

UNCLASSIFIED

SOUTH AFRICA

SUPPORT TO TERTIARY EDUCATION PROJECT.
(STEP)

(674-0309)

PROJECT PAPER

AUTHORIZED: \$110,000,000
06/13/90

UNCLASSIFIED

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE
3

2. COUNTRY/ENTITY
SOUTH AFRICA

3. PROJECT NUMBER

674-0309

4. BUREAU/OFFICE

AFR

5. PROJECT TITLE (maximum 40 characters)

SUPPORT TO TERTIARY EDUCATION

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
06 30 00

7. ESTIMATED DATE OF OBLIGATION
(Under "E." below, enter 1, 2, 3, or 4)

A. Initial FY 90 B. Quarter 3 C. Final FY 95

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
AID Appropriated Total	12,000		12,000	110,000	-	110,000
(Grant)	()	()	()	()	()	()
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
TOTALS	12,000		12,000	110,000		110,000

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) ESE	680	630				50,000 *		50,000 *	
(2) DEA	680	630				60,000		60,000	
(3)									
(4)									
TOTALS						110,000		110,000	

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

631

11. SECONDARY PURPOSE CODES

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

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

TO PREPARE AND EMPOWER BLACK SOUTH AFRICANS AND SELECTED INSTITUTIONS FOR POSITIONS OF LEADERSHIP AND IMPORTANCE IN ORDER TO PROMOTE PEACEFUL CHANGE AND THE TRANSITION TO A NONRACIAL DEMOCRACY.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 11 94 11 94 01 00

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify) Code 935

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

*ASSUMING FUNDS CONTINUE TO BE ALLOTTED PER OBEY EARMARK.

Best Available Copy

17. APPROVED BY	Signature	<i>Dennis P. Barrett</i>	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
	Title	DIRECTOR USAID/SOUTH AFRICA	
	Date Signed	MM DD YY 06 12 90	MM DD YY

PROJECT AUTHORIZATION

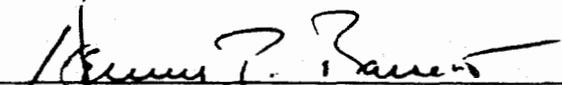
Name of Country: South Africa
Name of Project: Support to Tertiary Education
Number of Project: 674-0309

1. Pursuant to Sections 105(a) with funds appropriated under the heading "Sub-Saharan Africa, Development Assistance" ("DFA Funds") and 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Support to Tertiary Education Project (STEP) involving planned obligations of not to exceed one hundred ten million United States dollars (\$110,000,000) in grant funds over a period of six years from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is ten years from the date of initial obligation.

2. The project consists of financing undergraduate and graduate training in the United States and South Africa (including support programs); institutional support to selected nongovernmental organizations; and tertiary education support including technical assistance and short-term training in the United States, South Africa and third countries. The project will help prepare black South Africans and selected institutions for positions of leadership and importance in a changing South Africa.

3. The contracts, grants or cooperative agreements, which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority, shall be subject to terms and conditions as A.I.D. may deem appropriate.

4. The source and origin of commodities and nationality of services (except ocean shipping) financed by A.I.D. under the Project with DFA funds shall be the United States, South Africa or other countries included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing. The source and origin of commodities and nationality of services (except ocean shipping) financed by A.I.D. under the Project with ESF funds shall be the United States or South Africa, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States with respect to ESF funds and the United States and countries included in A.I.D. Geographic Code 935 with respect to DFA funds.


Dennis P. Barrett, Director
USAID/South Africa

Draft: DRobertson, PDO
Clearances: DNgatane, PDO
FMangera, PROG
MJohnson, SPDO
DKeene, RLAI

MEMORANDUM

TO: Denny Robertson, PDO

FROM: Victor Barnes, PPC/PDPR/SP

SUBJECT: STEP

Per your request, I have reviewed and clear the STEP project paper in its final draft.

REVIEW AND APPROVAL OF THE DETAILED ASSESSMENT
OF METHODS OF IMPLEMENTATION
AND FINANCING

Pursuant to authority delegated to me, I have made a detailed assessment of the methods of implementation of the South Africa Support for Tertiary Education Project. (674-0309)

Financial analyses of each of the implementing organizations will be undertaken prior to execution of individual grants. The review of methods of financing will also take place at that time.

Melvin L. Van Doren
Melvin L. Van Doren
Controller

3/1/90

SUPPORT TO TERTIARY EDUCATION PROJECT (STEP)
(674-0309)

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ACTION MEMORANDUM FOR THE DIRECTOR, USAID/SOUTH AFRICA

From:  Mark R. Johnson, Supervisory Project Development Officer

Subject: South Africa Support to Tertiary Education Project
(674-0309); Project Paper Authorization

I. Problem: Your approval is required to authorize the subject project at a level of \$110,000,000, to be funded under the FAA out of ESF (Section 531) and DFA accounts (Section 105((a))). The project supports long and short-term participant training in the US, South Africa and third countries as well as selected institutional strengthening efforts through training and technical assistance and administrative support. The PACD will be June 30, 2000 and planned obligations for FY 1990 total approximately \$18,000,000.

II. Authority: Pursuant to State 309504/89 and State 34737, AID/W has delegated the authority to approve the project to the field at a level not to exceed \$110,000,000.

III. Discussion

A. Background and Rationale: A host of social, political and economic factors grounded in the apartheid system of government in South Africa have conspired to provide inferior education for black South Africans. It has been the official policy of the South African Government (SAG) to systematically exclude blacks from skilled jobs, to deliberately skew educational curriculum away from technical subjects and to limit access to higher education. And yet, evidence is now irrefutable that South Africa's future will increasingly and rapidly depend upon black technicians, professionals and leaders.

In recognition of this fact, tertiary education has been a major focus of A.I.D.'s program in South Africa since its inception and was heavily reinforced in the Comprehensive Anti-Apartheid Act (CAAA) of 1986. To date, USAID/South Africa has contributed nearly \$50 million to tertiary education for blacks in South Africa. The Support for Tertiary Education Project (STEP) builds upon the lessons learned, merging two existing projects (Training for Disadvantaged South Africans - 690/674-0213 and South African Bursaries - 690/674-0230) and improving on earlier project design and implementation procedures.

B. Project Description

STEP is a ten-year \$110 million project which seeks to prepare and empower black South Africans and selected institutions for positions of leadership and importance in order to promote peaceful change and the transition to a nonracial democracy in South Africa. This purpose will be pursued through three project elements:

1. Leadership Development - This element will train current and potential leaders for a post-apartheid society where blacks will have access to the major institutions of government and commerce and will be called upon to play more central roles in the nation's power structures. Under this element:

- Approximately 600 people will receive long-term graduate degree training, supplemented by leadership development short-courses and seminars, in the United States in a broad range of fields of study; and
- Approximately 919 will receive short-term training or study tours in the US or third countries.

2. Human Resources Development - This element focuses on the immediate occupational needs of South Africa (particularly on professional and technical fields where blacks are severely under-represented), and on the training needs of nongovernmental organizations (NGOs) that serve the tertiary education sector. Under this element:

- Approximately 1200 people will receive long-term degree training at South African universities and technikons in areas of study concentrated on the sciences and commerce; and
- Approximately 2,520 others, mostly associated with NGOs, will receive short-term training or attend conferences and workshops in South Africa.

3. Tertiary Education Program Support (TEPS) - This element will design, manage and ultimately devolve to South African NGOs, short-term training and related activities to promote systemic change/improvements in the tertiary education sector. Under this element:

- The NGO short-term training activities, noted in 2. above, will be administered;
- Implementing NGOs will receive up to 5 person years of US and 16.5 person years of South African long-term technical assistant plus approximately 75 person-months of short-term technical assistance from the US and 156 person-months from South Africa; and
- Approximately 110 demonstration projects or research grants will be awarded and administered to demonstrate new technologies for ensuring the academic success of black students or to otherwise improve tertiary education for blacks in South Africa.

At the end of the project, USAID expects to demonstrate that:

- Bursars have returned to South Africa, have assumed appropriate professional and technical positions and have become actively involved in community-based structures;
- Short-term trainees are using their new skills on the job and in the community; trainees are advancing adequately in careers and hold leadership and management positions;
- The assisted NGOs are implementing more effective tertiary education bursary and support programs, and that those programs carried out by the Tertiary Education Project Support (TEPS) are being satisfactorily implemented by South African NGOs;
- South African brokering agencies participating in the project represent a broad spectrum of organizations engaged in combatting apartheid and its long-term effects.

C. Summary of A.I.D. Financing (\$)

Long-Term Training - US	34,222,500
Long-Term Training - SA	24,308,700
Short-Term Training	13,936,850
Technical Assistance	5,947,300
Special Projects	1,781,000
Evaluation and Audit	500,000
Personal Service Contractors	250,000
Inflation	<u>29,767,068</u>
TOTAL	\$110,713,418
ROUNDED TOTAL	\$110,000,000

D. Findings of Analyses

The project design recognizes the tremendous complexity, unpredictability and dynamic nature of the current situation in South Africa and the risks to project implementation that they engender. Assuming that the economic, political and social environments remain conducive to project implementation, the project is technically, socially, economically and institutionally sound and implementable.

E. Project Issues

A number of issues were raised by AID/Washington during its review of the Project Identification Document (PID) and were examined and resolved during preparation of the Project Paper.

1. Supply and Demand of Bursaries - While it remains difficult to get a quantitative accounting of the numbers and descriptions of all bursaries in South Africa, the current and anticipated demand from qualified candidates will continue to overwhelm the supply provided by A.I.D and other international and private sector donors. (See Technical Analysis.)
2. Failure Rates, Bridging and Academic Support - Failure rates continue to be high for black South Africans, particularly in the first year of university study. The project design recognizes this continuing problem, that it has not been adequately addressed in prior bursary programs, and proposes several new measures, including increased support to bridging, academic support and related programs, and improvements to selection criteria (see Detailed Project Description and Technical Analysis).
3. Institutional Strengthening - A separate project element, atypical for bursary programs, has been incorporated to strengthen NGOs directly involved in implementing this project and efforts will be made to include organizations representing a broader range of the anti-apartheid movement. The design relies upon external technical assistance during the early years of the project with roles and responsibilities quickly devolving to South African NGOs with proven capability (see Detailed Project Description and Institutional Analysis).
4. Mission Management Capacity - Current USAID staffing will be enhanced by the addition of a USDH Human Resources Development Officer and one FSN project manager soon after project authorization. Moreover, the Mission will attempt to consolidate activities where possible to avoid an unnecessary proliferation of individual grants and contracts to keep the number within USAID's implementation capacity (see Implementation Plan).
5. Job Placement - The project design argues against direct assistance in job placement due to the heavy demand for a wide range of skills in South Africa's techno-industrial economy, but puts increased emphasis on scientific and commercial fields of study for which there is a substantial unmet demand for skilled people. (See Technical Analysis.)
6. Availability of Candidates for Short-Term Training - There is a plethora of NGOs throughout the country engaged in activities directly related to this project. Project targets are modest, and demand for the short-term training offered in South Africa is expected to be more than

adequate. For short-term US or third country training, efforts will be made to engage technical, professional and community organizations, greatly expanding the number and diversity of recruitment agents.

7. Gray Amendment Entities - Involvement of Gray Amendment entities includes: (a) participation as direct grantees, through the Africare Career Development Intern Program; (b) participation as subcontractors, which will be a required feature of the long-term US training contract; and (c) possible participation as successful bidders in the open competition for the TEPS unit contract.

8. Refinement of the Project Purpose - During the PP design, the project purpose was modified to demonstrate a greater cause and effect between the inputs of participant training and the desired changes. This modification had no bearing upon the inputs to the project or the activities which will be carried out during implementation.

9. LOP Funding Level - The PID for this project was approved in AID/W at a funding level of \$88 million. During the project paper design, the team significantly increased the cost estimate to deliver the outputs described in the PID. This included a modest increase in technical assistance, deemed essential to achieve the project purpose and more realistic inflation figures. AID/W concurred with the Mission's request to raise the LOP ceiling from \$88 million to \$110 million in State 34737.

10. Participation of Exiles - In addition to the revised upward estimate in the LOP funding level, the PP design team recommended that South African exiles be eligible for USAID-financed bursaries in the project. This was highlighted as an issue by Senator Helms' office during the Congressional review, and was subsequently taken out of the Project.

11. Designated Officer - The USAID/South Africa Officer responsible for the project is Dennis P. Barrett, or his designee; the AID/W project officer responsible for the project is the appropriate AFR/PD/SAP officer.

IV. Waivers: No waivers are required.

V. Justification to Congress: The project was included in the CP for 1990. As a result of the increase in cost and the inclusion of South African exiles as eligible candidates for bursaries, a CN was submitted to the Hill on 02/15/90. An informal hold on the Project by Senator Helms' office was lifted on 06/12/90 contingent upon the elimination of the exile component.

VI. Recommendation: That you sign the attached project authorization and thereby approve the Support to Tertiary Education Project at a life-of-project funding level of \$110,000,000.

Attachments:

1. Project Authorization
2. Project Paper

Drafted: DRobertson **D** PDO:0755C:1/25/90

Clearances:

DNgatane, PDO **DN.**
FMangera, PROG **FM**
MJohnson, SPDO **MJ**
MVanDoren, CONT **MV**
DKeene, RLAA
JWeber, AD **JW**

I. BACKGROUND AND RATIONALE

The program of the Agency for International Development in South Africa (USAID/South Africa) is unique in that its origins and objectives are primarily political: to assist in the process of peacefully dismantling apartheid and to help legally disadvantaged South Africans prepare for leadership positions in a post-apartheid, nonracial democracy.

A. Rationale for the support of Tertiary Education

Education, particularly higher education, is a priority of black South Africans. The demand for higher education is driven by several forces. Among them are:

- o The recognition that there are not yet sufficient numbers of black professionals and technicians to assume leadership roles in a post-apartheid South Africa;
- o The need for a broad range of skilled professionals and technicians. As manpower information, presented later in this document, will show, tertiary education is a demand of the labor market;
- o The historic denial of access by blacks to quality education and to higher education in particular, requiring a huge investment in education in order to partially compensate for the lack of opportunity;
- o The fact that employers in most sectors of the economy are making jobs available to blacks and are beginning to promote black professionals into mid- and senior-level positions where higher education is a prerequisite;
- o The evidence that South Africa's political and economic success relies on black professionals and technicians as rapid change opens institutional doors and portends the opportunity to assume leadership roles; and
- o The fact that South African society places a high value on tertiary education making academic credentials a necessity to obtain access to power.

In response to the forces cited above, tertiary education has been accorded primary importance in the USAID program since its inception.

The focus on education and training is mandated by the US Congress in the 1986 Comprehensive Anti-Apartheid Act (CAAA). Under Section 103 (b)(1) of the Act, Congress called for providing "South African victims of apartheid ... educational opportunities in South Africa and the United States to prepare for leadership positions in a post-apartheid South Africa." This emphasis on tertiary education as a key element in developing the future leadership for a nonracial South Africa is also reflected in the Strategy Statement which was reviewed and approved by A.I.D./Washington in June 1988 (State 202233).

In addition to the predominance of the Mission's participant training projects, education also is featured in other USAID activities. All USAID projects directly link the empowerment of black South Africans to some form of education, including nonformal, technical and private sector skills training. Specifically, the Education Support and Training Project (674-0302) assists community-based educational efforts to provide a foundation for nonracial education in a post-apartheid South Africa. The Community Outreach and Leadership Development Project (674-0301) has an important role in training future leaders and in strengthening community organizations. The Human Rights program supports a variety of organizations seeking change through the legal system and fosters meaningful political dialogue and the development of democratic alternatives. Finally, the Black Enterprise Development (674-0305) and Labor Training (674-0223) Projects support skills training for black business persons and black union leaders. This emphasis on education and training results largely from a responsiveness to black community leaders and their strategies on non-collaboration with the SAG. Consequently, donors have a limited ability to exert direct pressure on the South African Government. This indirect strategy has been adopted and continues to be USAID's predominant strategy. It is a strategy that may witness change under this project as USAID moves towards a more direct approach to progress in tertiary education in South Africa.

B. Background, 1982-1989

USAID/South Africa has been actively involved in tertiary education since 1983, initially through US long-term degree training, and later through long-term degree training in South Africa and short-term training in the United States. This training has been carried out principally through two projects: Training for Disadvantaged South Africans (690/674-0213) and South African Bursaries (690/674-0230).

The two projects have been largely administered under contracts and grants with four organizations: The Institute of International Education (IIE) and Aurora Associates, Inc. in the United States; and the Educational Opportunities Council (EOC) and the South Africa Institute of Race Relations (SAIRR) in Johannesburg. IIE, a New York-based nonprofit education organization, and Aurora Associates have provided placement and support for students at US universities. Under a subcontract, EOC has conducted recruitment, screening and selection of US

bursars. In direct grants with USAID, EOC and SAIRR have provided all services related to the recruitment, screening, selection, placement and support for bursars at South African universities.

The total A.I.D. contribution to the joint participant training program has been \$48,033,251. The program has supported a total of 1,275 bursaries for South African students. Of that number, 613 of the recipients have studied in the United States and 662 persons have received assistance for study at South African institutions.

In Spring, 1989, USAID conducted a program evaluation to help determine future directions in the area of participant training. The evaluation strongly recommended continuation of training as an important contribution of the US Government to change in South Africa. The evaluation recommendations were reviewed by the Mission in May 1989 and incorporated into the Project Identification Document (PID) for a follow-on project combining both external and internal bursaries and creating the new Support to Tertiary Education Project. The PID was approved in A.I.D./Washington on July 19, 1989 and the authority to approve the PP in the field was delegated through State 309504.

Through development of the project paper, two modifications were recommended which required AID/W concurrence: (1) the inclusion of South African exiles as eligible candidates for participant training, either through existing grants or new procurements; and (2) an increase in the LOP funding to \$110,000,000 from the original \$88,000,000 due to increased estimates for inflation and technical assistance. AID/W approved both modifications in State 34737, attached as part of Annex B. However, during review by Congress, Senator Helms' office requested that the exile component be eliminated prior to approval.

C. Involvement of Other Donors

USAID is joined in its support for tertiary education by organizations throughout the world and within South Africa that recognize the inequality and injustice of South Africa's educational system. Accordingly, efforts to address these problems are being undertaken by a broad range of international donors, private sector corporations and nongovernmental organizations. Along with the United States, the governments of Australia, Great Britain, Canada, France, the Netherlands and West Germany provide substantial funding for South African and overseas bursaries and related support programs at the tertiary level. These programs total several hundred bursaries per year, but are insufficient to meet the demand.

The general approach of each of the international donors is quite similar: 1) funding is provided through a variety of private, nongovernmental channels; 2) most undergraduate training is in South Africa while graduate and short-term professional training are overseas; and 3) increased emphasis is being given to technical training and to the need for bridging and support programs. However, there is a growing trend of working directly

with "open" universities, who have marketed themselves as more efficient and cost-effective programming agents than NGOs. This trend restricts donor involvement to a few universities and risks supplanting local South African bursary funds for black students.

USAID consults regularly with the major foreign government donors to help assure consistent policies and priorities. In addition, a Policy Advisory Board, consisting of professionals from a variety of tertiary institutions, was established to provide guidance to the USAID bursary program. The function of the Policy Advisory Board has been largely superceded by the recent establishment of a National Bursary Council to coordinate the numerous contributions to tertiary education.

Though impossible to quantify, a number of internationally based private, nongovernmental organizations--usually with a religious, political or labor orientation--also provide tertiary education support. US and other foreign corporations have also funded a significant number of bursaries each year, though the numbers and magnitude of these programs have been declining rapidly with disinvestment and sanctions.

From within South Africa itself come a broad range of bursary programs funded by local corporations, nongovernmental organizations, parastatals and South African Governmental groups. There is no central source of information which describes the number and magnitude of these bursaries, though they may range from as little as one time, R100 prizes to multiple year awards including full expenses and spending money. Sometimes the bursaries are restricted to specific universities, occupations and/or ethnic groups. It is important to note that even scholarships offered by organizations which might be seen as supportive of the existing structure (South African universities, Town Councils, Department of Education or large mining companies) are highly competitive. In addition many bursaries that are locally available, especially from the private sector support the "best and the brightest" students. The numbers of students who qualify for such bursaries are few; a huge demand often goes unserved by the private sector. It is that demand which STEP will seek to address. There has been no hint that the supply of qualified candidates to either the A.I.D. financed or other bursary programs is declining.

D. Conclusion

In recent years the access to and demand for tertiary education has increased for black South Africans. The success of current bursary programs and the continuing interest in and demand for higher education argues for bursaries and, at the same time, provides an opportunity to refine and extend the impact of the current program.

II. DETAILED PROJECT DESCRIPTION

The Support to Tertiary Education Support Project (STEP) merges the two previous bursary activities and introduces a number of new features which are based on USAID experience; guidance from the black community, student and implementing organizations; and recommendations from the 1989 evaluation. The new features that have been added to the bursary program are intended to provide scholarship recipients, potential leaders in the black community and community organizations, with an increased capacity to play meaningful roles in the process of both immediate and long-term political and social change in South Africa. Too, a new emphasis is placed on hastening change in the tertiary education sector by identifying and implementing strategies that improve access of blacks to higher education, that improve the retention of blacks in tertiary education, or that improve the quality and equity of their academic programs and services. The STEP, an umbrella project, is described in detail below.

A. Project Goal and Purpose

In the logical framework that appears as an annex to the project paper, the goal and purpose of STEP are stated along with related inputs and outputs. The goal and purpose have been refined and further elaborated since their conceptualization during the development of the Project Identification Document (PID). The additions strengthen the relationship between the long-term goal of significant and lasting social change in South Africa and the education and training of black South Africans. The project's intent is not changed; rather, it has been expanded and stated to show the linkages between the goal and purpose which appear below.

The goal of the STEP is to ensure that black South Africans are full contributors to and participants in the political, social, economic, and intellectual life of their nation. This goal will be achieved only in a post-apartheid South Africa when race is no longer a barrier to political office and when democratic institutions have replaced existing structures. The goal will be achieved when blacks have full access to and enjoy the benefits of the nation's cultural and social institutions and when they are fully represented as producers and consumers in the nation's economy. Blacks will be contributing to the intellectual life of South Africa and, post-apartheid, will be recognized for their contributions to scholarship, policy, and direction-setting for the nation.

To support the realization of the program's goal, the purpose of the STEP is to prepare and empower black South Africans and selected institutions for positions of leadership and importance in order to promote peaceful change and a transition to a nonracial democracy that is envisioned in the nation's future.

The targets of the project, then, are both institutions and individuals who have been selected for the roles they can play in bringing about change and in building a nation. Individuals include young people whose career aspirations are consistent with South Africa's development needs, whose academic achievements indicate that they will benefit from higher education, and whose history demonstrates a commitment to advancing the causes of the black community and a nonracial country. The project also aims to reach experienced professionals and technicians who have demonstrated a capacity to lead people and/or to manage organizations that impact on the future of the black community in South Africa. Line managers and staff members of nongovernmental organizations that are involved in human resources development and particularly in the support of tertiary institutions will be involved as well. Finally, the project will target selected institutions that manage education and training programs and show an active interest in strengthening their organizations and building towards an expanded role in the future South Africa.

At the end of the project, USAID expects to demonstrate that: a) bursars have returned to South Africa, have assumed appropriate professional and technical positions and have become actively involved in addressing community-based problems and in developing new community structures; b) Short-term trainees are using their new skills on the job and in the community and are advancing in their careers and are assuming managerial and leadership positions; c) assisted NGOs are implementing more effective tertiary education bursary and support programs, and that relevant activities carried out by TEPS are being satisfactorily implemented by South African NGOs; and d) South African brokering agencies participating in the project represent a broad spectrum of organizations engaged in the democratic liberation movement.

B. Project Elements

The STEP is designed to promote leadership, develop human resources, and support the success of black students in tertiary education institutions. The principal activities comprising the STEP are training and technical assistance. The project's largest cluster of activities is training, which includes long-term and short-term training and employs venues in the United States, South Africa, and third countries (the Southern African region). Each element of the project is described below along with the related activities and program components. The "elements", "activities" and "components" that comprise STEP are summarized in the chart on the next page.

SUMMARY OF STEP

Chart 1

ELEMENT	ACTIVITY	COMPONENT
LEADERSHIP DEVELOPMENT	Long-Term Training	US Graduate Degrees (including ST leadership training)
	Short-Term Training	US Leadership for Government Leadership for Private Sector Community and Organization Development Faculty Development
	Third Country Training	Diploma courses Certificate Courses
HUMAN RESOURCES DEVELOPMENT	Long-Term Training	SA Undergraduate Degrees Diplomas Other Academic Degrees (including US year abroad)
	Short-Term Training	SA Management Office Administration Technical Courses
TERTIARY EDUCATION PROGRAM SUPPORT (TEPS)	Administering Short-Term Training Providing Technical Assistance Supporting Pilot Projects	NA

1. Leadership Development

The first project element, leadership development, focuses on preparation for a post-apartheid society where blacks will have access to the major institutions of government and commerce and will be called upon to play increasingly central roles in the nation's power structures. Although the end of apartheid is not now within view, these leaders and potential leaders can be expected to play key roles in planning for change and in pressuring established institutions to remove objectionable structures and practices. Leadership development seeks to increase the number of black South Africans with professional and leadership skills, to expose them to resources in the United States and to encourage communications with third world counterparts. The element is comprised of three activities: long-term training in the United States (and in some specific instances in third countries), short-term training in the United States, and short-term training in third countries.

Leaders and potential leaders are persons who have distinguished themselves in a professional or technical field, have been recognized by their peers as exemplary professionals or technicians, have assumed leadership roles at work or in the community, and have actively attempted to promote a nonracial and democratic South Africa. Academic merit will also be a criteria when appropriate. These individuals are currently resident in South Africa. A discussion of the activities comprising leadership training follows:

a) Long-Term Training in the United States

Long-term training in the United States primarily in graduate level instruction in those institutions of higher education that are prepared to offer substantial tuition and fee waivers to students. Approximately 85% of the US bursaries will include waivers and the remaining 15% will be bursaries for study at Historically Black Colleges and Universities (HBCUs) or in priority fields of study where waivers are unavailable. Long-term study in the United States will involve potential leaders from community organizations and commerce. In order to ensure that a broad base of leadership is developed through this program component, every effort will be made to draw participants from all sectors of the economy and from varied fields of study. The emphasis will be given to management and leadership with a focus on the following fields of study, compatible with human resources requirements:

Business administration including marketing, finance and transportation management;

Agricultural administration;

Management of research and development including engineering, architecture, automated information systems, and natural and life sciences;

Health administration;

Education administration;

Public administration, including regional and townplanning and local government.

A total of 600 persons will receive bursaries to study at the graduate level (largely masters) for three years. All will be selected from persons currently resident in South Africa and will be expected to return to professional and community leadership roles in South Africa.

A typical program for long-term US training will include:

Orientation. A brief pre-departure orientation will be followed by a 2-3 week orientation in the United States to include academic, social, and cultural adaptation and basic introduction to living skills.

Enrichment programs. Programs offering students a minimum of four weeks of management/leadership training in skills such as communications, negotiations, group dynamics, effective use of power, etc.

Follow up. Support to help returnees impact South African institutions. Alumni associations, organized community involvement or activities in support of a nonracial democratic South Africa are expected to result when participants return home.

At the completion of their US studies, participants are expected to return to South Africa and assume appropriate professional and technical positions and become actively involved in addressing community-based problems and developing nonracial democratic institutions.

b) Short-Term Training in the United States

Short-term leadership training in the United States is comprised of courses lasting no more than six months. The US venue will be elected when exposure to the United States, the quality of US academic or technical resources, the potential for networking and professional exchange, the availability of private sector contributions, and practical training opportunities argue for this somewhat costly form of training.

Participants in short-term training in the United States can be expected to hold academic degrees, to occupy positions of community importance, and to demonstrate exceptional potential for leadership. They must be resident in South Africa at the time of selection.

Short-term training in the United States offers to black South Africans opportunities that are not otherwise available in the Southern African region. Approximately 709 persons will be

trained in this component and the average length of the program will be 3 months. Generally, the US is elected when the technical and human resources available in the United States are relevant and the American socio-political environment is a necessary ingredient in the training program. In many cases, both criteria will apply. The programs are likely to include: Leadership Development, Community and Organization Development, and Faculty Development. They must be designed so as to avoid competing with programs offered through other projects in the Missions's portfolio. Some illustrative examples are provided below:

(1) Leadership Development

The purpose of the Leadership Development program is to train distinguished black professionals and technicians in executive management. These individuals are intended to be the future heads and senior staff of Government agencies, of private corporations, and of universities. These programs are designed for the trustees of South Africa's political, social, economic, and intellectual future. Programs may include:

(a) Executive Leadership for the Future Government

This program is intended for senior personnel in post-apartheid government agencies. Participants in this program are skilled professionals and technicians who already hold university degrees (in most cases) and are preparing to be top level executives in their technical fields. Participants represent various government sectors including health, education, transport, environment, energy, commerce, labor, social welfare, higher education (university administration), local government, etc. They will be seeking to add executive leadership skills to their extensive capabilities in technical or professional areas. They should be expected to have at least five years of relevant work experience and a career plan that includes public service in a post-apartheid society.

(b) Community and Organization Development

Community-based organizations and other NGOs are struggling to develop their own capacities to continue to serve the black community as increasing demand expands the organizations' client bases. These are the organizations that are, right now, the primary instruments of social change, especially at the local level. Many are involved directly in tertiary education and in providing education and training services throughout South Africa. Much of what they require is politically sensitive; it is access to technologies of peaceful change and of social action. Additionally, they need the basic tools to teach others and to help local organizations manage their affairs. This component of the short-term training program in the United States is designed to train the leadership of NGOs who, themselves, are assisting other local, grassroots organizations to work for change in South Africa. Participants are community development

and organization development experts who can adapt US change technologies to the local context. Their training will include community action, social sciences, and practical techniques in community education and training.

(c) Faculty Development

The future intellectual leadership of South Africa may well come from within universities. At present universities are doing little to develop the research skills of black academics and the literature so important to their development is often not available. Therefore, US study for black faculty members is a means to contribute to the future intellectual capacity of a post-apartheid South Africa. Participants in this program component are drawn from universities and hold at a minimum a first degree. Their programs include contact with American counterparts and academic resources, opportunities to explore research and develop methodological skills, and exposure to university systems and teaching methods used in American universities. Along with intellectual development, participants are exposed to applications of theory (e.g. a public health scholar also visits clinics, etc.).

(d) Executive Leadership for the Private Sector

Currently, blacks are largely excluded from business ownership and from the highest positions in the corporations that dominate the business scene in South Africa. Blacks have limited experience heading corporations or starting businesses of their own. Short-term training, therefore, will be available in economics, finance, banking, entrepreneurship, and business law and should be expected to include substantial practical experience.

