

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
C = Change
D = Delete

WORKING FILE
Amendment Number

DOCUMENT CODE

3

COUNTRY/ENTITY SWAZILAND

3. PROJECT NUMBER
645-0231

4. BUREAU/OFFICE
Africa AF 06

5. PROJECT TITLE (maximum 40 characters)
SWAZILAND TRAINING AND INSTITUTIONAL DEVELOPMENT

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
MM DD YY
01 5 31 1 91 7

7. ESTIMATED DATE OF OBLIGATION
(Under 'B.' below, enter 1, 2, 3, or 4)
A. Initial FY 90 B. Quarter 3 C. Final FY 94

8. COSTS / \$000 OR EQUIVALENT \$1 =

A. FUNDING SOURCE	FIRST FY 90			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AD Appropriated Total						
(Grant)	1,821		1,821	10,000		10,000
(Loan)						
Other						
U.S.						
Host Country					3,340	3,340
Other Donors)						
TOTALS	1,821	1,821	10,000	3,340	13,340	

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	600	700				1,821		10,000	
(2)									
(3)									
(4)									
TOTALS						1,821		10,000	

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

631 710 720 840

11. SECONDARY PURPOSE CODE
700

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

A. Code
B. Amount 1.035

13. PROJECT PURPOSE (maximum 480 characters)

To strengthen Swazi managerial/administrative capabilities in the private sector and, in government service, and to strengthen training institutions that support private sector growth.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
1 1 9 3 1 1 9 5

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 741 Local Other (Specify) 935

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

I approve the Methods of Implementation and Financing contained in this Project Paper.

Charles Brooks, FM

17. APPROVED BY

Signature Roger D. Carlson
Title Roger D. Carlson
Director, USAID/Swaziland

Date Signed MM DD YY
1 5 3 1 9 0

18. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

SWAZILAND TRAINING AND INSTITUTIONAL DEVELOPMENT (STRIDE)
PROJECT PAPER

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 - B. Institutional Analysis
 - C. Private Sector Needs Assessment
 - D. A.I.D. Education Sector Projects and Other Donor Activities
 - 2. Economic
 - 3. Social Soundness
 - 4. Administrative
 - 5. Detailed Budgets and Cost Estimates
- F. IEE Categorical Exclusion
- G. Training Cost Analysis
- H. MBABANE 3485

Acronyms

A.I.D.	U.S. Agency for International Development
B.A.	Bachelor of Arts degree
B. Comm.	Bachelor of Commerce (University of Swaziland)
COP	Chief of Party
DEMS	Department of Extra-Mural Services (University of Swaziland)
DEPS	Department of Economic Planning and Statistics (GOS)
DET	Department of Establishments and Training (MLPS)
EEC	European Economic Community
ESAMI	Eastern and Southern Africa Management Institute
GOS	Government of Swaziland
HRD	Human Resources Development
HRDO	Human Resources Development Officer
IDM	Institute of Development Management
IEE	Initial Environmental Examination
IQC	Indefinite Quantity Contract
LOP	Life of Project
M.A.	Master of Arts degree
MAMC	Mananga Agricultural Management Center
MIS	Management Information Systems
MLPS	Ministry of Labor and Public Service
PACD	Project Activity Completion Date
Ph.D.	Doctoral Degree
PIO/T	Project Implementation Order/Technical Services
PIO/C	Project Implementation Order/Commodities

PO	Purchase Order
PSC	Personal Services Contractor
RCO	Regional Contracts Officer
RFP	Request for Proposal
SADCC	Southern African Development Coordination Conference
SCOT	Swaziland College of Technology
SIMPA	Swaziland Institute of Management and Public Administration
STRIDE	Swaziland Training and Institutional Development Project
SWAMP	Swaziland Manpower Development Project
TA	Technical Assistance
UNISWA	University of Swaziland
USAID	U.S. Agency for International Development (Mission in Swaziland)
VOCTIM	Gwamile Vocational & Commercial Training Institute - Matsapha

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I. Project Rationale and Description

A. Problem to be Addressed

Swaziland is distinguished from most sub-Saharan African countries by a vibrant free market economy. Approximately one quarter of the working age population is employed, either formally (88,000) or informally (13,000), in the monetary sector of the economy, one of the highest employment rates in Africa. Swaziland does, however, share with other African countries a high population growth rate (3.3 percent in 1986) and a youthful age structure, with roughly half the population under the age of 15. In 1989 the population was estimated at 785,000. The majority of Swazis rely primarily on subsistence agriculture for their livelihood.

After a period of stagnation in the early 1980's, the free market export-oriented economy has grown at an average rate of over 5 percent annually since 1986. This improved performance is mainly attributable to foreign investment, good harvests, and improved prices for the country's primary agricultural exports.

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

Analyses of Swaziland's human resource requirements (see Annex E.1) estimate a shortfall of almost 2,000 Swazis qualified for administrative/managerial positions by 1997. Should demand increase more rapidly, or training by the GOS and donors be less than anticipated, the gap will be even greater. An increase in "brain drain" to neighboring countries could also exacerbate the situation. The shortage is particularly acute in the areas of financial management and accounting. For example, out of a total of 55 Chartered Accountants only six are Swazi and there are only 60 Swazi accounting technicians, compared to a current requirement estimated at 400.

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

Several problems are associated with skill shortages and the consequent vacancies and need to use expatriates. In the private sector, profitability is reduced by the substantially higher costs of attracting and retaining expatriates compared to equally qualified Swazis. Although donors fund most of the expatriates working in government, alternative uses of these donor resources could produce more valuable long-term benefits to the nation. To the extent that positions in either the public or private sector cannot be filled due to lack of resources, productivity is adversely affected. Productivity also suffers when people lack the skills to accomplish their tasks in an efficient manner.

In an era of stiff competition for foreign investment amongst southern African nations, Swaziland needs to do all it can to maintain and improve its attractiveness for outside investors. The country has much in its favor, but the shortage of skills in the labor force is a negative factor which must be addressed in order to retain and enhance Swaziland's international competitiveness.

Finally, the sustainability of Swaziland's economic growth and development process can only be assured if Swazis provide the leadership in government and industry. Expatriates leave, taking with them their accumulated knowledge and experience. While the need for some outside expertise will always exist, a predominance of Swazi management is an essential component of sustainable development.

Human resource development can be undertaken through a variety of approaches of varying time lines. The most fundamental long-term means of tackling skill development is by ensuring that the education system produces graduates who have the basic skills necessary to function productively and get the most out of further training. USAID and other donors have supported curriculum development and teacher training for primary schools, and the Government of Swaziland (GOS) in conjunction with USAID has launched an initiative to improve the relevance and efficiency of primary school education. This effort, however, will not bear fruit in terms of a larger and higher quality skill base for a number of years.

Strengthening the tertiary institutions that teach technical, professional and managerial skills yields results in a shorter period of time. Swaziland has three major tertiary institutions that prepare students for management and industrial positions - a university and two vocational schools. The University of Swaziland (UNISWA) trains the best of the country's young talent to diploma and bachelor's level in a variety of subjects. About 400 people graduate from UNISWA each year. The two vocational training institutions are Gwamile Vocational and Commercial Training Institute Matsapha (VOCTIM) and the Swaziland College

of Technology (SCOT). Both offer technical and commercial programs, and approximately two hundred students a year graduate with certificate or diploma-level qualifications.

The vocational schools train people to a level at which they can perform competently in entry level technical and commercial jobs. In order to fill the skill gap at higher levels, however, these graduates require further training and experience. SCOT is planning to expand its accounting program, and the STRIDE project proposes to support this initiative. VOCTIM also plans to expand its program and is receiving substantial assistance from other donors to do so.

UNISWA is a logical candidate for support as it trains the country's high-level manpower. The university receives assistance from a variety of donors. The European Economic Community (EEC), for example, focuses its resources on the Faculty of Science.

Assistance to the UNISWA Bachelor of Commerce (B.Comm.) program, which trains accountants and managers, is proposed as a component of STRIDE. Improving faculty qualifications and the quality and relevance of the curriculum will provide graduates with an appropriate base of knowledge and skills upon which they can build, allowing them to advance more readily through the ranks of middle and upper management.

Strengthening training institutions to improve the quality of their graduates is crucial to developing a country's ability to train its own human resources. But this approach does not address the near-term demand for high level managerial and administrative skills.

The current demand can only be met through training individuals already in or about to move into high-level positions. The cumulative effect of academic and short-term training provided by all of Swaziland's donors has already been substantial. USAID alone has trained more than five hundred people since the inception of its program in 1970. Most of those individuals now hold positions of significant responsibility in the public and private sectors. The benefits of this type of training to the nation include higher productivity and transfer of new skills to colleagues.

B. Project Description

Project Goal

The goal of the project is to strengthen Swazi direction of and participation in the economic growth process. Progress towards goal achievement will be monitored during LOP through tracking the number and rate at which Swazis move into executive

positions in existing and new businesses, including Swazi-owned businesses. Increased community participation in development activities will also indicate achievement of this goal. In particular, the rate at which Swazis replace expatriates in key administrative and managerial positions (the localization rate) will be tracked.

Project Purpose

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

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

Project Components and Expected Achievements

1. Training for Swazi Managers and Administrators

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

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

This component will include U.S. academic degree training, short term external training in the U.S. and third countries, and in-country short term courses at local institutions. A target for at least 35 percent female participation in both external and in-country training programs has been established. Each of the three sub-components is described below.

(a) U.S. Academic Degree Training

To address the current shortage of appropriately qualified managers and administrators in the country, approximately 42 academic scholarships (equivalent to 108 person-years) will be awarded over the life of the project. Funds are provided for 6 B.A.'s and 32 M.A.'s. In addition, 4 Ph.D.s are planned for UNISWA faculty. These 42 scholarships will be publicly

advertised, and awarded competitively by a panel with representation from USAID, the Ministry of Labor and Public Service, and the Federation of Employers. When appropriate, the panel will consult with GOS technical ministries. At least 33% of these scholarships will be awarded to private sector training candidates. Special efforts will be made to recruit women applicants, and in selecting both public and private sector candidates, preference will be given to qualified female candidates. To this end the Mission has set a target for 35 percent women participants in external training. In ranking long term candidates, the panel will use the following competitive selection criteria:

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

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

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

A minority of participants will be sent for bachelor's and PhD degrees. While AID policy is to avoid academic training for periods exceeding three years, the Agency also recognizes that there are cases in which longer training is justifiable. In Swaziland's case, the small size of the population makes it economically unsound to offer degrees in specialized undergraduate subjects at the national university. The PhDs will only be available to UNISWA faculty who require an academic qualification at that level to teach at the undergraduate and graduate level.

The assumptions regarding the length of time required to complete the various degree programs are based on USAID's experience in previous projects. Should the number of

person-years prove to be more than necessary for the planned 42 scholarships, USAID and the GOS have agreed that remaining resources will be used to supplement the short-term external training component of this project.

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

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

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

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

An In-Country Training Advisor will coordinate all training needs assessments and the design and implementation of short courses, assisted by specialized U.S., regional and local consultants as needed. As course descriptions are developed, and specifications for trainers, facilities, and scheduling are defined, the prime contractor will solicit competitive bids from the four local short-term training institutions (IDM, SIMPA, DEMS, and MAMC), and then sub-contract with the winning bidder for the local faculty, facilities, and logistical support. Sub-contracts will include funds for local consultants, when needed. U.S. and local trainers will collaborate with the selected local institution's faculty to deliver the in-country

training, particularly when the undertaking of special needs assessments and/or the design of innovative new curricula is required. Support will be provided for approximately 7 person months of U.S. consultants, and 10 person months of regional/local consultants. In special cases, courses may be conducted solely by external consultants rather than sub-contracting with local institutions.

The GOS provides a subvention to IDM and SIMPA is a branch of the MLPS. A British parastatal, Commonwealth Development Corporation, is the sole shareholder of MAMC which is incorporated in Swaziland as a private training institution. Therefore, the project will include a waiver of the restriction against using the services of government or parastatal training agencies. This is justified because competition for subcontracts will be limited to host country institutions and because one of the objectives of the incountry training program is to strengthening local training institutions. DEMS is a public educational institution.

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

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

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

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

Examples of possible training courses for the public sector are:

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

Examples of possible training courses for the private sector are:

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

2. Institutional Strengthening

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

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

(a) Background

UNISWA's Bachelor of Commerce degree program (B. Comm.) prepares students for careers in business management and accounting, fields experiencing critical personnel shortfalls, which are crucial to Swaziland's economic growth and industrial development. SCOT offers courses in commercial studies and has a strong accounting program that provides the private sector with entry level accounting technicians.

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

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

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

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

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

(b) Assistance to UNISWA

In the first year of the project, UNISWA administrators and B. Comm. faculty will visit U.S. universities selected from a pool of those who have expressed interest (through response to a

published Request for Expressions of Interest) in developing a linkage. Subsequently, UNISWA and USAID will identify a candidate for collaboration. UNISWA and the U.S. university will jointly design a program of assistance that is likely to include technical assistance, faculty training, and improved instructional and reference materials over a three to four year period.

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

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

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

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

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

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

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

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

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

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

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

(c) Assistance to SCOT

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

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

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

To facilitate increased enrollment in the accounting program, Peace Corps plans to recruit 2-4 volunteers during the LOP with skills in accountancy training to replace SCOT faculty who are away on training leave. While this will help address short term faculty shortages, the expansion of the AAT program to Level III and an increase in student enrollment will require an expansion of SCOT's accounting faculty. It is expected that two new faculty members will join the accounting department during the linkage period.

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

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

3. Upgrading Policy Implementation

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

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

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

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

(a) Administrative Reform

The effectiveness of public policies and the efficiency of policy implementation impacts directly on private sector growth. This is readily apparent in such areas as infrastructure development and maintenance, public utilities, manpower planning, and public finance. In addition, mid- and senior-level representatives of government and the private sector have identified a number of critical policy or policy implementation issues during in-country workshops under the SWAMDP Project. These include industrial relations; Customs and common monetary agreements with the Republic of South Africa; manpower planning; personnel management; tax policy; and capital project appraisal, management, and monitoring. Other potential topics include defining more cost-effective solutions to current management inefficiencies in public utilities and streamlining of procedures for business-related permits such as business licenses, work and residency permits, and import and export permits.

Through short-term technical assistance funded under SWAMDP, USAID is currently assisting the Ministry of Finance to identify and respond to problems related to capital budget management caused by inefficiencies in the planning and implementation, monitoring and control of capital projects. The effectiveness of this effort thus far is attributed to top-level GOS support for the effort, combined with A.I.D.'s ability to respond to issues as they arise.

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

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

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

Where formalized training is useful for changing practices and procedures, a U.S. advisor will collaborate with a local consultant to prepare an issues/options paper, facilitate in-country workshops for public and private sector participants, as appropriate, and help to develop post-workshop action plans for the concerned Ministry. Workshops may be split into initial sessions for top GOS and private sector managers, and follow-on sessions for technicians in relevant ministries and private firms. The GOS will fund the workshops undertaken in this component. Technical advisors may conduct follow-up visits later in project implementation, to monitor the implementation of action plans. As the level of technical assistance proposed for each issue is modest, it is expected that topics will build incrementally upon earlier administrative reforms.

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

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

(b) Community Leader Training

This sub-component will provide in-country training to local level community leaders to strengthen their managerial and administrative capabilities, particularly with respect to promoting the development of business enterprises and development projects in rural areas. Because of traditional and other local leaders' enormous influence over community level development and their role in administering rural communities

(where more than two-thirds of the population resides), this component is an important element in achieving the Project goal of strengthening Swazi participation in economic growth.

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

An impact evaluation of the experimental training carried out in June 1989 (E. Green, USAID/S) confirmed the validity of these two assumptions. After only three years, the training was found to have significantly contributed to a measurable acceleration in the pace of local-level rural development. According to the evaluation's survey the training was directly responsible for 1) an increase in the number of local development committees; 2) more active participation by Chiefs in promoting development activities; 3) the discussion of development topics by the chief's council; and 4) improved links between traditional leaders and the GOS, the donor community and, preliminarily, the private sector. Nearly all survey respondents were able to point to a specific development-related activity they were currently engaged in as a result of something they had learned at Project-sponsored workshops. The evaluation concluded that the continuation of such training can be expected to have further positive impact.

(i) Training Approach

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

constraints to rural development. This approach is consistent with conditions in the rural areas. Besides agricultural, handicraft, and other home enterprises in which a considerable number of rural Swazis are already engaged, there are other business and development opportunities that people with initiative can respond to with appropriate local support and assistance.

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

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

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

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

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

(ii) Plan for Input Delivery

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

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

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

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

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

Implementing activities in this component will rely on the structures and management procedures developed and successfully used during the SWAMP Project. This continuity greatly simplifies implementation. A principal departure from the past

is that project funds for seminars and workshops will be matched by the GOS at increasing levels over a four-year period. By the fifth year of the Project the GOS will have assumed 100 percent of such costs and the training will be fully institutionalized in the GOS recurrent budget.

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

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

4. Project Management Plan

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

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

The contractor's home office support for long term participant training and short term consultancies will require 30 percent time from a mid-level professional training officer, 40 percent time from a program/placement officer, and 30 percent time from

a secretary. The short term technical assistance requirements under the prime contract are outlined in Table 1. Short term TA to be managed by the Mission is shown in Table 2.

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

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

A separate cooperative agreement (CA) with a U.S. university will establish a linkage to strengthen the SCOT AAT and the UNISWA B. Comm. programs. An illustrative list of inputs for the UNISWA sub-component of this CA includes long term U.S. faculty assistance (2 person years), short term technical assistance (10 person months), UNISWA faculty exchange visits and short term external training, long term academic degree training (3 M.A.'s) for UNISWA B. Comm. faculty, and teaching materials (software, university library materials including journals and textbooks). The SCOT sub-component is likely to include long term academic training in the U.S. (2 M.A.'s) for accounting faculty, short term curriculum development assistance (10 person months), short term external training for accounting faculty, and teaching materials.

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

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

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

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

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

Table 3
Person Months of ST TA By Project Year

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

II. Cost Estimate and Financial Plan

A. Summary Cost Estimate

The total project cost is \$13,340,000 consisting of \$10,000,000 in grant funds from USAID, and \$3,340,000 in cash and in-kind contributions from the GOS. The GOS contribution includes amounts for airfares and salaries expected to be paid by employers in the private sector. Table 4 itemizes A.I.D. and GOS costs, by project activity. All A.I.D. costs will be in dollars, and all GOS costs will be in Emalangeni equivalents. Annex E.5 provides detailed budgets and assumptions for these cost estimates.

Table 4
Summary Cost Estimate
(US\$ 000)

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

B. A.I.D. Inputs

A.I.D. inputs comprise 75 percent of the project's total cost. All of A.I.D.'s costs are expected to be in U.S. dollars; no local currency will be required. The inputs are summarized below, and a detailed project budget and budgeting assumptions can be found in Annex E.5.

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

Long Term TA (3 person years)	1,413,742
Short Term TA (59 person months)	1,023,701
Project Management	1,532,557

A Chief of Party for 5 years and an In-country Training Advisor for the first 3 years of the project comprise the long term technical assistance. The 59 person months of short-term technical assistance is split into 29 person months of U.S.

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

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

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

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

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

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

6,600 person days of in-country management training workshops are to be funded. The workshop costs are exclusive of long and short term technical assistance, which is budgeted under the technical assistance line item. 5,400 person days of traditional leader training will be supported on a decreasing basis during the first four years of the project, and 1,000 person days of training for the Community Development (CD) staff who deliver traditional leader training will be funded.

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

(a) UNISWA Linkage	\$1,023,000
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An illustrative list of inputs for the UNISWA B.Comm program includes 2 person years of long term technical assistance, 10 person months of short term technical assistance, 3 MBA degrees

for UNISWA faculty, 11 person months of short term external training, and commodities such as library reference materials and computer software. The budget also includes estimates of the U.S. institution's project management cost. The actual array of inputs will be determined by UNISWA and the U.S. university during development of the linkage.

(b) SCOT Linkage \$484,000

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

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

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

6. Commodities (\$58,000)

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

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

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

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

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

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

C. Methods of Implementation and Financing

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

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

D. GOS/Private Sector Inputs

The GOS contribution in cash and kind is \$3,340,000, representing 25 percent of the total project cost. 40 percent of the contribution is in cash and the remainder is in kind. All costs will be paid in local currency; there is no foreign exchange requirement. It is anticipated that the private sector will contribute substantially to the total GOS cost through provision of round trip international airfares and salaries to private sector participants who receive training through the project. A detailed GOS/private sector budget is provided in Annex E.5.

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

UNISWA will provide subsidized housing, office space, and a cash contribution to salaries for long term technical assistance from a U.S. university, round trip international airfares and salaries for faculty in training, and the salaries of two additional staff members in the B. Comm department. SCOT will also provide round trip international airfares and salaries for participants from the Accounting Department and will pay the salaries of two additional members of the department.

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

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

Private Sector Contribution

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

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

III. Implementation Plan

A. Background

The following is an illustrative plan for project implementation, showing dates by which critical actions should be completed. Two considerations are of paramount importance in the design of this plan. First, the new STRIDE Project must be operational prior to the expiration in December 1990 of the current AID contract with TransCentury Corporation, the prime contractor for the SWAMDP project, to enable a new prime contractor to assume the carry-over monitoring responsibilities for participants funded under SWAMDP who are still in the U.S. on long term training. Thus, the RFP for the prime contractor will need to be advertised as soon as possible. Second, a separate cooperative agreement will be signed with a U.S. university to strengthen the UNISWA B. Comm. program and the SCOT accounting program. This will require a separate selection process.

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

B. GOS Responsibilities

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

1. Ministry of Labor and Public Service (MLPS)

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

2. The University of Swaziland

The Department of Business and Accounting Studies at UNISWA will coordinate activities, under a cooperative agreement

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

3. Swaziland College of Technology (SCOT)

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

4. Tinkhundla

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

C. A.I.D. Responsibilities

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

D. Procurement Plan

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

- a) Participant training, in-country training, traditional leader training, training technical assistance and ancillary management of all of these elements will be procured by issuance of a Request for Proposals limited to Disadvantaged Enterprises in the United States. This action will be undertaken as a direct AID contract issued by the Regional Contracting Officer (RCO) USAID/Swaziland.
- b) Institutional strengthening, which is a combination of traditional linkage concepts and technical assistance, will be procured through one or two cooperative agreements solicited competitively using the collaborative assistance mode described in Handbook 13, Appendix 6B. This action will be undertaken by the RCO USAID/Swaziland.
- c) The Project Manager will prepare PIO/Ts for technical services for administrative reforms and audits and evaluations which will be procured either in Washington (MS/OP/O/AFR) via AID world-wide IQCs or by the RCO USAID/ Swaziland for local/regional contracts.
- d) Project Management at USAID/Swaziland will require one personal services contractor (PSC). The PSC will be procured by either the RCO or the Executive Officer USAID/Swaziland.

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

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

III. To the maximum extent practicable, procurement of services and supplies will be from AID Geographic Code 000; then in descending order, Code 941 and Code 935.

Notwithstanding the provisions of the Development Fund for Africa, supply procurement will comply with the Cargo Preference Act, requiring 50 percent of the ocean-vessel gross tonnage to be shipped on U.S. flag commercial vessels to Durban. Any and all vehicles to be purchased under this project will be purchased in accordance with the A.I.D. blanket waiver for purchase of right-hand drive vehicles, which generally permits purchase of non-US source/origin vehicles. Air travel to and from Swaziland will adhere to the AIDAR requirements implementing the preference for US air carriers. Participant training processed through the primary technical assistance contract will be performed in accordance with Handbook 10 requirements, although if justified to and approved by the Mission Director, third-country participant training in AID Geographic Code 899 countries can be financed without the special approval of the Director of the Office of International Training (OIT). The USAID/Swaziland Project Manager will be responsible for the final preparation of all participant training PIO/Ps. Responsibility for maintenance of supplies procured and used by contractor/recipient field-team personnel will be in accordance with AIDAR/Handbook 13 regulations, and will include assuring that all AID-funded project vehicles be maintained by private, non-GOS facilities.

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

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

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E. Implementation Schedule

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

1st year Project Activities

<u>Action</u>	<u>Completion Date</u>	<u>Responsible Party</u>
<u>General Start-Up</u>		
(1) RFP and RFCAA(s) Advertised in Commerce Business Daily	May 10, 1990	USAID
(2) Project Agreement signed	May 31, 1990	USAID/GOS
(3) RFP Issued for Prime Contract	June 20, 1990	USAID
(4) Closing Date for RFP Proposals	Aug 15, 1990	RFP Bidders
(5) Best and Finals	Oct 1, 1990	USAID
(6) Contract Awarded	Oct 31, 1990	USAID
(7) Chief of Party Arrives in Country	Nov 30, 1990	USAID
(8) Prime Contractor Submits LOP Work Plan	Feb 28, 1991	Contractor USAID/GOS
(9) Prime Contractor Submits Annual Work Plan	April 1, 1991 (each year)	Contractor/ USAID/GOS

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Management Training/
Prime Contractor

a. Long Term Academic Training in U.S.

