning constitute the principal manufacturing activities in post-independence Swaziland. The moderate growth in manufactures has been closely linked to increases in the processing of the above mentioned commercial crops. There has been reasonable success in encouraging large scale industry through the para-statal National Industrial Development Corporation, while the production of handicrafts and light consumer items through cottage industries has done remarkably well.

Swaziland's exports are equivalent to 80 percent of GDP (1972 figures), and the recent high overall GDP growth may be explained largely by a revival of confidence in the modern sector following independence and strong foreign markets for the modern sector's exports. The market has been particularly good for sugar and for pulp and wood products, which accounted for 29 percent and 21 percent respectively of total 1972 exports of \$95 million.

Mineral exports (iron ore and asbestos) have not increased in recent years but still account for 22 percent of total exports. Swaziland's recent export performance has resulted in a large and rising trade surplus (\$18 million in 1972), although this is largely offset by interest and dividend payments by foreign-owned companies. The strong recent export performance by commercial agriculture and forestry has also accounted for most of the increase in wage employment from about 50,000 in 1970 to 63,000 in 1972.

Government revenues and expenditures increased rapidly during the post-independence period, reflecting rapid GDP growth, the renegotiation of the Customs Union Agreement and growing absorptive capacity. Revenues increased from about \$14 million in 1968/1969 to \$32 million in 1972/1973, although in terms of proportion of GDP they have remained relatively stable at about 20 percent. The renegotiation of the Customs Union Agreement enabled the GOS to eliminate the recurrent budget deficit in 1969/1970, but capital budget expenditures remained relatively low at about \$3.5 million per year until 1972/1973, when they rose to \$11 million. Capital expenditures for the First Plan were \$25 million, or slightly below the \$30 million target. External debt service payments in 1973/1974 represented about 5 percent of the recurrent budget expenditures and 2 percent of export earnings.

The educational system, relatively well-developed at the time of independence, has expanded with primary school enrollments rising from 60 percent to 65 percent of the relevant age group and

secondary school enrollment roughly doubling. Localization of teaching staff has progressed slowly; expatriates still hold nearly two-thirds of the secondary school teaching positions. In the health sector, existing hospital facilities have been improved but there has been little general expansion of rural health services. Over 60 percent of the population live within five miles of a health facility of some kind, however.

II. Current Development Priorities and Prospects

A. Development Priorities: 1973-1977

In 1973 the GOS issued the Second National Development Plan, 1973-1977 (Second Plan), covering the five-year period 1973/1974-1977/1978. The two overall goals of the Second Plan are "first, to promote the widespread participation of the Swazi people in development in order to improve their general level of living and quality of life; and secondly to achieve a greater measure of independent control over the economic affairs of the nation." Its more specific objectives are "the creation of a progressive expansion in employment opportunities; the enlargement of the supply of educated and trained manpower; the elimination of the dualism between the modern sector and the subsistence rural economy; the lessening of regional imbalances; and the diversification of external economic relations." The Plan refers to these as "long-term problems and difficulties that confront the economy and which are expected to extend beyond the time frame of the Plan. The policies and programs which make up the GOS strategy for working toward these

objectives during the Second Plan period include, very generally, continued encouragement of rapid expansion of modern sector production, coupled with accelerated efforts to bring about an eventual transformation of the traditional sector; extension and reform of the educational system at all levels, with particular emphasis on secondary and non-formal education; siting of development activities in less-developed regions where possible, especially in the south and east; and development of local capital markets, together with strengthening of ties with countries other than South Africa and the U.K.

The second Plan demonstrates much greater sophistication in planning and analysis than the Post-Independence Plan, and it is based on a more thorough recognition of development opportunities and constraints. In many respects the Plan reflects the dualism so prevalent in Swazi society today. For example, it emphasizes as an over-riding priority the need to create wage-paying employment in the modern sector. On the other hand, the Plan cites traditional subsistence agriculture as the area where "the greatest possibilities exist for the expansion of opportunities for gainful employment." Similar split foci appear in the Plan's sector chapters, and this can be viewed as evidence of both a realistic planning perspective and of the fundamental dilemma with which Swazi policymakers must contend.

The Second Plan was developed on the basis of better data and a better understanding of sector problems and program or project feasibility, although it does not have a national accounts framework showing projected overall and sectoral growth rates, export projections,

and the like. Given the small size of Swaziland's economy and its vulnerability to changes in output and sales of a few enterprises or commodities, such projections would have limited value in any case. The Plan does note that the public and private investment foreseen during the Second Plan period should permit a GDP growth rate of at least 5 percent per annum. The Second Plan includes a public investment program for the first three years which is to be "rolled forward" each year to cover the next three-year period. The program for the first three years (1973/1974-1975/1976) totals \$61 million, of which 29 percent is allocated to power, transport and communications, 19 percent to agriculture, 10 percent to education and 2.5 percent to health. The following discussion of agriculture, manpower and health sector conditions, GOS priorities in these sectors, and the subsequent sections on development constraints and prospects, draw upon the detailed sector assessments attached as annexes to this overview.

Agriculture is the most important sector in Swaziland's economy. In 1972, commercial and traditional agriculture together accounted for nearly 35% of GDP, as compared to a 22% contribution from mining and manufacturing. In the same year, agricultural and forestry products generated 57 percent of the country's export earnings. Agriculture and forestry also provide wage employment for about 50 percent of the modern sector labor force, while in the traditional sector agriculture is the means of livelihood for about three-fourths of the Swazi population. Together, commercial and traditional agriculture (including commercial forestry)

provide wage or subsistence employment for almost 90 percent of the working population. The principal commercial agricultural products are sugar and citrus. Maize is the staple in the subsistence sector. The raising of livestock is also an important occupation, as well as an index of wealth and a source of cash income among the traditional population.

There are several significant factors which bear upon the process of growth and change in the agricultural sector in Swaziland. The Southern Africa Customs Union serves as a large potential market for rural produce, and market prices are generally relatively favorable within the Customs Union. On the other hand, most of the country's commercial agriculture, as well as its forestry, is controlled by expatriate investors. Another consideration is the need, in matters involving use of Swazi Nation Land, to reconcile the views of traditional political leadership with those of modern leadership promoting change. In addition, as indicated above, nearly 50% of the nation's total land area is expatriate-held title deed land. This free-hold land produces nearly all the country's commercial agricultural output. As pointed out in Annex A, it is by no means certain that the existence of such a large free-hold area entails a significant opportunity cost for Swaziland. On the other hand, the limitations imposed by the system are evident. Swazi Nation Land is held communally and is distributed locally for individual and community use by the area chieftain. The chief also makes major decisions for his community regarding planting and harvesting of crops and cattle rotation during the crop season.