Candidates for short-term training will be identified with the recruitment assistance of professional or technical associations and will be eligible based upon a written application that details professional achievements, community service and commitments to the promotion of peaceful change in South Africa. The application will include letters of reference from professional colleagues concerning achievements and leadership potential. Candidates will have at least five years of work experience and will hold a degree or credential in the field in which training will be pursued.

Candidates will apply for specific programs designed each year by the US training organization (linked to the TEPS unit described below) and advertised by the counterpart organization in South Africa. Numerous such programs already exist and are available for adaptation. This component of the program should be ready for start-up soon after award of the contract for the TEPS unit.

c) Short-Term Training in Third Countries

Short-term training programs in third countries in the Southern African region will be elected when community leaders and skilled professionals and technicians can benefit from both the networking opportunities and the particularly relevant nature of instruction that is available through regional institutions and organizations. Programs might include courses lasting several weeks or months or might be a conference or a workshop of several days duration. A broad range of topics will be appropriate for third country study including: trade, health, education, agriculture, economic development, credit unions, cooperatives, community development, etc.

Approximately 210 persons will receive training in third countries. Programs will average two weeks in length. Third country training, for the most part, will respond to opportunities, such as regional conferences, that arise, rather than being pre-programmed. Such training may lead to diplomas or certificates or may be for professional inservice development.

2. Human Resources Development

The second project element, human resources development, focuses on the immediate occupational needs of South Africa, on professional and technical fields where blacks are severely under-represented and on the training needs of nongovernmental organizations that serve the education sector. The human resources development component of the STEP includes long-term training in South Africa and short-term training in South Africa. Each activity is described below:

a) Long-Term Training in South Africa

Bursaries will be awarded to black South Africans, through intermediary organizations, for degree training in South African institutions including universities, technikons, and, to a limited degree, technical colleges and teacher training colleges. By the second year of the project, the intake should be expected to include at least thirty percent (30%) non-university degrees. While the university programs are expected to be first degrees with preference given to the bachelor of science and the bachelor of commerce degrees, graduate study will be considered whenever appropriate. A target of seventy percent (70%) of the degrees will be in the sciences and commerce; no more than thirty percent (30%) of the degrees will be in the arts. Education degrees will be in scientific and commercial specialties.

It is anticipated that the project will award approximately two hundred (200) bursaries per annum for six years. The total number of bursaries is about 1200. The bursaries will provide full support to students while they are enrolled in South African institutions for the period of time required to complete the degree or diploma program, not to exceed four years. Funds will

also be provided for academic support programs, for bridging programs such as Khanya College or the LEAF schools, and degree related practicums/internships as required. This support will be provided, initially, as a fee attached to the bursary while more direct support for ASP-type programs is under study. Specific fields of study for undergraduate degree training, including technical degrees, will reflect projected human resource requirements discussed elsewhere in the project paper and will be subject to change as human resource requirements evolve and as better information on these requirements is developed during the life of project. The priority fields as currently defined are:

- accounting/auditing;
- administration;
- agriculture;
- architecture and related trades;
- artisans;
- business;
- computer science;
- economics;
- engineering;
- finance;
- health;
- management;
- medical doctors;
- natural and life sciences;
- nursing;
- paramedics;
- teaching;
- technicians;
- town and regional planning; and
- transportation.

Recruitment procedures will be the responsibility of the South African implementing organizations which will ensure appropriate regional and gender representation. Selection criteria will also be established by each implementing organization but will include as minimum criteria: financial need, academic achievement, and commitment to community service and the peaceful achievement of a post-apartheid South Africa. On the basis of career guidance and placement counseling, bursars will choose their own university or technical program within the parameters of the fields of study listed above.

b) Short-Term Training in South Africa

Short-term training in South Africa takes advantage of the numerous technical training resources available in South Africa and employs local training organizations alone or with assistance from US or other sources. It is especially advantageous when: 1) the context for and relevance of training are particularly rooted in the South African experience; 2) the program directly reaches large numbers making South Africa training efficient; 3) the target of training is the nongovernmental organization and needs assessment and follow-up provided locally are critical

training components; 4) the expertise is locally available; and 5) training is best designed in a series of sessions meeting periodically, making out-of-country training impractical or unaffordable.

The participants in this component of the program are principally management and staff of nongovernmental organizations (NGOs) involved in support to tertiary education. The purpose of South African short-term training is to strengthen the skills of NGO staff members in areas essential to the effective operation of their organization.

Training topics will include the following:

- o Management Training
 - Budgeting
 - Financial Management
 - Supervision
 - Personnel Management
 - Planning and Goal Setting
 - Program Management
 - Program Evaluation
 - Presentations; Public Speaking
- o Office Administration
 - Bookkeeping
 - Filing
 - Office Machines
 - Office Procedures
 - Secretarial Skills
 - Workgroups and Communication Skills
- o Technical Training
 - Fund Raising
 - Organization Development
 - Publishing and Materials Development
 - Training of Trainers

Organizations that are candidates for short-term training in South Africa will be drawn from NGOs that have demonstrated:

- o Organizational Leadership. Participants will be from black-led organizations or from organizations in which black South Africans have clear and unequivocal influence in determining organizational policy.
- o Community Support. Organizations will have support within the broader community of black South Africans and the political goals of these organizations will support a democratic nonracial post-apartheid future for South Africa.

- o Innovation and Specific Target Audiences. Organizations will be innovative in addressing the needs of their communities.
- o Technical Competency. Organizations will exhibit technical competency, receptivity to new ideas, and evidence of experience in the administration or provision of services.

NGOs seeking training under this program component will demonstrate that they regularly evaluate their performance and they will provide results of an internal needs assessment showing what staff development is needed in the organization. If a needs assessment has not been done, it may be provided by the project to the NGO at the request of the NGO's top management.

Approximately 1995 persons will benefit from short-term training in South Africa. They will participate in courses lasting an average of 10 days in length. Another 525 persons will participate in 2-day conferences supported largely or in part by USAID.

Short-term training in South Africa will be provided by South African training organizations, largely NGOs, universities, and training colleges. Numerous short courses are available as well from the commercial sector and will be supported under STEP.

The STEP program support unit described below will manage the short-term training. Training will be sponsored by the organization and participants will be recruited from the NGO community. Topics will be selected on the basis of NGO needs assessments and training plans. For example, many NGOs have indicated a need for computer training. The support organization will in this case identify a local training provider, advertise the course and select applicants from NGOs on a first-come, first-served basis. Courses will be repeated as needed. The support organization will also obtain US short-term assistance with training when required and will support the development of related materials, curricula and media. Because trainers are in short supply, STEP will plan to join with South African organizations to sponsor training-of-trainers programs.

All bursars in South Africa will be expected to "pay-back" their bursaries in the form of an active commitment to community service. The organization seeking to manage USAID bursaries will propose appropriate schemes to encourage community service. Such schemes might include alumni associations to sponsor community events, a volunteer clearinghouse operation, or a data bank to link former participants with special needs in the community.

3. Tertiary Education Program Support (TEPS)

The third element of STEP is the Tertiary Education Program Support provided through a unit based in Johannesburg or elsewhere in South Africa. The purpose of the unit will be to

design and develop several new STEP program components, then devolve the components to organizations where they can be institutionalized and managed on a permanent basis. The unit serves only temporarily until appropriate individuals and organizations can be found to permanently manage its activities. The technical analysis will address the rationale for this approach in some detail. In the interim, this unit will carry out this element, whenever possible, using South African resources.

The purpose of the TEPS unit is to: 1) administer short-term training; 2) provide technical assistance to bursary management organizations; and 3) develop pilot projects to support change/improvement in tertiary education in South Africa. Each of these activities is described below.

a) Administration of Short-Term Training

The TEPS unit will manage short-term training in the United States, in South Africa, and in third countries (exclusive of the short-term leadership training associated with US long-term participants). The TEPS responsibilities are:

- o Short-Term Training in the US
 - Establish an advisory board to screen and select candidates for US training and to assist in setting leadership training priorities;
 - Subcontract or otherwise join with a US group(s) to design and implement US training;
 - Administer US training (recruit, advertise, document, make travel arrangements, orient, monitor, report, evaluate);
 - Devolve these functions to a training organization(s) that can demonstrate a broad base of community support, an ability to identify future leaders, and an adequate administrative structure to handle about 100 leadership and management trainees annually. Transfer of this activity from an American to a South African staff member should be achieved during year two.
- o Short-Term Training in Third Countries
 - Compile a third country training inventory;
 - At the request of USAID, administer third country training;
 - Along with US short-term training, devolve this function to a South African staff member in year two.

- o Short-Term Training in South Africa
- Compile a short-term training inventory relying on existing documents where possible;
- Evaluate the management and administration of training organizations to determine their scope, quality, capacity and interest in expanding to train NGO personnel;
- Obtain needs assessments/staff development plans from NGOs (starting with USAID-funded NGOs) and work with an NGO task force to set training priorities;
- Support and administer training;
- Identify one or more local organizations that can manage South African short-term training and begin to devolve this responsibility in year two of the TEPS contract.

b) Technical Assistance to Bursary Management Organizations

The TEPS unit will help strengthen bursary management organizations through the provision of organization development (OD) services. The unit will work collaboratively with one or more South African individuals or organizations to build a local capacity to provide OD services. TEPS will:

- Assess current bursary management organizations to establish their interest in and readiness for organization development;
- Identify potential bursary management organizations and assess their capabilities to handle USAID bursaries. Assist USAID in attracting new bursary groups into STEP;
- In cooperation with local OD groups, deliver technical assistance to bursary organizations;
- Train local OD personnel for conducting the follow-up with bursary organizations; and
- Devolve this function to a local group beginning in year three.

c) Pilot Projects

The TEPS unit will assist USAID in developing pilot activities to improve tertiary education in South Africa and particularly to demonstrate new technologies for ensuring the academic success of black students. Projects can be expected to include efforts in:

- o Career guidance;
- o Testing and examination alternatives to matric;
- o Access to tertiary institutions;
- o Compensatory education;
- o Etc.

The TEPS will support approximately 110 such pilot or demonstration activities which will be selected pursuant to criteria to be developed in consultation with USAID and subject to AID prior approval. The activities will include conference management and other efforts to encourage dialogue among educators. The pilot projects will be implemented by South African individuals or institutions. The TEPS unit will provide technical assistance and oversight. This component of TEPS will remain an activity under STEP and is intended to feed into the Mission's programming exercise.

As indicated above, the TEPS component of the project includes administration and technical assistance from US and South African sources. The US involvement is heaviest in the initial years of the program and responsibilities are transferred to South African entities beginning in year two.

A summary of all training and technical assistance activities appears on the following chart:

SUMMARY OF TRAINING AND TECHNICAL ASSISTANCE

TRAINING	PARTICIPANTS	AVERAGE LENGTH
Long-Term US	600	3 Years
Long-Term SA	1200	4 Years
Short-Term US	709	3 Months
Short-Term SA	1995	10 Days
Conferences SA	525	2 Days
Short-Term Third Country	210	2 Weeks
	4839	

TECHNICAL ASSISTANCE	UNITS	START
Long-Term US	5 Person Years	
Long-Term SA	16.5 Person Years	
Accountant SA	7 Person Years	
Short-Term US	75 Person Months	
Short-Term SA	156 Person Months	

SPECIAL PROJECTS	NUMBER
Research	51
Demonstration	59

III. COST ESTIMATE AND FINANCIAL PLAN

Project inputs are presented in Table 1, Summary Cost Estimate and Financial Plan; Table 2, A.I.D. Project Expenditures by Fiscal Year; and Table 3, Summary Project Costs by Element. Tables 4 and 5 present technical assistance and short-term training units on an annual basis. Explanatory notes on component project costs are attached as Annex M.

Table 1, Summary Cost Estimate and Financial Plan, presents the various project component costs based on foreign exchange and local currency estimates. Components do not necessarily reflect the same aggregate of activities for contracting purposes (i.e. most short-term training and technical assistance activities will be merged into one contract). However, the table does give a clear impression of the types of general activities to be funded and the split between the US and South Africa. There are several noteworthy comments in this regard:

- * US universities make a significant contribution to the cost-effectiveness of the long-term leadership component of the project, providing approximately 35% of the cost (\$18,360,000). 85 percent of the US bursaries are expected to be supported in part by waivers from the US colleges and universities of tuition, fees, room and board, or combinations thereof.
- * There is a reasonable balance between the US and South Africa training on a dollar per dollar ratio (57% US and 43% South Africa). This demonstrates the appropriateness of South Africa-based training where possible.
- * Inflation, which has been calculated at an annual compounded rate of 6.75 percent, accounts for more than one-quarter of total project costs and is due to a relatively long ten year life-of-project, as well as anticipated continued high South African inflation rates.

Table 2, AID Project Expenditure by Fiscal Year, estimates the expenditures over the ten year life-of-project. This table can be summarized as follows:

- * The Project requires approximately two years to gear up. That is, project expenditures will largely be start up costs associated with the TEPS and the long-term US program until year three.

- * Long-term US training comprises five intakes of approximately 100 participants each. The first intake will begin university studies in 1992 (year 3) and expenditures will continue through year ten. It is this component which defines the parameters for the entire project. In order to maintain continuity of long-term training, an amendment or new project must be on-line in 1995.
- * Long-term SA training begins almost immediately (due to the contiguous nature of the Agreements with the large grantees - EOC and SAIRR).
- * Technical Assistance and Short-term training will begin immediately upon signing of the TEPS contract. This is projected for the end of year one of the project. However, these costs are projected to be concentrated in years two through seven.
- * Evaluation and Audits are scheduled for years 4 and 8 (note this figure contains \$250,000 for personal services contractors as well).

Table 3, Summary Project Costs by Element, permits detailed comparison of elements relative to the total cost of the project. Several comments are warranted:

- * Short-term third country training appears to be underbudgetted at 0%. However, if the TEPS contractor is successful in implementing a limited number of such activities, it is probable that this element will be increased at the expense of in-country training.
- * Short-term US training accounts for 10% of project costs, including inflation. While this may seem high, it is well-known that short-term US training is costly. However, such training permits a wider variety of South Africans to experience the US and potentially makes as large a contribution to leadership development as the degree program.
- * Technical Assistance accounts for a mere 5% of the total project. This is extremely reasonable by the standard of most AID projects.
- * A very limited amount of commodities are envisioned in the Project. Most probably, they will include computer equipment for bursary organizations to strengthen the capacity to track individual students before, during and after the completion of their respective programs.
- * Evaluation and Audit accounts for only 1% of total costs. However, participant training projects are so heavily skewed to "pass-through costs" (tuition and living allowances) that this measure does not reflect the relative value of evaluation. \$500,000 over the project is judged to be adequate.

TABLE 1

SUMMARY COST ESTIMATE AND FINANCIAL PLAN

COMPONENT	AID		UNIVERSITIES		TOTAL		PROJECT TOTAL
	FX	LC	FX	FX	LC	LC	
Long-Term Training US	30,937,140	3,285,360	18,360,000	49,297,140	3,285,360	52,582,500	
Long-Term Training SA	0	24,308,700	0	0	24,308,700	24,308,700	
Short-Term Training	11,283,500	2,653,350	0	11,283,500	2,653,350	13,936,850	
Technical Assistance	3,615,000	2,332,300	0	3,615,000	2,332,300	5,947,300	
Special Projects	445,250	1,335,750	0	445,250	1,335,750	1,781,000	
Evaluation/Audit	350,000	150,000	0	350,000	150,000	500,000	
Personal Service Contractors	0	250,000	0	0	250,000	250,000	
SUBTOTAL	46,630,890	34,315,460	18,360,000	64,990,890	34,315,460	99,306,350	
INFLATION	16,669,558	13,097,510	0	16,669,558	13,097,510	29,767,068	
TOTAL	63,300,448	47,412,970	18,360,000	81,660,448	47,162,970	129,073,418	
TOTAL AID CONTRIBUTION	110,713,418						

AID PROJECT EXPENDITURES BY FISCAL YEAR

COMPONENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTALS
Long-Term Training U.S.											
65/Yr. @ \$12,750 in			1,083,750	2,167,500	3,251,250	3,251,250	3,251,250	3,251,250	2,167,500	1,083,750	19,507,500
15/Yr. @ \$24,500			367,500	735,000	1,102,500	1,102,500	1,102,500	1,102,500	735,000	367,500	6,615,000
Administrative Costs			450,000	900,000	1,350,000	1,350,000	1,350,000	1,350,000	900,000	450,000	8,100,000
SUBTOTAL LT-US	0	0	1,901,250	3,802,500	5,703,750	5,703,750	5,703,750	5,703,750	3,802,500	1,901,250	34,222,500
Long-Term Training S.A.											
210/Yr. @ \$4,000	812,000	1,624,000	2,436,000	3,248,000	3,248,000	3,248,000	2,436,000	1,624,000	812,000		19,488,000
Non-Degree U.S.				275,000	275,000	275,000	275,000	275,000	275,000		1,650,000
S.A. Admin. Costs @ 15%	121,800	243,600	365,400	528,450	528,450	528,450	406,650	284,850	163,050		3,170,700
SUBTOTAL LT-SA	933,800	1,867,600	2,801,400	4,051,450	4,051,450	4,051,450	3,117,650	2,183,850	1,250,050	0	24,308,700
Short-Term Training											
ST-US @ \$15,500	666,500	1,100,500	1,844,500	1,844,500	1,844,500	1,844,500	1,844,500				10,989,500
ST-SA @ \$1,050	152,300	262,350	447,300	447,300	447,300	447,300	447,300				2,653,350
ST-TC @ \$1,400		14,000	56,000	56,000	56,000	56,000	56,000				294,000
SUBTOTAL ST TRAINING	819,000	1,376,850	2,347,800	2,347,800	2,347,800	2,347,800	2,347,800	0	0	0	13,936,850
Technical Assistance											
LT-US @ \$128,000	384,000	128,000	128,000								640,000
LT-SA @ \$39,000	58,500	117,000	117,000	117,000	78,000	78,000	78,000				643,500
LT Support @ \$36,400	36,400	36,400	36,400	36,400	36,400	36,400	36,400				254,800
ST-US @ \$20,000/pm	240,000	300,000	240,000	240,000	240,000	240,000					1,260,000
ST-SA @ \$6,500/pm	78,000	78,000	156,000	234,000	234,000	156,000	78,000				1,014,000
Institutional Contract	445,000	340,000	340,000	270,000	250,000	35,000	35,000				1,715,000
2 FSNIS @ \$30,000	60,000	60,000	60,000	60,000	60,000	60,000	80,000				420,000
SUBTOTAL TA	1,301,900	1,059,400	1,077,400	957,400	898,400	365,400	287,400	0	0	0	5,947,300
Special Projects	99,000	167,000	223,000	323,000	323,000	323,000	321,000				1,781,000
Evaluation/Audit/PSCs				375,000				375,000			750,000
SUBTOTAL	3,154,300	4,472,050	8,350,850	11,857,150	13,324,400	12,791,400	11,779,600	8,262,600	5,052,350	1,901,250	89,346,350
Inflation @ 6.75% 00	212,929	603,727	1,691,047	3,201,431	4,496,985	5,180,517	5,565,861	4,461,804	3,069,424	1,283,344	29,767,068
TOTAL	3,367,229	5,075,777	10,041,897	15,058,581	17,821,385	17,971,917	17,345,461	12,724,404	8,121,774	3,184,594	110,713,418

** In addition to AID's contribution, U.S. colleges and universities contribute \$12,000 per student or \$18,360,000.
 With inflation, this contribution totals. \$24,235,200.

** Assumes inflation rates over life of project of 4.5% for FX (which is 60% of project cost) and 12% for R&E (which is 40% of project cost).

TABLE 3

SUMMARY PROJECT COSTS BY ELEMENT

Element	Estimated Cost (\$)	Percent Subtotal	Percent Total
LEADERSHIP DEVELOPMENT			
Long-Term Training US	34,222,500.00	.42	.31
Short-Term Training US	10,989,500.00	.14	.10
Short-Term Training T.C.	294,000.00	.00	.00
SUBTOTAL LEADERSHIP DEVT.	45,506,000.00	.56	.41
HUMAN RESOURCES DEVELOPMENT			
Long-Term Training SA	24,308,700.00	.30	.22
Short-Term Training SA	2,653,350	.03	.02
SUBTOTAL HUMAN RESOURCES DEVT.	26,962,050.00	.33	.24
TERTIARY EDUCATION SUPPORT			
Technical Assistance	5,947,300.00	.07	.05
Special Projects	1,781,000.00	.03	.02
Commodities	150,000.00	.00	.00
SUBTOTAL TES	7,458,300.00	.09	.07
EVALUATION/AUDIT	500,000.00	.01	.01
PERSONAL SERVICE CONTRACTORS	250,000.00	.01	.01
SUBTOTAL	81,946,350.00	1.00	.73
INFLATION	29,767,068		.27
PROJECT TOTAL	110,713,418.00		1.00

TABLE 4

ILLUSTRATIVE SHORT-TERM TRAINING

TYPE OF COURSE	ESTIMATE COST/UNIT	NUMBER OF UNITS							PROJECT TOTAL
		YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	
US									
Career Development	\$20,000	30	30	30	30	30	30	30	210
Management Training	\$10,000	5	10	25	25	25	25	25	140
Study Tours	\$ 7,500	3	6	9	9	9	9	9	54
Executive Development	\$11,000	0	15	35	35	35	35	35	190
Internships	\$21,000	5	10	20	20	20	20	20	115
SUBTOTAL US	----	43	71	119	119	119	119	119	709
SOUTH AFRICA									
Three-Day Workshop	\$ 250	20	50	100	100	100	100	100	570
Continuing Education	\$1,800	40	100	200	200	200	200	200	1140
Two-Day Conference (75 participants)	\$35,000	1	1	1	1	1	1	1	7
One-Week Management Course	\$ 750	10	25	50	50	50	50	50	285
SUBTOTAL SOUTH AFRICA	----	71	176	351	351	351	351	351	1995
THIRD COUNTRY									
Two-day Conference	\$ 900	0	3	10	10	10	10	10	53
Continuing Education	\$ 1,500	0	5	25	25	25	25	25	130
Study Tours	\$ 1,100	0	2	5	5	5	5	5	27
SUBTOTAL THIRD COUNTRY	----	0	10	40	40	40	40	40	210
TOTAL SHORT-TERM PARTICIPANTS**		114	257	510	510	510	510	510	2914

**NOTE: If the participants in the SA conference are included, this total increased to 525 to 3439

TABLE 5

PROJECTED TECHNICAL ASSISTANCE*

Type	Est. Cost Per Unit	NUMBER OF UNITS PER PROJECT YEAR							TOTAL
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
US LT (PY)	\$128,000	3	1	1	0	0	0	0	5
SA LT (PY)	\$39,000	1.5	3	3	3	2	2	2	16.5
SA LT (PY) (Accountant)	\$23,400	1	1	1	1	1	1	1	7
SA LT (PY) (Support)	\$13,000	2	2	2	2	2	2	2	14
US ST (PM)	\$20,000	12	18	18	15	12	0	0	75
SA ST (PM)	6,500	12	12	24	36	36	24	12	156
TOTAL LT (PY)	-----	7.5	7	7	6	5	5	5	42.5
TOTAL ST (PM)	-----	24	30	42	51	48	24	12	231
TOTAL TECHNICAL ASSISTANCE IN PERSON-YEARS									61.75

*Exclusive of FSNS

IV. IMPLEMENTATION PLAN

A. Roles and Responsibilities

The Support to Tertiary Education Project is comprised of three distinct but related elements. As shown in figure 1, project management is responsible for the implementation and oversight of leadership development, human resources development and tertiary education program support elements.

figure 1

STEP Elements

Project Management

Leadership Development

Human Resources Development

Tertiary Education Program Support

The core program elements are the education and training elements: leadership development and human resources development. They are supported by the tertiary education program support unit. The implementation of the project and its elements are described below.

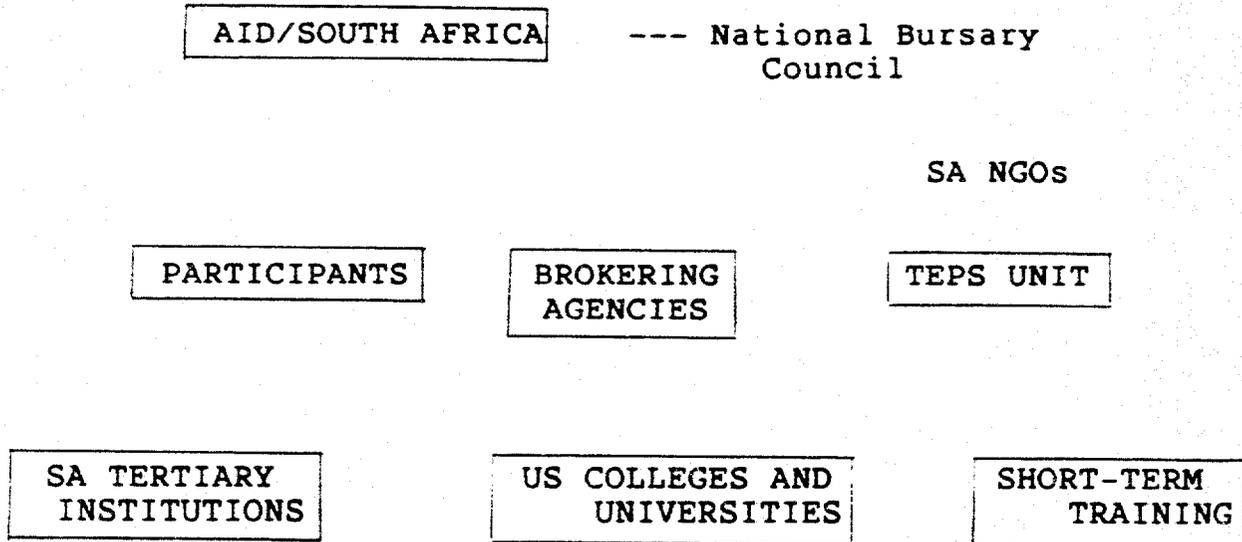
1. Project Management

USAID/South Africa will have overall responsibility for project management. Day-to-day implementation will be handled by a Human Resources Development Officer (HRDO), assisted by two FSN Project Officers, under the direction of a direct hire Project Development Officer (PDO) within the Office of Project Management and Development. For the first few years of this project, the HRDO will manage the ongoing Training for Disadvantaged South Africans (690-0213) and South African Bursaries (647-0230) projects in addition to STEP. Once those two projects have been completed (9/24/95 for the internal bursary project and 12/31/96

for the external bursary project), the full attention of the Mission will be dedicated to this project. As illustrated in figure 2, USAID will implement STEP through a variety of nongovernmental organizations including direct linkages with brokering agencies primarily responsible for long-term training and the TEPS unit, a contractor or grantee. A formal relationship with the National Bursary Council is envisioned, although the nature of that relationship remains to be defined to the mutual agreement of both parties.

figure 2

IMPLEMENTATION ORGANIZATIONS



USAID's responsibilities under the project will include:

- a. Identification of appropriate recipient organizations through consultations with the broader nongovernmental education community;
- b. Preparing grants and/or PIO/Ts (including scopes of work, estimated budgets, etc.) for all grant/contract actions;
- c. Disbursement and financial monitoring of all A.I.D. direct contracts, grants and/or cooperative agreements;
- d. Reviewing and approving PIO/Ps prepared by the brokering organizations;
- e. Collaborating with the TEPS unit on certain project elements, such as direct support to training institutions and bridging/support elements;
- f. Guiding the TEPS unit in discussions and dialogue with local nongovernmental and community-based organizations;
- g. Preparing and approving documentation necessary to formalize project modifications;

- h. Monitoring implementation progress, including compliance with the terms and conditions of the contracts, grants or cooperative agreements;
- i. Installing and using the Training Cost Analyses (TCAs);
- j. Installing and using the Participant Training Management System (PTMS); and
- k. Programming and managing project evaluations and audits.

Project progress will be reviewed periodically by the Project Committee which includes representatives of the Program Office and the Controller's Office. Periodic legal and contracting support will be obtained from the Regional Legal Advisor and the Regional Contracting Officer in Swaziland.

In addition to the implementing organizations shown in figure 3, is the National Bursary Council. The Council is comprised of South African institutions and leaders in tertiary education and especially in the management of bursaries. The council is intended to help guide donors and to coordinate the distribution of bursaries to ensure effectiveness and fairness. Newly constituted, the Council is expected to replace the Policy Advisory Board previously responsible for advising USAID on their bursary scheme.

2. Leadership Development

Leadership Development includes long-term degree training in the US and short-term training in the US and third countries. The bulk of the activities for these participants will be handled by US-based grantees, although they will receive some support from TEPS.

Training is the responsibility of a US grantee that has demonstrated:

- o Institutional linkages in South Africa to assist with recruitment, selection, and follow-up;
- o Strong ties with US universities and an ability to generate waivers of tuition and/or other costs for South African students.

This grantee will handle the long-term degree training and short-term training that is university-based and dependent on tuition waivers. Thus a single grantee has responsibility for all leadership development programs for resident South Africans attending long- or short-term training at US universities under tuition waiver agreements. This responsibility translates into 90% of long-term US training (\$30,800,250) and 30% of short-term training budgeted at \$3,255,000.

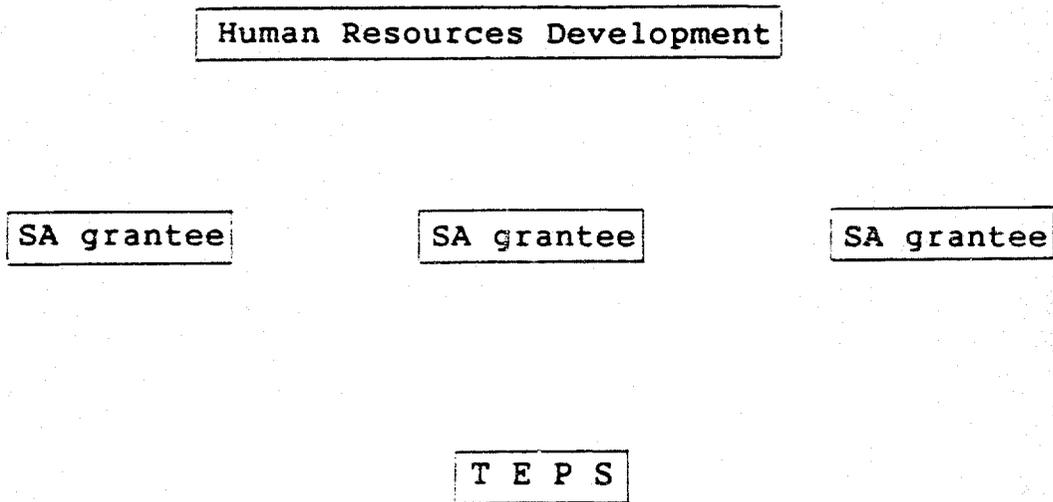
The leadership development contractor will: match students with institutions and notify students of admission/non-admission; make transportation and other departure arrangements and meet students upon arrival; provide orientation programs; make payments to colleges and universities and provide living allowances to the students; provide for counseling, support, enrichment and effectiveness programs; track and monitor all participants; implement a Career Development Program similar to that under USAID's current programs; obtain waivers; scholarships and/or room and board grants from educational institutions; and/or room and board grants from educational institutions; and be responsible for financial management and financial and program reporting. A detailed draft scope of work for the US training contract for resident South Africans is found in ANNEX H. The remainder of the leadership development activities comprised of short-term training in the US and third countries will be designed by a training organization/specialists and will be managed by the TEPS unit. This responsibility translates to 70% of short-term training in the US (\$7,692,650) and third country training budgeted at \$294,000 (100%).