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(1) Scholarship announced in local newspaper providing info on application procedures and requirements	Nov. 1990	USAID/TCC
(2) Candidates submit applications to Contractor	Dec.-Jan. 1990	Contractor applicants
(3) USAID and GOS review, applications	Jan.-Feb. 1991	GOS/USAID
(4) Contractor schedules TOEFL, GRE and GMAT Examinations	March 1991	Contractor
(5) Candidates take tests	April-May 1991	Contractor/GOS
(6) After receiving test results, USAID/GOS select finalists	Nov. 1991	USAID/GOS
(7) Contractor prepares draft PIO/Ps	Nov 1991 - Dec 1991	Contractor
(8) USAID arranges for processing of PIO/Ps	Jan 1992	USAID/ Contractor
(9) USAID forwards PIO/Ps to Contractor for placement in U.S. colleges and universities	Jan 1992	USAID
(10) Medicals, visas for candidates	July 1992	Contractor/ USAID
(11) Departure Orientation	July 1992	Contractor/ USAID/GOS
(12) Participants begin long term academic training	August 1992	Contractor/ USAID

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

b. In-Country Training

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

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

c. Traditional Leadership Training

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(1) Work Plan for traditional leadership training completed and approved by Tinkhundla	April 1991	Contractor/CD
(2) Training of trainers	July 1991	Contractor/CD
(3) Training workshops and seminars conducted each month	Sept. 1992- PACD	CD/GOS

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

3. Institutional Strengthening (UNISWA and SCOT)

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

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

3rd Year Institutional Strengthening

(1) Develop plan for UNISWA & SCOT scholarships.	Apr. 1992	Grantee/ UNISWA/SCOT
(2) Issue PIO/Ps for LT degree training for UNISWA & SCOT faculty	May 1992	Universities USAID
(3) First participants leave for training	Sept. 1992	Grantee/UNISWA SCOT
(4) Curriculum plans submitted	Sept. 1992	Grantee/ UNISWA/SCOT
(5) Curriculum plans approved	Feb. 1993	Grantee/ UNISWA/SCOT
(6) Second faculty placements at U.S. training institutions	March 1993	Grantee/ UNISWA/SCOT
(7) Approve work plans for 3rd year	Sept. 1993	Grantee/ SCOT/UNISWA

<u>ACTION</u>	<u>COMPLETION DATE</u>	<u>RESPONSIBLE PARTY</u>
(8) Conference/seminars with business community on human resource needs, grantee's TA visits	As scheduled	recipient/ UNISWA/SCOT
(9) Implement curriculum plans (initial actions)	Sept. 1993	recipient/ UNISWA/SCOT
(10) Second faculty participants begin academic training	Sept. 1993	recipient/ SCOT/UNISWA
<u>4th Year of Project- Institutional Strengthening</u>		
(1) workshop/conference; TA visits faculty/curriculum strengthenin	Jan. 1994	SCOT/UNISWA/ recipient
(2) prepare final reports on grant activities	April 1994	recipient/ UNISWA/SCOT

IV. Monitoring and Evaluation Plan

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

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

A. Reporting Requirements

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

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

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

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

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

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

B. Studies

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

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

C. Audits and Evaluations

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

1. Audits

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

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

2. Formative Evaluation

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

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

3. Summative Evaluation

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

V. Summaries of Analyses

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

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

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

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

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

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

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

B. Private Sector Needs Assessment

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

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

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

There is general agreement that the most severe constraint on further growth in the private sector is the shortage of skilled and experienced manpower. The problem exists in a number of occupational areas, but it is most acutely felt in mid and

upper-level management positions where as many as 30 percent of personnel are expatriates. The government's 1985 National Manpower Survey projected a need for a 75 percent increase in the number of managers for private and parastatal companies by 1993.

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

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

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

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

C. In-Country Training Institutions' Capability

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

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

1. Providers of Short Term Management Training in Swaziland

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

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

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

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

c. Institute of Development Management (IDM)

IDM provides training for middle and senior level managers and administrators in both the public and private sectors in Swaziland, Botswana, and Lesotho. It is a regional,

self-governing institution registered as a private company. It has the capability to offer quality training on a broad spectrum of management and technical themes.

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

d. Mananga Agricultural Management Center
(MAMC)

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

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

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

2. In-Country Institutions of Higher Education

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

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

There is a widely recognized need for closer liaison between UNISWA and the private sector to address training needs in business and industry. Also, more qualified faculty are needed to strengthen and broaden the management track in the B. Comm. program to meet the need for middle and upper managers in the private sector.

b. Swaziland College of Technology (SCOT)

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

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

D. Public Policies and Administrative Practices

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

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

For example, Mission-funded consultants are currently working with the Ministry of Finance to resolve bottlenecks in the implementation of capital projects. Much of the success of this effort thus far is attributed to the Mission having resources available to respond to this need when it arose. This collaboration with the Ministry of Finance is expected to lead to recommendations for streamlining project identification, management, and monitoring within the Ministry of Works. In turn, it provides a logical lead-in to help focus some of the in-country training for administrative reform within the STRIDE project in support of private sector growth.

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E. Economic Analysis

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

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

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

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

While the components of STRIDE and the parameters for selection of participants are well defined, specific participants will be selected during implementation. Therefore, no rate of return analyses can be calculated at the design stage. However, by the time of the midterm and final evaluations, the participants and their private and public sector origins will be known. During

the implementation of the project, information will be collected on the positions and salaries of the long term participants. Changes in these indicators of productivity will be monitored when the participants return to their jobs and adjusted for inflation. Both measures (change in position and salary) can be quantified to yield interim measures of economic impact. Further, information from the participants and from their employers on effects already noted in the conduct of business or government will be valuable qualitative measures of impact.

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

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

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

F. Social Soundness Analysis

The direct beneficiaries of the project will be: (1) the approximately 47 Swazis trained for an external degree; (2) 660 Swazis from the modern sectors of business and government trained in-country, and (3) nearly 1,800 traditional leaders. The indirect beneficiaries include the families of the direct

beneficiaries (perhaps as many as 18,000 persons), the students who benefit from the expanded and improved instruction at SCOT and UNISWA, and the large number of citizens who will benefit from the improved government services and the enhanced productivity of private businesses. Direct beneficiaries, from both public and private sectors, are a part of the formal economy and represent mostly middle and upper economic levels, but many of the indirect beneficiaries of enhanced public and private sector productivity are from lower economic groups: laborers, small farmers, and the unemployed. In the training given to the traditional sector, however, a high percentage of direct beneficiaries will come from the informal sector and from lower economic ranks. Through the traditional leaders' training component, many opportunities will be opened or expanded for the rural poor.

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

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

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

VI. Conditions and Covenants

Condition Precedent to First Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which any disbursement may be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a written statement

setting forth the names and titles of those persons in the Government of the Kingdom of Swaziland who are authorized to sign Project documents and communications, together with a specimen signature of each such person specified in such statement.

Covenants: The Grantee will:

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

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

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

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

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

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

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

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

(i) help ensure that private sector participants are included in the external and in-country training as established in this Project.

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ANNEX

53

Info: HEGDO

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ACTION: AID INFO: CHRQ

VZCZCMB0544
RR RUEHMB
DE RUEHC #0894/01 0361736
ZNR UUUUU ZZH
R 071733Z FEB 90
FM SECSTATE WASHDC
TO AMEMBASSY MBABANE 8416

LOC: 020
08 FEB 90
CN: 03748
CHRQ: AID
DIST: AID
*ADD DD 406
DIR 0557
FM*

BT
UNCLAS SECTION 01 OF 03 STATE 040894
AIDAC

E.O. 12356: N/A

TAGS:
SUBJECT: SWAZILAND TRAINING AND INSTITUTIONAL
DEVELOPMENT (645-0231)

REF: STATE 017417

1. SUMMARY: THE ECPR MET ON 11 JANUARY 1990 TO REVIEW THE SUBJECT PROPOSAL. AFR/PD DIRECTOR TIMOTHY BORK CHAIRED THE ECPR, WITH ATTENDANCE BY REPRESENTATIVES FROM AFR/PD, AFR/SA, AFR/DP, AFR/TR, AND ST. MISSION DIRECTOR ROGER CARLSON REPRESENTED THE MISSION. THE ECPR COMPLIMENTED THE MISSION ON A WELL-WRITTEN PID AND APPROVED THE PROJECT PROPOSAL SUBJECT TO THE FOLLOWING GUIDANCE. THE MISSION DIRECTOR IS AUTHORIZED TO APPROVE THE PROJECT PAPER AND AUTHORIZE THE PROJECT IN THE FIELD. END SUMMARY.

2. ECPR DISCUSSIONS WERE PRECEDED BY A DESCRIPTION BY MR. CARLSON OF THE PROJECT AND ITS RELATION TO THE MISSION'S CDSS. FOLLOWING THE PRESENTATION. THE CHAIRMAN ASKED THE REPRESENTATIVES OF AFR/TR/EHR AND ST/HR IF THEY FOUND THE PROPOSAL SATISFACTORY FROM A TECHNICAL POINT OF VIEW. NEITHER REPRESENTATIVE HAD ANY OBJECTIONS TO THE SUBSTANCE OF THE PROPOSED PROJECT. AFR/TR SUGGESTED A MORE EFFICIENT AND ECONOMICAL WAY OF CONDUCTING PARTICIPANT TRAINING THROUGH BUY-INS TO HRDA AND ATLAS INSTEAD OF THE CONTRACT MODE PROPOSED. AFR/TR'S CONCERN REGARDING THE PROJECT IMPLEMENTATION MODE WAS ADDRESSED IN THE DISCUSSION.

3. THE FIRST ISSUE QUESTIONED IF THE PROJECT WAS SUFFICIENTLY FOCUSED. THE ECPR NOTED THAT THE PROJECT PURPOSE IS VAGUE. THE END OF PROJECT STATUS INDICATORS LACK BOTH QUANTITATIVE AND QUALITATIVE MEASUREMENT AND NEED TO BE MADE MORE SPECIFIC. MR. CARLSON RESPONDED THAT THE PROJECT'S ACTIVITIES WERE LINKED TOGETHER BY THE TRAINING ACTIVITIES COMPLEMENTING THE ADMINISTRATIVE REFORMS BEING UNDERTAKEN IN THE PUBLIC SECTOR. ADDITIONALLY, THE FOCUS OF MANY OF THE REFORMS AND THE TRAINING WOULD HAVE A GREAT POSITIVE IMPACT UPON PRIVATE SECTOR GROWTH. THE AFR/DP REPRESENTATIVE

MSGE NO.	Action	Info
DIR		✓
DD		✓
PPD	✓	
RIECON		
FM		✓
HPN		
ADO		✓
HRIGDO		✓
RLA		
RCO		
EXO		
CHRON		✓
RF		✓
Reciv Due	2/14	
Action Taken		
Initial Date		
File Loc		

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MENTIONED THE WORK PRESENTLY UNDERWAY IN REFINING USAID/SWAZILAND'S STRATEGIC OBJECTIVES AND THAT AS A PART OF THAT PROCESS THE PROJECT PURPOSE SHOULD BE FURTHER DEFINED AND SHOULD BE MORE FOCUSED PRIOR TO APPROVING THE PP.

DECISION: USAID/SWAZILAND SHOULD REVISE THE PROJECT PURPOSE TO BE WITHIN THE MANAGEABLE INTEREST OF THE PROJECT. TO PROVIDE BETTER FOCUS, THE PARTICIPANT TRAINING PROVIDED BY THE PROJECT WILL BE CONCENTRATED IN THE AREAS OF THE MISSION'S STRATEGIC OBJECTIVES. FURTHERMORE, EOPS INDICATORS MUST INCORPORATE SPECIFIC QUANTITATIVE AND QUALITATIVE MEASUREMENTS.

4. THE SECOND ISSUE QUESTIONED THE EXTENT TO WHICH THIS PROJECT EMPHASIZES PRIVATE SECTOR-LED ECONOMIC GROWTH. THE PROJECT COMMITTEE NOTED THAT WHILE THE PID CONTAINED MUCH NARRATIVE REGARDING PRIVATE SECTOR EMPHASIS, WHEN IT CAME DOWN TO EXAMINING PROPOSED ACTIVITIES, ONLY 30 PERCENT OF THE PARTICIPANTS WERE TO BE FROM THE PRIVATE SECTOR AND ALL OF THE OTHER ACTIVITIES WERE TO BE CARRIED OUT TO BENEFIT PUBLIC SECTOR INSTITUTIONS. MR. CARLSON EXPLAINED THAT PRIVATE SECTOR GROWTH WAS PAYING AN EVER INCREASING ROLE IN THE STRATEGY OF THE GOS AND THE MISSION. THE PRIVATE SECTOR HAS AN IMPORTANT ROLE TO PLAY IN THIS PROJECT AND MUCH OF THE PUBLIC SECTOR TRAINING THAT WILL BE FINANCED BY THE PROJECT WILL IMPACT UPON THE PRIVATE SECTOR.

DECISION/GUIDANCE: THE ECPR SUGGESTS THAT IF THE MISSION SEEKS TO EMPHASIZE PRIVATE SECTOR DEVELOPMENT IN THIS PROJECT, THEN THE MISSION SHOULD HAVE A HUMAN RESOURCES SURVEY. THUS THE PP SHOULD INCLUDE AS AN APPENDIX THE HUMAN RESOURCES SURVEY OF 1986 CONDUCTED BY THE MINISTRY OF LABOR, PLUS THE UPDATED HUMAN RESOURCES ASSESSMENT TO BE UNDERTAKEN DURING THE FINAL DESIGN. THE MISSION MIGHT ALSO CONSIDER UTILIZING THE PRIVATE ENTERPRISE TRAINING NEEDS ASSESSMENT SERVICES OFFERED BY AFR/TR/EHR TO COMPLEMENT THE HUMAN RESOURCES ASSESSMENT. CONTACT JUDY SHAMPAIN FOR ADDITIONAL INFORMATION. AFR/MDI ALSO STANDS READY TO PROVIDE USEFUL SUGGESTIONS IN DEVELOPING MANPOWER TRAINING. HOWEVER, THE MISSION MUST RECOGNIZE THAT IMPACT WILL BE DILUTED TO THE EXTENT THAT THE PROJECT INCORPORATES VARIOUS FOCI AND DIFFERENT ACTIVITIES TO IMPLEMENT THEM. THEREFORE THE ECPR ENCOURAGES THE MISSION TO FOCUS THE PURPOSE TO A GREATER DEGREE.

5. THE THIRD ISSUE DISCUSSED WAS THE POSSIBILITY OF INCREASING THE PROJECT'S IMPACT AND DEVELOPING MORE INDIGENOUS TRAINING CAPACITY BY CONCENTRATING PARTICIPANT SCHOLARSHIPS ON TRAINING TRAINERS. MR.

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CARLSON SHARED THE ECPR'S DESIRE TO PLACE MORE RESOURCES IN ASSISTING LOCAL TRAINING INSTITUTIONS, BUT EXPLAINED THAT THE EXISTING MANAGEMENT TRAINING INSTITUTIONS IN SWAZILAND ARE NOT PREPARED TO UPGRADE PERSONNEL AT THIS TIME. THE MISSION HAS ESTIMATED THAT THE TWO INSTITUTIONS BEST SUITED FOR MANAGEMENT TRAINING CAN ABSORB LITTLE MORE THAN DOLS 1.0 MILLION DURING THE PROJECT'S FIVE YEAR LIFE. HOWEVER, MR. CARLSON POINTED OUT THAT THE PROJECT DOES INTEND TO IMPROVE THESE INSTITUTIONS DURING THE NEXT FIVE YEARS, AND AS THE LEADERSHIP OF THESE INSTITUTIONS BECOMES MORE AMENABLE TO ACCEPTING OUTSIDE ASSISTANCE, THE MISSION WILL CONSIDER INCREASING THE AMOUNT BUDGETED FOR ASSISTING MANAGEMENT-TRAINING INSTITUTIONS.

DECISION/GUIDANCE: DURING THE DESIGN OF THE PROJECT FINANCING PLAN THE MISSION WILL ENSURE FLEXIBILITY IN THE BUDGET SO THAT THE LEVEL OF EFFORT FOR INSTITUTIONAL IMPROVEMENT CAN BE INCREASED IF CONDITIONS AT THESE TRAINING INSTITUTIONS WARRANT ADDITIONAL FUNDING. TO DO SO, THE MISSION MAY CONSIDER COMMITTING FUNDS TO SCHOLARSHIP ACTIVITIES AT A RATE WHICH WILL ALLOW INCREASED NUMBERS OF SCHOLARSHIPS TO BE AVAILABLE FOR

BUSINESS SCHOOL PROFESSORS AND INSTITUTIONAL STRENGTHENING IN THE OUT YEARS.

6. THE FOURTH ISSUE DISCUSSED THE POSSIBILITY OF BUILDING THE INSTITUTIONAL CAPACITY WITHIN SWAZILAND TO SUPERVISE AND MANAGE A PARTICIPANT TRAINING PROGRAM RATHER THAN DEPENDING SOLELY UPON A U.S. CONTRACTOR TO IMPLEMENT THIS FUNCTION AT A COST OF DOLS 1.3 MILLION. SEVERAL MEMBERS OF THE ECPR COMMITTEE MENTIONED EXPERIENCE IN OTHER COUNTRIES IN WHICH INDIGENOUS PERSONNEL MANAGED PARTICIPANT TRAINING PROGRAMS OF A SIZE SIMILAR TO THAT PROPOSED. MR. CARLSON ACKNOWLEDGED THAT THE SUGGESTION WAS USEFUL, THAT IT WAS IMPORTANT TO BUILD A SELF-SUSTAINING CAPACITY FOR PARTICIPANT TRAINING MANAGEMENT AND THAT THE MINISTRY OF LABOR'S MANPOWER TRAINING OFFICE MIGHT BE AN APPROPRIATE OFFICE TO SUPERVISE THE PROGRAM. ALTERNATIVELY, IT WAS SUGGESTED THAT A PRIVATE ENTITY MIGHT BE APPROPRIATE.

DECISION GUIDANCE: DURING PROJECT DESIGN THE MISSION WILL EXAMINE ALTERNATIVE MECHANISMS FOR PROJECT IMPLEMENTATION TOWARD DEVELOPING A SWAZI CAPACITY FOR MANAGEMENT OF PARTICIPANT TRAINING PROGRAMS.

7. THE LAST ISSUE CONCERNED TREATING THE DOLS 916,000 ADMINISTRATIVE IMPROVEMENT SUB-ACTIVITY AS A SEPARATE PROJECT SINCE ITS BASIC PURPOSE IS TO ESTABLISH A FLEXIBLE MODE FOR PROVIDING SHORT TERM BROAD POLICY ASSISTANCE TO THE GOS. MR. CARLSON ARGUED FOR INCLUSION OF THIS ACTIVITY BECAUSE THE REFORMS THE MISSION IS ASSISTING THE GOS TO ACHIEVE ARE PART OF A PACKAGE OF UP-GRADING PERSONNEL AND INITIATING IMPROVED METHODS AND POLICIES.

DECISION/GUIDANCE: WHILE THERE IS A DEVELOPMENTAL LINK BETWEEN POLICY AND PUBLIC SECTOR MANAGEMENT CAPABILITY THE PURPOSE OF THIS PROJECT IS NOT (ACCORDING TO THE MISSION) FOCUSSED ON PUBLIC SECTOR MANAGEMENT REFORM. IT IS LARGELY A BROAD TECHNICAL AND ADMINISTRATIVE SKILL BUILDING EFFORT WITH SIGNIFICANT FOCUS ON THE PRIVATE SECTOR. IF THE MISSION DECIDES TO RETAIN THIS APPROACH, THE ECPR BELIEVES THAT THE MISSION SHOULD GIVE CAREFUL CONSIDERATION DURING PP DESIGN TO ESTABLISHING A SEPARATE PROJECT FOR THE POLICY ACTIVITY. HOWEVER, IF THE MISSION WERE TO ORIENT THE PROJECT TO FOCUS ON IMPROVING EFFICIENT MANAGEMENT OF THE ECONOMY (PER THE

FIRST OBJECTIVE OF THE DFA ACTION PLAN) CONSISTENT WITH A SIMILAR TARGET OR STRATEGIC OBJECTIVE IN THE MISSION'S ACTION PLAN, THE ACTIVITY WOULD CLEARLY FIT. THIS ALTERNATIVE IF IMPLEMENTED BY THE MISSION COMPREHENSIVELY, MIGHT ALSO ADDRESS THE ECPR CONCERN FOR FOCUS STATED IN PARAGRAPH THREE ABOVE; I.E. THIS PROJECT WOULD FOCUS SOLELY ON A TARGET OR STRATEGIC OBJECTIVE OF IMPROVING PUBLIC SECTOR MANAGEMENT AND EFFICIENCY. DOWN THE LINE, THE MISSION'S PROPOSED PRIVATE ENTERPRISE EFFORT WOULD FOCUS ITS TRAINING ACTIVITIES ON PRIVATE SECTOR NEEDS, WHICH WE UNDERSTAND, THE MISSION IS PLANNING TO DO ANYWAY. FURTHERMORE, SINCE THE PRIVATE SECTOR TRAINING COMPONENT OF THE PID IS NOT SCHEDULED TO BEGIN ITS MAJOR EFFORT UNTIL TWO YEARS AFTER PROJECT STARTUP, ONE WONDERS WHETHER FOCUSING ALL THE MISSION'S PRIVATE SECTOR TRAINING IN A PROJECT SCHEDULED FOR FY 91 OBLIGATION WOULD SIGNIFICANTLY REDUCE THE PACE OF TRAINING. IN ADDITION, COMBINING THE TWO ACTIVITIES IN ONE PROJECT WITH A SINGLE FOCUS WOULD SIMPLIFY MANAGEMENT. IN SUM WHILE THE ECPR SUPPORTED THE MISSION'S EMPHASIS UPON THE PRIVATE SECTOR, IT DOESN'T BELIEVE THAT IT NECESSARILY HAS TO BE INCLUDED IN THIS PROJECT.

B. CONCERNS

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(A) THE PROJECT COMMITTEE CONCLUDED THAT A COMPLETE MONITORING AND EVALUATION PLAN THAT MEETS A.I.D. GUIDANCE MUST BE DESIGNED FOR THE PROJECT PAPER. TO DO SO WILL REQUIRE FIRST THE INCLUSION OF SPECIFIC, I.E. QUANTIFIABLE AND QUALIFIABLE) INDICATORS INTO THE PROJECT LOGFRAME, AND, SECOND, DEVELOPMENT OF AN EVALUATION PLAN AND FINANCING FOR MEASURING PROGRESS INDICATORS OVER THE LIFE OF PROJECT.

(B) PER ECPR GUIDANCE, THE MISSION WILL REEXAMINE THE METHODS IT PROPOSES TO USE TO IMPLEMENT SEVERAL PROJECT ACTIVITIES I.E., EMPLOYING A SWAZI INSTITUTION TO CONDUCT PARTICIPANT TRAINING AND UTILIZING A MODIFIED I.Q.C. APPROACH TO CONTRACTING POLICY REFORM/DIALOGUE ACTIVITIES. HOWEVER, TO THE EXTENT THAT A CENTRAL U.S. CONTRACTOR IS PROPOSED TO COORDINATE PARTICIPANT TRAINING, THE MISSION DIRECTOR AGREED TO CONSIDER A PROPOSAL TO SET SUCH A CONTRACT ASIDE FOR A GRAY AMENDMENT (NOT NECESSARILY 8A) FIRM. NEW LEGISLATION (SEC. 579 B OF THE FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS ACT. 1990) APPEARS TO BE INTENDED TO FACILITATE THIS TYPE OF CONTRACTING.

(C) CONCURRENCE ON THE IEE WILL FOLLOW BY SEPTTEL.

(D) AID/W SUGGESTS THAT REFERENCES TO "MANPOWER" BE REPLACED WITH TERM SUCH AS "HUMAN RESOURCES".

(E) MISSION IS REMINDED TO INCLUDE SUFFICIENT FUNDS IN THE BUDGET FOR U.S. INCOME TAXES FOR THOSE U.S. TRAINED PARTICIPANTS WHO WILL BE REQUIRED TO PAY THEM, AND FOR ADMINISTRATIVE COSTS FOR TAXES FOR ALL PARTICIPANTS. GC GUIDANCE ON IMPLEMENTING THIS LEGISLATION IS EXPECTED TO BE ISSUED IN PRELIMINARY FORM BEFORE THE END OF FEBRUARY. EAGLEBURGER

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ANNEX B

SWAZILAND TRAINING AND INSTITUTIONAL DEVELOPMENT PROJECT
LOGICAL FRAMEWORK

GOAL	END OF PROJECT STATUS	OBJECTIVE MEANS OF VERIFICATION	ASSUMPTIONS
Strengthen Swazi direction of and participation in the economic growth process.	Localization rate for mid- and upper level managers accelerated.	Project-funded surveys, localization board statistics	Control of the development process in Swazi hands will foster broad-based development.
	Increased number of Swazis in mid and senior management positions.		GOS leadership willing to make economic and political choices necessary for continued economic growth.
	Swaziland better able to satisfy its own requirements for mid and senior level managers.		Regional political environment continues to be conducive to economic growth.