With respect to institutional framework, the marketing system for commercial crops is well established and is based upon a good transportation network. Traditional Swazi farmers, however, have difficulty marketing small quantities of produce which they may wish to sell. A small farmer credit program is in its early stages of implementation. As the Swazi farmer is unable to use communal land as collateral and is reluctant to encumber cattle, the use of crops as security is now under study. The Ministry of Agriculture itself is hindered by a severe dearth of manpower at all levels. More than half the senior level positions are manned by expatriates. Manpower constraints are of serious concern in examining GOS priorities for agricultural development and the prospects for a successful rural development effort.

The Second Plan investment program for agriculture has three major elements: intensified dryland mixed cropping programs, animal production and marketing programs, and intensive irrigation and settlement schemes. The most important single program is the Rural Development Area (RDA) program, which accounts for over 25 percent of the three-year investment program for agriculture. Four RDAs were designated in 1966 and an additional three were selected in 1973; altogether they cover an area of about 500,000 acres. In its initial phases each RDA is to be a comprehensive agricultural development project, combining provision of improved inputs and services to farmers with infrastructure such as physical reorganization and rationalization of land use, fencing for livestock,

water development and roads. Two of the four RDA's designated in 1966 are showing particular progress in the early stages of implementation. Ultimately the RDAs may become the nucleus of a nation-wide rural development program including social services and rural infrastructure and agricultural production services.

In the education and human resources development sector, the last decade has seen marked expansion in opportunities for formal education at the primary and secondary levels. Since 1962 primary enrollments have increased 6.4 percent and secondary enrollments by 15.5 percent per annum. Since independence the annual rate of increase for secondary enrollments has averaged 23 percent. Considerable development has occurred in other levels of education and training as well. The Swaziland College of Technology now offers courses at various levels in most major industrial skills, with total enrollment running at about 300. The Staff Training Institute has been important to localization efforts in providing introductory and in-service training in public administration to Swazi civil servants. The William Pitcher Teacher Training College offers two year programs leading to either the Primary or Secondary Teaching Certificate, with enrollments at about 250. The University of Botswana, Lesotho and Swaziland (UBLS) has expanded rapidly and a "Part I Center" was inaugurated in Swaziland in 1971 to provide a two-year program of courses to the diploma level.

These achievements are tempered by the challenge of increasing demand for education and training, and concern for

quality and greater relevance. Only about 50 percent of young people aged 5-19 are in school and well over half of these are concentrated in the early years of primary school. Furthermore the quality of both primary and secondary education leaves much to be desired. Rates of repetition and drop-out are both very high: on the basis of 1972 statistics, less than one-quarter of entrants into Grade I and Form I can be expected to complete their respective primary and secondary school courses without repeating at some stage or dropping out altogether. Drop-out rates are so high at primary school that probably over one-third of the children leave without achieving literacy in siSwati. Together with those who have never been to school at all, they continuously swell the 70 percent of the adult population which is currently estimated to be illiterate. At secondary level the poor quality of schooling particularly reflects itself in poor performance in math and science subjects which are essential to economic development in such technological fields as agriculture, industry and health. A major factor in the problem of low quality lies in the nature of the teaching force: some 35 percent of primary teachers are qualified to a lower level than Primary Lower Certificate, the lowest qualification currently offered at William Pitcher College. At secondary level there is still very heavy reliance on expatriates especially in the key math/science fields.

A second factor limiting the efficacy of the present school system is its highly academic orientation. With limited wage employment opportunities likely to be available, virtually all those who fail to obtain any secondary education and increasing

numbers of those who obtain only a little will have to seek their livelihoods through self-employment in rural areas, either directly in agriculture or in allied rural crafts. However, school curricula, inherited from the days before Independence and changed little during the recent period of rapid educational expansion, are still heavily academic and bear little relation to the economic and social realities of a developing African country. Therefore, in addition to exploring ways of making conventional academic subjects such as English and science more relevant to local conditions, increasing emphasis must be given to the teaching of practical subjects such as agriculture, technical skills, home economics and commerce at both primary and secondary levels.

The major needs at this time then are threefold. First the school system must be restructured, raising the quality of education offered and radically changing its orientation, so that it serves the aims of economic development and in particular makes a major contribution towards the Government's priority concern of developing the rural areas as rapidly as possible. Secondly, appropriate education and training must be made available to as large a proportion of the population as possible. In part this will mean continuing to expand primary and secondary education. It will be many years before even universal primary education is achieved, so that other forms of education and training must be developed to cater for those young people who receive inadequate

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schooling and also for the majority of the adult population who received little formal education in their youth. It is therefore likely that increased interest will be shown in non-formal education.

Finally, despite the considerable localization achievements in the public sector since Independence, much still remains to be done. Most professional and technical posts are still held by expatriates while localization in the private sector still has far to go. Further, the need for local people to fill new high- and middle-level jobs generated by economic development is considerable. The Second Plan points out that to meet these needs formal post-school education and training programmes must be further developed, on the basis of manpower requirements, and in addition, earlier neglect of on-the-job training in both public and private sectors must be rectified.

The government's broad aims for education and training during the Plan period are as follows:

- To continue the expansion of primary school enrollments as rapidly as resources permit, with the ultimate long-term objective of universal primary education; more specifically, the objective is to increase the percentage of the relevant age group enrolled from 65 percent in 1972 to 80 percent in 1977;

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- To make places in secondary schools available to all students who achieve the required entry qualification; enrollments are expected to rise from 10,600 in 1972 to 16,000 by 1977;
- To reorientate the curricula at both primary and secondary levels to counteract the current non-technological bias and to enable school-leavers to move more naturally into the employment opportunities which are open to them;
- To develop systems of non-formal education and training for youths and adults in order to raise the ability of individuals, particularly those with limited formal education, to contribute to rural development and transformation;
- To expand facilities for higher education and vocational training in order to meet the manpower requirements of the public and private sectors; UBLS physical facilities are already adequate for the number of graduates needed annually, according to recent manpower studies. However, additional equipment will be provided during the Second Plan period to improve teaching and research, particularly in agriculture.