2. Human Resources Development

Human Resources Development includes long-term and short-term training in South Africa. The training serves future professionals and technicians seeking first degrees and it serves staffs of NGOs that support tertiary education in South Africa. The long-term training will be handled by a variety of South African grantees while the short-term training will be implemented by the TEPS unit. (See figure 3).

figure 3

Human Resources Development Implementors



At least three grantees will be needed to manage the 1200 internal bursars. Grantees must meet the following criteria:

- (a) possess the capability to recruit disadvantaged South Africans effectively;
- (b) Provide orientation, counseling or access to counseling for students in placement and career guidance;
- (c) Place and monitor students in bridging, academic and technical programs;
- (d) Monitor students during their study programs and provide appropriate counseling where students appear to be mismatched at an institution;
- (e) Carry out enrichment activities for students which enhance study programs and re-enforce student commitment to community; and
- (f) Track and follow-up students upon successful completion of their degrees.

In most cases, students are responsible for their own placement. Many South African tertiary institutions provide some orientation and support, and enrichment programs will be provided either by the institutions directly or by other NGOs. The brokering organizations pay most expenses directly to the universities or technikons while living allowances go to the students. In addition to the above, the brokering agencies will be responsible for accounting for all funds channeled through them, reporting and participation in evaluations.

In the STEP, unlike previous internal bursary schemes, the grantee is expected to proactively assure that career guidance and counseling, enrichment and academic support are provided to students. Subcontracting arrangements may be needed to supplement their existing capabilities.

4. Tertiary Education Program Support (TEPS)

Tertiary Education Program Support includes short-term training administration, technical assistance and program development activities. TEPS supports the activities of the leadership and human resources components of the project and serves USAID as well by undertaking special projects. Figure 4 is an illustration of TEPS.

figure 4

Illustration of TEPS

T E P S

Short-term training

Technical Assistance

Pilot Projects

TEPS will be a joint US and South African venture. Although a US-based organization is expected to lead the contract, it is possible that a South African organization would be interested in and suitable for the lead role. The contractor or grantee will:

- a. Carry out the short-term training in the US, South Africa and third countries including: identify and work with nongovernmental organizations on recruitment, selection, placement, monitoring and follow-up; identify and work with training institutions and other sources of appropriate short-term training. This may require a sub-agreement with another US-based training organization for US training. Additional details are found in the Detailed Project Description;
- b. Provide short-term technical assistance, training and such other institutional strengthening assistance as is necessary to South African brokering agencies;
- c. Support tertiary education improvement in South Africa. These include:
 - o Survey, review and evaluate bridging, academic support, enrichment, effectiveness, internship and other similar programs essential to the success of long-term training in SA,
 - o Identify, in collaboration with USAID, potential mechanisms to research, expand or strengthen such programs,
 - o Examine activities enabling USAID to provide project assistance directly to South African tertiary institutions, should such assistance be critical to project success;

- d. Manage other activities essential to achieving project success, such as studies and special projects, conferences and workshops; identify and bring other brokering organizations such as the Educational Aid Programme (EAP) into STEP; and
- e. Financial management and financial and program reporting. Devolve all program functions to South African organizations and provide short-term technical support to those organizations throughout the full life of the contract.

The programmatic responsibilities of the TEPS Unit are very important to the success of STEP. The implementation of each is described below.

a. Short-Term Training

The TEPS unit will program short-term training in the US (70%, \$7,692,650), in South Africa (100%, \$2,653,350) and in third countries (100%, \$294,000). TEPS will be responsible for consulting South African NGOs and professional associations in order to:

- o Establish training priorities;
- o Define selection criteria;
- o Identify sources to deliver training.

The TEPS unit will work with the Boards of local community-based organizations and representatives of associations annually to produce a training program/schedule for the ensuing year and to review training delivered previously in concert with the Mission preparation of Action Plans.

The TEPS unit will sponsor and manage three types of short-term training. First, training for leadership development will occur in the United States. TEPS will work with a US-based training organization to design and offer three courses each year for seven years in priority areas defined as leadership. Each course will accommodate about 25 people. A typical year will include these courses:

- o Executive Leadership for Government Service;
- o Executive Leadership for Private Enterprise;
- o Community Development and Leadership.

Second, training for human resources development will occur in South Africa and will be contracted through local NGOs and commercial firms. The annual in-country program for seven years will include:

- o One conference for 75 persons on topics such as bridging, academic support, testing, etc.,
- o Ten workshops for 25-30 people on management, office administration, or technical topics of interest to NGO personnel.

The courses will be developed with local groups (such as the Black Management Forum for management training) and those groups will assume increasing responsibility for program sponsorship and administration beginning in TEPS' second year.

Third, TEPS will handle third country training. Third country training will be largely conferences and short courses and will be offered when opportunities arise. Courses will not be originally developed for STEP in third countries; 210 persons are expected to take advantage of third country offerings during the first seven years of the project. The training will be largely for leadership development purposes but could serve human resources development purposes as well.

b. Technical Assistance

The TEPS Unit will provide three types of technical assistance to support the STEP. They include assistance to bursary management organizations and other Mission-supported NGOs. The value of technical assistance offered through TEPS is \$5,527,300 (exclusive of USAID local hires). Each type of assistance is discussed below.

First, the TEPS Unit will provide technical assistance to bursary management organizations in the form of organization and management development. The assistance will be short-term consultancies spread over the first seven years of STEP with more substantial assistance occurring in the early years. Development of specific plans will be carried out through joint USAID/TEPS consultations with bursary organizations. The specific technical assistance will include management diagnoses, planning, staff development and performance monitoring.

Second, the TEPS Unit will assist NGOs in conducting staff needs assessments in order to select participants for short-term training. The need assessments will be conducted at the initiation of the NGOs.

Third, the TEPS Unit will provide assistance with short-term training in South Africa when local resources are inadequate to meet the demand. TEPS is likely to sponsor a training-of-trainers course each year and to obtain US or third country trainers when needed for in-country short-term training.

c. Pilot Projects

The TEPS Unit will oversee as many as 110 small projects during STEP's first seven years. These projects, to be conducted by South African organizations or individuals, are budgeted at \$1,781,000 and will include research or demonstration efforts that address particular problems in tertiary education such as career guidance or academic support. Prior to making any grants, the TEPS and USAID will agree on appropriate criteria.

The TEPS Unit will be staffed by both US and South African personnel with South African staff rapidly assuming increasing responsibility for the TEPS Unit. The staff members are:

Project Manager and Higher Education Specialist. From the US, this specialist continues with the project through year three and will provide short-term T.A., for two additional years. He or she is a credible academic with broad experience in tertiary education programming and education policy. He or she should also be knowledgeable about compensatory education and education of the disadvantaged.

Specialist in Participant Training and especially short-term training (US), is broadly experienced in A.I.D. participant training programs and can manage all short-term training as well as train and support other implementing organizations. This specialist will serve for the first year of the project and be available for follow-on short-term assistance.

Management Development Specialist (US). For the first year of the project this individual will provide technical assistance to NGOs that support tertiary education and will work in cooperation with local management development specialists to improve the internal, South African capacity to strengthen local organizations. He or she is an organization development/management expert.

- o Deputy Director and Educationist (SA) will remain throughout the life of the project and will assume the directorship in year three. He or she must be credible in the academic community and acceptable to organizations affiliated with the democratic movement. He/she will be recruited by month six.
- o Specialist in Participant Training (SA) will join the project in the first year (at six months) and remain to the end of the project to manage short-term training and assist local organizations that are working to overcome educational disadvantages in the black community.
- o Management Development Specialist (SA) joins the project in year one (month six) and is supported by the project until year four to work with NGOs. This individual is expected to come from and return to a South African base.
- o Accountant (SA). A trained accountant will be provided throughout the life of the project.
- o In addition, short-term technical assistance will be available over the entire five year life of the TEPS contract to provide specialists in such areas as higher education, participant training, education administration, curriculum development, compensatory

education, organization development, community development, financial management and fund raising. The requirements for short-term T.A. are estimated as follows:

- US, 75 person months,
- SA, 156 person months.

The TEPS unit will be established in South Africa by a US-based or South African entity or mixed entity. The primary consideration is that the unit be independent of any politically aligned organization and free to do business with a broad range of South African organizations.

B. Procurement and Contracting Plan

1. Grants or Cooperative Agreements will be signed with the NGO South African brokering agencies, similar in form and content to the grants with SAIRR and EOC currently in place. Agreements with EOC, SAIRR and CEAP will be signed shortly after the project is authorized with one to three additional agreements anticipated for years two or three, as set forth in the Bursary Action Plan. Selection and negotiations will take place in accordance with A.I.D. Handbook 13. So that certain institutional or organizational improvements to the brokering agencies may be assured, it is expected that the CAs will include a first phase during which those improvements must be completed before the second phase can be started. Elements expected to be completed during the first phase of the CAs include institutional assessments, where appropriate, and making satisfactory provisions for career guidance and counseling, enrichment and academic support. Cooperative agreements will be awarded for a period of five years with the possibility of extending them to cover the full eight year life-of-project.

2. The US training contractor or grantee managing US long-term training for South Africans will be selected through free and open competition in the US and South Africa. Other elements being equal, an award will be made to proposals incorporating small, minority and disadvantaged organizations and/or other organizations meeting Gray Amendment requirements. Both contracts will be for five years with the possibility of extending them to cover the full ten year life-of-project.

3. The Tertiary Education Program Support unit will also be selected through free and open competition. The contractor is expected to be a US firm, Private Voluntary Organization (PVO), educational or training institution, or consortium or joint venture thereof, in association with black South African firms and/or NGOs. The contractor will be expected to utilize resources from South Africa and neighboring states to the maximum extent possible for its own staffing and to undertake many of the functions noted above through subcontracts or grants to a variety of South African organizations. If the TEPS contractor does not

itself have the US-based capacity to support short-term training in the US, it will have to obtain such capability through a subcontract. As with the US training contract, this contract will be for five years with the possibility of extending it an additional two years, through year seven of the project.

4. Both the US Congress and A.I.D. have recognized the contributions of Historically Black Colleges and Universities (HBCUs) to A.I.D.'s development assistance programs. Consistent with the guidance of the Gray Amendment, at least 10 percent of US-based academic or technical training under STEP will be carried out in conjunction with HBCUs.

C. Implementation and Financing Table

PROCUREMENT	HC/DIRECT	CONTRACTING METHOD	TYPE OF GRANT/ CONTRACT	FINANCING METHOD	ADVANCE	EST VALUE
US LEADERSHIP TRAINING	DIRECT	OPEN COMPETITION	COST REIMBURSE	FRLC	NO	\$45 MIL
SA LT HRD TRAINING	DIRECT	NONCOMPETITION*	VARIOUS GRANTS/ COOP AGREEMENTS	DIRECT REIMBURSEMENT	POSSIBLE	\$25 MIL
TEPS	DIRECT	OPEN COMPETITION	COST REIMBURSE	DIRECT REIMBURSEMENT	NO	\$10 MIL
EVAL/AUDIT	DIRECT	LIMITED COMPETION (IQCS)	WORK ORDERS	DIRECT REIMBURSEMENT	NO	\$.5 MIL
PSC	DIRECT	OPEN COMPETITION	COST-REIMBURSE	DIRECT REIMBURSEMENT	NO	\$.25 MIL
TOTAL						\$80.75 MIL**

* - NONCOMPETITIVE GRANTS ARE AWARDED PURSUANT TO THE MISSION DIRECTOR'S DELEGATION OF AUTHORITY

** - INFLATION ACCOUNTS FOR REMAINDER OF FUNDS

D. Implementation Schedule

The project design incorporates an informal phased approach. The long-term training components, both in the US and in South Africa, can be implemented shortly after project authorization using the model contracts/agreements and some of the same implementing organizations currently being used. Other elements such as short-term training and identification of other brokering organizations, may be delayed for six months to a year, allowing the TEPS contractor to be in place. Maximum project output is anticipated for years two through six while monitoring of the last long-term intake classes and evaluations are the only activities programmed for years nine and ten. The assumption is that many of the tasks performed by the TEPS contractor will begin to be picked up by South African entities beginning as early as year two and that these entities will assume complete responsibility for TEPS functions by the end of year five. The Project Assistance Completion Date (PACD) has been set at 6/30/2000 to cover all in-country bursars who may not graduate until December 1999.

<u>EVENT</u>	<u>DATE</u>	<u>ACTION BY</u>
Project Authorized	3/90	USAID/SA
LT-US training RFP issue	3/90	USAID/SA+ RCO/Mbabane
RFP for TEPS contract issued	3/90	USAID/SA+ RCO/Mbabane
Proposals for LT-US training contract due	5/90	USAID/SA+ RCO/Mbabane
Proposals for TEPS Contract due	7/90	USAID/SA
Contract for LT-US training signed, recruiting begins	7/90	USAID/SA+ RCO/Mbabane
Cooperative Agreements for LT-SA training signed, recruiting begins	7/90	USAID/SA+ RCO/Mbabane & SA NGOs
Contract for TEPS signed	9/90	USAID/SA+ RCO/Mbabane
Short-term training begins	12/90	TEPS Contractor
First intake, LT-SA begins	1/91	SA Brokers
Additional brokering agencies identified	6/91	USAID/TEPS

<u>EVENT</u>	<u>DATE</u>	<u>ACTION BY</u>
First intake, LT-US begins	8/92	US Trng. Contractor
First contract/grant audit and mid-term evaluation	11/94	USAID+ SA Firm
First intake, LT-SA graduates	11/94	SA Brokers
Fifth LT-SA intake begins	1/95	SA Brokers
First intake, LT-US graduates	6/95	US Trng. Sixth/final Contractor
LT-SA intake begins	1/96	Contractor
Fourth LT-US intake begins	8/96	US Trng. Contractor
Second project audit	11/96	USAID+ SA Firm
Fifth LT-US intake begins	8/97	US Trng. Contractor
Sixth/final LT-US intake begins	8/98	US Trng Contractor
LT-SA Training completed	11/99	SA Brokers
End of project evaluation and audit	1/2000	USAID, IQC, SA Firm
LT-US Training completed	6/2000	US Trng. Contractor
PACD	6/2000	USAID/SA

E. Monitoring Plan

Project monitoring has been briefly mentioned under Roles and Responsibilities above. Generally speaking, monitoring is being strengthened under STEP as compared to the current training projects. These include:

1. Monitoring and follow-up of participants. All participants will now be processed using PIO/Ps and tracked via the Participant Training Management System (PTMS). In addition, all implementing institutions or agencies supporting long-term participants will be required to have their own computerized monitoring and follow-up programs. Where required, short-term TA will be provided to NGOs requiring assistance in that area. In addition, SA brokering agencies and US training contractors,

or their representatives, will personally meet with all participants at least yearly. They are also required to file with USAID a semi-annual report on each participant.

2. Project/Contractor/Grantee Performance. Along with the semi-annual participant reports, the brokering agencies and training contractors will also submit to A.I.D. a report of overall progress towards meeting contract/grant targets and objectives. These reports compare actual to planned targets, explain discrepancies, describe problems encountered and measures being undertaken to correct those problems. The content and format for reporting on short-term training will be worked out by the TEPS contractor and USAID. In addition, the USAID project committee will meet at least twice yearly to review overall project progress.

3. Financial Monitoring. All contractors and grantees are responsible for accounting for all funds provided under contracts or agreements including funds provided directly to students, institutions, subcontractors or sub-grantees. Project funds are kept separately and disbursements are made according to normal A.I.D. practices. Records are maintained and financial reports submitted in accordance with procedures acceptable to the Controller, USAID/South Africa. All contracts and agreements are subject to review and audit by A.I.D. or private audit firms and two audits are programmed over the life-of-project.

F. Special Issues

The implementation of participant training programs has a long history in A.I.D. and that history has led to special issues that need to be addressed in projects such as STEP. The issues are: selection criteria, private sector training, Gray Amendment participation and cost containment.

1. Selection Criteria

A sound participant training project relies on the creation and enforcement of selection criteria to ensure both immediate participant success and long-term results. The STEP project paper proposes initial sets of selection criteria for each training component. They are summarized here and are expected to be modified with ample input from South African organizations and leaders in tertiary education.

a. Leadership Development Selection criteria include:

- o Evidence of distinction in a professional or technical field;
- o Recognition by peers for their leadership roles at work or in the community;
- o Participation in efforts to promote a nonracial, democratic South Africa;
- o Academic merit;
- o First degree;
- o Plans for community service after training;
- o Gender (40% women at a minimum);
- o Five years of work experience.

For short-term training, content-specific criteria will be added. For long-term training, fields of study will be considered and all else being equal, preference will be given to:

- o Agricultural administration;
- o Management of research and development;
- o Health administration;
- o Education administration;
- o Public administration;
- o Business administration.

b. Human Resources Development Selection criteria include:

- o Academic potential;
- o Financial need;
- o Commitment to the community and to peaceful change in South Africa;
- o Gender (40% women at a minimum);
- o Regional diversity;
- o Priority fields of study (accounting, auditing, administration, agriculture, architecture, artisans, business, computer science, economics, engineering, finance, health, management, medicine, natural and life sciences, nursing, teaching, technicians, town and regional planning, transportation).

c. Training for NGOs

Priorities will be established on the basis of needs assessments and NGO staff development plans.

2. Private Sector Training

In recent years USAID has given special emphasis to private sector initiatives. South Africa, a particularly entrepreneurial environment, is likely to benefit from programs for business development. The primary obstacle for blacks has been their exclusion from business ownership and the lack of access they have to commercial institutions. This practice of excluding blacks from mainstream business is changing and in STEP specific programs are earmarked for the private sector as follows:

- a. Leadership development - long-term study in the US specifies business as one of six priority fields; short-term training targets the commercial sector as one of four priority topics.
- b. Human resources development - long term study in South Africa targets the commerce and science degrees as top priorities and lists business, accounting, auditing, economics, management and administration as preferred fields of study. All short-term training in South Africa is targeted at nongovernmental organizations.

3. Gray Amendment Participation

The STEP design urges participation of Gray Amendment (minority-owned for profit and minority-controlled not-for-profit) entities. Their participation is recommended as follows:

- o As subcontractors for long-term training;
- o As training institutions (10% HBCUs);
- o As TEPS contractor/grantee.

4. Cost Containment

STEP will contain training costs in a number of ways making the project exemplary among A.I.D. participant training programs. The following measures have been or will be taken under STEP: obtaining tuition waivers, taking actions to lower failure rates, introducing the potential for "pay-back" schemes.

a) Tuition Waivers

Historically, South African tertiary education has received the support of American colleges and universities. Tuition wavers for students have been valued at \$12,000 annually for the majority of external bursars. In STEP, the practice of obtaining tuition waivers is expected to continue and to lower costs for 85% of the US participants.

b) Actions to Lower Failure Rates

STEP provides for academic support and funding of bridging programs in order to help reduce the failure rate of first year internal bursars. This early investment is expected to pay off by shortening programs of study at the universities. In addition, students will receive increased career and academic guidance and will be urged to seek placements clearly matched to their abilities and interests.

c) Payback Schemes

South African bursaries have always fostered the notion of community service as a means of paying back the education that they have received. In STEP, this practice continues in two ways. First, bursary managers are urged and required to develop specific programs for bursars to fulfill their obligations to the community and second, the management firms are instructed to be creative in designing other financial payback schemes for bursars. Such schemes may include funding partial bursaries or providing bursary funds as loans to be repaid by the recipients. Some combination of grants and loans has been tried successfully elsewhere and may be appropriate in South Africa. The purposes of payback mechanisms are to ensure that bursary funds are stretched as far as they can go; to convey the sense of privilege and obligation that accompanies the bursary award; and to recognize that increased participation by blacks in the economy makes the concept of educational loans more realistic.

V. SUMMARY OF ANALYSES

The Support to Tertiary Education Project is an umbrella project containing several elements and related activities making a thorough analysis both necessary and complex. This document contains five analyses: technical, social, economic, manpower and institutional. They are summarized here and the full texts appear in the Annexes.

A. Technical Analysis

Seven years of support to tertiary education for black South Africans have proven successful. Former participants have grown personally and professionally and are contributing to their communities while developing careers. The STEP aims to continue the successes of the internal and external bursary programs and to modify earlier designs in order to obtain optimal results. Modifications to the program design that are presented in the technical analysis are summarized here. In the STEP the USAID bursary program:

1. Is explicit about the importance of leadership. The development of the leadership of the black community is an explicit purpose of STEP. While leadership has always been recognized as a desirable outcome of education, STEP designates one program component designed to meet this intent. The analysis argues for training that builds relevant leadership skills and exposes participants to practical experiences in executive management. Too, it recommends the inclusion of persons in exile who are potential leaders in a nonracial, democratic South Africa.
2. Directs participants to priority fields of study. In the human resources development component of STEP participants are directed to pursue fields of study in the sciences and commerce. This aim is achieved by introducing career and academic guidance into the program and by requiring that recruitment and selection make clear the priority fields. STEP opens internal bursaries to technikons and technical colleges and encourages selection of students who have interests in technical careers. And, while it is secondary to the aim of the leadership component of the program, the emphasis on the sciences and commerce appears in the leadership component as well.
3. Supports the strengthening of bursary management organizations. The USAID program places a heavy demand on bursary management organizations not only by virtue of the numbers of bursaries funded, but also because of the requirements for extensive reporting, provision of guidance and counseling for bursars, the demand for follow up, and the inclusion of enrichment programs for internal bursars. STEP recognizes the pressure on these organizations and, therefore, offers STEP management support in the form of training and technical assistance.

4. Anticipates continuing change in South Africa and in tertiary education in particular. Like everything else in South Africa, tertiary education is experiencing rapid change and change is creating opportunities for improvements in academic programs. STEP recognizes both the structural and programmatic barriers to quality education for blacks and includes support for pilot projects to explore solutions to those problems. Pilot projects are research and demonstration efforts aimed at improving the success of black students in tertiary education.

5. Responds to the training needs of NGOs. NGOs in South Africa offer a network of support to tertiary education through training programs, career guidance services, academic support and the like. The services of these NGOs are in great demand and are strained to the limit. STEP recognizes the important role of the NGOs in education in South African and provides resources to build and strengthen those organizations through short-term training and technical assistance.

While recommending the addition of new activities to the bursary program, the technical analysis also examines some potential obstacles to program success and aims to minimize the negative effects of those obstacles. The analysis explores supply and demand for bursaries, high failure rates for black students in South African universities, the feasibility of working with exiles, problems for black students studying in South Africa, the identification of an organization to provide short-term training and technical assistance services, and limitations on USAID's access to organizations affiliated with the democratic movement. A summary of the analysis of each of these obstacles is presented below.

First, both the supply of qualified matriculants and the demand for bursaries are factors that affect STEP. The technical analysis shows that there is a high demand for bursaries for university study and there is a high demand for degree and diploma holders in the priority fields of study. The supply of qualified students may pose a problem because STEP targets the sciences and commerce where there is a very limited number of applicants for university entrance. This problem is overcome in STEP by opening up bursaries to technical programs in addition to universities and by introducing improvements in academic guidance.

Second, the forty to fifty percent first year failure rates for black students in South African universities is both a human and financial cost of considerable magnitude. USAID bursars are no exception to this fact and the STEP program aims to improve the performance of students by supporting bridging programs, mandating student attendance at academic support programs, offering more intensive guidance and monitoring, and directing students into more appropriate placements in universities and in technical programs.

Third, the analysis determines that there are as many as 25,000 South Africans in exile, many of whom would be qualified for and interested in advanced education and training. The logistical problems associated with recruiting, selecting, placing and monitoring exiles can be addressed by expanding the brief of the current US long-term training program to include exiles living in the front line states.

Fourth, much debate concerning participant training for black South Africans concerns the merits of study in South Africa versus the advantages of overseas study. While the technical analysis supports US study for graduate and older students, it argues that study in South Africa, especially at the undergraduate level has advantages that outweigh the disadvantages. Study in South Africa assures greater relevance of programs and is more directly linked to credentialing and licensing requirements; it permits a continuation of active student involvement in the community; it proves to black students that they can compete successfully with their white peers. Study in South Africa is cheaper than overseas study and it is preferred by many younger students who are not ready to travel away from family and the community.

Fifth, it is important that the training and technical assistance component of STEP, called the Tertiary Education Program Support unit, is able to work with a wide variety of organizations in South Africa and access resources from groups with a broad array of approaches to dismantling apartheid and building a nonracial democratic society. The project paper team was unable to identify the ideal local organization and, therefore, has recommended the creation of a temporary organization (TEPS) to manage technical assistance and short-term training and to recruit South African personnel to handle the unit's functions. TEPS will work through South African organizations and will find appropriate organizations to take on the functions of TEPS beginning in the project's second year. The TEPS unit will be politically nonaligned and free to work throughout the tertiary education community.

Finally, the history of USAID in South Africa has been limited to affiliations with organizations in a particular spectrum of the anti-apartheid movement. STEP calls for USAID to consider a broader range of community-based organizations. This necessitates a concerted effort to reach out to form new alliances while maintaining those already established. With the support of the TEPS unit, USAID will become more actively involved in the tertiary education community and with organizations that are part of the liberation movement.

B. Social Analysis

In South Africa's complex social environment, a number of STEP implementation issues arise. They include: reliance on external public and private support, defining and developing leadership, reaching all segments of the black community, reaching women, providing career guidance, insisting on community involvement of bursars, improving access to tertiary education, and helping to ensure career advancement for black graduates. These issues are analyzed in summary, below.

First, the bursaries components of the STEP rely on the support of public and private institutions in the US. It is estimated that more than \$10 million in the form of tuition or other expense waivers will be required to supplement the USAID contribution and fund the number of students programmed under STEP. While past experience suggests the support will continue to be available for US study by South Africans, a shift in political sentiment in the US could impact negatively on availability of contributions, thus necessitating a scaled-down bursary program.

Second, in the STEP, bursaries and short-term training have been earmarked for potential leaders to study in the United States and in third countries. The project will rely on community-based organizations and professional associations to identify such individuals and recruit them for training. In order to be successful, this component of the program must draw from a broad base of potential leaders who have a constituency in the community. No single organization is likely to meet the project's recruitment needs. A mix of organizations, therefore, is recommended.

Third, STEP must make every effort to encourage participation of people from every region of the country and from rural and urban areas. This aim can best be achieved through advertising and recruitment efforts that reach every potential audience and address students, teachers, parents, community groups, and counselors.

When efforts are made to reach all potential participants fairly, programs of the scope of STEP still tend to suffer from accusations of insensitivity and a Johannesburg bias. While these perceptions cannot be countered entirely, it is important to have well-established regional offices and screening committees to ensure optimal fairness.

Furthermore, it is recommended that smaller, localized bursary efforts be evaluated for their potential to strengthen the program's outreach.

Fourth, the history of the bursaries programs that preceded the STEP proves that A.I.D.'s implementing organizations can successfully attract and retain women in long-term study. The quota of forty percent (40%) was nearly achieved in recent student intakes. The attention to women, however, must continue in order to ensure that women elect fields of study based on their abilities and interests and do not automatically select fields of study that traditionally belong to women. These fields include, but are not limited to nursing, education and social work. Women still fail to consider less traditional fields and the program will fall short of its social responsibility if it does not counsel women regarding career options and support them in their pursuit of non-traditional occupations.

Fifth, the education and training of black South Africans has deliberately precluded blacks from technical occupations, from positions of status and power, and from professional experiences that allow practitioners to rise to positions of influence. Rather, the system has fostered career preparation in the "soft subjects" and non-strategic occupations, reserving the "hard subjects" and strategic occupations to the white professional community. In the STEP, implementors must actively counsel participants into non-traditional careers and into strategic positions where blacks can play central roles. These subjects must include the occupation groups in urgent demand (such as engineering and accounting) as well as fields that are de facto closed to blacks at this time (such as nuclear physics, public administration or finance).

Sixth, STEP states the expectation that participants in long-term education will make community involvement a high priority upon their return. It is incumbent upon implementors to clearly articulate the expectations that the program holds and to develop strategies to support and encourage such participation. While many former students are active, most believe that their contribution to the community should be greater and the bursary donors must demand more. Attention must be paid to this program component as a necessary feature of the leadership promotion objective.

Seventh, traditionally, tertiary education has been difficult for blacks to attain due to "bantu" education and the inadequacies of primary and secondary schooling. Therefore, the TEPS must address the barriers to access to tertiary education by actively supporting compensatory programs that offer pre-university preparation and/or academic support.

Eight, both entry into professional and technical organizations and advancement within those organizations has been limited for blacks. Not only has the system deliberately excluded blacks from key roles in organizations, it has denied blacks the opportunity to learn the social and organizational skills that make for success in the "corporate culture." In the TEPS

attention is paid to management and leadership training with a specific emphasis on interpersonal and group skills. Attention is also paid to practical training and internships where participants can learn "first hand" the fundamentals of organization life and the rules for advancement.

C. Economic Analysis

The economic effects of investments in education can frequently be analyzed in terms of rates of return, wage rates and manpower requirements. However, in the economic analysis for the STEP, a straightforward assessment is virtually impossible. Factors affecting the ability to do a traditional analysis include the highly capital intensive and technological nature of South African industry, the large unskilled labor force (most of which is black), the underemployment of qualified blacks due to apartheid, a disproportionately valued university education and the high subsidies in tertiary education. These are discussed in the Economic Analysis Annex in greater detail.

Although still somewhat problematic, a cost effectiveness assessment is more practical. At its base, the rapid expansion of the pool of blacks with university and leadership preparation is plainly critical to the black community's ability to prepare for and influence a post-apartheid South Africa, at almost any cost. The STEP, in furtherance of that objective, presents significant cost savings, in the form of tuition waivers from US universities, and the utilization of local tertiary education institutions for the manpower development component.

In most developing countries, investments in education have much higher individual and social rates of return than do comparable investments in infrastructure, health or agriculture. While internal rates of return are generally lower for tertiary education, IRRs of 20 percent or more are not unusual for investments in secondary education in sub-Saharan Africa. Intervention at the tertiary level is appropriate due to the tight state control over primary and secondary education of all races in South Africa, as well as US legislative proscriptions against working with agencies owned or controlled by the SAG, precluding A.I.D. from getting involved in secondary education.