PURPOSE	END OF PROJECT STATUS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>To strengthen Swazi managerial/administrative capabilities in the private sector and in government service, and to strengthen training institutions that support private sector development.</p>	<p>1. Returned LT participants will be qualified for promotion into leadership positions in private firms & GOS ministries.</p>	<p>Impact assessment.</p>	<p>Positions commensurate with participants' new skills will be available.</p>
	<p>2. Swazi middle and upper level public & private sector managers will be using improved financial, project & personnel management practices.</p>	<p>Impact assessment.</p>	<p>The GOS continues to desire the informed participation of traditional leaders in rural development.</p>
	<p>3. Traditional leaders will actively promote policies and activities that facilitate economic development in their communities.</p>	<p>Project evaluations, media reports</p>	
	<p>4. UNISWA & SCOT will be producing more and better qualified graduates in business management & accounting.</p>	<p>Enrollment and achievement data.</p>	<p>Students will perform better given more appropriate curricula, better instruction methods, and more highly trained faculty.</p>
	<p>5. New and revised administrative policies & procedures in selected public institutions will foster private sector business expansion.</p>	<p>GOS documents, project evaluations.</p>	<p>Modest technical assistance and training can catalyze improvement delivery of public services.</p>
			<p>Political will exists to implement administrative changes.</p>

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OUTPUTS	END OF PROJECT STATUS	OBJECTIVE MEANS OF VERIFICATION	ASSUMPTIONS
<p>1. Middle and upper level public & private sector Swazi supervision & financial & project management.</p>	<p>a) Approximately 29 administrators at GOS ministries trained in U.S. institutions.</p>	<p>Project records</p>	<p>There is sufficient demand for new improved training.</p>
	<p>b) Approximately 13 private sector mid- and upper level managers trained in U.S. institutions.</p>	<p>Project records</p>	
	<p>c) 20 Swazi public sector managers will have received ST external training.</p>	<p>Project records</p>	
	<p>d) 20 Swazi private sector managers will have received ST external training.</p>	<p>Project records</p>	
<p>2. Improved degree and certificate training for managers and accountants available in Swaziland.</p>	<p>a) UNISWA B. Comm. degree program strengthened & reoriented to meet private and public sector management & accounting needs.</p>	<p>University grantee reports; evaluations; UNISWA records Private sector will actively</p>	<p>participate. It is possible to obtain the additional faculty at a reasonable cost.</p>
	<p>b) SCOT's accounting course offerings expanded to a 3-level program.</p>	<p>U.S. university grantee's reports; evaluations; SCOT records</p>	
	<p>c) Skills of 10 faculty at UNISWA B. Comm. and SCOT accounting department upgraded through U.S. academic & ST external training.</p>	<p>Project records; grantees' reports; evaluations</p>	
<p>3. Administrative procedures and practices upgraded at priority GOS ministries.</p>	<p>Administrative & management procedures in selected GOS ministries redesigned to be more responsive to private sector needs through at least 8 special in-country policy/procedure analysis activities with combined public & private sector participation.</p>	<p>Baseline data; evaluations; project records</p>	<p>It is possible to obtain temporary replacements for faculty who are away on LT training.</p>
<p>4. Traditional leaders' mgt. skills improved to facilitate economic development in their communities.</p>	<p>Approximately 1800 leaders trained in private sector development needs.</p>	<p>Project Monitoring; CD records; Project evaluations</p>	<p>Ministries & private sector can collaborate effectively to provide appropriate training.</p>

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INPUTS	END OF PROJECT STATUS	OBJECTIVE MEANS OF VERIFICATION	ASSUMPTIONS
<u>Technical Assistance</u>			
Project Management Contract:	LT TA: - 5 yrs Chief-of-Party - 3 yrs in-country training specialist to local training institutions & ministries -ST TA to ministries, CD Department & private sector (29 p.m. U.S. TA & 30 P.M. local/regional TA)	Project records	
U.S. University Business School TA to UNISWA B.Comm. Program through Cooperative Agreement:	Illustrative inputs: LT TA (2 p.y.) ST TA (9 p.y.) Faculty Exchange Travel U.S. degree training (6 p.y.) Teaching materials		
<u>Training:</u>			
LT U.S. Academic	108 person years	Project records	Qualified Swazi trainees can be identified
ST External (U.S. & Third Country)	115 person months		
In-country	- 66 weeks of in-country ST mgt. courses - 8 administrative reform activities - 120 courses for traditional leaders - 16 Weeks of TOTs for CD staff		
<u>Commodities</u>			
<u>Project Management</u> Contractor's field & home offices USAID PSC (local)	4 Computers for SCOT; 2 project vehicles; CD photocopier.		
<u>Evaluations/Audits :</u>	1 mid-term evaluation 1 final evaluation 2 audits (midterm & final)	Evaluation reports Audit reports	
<u>25% GOS & Private Sector Contribution</u> (counterpart salaries, airfares, LT TA housing, office space, POL for project vehicles, etc.)			

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5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. ⁵⁶⁹ ~~379~~(b).
 Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?

NO

2. ¹⁹⁹⁰ FAA Sec. 481(h); ~~FY 1988~~ Appropriations Act Sec. ⁵⁶⁹ ~~379~~; 1988 Drug Act Secs. 4405-07. (These provisions apply to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, narcotics education and awareness, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are

N/A

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laundered with the knowledge or complicity of the government): (a) Does the country have in place a bilateral narcotics agreement with the United States, or a multilateral narcotics agreement? and (b) Has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals agreed to in a bilateral narcotics agreement with the United States or in a multilateral agreement, to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, to prevent and punish drug profit laundering in the country, and to prevent and punish bribery and other forms of public corruption which facilitate production or shipment of illicit drugs or discourage prosecution of such acts, or that (2) the vital national interests of the United States require the provision of such assistance?

3. 1966 Drug Act Sec. 2013; 1988 Drug Act Sec. 4404. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to Congress listing such country as one (a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the

N/A

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government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

4. FAA Sec. 620(c). If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity?

NO

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

NO

6. FAA Secs. 620(a), 620(f), 620D; FY 1990 Appropriations Act Secs. 512, 513, 514. ¹⁹⁹⁰ 548
Is recipient country a Communist country? If so, has the President determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism? Will assistance be provided

NO, NO

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ANNEX C

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either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? ~~Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet controlled government of Afghanistan?~~

7. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? NO

8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC? Programs available in Swaziland. Two guarantees presently in force.

9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? NO
 (b) If so, has any deduction required by the Fishermen's Protective Act been made?
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10. FAA Sec. 620(q); FY 1989 Appropriations Act Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (a) NO
 (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1989 Appropriations Act appropriates funds? (b) NO

11. FAA Sec. 620(g). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of N/A

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Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? NO
13. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.) Swaziland U.N. obligations are fully paid or funds have been appropriated and budgeted for payment of such obligations.
14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism? NO
15. FY ~~1979~~ 1990 Appropriations Act Sec. ~~506~~ 564. Has the country been placed on the list provided for in Section 6(j) of the Export Administration Act of 1979 (currently Libya, Iran, South Yemen, Syria, Cuba, or North Korea)? NO
16. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? NO

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17. FAA Sec. 666(b). Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? NO
18. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) NO
19. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? NO
20. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.) N/A
- 1990
21. FY ~~1989~~ Appropriations Act Sec. 527. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States? NO

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22. ¹⁹⁹⁶ ~~FY 1989~~ Appropriations Act Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance? NO
23. ⁵³⁹ ~~FY 1989~~ Appropriations Act Sec. ~~540~~. Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin? YES

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

NO; NO

1990
FY 1989 Appropriations Act Sec. 535
Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

NO

2. Economic Support Fund Country Criteria

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

NO

1990
FY 1989 Appropriations Act Sec. 569
570(d). Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking?

N/A

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 523; FAA Sec. 634A. If money is sought to obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? N/A
2. FAA Sec. 611(a)(1). Prior to an obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? YES
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? No legislative action is required with the recipient country.

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- 1990
4. FAA Sec. 611(b); FY 1969 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A

 5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? N/A

 6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No; SADCC Regional Training Council will be informed of project activities, and project will complement RTC work.

 7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. (a), (b): Yes, indirectly. The project will produce a cadre of highly qualified manpower that is able to influence formulation of policies that favor growth of the private sector, and create an environment favorable to international trade. Skilled manpower raises productivity.

 8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Indirectly, an environment that favors foreign investment will be created by highly qualified GOS policy makers and a managerial cadre on the private sector. Directly, procurement of project inputs will be done primarily in the U.S.

9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The GOS is contributing 25% of the total project cost, all in local currency.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? NO
11. ¹⁹⁹⁶ FY ~~1989~~ Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N/A
12. ¹⁹⁹⁰ FY ~~1989~~ Appropriations Act Sec. ~~548~~ ⁵⁴⁷. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? NO
13. FAA Sec. 119(q)(4)-(6) & (10). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (a) NO
(b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other (b) NO

- wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas? (c) NO (d) NO
14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)? N/A
15. ¹⁹⁹⁰ FY 1989 Appropriations Act. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? N/A
16. ⁵³⁷ FY 1987 Appropriations Act Sec. 539. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? N/A
17. ¹⁹⁹⁰ FY 1989 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained? N/A
18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). The provision will be complied with to the extent practicable.

SC(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. ⁵⁶⁹ ~~872~~(b).
 Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?

NO

2. ¹⁹⁹⁰ ~~FY 1989~~ FAA Sec. 481(h); ~~FY 1989~~ Appropriations Act Sec. ⁵⁶⁹ ~~872~~; 1988 Drug Act Secs. 4405-07. (These provisions apply to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, narcotics education and awareness, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are

N/A

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laundered with the knowledge or complicity of the government): (a) Does the country have in place a bilateral narcotics agreement with the United States, or a multilateral narcotics agreement? and (b) Has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals agreed to in a bilateral narcotics agreement with the United States or in a multilateral agreement, to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, to prevent and punish drug profit laundering in the country, and to prevent and punish bribery and other forms of public corruption which facilitate production or shipment of illicit drugs or discourage prosecution of such acts, or that (2) the vital national interests of the United States require the provision of such assistance?

3. 1986 Drug Act Sec. 2013; 1988 Drug Act Sec. 4404. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to Congress listing such country as one (a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the

N/A

government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

4. FAA Sec. 620(c). If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity? NO
5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? NO
6. FAA Secs. 620(a), 620(f), 620d; FY 1990 Appropriations Act Secs. 512, 513, 514. 1990
(548)
 Is recipient country a Communist country? If so, has the President determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism? Will assistance be provided NO, NO

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either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? ~~Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet controlled government of Afghanistan?~~

7. FAA Sec. 620(i). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? NO

8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC? Programs available in Swaziland. Two guarantees presently in force.

9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? NO
(b) If so, has any deduction required by the Fishermen's Protective Act been made?
1990

10. FAA Sec. 620(q); FY 1989 Appropriations Act Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (a) NO
(b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1989 Appropriations Act appropriates funds? (b) NO

11. FAA Sec. 620(r). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of N/A

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Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

NO

13. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.)

Swaziland U.N. obligations are fully paid or funds have been appropriated and budgeted for payment of such obligations.

14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism?

NO

15. FY ~~1989~~ Appropriations Act Sec. ~~506~~⁵⁶⁴. Has the country been placed on the list provided for in Section 6(j) of the Export Administration Act of 1979 (currently Libya, Iran, South Yemen, Syria, Cuba, or North Korea)?

NO

16. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures?

NO

17. FAA Sec. 666(b). Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? NO
18. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) NO
19. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? NO
20. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.) N/A
- 1990
21. FY 1989 Appropriations Act Sec. 527. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States? NO

22. ¹⁹⁹⁶ ~~FY 1989~~ Appropriations Act Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance? NO
23. ^{§39} ~~FY 1989~~ Appropriations Act Sec. ~~510~~. Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin? YES

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B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

NO; NO

1990
FY 1989 Appropriations Act Sec. 535
Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No

2. Economic Support Fund Country Criteria

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

NO

1990
FY 1989 Appropriations Act Sec. 569
578(d). Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking?

N/A

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

- 1990
1. FY 1989 Appropriations Act Sec. 523; FAA Sec. 634A. If money is sought to obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? N/A
 2. FAA Sec. 611(a)(1). Prior to an obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? YES
 3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? No legislative action is required with the recipient country.

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4. FAA Sec. 611(b); FY 1989 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A

 5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? N/A

 6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No; SADCC Regional Training Council will be informed of project activities, and project will complement RTC work.

 7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. (a), (b): Yes, indirectly. The project will produce a cadre of highly qualified manpower that is able to influence formulation of policies that favor growth of the private sector, and create an environment favorable to international trade. Skilled manpower raises productivity.

 8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Indirectly, an environment that favors foreign investment will be created by highly qualified GOS policy makers and a managerial cadre on the private sector. Directly, procurement of project inputs will be done primarily in the U.S.

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9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The GOS is contributing 25% of the total project cost, all in local currency.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? NO
11. ¹⁹⁹⁶ ~~FY 1989~~ Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N/A
12. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 549. ⁵⁴⁷ Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? NO
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other (a) NO
(b) NO

wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas? (c) NO (d) NO

14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?

N/A

15. ¹⁹⁹⁰FY 1989 Appropriations Act. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

N/A

16. ⁵³⁷FY 1989 Appropriations Act Sec. 530. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

N/A

17. ¹⁹⁹⁰FY 1989 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained?

N/A

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

The provision will be complied with to the extent practicable.

19. FY 1990 Appropriations Act Sec. 533d.
N/A Are at least 10% of the resources allocated for
No forestry activities devoted to the preservation and
restoration of natural forests? Are the funds made
available for biological diversity activities?
20. FY 1990 Appropriations Act Sec. 534.
No Are the funds used for tropical forestry assistance
or energy assistance in support of the Global
Warming Initiative?
21. FY 1990 Appropriations Act Sec. 582.
No Are any of the funds provided in exchange for a
foreign government or person undertaking any action
which is, if carried out by the USG, a U.S. official
or employee, expressly prohibited by a provision of
U.S. law?
22. FY 1990 Appropriations Act Sec. 592.
N/A If local currencies are generated as a result of
the assistance, are such local currencies deposited
in a separate account, pursuant to agreement for
the deposit, use, monitoring of and accounting for
those local currencies consistent with the
requirements of Sec. 592?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

- 1990 546
- a. FY 1989 Appropriations Act Sec. 508
(as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?
- (a) (i) N/A
(ii) N/A
- b. FAA Secs. 102(b), 111, 113, 201(a). Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental
- (b) (i) The traditional leadership training component of the project strengthens participation of the rural traditional communities, comprising of mostly the poor, in development activities;
- (ii) it encourages establishment of rural development committees.
- (iii) Strengthening government administration and training institutions, improves the country's ability to train and operate with its own manpower.
- (iv) At least 35% of all training will be for women. More women managers will improve women's status

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institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

(v) Project activities will complement those of the SADCC Regional Training Council, and regional training institutions will be used to the maximum extent practicable.

- c. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1989, APPROPRIATIONS ACT (Development Fund for Africa). Does the project fit the criteria for the source of funds (functional account) being used? YES
- d. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? N/A
- e. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? YES
- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? The project attempts to increase institutional capabilities of GOS, private sector and the traditional sector. The inclusion of a training component for traditional leaders helps balance what might otherwise appear to be a concentration of project resources in the modern sector.

- g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.
- The project recognises the country's needs which are the shortage of skilled manpower to direct and participate in economic development. It improves the quality of managerial and administrative skills in both the private and public sector. Strengthen tertiary institutions that teach professional and managerial skills.
- 1990
- h. FY ~~1997~~ Appropriations Act Sec. ~~536~~ ⁵³⁵. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?
- NO
- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?
- NO
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?
- NO
- 1990
- i. FY ~~1997~~ Appropriations Act. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization?
- NO
- If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services?
- N/A

- j. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
1970 Sec. 579 YES
- k. FY 1997 Appropriations Act, Title 109. ~~portion~~ of the funds ~~will~~ be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?
Yes, the prime contract will be limited to small disadvantaged enterprises in the U.S., and some participants will be sent to NBCVs.
- l. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded by helping to increase
- Yes. The assistance is not directed at conservation and management of tropical forests, and Swaziland has no tropical forests.

production on lands already cleared or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) utilize the resources and abilities of all relevant U.S. government agencies?

- m. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project (a) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A

- n. FAA Sec. 118(c)(14). Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas? NO
- o. FAA Sec. 118(c)(15). Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development? NO
- 1990
- P. FY 1990 Appropriations Act. If assistance will come from the Sub-Saharan Africa DA account, is it (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) being provided in accordance with the policies contained in section 102 of the FAA; (a) YES (b) YES

(c) being provided, when consistent with the objectives of such assistance, through African, United States and other FVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (e) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

(c) NO

(d) Yes, to support reforms in public administration and finances to establish a favorable environment for enterprises and self-sustaining development.

(e) N/A

1990

9 FY 1989 Appropriations Act Sec. 515.
If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same general region as originally obligated, and have the Appropriations Committees of both Houses of Congress been properly notified?

N/A

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

N/A

c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

N/A

3. Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? N/A
- b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes? N/A
- c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. PROCUREMENT

- | | |
|---|--|
| 1. <u>FAA Sec. 602(a)</u> . Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? | Yes, the prime contract will be limited to small disadvantaged enterprises in the U.S. |
| 2. <u>FAA Sec. 604(a)</u> . Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? | YES |
| 3. <u>FAA Sec. 604(d)</u> . If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? | N/A |
| 4. <u>FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a)</u> . If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) | N/A |

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) N/A
6. FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? NO
7. FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? N/A
8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? YES
9. FY 1969 Appropriations Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? YES

1990

10. FY 1987 Appropriations Act Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? YES

B. CONSTRUCTION

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP), or does assistance have the express approval of Congress? N/A

C. OTHER RESTRICTIONS

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? YES
4. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f); FY ¹⁹⁹⁰~~1987~~ Appropriations Act Secs. 525, ⁵³⁵~~536~~
- (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (a) (1) YES
- (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (2) YES
- (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (3) YES
- (4) to lobby for abortion? (4) YES
- b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? YES
- c. FAA Sec. 620(g). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? YES
- d. FAA Sec. 660. To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? YES
- e. FAA Sec. 662. For CIA activities? YES

- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? YES
- g. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? YES
- h. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 505. To pay U.N. assessments, arrearages or dues? YES
- i. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? YES
- j. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 510. To finance the export of nuclear equipment, fuel, or technology? YES
- k. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? YES
- l. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 516; State Authorization Sec. 109. To be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? YES
5. ¹⁹⁹⁰ ~~FY 1989~~ Appropriations Act Sec. 574. Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? YES



SWAZILAND GOVERNMENT

Department of Economic
Planning and Statistics,
P.O. Box 602,
MBABANE,
Swaziland.

May 30, 1990

Ref: ECO/15 '2 16 Vol XI

The Director,
USAID,
P.O. Box 750,
MBABANE.

Dear Mr. K. Carlson,

SWAZILAND TRAINING AND INSTITUTIONAL DEVELOPMENT
PROJECT

The purpose of this letter is to request the United States Government through the Agency for International Development and the United States Peace Corps to assist the Government of Swaziland in its efforts to strengthen the direction of and Swazi participation in the process of economic growth.

Specifically, we would like to request \$10000 000 for the Swaziland Training and Institutional Development project over five years. The Government of Swaziland will provide the equivalent of at least \$3 340 000 as its (25%) contribution to the cost of the project. This project will help to improve middle level management skills and strengthen several training institutions.

We appreciate your continuing assistance and look forward to a valuable educational collaboration.

Yours sincerely

Mkhonza
M.P. MKHONZA

for:

PRINCIPAL SECRETARY

ANNEX E.1 TECHNICAL ANALYSESA. Estimates of Demand for and Supply of Trained
Administrative/Management Personnel in Swaziland

In 1986, the Kingdom of Swaziland, about the size of the State of New Jersey, had a total population of 681,059 persons residing within its borders. Another 31,072 Swazis were recorded as living outside the Kingdom (the combined total was 712,131). If the 1986 calculation of 3.3% per annum growth rate has continued, the overall population inside Swaziland could reach 775,000 by the end of 1990 (GOS, Census, 1986).

The nation's demographic profile shows that 46 percent of the population is age 14 and younger. Females in Swaziland comprised 52.8% of the population. Swazi men working outside the Kingdom generally expect to return and most leave their families in Swaziland. The 1986 resident non-Swazi population totaled 19,413, or 2.9 percent of the total population. 10.3 percent were under the age of 20, suggesting that expatriates tend to be mature, working persons.

a. Overall Employment in Swaziland

In 1986, the Swaziland Government, with assistance from the International Labor Organization, conducted a national manpower survey (GOS, Manpower, 1986). Upon some reexamination of the calculations, the Central Statistical Office of the Government issued a revision of some of the numbers and added estimates for 1987 (GOS, Employment, 1987). Both publications noted a substantial non-formal economic sector and stated that their employment figures probably underestimated that group. (Capricorn, 1989, listed these at about 275,000.)

Table F.1.1: Employment by Economic Sector: 1981 - 1987

Sector	1981	1982	1983	1984	1985	1986	1987
Formal							
Private	57243	54775	54327	53605	50533	52970	58313
Public	22496	22582	24245	23792	22351	23435	24431
Other							
Proprietors	756	867	1197	1116	1296	1139	1241
Unpaid family	431	540	597	557	377	397	509
Small traders	2200	2300	2400	2500	2600	2700	2800
Homesteads	7496	7706	7945	8191	8445	8707	8977
Total	90622	88770	90711	89761	85602	89348	96271

Source: GOS Central Statistics Office, 1987.

Both publications chronicled rises and falls in employment during the middle of the present decade with formal employment declining from 1981, varying considerably for the next three years, and then rising to a new high in 1987. Public sector employment tended to vary less than in the private sector. Perhaps in compensation, small business, self employed, and homestead activity increased at a generally steady rate during the period. (Table F.1.1)

Official estimates of employment have not been issued for any later year. The USAID/Swaziland CDSS, utilizing Central Statistics Office estimates, placed the 1988 figure for all employment at 101,000 with 88,000 in the formal sector which was listed at 82,774 in 1987. The economy has continued to grow since then, perhaps averaging 8% per year with continued growth in the number of business establishments. It is expected that employment has risen concomitantly during the period although doubtfully at a rate that would accommodate the 3,500 new entrants into the labor market each year. Total employment may have risen to 104,000 by the end of 1989 (USAID/S, CDSS).

b. Professional Employment

The focus of the STRIDE project is on the administrative and management positions in the private and public sectors. The demand tables show that these are the areas of critical shortages. This necessarily includes some professional, technical, and scientific personnel who work in management and administrative jobs (e.g., department/section heads, leaders of technical groups, etc.).

The project focus is further narrowed to those skills necessary to foster economic growth in Swaziland in keeping with the mission strategy. Addressing the critical skills shortages will enhance private sector growth directly and reduce inefficiencies in the public sector. The project will be concerned exclusively with Swazis in or for these positions. Although the project's main emphasis is on administrative and managerial positions, the several manpower studies point out that some of the persons listed in the professional/technical category are, in fact, administrators; they do not, however, break those out separately thus Table F.1.2 provides the figures for both.

The usual methodology for calculating manpower projections is to use known trends, in this case, 1982-1987, increasing by the average change for the known period. A straight line projection for 1997 produced the numbers listed under best in Table F.1.2. The very rapid growth of the economy of Swaziland as a whole since 1987 (chiefly improved prices for exports) plus the increased number of business and industrial establishments in 1988 and 1989 did not produce a straight line trend; non-Swazi employment has increased according to the partial figures furnished. Sources suggest two reasons for the variations in professional and technical employment: (1) some vacancies could

not be filled by Swazis; (2) some of the new establishments were transfers from other places in Southern Africa and by preference, they brought in their expatriate personnel. Since remediation of either of these factors is likely to take time, a half projection also is provided to account for such eventualities.

Table F.1.2: Professional/Technical and Administrative/Managerial Additions in the Private and Public Sectors: 1982 - 1987 and Estimates for 1997

Sector/Type/Citizenship	1982	1987	1997*	
			High	Half
Private Sector				
Professional/Technical				
Swazi	915	1018	1224	1121
Non-Swazi	658	624	556	607
Administrative/Managerial				
Swazi	904	1252	1948	1600
Non-Swazi	710	567	281	424
Public Sector				
Professional/Technical				
Swazi	6010	7234	9682	8458
Non-Swazi	604	555	457	506
Administrative/Managerial				
Swazi	826	1094	1630	1362
Non-Swazi	108	35	**0	**0

* High assumes that the 1982-1987 trend (which already takes migration into account) will continue; half assumes that some factors will mitigate against the trend. High and half for 1997 refer to change, increases in demand.

** In theory, approximately zero; reality suggests that some will exist.

Sources: Information was utilized from all three of the previously cited manpower studies.

A third factor playing a role in Swazi employment is the substitution of some Swazis by expatriate personnel while Swazis are in training. This mechanism is documented in both the USAID and British High Commission training programs. Even though the expatriate replacements are temporary, they have an effect on the projection of trends as an intermediate step.

It is important to recognize the relationship between professional/technical and administrative/managerial needs. Many administrative/managerial posts in both the private and the

public sectors are filled by the promotion of some of the professional and technical staff members. In other words, a high proportion of administrative slots are not filled with "professional managers" but rather are drawn from existing specialized, technical personnel. This is especially true for fields such as agriculture, forestry, engineering, and the service industries such as banking. This indicates that many professional and technical officers may need managerial instruction if they are to function at their best in managerial roles. Short term specialized classes usually fill this need.

The results from Table F.1.2 suggest the range of demand during the ten year period. Under the high scenario, 2,654 professionals and technical posts are likely to be available; 1,237 under the half projection. The number of administrators and managers required sums to 1,232 as the highest probable figure and 616 for the lower calculation. Thus by 1997, there will be a shortage of nearly 1950 managers and other executives.

There are some anomalies between earlier demand projections and information received during the interviews. A glaring example is in accounting where a backlog of about 400 vacancies is reported. It was suggested that the rapidly growing economy, particularly in the banking and insurance services, has created many more posts than anticipated a few years ago.

Several exogenous conditions will affect the actual number of posts available. The migration of skilled persons (braindrain) to neighboring countries is one such factor. Although current trends in migration have been taken into account in the Central Statistics Office projections (from the permits for establishments and employees) there is anecdotal evidence of an acceleration in braindrain. Continued or further erosion in the differentials between local salaries (especially public sector) and those paid in nearby countries could result in further deterioration. Similarly, GOS actions to hasten investment could enter into the equation.

Other factors that could modify the numbers for either type of projection include how vigorously the Government of Swaziland pursues localization. Application of a very vigorous localization effort, however, could cause some businesses to locate elsewhere. If conditions become more favorable for investment and business in the Republic of South Africa (e.g., total removal of sanctions), some companies now in Swaziland might relocate there. This is particularly likely for the so-called "shell" companies residing in Swaziland because of the sanctions imposed on the Republic. The amount of these deviations from the projections cannot be foretold but these factors suggest the need for some caution about the effects of training programs.

c. Projected Personnel Supplies

The supply side of the equation is generally easy to calculate and estimate from present and future enrollments in Swazi and foreign training institutions. These depend, of course, on continuation of programs, the expansions/additions planned for the future, and continued student performance at the rate experienced in the past.

There are, of course, some caveats. Scholarships are important for giving access to both domestic and the foreign educational programs. Even though donors finance a large part of the training costs, the GOS incurs high expenditures for domestic education at the certificate, diploma, and degree levels, and expends sizable sums for overseas scholarships. This is not anticipated during the period of time contemplated for the STRIDE project. Donors, especially UK and the US, have made commitments on training enrollments through 1995 and will assure that trainees have an opportunity to complete programs begun by that time.

1. Size of Supply

The University of Swaziland (UNISWA) and the Swaziland College of Technology (SCOT), have projected some increases in enrollment and a few additions to their programs. None of these is as yet in place and varying lengths of time will be required to bring them into operation. The institutional projections were accepted, however, but some time slippage may occur and the number of students completing programs could be fewer than indicated.