In the health sector, the modern health care structure comprises services offered by government (primarily through the Ministry of Health), Christian medical missions, industrial organizations and private practitioners. Private practice embraces 11 full time medical practitioners, three dentists, five pharmacists and a few other health workers located almost entirely in the two main urban centers. There is also a private, bedded clinic in Mbabane. The occupational health sector comprises a 70 bed hospital, three bedded dispensaries and a half dozen other clinics, and employs a dozen doctors plus a number of other health workers. There are two mission hospitals of 322 and 100 beds respectively and close to 20 staffed clinics. The missions employ, in all, about 350 people of whom about 100 are health workers, including 10 medical doctors.

The government health sector is operated almost entirely by the Ministry of Health (other government activities include two Public Health Inspectors employed by town councils, some school health nursing, etc.). Government health services are administered almost entirely from the center and do not include such commonly seen features as District Medical Officers.

The seven government hospitals contain over 1000 beds, about 600 of them being in five general hospitals and 400 in mental and T.B. long-stay institutions. The hospitals offer only curative services, although they also supervise about 30 clinics which provide both preventive and curative activities. In addition there are four Public Health Centres, with another due for development and mission general hospitals. These centres carry out only

preventive health care activities, e.g. immunizations, ante-natal examinations. Other government units include the Public Health Inspectorate (environmental sanitation), the Malaria and Bilharzia Central Centre. The National Tuberculosis Control (and Smallpox Eradication) Centre, the Central Public Health Laboratory, Central Medical Stores, a blood transfusion service, and a mobile Eye Clinic. The Ministry employs close to 800 persons, divided approximately as follows: 20 doctors, 300 nurses, 100 other health workers and close to 400 ancillary personnel. The budget of the Ministry for Fiscal Year 1974/75 was almost \$3.45 million, or about \$7.50 per capita, perhaps the highest per capita figure of any country in Africa. Reference has been made to Swaziland's high population growth rate, (estimated at 3 to 3.5 percent).

The Second National Development Plan states the "greatest needs for health services (to be) those of the young and the inhabitants of the rural areas" ... and that, "there is now an urgent need to reorientate priorities for development in the health field away from conventional institutional facilities centred on urban areas and toward different kinds of programmes which are cheaper and more closely geared to the preventive aspects of health so that a wider impact may be achieved on the health problems of the rural population at large." The Plan goes on to discuss the implications of such policies in terms of improved standards of public health, maintenance of present levels of curative services while improving their standards and distribution, and creating "a situation ~~whix~~ within which a substantial moderation in the rate

of population growth can be achieved within a reasonable period".

Four priority areas for development were singled out:

- a) expansion of preventive services in the rural areas;
- b) improvements in the quality and distribution of basic institutional facilities;
- c) development of health education; and,
- d) expansion of training programmes.

Once again, in discussing curative services, the plan document states "the belief of Government that over the next Plan period large-scale hospital developments cannot take priority over essential improvements in the preventive services (because) in a mainly rural economy the benefits from hospital developments tend to be quite narrowly concentrated among the urban population. This is probably also true in Swaziland despite its small size".

It is quite categorically stated to be government's "intention, therefore, over the next five years, to give priority to the development of preventive services whose benefits will be much more widely spread among the rural population as a whole." The plan also takes note of the unresolved policy issue concerning "the need for a central referral hospital in Swaziland within which all specialist services would be concentrated. The development of such a hospital, towards the end of this decade, will be the next major phased health service development in Swaziland".

The plan does not explain the ways in which in only one plan period the health situation in Swaziland will have improved so markedly as to justify the sharp reversal of health development priorities that is implied in the above.

The plan contains relatively few proposals for health manpower training. in so far as doctors are concerned it is stated that almost as many medical students are already studying abroad as the country will be able to absorb by 1980. The major new direction for training appears to be the possibility of "setting up a small training centre to provide pre- and in-service courses for public health inspectors, health assistants and public health nurses."

A number of general considerations should be taken into account in weighing the prospects for progress toward GOS objectives in the health sector. With regard to planning and the allocation of resources, it should be noted that the Second Plan's health chapter is a commendable if somewhat esoteric effort to formulate and rationalize a feasible national health program designed to serve a broad spectrum of the populace. Its principal shortcomings lie in the lack of elaboration on major details of implementation and in the underlying ambiguity regarding preventive vs. curative priorities. The Plan correctly notes that the primary impediment to progress in the health area is the very limited reservoir of qualified manpower. It recognizes the magnitude of resources required to train professional staff and the need to concentrate

on training at sub-professional levels. Once again, however, scant attention is given to even the broad outlines of an action plan for training. The interest that foreign donors are taking in the health/population field in Swaziland is quite encouraging. UNICEF, UNFPA, WHO, FAO, Oxfam, ODA, the IPPF, the International Confederation of Midwives, the International Red Cross and AID are among those organizations which have already provided various forms of assistance. Church mission groups have also long been active in this area. Some analysts have cited the nature of rural settlement patterns as an obstacle to the extension of health services. Rather than gravitate toward his neighbor, the Swazi has traditionally tended to expand, generally limiting the size of a settlement to a few huts and a kraal belonging to one extended family. Understandably this augments the logistical and financial problems involved in the development of a service infrastructure or an educational effort. On the other hand, Swaziland has the advantage of being a small country with a well developed system of roads, so that most areas are accessible within three hours. Although this augurs well for the extension of services, a major hindrance to mobility has been a dearth of vehicles and poor maintenance on the existing government fleet.

B. Principal Constraints

Probably the primary impediment to the attainment of the country's development objectives is its severely limited pool of qualified indigenous manpower in all fields, particularly at the middle level managerial and technical levels. Swaziland,

like Botswana and Lesotho, came late to independence and started with a greater handicap than most other former African colonies due to extreme neglect and intense domination by expatriates. Also like Botswana and Lesotho, Swaziland employs large numbers of expatriates to fill important technical and managerial posts. In 1971 non-citizens held 22 percent of the public sector administrative technical posts and 32 percent of skilled jobs. In the private sector the corresponding percentages were 53 and 79, respectively. Swaziland also suffers from an inherited governmental structure originally designed to preserve law and order for the benefit of the white minority rather than to promote development for the black majority. Attempts to modify such structures to serve development purposes have, in Swaziland as elsewhere, inevitably led to poor organization, mixed lines of authority, uncertainty concerning responsibility, and accompanying decision-making difficulties.