D. Manpower Analysis

Like most topics open to discussion in South Africa, the manpower situation is subject to both rational and ideological debate. In general, two perspectives prevail. First, for the economy as a whole analysts rely on government information based on economic forecasting rooted in historical trends. They forecast slow but not dramatic changes in the racial composition of the labor force. Second, for the black community in particular analysts regard the manpower debate in political as well as economic terms and are interested in redressing imbalances as well as preparing

people for the occupations in greatest demand nation-wide. The black community is less anxious to accept government statistics at face value and is prepared to examine the issues in their larger ideological context. It does, however, accept the SAG's information as far as it goes.

The manpower analysis cites the following occupations where blacks are not represented, are under-represented, or are not involved either because of limitations in their education and training or because of political and economic constraints:

- o accounting/auditing;
- o administration;
- o agriculture;
- o architecture and related trades;
- o artisans;
- o business;
- o computer science;
- o economics;
- o engineering;
- o finance;
- o health;
- o management;
- o medical doctors
- o natural and life sciences;
- o nursing;
- o paramedics;
- o teaching;
- o technical trades;
- o town and regional planning; and
- o transportation.

Representatives of the democratic movement are urging research and policy development in the manpower field. A committee comprised of community leaders and members from various organizations such as the ANC, ABASA, BMF, EOC, EOF, NAFCOC, and SABSWA, has been established to address the manpower development situation in South Africa. During November, 1989, the group held its first organizational meeting and can be expected to produce analyses late in 1990. They are determined to develop accurate and comprehensive information and to work with neighboring states to understand their experience in transitioning out of oppressive systems of governance. They urge a central role for unions in the analysis and seek to attack the root of inequality by strengthening the education system as a whole. The democratic movement wants to break the attachment of South African society to white collar learning and jobs and to sell technical education to the black community. They place critical importance on career guidance.

As the preceding analysis indicates, there is much agreement on South Africa's manpower needs. In the SAG project the needs have been addressed by:

- o Insisting on career guidance;
- o Distinguishing between leadership and manpower training to accommodate both the national occupational demand and the political concerns of the black community;
- o Including technikons and technical education in the programs of study; and
- o Favoring bachelors of science and commerce degrees over arts degrees in the project's manpower component.

E. Institutional Analysis

The organizations that implement the STEP are critical to the project's success. They have complex responsibilities and, historically, have had considerable latitude in operational decisions. In recommending organizational strategies to implement the several components of the STEP, the project paper team has taken into account a number of important considerations. First, USAID/South Africa relies on intermediary institutions to implement its programs. In STEP long-term training and, to a slightly lesser extent, short-term training, are in the hands of a variety of organizations, largely and intentionally South African. Second, USAID expects that through these intermediary organizations, they will achieve:

- o Solid management of bursary and other activities;
- o A hastening of the end of apartheid and preparation of blacks for that eventuality;
- o Improvements in tertiary education in South Africa in terms of both access to and quality of academic programs for black students; and
- o A foundation for continuing relations between the US and South Africa, particularly in higher education and human resources development.

Finally, USAID intends that at the end of the STEP, implementing institutions will demonstrate an increased capability in management and will be stronger organizations that can impact higher education in South Africa well into the future.

In order for USAID to achieve its objectives for STEP it must employ an array of organizations that individually or collectively meet these criteria:

1. They should possess a solid capacity to manage bursaries and/or short-term training. The STEP requires organizations that can recruit, screen, select, place, counsel, monitor, administer, evaluate, track and follow-up students and trainees. The administrative burdens that have been added to STEP include:

- o Career and placement counseling made available to bursary candidates prior to their admissions to universities and applications for financial support;
 - o Broadening recruitment to include matric students qualified to study in technical programs who may not otherwise meet university entrance standards;
 - o Actively working with Technikons, technical colleges and teacher training institutions in addition to universities to obtain admissions and quality programming for students;
 - o Providing enrichment programs such as internships and special short courses in management and leadership to supplement students' academic programs;
 - o Designing and managing a semester or year abroad program for qualified and interested internal bursars;
 - o Using the Training Cost Analysis (TCA) to track and monitor student program costs;
 - o Tracking students and follow-up on their post-degree progress; and
 - o Designing and implementing short-term training and technical assistance programs.
2. They should favor active pursuit of peaceful change toward a post-apartheid, nonracial, democratic South Africa. To be successfully implemented, the STEP will require organizations that can reach politically active, community-oriented black South Africans who have leadership potential and who have a demonstrated commitment to the advancement of the black community. The STEP requires:
- o In the leadership components, a capacity to identify, recruit and screen leaders and potential leaders;
 - o In the leadership and human resources development components, a capacity to urge community involvement and a means to assist graduating bursars in their efforts to serve the community;
 - o An ability to identify or develop and implement enrichment programs that will assist students to be more effective in influencing organizational change.
3. They must be able to prepare participants for post-apartheid. In STEP, intermediary organizations need to:

- o Maintain updated manpower projections and counsel and place internal bursars in high-demand fields of study;
 - o Identify bursars from across all sectors to participate in leadership development; and
 - o Ensure that a fair and representative racial, ethnic, regional and gender mix is achieved in all components of the program.
4. Have a commitment and capacity to improve tertiary education. USAID is sensitive to the inadequacies and biases built into the current tertiary education system in South Africa and is seeking intermediary institutions that can:
- o Support bridging programs;
 - o Demand academic support for students and offer institutions encouragement to improve such programs;
 - o Provide feedback to administrators and faculty to assist in program improvements;
 - o Monitor and evaluate student programs;
 - o Ensure that academic and technical programs have the necessary components for achieving the full diploma or degree (e.g. internships, attachments);
 - o Track students to determine the adequacy of their training in meeting the expectations of the workplace;
 - o Provide faculty development through long-term or other training.
5. Desire to build a foundation for lasting US-South African relations with respect to both trainees and educational institutions. USAID recognizes that STEP is one part of a development strategy to ensure ongoing relations with individual and organizational leaders in South Africa. The STEP offers an opportunity to open doors and to keep dialogue going.

The institutional analysis finds that much of what is required to implement the STEP already exists among organizations with which USAID has been working. They have successfully recruited, selected, placed and managed participants in US universities and in universities in South Africa. In STEP, the following capabilities will need to be added to the current institutional capacity: management of short-term training, programming exiles, providing enrichment programs for long-term participants, providing more extensive counseling and academic support of bursars, ensuring

that the leadership objectives of the program are achieved, placing more students in technical programs and ensuring community involvement of graduates. These capabilities will be added to STEP by increasing the capacity of current bursary management firms and strengthening those firms through training and technical assistance, by relying on subcontracting for special services such as career counseling, and by creating a tertiary education program support unit to provide additional management, training, and technical assistance capability to the STEP.

VI. EVALUATION AND AUDIT PLAN

A. Objective

STEP will be evaluated for two reasons: first, to monitor and shape project implementation so as to assure achievement of the project purpose; and second, to evaluate end-of-project accomplishments and to inform future project design work as to the problems and successes of STEP. Project evaluation is differentiated from routine and periodic monitoring of participants, contractor performance, and project finances which is described in the Implementation Plan. USAID project managers and the implementing organizations should be the primary audience of the evaluations.

B. Proposed Arrangements and Funding

Two evaluations are anticipated: a mid-project evaluation will be conducted in year four of STEP to determine if project implementation, as designed, is accomplishing or will accomplish the project purpose and to determine what project modifications are required. An end-of-project evaluation will also be conducted focussing more on project impact.

The evaluations will be conducted either by individuals hired under Personal Services Contracts (PSCs) or by an IQC or 8a firm. The scopes of work for the evaluations will be prepared at USAID with assistance from the TEPS contractor. Two hundred fifty thousand dollars (\$250,000) has been budgeted for two evaluations, sufficient to finance the equivalent of twelve person months of US technical assistance.

C. Evaluation Content and Questions

The following section has been divided between the mid-project and end-of-project evaluations. For each evaluation, appropriate questions are offered for each of the three major project elements.

1. Mid-Project Evaluation

Since the basic objective of this evaluation is to assess progress towards End-of-Project Status and to recommend modifications in implementation if necessary, it will concentrate on reviewing adherence to project design and the capabilities and performance of the implementing agencies.

For the Leadership Development component, the evaluation will review contractor capability to deliver the following services:

- o Student recruitment and selection;
- o Waiver procurement;

- o Orientation;
- o Monitoring;
- o Follow-up;
- o Academic enrichment (leadership development).

Pertinent questions to be asked about leadership development include:

- o Recruitment and Selection

The screening and selection processes are the most cumbersome aspects of program implementation. Given the large number of applicants, screening and selection relies heavily upon credentials and standard measures of past academic achievement and potential for future performance. Implementing organizations are encouraged to employ creative techniques in the evaluation of academic credentials given the bias of standard academic measurements within the South African system. Two other important criteria should be included in the organization's review of applicants: an evaluation of financial need and the level of commitment to community service anticipated by the bursar applicant. Active promotion of the participation of women and under-represented groups (including those from rural areas) in the project is also important. The target level for female participation in STEP is 40 percent. Implementing organizations should have special outreach programs for recruitment and screening of female participants if necessary to achieve this participation level. The bursary organization's ability to carry out screening and selection under these criteria will be evaluated. Other relevant questions include:

What recruitment methods have been employed?

Which have been most effective?

What has been most attractive to potential/current leaders?

Have the target groups been reached (mid-career technicians and professionals, professional and community leaders, exiles)?

What has been the role in practice of professional and technical associations and the Training Advisory Board?

What problems have been encountered?

What efforts have been undertaken by USAID and the TEPS contractor to strengthen this process?

How effective are the selection criteria and the application process?

o Waiver Procurement

What has been the US training contractor's record under the project?

How close has it come to the 85 percent waiver target?

Are any trends emerging regarding numbers and size of waivers?

What action, if any, needs to be undertaken to assure a continued adequate supply of waivers?

o Placement

The primary focus of the evaluation regarding placement is how successful the project is/has been in placing students in appropriate programs where their success is reasonably assured. Specifically, have the implementing organizations properly counseled students and directed them towards programs that match their skills and aspirations?

o Orientation and Logistics

While orientation is not offered by all implementing bursary organizations, it is one of the additional services that is effective in improving student performance. The evaluation should review student services offered by STEP bursary organizations as one indicator of effective program implementation and management.

What structural barriers exist to getting out of or re-entering South Africa and how are they being addressed?

o Training Effectiveness

Which programs and short-term courses have been most effective and useful?

What efforts are being made to improve placement?

How useful, viable has third country training been?

Has a compendium of short-term training resources been prepared?

o Monitoring and Follow-Up

This is a key element of STEP and an area of weakness under predecessor projects. USAID requires the implementation of a Participant Training Management System (PTMS) which will necessitate the development and maintenance of student databases in implementing organizations. Implementing organizations must have in place satisfactory mechanisms to gather required documentation for monitoring of student performance and for later follow-up once the student has completed his or her course of study.

Are the mechanisms in place?

How effective are they being managed?

What are participants doing after training?

What additional monitoring and follow-up structures are in place?

o Academic Enrichment

What types of enrichment programs are being offered?

How has the training (communication and negotiation skills, assertiveness training, etc.) affected performance and mobility on the job?

b) Human Resources Development Component

For the Human Resources Development component of STEP, the content and questions are very similar. An evaluation of the implementing organizations capabilities and practices will include a review of the following services:

- o Recruitment;
- o Student screening and selection;
- o Placement;
- o Orientation;
- o Monitoring;
- o Academic enrichment;

- o Counseling and student support;
- o Follow-up.

Each of these components is addressed briefly below and specific types of information to be gathered are suggested.

- o Recruitment

Recruitment strategies for the Human Resources component of STEP should seek qualified candidates, who are geographically representative, and who include the most under-represented groups within the academic and economic structure of South Africa. Recruitment must include candidates for university, technikons, technical colleges and teacher training colleges.

- o Student Screening and Selection (see Leadership above)

- o Placement

In addition to points discussed under leadership development, the following questions must be raised.

What are the numbers in technical programs?

Has the 30 percent target been reached?

What are the primary fields of study?

How closely has the project come to meeting the target of 70 percent placement in scientific and commercial fields of study?

What actions, if any, might be taken to improve these numbers?

- o Orientation (see Leadership above)

- o Monitoring (see Leadership above)

- o Academic Support/Enrichment

STEP requires students to attend ASPs or ESPs when they are offered by the institutions they attend. In some cases bursary organizations offer independent ASPs or supplement institutionally-based programs. Where such assistance programs exist they should be evaluated as potential model activities for other implementing

organizations to follow. Under the Tertiary Education Support component of STEP the evaluation of ASPs and ESPs will be discussed in more detail.

Where are and where are not support and enrichment programs available to students?

What are the costs of these programs?

What is the student perception of the programs?

How is student performance under the programs being monitored?

How are the programs affecting failure rates, speed of program completion and lower drop-out rates?

What efforts are being taken by project entities to improve these programs?

o Counseling and Student Support

Given the poor academic preparation of many black students, counseling and student support services are crucial. Implementing organizations should be evaluated on their ability to deliver satisfactory counseling and support services to students--including academic support and career counseling.

Are such services being offered?

Where and to whom?

Have those services affected student performance and/or decisions regarding career and fields of study? How?

How can these programs be improved?

o Follow-Up

In order for USAID to determine the impact of its bursaries activity particularly within the South African economy, implementing organizations need to be able to determine where bursars have gone once their studies have been concluded. Implementing organizations should have the capacity to give USAID specific manpower information on former bursary recipients. It is preferable for implementing organizations to have computer-based tracking systems in place for this requirement.

c) Tertiary Education Program Support

This project component is intended to support the leadership and human resources components of STEP and to assist USAID in developing a more direct and proactive tertiary education strategy in South Africa. As such this component is both a technical resource component and a potential resource for future policy and program development guidance. The Mid-Project Evaluation will ask:

What tertiary support programs have been designed, implemented and/or strengthened under STEP?

What additional brokering organizations have been recruited to STEP?

What services have been provided to South African organizations supporting other bursary organizations?

How effective has the training and technical assistance been in making such organizations more independent, and effective?

Has a compendium of short-term training organizations and courses been prepared?

2. End-Of-Project Evaluation

In addition to a follow-up examination of the questions noted above, the end-of-project evaluation will try to assess project impact. As such, it will delve deeply into what participants have done and are doing after receiving training.

Have they returned to South Africa?

What professional and/or technical positions do they occupy?

How and to what extent are they involved in the community?

How do they perceive that their training has enabled them to function more effectively on the job and in the community?

Regarding NGOs:

Are there broad spectrums of organizations involved in the project and recognized by all segments of black South Africa?

Are they able to implement effective tertiary education bursary and support programs with minimal external assistance?

Are they engaged in dialogue on and development of improved tertiary education programs and policies?

Have the roles and responsibilities formerly carried out by the TEPS contractor been spun off and are those roles now being satisfactorily performed by South African NGOs?

D. Methodology

Special studies may be necessary to establish certain baseline data such as failure rates. Such studies could be financed out of the Special Projects component of the project. Generally, however, the project evaluation will be conducted through interviews with project contractors, brokering agencies, NGOs and participants. Such evaluations would follow the methodology recently used on the Training for Disadvantaged South Africans project.

Should, during the course of project implementation, certain questions or problems arise requiring short-term focussed study, those items may be examined either using the programmed short-term technical assistance or financed under Special Projects.

E. Audit

In accordance with the Administrator's Policy Statements, project financial audits are incorporated into the project design and provisionally programmed for the fourth and eighth years of the project. For ease of implementation, audits of US contracts involving South African entities (US training contractors and the tertiary education support contractor, for example) will be initiated in South Africa with an examination of local costs by private sector audit firms. The audits will then work back to an audit of US based expenditures through US correspondent audit firms.

The \$250,000 allocated for audits assumes two contracts with three audits each. Each audit will require one and one-half person-months of effort in South Africa and one and one-half person months of effort in the US. Nine additional person-months of effort in South Africa have been added to cover grants and/or cooperative agreements to NGOs having no American affiliates.

ANNEXES

Selected NGOs implementing effective tertiary education bursary and support programs.

Organizations engaged in tertiary education work together on common/similar objectives.

Support programs carried out by TEPS contractor being satisfactorily implemented by South African NGOs.

Selected NGOs engaged in dialogue on and development of improved tertiary education programs and policies.

Bursaries managed by a broad spectrum of organizations including those recognized by the democratic movement.

OUTPUTS**MAGNITUDE OF OUTPUTS****MEANS OF VERIFICATION****ASSUMPTIONS**

1. Future leaders complete long-term degree and certificate training plus complementary leadership skills.

1.a. Approximately 600 receive graduate degrees from U.S. colleges/universities.

Contractor/grantee reports.

Appropriate candidates available for training.

Participant tracking systems.

1.b. Approximately 919 persons received short-term executive, management, career development training and/or study tours in the U.S. or third countries.

Periodic project evaluations.

Academic performance of participants does not deteriorate.

2. Participants receive professional and technical training in South Africa.

2.a. Approximately 1200 receive degrees or certificates from South African universities or technikons.

Appropriate NGOs remain interested in AID support.

2.b. Approximately 2520 persons receive short-term training or attend conferences and workshops etc. in the RSA.

Annex A

SOUTH AFRICA TERTIARY EDUCATION SUPPORT PROJECT (674-0309)
LOGICAL FRAMEWORK MATRIX

LOP Funding: \$110 million
PACD: 06/30/00

PROJECT GOAL	INDICATORS OF GOAL ACHIEVEMENT	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Black South Africans are full contributors to and participants in the political, social, economic and intellectual life of their nation.</p>	<p>Black South Africans: —Have full political representation and hold high legitimate political offices. —Have full access to institutions and services. —Have their scholarly contributions recognized as valuable. —Participate in a rationalized economic structure.</p>	<p>SAG government policies and budgets. Political and sociological studies. Impact evaluations. Private industry records on employment and advancement.</p>	<p>Education promotes peaceful change in SA. Demographics, skill shortage and other external factors continue to influence SAG policies.</p>
PROJECT PURPOSE	END OF PROJECT STATUS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>To prepare and empower black South African individuals and selected institutions for positions of leadership and importance in order to promote change and the peaceful transition to a non-racial democracy.</p>	<p>Bursars/participants return to SA, assume appropriate professional and technical positions and become actively involved in addressing community based problems and in developing new community structures. Short-term trainees are using their new skills on the job and in the community; trainees are advancing adequately and hold leadership and management positions.</p>	<p>Participant tracking systems. Contractor/grantee reports. Participant academic records. Periodic project evaluations. Discussions with black leadership.</p>	<p>Economic, political and social climate remains receptive to project implementation. Participating individuals and organizations remain committed to promotion of change. Diverse elements of society are willing to discuss and dialogue on tertiary education.</p>

3. Tertiary education program support is provided.

3. 3-5 NGOs receive short-term TA, and short-term training.

3.b. Approximately 110 special projects or studies conducted and results disseminated on tertiary education and/or support.

INPUTS	AID FINANCING (\$)		
Long-term training - U.S. ** Excluding tuition waivers of \$18,360,000	34,222,500	Contractor/grantee reports.	U.S. colleges and universities continue to provide tuition waivers.
Long-term training - SA	24,308,700	AID disbursement records.	
Short-term training	13,936,850	Periodic project evaluations.	
Technical Assistance	5,947,300	Project audits.	
Special Projects	1,781,000		
Commodities	150,000		
Evaluation and Audit	750,000		
Inflation	22,767,068		
TOTAL	110,713,418		

Department of State

TELEGRAM

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DRAFTED BY: AFD/AFR/PD/SA SBLISS ELD 52441

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TAGS:

SUBJECT SOUTH AFRICA TERTIARY EDUCATION SUPPORT
PROJECT (574-0389) PID ECPR CABLE

1. THE ECPR FOR THE SUBJECT PID WAS REVIEWED ON WEDNESDAY, JULY 19, 1969. THE ECPR WAS CHAIRED BY DAN/AFR CHERS. IN ATTENDANCE WERE REPRESENTATIVES FROM AFR/PD/SA, AFR/SA, AFR/TR/EMR, SAT/ED, AND OIT. USAID WAS REPRESENTED BY MISSION DIRECTOR BARRETT AND PEO ROBERTSON.

2. THE ECPR APPROVED THE PID FOR THE FULL REQUESTED AMOUNT OF DOLLARS 80 MILLION, AND AUTHORIZED THE MISSION TO PROCEED TO DEVELOP AND APPROVE THE PROJECT PAPER AND TO AUTHORIZE THE PROJECT PURSUANT TO THE GUIDANCE PROVIDED HEREIN.

3. A STANDARD PID ISSUE DEALS WITH ADEQUATE JUSTIFICATION FOR THE LEVEL OF RESOURCES WHICH HAS BEEN REQUESTED. THE ECPR RECOGNIZES THE PRESENT EVOLVING SITUATION IN THE SOUTH AFRICAN TERTIARY EDUCATION SUBSECTOR (INCLUDING A LIMITED POOL OF GOOD CANDIDATES FOR SCHOLARSHIPS, A LONG LIST OF DONORS AND LOCAL

PRIVATE SECTOR FIRMS COMPETING FOR THESE CANDIDATES, AND THE OVERRIDING POLITICAL PRESSURE TO IDENTIFY AND SPONSOR STUDENTS), AND IT BELIEVES THAT FINAL PROJECT DESIGN WOULD BENEFIT FROM AN ANALYSIS OF THE SUPPLY AND DEMAND FOR TERTIARY BURSARIES IN SOUTH AFRICA. SUCH AN ANALYSIS SHOULD DEMONSTRATE THAT SUFFICIENT QUALIFIED CANDIDATES ARE AVAILABLE FOR A 100-FUNDED BURSARIES TO JUSTIFY THE LARGE AMOUNTS BUDGETED. SUCH AN ANALYSIS COULD ALSO BE EXPANDED TO INCLUDE AN ANALYSIS OF IN-COUNTRY TRAINING WHICH COULD BE CONDUCTED TO BRING PROSPECTIVE BURSARY RECIPIENTS UP TO A MINIMUM LEVEL OF COMPETENCE. SUCH EDUCATIONAL BRIDGING COULD CONTRIBUTE CONSIDERABLY TOWARDS GREATER EFFICIENCIES BY IMPROVING THE STUDENT'S ACADEMIC PERFORMANCE AND REDUCING THE ELAPSED TIME FROM START TO FINISH OF A DEGREE PROGRAM.

4. PRIOR TO LARGE-SCALE PROGRAMMING OF BURSARY FUNDS DESIGNATED FOR THE INTERNAL LONG-TERM TRAINING COMPONENT THE PROJECT PAPER DESIGN SHOULD CAREFULLY LOOK AT A PHASED APPROACH TO ITS IMPLEMENTATION WHICH WOULD PROVIDE FOR INSTITUTIONAL STRENGTHENING ACTIVITIES. THIS IS IN RECOGNITION OF THE LIMITED ABSORPTIVE CAPACITY OF CERTAIN OF THE IMPLEMENTING

NGO S. E. C., THE EDUCATIONAL OPPORTUNITIES COUNCIL. THE MANAGEMENT ASSESSMENT EXERCISE THAT IS CURRENTLY UNDERWAY IS AN IMPORTANT STEP IN THAT DIRECTION. ALTERNATIVELY, THE DESIGN OUGHT TO EXPLORE THE PROSPECT OF CONTRACTING WITH OTHER ORGANIZATIONS TO CARRY OUT SPECIFIC PARTS OF THE INCREASINGLY INTENSIVE JOB OF HANDLING AND SUPPORTING SCHOLARSHIP PARTICIPANTS IN EVER GREATER NUMBERS. THE EMPHASIS OF PHASING OUGHT TO BE ON BUILDING OR FINDING THE CAPACITY, BEFORE ADDING ON THE BURDENS.

5. ALTHOUGH AID/C CLEARLY AGREES THAT THE PROPOSED SINGLE PROJECT APPROACH APPEARS BETTER THAN HAVING TWO PROJECTS TO IMPLEMENT, THE MISSION IS CAUTIONED THAT CERTAIN OF THE PROPOSED NEW ACTIVITIES, SUCH AS SHORT-TERM TRAINING (MANAGEMENT AND LEADERSHIP) AND INSTITUTIONAL STRENGTHENING ARE SOMEWHAT NEW AND COULD OVERLOAD THE MISSION'S ALREADY STRAINED MANAGEMENT RESOURCES. CONSEQUENTLY, THE MISSION IS ADVISED TO INCLUDE AN IN-DEPTH MANAGEMENT IMPLICATION ASSESSMENT IN THE PP WHICH CLEARLY SHOWS HOW THE MISSION WILL ABSORB NEW ACTIVITIES. IN FACT, THE MISSION MAY WISH TO DEFER IMPLEMENTATION OF CERTAIN OF THESE ACTIVITIES UNTIL NEW NGO PROJECT STAFF IS HIRED AND TRAINED AND MISSION STAFFING MEETS DESIRED NUMERICAL AND SKILL LEVELS.

6. WHILE GRADUATES OF U.S. INSTITUTIONS ARE NOT EXPERIENCING ANY MAJOR PROBLEMS IN JOB PLACEMENT WITHIN SOUTH AFRICA, THAT IS NOT ALWAYS THE CASE FOR GRADUATES OF THE BLACK INSTITUTIONS IN RSA. THE PROPOSED PROJECT WILL SOON HAVE 150 GRADUATES PER YEAR COMING FROM THOSE INSTITUTIONS. THIS RAISES THE ISSUE OF WHETHER THE PROJECT DESIGN OUGHT TO ENCOMPASS MORE IN THE AREA OF JOB PLACEMENT, AND IF SO, WHICH ENTITY MIGHT BE APPROPRIATE TO TAKE ON THIS RESPONSIBILITY?

7. WITHIN THE SHORT-TERM TRAINING COMPONENT OF THE PROJECT, THE DESIGN TEAM SHOULD INCLUDE A PLAN WHICH SATISFACTORILY DEMONSTRATES THAT APPROPRIATE CANDIDATES WILL BE AVAILABLE FOR THE TRAINING, AND THAT CONCERNS SUCH AS TIME-OFF FROM JOBS WILL NOT PRESENT PROBLEMS.

8. IN CONSIDERING THE MISSION'S REQUEST THAT AUTHORITY TO APPROVE AND AUTHORIZE THE PROJECT BE DELEGATED TO THE FIELD, THE ECPR FOCUSED ON THE ESSENTIAL AREA OF AID/M INTEREST: AS EXPECTED THROUGHOUT THE REVIEW PROCESS, SINCE THIS PROJECT WILL REPLACE TWO ON-GOING ACTIVITIES AND SINCE THE MISSION HAS EXTENDED EXPERIENCE IN THIS AREA, AUTHORITY TO APPROVE AND AUTHORIZE THE FINAL PROJECT IS HEREBY DELEGATED TO THE MISSION, WITHIN THE PARAMETERS OF THIS GUIDANCE.

9. IT WAS NOTED AID/M RESOURCES ARE REQUESTED FOR THE DESIGN EFFORT, PARTICULARLY TECHNICAL SUPPORT AND PROJECT DEVELOPMENT EXPERTISE. AID/M AGREES TO PROVIDE SUPPORT THROUGH DM OR CONTRACT STAFF TO THE EXTENT POSSIBLE.

10. AFR-PD/SA WILL REPRODUCE AND POUCH TO THE FIELD SIGNED COPIES OF THE PID SOONEST. EAGLEBURGER

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TAGS:

SUBJECT: SOUTH AFRICA TO TERTIARY EDUCATION 674-2309
PROJECT PAPER AUTHORIZATION

REF: A STATE 309504 B PRETORIA 18885

1. THE ECPR APPROVAL FOR THE SUBJECT PROJECT PROVIDED IN REFTTEL A IS HEREBY AMENDED TO INCLUDE THE EXPANSION OF THE PROJECT REQUESTED IN REFTTEL B.

2. ACTING AA/APR HEREBY AMENDS THE AD HOC DELEGATION OF AUTHORITY CONTAINED IN REFTTEL A TO AUTHORIZE THE DIRECTOR, USAID/PRETORIA, OR THE PERSON ACTING IN THAT CAPACITY, TO APPROVE THE PROJECT IN AN AMOUNT OF UP TO DOLS 110 MILLION, RATHER THAN DOLS 88 MILLION AS ORIGINALLY PROGRAMMED AND BUDGETED IN THE PID. THE PROJECT MAY ALSO FINANCE TRAINING FOR SOUTH AFRICANS IN EXILE, PRESENTLY OR IN THE FUTURE. THE MISSION IS ALSO REMINDING THAT IAA SECTION 125 B 2 B 1 REQUIRES THAT THERE BE SOME SUPPORT FOR SECONDARY SCHOLARSHIPS, EITHER AS PART OF THIS OR ANOTHER PROJECT, EVEN THOUGH THE DOLS 1 MILLION PER YEAR CEILING IS NOT APPLICABLE TO FY 90 OR SUBSEQUENT YEAR FUND.

3. AFR/SA IS PREPARING THE CONGRESSIONAL NOTIFICATION REQUESTED IN REFTTEL A. BAKB

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ANNEX C

TECHNICAL ANALYSIS

A. Technical Requirements

Currently, the involvement of USAID/SA in tertiary education in South Africa can be characterized as indirect (the provision of bursaries). As the largest portion of USAID's program, which is admittedly political, indirect translates at times to mean "low profile" and can also mean passive and marginal in some instances. With the initiation of the STEP, USAID/SA will make these modifications to the current program which have the potential to heighten USAID's impact on the tertiary education system:

1. Expand the capacities of organizations to support the readiness of black students to enter university (e.g. counseling, matric prep., etc.). USAID recognizes that the apartheid education system has serious adverse effects on students' preparedness for university and that numerous nongovernmental organizations exist to address that problem. These organizations will be eligible for USAID support under the project.
2. Improve access of black students to tertiary education by supporting them in bridging programs at the post matric level (subject to Congressional approval).
3. Increase the retention of students in tertiary education by supporting and strengthening compensatory educational, or academic support programs (subject to Congressional approval).
4. Prepare university students in the professional and technical fields that are in greatest demand in South Africa. Specifically, STEP will target internal bursaries to meet high-demand occupations.
5. Prepare leaders in all sectors for a post-apartheid society. Target external bursaries with primary emphasis on leadership potential.
6. Expand the investment in tertiary education.

In order to achieve the changes defined above, it is necessary for USAID to obtain channels of access that it does not currently possess and to rely on an institutional capability which is available on a limited basis in the black community. Therefore, two strategies must be adopted immediately and supported in and through the STEP. They are:

1. Obtain access to influence by
 - a. becoming a more effective player in the broadest education community, (including the democratic movement) where influential organizations are aligned. An effective player is informed, active, collaborative and responsive to the mainstream of the liberation movement; and
 - b. creating greater programming flexibility by obtaining the necessary legislative mandate to work directly with entities that may receive subsidies from the SAG so that important structural changes can be stimulated and supported with US funding.
2. Build the local institutional capacity to support tertiary education by
 - a. strengthening existing tertiary support organizations (through short-term training or technical assistance); and
 - b. significantly bolstering a local organization that will manage the delivery of project-funded short-term training and technical assistance and will develop programs that respond to the critical issues in support of the tertiary education program.