The Swaziland College of Technology (SCOT) began its AAT Level 3 accounting instruction last year and the first class is waiting their examination scores. SCOT is preparing to offer Level 3 of the ATT. It anticipates that the combined daytime and night offerings will increase enrollment about 50% as well as offer a superior accounting education. Level 3 diplomas will not be awarded for at least 3 years.

The University of Swaziland (UNISWA) anticipates two additional teaching positions in the next budget. This will allow a modest increase in enrollment in the diploma and BA programs (the staff is over burdened at this time). The university also began a management track in the Department of Accounting and Business Studies last year. Two students have graduated in this specialty, 4 are enrolled in the fourth year and 9 are in the third year (the first two years are common to the accounting and management tracks). UNISWA expects the number of students in the management track to double by 1997, however, growth will be slow while staff members are still away in training.

Table F.1.3: Summary of Swazis Trained, in Training, and Planned by Study Level for 1988 - 1997*

Level	Trained (88-89)	In Training (90-92)	Planned (90-97)	Total
Certificate	326	428	653	1407
Diploma/Tech	218	192	864	1274
Bachelor degree	237	242	902	1381
Masters degree	21	17	18	56
Doctorate	2	4	5	11
Total**	804	883	2442	4129

* In training assumes completion/graduation; planned assumes that domestic and foreign programs continue as described but uncertainties as to level make the planned numbers only approximate.

** Because of the variance in subject matter and the levels, the totals give only general indications, not specifics; e.g., many accounting certificate students continue into diploma training thus the certificate numbers were divided in half for them.

Sources: Recalculations from STRIDE PID based on interview data/information.

While these numbers appear impressive, it is important to note that the largest group will be teachers. Recent teacher shortages and the burgeoning growth of the population suggest that those numbers, roughly one-fourth of the trainees, will be placed. Lower levels of technicians (certificate and diploma holders - about 35% of the total) will fill and remain in entry level positions, except for a few who rise to supervisory jobs.

Table F.1.4 is a subset of Table F.1.3 that narrows the supply to the fields declared by informants as vital to economic growth of Swaziland. It includes those students to be trained by USAID and by other donors. The supply, even with the concentrated efforts of local institutions and donors, is not large.

Explicitly problematic is the relatively low number of planned post graduate degree holders. A review of the university faculty shows a need for many more. Private sector informants were adamant that a high quality faculty is indispensable to improved preparation of accountants and managers.

Table F.1.4: Projected Supplies of Trained Middle and Upper Level Administrative/Management/Finance Personnel: 1988 - 1997*

Field	Upper Diploma	BA/BS	MA/MS	PhD
Accounting	440	336	7	1
Management	2	80	0	3
Finance	8	5	6	1
Other admin**	11	8	10	5
Public Admin.***	0	107	1	1
Totals	461	519	24	11

* Assumes the institutions and donors continue with planned training.

** Includes professionals in training for specific administration (education, health, agriculture, engineering, science) but excludes non-specific possibilities such as those that might enter university, college, or ministry administration from professional and scientific studies.

*** Public administration graduates are prepared in the UNISWA Department of Political Science and Public Administration; 33 graduated in 1988 but only 5 in 1989 - present annual enrollments average to about 9.

Sources: UNISWA, SCOT, British High Commission, and USAID/S data and estimates.

One problem is that some required fields, such as finance and management, receive little emphasis. Similarly, the certificate and lower level diploma in accounting and business, which seldom lead to managerial posts, have been offered to large numbers of students. The addition of AAT Level 3 at SCOT, plus those already available through UNISWA and in other countries, should contribute to the supply of appropriately trained Swazis.

2. Losses from the Supply

Salaries in Swaziland, especially in the public sector, are lower than in some neighboring countries. The disparity causes some losses to the trained manpower available. While the exact numbers are not known, anecdotal accounts suggest that these losses primarily affect the professional and technical ranks: doctors, nurses, teachers and scientists. Some losses also occur in accounting, particularly among those persons who hold the professional certificate.

Recent losses appear especially serious because the total professional and administrative pool is relatively small, and therefore important to Swaziland. However a recent tracer study of USAID trainees found that less than 10 percent of the Swazis that have completed long term USAID during the last 20 years have migrated to other countries. This demonstrates a desire and commitment by many Swazis to invest their skills at home.

3. Personnel Quality

There is a general agreement among informants that many persons holding managerial and administrative posts in the Government of Swaziland need additional training. While hard data are not yet available, general expressions on quality include the following problems:

Persons with low level training who show promise and need to upgrade their skills.

Persons who have been promoted to more specialized positions for which they have not been trained.

Persons occupying posts in which the tasks have changed or are in the process of changing (computerization is a prime example).

Some of these persons attend short courses at SIMPA or other institutions either through full day release or evening and weekend courses. The quality of that training was questioned by some informants.

In addition to these indications of quality, two recent studies look at the issue. The first (CIPFA, 1989), done with the Ministry of Finance, examines the availability of accountants by SIMPA, UNISWA, and SCOT. The study recommends:

- 1) The institutions should strengthen the preparation of the students.
- 2) The institutions should prepare personnel in specializations needed in Swaziland: tax accounting, auditing, and cost accounting.
- 3) SCOT should add AAT Level 3 to its program as soon as possible.
- 4) All of the graduates should begin preparation to take the advanced examinations for accounting technician and chartered accountant.

The Swaziland Institute of Accountants (SIA) has self study manuals, audio visuals, and other materials to help accountants prepare for these examinations. "Many" were said to be in that process. SAI reported that the SCOT graduates have done extremely well on AAT Level 1 and that the first group of Level 2 also is expected to do well. UNISWA graduates also have done well. Few SIMPA students have completed the courses and no examination record was available on them.

The second study (Tyobeka, 1989) interviewed a sample of SCOT and at UNISWA graduates and their employers (all of these were accounting majors). The study found that a majority of SCOT (66%) and UNISWA (70%) considered their training relevant to their first job. Apparently the broader training of the university was felt to have prepared those graduates for more than the lower level positions.

The positions held by the university accounting graduates varied according to qualification: entry level for certificate holders, somewhat higher for diplomats, and still higher for degree holders. Employer suggested that UNISWA should offer its students a more specialized curriculum (tax and banking were emphasized), greater practical application, and management training.

It is important to recognize that neither study separated the certificate, diploma, and BA. Barclay's Bank, for example, stated that those were "far superior" for broader accounting applications and that they had, in the past, merited promotion in less time than diploma holders in general. The Ministry of Health controller stated that experience had shown that only the BA graduates did well in the financial management levels.

There are other indications of quality of the graduates of these institutions. SCOT graduates from AAT Level 1 often take some time before they are placed but all of them eventually find jobs. In 1988 and 1989, all of the UNISWA accounting majors were placed in less than 4 months after graduation. Many were hired during Career Day, held some time before the results of the examinations were known.

UNISWA B.Com graduates were most commonly employed by banks: Barclay's Bank and the Central Bank took just over 60% of the 1989 class. Barclay's reported that they were generally satisfied with the graduates and that they would add other skills as the employee showed aptitude for advancement.

Despite these expressions of quality, there have been some generally negative anecdotal feedback. Although no interviewed employer so stated, it was reported that "some employers" are very dissatisfied with both SCOT and UNISWA graduates. The second hand information said that these employers felt that the students "lacked discipline," "did not know enough," and "lacked specialization." An interviewed auditing firm stated that the UNISWA graduates were "not prepared for the long experience necessary for upward mobility in the profession of accounting." They noted that some graduates had stayed only a year or so and then changed to other jobs. The Tyobeka study found graduates were least satisfied working for accounting firms.

There was little information on the public administration graduates except that they were all placed in 1988 and 1989. They were said to have found employment in the public (80%), parastatal (8%), and private (12%) sectors.

In summary, there is no doubt that both SCOT and UNISWA need to improve their educational programs. While there will always be some students that are less well trained than others, the student and employer satisfaction ratings for the training are lower than would be expected. Both institutions should offer greater specialization. The general preparation now being offered does not meet the needs of employers. Unless this is remedied, dissatisfaction is likely to grow.

d. Demand versus Supply

Utilizing the most conservative estimates for demand (private and public) and supply, the ten year period (1988-1997) is detailed in Table F.1.5 for administrative and managerial positions available at the end of the project and the supplies likely to be engendered. Were the more optimistic demand figures used, the discrepancy between demand and supply would be even higher.

Table F.1.5: Calculated and Estimated Demand and Supply for Administration - Management by 1997 and Shortage

Sector	Demand	Supply	Unfilled
Private	1600		
Public	1362		
Total	2962	1015	1947

The shortfall of 1947 (Table F.1.5) trained persons to fill the management and administrative posts appears enormous. However, that many posts will not remain vacant. A prime source for filling these in some public and private sector establishments will be the professionals and technicians that rise to administrative posts "through the ranks." Those cannot be quantified except for the few shown in Table F.1.4 that are being trained in specialization study programs. Also, some administrative posts will be filled by promotions from lower, trained management personnel, creating lower level vacancies that may then be occupied by diploma graduates.

There are possible circumstances that could improve this deficiency picture. If SCOT, for example, were to institute its AAT Level 3 earlier than projected, additional accounting technicians would become available. Should UNISWA increase the number of teaching positions in the Department of Accounting and Business Studies, more students could be graduated.

These analyses show that long term participant training and institutional strengthening of SCOT and UNISWA will contribute measurably to the supply of managerial personnel. If these institutions were not in place, the shortfall would be much greater than projected and inefficiencies in government and increases in the expatriate personnel in both government and the private sector could be expected to grow.

B. Institutional Analysis

In-Country Training Institutions' Capability

There are six major training institutions in Swaziland that train in management and business studies. While there are other training institutions in Swaziland [e.g. Small Enterprise Development Company (SEDCO)], the institutions analyzed in this section offer the programs most relevant to the economy's need for mid and senior level managers. Each institution is analyzed in terms of (1) suitability for providing in-country training and (2) need for institutional strengthening. First, capability is described vis-a-vis experience in delivering in-country training, and then each institution's needs are assessed relative to enhancing permanent capability for quality manpower training and skills development in Swaziland.

All of the training institutions discussed here provide instruction in the broad areas of management and skills training, although each differs in scope, and the technical content of its particular course offerings.

I. Providers of Management/Administrative Training in Swaziland

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

1. Description

DEMS programs focus on adult education, its faculty has some experience working with USAID to train community development workers. Training is provided to both public and private sector entities. For example, DEMS recently developed a program for Swaziland Railways on customer relations and written communication skills.

DEMS works mainly in study centers, usually high schools located in each region. DEMS does not have access to its own classrooms, although it offers residential training when the university is out of session. DEMS conducts needs assessments and develops specific programs based on the client's objectives and requirements. Training is provided in a variety of subjects geared toward middle level managers on such themes as motivation, assertiveness training, planning, supervision, leadership, etc.

2. Capability

DEMS is constrained by lack of physical facilities, a faculty not fully staffed (two of the seven faculty members are away on training), and organizational

problems. DEMS wishes to establish a degree program, and is taking steps in that direction. DEMS recruits part time lecturers from the university, private sector, and the GOS.

3. Quality

DEMS provides good quality training, evidenced by continuing requests from clients in the public sector and, to a lesser degree, from the private sector.

4. Conclusion

DEMS resources, facilities and faculty are too limited to be considered as a major source for in-country training of participants under this project. It also lacks adequate training materials and equipment.

B. Swaziland Institute of Management and Public Administration (SIMPA)

1. Description

SIMPA, the main training arm of the GOS, has a broad mandate to provide training to government institutions. Some training has been provided for the private sector.

SIMPA offers courses in general management, public administration, personnel policies, industrial relations, financial management and management information systems. SIMPA would like to have greater autonomy to allow it flexibility to recruit staff, independent from restrictions imposed by the Civil Service Board. In addition, autonomy would permit SIMPA wider latitude to identify and develop specialized curricula, employ part time faculty, and strengthen its course offerings.

2. Capability

SIMPA has eleven full time faculty positions; all but one are currently filled. (The vacant position is assigned

to a faculty member who is absent on long term leave for an MBA.) Three of the faculty need advanced degrees. When there is a requirement for a specialist technical trainer, the Director of SIMPA tries to recruit faculty from the university.

The shortage of faculty, compared to SIMPA's mandate and training workload, poses a constraint similar to those of other training institutions. SIMPA conducted a government-wide training needs assessment in 1986, but could not adequately respond to the needs identified, because of faculty shortages.

SIMPA primarily provides training to the civil service and parastatals, not to the private sector (e.g. only one course in industrial relations was requested by hotels, and a few MIS courses were provided for the private sector.) About 1,500 participants are trained annually, but this volume of training is somewhat misleading, as courses vary from one day to eight months in duration. Most training addresses mid-level needs.

SIMPA could deliver a wide range of training, but it would need additional staff and greater institutional autonomy. An in-depth examination of current training load and capacity would be required in order to design a support package. For example, residential training at SIMPA is probably not suitable for high level officials, because quarters are limited, requiring the doubling up of participants. Further, SIMPA has no profile of its existing clients' job levels and skills. Its course offerings overlap with IDM offerings.

3. Quality

Judging by demand, the quality of SIMPA training is fair to good for short term courses. This judgment is anecdotal, however, as there is no formal evaluation of SIMPA's training across the wide spectrum of courses it offers. More information on the strengths and weaknesses of SIMPA's activities would be necessary for comparative analysis.

4. Conclusions

The organizational structure of SIMPA within the GOS, along with faculty shortages in some areas, pose some constraints on this potential source of short term in-country training.

D. Institute of Development Management (IDM)

1. Description

IDM was established in 1974 to provide training for middle and senior level managers and administrators in

all parts of the civil service, parastatal organizations and the private sector in Botswana, Lesotho, and Swaziland. It bridges the gap that exists between academic training and the work environment. IDM is an autonomous self-governing body registered as a private company. The Swaziland branch of IDM is located next to SIMPA, with which it shares a common campus.

IDM's principal course offerings include (but are not limited to) general management theory and practice, financial management, public administration, planning, organizational development, economics, accounting (both basic and advanced), and statistics. IDM offers over 100 specific courses during a typical year. IDM Swaziland draws faculty and resources from the IDM Lesotho branch and the IDM regional headquarters located in Botswana, when necessary. Although IDM is a regional institution, IDM Swaziland's highest priority is to respond to Swaziland training requests. All seven faculty positions are staffed by Swazi nationals.

2. Capability

IDM has the professional capability to provide short term training across a broad spectrum of management and technical themes. IDM Swaziland develops annual training programs in response to various requests for training from government ministries and departments, private companies, and industry. Training includes regularly offered classes and tailor-made courses, seminars, or workshops. Certificates are awarded to participants who successfully complete training. In preparing tailor-made training, IDM conducts a needs assessment, analyzes its faculty resources, draws upon a pool of consultants and other IDM faculty as needed, and designs the course. The cost of training, including tuition and lodging, appears reasonable. The IDM annual budget is currently around Emalangenzi 750,000.

The principal drawback to using IDM for project-funded training is its lack of facilities. IDM has only one classroom which accommodates 36 trainees. Otherwise, it rents facilities from SIMPA when available. In addition, IDM's current schedule is full, although its workload varies from year to year. In 1989, IDM's workload dropped somewhat, but the volume of training requests recovered in 1990.

While IDM offers numerous resources for short term in-country training, it would be necessary to resolve constraints on facilities and ensure the availability of faculty support on a continuing basis. Its mandate also overlaps with that of SIMPA, which could cause jurisdictional problems.

3. Quality

Confidence in the quality and appropriateness of IDM's training has grown over the years.. The range and relevance of its course offerings are impressive in terms of meeting both private and public sector needs.

4. Conclusions

IDM represents a potentially sound source for relevant short term in-country training under STRIDE.

F. Mananga Agricultural Management Center (MAMC)

1. Description

MAMC was founded in 1972 by the Commonwealth Development Corporation (CDC) [an arm of the Overseas Development Association (ODA)], to train project managers for CDC's investment projects. In 1987, CDC spun off MAMC and incorporated it under the laws of Swaziland, but MAMC is still a wholly-owned subsidiary of CDC. MAMC's status as a Swazi corporation has opened up opportunities for wide donor support (e.g. through the European Economic Community's manpower development program).

MAMC provides training for clients in the public and private sectors, parastatal organizations, insurance companies, and development banks. MAMC's aggressive marketing and outreach program develops tailor-made courses in leadership and supervision for upper level managers. Course offerings include (but are not limited to) agricultural marketing, rural credit, and farm management. MAMC also trains trainers for the Southern Africa Development Coordinating Council (SADCC) and provides specialized courses in banking for B. Comm. graduates. Trainees generally have high educational levels, e.g. a three year Diploma or Bachelor's degree. Participants with both lower and higher educational levels (i.e. a two year certificate, MA, or Ph.D. degree) also participate in MAMC courses.

2: Capability

MAMC is regarded as one of the strongest training institutions in Swaziland. Its eight fulltime faculty members are all expatriates (one American, two British, two Ghanaian, one Nigerian, one Malawian and one Zimbabwean). The Registrar of MAMC is a Swazi, and there are plans to establish positions for senior Swazi lecturers. MAMC often uses consultants, and recruits some of them locally.

MAMC conducts both on-campus residential and off-site tailor-made courses. It responds to a wide range of training requests, particularly in the private sector, including small business and entrepreneurial training. MAMC makes extensive use of consultants to provide outside enrichment. At capacity, it can train 35 participants at a time, and residential accommodations are suitable for high level officials. A drawback is that Mananga is very isolated geographically (a 2 hour drive from the capital).

3. Quality

MAMC runs a high quality program that is respected by the private and public sectors, and other regional manpower development programs. Its pedagogical methods are highly participatory, inter-active and goal-oriented.

4. Conclusions

MAMC is probably the most qualified and effective management training institution in Swaziland. It has modern equipment, is well equipped, and can cater to high level clientele. It is an excellent source of in-country training. However, there are constraints to using MAMC to implement STRIDE training. It is operating at full capacity, and has more of a regional than Swaziland orientation. Its location is isolated, and its facilities will only accommodate 35 participants.

II. INSTITUTIONAL STRENGTHENING

There is a crucial need to strengthen Swazi institutions of higher learning to meet the long term need for cost-effective local management and accounting training. SCOT and UNISWA have the potential to meet public and private sector requirements for training skilled financial and general managers.

A. University of Swaziland (UNISWA) Department of Accounting and Business, Faculty of Social Science

1. Description

The Bachelor of Accounting and Business (commonly called B. Comm.) at UNISWA provides a four year degree in accountancy and business studies. The program also offers: (1) a two year part-time diploma program in the fundamentals of business and commerce; and (2) an introductory certificate level program in accountancy, which primarily teaches basic bookkeeping to prepare students for more advanced accounting studies. At present, the bachelor's of science is the University's highest degree. Eventually it would like to offer a master's degree in business administration.

2. Capability

a. Certificate and Diploma in Accounting

The department has a large number of students enrolled in these programs. The diploma training is similar to the Associate of Arts degree in many US universities. The programs offer only the minimum of general instruction to the students: English, mathematics, and an understanding of government. It does give several business orientation courses in addition to the concentration on accounting and offers some beginning specialization skills. After the one year certificate studies, a student may elect to go to work as a bookkeeper. Most students who pass the certificate examinations with high enough scores enter the diploma program.

Students who are successful in the certificate and diploma programs (AAT Levels I and II) are sought after for jobs. The examinations are set in the United Kingdom, invigilated in Swaziland by the Swaziland Institute of Accountancy and marked in London.

The certificate and diploma programs in UNISWA and SCOT are nearly identical. Both groups of students take the same examinations. A few graduates of either institution, if they have very high grades, can enter the UNISWA B. Comm. program.

b. The B. Comm. in Accounting

The accounting baccalaureate has a strong set of course offerings: the usual introductory courses in business, management, and accounting plus at least two levels each of cost, financial, and audit accounting. Data processing, analysis, forecasting, and business law are added. Most of the courses, as well as those in the diploma program, are taught by 4 lecturers, all with an MA. The BA equivalence in the UK AAT levels is sometimes described as Level II and sometimes III. Most BA students pass Level II examinations with little difficulty and a few have passed Level III. The general university examination results over the last several years have averaged about 20% second class pass, 70% pass, and 10% fail on the first try. The exact rate in the AAT tests was not available, but was described as "mostly pass."

An examination of the courses and their short descriptions finds the program similar to those offered, for example, in Leeds University in the UK (the British system of accounting is used in Swaziland) or Texas A&M University in the U.S. Two major differences can be seen: (1) the lack of a strong course in practical

economics and (2) more actual time spent in accounting courses in UNISWA as compared to business courses in the other two universities. Further exploration would be necessary for definitive comparisons, but it also appears that UNISWA places less emphasis on the use of computers. The comments of the employers of UNISWA graduate accountants bear out these weaknesses. They complain that graduates lack the orientation and technical training needed to operate broadly in the field. Also, no banking course is offered. Since the banking system is the primary employer of the B. Comm. graduates in accounting, this appears to be a serious deficiency.

Another weakness is the teaching methodologies. In part this is due to the content of the texts and exercises (very brief and too general), in part to the few reference holdings in the library, and because the students do not have sufficient access to computers. The combination results in lectures and hand written exercises, insufficient for the pedagogical requirements.

c. The B. Comm. in Management

As noted earlier, the management track was added only two years ago. Two students switched from accounting to management in their senior year and successfully passed the management examinations. Now, four are enrolled in the fourth year, and 9 in the third year.

After general studies, early accounting courses, and introductory business, the management track concentrates on management-oriented courses, during the last two years: organizational behavior, industrial relations, management, accounting, taxation, market research, and business policy. There is less emphasis on data processing and analysis, business practices, and personnel management.

Management training also suffers from teaching methodology deficiencies: there are too many lectures and "theoretical" exercises. The UNISWA texts are so rudimentary that students can learn little from them, but cost limitations make it difficult for the university to provide newer, more complete texts. Similarly, the library has only a few reference books on management, most of them outdated. The journal holdings are few and inadequate for faculty needs. Case studies are unavailable, except for a few brought back by lecturers from their own graduate work. Almost no cases on Swazi businesses or industries have been developed.

The department's management track is especially in need of strengthening. Assistance is required to develop the overall management program and to improve the courses within it, including design of some new courses. An early and urgent task will be to help the department and the library

improve the library holdings, especially texts. Also, greater contact with Swazi businesses and industries need to be established. The development of local case studies is of particular importance, particularly on the banking and insurance industries, since they are among the fastest growing enterprises in the country.

At the present time, the management track has only two professors, the OPEX Ph.D. and an expatriate with an M.A., both trained in management. The preparation of more and more highly qualified lecturers in management is a vital requirement institutional strengthening.

3. Quality

While there have been reports that the private sector is not entirely satisfied with the training of B. Comm. candidates, this should be tempered by the fact that this view is not universally shared in the private sector, and depends on the type and size of business or industrial entity. However, both the government and private sector in general see a crucial need for a closer liaison between the university B. Comm. program and private sector business and industry. Concrete steps are currently being taken by meeting with representatives of the private sector, and at least seven companies have made commitments to work closely with B. Comm. faculty in the design and delivery of curricula that will address private sector training needs (e.g. visiting lecturers from business and industry; a private sector student internship program; advisory services; and collaboration on course offerings).

4. Conclusion

The B. Comm. program needs to improve and broaden its programs to meet the management and skills training needs of the country, particularly to address skills shortages in business and industry.

B. Swaziland College of Technology (SCOT)

1. Description

SCOT is Swaziland's primary technical training institution. In addition to vocational and artisan training SCOT provides a variety of management training courses, including a 12 month course in accounting which is meeting an acute need. SCOT has introduced the Association of Accounting Technicians course (AAT) and is offering Levels I and II, with plans to introduce the advanced Level III AAT course in the near future. Students who complete Level I and wish to pursue Level II, must first complete a one year apprenticeship, mostly in the private sector, before returning to SCOT for Level II training. This hiatus in

classroom work provides students with practical experience which undoubtedly increases the relevance of SCOT's academic program. Trainees who complete the courses in accountancy are reputedly having no problems in finding jobs.

Currently, there are five qualified persons in the accountancy faculty, with approximately 20 students enrolled in Level I, and 25 students enrolled in Level II. The rate of completion is very high. SCOT could conceivably double its accountancy enrollments if it could double its faculty. Facilities are not a constraint. SCOT has 60 faculty members overall, including three Peace Corps Volunteers who teach courses in computers, woodworking and plumbing. Total enrollment is approximately 600 students, with residency accommodation for about 550 persons.

SCOT has also organized an advisory panel that advises staff on industry needs and training requirements for technical fields of study.

2. Capability

The certificate (AAT Level I) has been offered at SCOT for many years, and graduates have been well accepted in the business community. Last year, Level II was begun; the first crop of students have taken the UK examination and are awaiting their scores. The first few that have already received their scores have done well.

SCOT plans to offer Level III (a six month course of study). No Level III instruction is currently offered in Swaziland, so demand is expected to be high. The college plans to offer evening as well as day courses so that accountants who are employed can participate.

The courses of study for the accounting certificate and diploma at SCOT are almost identical with those at UNISWA. Both offer little general preparation, and concentrate on mathematics. One difference is SCOT's requirement that no student can progress directly from Level I to II, nor from II to the future Level III. Between I and II, the student must spend the long vacation period with a business or public accounting department. Between II to III, students will be required to spend a full year on the job. This adds a strong practical component to the program.

SCOT has four lecturers in the accounting program; all of whom are experienced, but lack B.A. degrees. If the college is to offer AAT Level III, its instructors must be at the B.A. level. SCOT has requested two additional faculty positions and expects these to be approved within a year.

The present staff consists of three Swazis and one expatriate. The college has recently acquired a fifth position, and is in the process of recruiting to fill it. So far, no B.A. graduates have applied. SCOT is currently

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exploring the possibility of obtaining scholarships for its Swazi accounting faculty from the British High Commission. (Since the British accounting system is used, only two years would be needed to complete the degree.) Those that succeed would then be proposed for U.S. M.A. training under STRIDE during project years 4-7.

SCOT also suffers from most of the same pedagogical deficiencies found at UNISWA. The accounting texts are too rudimentary, especially for the upper levels and for specialization. The library holdings of accounting reference books and journals are also unsatisfactory. Since Level III is more specialized, further strengthening of teaching methods will be needed. The college received six computers from USAID, and will add six more during the next budget year. Its requirements for computer instruction will demand at least 4 more in order to accommodate the future Level III accounting students.