In Swaziland, however, there is an added dimension to these problems. Alongside the modern administrative government, there continues to flourish a traditional political system running from the King down to the local clan chiefs with a supreme decision-making body, the Swazi National Council, consisting of the chiefs and elders of the Swazi nation. Even before the suspension of Parliament and the Constitution many major decisions, particularly those concerning the deposition and utilization of land and mineral rights, required prior approval

of the traditional Swazi National Council before any action could be taken by the modern government. Indeed, the Swazi National Council has its own budget independent of the Ministry of Finance and Economic Planning. This budget is financed in part from mineral and forestry royalties accruing to the Council rather than the GOS Treasury. Few civil servants, expatriate or Swazi, are well connected in the traditional structure, which tends to come together with the modern government only in the person of the King and several of the Ministers who are influential in the Council. This situation, involving dual structures and lines of authority, compounds the normal problems of determining policies and making decisions encountered in any new and inadequately staffed governmental structure.

Development of the traditional rural sector is hampered by major economic obstacles to increased production and improved cash incomes for subsistence farmers. Available marketing, transport and credit systems are skewed heavily toward the private, capital-intensive commercial producers. On his own, unless reached by a package of extension inputs (perhaps through an RDA scheme), the smallholder has little hope of transporting and profitably marketing production in excess of his family's immediate needs.

The nature of traditional Swazi settlement patterns complicates these already formidable constraints to rural development. Rather than gravitate toward his neighbor, the Swazi has preferred to seek new territory, generally limiting the size of a settlement to a few huts

and a kraal belonging to one extended family. Understandably, this augments the logistical and financial problems involved in enlisting the participation of the rural Swazi in development projects and greatly complicates the extension of services. Preliminary experience with resettlement of families living within the northern Rural Development Area suggests that with positive inducements Swazis can be persuaded to cooperate in voluntary relocation on a limited scale.

Another major concern for Swaziland is its population growth rate, variably estimated at between 2.9 and 3.5% but certainly among the highest in Africa. Annual growth in traditional agricultural output (3.9% between 1971-1972) barely compensates for net population growth. The demands placed on the economy, the education system and the services infrastructure by this high annual population increase are extreme.

Although availability of domestic and external resources has not thus far constrained Swaziland's development, financial resources constraints could become more important in the Second Plan period as absorptive capacity improves and public investment increases. With its heavy dependence on exports, Swaziland's external position is extremely sensitive to the world market situation for a few commodities. Moreover, the depletion of iron ore reserves and the decline in asbestos production could bring about a decline in export values in future years if growth in other exports is not adequate to compensate. Oil price increases have not posed major problems for Swaziland thus far (except for tourism), but continued price rises for other imports could erode Swaziland's trade surplus. High regional

and world-wide inflation will also adversely affect the recurrent budget surplus if growth in recurrent revenues fails to keep pace with recurrent expenditure increases.

C. Development Prospects

Prospects for continued rapid growth in production depend primarily on the investment outlook in the modern sector. At the moment the political climate, though highly conservative and marked by a pervasive consciousness of Swazi tradition, is remarkably stable. Although the political outlook for post-Sobhuza Swaziland is the subject of much conjecture, the present milieu is conducive to both private foreign investment and to foreign assistance. Currently, U.S. private foreign investment in Swaziland is negligible. Indeed, in a speech delivered in November 1974 at a reception for the visiting U.S. Assistant Secretary of State for African Affairs, Swaziland's Prime Minister expressed keen disappointment in the failure of American investors and businessmen to take advantage of investment opportunities in Swaziland.

The predominant mood in the private sector is one of optimism. Market prospects are good for forestry, sugar and cotton. Considerable development is taking place in tourism and significant additional investments are anticipated in the near future. The exhaustion of high grade iron deposits may be countered by an anticipated expansion in coal mining. The GOS has established institutional structures to foster large and small scale enterprise, and both the National Industrial Development Corporation and the Small Enterprises Development Corporation have performed well.

Indications are that Swaziland is meeting with some success in its efforts to diversify sources of private investment, though greater difficulty has been experienced in attempts to broaden the range of trade ties, especially with the European Economic Community.

The number of foreign assistance donors active in or interested in Swaziland has grown notably since Independence. In 1973 some 20 governments contributed to the country's development program. In addition to the U.K., major donors have been the UNDP, the Scandinavian countries, the U.S., the African Development Bank (AFDB), and private organizations such as the International Red Cross and church-affiliated groups. Projected financing of the planned initial three year capital expenditure of about \$41 million under the Second Plan depends heavily on foreign support. A 1973 estimate suggested that once the government contribution and existing foreign aid commitments to Swaziland had been considered, about 50 percent of the proposed public investment program was left uncovered. It is difficult at this point to comment specifically on Swaziland's prospects for bridging this gap, but reasonable optimism appears warranted, given donor interest in Swaziland and the scope for additional GOS borrowing and debt servicing .

While prospects for continued rapid GDP growth appear good, the outlook for significant improvement in the distribution of the benefits of growth and related equity concerns is less certain.

Even with relatively rapid growth in the modern sector, paid employment may grow by only 2500 per year, as compared with 10,000-11,000 labor market entrants annually. Moreover, as noted above, economic dualism is a very stark reality for Swaziland. A very few Swazis and nearly all of the resident expatriates have incomes comparable to those they might receive in economically advanced countries. They can afford high priced consumer imports and benefit from the modern services available to the urban class which resides along the Mbabane-Manzini corridor. This group of Swazis probably constitutes less than 5% of the local population. The remainder of the Swazi populace lives at or near subsistence, outside the monetized economy, and according~~to~~ to recent studies earns annual cash incomes of less than \$350 per family of about eight. This segment of the population is, by and large, unaffected by wage increases, while the real purchasing power of characteristically miniscule cash incomes diminishes in proportion to inflation.

Progress in overcoming the extreme degree of dualism in Swaziland's economy, and in generating employment for those who cannot be employed in the modern sector, will depend primarily on the pace of implementation of GOS rural development programs such as the Rural Development Area (RDA) scheme as well as those in the areas of infrastructure, rural industry, health and education.

At this point in time it appears that the RDA program offers particular potential for involvement of the rural populace in the development process. The system has shown admirable success in its early phase in northwestern Swaziland. Although

consideration is being given to extending the RDA approach to

the whole of Swazi Nation Land, it is not yet certain that this will occur, and in any event such expansion is not a realistic prospect during the Second Plan. It is noteworthy that although the RDA scheme is, in a strict sense, an agricultural land development program, there is evidence of parallel progress in other sectors (education, health, infrastructure) in the northern RDA, highlighting the broad multiplier effect which can accompany such a program.