B. The STEP Response

In light of these requirements, the STEP's three elements: leadership development, human resources development, and tertiary education program support are analyzed below:

1. Leadership Development

a. Review

Approximately six hundred (600) black disadvantaged South Africans will pursue specially-designed graduate programs in the United States; 709 persons will participate in short-term training in the United States; and 210 persons will receive training in third countries. There are three primary goals of Leadership Development:

to increase the supply of highly-trained black South Africans with leadership development skills to serve as leaders in various capacities in the post-apartheid economy and society of South Africa;

to expose these future leaders to the academic, social, economic and political environments of the United States so as to encourage alliances between post-apartheid South African leadership and the United States; and

to take advantage of opportunities for South African leaders to network with third country counterparts.

- o UNEPSA receives \$700,000 a year from State to fund refugees and others from Southern Africa. Programs are graduate level study, and include a large number of AID-funded students pursuing second degrees.
- o African-American Institute. Currently is supporting 103 students in degree, diploma, certificate and other programs in Africa and in the US. Twelve of the current students are in the US; the remainder are in Zambia, Tanzania, Zimbabwe, and elsewhere in Africa. Six students are funded for internships. AAI has been working with this population since 1976 following the Soweto uprising.

According to these organizations currently working with the exile community, the refugee population numbers between 21,000-25,000. The numbers are not increasing, but the demand for educational support is significant and ongoing. Each year 150-175 viable candidates from South Africa and Namibia have been identified.

The Department of State, Bureau of Refugee Programs, would like to terminate the South Africa program. They feel under-equipped to run education programs and find that scholarships must compete with a host of unrelated and worthy causes in support of refugees. The current changes being experienced around the world are creating a high demand for refugee funds and State's funding has decreased. They would like to program the monies elsewhere. Congress, however, was not in favor of a recent attempt to terminate the Phelps-Stokes program, although it has been cut in half. State is interested in cooperating with USAID/SA and suggests that USAID sponsor the sequel to the current program. In so doing, they would like to talk about having the USAID program pick up the current students for the remainder of their courses of study.

Should USAID be interested in supporting a STEP component for exiles, the AAI and/or Phelps-Stokes programs are already established and are ready-made for funding. Both are very eager to continue. Only AAI has the recruitment and selection mechanisms in Africa; Phelps-Stokes relies largely on UN referrals. However, due to the obvious management constraints associated with supporting such programs, USAID should first investigate the possibility of including exiles in its leadership programs which operate out of South Africa, such as the EOC.

In summary, the project paper team has determined that the refugee population is sufficient to warrant its inclusion in the STEP. Implementable options exist that can handle the program and the issue is of significant importance to the black community to justify USAID's involvement.

3. Fields of Study

While a traditional manpower project is concerned primarily with labor supply and demand, the leadership component of STEP is most concerned with the development of senior personnel across all sectors of the economy and with the preparation of blacks for positions traditionally reserved to whites. Therefore, it is essential in this project that implementors actively recruit from a diverse population and design and offer a wide variety of programs that can address leadership in sector-specific contexts. This means movement in STEP away from an over-emphasis on the higher education community.

4. Selection

Reaching representatives from all sectors of the economy and the full political spectrum is an aim of STEP. The project must rely heavily on innovative recruitment and selection strategies to attract and identify the appropriate participants. Therefore, it will be important to select one of the following recruitment/selection options:

- o Identify a single South African organization that can reach all segments of the black leadership and is available to work with USAID;
- o Distribute recruitment and selection responsibilities to a variety of South African organizations that can reach segments of the leadership population; and
- o Create an independent unit to administer recruitment and selection.

Option one does not exist. Such a broad-based organization is unusual since most are politically aligned and some potential implementors, such as EAP or SASET, are not prepared to work with USAID at this time. Options two and three may provide broader coverage but are administratively unfeasible. The preferred option, therefore, is to combine options one and two: identify a single South African organization and develop networks with a variety of appropriate organizations including professional associations (the Black Managers Forum, ABASA, and the like) to recruit participants. A step in this direction would be desirable and is addressed more fully in the institutional analysis.

Additionally, recruitment and selection will be focused in STEP's short-term training component by designing and advertising specific courses each year and recruiting on a course-by-course basis. This approach adds some control to the selection process and further argues for the role of a South African-based administrative unit linked to solid training organizations in the US and in third countries.

5. Topics for Leadership Development

Leadership development offers participants exposure outside South Africa; free and open debate on values, issues, and ideas; development of self-confidence and personal style, and the building of skills in specific areas of expertise. A solid leadership program accomplishes all of these aspects of training and offers an environment of active participation as well as technical resources. Topics specifically focused on in teaching leadership skills include, but are not limited to:

- o Communications;
- o Policy analysis;
- o Negotiation skills;
- o Self-management (time management, stress management, etc.);
- o Group dynamics and participatory management;
- o Presentation skills; and
- o Organization development.

Sector-specific material would be related to the above generic topics of study.

2. Human Resources Development

a. Review

Human resources development in South Africa comprises a broad-based training activity designed to empower a segment of the black South African population through tertiary education and technical training. The human resources development element will focus on long-term training including bursaries for study at South African universities, technikons, technical colleges and teacher training colleges; and on short-term training for nongovernmental organizations that support tertiary education. One thousand two hundred (1200) black South Africans will receive long-term training (largely first degrees or diplomas) and one thousand, nine hundred ninety-five (1995) persons will receive short-term training.

The argument for a human resources effort is an easy one to make. As is evident in the Manpower Analysis Annex, there is a tremendous need for skilled professionals and technicians and there is an increasing supply of educated blacks ready to enroll in professional and technical programs at the tertiary level.

In STEP, the human resources development element also supports short-term training for organizations that are involved in tertiary education. Recent expansion of opportunities for blacks in tertiary education has put a strain on these community-based organizations. Therefore, staff development for these NGOs is important to ensure that they continue to offer quality resources and services that promote advanced education for blacks.

b. Rationale/Feasibility of Human Resources Development

Further justification for and feasibility analyses of STEP's human resources development element follow. The issues addressed include:

a) Study in South Africa

Some will argue that study in South Africa is so constrained by resource limitations on campuses (especially at black institutions), political volatility, and oppressive environments in the classrooms and among administrators, that all qualified students should travel overseas. Exposure, varied resources and openness, they argue, are essential for successful academic performance.

In the STEP, it is argued that external study is in fact essential for leadership training, and, while it is an added resource in human resources development, it is not a necessary feature of first-degree training that is primarily professional and technical in focus. Furthermore, South African first-degree study has these advantages:

- o It allows students to test their academic skills and to develop a career focus before considering overseas study;
- o It is highly relevant to the South African job market and to credentialing agencies whereas study in the US is not always linked to the qualification system in South Africa;
- o Students remain politically active and involved in the community;
- o Younger and less mature students can safely test their independence and remain close to home; some older students with younger children can continue to study but would be unable to travel; and
- o Students prove themselves in competition with their white peers and gain in self-confidence.

Exposure overseas remains an important experience in the education of South Africans and the project will provide funds for as many as 150 students to pursue a fourth year (or honor's program) in the US.

b) Fields of Study

Unlike the leadership development component of STEP, it will be important in the human resources development component to guide fields of study toward occupational demand. There is a need for skilled professionals and technicians, and USAID bursary programs to date have not linked funds to these high demand fields. These fields include:

- o Accounting, auditing;
- o Administration;
- o Agriculture;
- o Architecture and related trades;
- o Artisans;
- o Business;
- o Computer science;
- o Economics;
- o Engineering;
- o Finance;
- o Health;
- o Management;
- o Medical doctors;
- o Natural and life sciences;
- o Nurses;
- o Paramedics;
- o Teaching;
- o Technicians;
- o Town and regional planning; and
- o Transportation.

This list of fields is based on both data supplied by representatives of the black community and government statistics. These fields represent immediate training needs. Democratic sources also stress the need for public administration and law in post-apartheid South Africa and argue for support of these fields of study.

The human resources development component of STEP must respond to manpower needs by guiding the students' selection of fields of study. This will be accomplished in STEP by:

- o Including counseling in internal bursary programs. Counseling must include provision of access to career guidance for bursars and adequate information regarding programs of study available at tertiary institutions. Brokering organizations must ensure that counseling is available to bursary candidates. Additionally, the TEPS unit should support the acquisition or development of career guidance information in the form of print or other media;
- o Requiring that a minimum of 30 percent of bursaries be awarded for study at Technikons or other technical programs; and
- o Mandating that for the 70 percent of applicants to universities, a preference be given to students applying for first degrees in science or commerce (or science or commerce education). If a quota is established, two-thirds of degrees should be science and commerce as opposed to arts.

c) Supply of Bursary Candidates and Failure Rates

If fields of study are narrowed and fewer bursars are allowed into the arts programs, then supply of qualified applicants may be of concern. The standard ten pass rate in African education is low. In 1987, only 56 percent passed of those who wrote their matriculation exams, and only 28 percent, some 25,000 students obtained a matriculation exemption. When higher grade mathematics and science is calculated, then the pool shrinks to a mere 500-800 students a year. In 1987, in Johannesburg (inclusive of Soweto and Alexandra), only 41 students passed of the 1,558 who wrote mathematics at the higher grade, and only 24 passed of the 601 who wrote physical science at the higher level. Only 14 and 8 respectively, passed mathematics and sciences with at least a D symbol, the requirement for entry to the faculties of Commerce and engineering at the open universities (source: Hofmeyr and Spence).

The concern about supply can be alleviated by opening up bursaries to Technikons, technical colleges and teacher training colleges. These institutions accept lower matriculation scores.

For black students that remain to complete programs, most students will not complete on time. The performance of a representative sample of 3,698 students who had a matriculation aggregate of less than 79 percent and who registered for a three-year degree in 1980 is presented below:

Degree	Number of students	% of students graduated in	
		3 years	4 years
BSc	1,012	15	18
BCom	918	23	18
BA	1,768	36	15
TOTAL:	3,698	27	17

(Source: Bridges to the Future, J. Hofmeyr and R. Spence, 1989)

d) Failure Rates and Retention

Differential black educational preparation, due to apartheid, has systemically deprived the majority of South Africans entrance to university. The most disadvantaged are black Africans. There are only 2.6 black African university students per thousand head of population compared with 31.1 white university students per thousand head of population. Those black African students that are admitted to university often enter at such an educational deficit that they fail. First year failure rates of black students in South African institutions are as high as 50 percent by some estimates.

The failure of black students at South African universities has far-reaching negative consequences. Failure is costly in human

terms. Students' confidence is shaken and they often give up on education. Failure is also costly in financial terms; funds are wasted and costs to complete the courses of study increase as students linger for four or five years in "so-called" three year programs.

STEP must address failure and retention of students. The strategies are incorporated into the project design:

- o Counsel students into correct placements. Allow and encourage placement in technical programs.
- o Support ASP/ESPs (Academic/Educational Support Programs). Educational support programs are varied in name and operate at different levels and in different sectors of education and they fulfill different functions. Some provide support by enriching students at a given level with additional compensatory courses: others operate between one level and the next and fulfill a bridging function in preparation of the next higher level of education. Regardless of their format and function, ASPs are necessary components to most South African educational preparation and support.

STEP will require students to attend ESPs/ASPs as a condition of the bursary award unless the institution and the bursary organization agree that attendance is either unnecessary or detrimental to the student's performance. (For a complete discussion/evaluation of ASP, ESP, Bridging programs in South Africa see Hofmeyr and Spence, 1989: Annex J). Funding for these programs will be included in the bursary package. STEP will also explore assistance to the development of ASPs and ESPs under the short-term training and technical assistance component of the project.

- o Allow bursaries to be used for bridging programs. The LEAF colleges and Khanya College, pre-university preparation programs, should be allowed under STEP to receive bursaries. They are nongovernmental organizations and can receive funds directly from USAID. The LEAF colleges are more receptive than Khanya College at this time.
- o Strengthen black universities through faculty development. Black institutions, including UNIBO, MEDUNSA, and black technikons, suffer from differential state subsidies (the recent "rationalization" of university and technikon subsidies is a thinly disguised effort to undermine the financial viability of black institutions), lesser qualified faculty, more poorly prepared students and fewer facilities for a larger student population. In brief, black institutions bear the brunt of the effects of a partitioned educational system while providing primary access to higher education and skills training for the

recipients of this differentiated education. Faced with the daunting task of providing remedial and advanced education and training, black institutions are ill prepared to carry out this mandate.

However, some black institutions offer black Africans and blacks in general entry into higher education in environments that are socially and academically supportive of black students. Using innovative admittance procedures (in some cases open admissions) that take into consideration testing bias and inferior academic preparation as well as political constraints faced by blacks in their struggle for education, black technikons offer students the opportunity to receive advanced skills training in the sciences and mathematics that they would not otherwise be eligible for at the university level. The Comprehensive Anti-Apartheid Act (CAAA) prohibits USAID from direct support to any government institution including black universities and technikons. However, faculty of these institutions are eligible for bursaries under STEP and informal staff development programs can be supported through the bursaries components (both long- and short-term training) of STEP. Direct assistance to ASPs can be provided if the programs are independent of university funding, as is the case in a number of instances. Under the expanded placement priorities of STEP, black institutions will figure prominently, as students who do not perform well on matriculation examinations turn to these institutions for higher education. As earlier stated, black institutions offer important channels of access to higher education for the majority of South Africans. It is thus imperative that STEP assist these institutions in their development. At this time however, STEP is restricted in its ability to address many of the needs of black institutions. If there is a change in the limitations of US support to government institutions, black institutions should be given priority consideration for staff development and institutional support programs.

While these schools are viewed as inferior choices by some students, they are viable options for many. They address existing skill shortages and represent institutions of growing economic importance to post-apartheid South Africa. Manpower and social analyses underline the importance of technical training and the broad spectrum of technical skills required by the economy that are not currently supplied by university training. Further, black leaders are insisting on the importance of technical education.

While blacks attending "open" technikons suffer from the same array of problems that they face at "open" universities, those students that gain admittance to these institutions are offered higher level skills training that is much sought after in the South African economy. Problems that black students suffer in "open" institutions, such as housing bias, inappropriate or prejudicial academic support programs, and in the case of technikons, lack of internship and job placement, are common to the black experience in higher education across the institutional spectrum.

While some change is occurring among technikons, technical colleges are less receptive to black students. Students electing these institutions should be carefully monitored and supported.

3. Tertiary Education Program Support (TEPS)

a. Review

The introduction of this component of the program recognizes the complex set of tasks in which USAID must engage in order to impact more directly and effectively on tertiary education. It calls for the creation of a support unit, combining US and South African educational expertise, based in South Africa to manage short-term training and special activities, to participate directly in the tertiary education community and to provide technical assistance to local organizations involved in tertiary education.

The TEPS unit will provide support services that:

- o Evaluate short-term SA training programs and to provide US or third country assistance when needed;
- o Provide both long and short-term technical assistance to assist in a broad-scale examination of compensatory education and to bring South African educators in contact with US compensatory education programs and to help USAID assess how best to support higher education in South Africa;
- o Strengthen the organizations that manage US bursaries in order to improve their capacity to manage larger and more complex programs and to build a local capacity to provide organization development services that are much needed by NGOs in South Africa.

The TEPS unit will manage short-term training and technical assistance and will administer approximately 100 pilot projects over five years.

b. Rationale/Feasibility of TEPS

The combination of US and South African expertise in the TEPS unit is recommended in this project paper for several reasons. First, while South African organizations have the capability to handle the tasks involved in the TEPS, no single entity having a broad enough constituency has yet been identified to handle the tasks. Either they are unacceptable to USAID or USAID is unacceptable to them. Second, because certain of the tasks are not necessarily related so as to justify administration by one entity on a permanent basis, the unit will be able to devolve appropriate functions to more than one local organization. Third, there is a need to develop local organizations that now or in the future will manage USAID bursary funds. Fourth, some

initiatives to strengthen the bursary program need further investigation and testing. The provision of career guidance is one example. The TEPS unit allows the program flexibility to test good ideas on a pilot basis without making a long-term commitment. Finally, the TEPS can identify local talent to complete some necessary groundwork for the STEP program. A compilation of short-term training available in South Africa and third countries is an example of a task appropriately managed by the TEPS.

The TEPS unit is designed with minimal US long-term assistance to avoid creating a US dependency in the program and to rely from the beginning on South African talent in significant ways. The unit is intended to devolve its functions to local institutions when appropriate institutions can be found. Possible management entities have been found, though no single entity is strong enough at present to handle a major set of added responsibilities. They include, as illustrations:

- o Black Management Forum to manage short-term leadership training and South African management training;
- o Human Awareness Program to manage office skills training; and
- o The Career Guidance Centers, Career Information Center, and Career Resource Information Center and Education Information Center (EIC) to handle pre-university counseling.

The feasibility of the support program component depends on the following factors:

- o The ease with which a US-owned entity can establish itself to do business in South Africa. The current climate is receptive and sub-leasing arrangements are possible;
- o A solid technical and financial management system that carefully tracks and reports detailed accounts of small projects under its supervision;
- o Credible and senior technical staff who can gain access at the highest levels of tertiary education in South Africa;
- o The ability to gain the participation and support of a wide range of community organizations and educationists;
- o Availability of local organization development experts. The OD technology is relatively new in South Africa and the turn-key nature of this component of the project relies on a joint effort with local input so that the capability can be sustained once the contract has been completed. The bursary program has graduated people in this field;

- o The availability of quality short-term training facilities and programs in South Africa and third countries. It will be necessary to assess this capacity before the program moves ahead;
- o The ability to establish effective criteria for deciding training, technical assistance, research and other special projects so that the support effort does not become unmanageable or create expectations in the higher education community that "anything goes;" and
- o The ability to devolve tasks to receptive organizations in the tertiary education community so that the TEPS unit can go out of business.

ANNEX D

SOCIAL SOUNDNESS ANALYSIS

A. Implementation Issues

Any test of the social soundness of any effort in South Africa must include an assessment of the program's ability to defy apartheid structures while building toward a nonracial, democratic society. The apartheid system has successfully sought to divide people by race, ethnicity and language and to foster gender specific roles in the workplace. The system has limited access to opportunity in a multitude of ways and has fostered anger and distrust rather than cooperation and collective action. In the STEP, efforts must be made to counter social biases and to assist both individuals and organizations to impact social change. The following is a discussion of the critical social (and related) issues that impact on STEP implementation. They include:

- o Reliance on external public and private support;
- o Emphasis on leadership;
- o Outreach;
- o Attention to women;
- o Career guidance;
- o Community involvement;
- o Improving access to tertiary education; and
- o Career advancement.

1. Reliance on External Public and Private Support

As in the past, the availability of bursaries is dependent on the support of public and private US institutions. It is estimated that, over the life of the project, more than \$10 million in the form of tuition or other expense waivers will be required to supplement the USAID contribution and fund the number of students programmed under STEP. While past experience suggests the support will continue to be available for US study, a shift in political sentiment in the US could impact negatively on availability of contributions, thus necessitating a scaled-down bursary program or increased AID assistance.

2. Emphasis on Leadership

In the STEP, bursaries and short-term training have been earmarked for potential leaders to study in the United States and in third countries. The project will rely on community-based organizations and professional associations to identify such individuals and recruit them for training. In order to be successful, this component of the program must draw from a broad base of potential leaders who have a constituency in the community. No single organization is likely to meet the project's recruitment needs. Networking of appropriate organizations under the direction of a central recruitment body, therefore, is recommended.

Recruitment for long-term US training currently is handled by the EOC. This practice is expected to continue but may require supplementary support from other organizations. In evaluating the effectiveness of its leadership recruitment effort, USAID must look for indications that:

- o Participants have demonstrated leadership potential and have the support of their communities and their professions;
- o The STEP program retains credibility in the community;
- o The STEP program encourages female participation; and
- o Participants are drawn from all regions of the country.

Recruitment for short-term programs requires much stronger involvement of professional associations and organizations such as the Black Management Forum. These organizations must help establish program priorities and identify candidates for training.

3. Outreach

STEP must make every effort to encourage participation from every region of the country, from women in particular, and from rural and urban areas in South Africa. This can best be achieved through continuing the advertising and recruitment efforts to reach students, teachers, parents, community groups, and counselors. In addition to print media, personal contact by implementing organizations with potential participants through locally based organizations is a must. Further, while all black populations must be urged to participate in the program, it is appropriate to encourage a bias towards the selection of Africans who have experienced the greatest disadvantage under apartheid.

When efforts are made to reach all potential participants fairly, programs of the scope of STEP still tend to suffer from accusations of insensitivity and a Transvaal bias. While these perceptions cannot be countered entirely, it is important to have well-established regional representation and appropriate screening committees to ensure fairness.

Furthermore, it is recommended that the smaller, localized bursary efforts be evaluated for their potential to strengthen the program's outreach rather than as direct grantees. Most are too limited in capacity and experience (e.g. Port Elizabeth African Benevolent Welfare Society) or disinclined to work with USAID (e.g. South African Student Education Trust), although their potential participation should continue to be evaluated.

4. Attention to Women

The track record of the bursaries program proved that A.I.D.'s implementing organizations can successfully attract and retain women in long-term study. The quota of forty percent (40%) was

nearly achieved in recent student intakes. The attention to women, however, must continue in order to ensure that women elect fields of study based on their abilities and interests and do not automatically select fields of study that traditionally belong to women. These fields include, but are not limited to nursing, education and social work. The program will fall short of its social responsibility if it does not counsel women regarding career options and support them in their pursuit of non-traditional occupations.

In the STEP program two strategies are recommended to attract women to non-traditional, high demand occupations. The first strategy is the availability of career counseling, offered to all potential bursars without gender bias. The second strategy is to involve professional womens' organizations in recruitment for short-term training and for outreach to young women. The South African Association of University Women is one example of an association that might assist STEP. Female members of professional associations and returned USAID participants should assist in formal and informal outreach and career guidance efforts.

The STEP, under its program support component, should consider assistance with the development of career guidance materials for school leavers. One focus of the materials would be women in non-traditional careers.

Finally, the career information centers should be consulted to obtain guidance on women's career counseling and to support their efforts to counsel women. Although not all such centers are open to USAID support (e.g. the Career Information Center (CIC) in Durban), they are very accessible for information and they are very knowledgeable of the weaknesses in bursary management in South Africa.

5. Career Guidance

The education and training of black South Africans has deliberately precluded blacks from technical occupations, from positions of status and power, and from professional experiences that allow practitioners to rise to positions of influence. Rather, the system has fostered career preparation in the "soft subjects" and non-strategic occupations, reserving the "hard subjects" and strategic occupations to the white community. In the STEP, implementors must actively counsel participants into non-traditional careers and into strategic positions where blacks can play central roles. These subjects must include the occupation groups in urgent demand (such as engineering and accounting) as well as fields that are de facto closed to blacks at this time (such as nuclear physics, public administration, or finance).

6. Community Involvement

Historically, the bursaries program has stated the expectation that participants in long-term education will make community involvement a high priority upon their return. It is incumbent upon implementors to articulate clearly the expectations that the program holds and to develop strategies to support and encourage such participation. While many former students are active, most believe that their contribution to the community should be greater and the bursary donors must demand more. Attention must be paid to this program component as a necessary feature of the leadership promotion objective.

7. Improving Access to Tertiary Education

Traditionally, tertiary education has been difficult for blacks to attain due to "Bantu" education and the inadequacies of primary and secondary schooling. Therefore, the TEPS unit must address the barriers to tertiary education by actively supporting compensatory programs that offer pre-university preparation and/or academic support.

8. Career Advancement

Both entry into professional and technical organizations and advancement within those organizations has been limited for blacks. Not only has the system deliberately excluded blacks from key roles in organizations, it has denied blacks the opportunity to learn the social and organizational skills that make for success in the "corporate culture." The TEPS unit pays special attention to management and leadership training with a specific emphasis on interpersonal and group skills. Attention is also paid to practical training and internships where participants can learn "first hand" the fundamentals of organization life and the rules for advancement.

B. Context Issues

The issues detailed above are highly specific to the STEP and need to be understood in their larger social context. The reader is also referred to the Social Analysis offered in the 1984 Project Paper for the Southern Africa Regional program (690-0213) which presents a comprehensive analysis. Some excerpts are presented here as illustrative of social conditions that continue to challenge bursary programs.

1. The South African government (SAG) continues to fail to support adequate and equitable education programs for blacks.

"The proposed scholarship programs (internal and external) are justified on the premise that: "The case for education as a priority concern is powerful because it brings a capacity for participation, self-help, communication, and management. While education is the responsibility of Pretoria, its failure until recently even to recognize the

problem justifies a determined external push backed by official and nongovernmental facilities and inducements" (Crocker, Winter 1980/81: p.347). It was observed that little had been done "by Western governments and educational institutions to focus on upgrading internal opportunities or to support overseas study by persons committed to return to their country" (Crocker: p.347). In light of these prevailing conditions the role for the US Policy was described as follows: "In selected areas such as education and cultural exchange, expanded US funding support could play a useful role through the intermediary of nongovernmental institutions with expertise in these fields: (Crocker: p.347). This justification--which expresses the rationale of current US policy, has been acknowledged by some of the private executing agencies involved in such programs before the US Congress (See: Bok & Smock, March 31, 1981)."

Page 4.

2. The selection of implementing organizations is a difficult and politically sensitive task.

"Hence the current operational framework for the "Bursaries Scholarship Program" (Project 690-0230) that stresses working with private South African institutions so as to avoid "contact with apartheid institutions". Beyond this point, a tendency to arbitrarily pick and choose which internal private organizations have the most credibility as manifestly "anti-apartheid" institutions add political complications to the administration of the internal scholarship program to the detriment of the intended beneficiaries. Nevertheless, those black or nonracial agencies which may be judged to be "actively committed to the philosophy of change and racial equality and which have a vision of a changing South Africa built into their Constitutions and programs" (USSALEP, August 5, 1983, p.44) ultimately acknowledge that "the bulk of black students have no alternative but to attend ethnic universities" (USSALEP, August 5, 1983, p.45) resulting in the socio-political upheavals of the past decade that have wracked South Africa and sent reverberations permeating the entire spectrum of the black community and its various organizations and institutions--whether manifestly or implicitly anti-apartheid and whether government-support or private in nature."

Page 6.

3. Internal students confront South African institutions that are difficult to influence and that, although slowly changing, continue to avoid the intellectual development of blacks.

"The striking feature within the South African system of education is that the learners, especially black learners, have no role in defining the process of learning. In short, the objective of the educational system is to influence the learner without being influenced by them in return. This is possible because the value system embracing the educational system is that of the dominant white culture. The objective is to make blacks into non-questioning "functionnaires." It is this objective of the educational system that has given rise to increasing student revolt.

The proposed programs will therefore be implemented within this cultural milieu. The curriculum will remain circumscribed and the students will remain essentially uninvolved in defining their curriculum or learning environment. The nature of the educational system and the government's reluctance to change the structure of education is the largest obstacle in the potential achievements of the internal programs. If one defines true pedagogy as one that encourages a critical evaluation of political and social realities in which the learners find themselves, then it is difficult to describe these programs as being able to achieve this educational goal. What can be achieved--and is not unimportant in an ameliorative sense--is the acquisition of technical, social and language skills necessary for survival in a complex modern industrial sector."

Pages 13, 14.

4. For external students, the US implementing agency's play a critical role in social adaptation.

"Classroom style in US colleges and universities have more dialogue, are more open and reciprocal in expectations. Students coming from school systems where these attributes are absent, where the social context of the classroom is one of dominance of the teacher accompanied by direct response by the student, will likely experience a kind of dissonance. They will see a free flowing open dialogue, realize that this is expected of them also, but by training and prior experience, be unable to participate. This could constitute a de-stabilizing emotional experience for the South African students, and could negatively affect their classroom performance.

The implementing agency should be acutely aware of this, and should make every effort to sensitize the universities and colleges where these students are placed, to the possibility of such developments."

Page 19.

"Selecting the university is a critical factor determining the success of the external programs. In the past, other scholarship programs have lost students because the student either felt culturally isolated at the institution or the curriculum was not challenging enough. The question of isolation in American colleges and universities cannot be sufficiently emphasized."

Page 20.

5. Reentry training is an essential feature of a bursary program.

"Upon return to South Africa, the former student must readjust to the realities of a socio-cultural context characterized by white domination--a social milieu in which blacks are still perceived as inferior. The returning student must find a niche for him or herself in a social system which has essentially remained unchanged despite the fact that the student's perception about the world may have undergone considerable transformation.

The US organization responsible for the students and EOC should be sensitive to the need of participants returning to South Africa for moral and material support. Services such as re-entry and job placement counseling could be coordinated through support to the recently established EOC alumni association.

Page 21.

These and other issues are thoroughly addressed in the 1984 document and the reader is urged to consult that text for further information of social issues confronting South African bursary programs. There have been important changes in the tertiary education system in South Africa, but the fundamental injustices resulting from apartheid remain largely intact.

ANNEX E

ECONOMIC ANALYSIS

A. Review of Macro Economic Conditions

According to the Economics Office in the US Embassy in Pretoria, South Africa's real Gross Domestic Product (GDP) grew by 3.2 percent in 1988 as compared to 2.1 percent in 1987 and 2.0 percent in 1986. Between 1989 and 1987, GDP increased at a rate of 1.3 percent at constant 1985 prices, compared to a rate of 3.1 percent for the 1970-79 period. Some believe that those figures underestimate both the size and growth rate of the economy because it does not include unrecorded economic activity, estimated at 10 percent to 40 percent of GDP.

While the South African economy last year showed some positive trends, at least in comparison to the dismal economic performance over most of the 1980s, there are signs that the economy has begun to run into a balance of payments constraint. Increased economic growth pulled in a record volume of imports, and the current account surplus was cut in half. Capital outflows, in part explained by debt repayment, far exceed the surplus on the current account. With South Africa's access to international capital markets extremely limited, gold and foreign currency reserves fell by approximately 1.5 billion rand. In an effort to stem the external hemorrhage, the SAG instituted stiffer import surcharges and sharply increased interest rates, with the prime bank lending rate going from 13 percent in January to 18 percent in November 1988.

Inflation rates in 1988 were fixed at 12.5 percent as compared to 15 in 1987 and 17.6 percent in 1986. Other sources have estimated the 1988 rate at closer to 20 percent.

Most economists believe that there has been an economic slowdown in 1989, some projecting the real GDP growth rate to be as low as 1-2 percent. Experience in the past few years has shown that South Africa has a difficult time achieving a growth rate of more than 2-3 percent without inflows of foreign capital, because of the overriding need to protect its foreign reserves and balance of payments position. Long-term forecasts show the real GDP growing through the year 2000 at rates not exceeding 2.5 percent and inflation rates remaining at 12 to 15 percent.