3. Conclusions

SCOT is a prime candidate for institutional strengthening focussed on private sector needs. It has the fundamental infrastructure, experience and resources to make a significant contribution to private sector accounting technicians' training. Faculty skills will need to be strengthened through short term and long term external training, to allow SCOT to expand its offerings to Level III accounting, and to double its student enrollments. Curricula will need to be redesigned to meet the needs of part time students that are employed during the day. Computer skills will need to be integrated more fully into course offerings, and computer systems will need to be expanded to handle larger enrollments.

C. Private Sector Needs Assessment

A. Introduction

Significant growth in the private sector has occurred over the last 5 years, due in large part to the country's traditionally open economy, its location within the South African Customs Union, and, more recently, to the relocation of a number of companies from the Republic of South Africa. Expansion in the private sector has created job opportunities, but not at a rate fast enough to keep pace with the country's population growth rate. It has also created a need for a well-trained labor force, particularly in mid and upper-level positions. The country's education and training institutions are presently unable to fully provide the scope and quality of training to enable more Swazis to move into these positions. As a result, many key positions are staffed by expatriates.

Growth in the private sector carries with it a need for public institutions particularly those involved in such areas as manpower planning, education and training, infrastructure development and maintenance, public utilities, and finance, to function efficiently within a public policy framework that supports expanded economic growth and equitable opportunity.

USAID/Swaziland's development strategy emphasizes private sector growth, including attention to public policies and administrative practices that affect the needs of the private sector. One objective is to support efforts that will increase opportunities for Swazis to participate more directly in the management and growth of private sector.

The purpose of this analysis is to identify ways that USAID/Swaziland can help achieve this objective within the framework of the Swaziland Training and Institutional Development Project (STRIDE). The analysis focuses on three questions:

1. What are the priority training needs of the private sector?
2. How can the STRIDE project best respond to these needs?
3. Are there public sector policies and/or procedures that constrain the private sector that USAID can appropriately address?

Information for the analysis was taken from several sources. The MAPS studies (Manual for Action in the Private Sector) commissioned by USAID/Swaziland in 1989 were especially helpful in providing results of extensive interviews conducted throughout the business community. Additional information was obtained from USAID, GOS, and contractor reports, discussions with representatives of companies, business associations, government, and educational institutions, and meetings with USAID contract and program staff responsible for human resource and private sector development activities.

The analysis includes an overview of the structure and contribution of the private sector, a description of training priorities within the private sector, constraints that impact on Swazi participation in private sector growth, and conclusions and recommendations for designing the STRIDE project.

B. The Private Sector in Swaziland

Swaziland's economy has grown at a much higher rate than most sub-Saharan countries. This is due in large part to the private sector. The economy has grown in all but three of the last ten years. Foreign investment has accelerated greatly over the last five years and has doubled since 1961. In 1986 the private sector accounted for 71 percent of GDP and 69 percent of wage employment (1987). (CDSS).

The traditional sector of agriculture and agri-business still account for almost 50 percent of export earnings, but the importance of this sector in providing employment has declined from 55 percent in 1972 to 39 percent in 1986. The mining sector, once a major export earner, has declined from approximately 20 percent in 1967/68 to less than one percent in 1988.

The greatest growth has been in manufacturing. In 1988 this sector contributed over 25 percent to GDP, up from approximately 10 percent in 1967/8. Manufactured goods contributed about 20 percent to export revenues in 1986, giving Swaziland one of the highest proportions of manufactured exports in southern Africa.

With the growth of the private sector, the recent devaluation of local currency, and a rise in sugar prices, Swaziland has exploited export opportunities. In 1974, exports represented less than 50 percent of GDP. In 1986 they grew to represent almost three quarters of GDP.

The structure of the economy, and specifically of the private sector, is such that a disproportionate share of wealth is generated and retained by a relatively small number of foreign-owned corporations. As a result, the economy, while comparatively strong overall, is tied to the fortunes of a few major players.

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C. Structure of the Private Sector

The structure of the private sector in Swaziland is made up of four types of enterprises. These are:

- o Large, mainly foreign-owned, and export-oriented companies with 100 or more employees. Among the more than 1600 registered firms in the country, only 28 percent employ more than 25 workers. Yet these firms account for 9 out of every 10 jobs in the wage sector. Among the 31 foreign-owned firms in the country 17 are South African-owned, and an additional number are partially owned by South African interests.
- o Small, medium-sized and micro businesses, most of which employ fewer than 25 and have assets of E100,000 or less. There are an estimated 24,500 such firms, the vast majority of which are Swazi-owned (including many owned by women) and produce products or provide services primarily for the domestic market.
- o Crown-held companies that are engaged in a wide variety of commercial activities. The holding company, Tibiyo, currently owns approximately 30 companies, but it stays out of any direct management role. In 1986, these companies represented 14 percent of GDP.
- o Government-owned parastatals which represent the principal enterprises in transport, communications, and public utilities. There are 25 parastatals in the country that account for 7 percent of GDP.

D. Contributions to the Economy

1. Taxes

Private sector companies have contributed a steadily rising proportion of government revenues. Over the last three years (1985- 88), tax receipts have almost trebled, rising from E24.4 million to E73 million, and accounting for 18.8 percent of fiscal revenues in 1988/9. Related to increases in corporate tax receipts, revenues from personal income and sales taxes have increased as well. In 1987/88, personal income and sales tax revenues produced 14.2 and 10.5 percent of total government revenues respectively. Further increases in corporate tax revenues are to be expected over the next few years as a number of foreign-owned firms come to the end of their five-year tax holiday.

2. Foreign Exchange

The private sector is the principal source of foreign exchange for the country. The major export earners over the 1983-87 period--sugar, wood pulp, and, in 1987-88, Coca Cola which

relocated to Swaziland and is now the country's second largest exporter--are all produced by private companies. In addition to companies within the country, a significant source of capital inflow still comes from the remittances from the over 20,000 miners and other Swazi residents working in the Republic of South Africa.

3. Employment

The other major contribution of the private sector is employment. Over three quarters of jobs created since 1966 have been in the private sector. Total paid employment is currently estimated at just over 100,000, of which approximately 88,000 are employed in the formal sector. Agriculture and forestry remain the largest employers (31 percent); however, the recent growth of manufacturing enterprises largely accounts for new employment.

Swaziland has one of the highest ratios of paid employment to working age population in sub-Saharan Africa; however, one of the most critical problems is the inability of the economy to generate jobs fast enough to keep pace with the population growth (now at 3.3 percent). It is estimated that only about 4800 of the 8700 new entrants to the labor force each year actually find work, including employment outside the country or self-employment. This situation is expected to worsen over the next few years as the large number of school-age youth reach employment age. Current estimates are that the economy would have to grow at an unlikely rate of 8.3 percent a year in order to employ all of the available labor.

The employment situation is also affected by a trend towards increased capital-intensive industries. This not only reduces overall employment opportunities, but typically requires a more highly trained and specialized labor force. Many of the newer industries in the country represent this trend.

E. Constraints on Private Sector Growth: Principal Findings

The focus of this analysis is on two areas: human resource and training needs in the private sector, and government policies or procedures that impose constraints on further expansion in the private sector.

1. Training Needs in the Private Sector

Given the size of the country's workforce and the rapid growth in the private sector in recent years, it is not surprising that labor is a critical factor. Companies of virtually any size have difficulty finding the skilled and experienced personnel they need within the country. There is consistent agreement that this is a major, if not the major, constraint on private sector growth and enterprise creation.

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The most severe shortages are found in mid and upper-level positions. There are also shortages in jobs requiring semi-skilled and basic technical skills, but they are not as great and have less impact on business operations. It is estimated that as many as 40 percent of professional and technical positions in the private sector are filled by expatriates, and that over 30 percent of management and administrative personnel are expatriates. In some occupations, such as accounting and engineering, the majority of mid and upper-level personnel are expatriates.

The Government's 1986 National Manpower Survey identified significant needs for architects, engineers and engineering technicians, economists, transport and communications planners and technicians, agriculturalists, and construction supervisors. The Localization Board in the Ministry of Labor and Public Service has identified shortages in 26 occupational areas. Within some of these areas, only a few individuals may be needed, but with very specialized skills.

By far the biggest shortage in the private sector is in the management field. The 1986 National Manpower Survey projected a need for a 75 percent increase in the number of managers for private and parastatal companies by 1993. Subsequent reports and discussions with business representatives echo these findings.

There is a need for managers with both quantitative and qualitative skills. The most often-cited areas are accounting and financial planning; but companies also stress the need for personnel and human resource managers, organizational specialists, and sales and marketing managers. In addition, company representatives emphasize the importance of skills such as problem analysis and strategic planning, monitoring and control, time management, communications, supervision, and leadership.

The Swaziland Institute of Accountants estimates a need for 120 Chartered Accountants (CA), but out of a total of 55 CA's in the country today only 4 are Swazis. At the accounting technician level, there are 60 trained Swazis but a current need exists for 400. The implication of this situation extends further when one is reminded that companies frequently draw their senior managers from accounting and finance fields.

The larger, foreign-owned companies can staff their management and other key positions from outside the country including, in some cases, by the transfer of personnel from their parent or subsidiary operations. Smaller firms, however, cannot pay the salaries, allowances, and other inducements that expatriates expect. In addition, many Swazis prefer to work for the larger companies where they typically receive higher salaries, better benefits, and increased opportunities to work with experienced personnel. In effect, the existing situation tends to work against Swazis seeking management opportunities as well as Swazi business people who need more well-trained managers if they are to expand.

Personnel managers in companies tend to look upon Swazi job applicants as being poorly trained. Less than one-third of those interviewed during the MAPS studies, for example, were satisfied with the productivity of their labor force. Some of this can be attributed to attitudes and self-interests among expatriates, many of whom prefer to remain in the country. But there is general agreement within the business community that education and training needs to be strengthened and made more relevant to the requirements of business. One example given is that less than 5 percent of Swazi university students take math, whereas more than 50 percent major in law, education, or social science--traditional preparatory programs for the civil service.

It may be necessary to sensitize schools to employment needs in the private sector well before students enter the university. The head of the Swaziland Institute of Accountants pointed out that secondary school teachers responsible for career guidance are not aware of the significant needs (and therefore employment opportunities) for trained accountants.

All of the larger companies have apprenticeship and other training programs. Almost all of these programs, however, are set up to train entry-level personnel or workers in semi-skilled jobs. Companies are accustomed to hiring mid and senior-level managers who already have the necessary skills and experience. Consequently, companies are far less involved in management-level training. Typically, new management hires receive an orientation at a parent or subsidiary facility in South Africa. Occasionally, consultants will be employed from South Africa to design and conduct an in-plant program, or a few individuals might be selected for further studies outside the country.

Companies are allocating a relatively small portion of their training budgets for management development. As some indication of the level of effort, one of the major sugar estates in the country that employs more than 3800 workers has an annual training budget of approximately E2.3 million (or an average of about \$240 per employee). Typically, many multinationals and large corporations elsewhere will spend upwards of ten times this amount each year on management training alone. The Swaziland government encourages outside companies to provide training for their employees by permitting training costs to be deducted for tax purposes. Some within the Swazi business community, however, believe that companies tend to overstate actual costs.

Opportunities for management training are less available in smaller companies (those with 50 or fewer employees). Few have the resources to establish training programs. New employees, or those moving up to new positions, typically learn their jobs through supervision or informally structured on-the-job training. As part of in-country training in the SWAMPD project, a four-module course in basic management and organizational

skills was developed and pilot-tested. Although designed primarily with mid-level government managers in mind, the course emphasis on problem-solving and planning are relevant to the private sector. Approximately 10 percent of the participants last year were from companies. It might be possible to increase this number in future programs through better publicity and by adapting material, where necessary, to business applications.

There are few opportunities for Swazis to receive management training in the country today, in spite of the high demand for management skills. Moreover, there is no certainty that training will open up opportunities for advancement into management ranks. What will most likely be required is a combination of efforts that include strengthening local education and training institutions, encouraging companies to take a more proactive role in management training, and continuing to provide training opportunities outside the country for individuals.

2. Government Policies and Procedures

Government policies in Swaziland are generally supportive of the business community, and for the most part, foreign-owned companies believe public agencies are run better here than in most African countries. The rapid growth in the private sector, however, has put a strain on the civil service. As a result, delays in infrastructure development or inadequate maintenance can quickly have an impact on business plans and operations.

In many countries, business chambers and trade associations are effective ways for the private sector to influence government policies or effect changes in administrative operations. Business groups exist in Swaziland but they have not developed into strong organizations. A separate USAID project is being discussed that may include resources to further strengthen these groups.

USAID/Swaziland has been able to assist the government directly in addressing issues affecting government operations and efficiency. An OPEXer is currently working with the government to review options for improving the performance of parastatals. A small team has been assisting the Ministry of Finance to address problems in the implementation of capital projects. Both are areas that directly impact on the private sector.

The Mission's effectiveness in these efforts is attributed, in large part, to its having the flexibility to respond to government priorities as they arise. Five years ago, for example, there was a large deficit in the government's capital budget; today the problem is an accumulating surplus caused by inefficiencies in allocating funds and implementing capital projects.

These activities can directly tie into the in-country training programs being considered in the STRIDE Project. The consultants working with the Ministry of Finance, for example, have helped to identify bottlenecks in the capital budget allocation process, and, in small senior-level working groups, they have helped to build consensus around recommendations and specific action steps. This, in turn, is expected to lead to a need to train government staff in implementing recommendations.

F. Conclusions and Recommendations

1. Training

Many Swazis are limited in their ability to move into mid and senior-level positions in companies because they lack the training and experience these positions require. However, the demand for managers continues to increase the growth of the private sector. Training institutions within the country, are unable to provide the training necessary to qualify their graduates for these positions. Companies either cannot afford to provide management training or choose instead to recruit experienced managers from outside the country.

External programs provide the best alternative until university and other training programs in the country develop the capability to better meet the training requirements of most companies. In this respect, the STRIDE Project can increase the number of Swazis who qualify for higher level positions in the private sector by providing degree and short-term training. MBA programs are recommended by most business representatives as the most relevant training to the needs of companies in the country. There are a number of more specialized skill needs within the private sector, but MBA programs are seen as providing the most employment opportunities.

Short-term programs can help meet needs in specific areas where a limited amount of training can improve productivity and enhance opportunities for job advancement. Training programs in virtually all areas of business planning and management would be beneficial. However, the benefits would be greater if the specific areas of training were identified in consultation with companies who want to sponsoring employees.

The most likely candidates to apply for long-term study grants will come from the larger companies, including the foreign-owned corporations. The short-term external training will provide more options for smaller companies, but it is expected that most of these applicants will come from larger companies as well. Interviews have confirmed that very few, if any, firms with 50 employees or less could afford to have a key employee away for 1-2 years. The exception may be family-owned businesses large enough to send the "next-in-line" for a degree in

preparation for managing the company. In the case of short-term training, however, more companies might be able to send an employee if air fares were waived.

Efforts should be made in the STRIDE Project to significantly increase the number of participants from the private sector who attend in-country management and organizational skills workshops. This may require some modifications to the course design and content. In making modifications, however, the mix of government and business participants should be retained as evaluations have shown this to be one of the benefits of the program.

In order for the external, as well as in-country, training to have a significant impact on job advancement opportunities, it seems essential that the project establish close relationships with the business community. This should include developing effective relations with senior managers and Training Directors as a basis for disseminating information about the project, identifying training priorities, and helping to identify the most qualified candidates. Training Directors and company managers should be involved in reviewing the in-country training to make it as relevant as possible to business situations. Efforts should be made to invite managers and other company personnel to participate in the training as speakers or discussion leaders. Existing business chambers, though still weak organizationally, should be used as channels to communicate information about training and other project activities to member companies.

It will be difficult to weigh applications for scholarships without some guidelines as to training priorities. It would seem that if companies participate with project staff in setting these priorities, the likelihood that training will result in better job opportunities will be strengthened. It would also be helpful in evaluating applicants against established priorities to know the total number of grants available in a given year. This suggests that some percentage of the total grants (perhaps 30%) be designated for private sector participants.

G. A.I.D. Education Sector Projects and Other Donor Activities

In determining the focus and scope of the STRIDE project, consideration was given to areas in education and training that other donors are addressing. In some of these areas, other donor assistance can be coordinated with USAID's proposed activities for maximum impact.

Basic Education

The basic education system must be strengthened to build a country's human resource base over the long term. A good basic education provides people with the skills necessary for productive contributions to the economy. USAID has been extensively involved in improving primary education in Swaziland through past curriculum development (Curriculum Development Project) and primary teacher training (Teacher Training Project). From 1989 to 1995, USAID is funding the Education Policy, Management and Technology Project (645-0230), aimed at improving the relevance and efficiency of primary education. Several other donors fund complementary assistance to the education sector. The European Economic Community (EEC) has provided support to the teacher training colleges, and the British government funds a number of operational experts at the Ministry of Education.

Vocational Education

The two major vocational training institutions are Gwamile Vocational and Commercial Training Institute Matsapha (VOCTIM) and the Swaziland College of Technology (SCOT). VOCTIM was established and is supported through assistance from the West German development agency (GTZ) and the EEC. It offers programs of study in a range of technical and commercial subjects. The programs are intended for junior certificate-level graduates (students who have finished three years of secondary school), but in practice, most of the students have completed high school (Cambridge Overseas School Certificate, or O-level). Students receive a combination of on-campus training and practical on-the-job experience through private sector apprenticeships. As VOCTIM's programs evolve and expand, donors will be providing facilities and technical assistance.

SCOT also offers both technical and commercial programs, but at a more advanced level than VOCTIM. An O-level pass is required for admission to SCOT's programs, and graduates are qualified at certificate or diploma levels. SCOT receives support from a wide range of donors. British expatriates serve as department heads in mechanical engineering, catering and teacher training. Training for faculty members in U.K. institutions is provided for the departments of mechanical engineering and construction. The GTZ supplies three faculty members in technical disciplines, and three U.S. Peace Corps volunteers also teach at SCOT.

The STRIDE project will provide short term technical assistance and faculty training in the U.S. for SCOT's accounting program, which is not presently receiving other donor support except a scholarship for one faculty member presently in training in the U.K. STRIDE activities will not conflict with other donor support for the more trades-oriented aspects of SCOT's program. Furthermore, EEC/GTZ assistance to VOCTIM's business studies program complements STRIDE's focus on SCOT's accounting program, as VOCTIM's course prepares students to begin studies leading to the AAT Level I exam.

UNISWA

The University of Swaziland (UNISWA) receives support from a number of donors. The EEC is funding a project to strengthen the Faculty of Science through training, provision of expatriate faculty, and construction of facilities. Three U.K.-sponsored individuals are teaching in the biology and English departments, and Swazi faculty (currently including a member of the Business Studies department) receive master's level training at British universities. The Canadian aid agency, CIDA, sponsors a linkage with Brandon University, provides faculty and staff to UNISWA, and funds scholarships at Canadian universities for Swazi faculty. The Canadians will support development of UNISWA's new Faculty of Post-Graduate Studies.

Public Sector Management

All of Swaziland's donors support improvement in public sector management in one way or another. Assistance that is related or relevant to the administrative efficiency issues that STRIDE proposes to address is summarized below.

British experts occupy a broad range of GOS line positions. Those relevant to public sector management include three individuals in the Management Services Unit of the Ministry of Labor and Public Service (MLPS), and two lecturers at the Swaziland Institute of Management and Public Administration (SIMPA), which is the government's training institute. One of these lecturers is in SIMPA's accounting department, where an AAT Level I accounting program similar to that at SCOT is offered.

The area of planning, crucial for public sector efficiency and often cited as a weak link in the government's operations, is supported by several donors. The EEC and the German government provide planning advisors to the Department of Economic Planning and Statistics. Both donors also fund advisors located within a number of other branches of the government.

Training

All donors fund some training for Swazis. Small programs generally fund short-term in-country or external training. The

larger donors provide scholarships for external degree training as well as short-term training. The U.K. supports the largest external training program; in 1990, a total of 90 people will be sent for master's and bachelor's degrees and diplomas in the fields of agricultural economics and engineering, hotel management, accounting, public administration, adult education, medicine, lab technology, and public safety.

USAID is the only donor with an open, competitive scholarship program in which the awards are not tied to a specific technical assistance effort. Other donors include training in a package of sectoral assistance. USAID is also the only donor that offers scholarships and other types of training to individuals from the private sector.

Donor Coordination

Formal donor coordination is not well organized in Swaziland. The Department of Economic Planning and Statistics (DEPS) is responsible for donor coordination on the government side. A technical cooperation advisor funded jointly by UNDP and the World Bank will be working to strengthen DEPS's coordinating capabilities. The UNDP Resident Representative hosts regular meetings of donor representatives, but most donor coordination takes place on a more informal level. Several donors were contacted for updated information on their programs in the process of the STRIDE project design, and copies of the STRIDE project paper will be distributed to the major donors working in complementary areas. USAID has in the past notified other donors when it has good scholarship candidates who cannot be accommodated in its training program, and this practice will be continued under STRIDE. USAID, DEPS, MLPS and the Ministry of Education will invite the major education/human resource sector donors (EEC, GTZ, ODA, CIDA) to an annual informal meeting to review the progress of STRIDE and other projects in the sector.

ANNEX E.2 ECONOMIC ANALYSIS

A. Rate of Return Estimates

The strengthening of training institutions, short-term training to improve management skills, and training to increase government efficiency as it affects the private sector do not easily lend themselves to quantitative analysis. Estimates of salary changes resulting from the long-term training could be used, as is often done in educational projects, to estimate the rate of return for this one element of STRIDE. However, since the salary changes for those receiving the management and administrative training are not likely to capture the full impact these graduates will have on the economy, and because it would not cover the entire project, the analysis is not conducted. Instead, the findings of different country studies are used to arrive at the rate of return range that can be expected for this project.

Various studies conducted over the past 10 years provide ample evidence that, when both direct and indirect benefits are included, education at all levels provides rates of return in excess of the opportunity cost of capital. Given the design of the current proposed project and its relationship to other existing AID education activities, those of other donors, and GOS initiatives, there is every reason to expect that this project will generate rates of return equivalent to those experienced in other countries, and more importantly, that it is a least cost response to the problem being addressed.

In the following section the project is placed in context vis-a-vis the rest of the educational activities being carried out in the country; then, the likely benefits to be produced by the project are discussed from a qualitative perspective in terms of their potential impact on the economy. The next two sections then discuss the findings of numerous analysts who have been concerned with measuring and verifying the impact of education on economic development, including the estimation of rates of return. The penultimate section uses the two previous sections as background for describing the broad range of educational problems facing Swaziland in the 1990's. The final section suggests that ex-post rate of return estimates be calculated as part of the project's evaluation.

B. A Least-Cost Approach For Improving Management and Administrative Skills

The decision to concentrate on the improvement of management and administrative skills of the work force for this project reflects consideration of the overall problems faced by the economy, the projects and programs of other donors in the educational sector, the programs of the GOS itself, A.I.D.'s own on-going educational portfolio, and the impact additional funds would have in the educational sector, especially relative to stimulating the growth of the private sector. Thus,

the activities proposed here represent a least-cost alternative for upgrading management and administrative skills in Swaziland.

After much discussion of how to most effectively and efficiently overcome the lack of adequate management and administrative skills, a multi-pronged design approach was selected. First, long-term external training at the B.A., M.A., and Ph.D. levels will provide the management/administrative skills that cannot be obtained in-country and which could not be cost-effectively offered as new fields of study at the national university. Second, short-term external training will be provided when in-country training capability does not exist, and in-country when the cost-effective capability can be developed. Third, the management/financial/accounting curricula of UNISWA will be improved to provide the higher-skilled graduates that will be needed for long-term economic growth and can be trained most cost effectively in-country by UNISWA. Fourth, and for the same cost reasons that apply to the UNISWA program, the accounting curriculum of SCOT will be improved and the faculty will be enlarged in order to provide more, better-qualified financial and accounting technicians for the economy. Fifth, technical assistance and training will be provided to various public ministries for the purpose of providing the private sector with an efficient and fair environment within which to work. Finally, traditional leaders will receive training workshops in order to stimulate their participation in promoting economic growth.

C. Description of the Economic Impact of the Project Elements

The project can be divided into 3 parts: (a) one component with three sub-components that directly provides improved managers and administrators to the labor force; (b) one component with two sub-components that indirectly provides better-trained managers and accountants in-country as a result of improved curricula and faculty at two long-term training institutions; and (c) one component with two sub-components that indirectly increases the productivity of the economy by increasing the administrative effectiveness of those ministries and traditional leaders that are responsible for providing the services required for a private sector to operate efficiently and competitively.

(1) Direct Training of Managers and Administrators

(a) B.A., M.A., and Ph.D. Degree Training

The long-term external degree training to be made available to a specific number of people in the public

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and private sectors for the purpose of improving either one, all, or a combination of financial, supervisory, and general management skills should lead directly to more efficient private and public sector operations. As better qualified employees return to their previous employers (an assumption of the project), their firms' profits should rise and output should expand as a result of their improved skills. If the experience from SWAMPD continues, many of the graduates will move to more responsible and presumably higher paying jobs, bringing productivity improvements to a larger portion of the business.

Similar efficiency results can be expected from public sector employees who receive advanced degrees, though rather than creating increased profits, the increased efficiency will produce more and higher quality services for the same budget outlay or the same amount of services at a lower cost. Again, if the SWAMPD experience prevails, the returned graduates should find themselves in more responsible jobs at higher salaries. In this particular case, it is possible that GOS salary policy will not provide for a salary increase commensurate with the increased productivity of returned participants.

(b) Short-term Training

The purpose of providing the short-term training (both external and in-country) is identical to that for the long-term training; training will be provided to those in existing management positions, or who exhibit management potential, so that they have the minimum knowledge needed to efficiently manage a specific activity. For both private businesses and government, the individual productivity impact is likely to be less than for the degree training, and the expectations for increased salary as a result of the newly acquired skills would consequently be lower. However, the net economic benefit of short term training may actually be greater than for long term training because the cost is so much less and the impact of this larger group of short-term trainees may be much broader and in the end as great if not greater than that of the degree candidates. An important benefit of the external training will be the transfer of technology and innovations through participants' exposure to successful business operations in the U.S.