Although GOS hopes for universal free primary education are pinned on the next decade, the dramatic growth in primary and secondary education and improved opportunities for vocational training which have already occurred augur well for a more equitable distribution of development-related benefits and opportunities. The availability of skilled jobs will be important in this respect; opportunities for skilled employment have not been sufficient to absorb the current school output in recent years. With the growth of school enrollments, there is greater attention being given to quality and relevance of education. The GOS intends to implement sweeping primary and secondary curriculum reforms in the remainder of the present decade and has received strong donor support in this endeavor.

Prospects for health, sanitation and related rural services over the plan period are less encouraging. In the case of health, basic philosophical differences within the Ministry of Health and including various other organizations active in the sector, must be resolved prior to any substantial progress in the extension

and improvement of health services to rural areas. Although the GOS is well into the current development plan period, implementation of rural health outreach objectives has shown little progress and it is unlikely that significant advances will be visible in the field prior to 1977/78 when the Second Plan ends.

Yet another aspect of the equity question as related to development prospects in Swaziland is that of the status of the Swazi woman. Growing international attention has been devoted to the role of women in development which, in turn, has produced ripples of concern in Swaziland, particularly in recent months. Although there has been increased female participation in education, consumer affairs, the services and the law, the obvious fact is that like Swazi men only a small percentage of women are integrated into the modern (commercial) sector in any significant respect. For the most part the Swazi woman lives in and accepts a highly paternalistic traditional order. Her responsibilities and contributions within the traditional order, as a mother, as a producer on the land and as a guardian of the family welfare, are considerable. It cannot be said, however, that female rights is an important priority of the GOS. Although there are few legal obstacles to fundamental change in the female role or her status, the law does not serve as a catalyst for such change. As with income distribution and land tenure, strong sensitivities and deep traditions are involved and change must be painstakingly nurtured. Progress may come more

slowly in the area of women's rights than in other fields. Ultimately, however, it is toward improvements in equity that the Second Plan and the development process in Swaziland are directed.

III. U.S. Assistance

A. Rationale.

Swaziland, like Botswana and Lesotho, holds particular interest for U.S. policy in Southern Africa in view of the challenge it confronts as a multi-racial nation attempting to survive and develop with maximum autonomy in an economic system dominated by South Africa. Under present circumstances it is imperative for pragmatic reasons that Swaziland maintain the economic relationships with South Africa elaborated above. The United States has sought to assist Swaziland economically and thereby contribute over time to its development as a viable, non-racial society. This concern, as demonstrated in the U.S. economic assistance program, merits continued commitment.

In light of the recent developments in Southern Africa and the likelihood of further significant changes, realignments and re-assessments of interest, it is imperative that the United States renew its efforts to demonstrate support for and further cement our ties with the developing black nations in the area. It is, therefore, in the U.S. interest to contribute to evolution of a rational and equitable economic and social system in Swaziland, and to encourage this developmental transition with minimal disruption to Swazi society.

The United Nations designation of the world's 25 least

developed countries does not include Swaziland. Gross statistics are deceptive, however, in view of the distortions induced by a small but vigorous modern sector in which few Swazis share. In reality Swaziland suffers, in comparable measure, many of the socio-economic dilemmas and obstacles to progress that mark the least developed. Fortunately, with its small size, cultural homogeneity and resource endowment, the country also offers unmistakable potential for peaceful change and high-impact development assistance.

B. General Strategy.

The Government of Swaziland's development priorities are (1) agriculture, (2) infrastructure (transportation, communications, power) and (3) human resource development and social services. The Second National Development Plan, as mentioned above, is concerned with the broad and long-term problems of employment, proper use of manpower resources, diminishing the gap between affluence and poverty and the reduction of regional disparities in development. AID activities in Swaziland as well as Agency attention to opportunities for new or modified assistance, are intended to assist Swaziland in these objectives.

The pivotal concerns of AID strategy are as follows:

- (1) USAID recognizes the fundamental constraints inherent in inadequate development and employment of the country's manpower resources;
- (2) Institutions which promote more equitable distribution of development-related benefits and opportunities must be strengthened;
- (3) The national effort to improve the quality of life for

the majority of the Swazi people must focus on the potential for growth and obstacles to progress in the rural sector and must direct itself to that portion of the populace which presently lives at or near subsistence;

(4) Maximum collaboration with the host government is an essential aspect of conceptualizing, implementing and evaluating an economic assistance program; particularly in a country as small as Swaziland the need for collaboration and coordination among donors must also be recognized and fostered;

(5) Limits to AID resources available for Swaziland necessitate careful concentration of inputs in a manner fully consonant with GOS priorities and Agency program guidelines.

C. Current AID Assistance

AID's assistance to Swaziland from FY 1968 through FY 1974 has taken the form of both loans (about \$3 million) and grants (about \$1.5 million). Relative to the U.K. and U.N. assistance programs to Swaziland, AID is a minor donor. Although the Agency's aid to Swaziland has been increasing significantly in the 1970's, the absolute amounts involved are not large, even in the Swazi context. AID has, to date, focused the bulk of these resources on one

major bilateral program directed toward rural development, specifically the improvement of subsistence agriculture, and on an OPEX activity directed toward alleviating manpower shortages in agriculture and education. AID has also supported regional projects (the University of Botswana, Lesotho and Swaziland; the Regional Testing Resource and Training Center) related to manpower development and use, in which Swaziland has participated. A listing of active AID agreements for grant and loan assistance follows:

Rural Development Project and Agriculture Sector Loan

In cooperation with the United Kingdom, AID has combined grant and loan funding toward improved land use and management in Swaziland's Rural Development Areas (RDAs). In 1971 a loan for \$2.2 million was signed and in 1972 the Swaziland Rural Development Project was initiated involving an estimated \$2.5 million over the life of the project. In several important respects the grant complements the Agricultural Sector Loan, though insuring effective use of loan funds has not been the sole purpose of the project. One of the targets of both loan and grant has been to assist the GOS in planning and implementing soil conservation and improved land use activities. Through the loan, heavy earth-moving equipment and a new workshop to maintain this equipment has been provided. Through the grant project, technical assistance has been furnished in the form of two soil conservation engineers (one for planning and the other construction) and a shop foreman for the new workshop. A second major objective of the loan and grant is the establishment of a Highveld Demonstration Ranch for conducting applied research and

pilot activities in highveld range management and livestock breeding. Demonstration and extension programs are also to be a part of the Highveld Ranch's function now that the loan-financed construction phase is complete. The project is providing technical assistance by way of an animal husbandry officer and a range management specialist. Grant funds have also financed two years of technical services of an agricultural marketing expert. A small increment has also been provided in support of SEBENTA, the national literacy program. The project also funds small commodity orders for the Ranch and conservation/land use programs. Training is an integral aspect of the project. To date, AID has financed short term U.S. courses for two Swazis in shop management, for two Swazis in agricultural projects analysis, and for one Swazi in credit banking. A total of three Swazis is also being sponsored for long-term training in each of the fields of agricultural marketing, animal husbandry and range management. One Swazi has completed a 12 month course in agricultural census techniques. In addition, in-country management training courses have been conducted for Ministry of Agriculture officials. Construction of five houses for project technicians has also been carried out under grant funding.