Manufacturing jobs were up almost 1 percent in December 1988 from a year earlier, according to the US Embassy. Jobs in construction were up 1.3 percent over the same period. However, in both sectors, there are now fewer jobs than at the start of the decade. Overall, employment in the non-agricultural sectors of the economy grew by approximately 1.2 percent in 1988 as compared to an estimated population growth rate of 2.3 percent (Manpower projections are discussed further in ANNEX F).

At this point, two broad overall manpower conclusions influence the economic impact of the STEP. First, expected rates of growth will not be adequate to provide employment for the rapidly expanding pool of unskilled workers. Second, fundamental changes can be expected in the demographic make-up of the work force over the next decade as white population declines, reducing the available pool of white workers. Whites will still dominate the professional and technical categories, but their representation will decline while that of blacks will increase.

B. Constraints to Cost/Benefit Analysis

The economic effects of investments in education can frequently be analyzed in terms of rates of return, wage rates and manpower requirements. However, as noted below, both for individuals and the society as a whole, the economic impact of tertiary education for black South Africans is skewed by a number of interrelated factors unique to South Africa. These factors distort the costs and benefits of tertiary education as well as the workings of a free market economy, making a straightforward assessment virtually impossible. These factors include the following:

1. South African industry is highly capital intensive - This limits industry's capacity to absorb higher supplies of labor, particularly in the lower skilled categories and exaggerates the relative importance of highly skilled manpower and managers, who have been traditionally white.
2. Economic returns of various levels of education - Generally speaking, social rates of return to education in developing countries show primary and secondary education to be much wiser investments than tertiary education. This generality is probably reinforced by such changes as reduced public sector employment in recent years. Given the capital intensive nature of SA industry, the projected surpluses of low-level manpower and projected shortages of technical and professional personnel, the rates of return to education in South Africa may be shifting in favor of investments in tertiary education. As higher education opens new and wider job opportunities, rates of return increase above those for lower levels of education, particularly for blacks.
3. Underemployment of highly educated blacks - Though they may work full time, many highly educated blacks are not allowed to assume roles and responsibilities for which they are trained and qualified. This tendency underestimates the benefits of tertiary education both to society in terms of increased productivity and to the individual in terms of increased salaries.
4. Wages are not a proxy for productivity - For a variety of social and structural reasons, the earnings of blacks in the work place are not necessarily linked to productivity. Therefore, incremental lifetime earnings are not a good proxy either for productivity or for contributions to

society. As a general rule of thumb, white workers tend to be over-compensated and black workers tend to be under-compensated. The productive value tends to fall somewhere between the two wages/salaries. To the extent that blacks remain lower paid than their white counterparts, and satisfactorily replace whites or expatriates, their social rate of return is quite high.

5. Disproportionately valued university education - The South African education system has a strong elitist orientation, designed to permit only a small percentage of academically superior students to obtain degrees. This has influenced many students, black and white to pursue a university degree even though the marginal economic benefits of university training as opposed to technical training are not clearly demonstrated. In the early 1980s, white technicians were earning as much as teachers and sometimes even more than university graduates (a situation presumably similar for blacks). If monetary rewards were the sole determinant, far more students would become technicians. Similarly, the economic returns of all university degrees are not equal, being higher in the technical fields over the short run, with some social sciences graduates catching up in later years.
6. High subsidies to tertiary education - All university and technikon education in South Africa is heavily subsidized by the SAG, to the tune of 30 percent to 50 percent of total costs. Subsidies are proportionately much higher for whites than for blacks and skew the individual opportunity costs for individuals of all ethnic groups. At the same time, the value of education at white institutions is generally higher than that received at black institutions. Therefore, the true economic cost of tertiary education in South Africa is hard to estimate.
7. Other factors - Despite some modest progress in recent years, an artificially structured labor market still favors the white population through:
 - a) Distorted labor mobility maintained by a continued enforcement of the Group Areas Act.
 - b) State control of specific sectors preserves the civil service, public utilities, airlines, ports and rails for white employees and assures that the blacks employed in iron/steel and coal production do not advance.
 - c) Other effects of poverty such as overcrowding, disease and inadequate nutrition disproportionately handicap black South Africans.

In addition to the above factors, it is difficult to get numbers on people who have been partially trained but did not get degrees; employment and promotion rates; displacement of other workers; and the economic differences between short-term and long-term training. Finally, most economic indicators and/or statistics in South Africa, regardless of source, tend to be suspicious because they all have social and political implications.

C. Cost Effectiveness

Even an examination of cost effectiveness is rendered problematic by the simple fact that South African political conditions and US legislative constraints make tertiary education one of a limited number of options available to A.I.D. There may be cheaper ways of processing people through a degree training program, but not cheaper ways of achieving the project purpose. The rapid expansion of the pool of blacks with high level technical and university educations and leadership skills, as well as the strengthening of the black institutions participating in that process, is plainly critical to the black community's ability to prepare for and influence a post-apartheid South Africa.

Careful examination of experience to date under the current training programs has demonstrated the need to complement the traditional degree training with improved programs of recruiting, counseling, academic bridging and support, internships and effectiveness training. As discussed in the Technical Analysis, each of these elements is necessary to correct problems of failure rates and inappropriate training. At the same time, they all increase project costs.

The project design does, however, encompass a number of cost savings. First, the project makes extensive use of South African institutions where the participant costs are at least three times less expensive than US costs. Second, this project has programmed at least 30 percent of the long-term training in South Africa for technicians or other technical institutions where students are not only more likely to get a job soon after graduation, but where costs are substantially less than universities. Third, there is increased emphasis on short-term training to upgrade technical, communication or leadership skills when long-term degree training is unnecessary and more expensive. In addition, the same socio-political conditions which necessitate supplemental project costs also offer the project tremendous savings in the form of tuition waivers from institutions wishing to make their own contributions to change in South Africa. As noted in the Cost Estimate and Financial Plan, contributions from US colleges and universities in the form of waivers of tuition, fees, room and board, or combinations thereof, average \$12,000 per participant year and total \$18,360,000 or approximately 39 percent of the real total cost of study in the US (net of inflation). The benefits of these contributions in terms of political and moral support, as well as straight economic benefits far exceed the increased marginal costs of administration.

Finally, the increased emphasis on complementary support programs and bridging should reduce program costs by reducing first year failure rates and the number of years it takes students to get their degrees. The cost of a one-year bridging program in South Africa is approximately half the cost of one year of university training. Orientation, academic and educational support costs, both in the US and in South Africa, are relatively modest fees that are tacked onto tuitions. The effectiveness and savings derived from these programs will be monitored during program implementation.

In the final analysis, despite the high total cost per participant under this project (\$24,500 per person-year of long-term US training and \$3,000 per person-month of short-term US training), with the tuition waivers, the costs of US training are \$12,750 and \$2,500 respectively. Even including participants for whom waivers are not received, and including all administrative costs, the average cost per participant year in the US is approximately \$19,000, well below OIT's guidelines of \$22,000. In addition, in-country degree training of \$4,500 per person year in South Africa compares very favorably with the costs of in-country and third-country training in the rest of Sub-Saharan Africa.

D. Opportunity Costs of Technical Assistance

Rather than funding technical assistance, this project could have simply increased the money available for scholarships in the US or South Africa. USAID has determined, however, that the relatively modest amount programmed for technical assistance under this project is a wise investment. Bursary programs funded by A.I.D. and other official or nongovernmental donors have been very successful in training large numbers of black South Africans, both in South Africa and abroad. Unfortunately, these programs have had little impact either on actually improving the quality of the tertiary education that blacks receive in South Africa or on improving the quality of the secondary education, bridging, support or other complementary programs which would make tertiary education for blacks more effective and efficient and which would prepare them for the reality of working in a white dominated workplace after degrees are obtained.

The objective of the technical assistance is to leverage existing programs to improve the effectiveness and efficiency of institutions and organizations involved with tertiary education for blacks and to help them influence systemic changes and improvements in what is currently offered. Economically, the technical assistance will help to reduce the costs of tertiary education for blacks by getting them through the programs faster and more successfully. But it will also support programs which help students choose educations which are more relevant and appropriate to their career aspirations and capabilities and which help them to function more effectively after graduation. This support can be critical to promoting change.

E. Conclusion

It is generally accepted that illiteracy is a crucial element in the poverty cycle, particularly in industrialized or industrializing countries such as South Africa. Literacy and education are also necessary, but not sufficient, prerequisites for a more equitable and democratic society. Certainly, high level education and skills training is critical to assuming positions of leadership and importance in a post-apartheid South Africa.

In most developing countries, investments in education have much higher individual and social rates of return than do comparable investments in infrastructure health or agriculture. While internal rates of return are generally lower for tertiary education, IRRs of 20 percent or more are not unusual for investments in secondary education in sub-Saharan Africa. It, of course, may not be appropriate to compare South Africa with the rest of the continent. Moreover, the tight state control over primary and secondary education of all races in South Africa, as well as US legislative proscriptions against working with agencies owned or controlled by the SAG, preclude A.I.D. from getting deeply involved in primary or secondary education.

In addition, the examination of the constraints to the use of cost-benefit analysis has shown that to assess the net impact of training requires adequate, quantifiable and accurate information about both costs and benefits over a relatively long period of time. Given the circumstances of South Africa discussed above, the definitive costs and benefits of the Support to Tertiary Education Project are virtually impossible to quantify. Nevertheless, as a result of the soaring demand for highly trained technicians and professionals in many areas, one can state that both the social rate of return and the individual rate of return to investments in black tertiary education is certainly increasing.

ANNEX F

MANPOWER ANALYSIS

The manpower situation, not unlike many issues in South Africa, is subject to both rational and ideological debate. In general, two perspectives prevail. First, for the economy as a whole, analysts rely on government information based on economic forecasting and rooted in historical trends. They forecast steady, but not dramatic changes in the racial composition of the labor force. Second, for the black community in particular, analysts regard the manpower debate in political as well as economic terms and are interested in redressing imbalances as well as preparing people for the occupations in greatest demand nation-wide. The black community is less anxious to accept government statistics at face value and is prepared to examine the issues in their larger ideological context. They do, however, accept the South African Government's (SAG's) information as far as it goes.

In its 1987 report, High Level and Middle-Level Manpower in South Africa: Recent Developments, the National Manpower Commission (NMC) looks ahead to the year 2000. According to the report, skill shortages in South Africa have reached dangerous proportions. It has been projected by the SAG that by the year 2000 South Africa will have a shortage of 200,000 workers with a degree, diploma or a comparable skill level. The SAG estimates a shortage of 103,000 among the executive and managerial group, and 442,000 among professional, technical and other skilled people (Education Facts & Figures). By the year 2000 whites will constitute approximately seven percent (7%) of the total working population which means the remaining ninety-three percent (93%) will be black. Currently, out of 5.6 million economically active blacks, only 4040 are in managerial level positions. Of that figure approximately 100 are women.

According to the NMC, the high level occupations currently experiencing the greatest number of vacancies are: (page 21)

- o Accountants, Auditors;
- o Administrators;
- o Engineers;
- o Medical doctors;
- o Nurses
- o Paramedics; and
- o Technicians.

The occupations anticipating the greatest growth in demand between now and 1995 are: (page 42)

- o Medicine (including veterinary);
- o Para-medical occupations;
- o Engineering technicians;
- o Natural and life sciences;

- o Teaching;
- o Nursing;
- o Management and administration;
- o Engineering;
- o Architecture, quantity surveying, surveying.

A recent Cape Times article (10/30/89) stated that the National Manpower Commission has drafted and circulated a list of 34 professions to South African missions abroad to facilitate inquiries and applications from residents of refugee camps in European countries--specifically East Germany and China. The list includes:

- o Engineers (mining, chemical, metallurgical, electrical, mechanical, civil, electrical, industrial, transport);
- o Technicians (instrumentation, telecommunications, chemical, civil);
- o Computer personnel;
- o Artisans (electrician, diesel mechanic, shaft timberman); and
- o General (mining geologists, town and regional planners, quantity surveyors, microbiologists, doctors and architects).

Earlier this year it was estimated that the cost to import a skilled worker was approximately R80,000 per year compared with R20,000 to train a South African. If more blacks in South Africa were educated and trained, then there would be no need to import skilled foreigners to fill the vacancies and no excuse not to employ black South Africans in positions appropriate to their training.

The Institute for Futures Research at the University of Stellenbosch, using a slightly higher economic growth rate, anticipates a somewhat more serious manpower shortage by the year 2000 than does the government. Their most conservative scenario predicts a shortage of 381,000 degree holders and 1,109,000 diplomates by the turn of the century. The Institute projects that blacks will continue to trail behind whites in academic degree status projecting .8% black degree holders as opposed to 10.1% white degree holders. The Institute is in general agreement with the government concerning fields of study, but projects much greater economic activity in the private sector and in entrepreneurship in general, making business a likely target for human resources development.

Other than the 1987 NMC report, there is no alternative source of manpower data concerning black South Africans. However, numerous individuals and organizations have been contacted concerning the skills shortage and virtually everyone has been consistent about the priority manpower areas. They have cited the following areas

of the economy where blacks are not represented, are under-represented, or are not involved either because of limitations in their education and training or because of political and economic constraints:

- o Accounting;
- o Administration;
- o Banking;
- o Business Administration;
- o Business Law;
- o Business Management;
- o Commerce;
- o Computer Science;
- o Economics
- o Engineering (chemical, metallurgical, electrical, civil, industrial, transportation)
- o Financial Management;
- o International Trade;
- o Management;
- o Manufacturing;
- o Mathematics;
- o Mining Engineering, Geology, and Management;
- o Public Administration;
- o Physical Science;
- o Science and Technology; and
- o Transportation.

The above list constitutes the crucial areas needed in order for black South Africans to be effective in a post-apartheid South Africa. There is also a need for black medical doctors and researchers, specialized attorneys, as well as scientists, although most feel that the need in these fields is less urgent.

Representatives of the democratic movement are urging research and policy development in the manpower field. A committee comprised of community leaders and members from various organizations such as the ANC, ABASA, BMF, EOC, EOF, NAFCOC, and SABSWA, has been established to address the manpower development situation in South Africa. During November, 1989, the group will hold its first organizational meeting and can be expected to produce analyses late in 1990. They are determined to develop accurate and comprehensive information and to work with neighboring states to understand their experience in transitioning out of oppressive systems of governance. They urge a central role for unions in the analysis and seek to attack the root of inequality by strengthening the education system as a whole. The democratic movement wants to break the attachment of South African society to white collar learning and jobs and to sell technical education to the black community. The democratic perspective, in the May 1989 Harare report, particularly emphasizes these fields of study:

- o Health;
- o Sciences;
- o Engineering;
- o Entrepreneurship; and
- o Agriculture.

The document places critical importance on career guidance.

As the preceding analysis indicates, there is much agreement on South Africa's manpower needs. In the STEP project the needs have been addressed by:

- o Insisting on career guidance;
- o Distinguishing between leadership and manpower training to accommodate both the national occupational demand and the political concerns of the black community;
- o Including technikons and technical education in the programs of study; and
- o Favoring bachelors of science and commerce degrees over arts degrees in the project's manpower component. A quota could be established.

INSTITUTIONAL ANALYSIS

Due to the unique nature of the AID program in South Africa and the fact that all activities are implemented by nongovernmental organizations, the choice of organizations that implement the STEP are critical to its success. They have complex responsibilities and, historically, have had considerable latitude in operational decisions. In recommending organizational strategies to implement the several components of the STEP, the project paper team has taken into account a number of important considerations: First, USAID/South Africa relies on intermediary institutions to implement its programs. In STEP long-term training and, to a slightly lesser extent, short-term training, are in the hands of a variety of organizations, largely and intentionally South African. Second, USAID expects that through these intermediary organizations, they will achieve:

- o Solid management of bursary and other activities;
- o A hastening of the end of apartheid and preparation of blacks for that eventuality;
- o Improvements in tertiary education in South Africa in terms of both access to and quality of academic programs for black students; and
- o A foundation for continuing relations between the US and South Africa, particularly in higher education and human resources development.

Finally, USAID intends that, at the end of the STEP, implementing institutions will demonstrate an increased management capability and will be stronger organizations that can impact higher education in South Africa well into the future.

In addition to these general considerations regarding institutional relationships, the project paper team has made the following observations with respect to USAID's current intermediary institutions and its intention to become more proactive in tertiary education.

- o USAID is a major donor for the Educational Opportunities Commission (EOC) and, to a lesser extent, the South African Institute of Race Relations (SAIRR).
- o The Institute for International Education (IIE) in New York has a well-developed capacity to manage external bursars and could continue in this role under STEP. In a competitive procurement, USAID should not anticipate a large number of bidders in addition to IIE.

- o USAID's association with SAIRR and EOC to date has linked USAID to specific political ideologies: BC, Inkatha, and the white liberal movement. It may be desirable to broaden associations with other elements of the liberation movement in order to increase USAID's access to the wider education community.
- o Action in tertiary education is taking place, largely, in the Charterist or "progressive" institutions. USAID must pursue institutional relationships in this camp if it is to influence tertiary education in South Africa.
- o USAID expects to further its involvement in tertiary education, limited at present to bursaries and to nonformal projects, to a more direct proactive strategy. A more direct strategy requires new alliances, as indicated above, and mechanisms for directly impacting universities.
- o Bursary management is complex and USAID should anticipate a need for ongoing technical assistance with current implementing organizations and with new implementors as they are added to the management structure.

Given the general and institutional considerations outlined above, the project paper team has assessed the current intermediary institutions and has examined the potential for the involvement of other organizations in the implementation of STEP. This assessment has been done in light of both past performance and new requirements of the STEP.

A. Institutional Requirements

In order for USAID to achieve STEP objectives, it must employ an array of organizations that individually or collectively meet these criteria:

1. They should possess a solid capacity to manage bursaries and/or short term training. The STEP requires organizations that can recruit, screen, select, place, counsel, monitor, administer, evaluate, track and follow-up students and trainees. The administrative burdens that have been added to STEP include:
 - o Career and placement counseling made available to bursary candidates prior to their admissions to universities and applications for financial support;
 - o Broadening recruitment to include matric students qualified to study in technical programs who may not otherwise meet university entrance standards;

- o Actively working with Technikons, technical colleges and teacher training institutions in addition to universities to obtain admissions and quality programming for students;
 - o Providing enrichment programs such as internships and special short courses in management and leadership to supplement students' academic programs;
 - o Designing and managing a semester or year abroad program for qualified and interested internal bursars;
 - o Using the Training Cost Analysis (TCA) to track and monitor student program costs;
 - o Tracking students and follow-up on their post-degree progress; and
 - o Designing and implementing short-term training and technical assistance programs.
2. They should favor active pursuit of peaceful change toward a post-apartheid, nonracial, democratic South Africa. To be successfully implemented, the STEP will require organizations that can reach politically active, community-oriented black South Africans who have leadership potential and who have a demonstrated commitment to the advancement of the black community. The STEP requires:
- o In the leadership components, a capacity to identify, recruit and screen leaders and potential leaders;
 - o In the leadership and human resources development components, a capacity to urge community involvement and a means to assist graduating bursars in their efforts to serve the community;
 - o An ability to identify or develop and implement enrichment programs that will assist students to be more effective in influencing organizational change.
3. They must be able to prepare participants, based on their organizational objectives and specific programs, for a post-apartheid society. In STEP, South African implementing organizations need to:
- o Maintain updated manpower projections and counsel and place internal bursars in high-demand fields of study;
 - o Identify bursars from across all sectors to participate in leadership development; and
 - o Ensure that a fair and representative racial, ethnic, regional and gender mix is achieved in all components of the program.

4. Have a commitment and capacity to improve the quality of tertiary education. USAID is sensitive to the inadequacies and biases built into the current tertiary education system in South Africa and is seeking intermediary institutions that can:
- o Support bridging programs;
 - o Demand academic support for students and offer institutions encouragement to improve such programs;
 - o Provide feedback to administrators and faculty to assist in program improvements;
 - o Monitor and evaluate student programs;
 - o Ensure that academic and technical programs have the necessary components for achieving the full diploma or degree (e.g. internships, attachments);
 - o Track students to determine the adequacy of their training in meeting the expectations of the workplace;
 - o Provide faculty development through long-term or other training.
5. Desire to build a foundation for lasting US-South African relations with respect to both trainees and educational institutions. USAID recognizes that STEP is one part of a development strategy to ensure ongoing relations with individual and organizational leaders in South Africa. The STEP offers an opportunity to open doors and to keep dialogue going. Intermediary organizations must be open and receptive to:
- o A full spectrum of political and ideological persuasions;
 - o Regional differences;
 - o Racial and ethnic diversity;
 - o Gender representation.

USAID will benefit from an image of nonalignment and openness to all legally disadvantaged South Africans and the organizations that support them.

B. An Assessment of Intermediary Institutions

Much of what is needed to implement STEP is already available through organizations with which USAID has an existing relationship. In this section, the project paper summarizes the strengths and weaknesses of the current intermediary organizations with respect to the requirements laid out in

Section A, above. In addition, this section includes recommendations regarding new or altered institutional arrangements that will be needed for the implementation of STEP.

1. Managing Bursaries and Other Program Components

The three components of the STEP require different management capabilities. Each will be addressed below:

a) Leadership Development

Recruitment, screening, selection, preparation for departure and follow-up for long-term training in the US currently is provided by the Educational Opportunities Council (EOC). These tasks are adequately administered by the EOC, but in the STEP, there is a new emphasis placed on leadership criteria. The EOC has not demonstrated a willingness or the capacity to define and exercise selection criteria other than academic criteria in its role to date. To retain EOC means negotiating enhancements to the recruitment and selection process. Also, tracking efforts must be maintained and improved so that the impact assessments can be adequately conducted.

Alternatives to the EOC include using professional and technical associations to nominate long-term candidates for the program with EOC handling the administration only.

Short-term leadership training has not been fully implemented by any of the current grantees. Limited experience suggests, again, that selections based on leadership criteria have not been realized by the EOC. Professional, technical and/or community associations working with a representative advisory board may be a better implementing agent.

The provision of enrichment for students studying in the US is not typically done by the Institute for International Education (IIE), the New York-based implementor. IIE may be able to add this capacity to its management or may prefer to subcontract or make other arrangements through a US institution.

b) Human Resources Development

Internal bursaries currently are handled by the Educational Opportunities Council (EOC), by the South African Institute for Race Relations (SAIRR) and by the Catholic Educational Aid Programme (CEAP). EOC and Race Relations are national organizations with regional offices and CEAP serves the Cape Town region only.

The EOC has a history of inadequate management capacity and has lost support due to administrative weaknesses. Currently, the EOC is doing an adequate job of recruiting and placing students. In order to continue to employ EOC as a major bursary implementor, the EOC will need to demonstrate that it can and will: offer or arrange for career and placement counseling, target university bursaries to science and commercial fields, reach students who are interested in technical education, work with technikons and technical training colleges, provide or arrange for enrichment programs, manage overseas study for internal bursars, use the TCA, and track students. The EOC should be given the opportunity to demonstrate its interest in and capacity to perform the added work for the STEP.

The SAIRR has a sound administrative capability and an ability to expand to offer more bursaries. Its automated accounting system is similar to the TCA and students are reasonably well tracked. SAIRR works with technikons, technical colleges and teacher training institutions and handles bursaries at all levels of education. SAIRR is not highly innovative in programming and currently does not provide counseling (although new staff have been added recently for that purpose), does not target bursaries, does not sponsor enrichment programs, and does not handle overseas study except in rare instances. Staff members do not plan to expand into these areas but ought to be given the opportunity to determine how they might incorporate these program elements into new USAID bursaries.

The Catholic Educational Aid Programme is new to the bursary business (1986) and new to USAID. It is a regional organization that targets the poorest communities. Their administrative capacity appears to be adequate but would need expanding to handle the full reporting required by USAID. CEAP offers career guidance, psychological counseling and some academic support to bursars. It recruits and places in Technikons and can reach students who are interested in technical education. CEAP does not, however, place students overseas or provide enrichment programming.

If the preceding organizations are unable to provide all of the services required by the STEP, USAID has several alternatives. First, the Education Aid Program (EAP), a new national bursary scheme with regional bases, aims to support technical education, bridging programs, and teacher training as well as universities. As USAID develops a relationship with EAP, they may assume some of the programming responsibility. EAP is, however, a totally untested commodity in the complex field of bursary administration. Second, one or more of the bursary implementors might be encouraged to subcontract for counseling and enrichment programs. Such services are available throughout the country. Although they are small organizations, they could be accessed regionally. Third, one or more bursary implementors could subcontract with small, local organizations to handle all services for very small numbers of bursars. EOC or EAP, for example, could work with the Port Elizabeth African Benevolent

Welfare Society (PEABWS) which could handle 10-15 bursars and take full responsibility for them. Fourth, USAID can support directly, or through the TEPS unit, services such as counseling or enrichment programming.

c) Tertiary Education Support Program

Currently, none of the implementors handles short-term training and technical assistance in the leadership or human resources areas with the exception of EOC's career development program. The TEPS unit is intended to handle these functions, devolving responsibilities to appropriate local organizations.

2. Impacting Change in South Africa

Historically, USAID has contracted with organizations that have a stated and demonstrated commitment to peaceful change and to a nonracial democratic South Africa. In the STEP program, change is pursued by the development of leaders and by strengthening the organization effectiveness and management skills of long-term bursars.

There is no evidence that existing organizations have the experience to demonstrate that they are able to recruit participants primarily on the basis of leadership qualities although the literature of most of the bursary organizations indicates the intention to do so. They possess little experience in sponsoring enrichment programs and report no significant success in getting bursars to perform community service over and above what students would be inclined to do anyway.

Some of the difficulties in identifying leaders have been resolved through the program design. First, the STEP targets graduate level students and more mature individuals for leadership training. This pool of candidates is likely to be easier to screen for leadership qualities since they will have more experience to report. Second, the short-term training will be course-driven making it possible to be very explicit about the qualifications that will be needed by applicants.

STEP will require that the placement contractor identify a South African organization that can recruit for leadership potential. EOC is a likely candidate to be given the opportunity to indicate its interest and ability. To date, the EOC has demonstrated an academic bias in its selection criteria. New management that is coming on board in 1990 may set new directions for the organization and should be given an opportunity to do so.

Since the leadership component is trying to reach all sectors of the economy, the professional associations will need to play an important role in recruitment. Associations could effectively assist with recruitment for both long- and short-term programs.

3. Developing Human Resources

The implementing organizations for STEP's internal bursaries need to be proactive in counseling or otherwise guiding students into high-demand occupational fields and into areas where blacks have not typically had access. Guidance needs to be given with knowledge of the manpower situation in South Africa and with an understanding of the programs offered at various universities.

The current implementors are not experienced in counseling and do not have the resources to do extensive counseling. Either they need to obtain such support from other organizations or STEP, through the TEPS unit, should assist in strengthening this program component. CEAP is an exception and may offer a model that can be tested by other organizations.

The EOC, SAIRR and CEAP have good track records in recruiting women and in obtaining racial and ethnic diversity among bursars. Regional organizations, such as CEAP, are more successful at reaching rural areas and in targeting their recruitment. The involvement of smaller, regional organizations in STEP is attractive for this reason.

4. Improve Tertiary Education

Of the current implementing organizations, SAIRR and CEAP support bridging programs and offer academic support to students. All of the implementors support attendance at ASPs and ESPs, but none mandate that attendance. Implementing organizations need to take a stronger stand with respect to attendance at academic support and all need to lobby the universities for program improvements.

Bursary management organizations are largely administrative institutions. They do not take a lead in higher education policy and program development. The STEP will need to seek other resources to assist with these goals of the program. Direct work with universities should not be precluded from STEP as strengthening tertiary education is an important program aim. It is too early in the development of US policy to recommend direct university bursaries or program grants, but this position should be reassessed in the first year of STEP.

5. Build Lasting US-SA Relations

Programs such as the STEP have a long-term impact on international relations and must be institutionally constituted with that long-term aim in mind. The organizations that currently support and administer the USAID bursary schemes are not fully representative of the broadest spectrum of black South Africa and biases do enter into the program because of the narrowness of the ideological range. USAID must consciously address this limitation of the program by building relationships with additional organizations in the black tertiary education community. These relationships do not need to replace other affiliations, but can be seen as enhancements to the program with the intention of developing a profile of STEP that is nonaligned, or alternatively, broadly aligned.

Organizations with which USAID could work are not currently prepared to accept US funding. The climate is changing, and if a few key players indicate a change in their position, many others will fall in line. The general view is that, while individual representatives of organizations would gladly work with the US as long as the conditions are clear and the strings are not too constraining, they are waiting for signals from others before they act. It appears that if a major player from within the Mass Democratic Movement (MDM) accepts US funding, virtually everyone else will too. Accessing the EAP may be the most direct route to broadening the involvement of the US to include the democratic movement. The first step is to indicate a serious intent to deal with a broader range of the black South African community, and this could be done by visibly working with exiles. Numbers are not as important as visibility.

Alternatively, USAID can use a more indirect and low-profile route to reaching a broader community base by including small community-based organizations in support of the program. These organizations can be accessed through the TEPS unit initially and may become direct grantees when they are strong enough to handle added programming. These organizations could:

- o Provide enrichment programs;
- o Handle overseas study for internal bursars;
- o Provide career guidance;
- o Conduct short-term training;
- o Work especially with women or other target groups;
- o Etc.

The Human Awareness Program, CEAP and the Port Elizabeth African Benevolent Welfare Society are examples of organizations positioned in the democratic camp that are working with USAID.

Finally, it is important that whatever organizations USAID elects to implement its program, those organizations should become stronger, more viable and more self-supporting as time goes on. In the STEP, these organizations may access technical assistance and management training and should be urged to do so. At the same time, they should be expected to develop or expand their own constituencies and sources of support. Inability to do so should signal USAID that they are failing in their institutional development aims. The EOC, a current program implementor, has lost foreign donor support and relies too substantially on USAID. This relationship should begin to change or USAID should reassess the relationship and turn to organizations that have been able to obtain the support of the community.

ANNEX H

DRAFT SCOPE OF WORK

US LONG-TERM TRAINING CONTRACT

A. Background

The Tertiary Education Support Project (STEP) seeks to prepare and empower black South Africans and selected institutions for positions of leadership and importance in order to promote change and the peaceful transition to a nonracial democracy in South Africa. STEP will pursue its purpose by promoting leadership, developing human resources and supporting tertiary education programs for black South Africans through training and technical assistance. The project's largest cluster of activities is training, which includes long-term and short-term training, and employs venues in the United States, South Africa, and third countries.