(2) Indirect Impact on the Labor Force Through Strengthened Training Institutions

There are 3 institutional improvement components that will indirectly provide improved general and financial managers, and accountants for the labor force.

(a) Upgrading Of Faculty at SCOT and UNISWA

The long- and short-term training in the U.S. to upgrade the accounting, financial management, and managerial skills of the faculties of both SCOT and UNISWA should lead to better trained students and hence to greater efficiency and profits for the private as well as the public sector as described below under the discussion of the SCOT expansion. It is anticipated that the institutions will obtain replacements for the various faculty while they are away on training, so the quality of student education will not suffer in the interim..

(b) Expansion of SCOT's Accounting Program

The expansion of SCOT's faculty and the addition of the Level III accounting program to the curriculum will increase the number and quality of graduate accounting technicians. The benefits to the economy will accrue in the form of more highly skilled financial management personnel. In addition to increased efficiencies that will result from the better trained personnel, over time there should be less need for reliance upon more expensive expatriates to fill the financial/accounting positions.

(c) Training institutions

There will be an indirect impact from in-country short courses, if one training institution such as IDM, DEMS, SIMPA, or MAMC wins a majority of training sub-contracts. The technical assistance from the prime contractor that goes with the sub-contracts will improve such an institution's future capacity to cost-effectively design and implement specially tailored in-country short-term management training courses. The indirect benefit to the economy in the long-run is thus assumed to be lower training costs made possible by the project.

(3) The Indirect Impact on the Economy of Public Sector Administrative Reform Training

(a) Administrative Reform Workshops

Private sector growth is directly affected by the effectiveness of public policies and the efficiency with which the policies are administered and managed. As the country begins to accelerate its strategy of attracting and supporting private enterprise, the public institutions involved in that process must have access to the skills needed to handle their increasingly complex work load, and be especially prepared to identify the existing and potential bottlenecks to private enterprise growth. Through on-going consultations with senior

(a) Upgrading Of Faculty at SCOT and UNISWA

The long- and short-term training in the U.S. to upgrade the accounting, financial management, and managerial skills of the faculties of both SCOT and UNISWA should lead to better trained students and hence to greater efficiency and profits for the private as well as the public sector as described below under the discussion of the SCOT expansion. A major assumption of this training element is that it will be possible to obtain replacements for the various faculty while they are away on training.

(b) Expansion of SCOT's Accounting Program

The expansion of SCOT's faculty and the addition of the higher Level III accounting program to the curriculum will increase the number and quality of graduate accounting technicians. The benefits to the economy will accrue in the form of more highly skilled financial management personnel. In addition to increased efficiencies that will result from the better trained personnel, over time there should be less need for reliance upon more expensive expatriates to fill the financial/accounting positions. All other things being equal, profits of individual firms should be higher than they otherwise would be.

(c) Training institutions

There will be an indirect impact from in-country short courses, if a training institution such as IDM, DEMS, SIMPA, or MAMC wins enough training sub-contracts. The technical assistance from the prime contractor that goes with the sub-contracts will improve such an institution's future capacity to design and implement specially tailored in-country short-term management training courses at a cost lower than that offered by outside consulting firms. The indirect benefit to the economy in the long-run is thus assumed to be the savings in training costs made possible by the project.

(3) The Indirect Impact on the Economy of Public Sector Administrative Reform Training(a) Administrative Reform Workshops

Private sector growth is directly affected by the level of effectiveness of public policies and the efficiency with which the policies are administered and managed. As the country begins to accelerate its strategy of attracting and supporting private enterprise, the public institutions involved in that process must have access to the skills needed to handle their increasingly complex work load, and be especially prepared to identify the existing and potential bottlenecks to private enterprise growth.

Likely areas that will require increased awareness and training on the part of public personnel are those procedures and processes that all investors must go through to register and incorporate new firms in the country. This applies both to foreign investors and Swazis seeking to start businesses. There also may be issues regarding investment "enticement" packages needed to attract investors. In addition, the Ministry of Works is interested in assistance to determine how to most efficiently handle its ever increasing capital construction program.

(b) Short-term Training for Traditional Leaders

Traditional leaders will receive in-country training to strengthen their managerial and administrative capabilities, particularly with respect to promoting the development of business enterprises in rural areas. The enormous influence of traditional and other local leaders over community level development and their role in administering community government (where more than two-thirds of the population resides) makes this component an important element in achieving the project goal of strengthening Swazi participation in economic growth.

D. The Importance of Education in the Industrialization Process--Country Comparisons

Writing in 1968, Anne Krueger estimated that the difference in the level of education between the United States and the less developed countries directly explained 25-33 percent of the difference in per capita income. More recent research by McMahon and Geske has been able to divide the education effect into its direct and indirect components and to provide estimates for the indirect benefits. The authors found that improved education contributes indirectly to increased per capita income by improving the health of families, lowering fertility rates thereby raising per capita growth, and absorbing a larger percentage of women into the industrial work force. These indirect effects were found to explain an additional 25 percent of the difference in per capita income between the U.S. and developing countries. Hence, direct and indirect effects of basic education are estimated to explain 50 to 58 percent of the difference in per capita income growth between the United States and developing countries. In addition, several studies have been able to demonstrate that

while higher income and growth rates allow countries to invest more in education and attain higher literacy rates, increased education or literacy itself has an independent effect on income growth. Finally, McMahon estimates that the direct effects of basic education explains some 21 percent and advanced technical education embodying new technology explains an additional 26 percent of the total return per year per dollar invested.

From an examination of various countries and their development strategies, the pattern that emerges, with an occasional exception, is that investment in human capital and in physical capital appear to make complementary contributions to per capita growth and the beginnings of industrialization. Thus, higher education is a necessary but not a sufficient condition for more rapid industrial growth. A corollary to this is that the amount of "learning by doing" is highly correlated with the amount of prior education of workers.

The nine countries with the highest sustained real per capita growth in the world since 1965 have in common high rates of both human and physical capital formation. They are the Republic of Korea, Hong Kong, Singapore, Japan, Taiwan, Botswana, Indonesia, Lesotho, and Jordan. All had achieved universal or very nearly universal enrollment at the primary education level by 1965. Those a bit further along had also achieved high percentages of secondary school enrollment, and virtually universally literate labor forces, usually just prior to their take off into rapid industrialization and sustained high per capita growth. (The above discussion draws heavily upon McMahon's Survey, 1988, as does the following section.)

E. Social Rate of Return Estimates

Renewed quantitative analyses in the 1970's and especially the 1980's have corroborated and added to knowledge of the importance of education to the development process which was first submitted to analytical examination in the 1960's.

There is now good evidence that, for a country just beginning to educate its citizenry, the greatest returns to investment can be achieved at the primary school level, while the lowest returns occur at the tertiary or university level, because of the higher costs of providing higher level education and the presumed lost income due to the decision to continue studying. Once the primary education needs are satisfied, secondary education becomes in relatively short supply and hence provides a higher rate of return than any of the other educational sub-sectors. Similarly, as the secondary level needs are met, tertiary and university level training becomes in relative short-supply and therefore yields a higher rate of return to an economy than the other alternatives.

Using wage/salary differentials as a proxy for increased productivity due to higher education during the 1970's, Psacharopoulos estimated social rates of return in the range of 29 to 44 percent, 12 to 17 percent, and 12 to 18 percent for primary, secondary, and tertiary education. (Source: Table 2, page 87, Education and Income, World Bank Working Paper No. 402, 1980.) In the survey article, "Education and Industrialization", circa 1987, which reviewed 125 studies conducted in the 1970's and early 1980's, W.W. McMahon found the ranges to be 15 to 28 percent, 13 to 17 percent, and 9 to 14 percent. The average rate of return to physical capital was estimated to be 13 percent.

F. The Current Demands Upon the Education System in Swaziland

In 1990, Swaziland finds itself in a rather peculiar position. Nearly all children are now able to enroll in primary school and provision of secondary and higher education has increased dramatically. The education budget is impressively high, about 28 percent of the national recurrent budget. However, the rapid growth of the school age population will require an even larger budget allocation and increased efficiencies if the primary and secondary coverage is to be maintained and quality not eroded. At the same time, it has become apparent that for the country to grow and modernize and stay competitive with other economies, it must work to structure its work force with more highly skilled labor--skills that can only be provided by institutions at the tertiary level. As a consequence, the GOS finds itself at a point in time where the rates of return appear to be about equal for all three sectors. For the reasons discussed earlier in the "... Least-Cost Approach..." section of this economic analysis, STRIDE will be addressing the lack of management and administrative skills that can only be obtained at the tertiary level.

G. Use of Evaluation as a Tool for Ex-Post Rate of Return Estimates

This section suggests those elements of the project that might be subjected to the usual rate of return analysis where benefits and costs are assigned monetary values.

(1) Short- and Long-Term Participant Training

Although no rate of return analysis has been calculated for STRIDE, the end of project evaluation exercise will provide the information necessary to calculate ex-post rates of return for the long- and short-term participant training elements of the project. While rate of return analysis based on salary differentials, as already noted, will likely understate the impact of the training, the results nevertheless can be used as minimum ballpark figures as a basis for judging the impact of the project and determining the most cost-effective training modes for any future programs.

During implementation, the participant data base will collect information on job positions and salary levels before and after the training. Due to the timing of the various training modules, it may not be possible to evaluate some of the project elements. In those instances, the evaluators will determine if it is feasible to use SWAMPD returnees as proxies for STRIDE.

(2) Training to Increase Public Sector Efficiency

Benchmarks, either monetary or non-monetary, will be established to measure the success of the administrative reform workshops designed to improve the efficiency of various public entities that provide services to the private sector. As an illustration, these might include the time saved in obtaining residence and work permits; the reduction in the number of steps required by a business to obtain legal status; the time saved in importing essential intermediate goods needed for production of final products; or the reduction in service costs, such as utilities, due to increased efficiency of a utility's management. The evaluators will determine whether it is possible and reasonable to place a value on the time saved by this element. If it is, some form of rate of return analysis will be possible.

MAJOR SOURCES

1. Education and Industrialization, an unpublished survey paper by W.W. McMahon, circa 1988, which summarizes much of his earlier published work and that of many other authors.
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3. Swaziland LCDSS, FY 1991, August 1989.
4. Employment in Swaziland, Capricorn Africa Economic Associates, Mbabane, 1989.
5. Education and Income, World Bank Staff Working Paper No. 402, A Background Study for World Development Report, 1980. Various papers. July 1980.
6. Higher Education in Developing Countries, A Cost-Benefit Analysis, World Bank Staff Working Papers No. 440. George Psacharopoulos. 1980
7. Impact Assessment of the USAID Swaziland Participant Training Program (1971-1989), Khalipha Investments (PTY) under sub-contract to TransCentury Corporation, Mbabane, August, 1989.

ANNEX E.3 SOCIAL SOUNDNESS ANALYSIS

Beneficiaries

The direct project beneficiaries will be: (1) the 43 Swazis from the public and private sectors who are competitively selected as participant trainees and who receive academic degrees in the United States; the 5 faculty from UNISWA's B. Comm. program and the SCOT accounting program who receive U.S. academic degrees; (2) the approximately 900 Swazis from the modern sector who will receive short-term external or in-country training or who will participate in administrative reform workshops; and (3) the 1,800 local and traditional leaders who will benefit from development education workshops. The immediate benefits enjoyed by the participant trainees will be in the form of more influential public and private sector management and administrative jobs (both new positions and promotions). Some trainees will not change positions but will become better qualified to carry out their mid- and upper level management duties in positions they already hold.

Indirect beneficiaries will include the innumerable Swazis who will benefit from better-managed, better-functioning governmental institutions and more rapidly-expanding private enterprises. As demonstrated by the SWAMDP impact evaluation of past traditional sector training, rural Swazis living on Swazi Nation Land will benefit from a broad range of development initiatives and activities (including health, schools and education, pre-school day care centers, vegetable gardens, income-generating projects, potable water systems, a growing acceptance and use of family planning, etc.) as a result of a broad cross-section of local leaders being educated to become better managers and administrators.

It may be noted that compared to most of Africa, Swaziland is unusually homogeneous, both ethnically and linguistically. Such social stratification as exists is based on a complex system of clans and their relationship to the royal Dlamini clan. SWAMDP implemented clear-cut competitive procedures for selecting participant trainees, resulting in selection strictly on the basis of merit rather than family or personal connections. These procedures have produced better motivated and generally higher-quality participant trainees.

Competitive selection procedures will be continued under the new project and will help ensure fairness and equity in the sharing of project benefits. It is recognized that given the more circumscribed, specific training objectives of the STRIDE project, there will be some deliberate targeting of specific groups, employers, or

even individual potential trainees in order to establish a primary candidate pool from which to make initial cuts. A precondition for selection will be that the candidate already holds, or is promised promotion into, a mid- or upper-level management position. Also there are some 8 participant training slots reserved for faculty from the UNISWA B. Com. program and the SCOT accounting technicians' program. Yet, even with some targetting and pre-selection, it will be possible to select finalists through an open, competitive process based on objective, meritocratic criteria.

There has been comparatively little "defection" from the public to the private sector on the part of returned participant trainees under SWAMDP. This may be because government jobs offer hidden benefits such as retirement, insurance for dependants, etc., in addition to base salary, or because high ministry positions provide power and social prestige. However, it also appears that SWAMDP's deliberate efforts to inculcate a sense of responsibility and commitment to the use of skills learned in the U.S. in public service have paid off.

It is anticipated that any category of Swazi (as distinct from individual Swazis) will be motivated to participate in components of the project appropriate to that category of participant.

Sociocultural Feasibility

STRIDE is not culturally obtrusive, as it does not involve the introduction of new technologies or require new behavior or changes in existing practices; therefore, the project does not entail much social or cultural risk. The project will build upon a firm foundation of external and in-country training that has been developed over a number of years in Swaziland, and will further consolidate substantial gains achieved during the SWAMDP project.

One area of attention, however, is the extent to which the project promotes women and "commoners" (to follow the language of scholars such as Kuper, Bonner and others) into management and administrative positions usually filled by men and/or the high-born. It should be recognized that democratization of the Swazi workforce--referring here to job opportunities in the public and private sectors being based increasingly on merit rather than on gender or kinship--is a process that is already underway in Swaziland, and that has been assisted by two USAID predecessor projects, SAMDP and SWAMDP. For example, it has become commonplace for high-level management jobs in many ministries (at least below the rank of Principal Secretaries) to be held by

women. There may be some resentment on the part of men covetous of these positions, who may feel that women belong in subordinate positions, but such attitudes are changing.

It is less common to find women occupying mid- and high-level management positions in the private sector. Therefore there is an opportunity for STRIDE to promote change in this sector in the direction of equal employment opportunities for women. The recently-formed (Feb. 1990) Business Womens' Association of Swaziland (BWAS) could be one vehicle for project efforts to sensitize Swazi and expatriate businessmen to the challenges that lie ahead in achieving equal opportunity for women in the private sector. The avowed primary purpose of BWAS is to facilitate communication about business opportunities among Swazi businesswomen; fund-raising efforts are already underway to attract matching funds from the Building Society, local banks, Womens' World Banking and other credit organizations, in order to provide business loans to Swazi women.

Participation

Swazis from all social strata can be expected to want to participate in a project that offers training and education. Educational achievement is regarded as a passport to better-paying jobs, and therefore to a better way of life, perhaps especially for females in a traditionally male-dominated society, and for ordinary citizens in a highly stratified society in which wealth and status has traditionally been ascribed by birthright, rather than achieved through individual efforts. Swazis see education, including short-term training, as an investment in the future that usually pays off in wage employment and eventual remittances to the family as indicated by the willingness of parents to pay school fees, and the rapid proliferation of new school buildings--starting with primary schools--paid for largely by community-generated funds..

For external, long-term participant training, the desire to participate is so strong that there are many more applicants than training slots available, and acceptance to the program has become ever more competitive. This has resulted in more capable and motivated Swazis being selected, as evidenced by increasing grade point averages for successive training groups--at least when comparing SAMDP and SWAMPD students, which provides a 10-year period for comparison.

SWAMPD's experimental development education for local and traditional leaders, was based on an assumption that chiefs and other local leaders have come to feel somewhat

left out of the modernization/development process and that if given an opportunity, most would be eager to become involved in the process. This assumption has been justified by many aspects of the experience of SWAMDP; for example, Community Development no longer subsidizes transportation for chiefs to and from workshops, but has had no effect on chiefs' participation. Although there are always those who are left behind in a capitalist economy--particularly in a less-developed country where capital gains from the private sector are quite recent and sudden--the project addresses the problem of unbalanced growth, by providing development education to the leaders of the rural masses, an effort that has been shown to produce economic and opportunity benefits to the rural poor.

Participation of Women

It is both agency and Mission policy to encourage and help ensure the participation of women in development projects to the extent possible. Under SWAMDP, 35% of in-country trainees and 29% of overseas participant trainees were female (mainly B.A. degree candidates). STRIDE hopes to maximize women's participation, but achieving these levels may be more difficult, because there may not be sufficient numbers of women to form adequate pools in the new focal areas of management and administration (especially in various scientific and technical fields). It may be particularly difficult to maintain SWAMDP's level of female participation among those pursuing degrees in the U.S., as fewer B.A. scholarships will be funded under STRIDE.

A related issue is whether women can realistically be expected to be promoted to key managerial/administrative positions targeted by the project for localization. Despite A.I.D. policy priorities, well-established patterns of male dominance in certain positions and fields--particularly in the private sector--will not change overnight. There may have to be a choice between localizing an upper-level management position in a large, foreign-owned business with a Swazi man, or providing a Swazi woman with the same training without assurance, or even expectation, that she will be promoted into the expatriate-held management position.

In either the case of insufficient numbers of women candidates, or difficulties in localizing key positions with women, there may have to be some sacrifices or compromises in targeted proportions of women who participate in project training. This would not mean that WID objectives have been overlooked or abandoned, only that cultural, economic or other exigencies require that choices or compromises be made in selecting WID

objectives. The prime contractor will need to document any decisions of this sort.

It may be noted that women will participate in, and benefit from, training in the traditional sector. While most traditional leaders are men the other category of traditional sector trainees-- officers of development-related committees--are often women. Women tend to be at least as active as men on such committees, and they have been especially eager to take advantage of training opportunities that relate to income-generation.

Since the needs of women in the private sector are complex, a special needs assessment will be undertaken by short term consultants under STRIDE at the start of the project. The findings can help refine the training strategy for women. For example, if women supervisors face difficulty commanding the respect of male subordinates in the GOS or in private companies, it may be useful to provide special short-term, in-country or external training in supervision for women managers. Guest lecturers can be drawn from the ranks of successful women supervisors, perhaps identified by referrals from BWAS.

Opportunities for Swazis in the Private Sector.

Increased emphasis on supporting Swaziland's growing private sector is justified in a number of ways. First, the private sector has made impressive gains in recent years. It now accounts for over 70% of GDP and wage employment, which compares favorably with other African nations. Manufacturing has been the fastest-growing sub-sector during the past 20 years. Swaziland is becoming recognized as a country that offers attractive business investment opportunities. Indeed, direct foreign investment has doubled since 1981. Since government control of the economy has been minimal, Swaziland serves as a regional model of the advantages of a capitalist, diversified, laissez-faire economy.

An equity issue emerges, as the STRIDE project is mandated to include substantial private sector participation. The challenge will be to ensure that Swazi-owned businesses have at least the same access to project resources as foreign-owned businesses. Relatively large export-oriented companies (with 100 or more employees) tend to be foreign-owned. These comprise a relatively small percentage of Swaziland's private sector, yet they account for some 90% of formal private sector jobs as well as a disproportionate share of the gross domestic product. These companies can be contrasted with some 24,500 small and medium-sized companies that have 25 or fewer employees and that tend to be Swazi-owned.

An argument can be made for trying to focus project resources on Swazi-owned companies, and leaving manpower development in the larger companies in the hands of the companies themselves, who would seem to have the resources to train their own people. However, there is no assurance that such companies will in fact train Swazis to assume mid- and upper-level management positions, especially if it seems to be in the company's interest to resist localization of certain positions. It would also seem to pay greater development dividends, at least in the short-term, to assist the larger companies that employ more people and contribute more to the gross domestic product. Also, a smaller company may not be able to afford to carry on without a senior company officer for the length of time required for long-term external degree training, or afford the cost of the officer's air ticket to the United States.

Therefore, special effort might be required to recruit potential or actual managers from smaller Swazi-owned businesses. An argument in favor of this approach is that Swazi-owned businesses are more in need of technical and managerial training than foreign-owned companies, and that investment in truly indigenous business enterprises better serves the longer range development interests of the country.

Participation of the Rural Poor

The inclusion of a training component for traditional leaders helps balance what might otherwise appear to be a concentration of project resources in the modern, largely urban sector of a country that is predominantly rural and traditional. Through this component, traditional Swazis subsisting on Swazi Nation Land will become more integrated into the economic growth process through development education that focuses on private sector-led development. This project component also ties in with USAID's CDSS strategy in that it will improve communications between private, public and traditional sectors, and reduce constraints to the expansion of indigenous small-scale enterprises. This will be accomplished through sensitizing traditional leaders to a variety of development issues that relate to economic development, and by developing linkages and improved cooperation between private companies and the leaders on surrounding Swazi Nation Land.

Recent studies by Ndwandwe and Russel on small business enterprise in Swaziland have identified various factors that directly constrain business establishment and development. These include:

- nepotism and social pressures to include kinsmen in businesses;
- lack of entrepreneurial skills, or in the words of Ndwandandwe, "lack of entrepreneurial traits" (p. 57);
- the absence of an entrepreneurial tradition along with supporting values and orientation (e.g. a quote from Russel: "Our people are still far from understanding the business way");
- fear of witchcraft accusation on the part of the financially successful (Russel: "the dread consequence of jealousy");
- mistrust and expectation that people are out to cheat one another--even kinsmen; and
- suspicion of "outsiders," including Swazis from neighboring communities.

These attitudes and traits are firmly rooted in Swazi character, but especially among traditional Swazis in rural homesteads. One relatively simple and inexpensive way to attempt to overcome these constraints is to teach the rudiments of support for business development to the very Swazis that can be viewed as guardians of the traditional order, the traditional leaders on Swazi Nation Land.

Training under SWAMDP, and to be continued by STRIDE, fostered a positive attitude toward both formal education and nonformal adult education. This not only facilitated local leader training, it also developed community support for new school buildings, for school committee and PTA-like local groups that help ensure quality in the school system, and for a whole array of community-based training in skills that promote economic development, from basic literacy to financial management.

Spread Effects

Project resources are severely limited relative to the task at hand--managerial training aimed at private sector development and related administrative inefficiencies in the public sector. Thus, it becomes important to extend project benefits beyond immediate project beneficiaries. Some of the spread effects anticipated in STRIDE relate to institutional development. To the extent that local training institutions (principally SCOT and UNISWA, and GOS agencies involved in training are strengthened by the project, future groups of Swazis trained at these institutions will benefit from improved training curricula and training techniques, as well as upgraded faculty.

Project benefits will be diffused to the Swazi nation as a whole, after key private and public sector managerial and administrative positions have been staffed with well qualified Swazis' GOS agencies and private enterprises will then operate more efficiently and more in the Swazi (as distinct from South African or other foreign) interest. More effective GOS service delivery, and ensuing reduced costs for doing business in Swaziland, should act as a stimulus to employment and to economic growth generally.

Participator Profile

Direct and indirect project beneficiaries fall into two distinct and rather different categories depending on whether they are drawn from the modern or traditional sectors. The former tend to be relatively well educated urban-based Swazis employed in relatively well paying and responsible positions in the public and private sectors. Staff employed at training institutions and GOS agencies slated for in-country skill upgrading tend to have backgrounds similar to participant trainees.

Those trained under the traditional leader component tend to be rural based, less well educated, and not employed in the modern wage sector. These include traditional leaders such as chiefs, their deputies (tindvuna), members of community councils (libandla), and other officials.

ANNEX E.4 ADMINISTRATIVE ANALYSIS

Implementation arrangements proposed for the STRIDE project are similar to those presently in place in SWAMDP. The Department of Economic Planning and Statistics will sign the project agreement for the GOS. The Ministry of Labour and Public Service (MLPS) will be the chief implementation agency and will have primary responsibility for coordination with USAID on the recruitment, selection, and followup of external and short term trainees. The Community Development Office of the Tinkhundla will continue to coordinate in-country training for the traditional sector (local government). The Human Resources/ General Development Office will be responsible for STRIDE project management within USAID/Swaziland.

In addition, two other institutions will have implementation responsibilities within the STRIDE institutional strengthening component: the University of Swaziland (UNISWA) and the Swaziland College of Technology (SCOT). A university contractor will facilitate the actions taken in the institutional strengthening component.

A prime contractor will facilitate the external and the in-country training. Recruitment and selection of participants from the private sector will be coordinated through a committee composed of USAID/Swaziland, MLPS, and representatives from the private sector. To the extent possible, chambers and associations of business and industry, as well as professional institutions will be enlisted to help publicize the program and recruit candidates from the private sector for the external and in-country training programs.

a. Ministry of Labour and Public Service

The Under-Secretary for establishments and Training will have responsibility for project implementation within the ministry. The Training Branch will assist the MLPS coordinator in the recruitment and selection of candidates and the Localization Unit will assist in monitoring progress towards goal achievement. The ministry will arrange for and assure that the GOS contributions to the project are met.

b. Community Development, Tinkundla Ministry

The Community Development Department in the Tinkundla will be responsible for providing staff to design, coordinate, and deliver training for traditional leaders, their officers, and local committee members. The project

will provide short term technical assistance and commodities to facilitate that training, to help develop and produce training materials, and to further strengthen training capabilities of Community Development staff to deliver training. Project assistance will be progressively reduced during LOP.