The GOS signed a second AID loan agreement in May 1974 which provides \$750,000 to assist in the local currency costs of an agricultural credit program for small farmers. The loan funds are reloaned by the GOS to the para-statal Swaziland Development and Savings Bank (SDSB) and then reloaned by the SDSB, either directly

or through farmer cooperatives or associations, to qualified small-scale Swazi farmers for procurement of farm inputs, implements and related agricultural materials. Individual sub-loans to the small farmer are not to exceed 500 rand (about \$750) and 50 percent of the loan is to be used for sub-loans or 250 rand (about \$375) or less in order to reach the least privileged of the small farmer group. SDSB intends to use the majority of the funds for seasonal credit requirements both within and outside the RDA areas. There is mounting interest locally in a revision of the terms of the loan agreement to provide for SDSB loans to farmer cooperatives for volume purchases of fertilizer. The loan is matched by a minimum of \$250,000 of GOS and SDSB loan funds and administrative expenditures.

Swaziland Curriculum and Education Materials Development

This two-year pilot activity, now nearing completion, has assisted the government in exploring the most effective ways of launching and implementing a program of primary school curriculum reform. U.S. inputs are coordinated with those of the U.K., U.N., Sweden and the University of Botswana, Lesotho and Swaziland. Under this activity, AID has financed the services of one curriculum advisor and provided limited funds for the services of short-term consultants, staff training and supporting materials.

The curriculum advisor is assisting in initiating the program for reform of the primary school curriculum which is being undertaken as part of a broad curriculum reform and teacher training

program by the Government of Swaziland in concert with other donors and he has also collaborated with officials of the Ministry of Education in formulating a proposal, which has been submitted in PROP form to AID, for longer-term assistance in primary curriculum development (see Section D below).

Southern Africa Development Personnel and Training(OPEX)

The goal of this activity is to alleviate the shortfall of technical and managerial manpower identified in Swaziland's second National Development Plan. The purposes of the activity are to provide agricultural specialists for key positions in the Ministry of Agriculture to assist with implementation of rural development activities as well as related AID and other donor development activities; and to provide expertise in human resources development to the Ministry of Education.

Expected outputs are approximately 27 man years of OPEX services in 7-9 senior level positions in the Ministries of Agriculture and Education spanning a period of six years. In addition, Swazi Nationals are to be trained for each encumbered position to enable the GOS to carry on the functions of the OPEX technicians with local personnel. Broad training expectations are as follows:

Agriculture - Approximately twelve UBLS diploma or degree graduates (or equivalent) trained in U.S. or African academic programs with USDA special programs in the fields related to the positions being filled.

Education - Four UBLS (or other) degree graduates trained in the U.S. or Africa at the Masters or equivalent level in education administration.

The University of Botswana, Lesotho and Swaziland (UBLS)

The aim of this project is to contribute to the development of a regional university of high quality which is capable of providing a major portion of the high and middle level manpower required to meet the social and economic needs of the three countries.

The U.S. assistance provided is intended to enable the University to increase its effectiveness and capabilities in the fields of education and agriculture, thereby helping the countries which support the institution to improve and expand their efforts in these fields.

Targets for the assistance to be provided in the areas of education and agriculture are:

1. Education:

- a. To increase the number of qualified teachers presently employed through training programs specifically designed for this purpose;
- b. To improve curriculum and teaching methods and develop appropriate teaching and learning materials;
- c. To help establish the science departments of the Part I (lower division) Centers of the University in Botswana and Swaziland;

- d. To provide advanced training for selected top level University administrative staff.

2. Agriculture:

To promote improvements in the use of water and land resources of the three countries and to develop animal husbandry through support for the organization of an effective instructional and research program at the Swaziland Part I Center.

A capital grant of \$400,000 was used in conjunction with U.K. and CIDA grants amounting to about \$2 million for the construction of UBLS "Part I Centers" in Swaziland and Botswana to provide facilities for the first two years of the four-year University curriculum. In addition, AID grant funded through topped-up salary contracts two lecturer positions for the UBLS faculty of Agriculture in Swaziland, one lecturer in biology, and two teacher training experts. Grant funds have also been made available for the purchase of laboratory equipment and the long term U.S. training of five Swazis for UBLS faculty positions in agriculture and one in biology. Two Swazis have been funded in a 6 month U.S. training program for primary school headmasters.

Regional Testing Resource and Training Center

The Regional Testing Resource and Training Center (RTRTC) serves Botswana, Lesotho, Malawi and Swaziland, and is governed by an International Board consisting of representatives from each country and a single representative from AID. The RTRTC was established in December 1969, with AID providing three (later four) U.S. experts as senior staff members. These experts

implement an institutional development program designed to make the RTRTC a viable regional institution independent of U.S. aid by the end of this project in 1975. The RTRTC was initially conceived as a rather centralized institution, with a majority of staff to be located permanently at the headquarters' office in Malawi. The International Board, at its June 1972 meeting, requested AID to undertake an evaluation of the project. The overall conclusion of the study was that the original RTRTC concept, as expressed in past project agreements, was somewhat inconsistent with participating country priorities and needs and that certain project modifications were required if a viable regional institution capable of addressing individual country needs were to be created and sustained. The present project agreement reflects the recommendations of the evaluation study and the decisions taken at the April 1973 RTRTC International Board Meeting which considered the study.

The objectives of the Regional Testing Resource and Training Center Project are to provide the participating countries with:

- a) technical advice and assistance in the development of tests for purposes of educational selection, career guidance and selection (both private and public), measurement of achievement in education training and employment, and for other purposes related to national manpower development needs;

- b) Assistance in the administration of tests and implementation of test services;
- c) Data processing services required by testing programs as requested by participating countries;
- d) Formal and on-the-job training in test development, data processing and directly related skills to personnel assigned from participating countries;
- e) A forum for technical communication and coordination on testing matters among participating countries;
- f) A forum for research growing out of the various functions of the RTRTC, taking advantage of the presence of technically trained personnel.