The primary project element, leadership development, focuses on preparation for a post-apartheid society where blacks will have access to the major institutions of government and commerce and will be called upon to play increasingly central roles in the nation's power structures. Although the end of apartheid is not now within view, these leaders and potential leaders can be expected to play key roles in planning for change and in pressuring established institutions to remove objectionable structures and practices. Leadership development is comprised of three activities: long-term training in the United States (and in unusual instances in third countries), short-term training in the United States, and short-term training in third countries. Long-term training in the United States primarily is graduate level (second degree) instruction.

B. Contract Objectives and Approach

STEP seeks to provide long-term US training for approximately 600 future South African leaders.

The primary objective of this contract is to provide the technical and administrative services necessary to place and provide support for legally disadvantaged South Africans engaged in long-term study under project funding. This contract will cover approximately 100 students per year for six intake years beginning in September 1992. The contract itself will run through June 2000 to include follow-up of the sixth intake class expected to complete their training in June of 2000.

A.I.D. understands that certain management costs are necessary for student placement and support services. However, the US Government is concerned that, to the extent feasible, project

funds be devoted to scholarships for students rather than to project management and overhead costs. The target figure noted above assumes that the contractor will obtain other contributions from corporate foundations, other private foundations, colleges and universities, thereby allowing more participants to be trained within the available A.I.D. funding than otherwise would be the case.

Accordingly, the contractor must demonstrate the ability to obtain waivers, scholarships, and/or other in-kind grants from educational institutions, although the contractor's ability to properly match students and institutions according to fields of specialization and academic abilities is paramount.

The participants who will be assigned to the contractor represent only a portion of the total number of such individuals who travel to the United States each year for training under A.I.D. sponsorship. It is A.I.D.'s policy that all participants receive equal treatment, in that each will be entitled to the same financial allowance, visa regulations, insurance coverage, etc. To ensure this uniformity, A.I.D. maintains Handbook 10, dated April 30, 1981, which sets forth participant allowances, limitations and restrictions. The contractor shall operate within the framework of, and adhere to the restrictions described within A.I.D. Handbook 10 as may be modified under this contract.

In performing the specific tasks detailed below, it is anticipated that the contractor will identify and conclude an agreement with a South African affiliate which will perform most the tasks which take place in South Africa. In addition, the Contractor is encouraged to involve US minority-owned and operated interests in a meaningful way in carrying out the Scope of Work.

C. Detailed Scope of Work

While the contractor is responsible for student selection, processing and support, it is anticipated that a South African affiliate will perform those functions through a subcontract. It is anticipated that such a subcontract will continue over the full contract period.

The contractor is responsible for coordinating and managing the US activities of all long-term participants funded under this contract. The contractor will establish detailed procedures for bringing long-term students to the US placing them in appropriate institutions, supporting them throughout their courses of study, arranging for their return to South Africa, and maintaining follow-up information on their utilization of the training until June 1999.

Specific tasks include the following:

1. Student Recruitment and Selection

It is expected that a South African affiliate organization will be identified which will have primary responsibility in South Africa for the annual recruitment and student selection process. That process should include:

- a. Publication throughout South Africa of the availability and requirements of the program through a multi-pronged strategy including advertising in newspapers and magazines, networking with local educational and professional associations, etc. in order to elicit the broadest possible range of emerging leaders;
- b. Solicitation and receipt of applications;
- c. Review and shortlisting of applications which meet the minimum requirements (noted below);
- d. Convening regional selection committees made up of US and South African college and university educators to make semi-final selection of applicants;
- e. Convening a national selection committee made up of US and South African college and university educators to select from the candidates submitted by the regional committees, the most highly qualified applicants who become candidates for the program each year;
- f. Making all necessary arrangements for the candidates to take the examinations required for acceptance at many US colleges and universities, including the TOEFL, SAT, and GRE or GMAT;
- g. Submitting individual dossiers to the contractor, with information copies to USAID/South Africa, all of the candidates' applications and relevant documentation (biodata, transcripts, diplomas, degrees, references and interview results) for further processing. PIO/Ps will be drafted and submitted to USAID for processing.

The contractor must verify that the selected students are academically qualified, have good prospects for placement in US institutions, and have been chosen based upon program criteria. The contractor will assist its South African affiliate by providing the following services:

- a. Based upon a schedule established by the affiliate, select and dispatch to South Africa, US representatives, some of whom will be college/university educators, to serve as resource persons on US academic standards and requirements; and

- b. As may be requested by the affiliate, make all necessary arrangements for the candidates to take the examinations required for acceptance at many US colleges and universities.

USAID/South Africa will inform the contractor of the level of funding available in each year of the project, and will specify the minimum training years to be financed to achieve contract targets. The contractor will be required to maximize training years within those constraints. The funding will cover all costs for the selected students.

Study will not be limited to selected fields of study. Rather, recruitment and selection will aim to identify potential leaders from all sectors of the economy even if, in some instances, waivers are not available. Priority fields of study may include, but are not limited to: economics, political science, labor relations, history, education, public health, agriculture, transport, business and finance, communications, natural resources management, urban planning, public administration, research, policy analysis, social sciences, and human resources development.

In addition to possessing adequate academic qualifications, candidates will be leaders and potential leaders who have distinguished themselves in a professional or technical field, have been recognized by their peers as exemplary professionals or technicians, have assumed leadership roles at work or in the community, and have actively attempted to promote a nonracial and democratic South Africa. Individuals selected under this contract will be currently resident in South Africa or, as logistically feasible, in neighboring states. The contractor will also endeavor to assure reasonable geographic, gender and racial balance, including 40 percent female participation.

2. Development of Training Programs/Outline of Course

This is one of the key responsibilities to be assumed by the contractor. Based on information supplied in the student application, academic credentials, biodata, and the contractor's understanding and background knowledge of the training of participants under the program, the contractor shall be expected, immediately after receiving each new case, to arrange a suitable personalized training plan for that individual. Each training plan is to include a description of the proposed training (including short-term seminars and training in leadership development skills), a schedule and a detailed budget. It shall not be executed until accepted by the South African affiliate and the student.

All placements shall be sought where the best academic and/or technical program and participant support can be obtained, commensurate with the participants' qualifications, career aspirations and the project's goals. Generally, training is to be academically oriented and, where academic programs are

equivalent, priority shall be given to placing students in less costly state-related or public institutions, thereby maximizing the number of students who can be trained under this contract.

The contractor, through its South African affiliate, will notify candidates of admission/non-admission.

3. Travel and Arrival

Once a particular training plan has been approved, the contractor shall arrange transportation for the participant to arrive on a particular date. The contractor's responsibility for direct student support, i.e. procurement of airline tickets, arrangements for travel advances, airline reservations, etc. will begin upon receipt by the contractor of student files from its South African affiliate.

4. Orientation

The contractor will provide an orientation program appropriate to the needs of South African students in the US. The orientation must, at a minimum, include information on academic standards and requirements, and the essentials of day-to-day functioning at a U.S. college or university. The contractor should take all necessary steps to make the orientation as cost-effective as possible, and should be able to demonstrate why a particular length and format for orientation has been chosen. This component is particularly appropriate for small business or minority firm.

5. Financial Support

The contractor will be expected to be highly sensitive to the importance of timely payments to the overall success of the program. The contractor shall ensure that payments are made in as timely a manner as possible to preclude the negative effect on the training experience inevitably caused by the delay of such payments.

6. Participant Monitoring and Counseling

The contractor shall establish a mechanism for keeping in touch with and monitoring the progress of individual participants during the course of their training. The contractor will advise its South African affiliate of any needed extensions to training programs, justify such extensions, and make timely estimates of additional funding requirements. The contractor shall use the standard A.I.D. Academic Enrollment and Term Report (AETR). A procedure shall also be developed to ensure that the general mental and physical health and academic standing of a participant is known at all times, so appropriate remedial action can be taken if required.

7. Completion of Programs and Departure

Under procedures established by OIT, and in consultation with its South African affiliate, the contractor will carefully screen requests for visa extensions and plans for follow-on study, and will make a judgement as to the validity of the request and whether it is in the interest of the student and the objectives of STEP for the student to remain in the US for further training. For students whose requests are considered valid and appropriate, the contractor will assist in processing visa extension requests for forwarding to OIT.

For students returning to South Africa upon completion of study funded under this contract, the contractor will conduct exit interviews and individual program evaluations and advise USAID/South Africa of the successful completion of a student's training program and the date of the participant's departure from the US.

8. Special Training

Participants in some circumstances, may require or (if approved by USAID) be authorized supplemental practical or remedial training, which will be arranged by the contractor.

9. Leadership Training and Enrichment

The contractor will provide all participants with leadership and management enhancement training appropriate to their communities and places of work in South Africa. Training may include such areas as communications and negotiating skills, assertiveness training and power management.

Bidders should propose a strategy for delivering such training to participants which keeps in mind cost containment features of the program but ensure quality.

10. Networking

Every other year, the contractor will assist students in organizing regional conferences. These meetings will serve as occasions for exchanging information among participants, and for the contractor to update participants on current happenings in the program. Student and sponsor input alike are essential components of the meetings and will have a principally academic support function. Prior USAID/South Africa approval will be required for meeting agenda.

11. Record Keeping

Each participant or group of participants will be formally assigned to the contractor at such time as the South African affiliate transmits a cable, application related documentation or

biodata and/or other agreed-upon assignment instruments to the contractor. The contractor shall be able to store and easily retrieve information as needed to a) track each participant from the time of assignment through June 2000, and b) produce periodic progress and status reports for USAID. The collection of information through 2000 is a new effort by USAID to provide better information on the impact of its training programs. USAID requires standardized data on individual participants, and the contractor's record keeping system must conform to those standards.

12. Management Information System

Suitable to the needs of the project, the contractor shall develop and maintain an extensive file on academic institutions for purposes of participant placement. This information system shall include, but not be limited to, information on university enrollment requirements, university calendars, tuition expenses, documents required for enrollment, English language requirements, services offered by Foreign Student Offices, academic program offerings and academic requirements.

13. Communications

The primary point of contact with A.I.D. will be USAID/South Africa. The contractor will also assure that its affiliate is kept informed of all matters concerning student placement, proposed training programs (and any required changes in these), and overall student performance.

14. Operating Procedures

The contractor shall develop an Operations Manual incorporating procedures related to all of the above program elements. The contents of the manual will be subject to approval by USAID/South Africa. The operating procedures should describe how the contractor will effect staff adjustments relevant to a fluctuating participant case load.

15. Insurance

A.I.D. operates its own self-funded Health and Accident coverage (HAC) program in which all participants other than those under a host country contract must be enrolled in accordance with Handbook 10. The contractor is required to register each participant in this plan upon his/her arrival in the US.

16. Reporting Requirements

The contractor will provide USAID/South Africa with the following reports and information. Such reports as may be useful to its South African affiliate shall also be provided to it as promptly as possible.

- a. Student Selection Reports - shall be drafted by the contractor with input from its South African affiliate and shall include at least:
- Student name, sex, field of study, geographic origin, race, previous academic background and experience; and
 - Placement information including the name and address of the college or university, how much the institution is contributing toward the student's expenses, field of study, and confirmation of the student's and the South African affiliate's concurrence with the choice of university and course of study.
- b. Semi-Annual Student Reports - will be prepared on all students from the time of their selection. These will include information regarding general status, progress and expected return date; a summary sheet covering each year of the project; and an analysis of trends over the years backed up by the appropriate data sheets. The Semi-Annual Reports shall also compare actual to planned contract targets, explain discrepancies, describe problems encountered and measures being taken to correct those problems. The reports shall be specific to this contract and should not include participants funded under other contracts.
- c. Annual Financial Status Reports - will be prepared showing funding commitments, unfunded commitments and expenditures to date. The report will be submitted by the beginning of each A.I.D. fiscal year, so as to assist A.I.D. in planning its annual obligations to the project.
- d. Final Report - will be prepared by the Estimated Completion Date of the contract, covering a general assessment of progress under the project, total number of participants trained, principal fields of study, trends over the years of the project, participant activities after completion of training, contract successes and failures and principal lessons learned.

ANNEX I

EXECUTIVE SUMMARY OF EVALUATION OF
TRAINING FOR DISADVANTAGED SOUTH AFRICANS

**Training for Disadvantaged
South Africans: Review and
Design
Executive Summary**

Prepared for the United States
Agency for International Development
by
Creative Associates International, Inc.

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July 2, 1989

United States has funded 1,275 bursaries. Six hundred sixty-two awards have been made to students at 19 universities and 5 technikons in South Africa. Awards have been made to graduates and students at colleges and universities in the United States.

Means: Review and Design is based on interviews with students. Students were a key source of information, as indicated below, interviewed by the program.

	STUDENTS INTERVIEWED
	154
	62
South Africa (or in United States)	64
	280

Interviews with current and former students. In addition, interviews with representatives, participant training, and community leaders. The team conducted 72 interviews in South Africa.

The first, program review, summarizes the program. The second, program design, describes the bursary program. Attached to the summary are:

1. A report for South Africa began in the late 1970s. A.I.D. became a major U.S. contributor to the program, providing \$48,033,251 in the program.

2. A report by A.I.D., the private sector, and other sources, a significant source of support for the program. Universities are valued at \$12,500 per student.

3. A report on the two bursary programs. The external program is

designed to support overseas study. The Institute of International Education (IOE) serves the students, and the students are staff members in Atlanta, Houston, San Francisco, and New York. Aurora Associates, based in New York, provides one-third of the bursars under a sub-

contract. The program is implemented through EOC and the South African International Recruitment (SAIRR). These two organizations each recruit, select, monitor, and support the students. The majority of the bursary program.

The program includes recruitment, screening and selection, placement, orientation, academic support by contractors, counseling and other services. One of these components is addressed briefly below.

The external bursary programs are seeking academically qualified students who are likely to succeed in school and making use of their own resources. Similar recruitment strategies are used for students who apply for external bursaries. Most students come from newspapers or from friends while most students were most likely to have acquired their information from a secondary school source. Fifty-five percent of the students in the internal and external bursaries and the external bursary were most likely to have believed that they would study overseas and they wanted their own resources as the reason for applying for a bursary.

Applicants for the external program were most likely to cite financial need as the most universally cited financial need.

The internal program obtains a geographically dispersed population, and the external program obtains a diverse population. Any modifications in recruitment strategy should reach specific, underrepresented audiences within the applicant pool. A.I.D. is encouraged to continue to support internal and external bursars and, for purposes of diversity and ethnic mix, to identify qualified students who might be counseled to consider overseas study as a stage of obtaining a diverse mix of students in the bursary program without increasing the size of the program.

The processes undertaken by the sponsoring organizations are the most cumbersome and time-consuming.

Given the large number of applicants, the program is expected to rely heavily on paper credentials.

and standard measures of performance.

The internal and external bursaries appear to differ in two ways with respect to screening and selection. First, they differ, according to students, in the degree to which financial need is central in the award decision. Internal bursaries weigh financial need more heavily, while external bursary awards criteria stress academic merit.

Second, they differ in selection methods. The external bursary program includes a personal interview as part of the final selection process. Not all EOC internal candidates are interviewed and SAIRR interviews none. Since research shows that personal qualities and communications skills are more accurate than paper qualifications as predictors of the performance of black students, internal bursars may be expected to fail at a higher rate than external bursars and SAIRR bursars would fail at a higher rate than EOC bursars. Since interviewing is a resource-intensive process, sponsors should track interviewed and non-interviewed students in their data bases to determine if interviewing should be mandated as part of the selection process for both internal and external bursars.

Both the internal and external bursary programs are aiming for 40 percent participation of women. The internal bursary program is performing slightly ahead of the external bursary program with 36 percent females as opposed to 33 percent females in recent external intakes. Females are more likely to prefer internal to external study.

Testing and Documentation

Testing requirements vary between the internal and external programs. Students who are preparing to study in the United States receive achievement and English language tests, and these tests are important to placement in the U.S. universities. No tests are required for bursaries with the South African universities, where the matriculation results, acknowledged universally to be of little predictive value, are the primary measure used by the universities. In the long run, alternatives must be found for identifying students who qualify to study at the university level. At present government regulations limit other options.

Placement

The placement processes for internal and external bursaries differ markedly. External placements in about 200 institutions are handled by sponsors who are attempting to match the student with an appropriate university that is offering the student financial assistance. The university's contribution to the student's bursary is a driving force in the placement decision. Internal bursars make their own placement decisions and handle their own admissions to universities and technikons (24 institutions in all are selected). Students are somewhat more satisfied with the South African placement process as opposed to the U.S. system, probably because they value the opportunity to be involved in the process and to make independent choices. However, it is impractical and not desirable to alter either placement process as they both serve their purposes very well.

Neither bursary program offers career guidance nor aptitude testing. This

service would be most beneficial to the undergraduate students who have no work experience and limited knowledge of occupations and fields of study. This lack of information contributes to the election of the traditional fields of study in education, social work, medicine, and the ministry. The program should introduce career guidance services for undergraduates that may include aptitude testing as well.

Due to a series of timing constraints, internal bursars do not know of their bursary award until after the beginning of the academic year. Therefore, students who are admitted to several universities may elect the institution cheapest or closest to home because they are unable to register at their school of first choice. Some students remain disappointed with the "last resort" and need guidance to transfer to other institutions once the award is received.

Non-academic concerns that affect the students' evaluation of their placement are similar for internal and external bursars. While students in the United States and in South Africa often criticize insufficient allowances for travel, books, meals, or whatever, the South African students are much more likely to be concerned about cost and other problems related, first, to transportation and, second, to housing. Students in the United States encounter some significant problems with cost and availability of housing.

Finally, of the four organizations involved in placement (EOC, SAIRR, IIE, and AA) only one, SAIRR, publicizes the availability of placements in institutions other than universities. Both educators and business leaders (and even students themselves) recognize the important role of technical and specialized education, and programs available through technikons or similar institutions should be supported and encouraged through bursary assistance. Currently, such placements constitute 2 percent of internal placements or 1 percent of total placements.

Orientations

Students who go to the United States have three orientations available to them and they may spend up to 6 weeks in such programs. Students who study in South African universities have only a university orientation available, lasting up to 1 week. Both groups of students value the academic components of the programs and are most anxious to learn about their specific university and their own field of study. This suggests that the most effective orientations are those that are most individualized, giving students opportunities to answer the questions they have about study and student life.

It is recommended that, for external bursaries, redundancy among orientations be eliminated. SAIRR and EOC should add an orientation for internal bursars to impart a full understanding of the terms of their scholarship, to allow staff to meet the bursary recipients, and to encourage a relationship with the organizations after they complete their studies. Logistically, these events might be arranged best in conjunction with university orientations instead of at a separate location.

The EOC and SAIRR should advise the universities concerning their expectations for the orientation of their bursary recipients. The sponsors should consider hosting a workshop for universities on the design of orientations and include a representative from the U.S. orientation.

The Academic Program

At the undergraduate level the quality of tertiary education in the United States and in South Africa is comparable. The advantages of study in the United States include: exposure to a different culture, political system, and social environment; availability of learning resources; the supportive, success-oriented nature of instruction at the post-secondary level; the opportunity to see South Africa from an external perspective; exposure to technical and professional resources; freedom from political stress and social pressures; and increased self-esteem resulting from the opportunity to prove oneself in competition with American and international students. The advantages of study in South Africa include: highly relevant instruction oriented towards the South African situation, both professionally and socially; a cost one-third to one-fifth that of study in the United States; proximity to home, family, and friends; instruction that fully meets local licensing and credentialing requirements; the opportunity to be politically active; the probability that students will not become estranged from the local community; and the opportunity to influence change at local campuses.

At the graduate level, a greater variety of programs are offered in the United States and access to graduate study in South Africa still is limited for blacks. Students, generally, are older when they pursue graduate studies and have fewer adjustment problems in the United States than undergraduates. The advantages of U.S. study for undergraduates and graduates, otherwise, are about the same, but the shorter term of study in graduate programs (18 months to 2 years) offers cost advantages over bachelors degrees. Therefore, future programs should:

- Place emphasis on both skill building and institutional strengthening (e.g., for EOC);
- Favor undergraduate study in South Africa. Provide a semester or a year in the United States for technikon and university students who are on undergraduate internal bursars;
- Favor graduate study in the United States, with opportunities to conduct research and do practical study in South Africa;
- Build more practical experience into all academic programs;
- Build in more academic advice and career guidance in all programs either as direct services or by referral;
- Emphasize fields of study where jobs are available and the demand is great: science, technical fields, and commerce;
- Give more attention to management training for the public and private sectors and include in the curriculum exposure to the notion of corporate culture and the environment of business and government at

the management levels;

- Add an emphasis in community and economic development;
- Stress the importance of communication skills for all students. It is often these skills that lead to opportunity and advancement;
- Actively market technikons as a very sound option for study in fields where job demands are great;
- Urgently determine the magnitude of and address second year failure rates for internal bursars;
- Add overseas study for internal bursars;
- Increase short-term, technical, and leadership training; and
- Integrate the design and implementation of internal and external bursaries.

Enrichment

All bursars are active participants in campus life. Most students are involved in sports or student organizations, and bursars studying in the United States are more likely to talk about political involvement as part of their enrichment. Bursars in South Africa have more opportunity for practical training, such as internships, as part of their academic programs.

Participants who are studying in the United States benefit from opportunities to interact with one another. An annual conference, once a part of the program, is an excellent opportunity to achieve some program objectives related to inter-racial solidarity, leadership development, and back-home planning and should be reinstated or replaced with other events that serve to extend the program beyond training into strategies that foster longer term social change and communication among South Africans of different ethnic groups and geographical areas.

Monitoring and Support

The administrative components of student support are handled well. All contractors, responsible for internal and external bursars, have made limited investments in data bases and student records hampering program analysis and reporting. Each contractor is working on this area of administration and the external bursary managers are well on their way to a sound information system.

Both internal and external bursars would like more contact with their sponsors (contractors). Internal bursars receive visits twice yearly; external bursars many never have personal contact with the sponsor. Support is most critical during the first year of a student's academic career.

Academic advice is available at all universities; Academic Support Programmes are available at the open universities in South Africa and are important resources for students. Career guidance is not generally available to bursars prior to or during their studies.

Counseling and Health

External bursars are insured through A.I.D.'s health and accident program which includes medical and psychological coverage. Universities provide academic advisement and other counseling services and in some instances offer additional health coverage. Nothing comparable exists for internal bursars. Although few issues regarding counseling and health have arisen, guidance and career counseling are needs that future programs should address.

Followup

Followup is the least developed of the bursary program components. The program aims to produce graduates that are job ready and community minded, although there are few vehicles to facilitate these outcomes. Students are in need of job placement services and of opportunities to carry out their responsibilities and commitments to community action. The alumni organization initiated by EOC is one good mechanism to address both job placement and community service objectives for students who have completed their studies.

Most external bursars had some problem re-entering South Africa from their study abroad. There were few suggestions about how sponsoring organizations could make the readjustment easier, but availability of information about South Africa during overseas study and opportunities to talk to other South Africans were cited as two ways of cushioning re-entry shock. Conferences or other meetings of students were seen as important in this regard. Similar opportunities for internal bursars also would be valuable, particularly if an aim of the program is to help bursars become more aware and able to pursue change after completion of their studies.

Students' experience with job placement has been somewhat uneven. The major influencing factors appear to be choice of field, their skill in marketing themselves to prospective employers, interpersonal and communications skills and maturity and experience. In some cases, external degrees do not satisfy certification requirements in South Africa.

Alumni acknowledge their responsibility for community involvement and many are engaged in community service in one form or another. Alumni interest in community involvement should be encouraged. There appear to be two ways that this can be accomplished. One is frequent communication among bursars during their studies, both in the United States and in South Africa, and the other is the EOC alumni association. Alumni networks should be encouraged and should include alumni of other external programs as well as graduates of the various internal bursaries available in South Africa.

There is evidence that bursars are moving into positions of leadership and influence in their professions. The people who have done so are those with the most experience and maturity. Younger alumni, although well-employed, cannot yet expect to occupy very senior positions. To the degree that visible leadership is a desired outcome of the program, selection of bursars should take

into account their previous experience and the kinds of employment they are likely to pursue in the future.

PROGRAM DESIGN

As USAID continues to refine and expand its support of human resource development in South Africa, it is advised to design an Integrated Training and Technical Assistance Program (ITTASA). The program aims to:

- Build a cadre of skilled technicians and professionals who can influence organizational change;
- Strengthen the management skills of qualified technicians and professionals; and
- Develop institutions that will have the capacity to provide educational leadership and build South Africa's human resources.

As the goals indicate, ITTASA contains two key program elements: training and technical assistance. Each is summarized below.

Training

Training includes long-term participant training, short-term participant training, and in-country training. Long-term participant training is a program for undergraduate and graduate bursaries in the United States and South Africa. It includes preparatory and advanced study in professional and technical fields such as the sciences, engineering, and commercial subjects, as well as technical programs at South African technikons. All of these programs are enhanced by organization effectiveness training to assist all professionals and technicians in becoming agents of effective change as they enter the work force.

Short-term participant training is directed toward skilled personnel who will assume major responsibilities in the future nonracial society. Short-term training includes leadership development and technical preparation largely in the United States and in African countries.

In-country training is aimed at strengthening community-based organizations. Training is provided to the staff members of organizations and is based on institutional needs.

Technical Assistance

Technical assistance includes organization development, training design and training of trainers. Organizational development is directed toward building leadership and management capacity in black community-based organizations and providing assistance with planning, team building, administration, and evaluation.

Technical assistance with training design is needed in ITTASA to develop a variety of courses that are intended to increase individual management skills and overall organizational effectiveness. These courses need to be tailored to the South African context and designed especially for application to that

context.

The final component of technical assistance is training of trainers. This set of activities aims to build a cadre of trained organizational development specialists who can serve the development needs of black institutions now and post apartheid.

CONCLUSION

The Integrated Training and Technical Assistance for South Africa Program builds on the achievements of the bursary programs initiated in 1982. It enhances those programs by considering the needs for individuals and black organizations to foster change and to assume leadership roles in South Africa.

FACT SHEET

A.I.D. BURSARIES FOR DISADVANTAGED SOUTH AFRICANS

1. START DATES

External: 1982; Internal 1986

2. TOTAL EXPENDITURE

\$48,033,251

3. TOTAL BURSARIES

External 613; Internal 662 = 1275

4. LEVEL OF STUDY

External, graduate and undergraduate; Internal, all undergraduate

5. PARTICIPATION OF WOMEN

External 32%; Internal 36%

6. NUMBER OF UNIVERSITIES

External 200; Internal 19 (and 5 technikons)

7. HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

11%

8. IMPLEMENTING ORGANIZATIONS

External: Institute of International Education and Aurora Associates;

Internal: Educational Opportunities Council and South African Institute of Race Relations

9. COST PER STUDENT PER YEAR (EXTERNAL)

A.I.D. cost, \$15,100; Contribution, \$12,000 = \$27,000
Administrative cost per student, \$365/month

10. STUDENT PROGRESS

External: Returned, 43%; still studying, 40%, second degrees, 1.4%, uncertain, 3%. Passing grades: 95%

Internal: 40% first year failure rate

ANNEX J

BRIDGES TO THE FUTURE BY: HOFMEYR/SPENCE

2. Training Leaders-in-Exile

The inclusion of South Africans-in-exile as eligible candidates for leadership training is an important addition to STEP. It is particularly supportive of USAID's strategy of participation in and contribution to the socio-political struggle to dismantle apartheid and to build a post-apartheid nonracial society. Although the existing bursaries projects have been effective in training high level manpower and have reached a certain segment of the black South African population, they have not involved all the important democratic segments of the future leadership of South Africa.

If the USAID program is to be successful in its broader goal of social change, it must assume a more active role in tertiary education support. It is generally accepted that a politically vital population of South African leadership is outside of South Africa. The exclusion of this community from the US assistance program generates serious criticism from black political leadership inside South Africa, suggesting that the program is not sincere in supporting the black community's efforts toward a post-apartheid South Africa. STEP will expand the audience of eligible applicants to include this exiled population, making available academic and leadership development training in the US and third countries.

The Leadership Development element of the STEP will also enhance the "political" standing of the USAID program within important democratic elements of the anti-apartheid struggle and may afford USAID access to additional community organizations that do not currently choose to accept US funds.

Under STEP, leaders-in-exile will also be eligible for training in third country institutions. The most likely country resources would be Botswana, Zambia and Zimbabwe. It is not anticipated that this would be a major component of the leadership development activity, but should remain a training option to be more fully explored by the TESP unit.

The implementation of a program component for exiles must respect both the history of similar efforts and current activities underway in this arena. Prior to 1980, AID supported refugees and programmed them through the Office of International Training using PIET (African-American Institute). Since 1980, the Department of State has handled refugees from Southern Africa; and in 1989, the only country remaining in that program is South Africa. The Department of State funds three refugee efforts:

- o Phelps-Stokes Fund. Takes in 25 undergraduate students every four years; the last intake was 1989. Students are in HBCUs under tuition waivers. Phelps-Stokes has been working with refugees from Southern Africa since 1978.

The target candidates for this leadership training are emerging leaders in professional and technical fields including political leadership currently in exile. This element of the STEP addresses the long-term interests of the US in South Africa by contributing directly to preparation for a post-apartheid society and by establishing linkages between US professional and technical communities and the corresponding communities in South Africa as well as in third countries. The Leadership Development element recognizes the historic lack of opportunity for blacks in South Africa to develop management and executive capabilities in nearly every sector of the economy. It supports the desire of the black community to be ready for a peaceful transition to a democratic, nonracial society when the time comes. The leadership emphasis is supported not "instead of" but "in addition to" an emphasis on manpower and recognizes that a small, but significant pool of skilled black professionals and technicians are fully ready to prepare for advancement.

b. Rational/Feasibility of Leadership Development

The rationale for and feasibility of implementing this element of the project as designed follows. The issues addressed include:

- Availability of programs;
- Training leaders-in-exile;
- Fields of study;
- Selection; and
- Topics for leadership development.

1. Availability of Programs

Leadership courses comprise summer programs and short seminars for US degree participants, and short-term training programs up to six months in length for non-degree participants. Short-term training will occur in the US or in third countries, as appropriate.

Numerous training resources exist in the United States which are geared to an international audience. They range from highly academic to very practical and appeal to varied skill levels of participants although most programs would require secondary schooling at a minimum. A few programs are available in third countries, and research in this area should continue to establish a file of available third country resources.

The effectiveness of leadership programming will rely in part on the success of program selection and management and on the ability of programs to adapt to the specific needs of South African participants. Courses are expected to begin in year two of the project.

BRIDGES TO THE FUTURE

Jane Hofmeyr and Rod Spence

Consider the following features of education in South Africa:

- a small pool of black* matriculants with mathematics and science;
- high failure rates at university;
- more blacks at white universities;
- a shortage of high-level manpower;
- oversubscription to university education;
- underprovision of vocational and technical education;
- segregated, unequal education systems.

Put all of these, and more, into an apartheid society which is in transition and suffering from a legitimacy and economic crisis and one has the origins of educational support programmes. By offering compensatory and enrichment courses, these programmes attempt to facilitate learning experiences and increase the number of black students who pass the matriculation examination, study at the tertiary level and become highly qualified.