Community Development ~~is~~ presently organized to coordinate and deliver training and technical help down to the community level in four, interrelated programs: Women in Development, People's Participation Project, Traditional Leader Training, and Community Self-Help. The Principal Community Development Officer plans and coordinates programs; he reports directly to the Principal Secretary, and two senior Community Development Officers. A Training Officer coordinates training across the four programs. Below the Training Officer are Regional Community Development Officers (RCDOs) in each of the four regions. Each RCDO, in turn, supervises four Assistant CDOs, three CD Assistants (CDAs), and three artisans who provide technical advice to communities.

Short term staff training has been provided by the FAO and SWAMDP since 1985 to upgrade the technical skills of CD field staff and to enable them to rotate among three of the four program areas (all but the Women in Development, which has its own staff). A great deal of progress has been achieved. Further assistance, however, is needed to enable field staff to impart technical information through effective training and communications techniques, and especially for the new private sector topics.

c. University of Swaziland

Project support to upgrade the teaching faculty and strengthen the curriculum of the Department of Accounting and Business Studies will be provided through a university linkage cooperative agreement to strengthen the department over the life of the project. University administration and faculty members will have responsibility for identifying candidates for US degree programs and short term training. In addition, the faculty members will work closely with the U.S. university grantee to develop new and improved courses in accounting and a new management track.

Since the PID, formal steps have been taken to establish closer links between the department and the private sector. As a result of a recent seminar attended by business leaders, members of the department, and university administrators, a mechanism is being established which will enable representatives of the business community to work with the university to develop

curricula more relevant to the needs of the private sector. Through an OPEX arrangement funded under SWAMDP, two additional faculty members are being added to the department; one, a Ph.D. in management, is in place and has received early support for initiatives to strengthen the courses and the private sector linkages. The second will teach accounting, and is now being recruited. More recently, the administration at UNISWA has announced its intention to expand the department into a separate faculty of business studies. This decision, when implemented, will enhance the program's ability to command resources and adjust its curriculum to expressed needs. Eventually, the university would like to establish a graduate program in business management.

These plans indicate that UNISWA is willing to take steps necessary to strengthen and improve its B.Comm. program. Although the plans are still at a formative stage, and there are still some institutional obstacles to overcome, the university has demonstrated its commitment to implementation.

d. Swaziland College of Technology (SCOT)

SCOT is committed to upgrade and expanding its Association of Accountancy Technicians (AAT) program, thereby helping to alleviate a critical shortage of accountants in the country. It seeks to improve its teaching of AAT Levels I and II and to begin offering Level III. Working with USAID, a U.S. institutional grantee, and the private sector, it will help select members of its faculty as candidates for external academic training, coordinate course improvement, and establish the new accounting level. SCOT will work with Peace Corps to recruit 4 volunteers to replace faculty members who are away in training.

SCOT is the oldest of two technical training institutes in the country and enjoys a growing reputation in the private sector for turning out well trained accounts. The college has a strong administration and the faculty members in accounting are eager to improve the courses. The college has recently added one staff member to its teaching staff and expects to add two more. SCOT is fully capable of meeting its responsibilities under STRIDE.

e. Business Chambers and Associations

The STRIDE project will involve the private sector, therefore efforts will be made to broaden recruitment efforts within the business community. One way to do this is by using the membership and association publications to inform the business community about the project and

the various types of training grants available. Linkages with business organizations should be initiated early on in the project. Three principal business associations will be encouraged to participate in publicizing external and in-country training programs within the private sector. These associations (Federation of Employers, Swaziland Chamber of Commerce, and SIBHAKO) are in the process of developing organizational structures, expanding their membership base, and defining programs. The Swaziland Institute of Accountants, a professional association which monitors the technical and professional examinations for accountants, already works closely with both SCOT and UNISWA. None of these institutions is expected to have formal implementation responsibilities within the STRIDE project, but they will advise when needed.

f. Peace Corps

USAID will negotiate with Peace Corps in Swaziland to recruit four volunteers to replace faculty in SCOT's AAT program while they are away in the U.S. on long term training. Eighteen months lead time will be required to complete volunteer job descriptions, obtain Peace Corps/Washington approval, recruit, train, and field the volunteers. Thus, specific SCOT faculty training needs and schedules will need to be defined early in project implementation. For planning purposes, it is expected that two volunteers will be needed during project years 2-3, and two during during years 4-5.

g. USAID/Swaziland

The Mission has three technical offices: Health and Population, Agriculture and Private Enterprise, and Human Resources/General Development. The Executive, Legal, Controller, and Contracts offices perform some regional services. The mission also calls on REDSO/ESA for technical assistance.

USAID/S is currently reorganizing its technical support arrangements. While not all of these have been finalized, the expectation is that a General Development Office will manage Human Resource Development (education, training) and Health and Population. STRIDE will be managed in the HR/GDO by three staff: a USDH HRDO, an FSN training officer, and a expatriate PSC training specialist. This staff is sufficient to manage and monitor the projects in the HR/GDO portfolio.

Oversight of STRIDE will include: general management, coordination of activities among components and host country institutions, and keeping participant and financial records. A prime contractor will implement

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external training, all of the in-country training (including that for the traditional sector), and conduct the preparation and follow-up for trainees. Separate university contractors will establish linkages to strengthen accounting and business programs at SCOT and UNISWA. ,

The Mission's experience with SWAMPD demonstrates its ability to properly carry out the activities in STRIDE. No increase in the overall management burden is anticipated due to the lower level of resources committed under STRIDE. Management arrangements currently in place can readily be used to manage and monitor STRIDE. Approximately 50 participants in training in the US will be transferred from SWAMPD to the new STRIDE contractor. Therefore it is critical that the new contract be finalized by December to allow a smooth transition from the current contractor and to avoid any disruption in the management of overseas participants.

STRIDE PROJECT BUDGET
(in \$; commitments by project year)

	Unit Cost	No. Units LOP	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Sub-Total	Total	Grand Total
Tech Assist												
LT											1,413,742	3,970,000
COP	147,000	5	168,175	163,950	172,148	180,755	207,118			892,145		
I-C Tr Adv	147,000	3	168,175	163,950	189,473					521,598		
ST											1,023,701	
U.S.	24,800	29	148,800	182,280	191,394	143,546	121,170			787,190		
Eeg/local	6,000	30	18,000	54,240	53,630	51,944	58,697			236,511		
Proj Mngt											1,532,557	
Home Off	120,000		120,000	126,000	132,300	138,915	145,861	76,577	80,406	820,058		
Field Off	70,000		76,050	79,100	89,383	101,003	114,133			459,669		
Fee			46,752	52,156	56,046	43,763	44,694	4,595	4,824	252,829		
Part Trng												
LT											2,741,770	3,464,000
BA	88,000	6	176,000	94,160	201,502	107,804				579,466		
MA	45,000	32	315,000	288,900	309,123	330,762	412,901			1,556,685		
PhD	118,000	4	118,000	252,520	135,098					505,618		
ST	5,065	115	116,495	124,650	133,375	142,711	154,999			672,230	722,230	
study tour			50,000							50,000		
I-Cnt Trng												
sr/mid lev	50	6,600	60,000	84,750	95,767	108,217	97,917			446,652		550,000
trad ldrs		5,400	20,000	15,000	10,000	5,000				50,000		
CD staff	27	1,640	11,000	12,430	14,046	15,872				53,348		
UNISWA Linkage												
LTTA	115,000	2			147,963	150,452				298,414		1,023,000
STTA	24,800	10		104,160	82,026	86,127				272,313		
Trng: MA	45,000	3		48,150	51,521	55,127				154,797		
ST trng	4,050	12		17,334	18,547	19,846				55,727		
Commodities				20,000	30,000	22,931				72,931		
Mngt	51,000			53,550	56,228	59,039				168,816		
SCOT Linkage												
STTA	24,800	10		78,120	82,026	57,418	60,289			277,853		484,000
Trng: MA	45,000	2		48,150	51,521					99,671		
ST trng	4,050	8		8,100	8,667	9,274	9,923			35,964		
Commodities				2,000	2,000	2,000				6,000		
Mngt	14,300			15,015	15,766	16,554	17,178			64,513		
AID Proj Mgt	30,000	4.5	15,000	31,500	33,075	34,729	36,696					151,000
Commodities												
vehicles	15,000	2	30,000							30,000		58,000
computers	4,500	4	18,000							18,000		
photocopier	10,000	1	10,000							10,000		
Eval & Audit												
					175,000		125,000					300,000
Grand Total			1,685,447	2,120,165	2,537,623	1,883,788	1,608,576	81,172	85,230			10,000,000

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GOS STRIDE Project Budget

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Sub-Total	Total
Tech Assist									305,615
LTTA housing	28,800	32,544	36,775	20,778	23,479			142,375	
Proj office	22,000	24,860	28,092	31,744	35,870			142,566	
PC salaries		3360	3360	3360	3360			13,440	
PC housing		1,492	1,686	1,905	2,152			7,234	
Part Trng									921,617
LT									
GOS									
salaries (GOS)	46,000	49,220	52,665	56,352	48,237			252,475	
(UnISWA)	14,500	31,030	16,601					62,131	
airfare	9,000	18,150	18,150	19,965	21,962	16,910	5,315	109,452	
Priv Sec									
salaries	42,000	44,940	48,086	51,452	55,053			241,531	
airfare	4,500	8,250	9,075	11,979	13,177	7,247	2,657	56,886	
ST									
GOS									
salaries	6,160	6,591	7,053	7,546	8,075			35,425	
airfare	9,000	9,900	10,890	11,979	13,177			54,946	
Priv Sec									
salaries	9,360	10,015	10,716	11,466	12,269			53,827	
airfare	9,000	9,900	10,890	11,979	13,177			54,946	
J-Cnt Trng									915,768
Sr/Mid lev									
GOS-salaries	25,800	27,606	29,538	31,606	33,819			148,369	
Priv Sec-salaries	32,400	34,668	37,095	39,691	42,470			186,324	
Trad Ldrs									
CD staff salaries	96,000	102,720	109,910	117,604				426,235	
workshop costs	4,800	9,800	14,800	19,800	24,800			74,000	
Admin wkshp costs	4,000	9,040	10,215	11,543	6,522			41,320	
salaries	4,300	9,202	9,846	10,535	5,636			39,520	
UNISWA									226,307
LTTA housing/office			14,400	16,272				30,672	
LT Trng-salaries		15,515	16,601	17,763				49,879	
airfare		1,650	3,630	3,993	2,196			11,469	
ST Trng-salaries		5,170	5,532	5,919				16,622	
airfare		3,300	3,630	3,993				10,923	
Addit. Staff (2)			33,202	35,526	38,013			106,741	
SCOT									111,790
LT Trng-salaries		9,095		10,413				19,508	
airfare		1,650	1,815	1,997	2,196			7,658	
ST Trng-salaries		1,517	1,623	1,737	1,859			6,737	
airfare		3,300	3,630	3,993	4,392			15,315	
Addit. Staff (2)			19,463	20,826	22,284			62,573	
GOS Proj Mngt	120,000	128,400	137,388	147,005	157,296	33,661	36,018		759,767
Commodities	4,250	74,803	5,427	6,132	6,525				99,136
Total	491,870	689,688	711,785	746,854	597,995	57,819	43,990		3,340,000

ANNEX E.5 DETAILED BUDGETS AND COST ESTIMATESA. USAID Inputs1. Long-Term TA

Cost structure for both positions assumes \$50,000 base pay and family of 4. All costs inflated at 5% annually.

a) Annual Costs:

Salary	\$50000
Overhead @ 100%	50000
Fringe @ 20%	10000
DBA @ 4%	2000
Education Allowance	6500
Post Health Facilities	900
Utilities	3000
House Maintenance	2000
Guard Services	3000
Storage @500/mo	6000
G&A @10%	13340
Sub-total	\$146,470

(b) Other, One-time Costs:

R & R (yrs. 2, 3, 4 @ \$2000 exc.)	8000
Shipping (Yr 1)	9750
Travel to Post @ 1500 (Yr 1)	6000
House Sec. Upgrade (Yr 1)	3500
Furnishings (Yr. 1)	9000
Travel from Post (Yr. 5)	6000
G&A @10%	5575

Long term TA at UNISWA has a lower unit cost (\$115,000, exclusive of one time costs) on assumption that U.S. university overhead only 45% of TA salary.

2. Short-Term TA

(a) Costs per month for U.S. consultant (assumes 6 day work week):

Average daily rate @ \$270	7270
Overhead @ 100%	7670
DBA @ 4%	281
Per Diem @ 85	2635
Local travel (car rental)	600
G&A	1888
Sub-total	\$ 19,311

E.5.2

(b) Other U.S. TA-Related Costs:

International Travel (rt)	\$4000
Misc. (medical, supplies)	1000
G&A	500
Sub-total	\$ 5,500
Total	\$24,800

(c) Local/regional consultants calculated at \$6000/pm inclusive of fee, per diem, and travel. This assumes a cost of \$5000/pm for local consultants, \$8000/pm for regional consultants, 67% use of local consultants and 33% use of regional consultants. Annual inflation rate is 13%.

3. Project Management

This includes support to 52 participants who started training under SWAMDP, including 18 starts in 1990. It also includes support to three OPEX staff hired under SWAMDP through the end of calendar year 1992. The project management budget includes a fee of 6% on all technical assistance and in-country training.

(a) Home Office

Assumptions on level of staffing needed:

- 1 Project Manager (30% time/\$60000/yr)
- 1 Placement Officer (40% time/30000/yr)
- 1 Secretary (30% time/\$22000/yr)

All costs inflated at 5% per year. Assumes 2 field visits a year (@ 3 weeks each) in Yrs. 1 through 5.

Annual Costs:

Salaries	\$36600	
Overhead	36600	
Fringe @20%	7320	
DBA	1464	
Int'l Travel (@RT 4000x2)	8000	
Per Diem (@85x42 days)	3570	
U.S. Travel	2000	
Telephone	6000	
Telex/Fax	2000	
Publications/Journals	1000	
Supplies	3000	
G&A	10755	
Sub-total		\$118,309

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(b) Field Office

All field office costs inflated at 13% annually.

Staff level:

2 Administrative Assistants (Local Hire/FT),

\$9000

1 Secretary (Local Hire/FT), \$5000

Annual Costs

Salaries	\$23000	
Overhead @ 45%	14950	
Fringe @ 20%	4600	
Telephone	4000	
Telex/Fax	2500	
Post/Courier	1000	
Supplies	2000	
Maintenance of 2 vehicles	2400	
Newspaper Ads	1500	
Test Preparation Workshop	1500	
Test Registration Fees	500	
Orientation (in-country)	1000	
Participant follow-up	3000	
G&A	6195	
Sub-total		\$68,145

Other One-Time Costs

Office Furnishings*	\$1000	
Computer (1)	4500	
G&A	550	
Sub-total		\$6,050

* Assumes carry-over of SWAMDP office furniture.

4. Participant Training

Total of 42 academic scholarships are to be awarded: 6 four year BAs, 32 two-year MAs, and 4 five-year PhDs (108 person years); All scholarships will be competed. 115 person months of short-term (12 months or less) external training will be funded.

Long-term participant costs conform to A.I.D. Handbook 10 guidelines and are based on a degree mix of 2 BAs in yrs 1 and 3 and 1 each in yrs 2 and 4 (total 6), 6 MAs per yr in yrs. 2-4 and 7 in yrs 1 and 5 (total 32), and 1 PhD in yrs 1 and 3 and 2 PhDs in yr. 2 (total 4). All training to be completed by LOP.

Base year costs for completion of degrees are: BA (\$88,000), MA (\$45,000), PhD (\$118,000). Unit costs are derived from the following line items. Certain costs (*) are one-time at start or end of program. Costs that are spread over the duration of training are inflated at 7% annually, and base year degree costs are also inflated at 7% annually in subsequent years of the project.

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	BA	MA	PhD
*Medical	55	55	55
*Pre-Departure Orient.	200	200	200
Tuition	7100	3000	10000
*Maintenance Advance	200	200	200
Living Allow (@720/mo)	8700	8700	8700(a)
*Orient. Per Diem (@110)	770	770	770
Books & Equip. (@65/mo)	780	780	780
*Book Shipment	200	200	200
Typing	200	200	200
*Thesis		300	
*Dissertation			15000(b)
*US Travel	225	225	225(c)
HAC Insurance (\$34/mo)	408	408	408
Enrichment Program	2000	2000	2000
*Professional Membership	300	300	300
Federal Taxes	1005	1005	1005(d)
G&A @ 2.5%	535	557	607

(a) Paid in Years 1, 2, 3, and 5 to PhD students; 4th year living costs included in dissertation cost.

(b) For research and related costs in Swaziland, including RT US/Swaziland travel for research and living expenses, dissertation publication.

(c) U.S. travel in first and last year.

(d) Per guidance cable (STATE 36240), taxes estimated @ 15% on living allowance only (less \$2000 personal exemption).

Short-term training unit cost is \$5065/person month comprising:

Tuition/Fees	\$3000
Maintenance Advance	200
Living Allowance	725
Books/Equipment	65
Book Shipment	60
Professional Membership	300
U.S. Travel	225
HAC Insurance	34
U.S. Orientation (@110)	330
G&A	124

Tuition for short term training for SCOT and UNISWA assumed \$1000 less than above since type of training likely to include faculty exchanges, where no tuition would be paid.

E.5.5

5. In-Country Training

Total LOP of 6900 participant days funded @\$50 per participant day inclusive of local instructors, materials, facilities, food, and accommodations. Inflation rate is 13% annually.

6. Traditional Leader-Training

Support for training approximately 1800 Traditional Leaders during Yrs. 1-4 (total of 5400 person days of training). USAID contribution to workshops totals \$50,000; \$20,000 in Yr. 1, \$15,000 in Yr.2, \$10,000 in Yr. 3, and \$5,000 in Yr. 4. The participant/day cost of \$18 includes accommodation, meals, and training materials. 4-6 weeks of training for CD officers (410 person days per year) is provided at a cost of \$27/day.

7. Institutional Strengthening

Illustrative costs for linkage with U.S. university for assistance to UNISWA & SCOT follow. All costs except for training inflated at 5% annually. Training costs inflated at 7% per year.

(a) UNISWA (Base year):

Management:

Technical Supervisor (10% @60000)	6000
Program Coordinator (30% @35000)	10500
Administrative Assistant (30% @ 20000)	6000
Fringe @ 20%	4500
Int'l Travel (2 RT per yr @ 4000)	8000
Per Diem (50 days @ 85)	4250
In-Country Travel (@ 600/trip)	1200
Medicals, passports	100
G&A @ 25%	10136
Sub-Total	<u>50686</u>

Costs for LT and ST TA and LT and ST training as noted above. Commodities, including textbooks, library books, computer software, and journals, estimated at \$72,931.

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(b) SCOT: (Per year)

Management:

Program Coordinator (15% @30000)	4500
Fringe @ 20%	900
Int'l Travel	4000
Per Diem (20 days @ 85)	4250
In-Country Travel	400
Medicals, Passports	75
G&A @ 25%	2883
Sub-Total	<u>14458</u>

Other costs as noted above. Commodities, comprising texts and computer software, budgeted at \$6000.

8. Commodities

Vehicles (one pick-up @ \$12000 and one station wagon @ \$18000); 4 Computers for SCOT (U.S.-procured @ \$4500); Photocopier for reproducing training materials for Traditional Leader training @ \$12,000.

B. GOS Inputs

For purposes of computing GOS contributions, international air travel and first year salaries paid by companies for participants from the private sector are included. Private sector participants are expected to be 33 percent of total long-term participants and 50 percent of short-term external training grants. The exchange rate used is \$1.00 = E2.50.

1. Training

The GOS will pay salaries of all public sector participants in external degree programs for the first twelve months of their training, and the salaries of all short-term external participants. As most long-term and short-term participants are expected to be selected from among Salary Grade 20 or above, the average salary contribution is computed by taking the 1988/89 mid-point salary for Grade 23 increased by 23.7 percent to reflect raises announced in the 1990 Budget Speech and the back-pay settlement with the Swaziland National Association of Civil Servants. This gives an annual salary of E23,098 or \$9,239. UNISWA faculty are assumed to receive a salary of E36,400 or \$14,560. Private sector salaries are assumed to average E35,000 or \$14,000. Subsequent year salaries reflect a 7 percent annual increase.

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The GOS contribution also includes salaries paid to participants of in-country training. Senior and mid-level salaries are calculated using the mid-point salary of Grade 25, increased by 23.7 percent to incorporate the recent raises, and divided by 260 to establish a base year daily average of E108 or \$43 per participant day. Subsequent years reflect a 7% annual increase.

GOS/private sector will pay international air fare for all external trainees, calculated at \$3000 per round trip for base year and with 10% annual increases.

The GOS will contribute to the cost of traditional leader workshops on an increasing basis until, by the fifth year of the project, the entire cost of the workshops will be provided in the Community Development budget.

The GOS will also fund the cost of workshops associated with the administrative reform component of the project. Short term technical assistance will be funded by A.I.D., but direct workshop costs will be a GOS responsibility.

2. Technical Assistance Costs

The GOS will provide housing for the Chief of Party and In-Country Training Advisor, housing for 4 Peace Corps Volunteers assigned to SCOT, 2 in each of years 2-5, offices and utilities for the prime contractor, and housing and office space at UNISWA for U.S. faculty involved in the linkage. Base year rates are as follows:

COP and Training Advisor Housing @1200/mo each	\$28800
PCV Housing @600/yr each	1200
Contractor Offices @1467/mo	17600
Utilities @200/mo	2400
Contractor Office support	2000
UNISWA Office @400/mo	4800
UNISWA housing @800/mo	9600

Subsequent years reflect 13% annual inflation.

3. Commodities

The GOS will provide petrol and oil for the two project vehicles at a cost of \$2400 (\$200/mo. x 12 months) a year. \$1850 a year is budgeted for miscellaneous supplies in support of project activities. Subsequent year costs are inflated at 13%.

SCOT will supplement its computer lab with six computers and UNISWA will increase by 12 the number of computers in its

ANNEX E.7 Scopes of Work for Chief of Party and In-Country Training Advisor

1. CHIEF OF PARTY/FIELD REPRESENTATIVE

The Chief of Party will reside in Mbabane, Swaziland, for five years. He or she will coordinate all activities under the prime contract.

QUALIFICATIONS:

The individual is required to have a master's degree in Economics, Business Administration or a related field, and at least 10 years of experience in economic development with emphasis on the private sector and related public policy at the ministerial level in developing countries. Experience in development in human resource planning is required. Preference will be given to candidates with experience in the management of professional and technical training programs and/or public sector policy reform to support private sector growth.

DUTIES:

- Coordinate all contract activities.
- Develop strong relationships with the business community, private sector leaders, and influential representatives including Chambers of Commerce, the Federation of Employers and other business and trades associations.
- Work closely with senior management/officials and training directors in the private sector and the GOS to develop training plans and programs to address management needs.
- Assist host country officials to identify constraints to private sector growth and investment, and develop the scopes of work for short term technical assistance that will analyze effective alternatives to GOS public policy to address private sector needs.
- Promote dialogue on management training needs and administrative reform between the private and public sectors through joint workshops, seminars and technical assistance to Chambers of Commerce and businesses.
- Prepare training needs assessments to improve management capabilities in both the private and public sectors.
- Identify methods to improve participation of women in private sector development and to open up opportunities for women's public and private sector employment through training.
- Provide periodic briefings to senior public sector officials and private sector executives on project activities, issues and actions that will address management and training needs.

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- Program short term technical assistance for the training of trainers at the Community Development Department, and monitor CD's training of traditional leaders.
- Supervise the In-Country Training Advisor in project years 1-3, and in years 4-5, work closely with local training institutions to develop programs for in-country training; prepare scopes of work for U.S. advisors who will assist local training institutions to design innovative management courses and curricula; sub-contract with local training institutions for local and regional trainers, facilities, and logistical support for in-country training.
- Coordinate with USAID on all procedures, processes and requirements for U.S. short and long term participant training; monitor and report semi-annually on participant status and progress; follow up with returned participants.
- Provide required quarterly financial and semi-annual narrative reports to USAID on all project activities.

2. IN-COUNTRY TRAINING ADVISOR

This position requires full time residence in Mbabane, Swaziland, for the initial 3 years of the project.

QUALIFICATIONS:

At least five years' experience in formal and non formal continuing education, including experience in public and private sector management training, is required. Previous experience in Africa, particularly southern Africa, is required. A Master's degree, preferably an MBA, is required. Preference will be given to candidates who also have previous experience training local village leaders and semi-skilled community workers.

DUTIES:

The In-country Training Advisor will work closely with the Chief of Party to develop short term training for public and private sector managers and administrators, and to sub-contract with local training institutions to implement this training. The advisor will also help the Ministry of Tinkhundla (Local Political Authority) to design and implement training for traditional chiefs and elected representatives of local development committees. The advisor will:

- Identify GOS in-service training needs, especially in management and administration.
- Monitor and report on in-country training programs and provide technical assistance as needed.
- Develop the scopes of work for U.S. and regional or local consultants to assist with needs assessments and the design and implementation of in-country training under STRIDE.
- Assist local training institutions to develop a sustainable capacity to provide management training for the private and public sectors.
- Develop a data base to evaluate training performance and to forecast the training needs of the public and private sectors.
- In collaboration with the Community Development Department of the Ministry of Tinkhundla, plan and implement traditional sector training programs.

APPENDIX F

INITIAL ENVIRONMENTAL EXAMINATION
OR
CATEGORICAL EXCLUSION

COUNTRY: SWAZILAND

PROJECT TITLE: Swaziland Training and Institutional Development

PROJECT NUMBER: 645-0231

FUNDING: FY 1990 \$2,464,000
LOP \$10,000,000

CATEGORICAL EXCLUSION PREPARED BY: Susan Fine, Environmental Officer, USAID/Swaziland

ENVIRONMENTAL ACTION RECOMMENDED: Positive Determination _____
Negative Determination _____
Categorical Exclusion X

CATEGORICAL EXCLUSION:

This activity meets the criteria for a Categorical Exclusion in accordance with 22 CFR Section 216.2 (c) and, subject to Section 216.2-(c)(3), may proceed without further environmental review, based on Section 216.2 (c)(2)(i), which states that education, technical assistance or training programs, except to the extent that such programs include activities directly affecting the environment (such as construction of facilities, etc.), are not subject to the provisions of Section 216.3. Since this project only provides technical assistance, training, and limited commodities for training institutions, and does not include activities which directly affect the environment, USAID/Swaziland has determined that the proposed project meets the criterion specified in Section 216.2 (c)(2)(i) for a Categorical Exclusion.