The basic responsibility for determining national test priorities and for implementing test programs rests with the individual participating governments and RTRTC mechanisms are modified or created, as necessary, in the individual countries to perform these roles. The RTRTC functions as an international service organization providing services on request such as technical test development assistance, research on common test and manpower problems, maintenance of items and tests used in the several countries, and computer processing - all of which can be provided more economically on a joint basis. The International Board provides guidance to the RTRTC in setting test service priorities, but the actual setting of priorities and management of national testing programs remains the function of individual participating countries. Increasingly, the Board serves as a forum for technical aspects of test service and a useful vehicle for technical coordination and

liaison among participating countries. Under the project a testing center has been established in Swaziland, and the services of a U.S. specialist in educational measurement are provided. Three Swazis have been trained to the graduate level in educational measurement.

D. Proposed and Prospective AID Assistance

There are several prospects for augmented AID assistance to Swaziland, particularly in the critical area of human resource development. In October 1974 USAID, in collaboration with the GOS Ministry of Education, completed a project proposal for grant assistance in a national primary curriculum development program. The proposal draws on the results of the Swaziland Curriculum Development pilot activity described briefly in Section C above. The project design calls for 36 man years of technical assistance and 23 man years of specialized short and long-term training at a total grant assistance figure over eight years (1975-82) of about \$3,240,000. The project will involve the establishment of the following systems for carrying out curriculum development as well as the training of Swazis in their use:

1. Curriculum Design and Development - the development of outcomes (educational goals) and objectives, the design, scheduling and writing of materials, the testing of materials in trial schools, and revising materials;
2. Production of Materials - graphic design and illustration, proof-reading, scheduling, and the economic, efficient and timely printing and binding of thousands of copies of materials;
3. Distribution of Materials - the systematic movement of materials;

4. Teacher Training - pre-service and in-service training of teachers and education officials to ensure the effective and appropriate use of materials and tests throughout the school system;

5. Evaluation - determine the effectiveness of existing and new curricula, assess student learning progress and assess teacher effectiveness in using curricula.

A major focus of the advisory team's activity will be to carry on with the training of the government's Primary Curriculum Unit (PCU) staff. The team will provide formal and on-the-job training as it advises the PCU staff in its efforts over the next six to eight years. In this context, while all of the PCU staff professionals will learn to design curricula (i.e., develop outcomes and objectives as well as design, schedule, write, test, and revise materials), individual staff members will also systematically focus their attention on learning other aspects of the curriculum development process (e.g. production, distribution, teacher training and evaluation).

In another area of manpower development is the Southern Africa Development Personnel and Training Project for Swaziland outlined in Section III C. The SADPT project was authorized in November 1973 and is thus in the early stages of implementation. In Swaziland an agricultural extension officer, a land use planner and senior agricultural credit advisor are now on the job. Although the exact positions have not been finally determined, it is anticipated that by FY 77 recruitment will have been undertaken for an additional five positions as part of this activity. In addition the Government of Swaziland has nominated three Ministry of Agriculture officials for

long term training. OSARAC is collaborating with the GOS and the concerned U.S. technicians to refine plans for the use of U.S. and Swaziland inputs as required in the PROP. The resulting "activity plans" state in more specific terms the inputs, objectives and interim achievement targets of the SADPT activity.

With regard to future AID assistance to university level education, the present project agreement with UBLS has been under informal review for sometime. Broadly, AID has taken the view that the University should give greater attention to the formulation of a sound long range development program. AID is prepared to assist in this undertaking and over the last two years has been receptive to requests for training in University administration for top-level UBLS staff. AID interest also continues in the strengthening of the University's school of agriculture, located in Swaziland.

AID recently completed an extensive evaluation of its activities in the agriculture/food production sector in conjunction with the GOS Ministry of Agriculture. As a result of this review substantive modifications in the present Swaziland Rural Development Project are under consideration by Ministry officials and AID. Principal observations of the evaluation report identify the dearth of qualified manpower and institutional weaknesses as the major constraints in the Ministry of Agriculture's rural development program. Although formal agreement between the GOS and AID has not yet been reached on the shape of continued AID assistance in this sector, it is anticipated that the emphasis will be upon provision of operational technical assistance to the Ministry combined with

on-the-job and overseas counterpart training. Operational assistance would be directed toward Ministry needs at the program planning and coordination level, as well as in the area of extension and applied field research. USAID will also remain open to prospects and technical for further capital/assistance to Swaziland, particularly in areas which are in keeping with Agency priorities and guidelines, such as the development of rural marketing systems serving the traditional sector, the strengthening and expansion of small farmer credit systems, and conservation/land development efforts designed to increase productivity to subsistence agriculture.

AID assistance in the health /family planning sector has been limited primarily to the provision of centrally funded short-term MCH/FP training for Swazi nurses and the furnishing of contraceptive supplies, instructional films and similar commodities in support of the rural health clinic program. In July 1974, however, the short-term consultancy services of a health planner were supplied to the Ministry of Health under AID auspices. The consultancy was to assist the government in refining its health plan and rationalizing an implementation program. A project proposal may be forthcoming after due consideration has been given by the Ministry to the consultant's findings and recommendations. The consultancy report recommends that priority attention be directed to the need for expanded training of field health personnel, both professional and auxiliary, and the development of a government training institution and curricula.

The above section on prospects for AID grant and loan

assistance in the Swazi Government's Development Program in the near and medium-term future is hardly exhaustive; nor would AID wish to close the door on requests from the GOS for support in areas which are not presently among the Agency's principal functional priorities. Potential projects which do not fit comfortably into a priority sector may nevertheless address key problems either directly or through operational complementarities. It would, of course be impossible to attempt to touch upon all such possibilities at this time.

USAID is cognizant of the need to encourage greater female participation in the development process and accompanying opportunities and benefits. Swazi society is patriarchal and traditional, and women do not share equally in the structure of power, in social and economic mobility or in opportunities for self-improvement. USAID also recognizes that there are severe constraints on the Agency's ability to bring to bear significant pressures for rapid change in the sensitive areas of social equity and culturally prescribed role and behavioral patterns. USAID has supported such activities as literacy campaigns, family planning, maternal and child health, training and education, pre-service and in-service training/nurses, and university education for women in Swaziland. In our current program planning we are looking for ways to involve more women to a significant degree in AID-financed activities. The primary curriculum development project is likely to offer considerable scope for involvement of women. The Swaziland Rural Development project is presently under intensive review with an eye, among other things, to possible means of increasing female participation in project-related activities. Aside from the conservative

social milieu, perhaps the primary constraint upon greater involvement of women in USAID projects in Swaziland is the dearth of qualified female counterparts, officials and training candidates. It is hoped that in the future increasing numbers of women will become available both for overseas and in-country training and counterpart positions.