Bureau Environmental Officer
 APPROVED: John J. Gaudet *J. Gaudet*
 DISAPPROVED: _____
 DATE: 14 Feb. 1990

Clearance: RLA/SA TCR (draft)
 Concurrence: AFR/GC MAK

Date 11/16/89
 Date 11/14/90

ANNEX C

BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
 Training Cost Analysis (TCA)

x Academic
 _____ Technical

Project Title: Swaziland Training & Institutional Development Project Number: 645-0231 Project Year: 1 of 4 yr
 Budget Writer: Cecilia Kenyon Participant Months Projected (This Year) = _____
 Date Budget Prepared: 4/30/90 Comments: For 8 Bachelors Degree Participants

*** SEE "Instructions: Budget Estimate Worksheet" ***

Program Categories/ Training Activities	Number of Participants	No. of Units*	Unit* Price	Subtotal	Total
I. PARTICIPANT COSTS:					
A. Education/Training Costs		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>\$ 58,840</u>
1. Tuition/Fees	<u>8</u>	<u>1 year</u>	<u>\$ 7,100 / Yr</u>	<u>\$ 56,800</u>	<u>xxxxxxxxx</u>
2. Training Costs			<u>/</u>		<u>xxxxxxxxx</u>
3. Package Program Costs			<u>/</u>		<u>xxxxxxxxx</u>
4. Other (Mission Option) (Medical, Pre orientation)	<u>8</u>	<u>1 time</u>	<u>255 / OT</u>	<u>2,040</u>	<u>xxxxxxxxx</u>
B. Allowances		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>93,240</u>
1. Maintenance Advance	<u>8</u>	<u>1 time</u>	<u>200 / OT</u>	<u>1,600</u>	<u>xxxxxxxxx</u>
2. Living/Maintenance	<u>8</u>	<u>1 Year</u>	<u>8,700 / Yr</u>	<u>69,600</u>	<u>xxxxxxxxx</u>
3. Per Diem (Orientation)	<u>8</u>	<u>7 days</u>	<u>110 / Dy</u>	<u>6,160</u>	<u>xxxxxxxxx</u>
4. Books & Equipment	<u>8</u>	<u>1 Year</u>	<u>780 / Yr</u>	<u>6,240</u>	<u>xxxxxxxxx</u>
5. Book Shipment			<u>/</u>		<u>xxxxxxxxx</u>
6. Typing (Papers)-ACADEMIC ONLY	<u>8</u>	<u>1 year</u>	<u>200 / Yr</u>	<u>1,600</u>	<u>xxxxxxxxx</u>
7. Thesis - ACADEMIC ONLY			<u>/</u>		<u>xxxxxxxxx</u>
8. Doctoral Dissertation-ACADEMIC			<u>/</u>		<u>xxxxxxxxx</u>
9. Professional Membership			<u>/</u>		<u>xxxxxxxxx</u>
10. Other (Mission Option) (U.S. Taxes)	<u>8</u>	<u>1 year</u>	<u>1,005 / Yr</u>	<u>8,040</u>	<u>xxxxxxxxx</u>

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.)

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BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
Training Cost Analysis (TCA)

Academic

Technical

Project Number: 645-0231

Comments: For 8 Bachelors Degree Participants

Year: 1 of

<u>Program Categories/ Training Activities</u>	<u>Number of Participants</u>	<u>No. of Units*</u>	<u>Unit* Price</u>	<u>Subtotal</u>	<u>Total</u>
C. Travel		<u>xxxxxx</u>	<u>xxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>\$1,800</u>
1. International			\$ <u> </u> / <u> </u>	\$ <u> </u>	<u>xxxxxxxxxx</u>
2. Local	<u>8</u>	<u>1 time</u>	<u>225/OT/</u>	<u>1,800</u>	<u>xxxxxxxxxx</u>
3. Other (Mission Option)			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
D. Insurances		<u>xxxxxx</u>	<u>xxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>3,264</u>
1. HAC for U.S.	<u>8</u>	<u>1 Year</u>	<u>408 / Yr</u>	<u>3,264</u>	<u>xxxxxxxxxx</u>
2. Required by Institution			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
3. Other (Mission Option)			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
E. Supplemental Activities		<u>xxxxxx</u>	<u>xxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>20,329</u>
1. ELT, In-Country			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
2. ELT, U.S.			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
3. Academic Up-Grade			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
4. Reception Services			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
5. WIC Orientation			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
6. Other Orientation			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
7. Interpreters/Escorts			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
8. Internship/Cooperative			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
9. Enrichment Programs	<u>8</u>	<u>1 Year</u>	<u>2,000 / Yr</u>	<u>16,000</u>	<u>xxxxxxxxxx</u>
10. Mid-Winter Community Seminars			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
11. Follow-Up/Career Development			<u> </u> / <u> </u>		<u>xxxxxxxxxx</u>
12. Other (Mission Option) G & A 2,5%			<u> </u> / <u> </u>	<u>4,329</u>	<u>xxxxxxxxxx</u>
TOTAL PARTICIPANT COSTS (A + B + C + D + E) =				\$ <u>177,473</u>	= <u>177,473</u>

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.).

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ANNEX G

Academic
 Technical

BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
 Training Cost Analysis (TCA)

Project Title: Swaziland Training & Institutional Development Project Number: 645-0231 Project Year: 2 of 4 y.
 Budget Writer: Cecilia Kenyon Participant Months Projected (This Year) =
 Date Budget Prepared: 4/30/90 Comments: For 8 Bachelors Degree Participants

*** SEE "Instructions: Budget Estimate Worksheet" ***

Program Categories/ Training Activities	Number of Participants	No. of Units*	Unit* Price	Subtotal	Total
I. PARTICIPANT COSTS:					
A. Education/Training Costs		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>\$ 60,776</u>
1. Tuition/Fees	<u>8</u>	<u>1 Year</u>	<u>\$ 7,597 / Yr</u>	<u>\$ 60,776</u>	<u>xxxxxxxxx</u>
2. Training Costs			<u>/</u>		<u>xxxxxxxxx</u>
3. Package Program Costs			<u>/</u>		<u>xxxxxxxxx</u>
4. Other (Mission Option)			<u>/</u>		<u>xxxxxxxxx</u>
B. Allowances		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>91,464</u>
1. Maintenance Advance			<u>/</u>		<u>xxxxxxxxx</u>
2. Living/Maintenance	<u>8</u>	<u>1 Year</u>	<u>9,309 / Yr</u>	<u>74,472</u>	<u>xxxxxxxxx</u>
3. Per Diem			<u>/</u>		<u>xxxxxxxxx</u>
4. Books & Equipment	<u>8</u>	<u>1 Year</u>	<u>835 /</u>	<u>6,680</u>	<u>xxxxxxxxx</u>
5. Book Shipment			<u>/</u>		<u>xxxxxxxxx</u>
6. Typing (Papers)-ACADEMIC ONLY	<u>8</u>	<u>1 Year</u>	<u>214 /Yr</u>	<u>1,712</u>	<u>xxxxxxxxx</u>
7. Thesis - ACADEMIC ONLY			<u>/</u>		<u>xxxxxxxxx</u>
8. Doctoral Dissertation-ACADEMIC			<u>/</u>		<u>xxxxxxxxx</u>
9. Professional Membership			<u>/</u>		<u>xxxxxxxxx</u>
10. Other (Mission Option) (U.S. Taxes)	<u>8</u>	<u>1 Year</u>	<u>1,075 /Yr</u>	<u>8,600</u>	<u>xxxxxxxxx</u>

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.)

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BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
Training Cost Analysis (TCA)

X Academic

Technical

Project Number: 645-0231

Comments: For 8 Bachelors Degree Participants

Year: 2 of

<u>Program Categories/ Training Activities</u>	<u>Number of Participants</u>	<u>No. of Units*</u>	<u>Unit* Price</u>	<u>Subtotal</u>	<u>Total</u>
C. Travel		<u>xxxxxx</u>	<u>xxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	\$ <u> </u>
1. International			\$ <u> </u> / <u> </u>	\$ <u> </u>	<u>xxxxxxxxxx</u>
2. Local			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
3. Other (Mission Option)			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
D. Insurances		<u>xxxxxx</u>	<u>xxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>3,496</u>
1. HAC for U.S.	<u>8</u>	<u>1 Year</u>	<u>437 / Yr</u>	<u>3,496</u>	<u>xxxxxxxxxx</u>
2. Required by Institution			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
3. Other (Mission Option)			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
E. Supplemental Activities		<u>xxxxxx</u>	<u>xxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>3,894</u>
1. ELT, In-Country			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
2. ELT, U.S.			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
3. Academic Up-Grade			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
4. Reception Services			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
5. WIC Orientation			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
6. Other Orientation			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
7. Interpreters/Escorts			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
8. Internship/Cooperative			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
9. Enrichment Programs			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
10. Mid-Winter Community Seminars			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
11. Follow-Up/Career Development			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxx</u>
12. Other (Mission Option) G & A.2.58			<u> </u> / <u> </u>	<u>3,894</u>	<u>xxxxxxxxxx</u>
TOTAL PARTICIPANT COSTS (A + B + C + D + E) =				\$ <u>159,630</u>	= <u>159,630</u>

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.).

ab

ANNEX G

BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
Training Cost Analysis (TCA)

Academic
 Technical

Project Title: Swaziland Training & Institute Development Project Number: 645-0231 Project Year: 3 of 4 years
Budget Writer: Cecilia Kenyon Participant Months Projected (This Year) =
Date Budget Prepared: 4/30/90 Comments: For 8 Bachelors Degree Participants

*** SEE "Instructions: Budget Estimate Worksheet" ***

Program Categories/ Training Activities	Number of Participants	No. of Units*	Unit* Price	Subtotal	Total
I. PARTICIPANT COSTS:					
A. Education/Training Costs		<u>XXXXXX</u>	<u>XXXXXXXX/XXX</u>	<u>XXXXXXXXXX</u>	<u>\$ 65,032</u>
1. Tuition/Fees	<u>8</u>	<u>1 Year</u>	<u>\$8,129 / Yr</u>	<u>\$ 65,032</u>	<u>XXXXXXXXXX</u>
2. Training Costs	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
3. Package Program Costs	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
4. Other (Mission Option)	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
B. Allowances		<u>XXXXXX</u>	<u>XXXXXXXX/XXX</u>	<u>XXXXXXXXXX</u>	<u>97,872</u>
1. Maintenance Advance	<u>8</u>	<u>1 Year</u>	<u>9,961 / Yr</u>	<u>79,688</u>	<u>XXXXXXXXXX</u>
2. Living/Maintenance	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
3. Per Diem	<u>8</u>	<u>1 Year</u>	<u>893 / Yr</u>	<u>7,144</u>	<u>XXXXXXXXXX</u>
4. Books & Equipment	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
5. Book Shipment	<u>8</u>	<u>1 Year</u>	<u>229 / Yr</u>	<u>1,832</u>	<u>XXXXXXXXXX</u>
6. Typing (Papers)-ACADEMIC ONLY	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
7. Thesis - ACADEMIC ONLY	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
8. Doctoral Dissertation-ACADEMIC	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
9. Professional Membership	<u> </u>	<u> </u>	<u> / </u>	<u> </u>	<u>XXXXXXXXXX</u>
10. Other (Mission Option)	<u>8</u>	<u>1 Year</u>	<u>1,151 / Yr</u>	<u>9,208</u>	<u>XXXXXXXXXX</u>

(U.S. Taxes)

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.)

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BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
Training Cost Analysis (TCA)

X Academic

 Technical

Project Numbers: 645-0231

Comments: For 8 Bachelors Degree Participants

Year: 3 of

<u>Program Categories/ Training Activities</u>	<u>Number of Participants</u>	<u>No. of Units*</u>	<u>Unit* Price</u>	<u>Subtotal</u>	<u>Total</u>
C. Travel		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	\$ <u>1,800</u>
1. International			\$ <u> </u> / <u> </u>	\$ <u> </u>	<u>xxxxxxxxxxx</u>
2. Local	<u>8</u>	<u>1 Year</u>	<u>225</u> / <u>Yr</u>	<u>1,800</u>	<u>xxxxxxxxxxx</u>
3. Other (Mission Option) . . .			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
D. Insurances		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>3,736</u>
1. HAC for U.S.	<u>8</u>	<u>1 Year</u>	<u>467</u> / <u>Yr</u>	<u>3,736</u>	<u>xxxxxxxxxxx</u>
2. Required by Institution . . .			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
3. Other (Mission Option) . . .			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
E. Supplemental Activities		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>20,611</u>
1. ELT, In-Country			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
2. ELT, U.S.			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
3. Academic Up-Grade			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
4. Reception Services			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
5. WIC Orientation			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
6. Other Orientation			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
7. Interpreters/Escorts			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
8. Internship/Cooperative . . .	<u>8</u>	<u>1 Year</u>	<u>2,000</u> / <u>Yr</u>	<u>16,000</u>	<u>xxxxxxxxxxx</u>
9. Enrichment Programs			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
10. Mid-Winter Community Seminars			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
11. Follow-Up/Career Development			<u> </u> / <u> </u>		<u>xxxxxxxxxxx</u>
12. Other (Mission Option) G & A 2.5%			<u> </u> / <u> </u>	<u>4,611</u>	<u>xxxxxxxxxxx</u>
TOTAL PARTICIPANT COSTS (A + B + C + D + E) =				\$ <u>189,051</u>	= <u>189,051</u>

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.).

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ANNEX G

X Academic

BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
 Training Cost Analysis (TCA)

Technical

Project Title: Swaziland Training & Institutional Development Project Number: _____ Project Year: 4 of 4 ye
 Budget Writer: Cecilia Kenyon Participant Months Projected (This Year) = _____
 Date Budget Prepared: 4/30/90 Comments: For 8 Bachelors Degree Participants

*** SEE "Instructions: Budget Estimate Worksheet" ***

Program Categories/ Training Activities	Number of Participants	No. of Units*	Unit* Price	Subtotal	Total
I. PARTICIPANT COSTS:					
A. Education/Training Costs		XXXXXX	XXXXXXXX/XXX	XXXXXXXXXXXX	\$ 69,584
1. Tuition/Fees	8	1 Year	\$ 8,698 / Yr	\$ 69,584	XXXXXXXXXX
2. Training Costs			/		XXXXXXXXXX
3. Package Program Costs			/		XXXXXXXXXX
4. Other (Mission Option)			/		XXXXXXXXXX
B. Allowances		XXXXXX	XXXXXXXX/XXX	XXXXXXXXXXXX	108,720
1. Maintenance Advance			/		XXXXXXXXXX
2. Living/Maintenance	8	1 Year	10,658 / Yr	85,264	XXXXXXXXXX
3. Per Diem			/		XXXXXXXXXX
4. Books & Equipment	8	1 Year	956 / Yr	7,648	XXXXXXXXXX
5. Book Shipment	8	1 Time	200 / OT	1,600	XXXXXXXXXX
6. Typing (Papers)-ACADEMIC ONLY	8	1 Year	245 / Yr	1,960	XXXXXXXXXX
7. Thesis - ACADEMIC ONLY			/		XXXXXXXXXX
8. Doctoral Dissertation-ACADEMIC			/		XXXXXXXXXX
9. Professional Membership	8	1 Time	300 / OT	2,400	XXXXXXXXXX
10. Other (Mission Option)	8	1 Year	1,231 / Yr	9,848	XXXXXXXXXX
(U.S. Taxes)					

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.)

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Academic

**BUDGET ESTIMATE WORKSHEET: Academic or Technical Costs
Training Cost Analysis (TCA)**

Technical

Project Number: 645-0231

Comments: For 8 Bachelors Degree Participants

Year: 4 of

<u>Program Categories/ Training Activities</u>	<u>Number of Participants</u>	<u>No. of Units*</u>	<u>Unit* Price</u>	<u>Subtotal</u>	<u>Total</u>
C. Travel		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	\$ <u> </u>
1. International			\$ <u> </u> / <u> </u>	\$ <u> </u>	<u>xxxxxxxxxxx</u>
2. Local			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
3. Other (Mission Option)			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
D. Insurances		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>4,000</u>
1. IAC for U.S.	<u>8</u>	<u>1 Year</u>	<u>500 / Yr</u>	<u>4,000</u>	<u>xxxxxxxxxxx</u>
2. Required by Institution			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
3. Other (Mission Option)			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
E. Supplemental Activities		<u>xxxxxx</u>	<u>xxxxxxxx/xxx</u>	<u>xxxxxxxxxxx</u>	<u>4,558</u>
1. ELT, In-Country			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
2. ELT, U.S.			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
3. Academic Up-Grade			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
4. Reception Services			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
5. WIC Orientation			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
6. Other Orientation			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
7. Interpreters/Escorts			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
8. Internship/Cooperative			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
9. Enrichment Programs			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
10. Mid-Winter Community Seminars			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
11. Follow-Up/Career Development			<u> </u> / <u> </u>	<u> </u>	<u>xxxxxxxxxxx</u>
12. Other (Mission Option) G & A 2.5%			<u> </u> / <u> </u>	<u>4,558</u>	<u>xxxxxxxxxxx</u>
TOTAL PARTICIPANT COSTS (A + B + C + D + E) =				\$ <u>186,862</u>	= <u>186,862</u>

*Units are standard measures for the cost element (e.g., participants, participant weeks, etc.).

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E.O. 12356: N/A
 SUBJECT: SWAZILAND TRAINING AND INSTITUTIONAL
 DEVELOPMENT PROJECT 245-2231

REF: STATE 242894

1. MISSION DIRECTOR AUTHORIZED PROJECT PAPER FOR SWAZILAND TRAINING AND INSTITUTIONAL DEVELOPMENT PROJECT (STRIDE) 245-2231 ON MAY 31ST, 1993 AND OBLIGATED USD 1.921 MILLION OF PROJECT THROUGH GRANT AGREEMENT WITH COS. LOP FUNDING WILL BE USD 12 MILLION.

2. PROJECT PAPER DESIGN HAS CONSIDERED ISSUES RAISED IN REFTEL AND INCORPORATED THESE CONCERNS IN PP AS SUMMARIZED BELOW:

(A) BUY-IN TO CENTRAL TRAINING PROJECTS: THE DESIGN TEAM SERIOUSLY CONSIDERED THIS OPTION AND REQUESTED AFR/TR/EER TO PROVIDE FURTHER INFORMATION ON THE ATLAS AND HRD PROJECTS. ATLAS PROJECT WAS RULED OUT BECAUSE OF PROBLEMS AND FREQUENT DELAYS PLACING PARTICIPANTS IN U.S. UNIVERSITIES. THE TEAM FELT A CONTRACTOR WITH A FIELD OFFICE IN SWAZILAND WOULD BE MORE EFFICIENT AND COST EFFECTIVE IN MANAGING THE INCOUNTRY TRAINING THAN A U.S. BASED HRD CONTRACTOR.

(B) NEED FOR GREATER FOCUS: STRIDE IS NOT A GENERAL TRAINING PROJECT AND THE PP IS SIGNIFICANTLY MORE FOCUSED THAN THE PID IN TWO WAYS. FIRST, ALL TRAINING UNDER THE PROJECT IS AT THE MID AND SENIOR MANAGEMENT LEVELS. SECOND, PROJECT FOCUSES ON INCREASING ECONOMIC GROWTH, PARTICULARLY PRIVATE SECTOR EXPANSION. SPECIFIC QUANTITATIVE AND QUALITATIVE MEASUREMENTS HAVE BEEN INCLUDED FOR PRIVATE SECTOR AND WOMEN'S PARTICIPATION. OTHER KPI INDICATORS WILL MEASURE THE INCREASE IN THE NUMBER AND QUALITY OF GRADUATES FROM INCOUNTRY BUSINESS PROGRAMS, INCREASED PROMOTION AND LOCALIZATION RATES, AND INCREASED ECONOMIC AND BUSINESS ACTIVITY IN RURAL AREAS.

(C) NEED TO EMPHASIZE PRIVATE SECTOR GROWTH: AMBITIOUS TARGETS HAVE BEEN SET FOR PRIVATE SECTOR PARTICIPATION (35% LONGTERM TRAINING, 50% SHORTTERM AND INCOUNTRY TRAINING). THE INSTITUTIONAL STRENGTHENING COMPONENT AIMS AT BUSINESS PROGRAMS AT TWO TERTIARY INSTITUTIONS THAT PREPARE MANAGERS FOR THE PRIVATE SECTOR, AND

SELECTION CRITERIA FOR ADMINISTRATIVE REFORM TOPICS WILL BE BASED UPON POTENTIAL IMPACT ON THE PRIVATE SECTOR.

(D) INCREASE IMPACT BY CONCENTRATING SCHOLARSHIPS ON TRAINING TRAINERS: THE PROJECT'S ASSISTANCE TO TRAINING INSTITUTIONS IS 50% HIGHER THAN ENVISIONED IN THE BID, IN PART BECAUSE OF AN IMPROVED ENVIRONMENT AT UNISA. THE 4 PH.D.'S FUNDED UNDER THE PROJECT ARE RESERVED FOR FACULTY AT UNISA, WHO CAN ALSO COMPETE FOR OTHER SCHOLARSHIPS. IN-COUNTRY TRAINING IS EXPECTED TO HAVE AN INSTITUTIONAL STRENGTHENING IMPACT ON LOCAL TRAINING INSTITUTIONS THROUGH COURSE EXPANSION AND UPDATING AND THE PROVISION OF TA.

(E) USE OF LOCAL CONTRACTOR TO MANAGE THE PROJECT: THE DESIGN TEAM EXAMINED A NUMBER OF ALTERNATIVES TO PROJECT MANAGEMENT INCLUDING THE USE OF CENTRAL TRAINING PROJECTS, USE OF LOCAL PVOS OR TRAINING INSTITUTIONS, ESTABLISHMENT OF A PVO, AND THE USE OF A U.S. CONTRACTOR. NO LOCAL ENTITY CAPABLE OF MANAGING THE PROJECT COULD BE IDENTIFIED AND CENTRAL PROJECTS WERE DEEMED TO BE UNSUITED TO THE TRAINING PROGRAM PROPOSED. ESTABLISHING AN ORGANIZATION PROMISED TO BE AN EXPENSIVE VENTURE THAT WOULD DIVERT A SIGNIFICANT AMOUNT OF THE RESOURCES INTENDED FOR TRAINING AND SHIP AND DISRUPT THE PROJECT'S FOCUS. THERE WAS CONCERN THAT SUCH AN ORGANIZATION WOULD HAVE AN UNCERTAIN FUTURE AT THE END OF THIS PROJECT. ALSO, A U.S. OFFICE WOULD BE REQUIRED FOR PLACING PARTICIPANTS. THEREFORE, USE OF A COMPETITIVELY SELECTED U.S. CONTRACTOR WAS FOUND TO BE THE MOST EFFICIENT AND COST EFFECTIVE MANAGEMENT MECHANISM.

(F) TREATMENT OF THE ADMINISTRATIVE REFORM COMPONENT AS A SEPARATE PROJECT: THE DESIGN TEAM CONSIDERED THIS OPTION BUT FELT THAT IT WAS MORE APPROPRIATELY INCLUDED IN STRIDE FOR THREE REASONS. FIRST, TOPICS TO BE ADDRESSED WILL FOCUS ON IMPROVING EFFICIENT MANAGEMENT OF THE ECONOMY; SECOND, THE ROOT PROBLEM AT THE BASE OF ADMINISTRATIVE INEFFICIENCIES IS LACK OF APPROPRIATELY SKILLED AND QUALIFIED HUMAN RESOURCES AND SO IS APPROPRIATELY ADDRESSED BY THIS PROJECT. THE MISSION

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WILL, HOWEVER, CONTRACT THE INPUTS FOR THIS COMPONENT SEPARATELY, THROUGH IQCS AND OTHER APPROPRIATE CONTRACTING MECHANISMS.

(G) MANPOWER ANALYSIS: MANPOWER ANALYSIS OF DEMAND AND SUPPLY IN BOTH THE PRIVATE AND THE PUBLIC SECTORS IS INCLUDED IN THE BODY OF THE PP AND IN THE APPENDICES. THE 1986 SURVEY DATA HAS BEEN INCORPORATED INTO THESE ANALYSES AND THEREFORE IT IS NOT NECESSARY TO ATTACH IT AS AN APPENDIX.

3. IMPLEMENTATION CONTRACTS: THE PROJECT WILL LIMIT COMPETITION FOR THE PRIME CONTRACT TO MANAGE LONG AND SHORT TERM TRAINING AND INCOUNTRY TRAINING TO SMALL AND DISADVANTAGED BUSINESSES. INSTITUTIONAL STRENGTHENING OF THE UNIVERSITY OF SWAZILAND'S BUSINESS STUDIES PROGRAM AND THE SWAZILAND COLLEGE OF TECHNOLOGY'S ACCOUNTING PROGRAM WILL BE THROUGH A LINKAGE ARRANGEMENT WITH A U.S. UNIVERSITY UNDER A COOPERATIVE AGREEMENT WITH USAID.

4. LIFE OF PROJECT FUNDING FOR THE PROJECT IS BROKEN DOWN AS:

USAID:	USD	13,020,000
CSG:		3,340,000
TOTAL:		13,340,000

5. PACD IS MAY 31, 1997. THIS ALLOWS FOR FIVE YEARS OF INCOUNTRY TRAINING ACTIVITIES AND THE PLACEMENT OF FIVE ANNUAL CLASSES OF PARTICIPANT TRAINEES. YEARS SIX AND SEVEN WILL ALLOW STUDENTS SENT FOR TRAINING IN YEAR FIVE TO COMPLETE THEIR STUDIES AND RETURN TO SWAZILAND PRIOR TO THE PACD.

6. MISSION WILL FORWARD PP, PROJECT AUTHORIZATION PACKAGE, AND GRANT AGREEMENT TO AID/W BY DOJCE. 7/1/88
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