E. Other U.S. Assistance to Swaziland

PL-480 - AID does not operate a Food for Development program in Swaziland. Instead, such assistance is channeled directly through the UNDP/WFP. The focus of WFP activities in Swaziland is the feeding of "vulnerable groups", principally lactating mothers and infants, school children and hospital in-patients under long-term convalescence.

Voluntary Agencies - The main private organization involved in "voluntary" or service-oriented development work in Swaziland is the Church. The Nazarenes and Catholics are the most active groups. Both participate in formal education and operate health services and health training facilities. The Nazarene Mission is currently running the only school in the country for training of nurses to international standards. The Catholic Church has recently undertaken a small program to train health auxiliaries and the Nazarenes have also expressed an interest in this area.

Peace Corps - There are currently about 85 PCV's serving in Swaziland with some 55 new recruits undergoing in-country training and scheduled to assume duties in January, 1975. The Peace Corps projects a first quarter CY 75 volunteer force of approximately 110,

excluding dependents and staff. The Peace Corps program is, in the main, directed toward assisting the GOS in both manpower development (formal education and training, counterpart training) and in meeting immediate manpower requirements through provision of operational expertise. Principal Peace Corps inputs are in secondary education (teaching of mathematics and the sciences), technical/vocational training at the College of technology and teacher training at the William Pitcher Teacher Training College. Volunteers are also active in smaller numbers in rural development works and agricultural extension, dairy services, engineering, and forestry.

American Embassy - The U.S. Embassy funds approximately \$55,000 in community self-help activities (primarily construction), \$45,000 in training and \$30,000 in special population assistance annually.

F. Financial Level of AID Requirements FY 1975-FY 1979

To cost out the AID program in Swaziland beyond the period covered by the FY 76 Field Budget Submission is difficult in view of the numerous exogenous variables. At this point in time it is possible only to speak in terms of gross magnitudes beyond FY 76. Over the three fiscal years FY 74-76, the actual and estimated total grant program averages \$1.23 million. The Small Farmer Credit Loan Agreement for \$750,000 was signed in FY 74 and no additional capital assistance is scheduled for FY's 75 or 76.

It is anticipated that the level of grant assistance for the three years FY 77- FY 79 will increase to an annual average of \$2.2 million.

Projected capital assistance to Swaziland includes a \$1 million agricultural sector loan in FY 77 and a \$1 million agricultural credit loan in FY 78. Annual levels will, of course, vary from year to year. Section III - D above treats the substantive aspects of proposals for future AID assistance. In any event, the initiation of new AID assistance activities will depend upon the capacity of the GOS to plan and implement programs and upon its financial resources for development purposes. It also depends, of course, upon the level of overall AID appropriations over the next five years.

Given the rural development and employment generation emphasis of the GOS development program, the foreign exchange component of external resource requirements is likely to be considerably reduced from the levels of recent years, and the local cost element, as a percentage of total project costs, will increase. AID has had a reasonably liberal policy toward providing assistance on local costs. This policy should continue and AID should have the flexibility to increase its local cost support on a case-by-case basis.

G. AID Manpower Requirements, FY 1975-FY 1979

Consistent with the prospects for AID assistance and the financial requirements outlined above, AID manpower requirements are expected to increase somewhat during the 1976-1980 period over the 1975 level. Currently AID maintains a Southern Africa regional direct hire planning and support staff of seven Americans, one TCN and five locals, all resident in Swaziland. Two newly

established direct hire American positions are to be filled in FY 75, bringing the total number in this category, assigned regional responsibilities, to nine. It is anticipated that the total level of American direct hire regional staff will increase to 11 in FY 77 as planning and support requirements increase in accordance with program magnitude. Local direct hire staff with duties of a regional nature is expected to increase to six in FY 76 and to seven in FY 77.

As of the fourth quarter of CY 74 there were thirteen contract technicians engaged in implementation of the AID program in Swaziland, four in the human resources sector and nine in agriculture. There are, of course, unknowns, particularly in areas yet to be more fully explored such as expanded capital assistance activities in agriculture and grant assistance in the human resources and health sectors. Nevertheless, on balance contract personnel levels are expected to increase over the FY 75 - 79 period to an approximate total of thirty-two. The projected breakdown by sector is sixteen in agriculture, eleven in education and human resources, and five in health/population.

H. A special Note on the University of Botswana, Lesotho and Swaziland

U.S. assistance to the University of Botswana, Lesotho and Swaziland began in 1969 when California State Polytechnic College, under contract with AID, provided a six man team to strengthen the academic staff of the University. Following the termination of the California State Polytechnic College contract in 1972 U.S. technical

aid continued to be supplied through OPEX arrangements. In all, approximately 35 man years of technical assistance have been provided through AID projects. Participant training aimed at lessening the University's dependence upon expatriate senior staff has amounted to about 26 man years. To support both local and U.S. staff members about \$131,000 was programmed for commodity purchases; also \$415,000 in grant funds was provided toward the construction of University buildings, including staff housing. Total obligations for UBLS since 1969 amount to \$1,844,000. Some of the AID assistance has gone to the University campuses in each of the three cooperating countries.

Future U.S. assistance to UBLS will depend upon the emergence of a development plan suitable for an effective regional institution of higher learning serving developing countries. Any acceptable plan likely will address the problems of needed physical improvements on all three campuses as well as anticipating the demand for a broader academic offering to a larger student body. Continued expansion at a moderate rate is necessary to establish the University firmly and to respond adequately to the development needs of the sponsoring countries. However, the cost of required improvements and expansion will probably be greater than can be afforded by the BLS governments. Therefore the University will have to continue to depend upon substantial amounts of donor assistance if it is to respond effectively to the training and manpower needs of the region. The purpose of future U.S. assistance will be to help the University become a mature, respected, efficient institution capable of strong leadership in solving problems of economic

development. To this end AID is willing to consider a wide range of project assistance including capital grant or loan as well as the supply of technical expertise directed toward the resolution of key management and academic problems.

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