* In this article 'black' refers to all South Africans not classified 'white'.

THE CONTEXT

The standard ten pass rate in African education is low. In 1987, only 56 per cent passed of those who wrote, and only 28 per cent, some 25 000 students, obtained a matriculation exemption for university entrance. However, when the number of students who obtained matriculation exemption with higher grade mathematics and science is calculated, then the pool shrinks further to a mere 500-800 students a year. Statistics of the Department of Education and Training (DET) for 1987 show that in the Johannesburg circuit, which includes Soweto and Alexandra, only 41 passed of the 1 558 who wrote

mathematics at the higher grade, and only 24 passed of the 601 who wrote physical science at the higher level. Only 14 and eight, respectively, passed mathematics and science with at least a D symbol, the requirement for entry to the faculties of commerce and engineering at the 'open' universities. The vast majority of African students do not study these subjects in high school and are therefore only eligible for the faculties of arts and education at university.

To industry and commerce, this presents a dismal picture. Each year, from a pool that is far too small for everyone's needs, corporations compete with overseas scholarships, all the other university faculties, and with one another, for students in commerce and engineering. For example, Anglo American Corporation alone has an annual requirement of 100 engineering students and 50 commerce students who are African.

The problem of too small a pool of candidates is compounded by the high failure rate in the universities, especially in the faculties of commerce and engineering. For instance, in the faculty of engineering at the University of the Witwatersrand only 29 per cent of the 1981 student intake obtained their degrees in the minimum time of four years and only 53 per cent obtained it in six years. A similar pattern is evident in the engineering faculties of the other universities. In 1985 the Human Sciences Research Council (HSRC) published a report on the performance of university students which shows a very high failure rate.

University Failure Rates

■ The performance of a representative sample of 3 690 students who had a matriculation aggregate of less than 79 per cent who registered for a three-year degree in 1980.

Degree	No. of students	% of students who graduated in	
		3 years	4 years
BSc	1 012	15	18
BCom	918	23	18
BA	1 768	36	15
Total	3 698	27	17

than 78 per cent and who registered for a three-year degree in 1980.

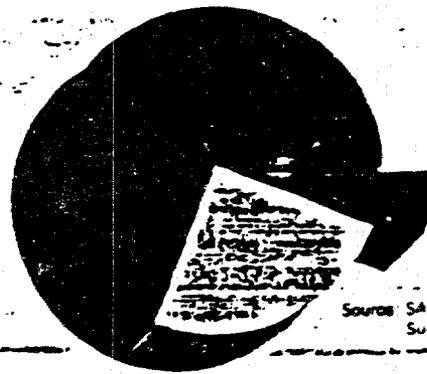
Degree	No. of students	% of students who graduated in	
		3 years	4 years
BSc	178	54	13
BCom	96	54	15
BA	113	70	12
Total	387	61	13

Source: HSRC Report WS-32 1985-63

The high wastage rate at universities aggravates the skilled manpower shortage. This is a contentious issue: liberals, radicals and conservatives argue about its existence, scope and significance. Events of recent years have focused attention on the acute shortage of highly skilled blacks in most fields. For instance, estimates put the shortage of qualified chartered accountants at more than 7 000 by the turn of the century. Of the 12 000 qualified chartered accountants in 1989, only 25 were African. Now even progressive forces in and outside the country, including the African National Congress, are arguing for the technical, academic and professional development of black South Africans, so that a future non-racial society can maintain itself and generate sufficient income for its rapidly growing population.

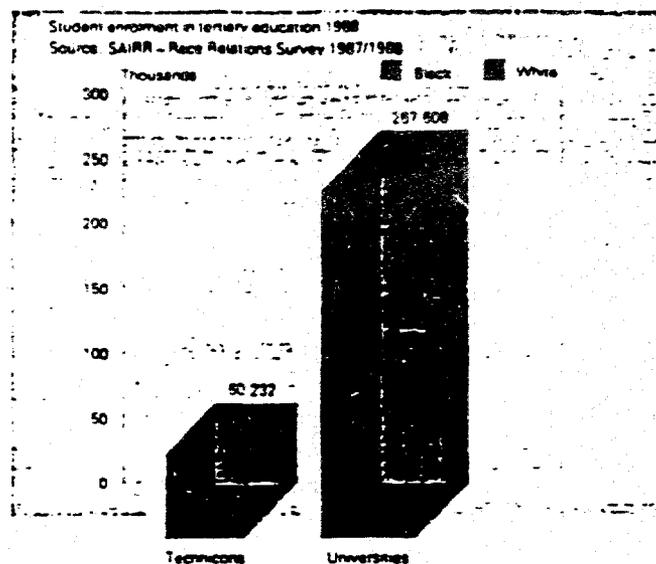
The African school population has expanded rapidly during the last few decades. Consequently, there has been a considerable increase in the number of African students with standard ten certificates - despite the low pass rate. Indeed, since 1987 they have outnumbered whites with this qualification and constitute a rapidly growing pool of young adults who seek employment or tertiary education.

At the tertiary level, the main demand is for university education. There are 21 universities in South Africa: ten mainly white residential universities; six mainly African; one mainly coloured; one mainly Indian; the University of South Africa, a correspondence university open to all races; VISTA, aimed primarily at upgrading black teachers' qualifications; and MEDUNSA which trains black doctors. The 1959 Extension of University Education Act barred blacks from attending white universities, but since 1984 controls have been relaxed on student admission. This has made it easier for black students to enter white institutions. Because the English-medium 'open' universities (Witwatersrand, Cape Town, Natal and Rhodes) have pursued a non-racial admissions policy, they have experienced a sharp increase in black students. On average, some 25 per cent of all their students are black, and this enrolment is increasing at more than one per cent per annum. However, only a small minority of African students study at the open universities; the vast majority study at the University of South Africa and the black universities.



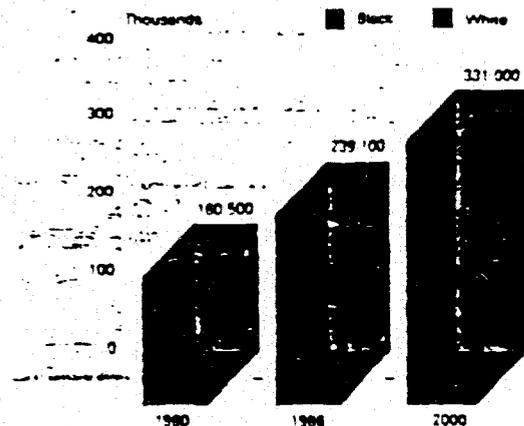
Source: SAIRR - Race Relations Survey 1987/1988

An analysis of student enrolment at the tertiary level reveals two striking trends. Firstly, university students predominate: in 1988 there were four times more students at universities than at technikons. This trend points to the strong academic bias in education which inclines every student to want to go to university. It is also evidence of the limited provision of technical education for all groups and particularly for blacks. Integration in technikons is occurring slowly and even more slowly in technical colleges.



Secondly, although their numbers are rapidly increasing, black students are grossly under-represented at the tertiary level compared with whites. For example, whites account for the vast majority of those receiving technical education, and there are only 2.6 African university students per thousand head of population compared with 31.1 white university students per thousand head of population. The proportion of the white population at university in South Africa is far higher than the proportion of most other countries' populations at university. With the projected decline in the size of the white population and the rapid increase in the size of the African population, the situation will change. Analysts predict a large increase in African demand for university education.

Actual and projected university enrolment 1980-2000
Source: Institute for Futures Research, Steynsdorp



The growing diversity in tertiary student population has highlighted the serious disadvantage suffered by Africans who typically have experienced inadequate schooling. In the aftermath of Soweto 1976, the public and private sectors focused their attention on the problems of the black education systems. The result was a spate of interventions to compensate for the deficiencies of these systems, and especially of African education. Educational support programmes were one of the many kinds of projects that were initiated. Thus at a fundamental level, the development of educational support programmes was a response to the education crisis.

The country suffers from a low general level of education. Some 50 per cent of the adult population are functionally illiterate; most children do not have free compulsory education. Only white pupils, who constitute a mere 11 per cent of the total school-going population, can be said to receive a Western-type education, and each year this group is becoming numerically less significant. In educational terms, SA is an underdeveloped country, subject to all the forces and pressures that characterise other developing countries. There is a general shortage of resources – human, financial and material – and those available now and in the future are inadequate to meet the scale of the challenges. This means that priorities will have to be established.

The education system as a whole is characterised by centralised, authoritarian control, separate education for the different population groups, a vast bureaucracy and a multiplicity of education departments. Separatist practices hardened into apartheid ideology with the accession to power of the National Party in 1948 and the passing of the Bantu Education Act in 1953 – with severe consequences for future generations of students.

Today African education suffers from severe quantitative and qualitative problems. Many of these centre on the poor supply, lack of training and low morale of the teaching corps. Decades of segregation, ideological neglect and rising pupil numbers have resulted in huge backlogs of provision and gross inequalities between the white and black systems. Despite considerable improvements in recent years – increased financing, expanded provision, lower pupil-teacher ratios and higher teacher qualifications – the quality of

African education has been declining. The trend will be difficult to reverse, particularly as powerful socio-economic forces place heavy demands on the schooling systems. While the extent of material deprivation in African education is considerable, some of the most negative effects of the crisis are found in intangible areas – in a loss of self-respect, tolerance, teachers' morale and students' will to learn.

Comparative statistics 1987

	White education	African education (DET)
Pupil-teacher ratios	16:1	41:1
Underqualified teachers (Less than Std. 10 plus a 3 year teacher's certificate)	2	87%
Per capita expenditure	R2 508.00	R476.95
Std. 10 pass rate	94%	56%

Source: SAIRR – Race Relations Survey 1987/1988

The crisis extends beyond the problems of provision: it is also a crisis of legitimacy and relevance. The system has alienated the majority of its users – black youth – and is rejected totally by a wide range of radical and conservative community organisations. Rejection of the present system and a search for progressive, relevant, education has given rise to the alternative education movement, and particularly to 'People's Education for People's Power'. People's Education looks forward to a unitary, non-racial, democratic South Africa and an education relevant to this ideal. These processes have released new energies and creative forces. Education has become a focus of the struggle for a new society.

While the impetus in black communities for participation and control over their education is growing, government has shown that it is determined to maintain control over the schools. It has moved into a coercive mode and is very unlikely to introduce structural change.

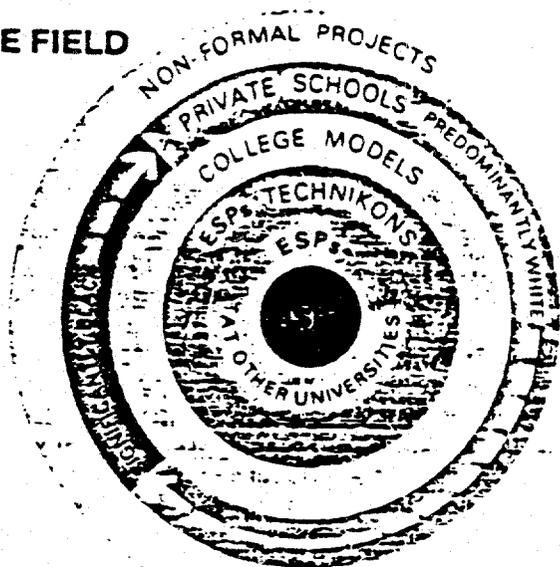
What is called the 'education crisis' is far more than that: it is the national crisis focused on education. Education mirrors the tensions, anomalies and debates of the wider society. It is little wonder that education has become a contested and dynamic terrain marked by politicisation, polarisation and violence, as well as experimentation and creativity.

The 'education crisis' is not over – as many white South Africans believe. Although after lengthy negotiations black children signalled that they were prepared to suspend the boycott strategy and return to school in 1987, it is clear that in many urban schools little real learning takes place. After more than a decade of school upheavals, the arduous habit of learning and teaching has broken down. Many schools are still subject to disruption and closure, and recently they have become the target of looters and disaffected youth. Rather

school, failed, or rejected the system, and cannot find employment.

It is important to realise that white education is also in crisis. Educationists have complained for more than a decade that the matriculation certificate has been devalued. With its academically-biased, Eurocentric syllabuses, closed cultural circuits and authoritarian teaching methods, white schooling has become problematic to tertiary educators, employers, and those who share a vision of a common, non-racial society. Thus in general the unequal, segregated systems are seen as increasingly irrelevant to the needs and aspirations of most of the population, tertiary education, and the world of work.

THE FIELD



- ASPs (Academic Support Programmes) – WITS, UCT, NATAL, RHODES*
 - ESPs (Educational Support Programmes) – Universities: FORT HARE, UNIBO, UWC
 - ESPs (Educational Support Programmes) – Technikons: MANGOSUTHU, PEN-TECH, NATAL*
 - COLLEGE MODELS – KHANYA, LEAF
 - PRIVATE SCHOOLS – NEST, WOODMEAD, SACRED HEART, ST BARNABAS*, ST JOSEPHS*, BISHOPS*, MICHAEL HOUSE*, ST ANSGARS*, ST JOHNS*, KEARSNEY COLLEGE*
 - NON-FORMAL PROJECTS – UPP (University Preparation Programme) – GRC (Gold Fields Resource Centre) – IEP (Interchurch Education Programme) – PROTEC (Programme for Technological Careers) – STEP (Students Teaching and Education Programme) – EIC (Education Information Centre) – ASACHED Bursary Project – CRIC* (Careers Research and Information Centre) – SEASA* (Science and Engineering Academy of SA) – ABASA* (Association of Black Accountants of SA)
- *Not part of our research

Educational support programmes trade under a variety of names, they operate at different levels and in different sectors of education and they fulfil different functions. Some provide support by enriching students at a given level with additional, compensatory courses. Others fulfil a bridging function: they operate between one level and the next and prepare students for the higher level in a foundation year or preparatory course.

Anglo American Corporation (AAC) is a major stakeholder in the field. Not only is it the main funder of these

educational support programmes is twofold: the immediate aim is to ensure an adequate number of well-educated, highly-skilled black employees to staff its operations; the longer-term aim is to contribute to a better quality, more effective and relevant education system, now and in a post-apartheid future.

Because of its considerable investment and involvement in this area, AAC sponsored a research project to illuminate the field and examine the role and value of educational support programmes. The research relied on qualitative and quantitative data gathered from written sources and interviews. Some 30 structured and unstructured interviews were conducted with people directly involved in the various types of programmes and with well-informed individuals from stakeholder groups. The research suffered from certain limitations, but we believe the findings present a fair picture of 'the state of the art.' We sampled a wide range of what exists; but this article will focus on the academic support programmes (ASPs), especially those at the open universities. These programmes are represented by the centre of the diagram. The other programmes are making a valuable contribution, but currently ASPs are under the spotlight.

The ASP field presents a bewildering variety of forms, and a continuing expansion in the number of programmes. There is an essential division between central-unit and faculty-based programmes but in practice it is not easy to differentiate between them. Not only are there different types of central-unit activities, there are also a variety of faculty-based models and even within a faculty, such as the engineering faculty at Wits, there are five different programmes: the Pre-University Bursary Scheme (PBS), Concurrent Academic Counselling and Tutorial System (CACTUS), Wits Integrated Study Project in Engineering (WISPE), small group tutorials, and Summerbridge. Furthermore, in some faculties, like the science faculty at Wits, both central-unit courses and faculty courses are offered.

How a bridging programme works

The Wits engineering degree is difficult to achieve. Black students have fared poorly in the past due to three factors: little motivation to become an engineer, poor understanding of the matriculation syllabus, and lack of self-confidence in an overwhelmingly white environment. To rectify these shortcomings the Pre-University Bursary Scheme (PBS) contains three elements: academic input, engineering awareness, and personal development.

1. The academic element of the course consolidates and extends the matriculation syllabus in mathematics, physics and chemistry, and provides introductory courses in mechanics, technical drawing, and computing. The teaching method is similar to that of the faculty: a series of formal lectures followed by tutorials in smaller group classes.

2. Few of the students who enrol have engineering awareness. To help them gain an appreciation of the profession and its place in industry, the following activities are included in the course: — conducted tours of factories and process plants, attachment periods with their sponsoring companies, projects involving basic electronics and metalwork, lectures and film shows on engineering/manufacturing topics. Role models in the form of black professional engineers and scientists are invited to address students on an informal basis to allay fears and misconceptions.

3. The personal development element of the course is intended to widen the student's knowledge of the world around him, to help him become a self-confident, capable member of the professional society he has entered. Activities include current affairs studies, theatre attendance, a toastmaster's course followed by hosting a formal dinner, assertiveness training, playing business games, and visits to the stock exchange, industrial exhibitions and a game park.

The one-year bridging programme is an integral part of the engineering faculty and caters for a maximum of 60 black students who hold matriculation exemption with mathematics, science and a home language in the higher grade. The direct cost of the course is R14 000 which covers tuition and on-campus residence fees, as well as books, equipment, holiday travel, pocket money, and an annual clothing allowance.

The effect of the scheme on students' subsequent faculty performance is encouraging to the extent that pass rates have been better than average. In their first faculty year (1987) the PBS class of 1986 achieved a pass rate of 78 per cent, compared with 57 per cent for the class as a whole.

PERFORMANCE

Most ASPs are young — they are creatures of the 1980s — and they have grown very rapidly, an indication of acute need.

But what have the programmes achieved? When we asked programme staff what they regarded as their area of greatest success, we got an amazing variety of answers. Clearly at this experimental stage of development it is impossible to measure effectiveness according to any neat, single criterion. Success means different things to different people.

'Hard' data

Very few ASPs have undertaken evaluations to assess their impact. This makes it particularly difficult to determine their effectiveness. However, the programmes which have a research and evaluation capacity were keen to point to 'hard' data concerning student pass rates.

In ASP programmes run by the central unit, it is difficult to quantify student success except in very general terms. Student success is strongly linked to attendance, and attendance at these voluntary courses is erratic.

Nevertheless, an evaluation conducted by the central ASP unit at Wits shows that for any specific subject which has academic support the pass rate of ASP students is higher than the non-ASP students who entered the university on similar criteria. Furthermore, comparisons between mid-year and end-of-year examination results show a greater improvement on the part of ASP students than non-ASP students.

In the case of faculty-based programmes where attendance is compulsory and courses are credit-bearing, the results are more promising. AAC reports that the African engineering students they sponsor in faculty-based ASPs are now approximating the norm of the white students' pass rate — around a 50 per cent chance of obtaining a degree within six years. The chances of an African student completing a degree in either commerce or engineering without academic support would be much less — not more than five to ten per cent.

Cost effectiveness is another important consideration. ASPs are expensive. For instance, AAC has calculated that it costs thousands every year to select and sponsor a student in an ASP with a full-costs bursary. In most programmes the bulk of the expenditure is on salaries for staff. The exception is computer-based instruction where the operating costs are low, but the initial capital outlay is considerable. The expense of ASPs must be borne in mind when assessing their efficacy.

'Soft' data

Many programmes claim that some of their important achievements are not quantifiable and that pass rates are only one dimension of activity. 'Soft' data must be added to the 'hard' data to present a more comprehensive picture of what has been accomplished.

Programme staff suggest a whole range of qualitative indicators. A most important factor is *credibility*, measured in all kinds of ways: Wits ASP cites the fact that the Black Student Society now encourages students to join ASP programmes; others mention the feat of preserving credibility with both donor and user groups. The extent to which programmes have developed a new *non-racial culture* should also be used as a yardstick. In the courses run by the central ASP units this is a very real challenge because 40 to 50 per cent of the students are white.

AAC is convinced of the importance of another qualitative variable. It believes that *ownership* strongly determines effectiveness in ASPs. It defines the concept in two main ways: unless a university's faculty 'owns' the support programme it will not develop student potential; and unless an operating division of AAC 'owns' the problem of developing the students, they will not succeed in the workplace. The concept therefore includes the idea of participation in all the stages of programme development, as well as notions of responsibility and accountability. These forms of 'ownership' now operate in the faculty-based models that AAC sponsors.

'Ownership' also embraces the idea of community involvement. Through representation on their boards, or governing councils, programmes are trying to increase

students, or organisations. One person interviewed said that initiatives that promote the will to learn in the broader community are part of the solution to underpreparedness. The communities need to create structures which will support and promote the learning process and offer 'second chance' education to their members.

Another large category of criteria centred on *changes in the learning styles and attitudes* of students. Most programmes stressed the need to change learning styles, and the difficulty in achieving this. The problem is that rote memorisation and dependence on a teacher or textbook is the dominant learning strategy used by underprepared students. Both black and white students have absorbed these habits so thoroughly that it is difficult for them to become active, self-directed, crucial learners.

Many of the attitudinal changes involve students' unrealistic expectations about university study and their future careers. The majority of programmes include the idea of preparing students for employment, although this is not their main aim. However, ASPs in engineering and commerce at Wits, UCT, and Natal do focus their support/bridging work on future careers in particular areas of the job market. For them the reward is the extent to which black students integrate into the work environment and rise to management positions.

The notion of *'disadvantage'* is crucial to the work of ASPs. Over the years a wider appreciation of what it means has been achieved: so too has understanding of students and their needs. Ideas of students being 'handicapped' or 'developmentally deficient' have changed to being 'disadvantaged' or 'underprepared'.

Initially much of the debate centred on black students' 'deficiencies' rooted in inferior schooling. Then tutors began to claim that the problem extended beyond the schooling system to the informal education of the home and community. To most black students a university is a foreign environment: they lack the necessary networks to prepare them for university life and the culture of their chosen profession. Such students need to be 'socialised' into the ways of the university. Many of them have to 'unlearn' the strategies that were successful in the DET system and learn new ones appropriate to the university environment.

It should not be assumed that disadvantaged students simply lack certain cognitive skills. The challenge is to help students to apply the skills they possess in the academic context. The deficiencies of white students also have been recognised. While many of them lack cognitive skills, their deficiencies result primarily from an uncritical, segregated and conservative education that stems from apartheid ideology.

Thus the debate has moved from one centred only on the students and their educational deficiencies to an acknowledgment that there are a host of problems embedded in the structural violence of apartheid and underdevelopment. Research at Wits has shown that non-academic factors such as financial assistance, transportation, housing, personal and

university. As in the case of affirmative action, where the debate has only recently focused on the problems that corporations cause black managers, in education people have realised belatedly that the 'whiteness' of the culture, curricula, enrolment, staff and governance of the universities is problematic for black students. Universities too need to change. In this regard the 'hidden curriculum' of values, attitudes and conventions is as important as the formal curriculum.

The answer to the question -- whose problem is it? -- is not simply 'the student's'. Instead of 'blaming the victim' it is now clear that 'disadvantage' stems from all the sectors of education, and from the social, political and economic systems of society and the nature of its institutions. Consequently there are limits to what ASPs can achieve on their own.

Innovation

ASPs also can be assessed by the extent to which they differ from other programmes, or from the formal system itself. Innovation is a key issue.

Programmes attempting to prepare students for a specific course are bound by its content. Strong resistance to innovation in content has come from students who want to be given what is in the syllabus, especially as examinations draw nearer. Students are often academically conservative while politically radical! Typically, therefore, programmes have to include the prescribed content and supplement it with additional courses in various skills.

Although it is clear that a certain amount of subject knowledge must be established, the emphasis is increasingly on subject-related skills: study, problem-solving, English language usage and inter-personal skills. However, a major development can be discerned: initially students were taught cognitive skills in a subject-free way; now programmes realise that language, thinking and problem-solving skills must be integrated within subject areas and specific disciplines -- otherwise the students do not see their relevance nor are the skills transferred and applied to specific subjects.

Where programmes are less bound by conventional syllabuses as in bridging courses, they have introduced changes in content. These changes tend to be informed by a desire for relevance, holistic approaches and new technology. There is a growing awareness of the need for holistic approaches to disadvantaged students so that both academic and non-academic issues can be addressed. Central ASP units therefore provide counselling services and faculty-based programmes provide students with mentors.

Programmes are experimenting with a wide variety of teaching/learning strategies. The lecture has not disappeared but it is supplemented by small group tutorials, one-on-one tutorials and student contact. Small group tutorials are the most common strategy. These groups explain, clarify and reinforce content and encourage students to participate in their own learning, ask questions and express their points of

view. Peer group teaching is also used: the groups function as a kind of learning co-operative with each student specialising in different areas of the syllabus. At the University of the Western Cape, Professor Meriin Mehl of the Gold Fields Resource Centre (GRC) has successfully combined peer groups with computer programmed learning and talks of peers actively challenging one another, and even the computer! Of course, the peer group often spills over into out-of-class hours and can function as the important 'buddy system'.

Strategies based on self-instructional materials using modular and mastery learning are being introduced. Often these are linked to computer systems. Promoters of computer-based instruction, like Mehl of GRC, extol the virtues of computer programmes: they can test pupil's abilities, identify weak areas, prescribe suitable learning resources such as text-book references and re-test until mastery is achieved. Because of the effective, responsive learning environment the computer provides, it is even seen as friendlier than its masters! Furthermore, computer programmes can empower students by giving them a sense of control over their own learning.

Considerably less innovation is taking place in the area of organisational structures. Where changes have been introduced, they are attempts to democratise processes and structures to increase student and community participation and provide for more flexibility in decision-making. Very often these changes are a response to the demand from communities and progressive organisations for greater accountability of programmes to their users. However, as SACHED Trust's 1986 Annual Report comments: 'using democracy as a basis for learning required considerable creativity, patience and commitment'.

Degree structures are changing. A common development is the lengthening of the degree or diploma to accommodate ASPs. This is especially true of the engineering, science and commerce faculties at universities. Either the degree is preceded by a foundation or bridging year, or the entire programme is spread out over more years and academic support courses are integrated into all the years of study.

The general trend of ASP models seems to be towards more faculty and departmental involvement and ownership, with a shift away from voluntary, extra-tuition programmes towards compulsory, credit-bearing, integrated courses in lengthened degrees. In addition, there has been a greater formalisation of the ASP function as the staff complement has increased and permanent posts have been established and funded by the universities.

All programmes are in a state of fluidity and engaged in a phase of intense experimentation. Most of the experiments are attempts to create a learning environment and strategies to develop and support the potential of the students. That is an onerous responsibility. Although it is unfair not to admit students with potential, it is equally unfair to admit students whom it is believed can benefit from instruction and then not provide instruction in any meaningful form.

Change

By contrast with innovation within a programme, there is the question of ASPs' capacity to influence change outside the programme and influence the institutions and structures of South African society.

In addition to the immediate aim of maximising the academic performance of disadvantaged students, most programmes include longer-term goals concerning changes in attitudes, institutions and society relevant to a new, post-apartheid order. It is clear from an overview of programme goals that they are struggling with the issue that confronts all alternative education projects in South Africa - how to tackle root causes when they are so busy dealing with symptoms. The problem is also that of bridging the gap between micro-level innovation and macro-level change with proactive strategies.

People interviewed believe that at the level of educational solutions there can be only incremental progress because educational problems are part of the much bigger political and development problems. However, they stressed that each system in society should do what it could towards creating answers. Education can contribute to the process of fundamental change by experimenting with the most promising reforms and preparing target groups for change.

Clearly, ASPs are on a learning curve. They made some false starts and moved in wrong directions but they have made considerable progress since the early 1980s. It is now widely agreed that learning and thinking skills must be integrated into subject content - they cannot be taught in a subject-free way. Faculty involvement and ownership of ASP has also emerged as another crucial factor, as has credibility with users, donors, colleagues and communities. Consequently many more underprepared students than before are succeeding in their academic careers with the help of ASPs. The programmes have developed a far more sophisticated understanding of the issues involved in their work. They have learnt a great deal more about what being 'disadvantaged' means and they have raised awareness of a whole range of new issues. They have helped to change much of the discourse at the open universities by communicating issues and sensitising academic staff to the position of disadvantaged students. The open universities are definitely richer as a result of the understanding that has come from ASP experience.

PROBLEMS

Despite progress, the field is fraught with many serious problems.

Selection

This is a huge problem: how does one assess student potential? Because the matriculation examination has been shown to be an unreliable indicator of university success, especially among African students, ASPs are experimenting with a wide variety of selection instruments. These include aptitude tests, English and mathematics proficiency tests, interviews, assessment of study habits and motivation, the opinions of teachers and the local community, general

according to various systems. There is little agreement about their relative merits.

A number of interesting innovations in selection are being introduced. Our research identified the Alternative Admissions Research Project (AARP) at UCT, and Natal's Teach-Test-Teach scheme. In addition, there are AAC's extensive selection procedures involving career guidance and liaison with black schools around the country, an initial selection of 100 students from 8 000 applicants and an additional screening device in first year on the basis of the June tests. Many programmes also hope that the new Independent Examining Body, to replace the Joint Matriculation Board, will produce examinations with more predictive potential.

During the process of trial and error in the field of selection some important lessons have been learnt:

- ☐ English language competence is a crucial variable in the learning process;
- ☐ matriculation examination results are imperfect indicators, but they cannot be ignored;
- ☐ students should be involved in identifying their strengths and weaknesses;
- ☐ reliable and valid cognitive tests sensitive to cultural bias must be developed;
- ☐ affective factors such as maturity and motivation should be taken into account. As one interviewee claimed: "'I will'" is as important as IQ;
- ☐ far more research is needed into learning theory and how the deficiencies of the education systems and socio-political environment relate to poor student performance at school and university.

An egalitarian view suggests that the challenge in the area of selection is to facilitate a progressive admission policy which will make universities genuinely accessible to all sectors of the population. At present, the white middle class and a relatively small number of black pupils from private schools predominate. The universities will have to take account of issues of class as well as race and the financial implications of accepting students from low socio-economic groups.

Attendance

Should attendance in ASP courses be voluntary or compulsory? Most students who don't attend don't pass. Research at Wits shows that one of the best predictors of student success is attendance at ASP tutorials. The pass rates for the 30 per cent who did attend were higher than those of a control group. The trend in ASP is towards compulsory courses but attendance is still a problem, particularly for the central-unit courses which tend to be voluntary.

Irregular attendance is a complex issue that is influenced by psychological and physical pressures on students caused by overloaded time-tables, poor time management, lack of particular academic skills and, most particularly, lack of

and only a minority attend more or less regularly, can the under-utilisation be justified – in individual or programme terms?

Motivation is a crucial factor. Attendance at ASPs should be related to incentives and disincentives, notions which are rarely explored in South African educational programmes of any sort. By comparison, the Americans minimise disincentives and build in rewards. The fact that certain ASP courses are credit-bearing and others are not, must weigh very heavily in students' minds. In addition, if the course is not integrated into regular course work, but is an additional burden that already hard-pressed students have to manage, then that is a powerful disincentive. Both factors point to the importance of faculty-based ASPs. Only the faculties have the authority to award credits for courses and to redesign and lengthen their degrees in order to moderate the pressure on disadvantaged students.

Finance

Adequate funding is a growing concern for all programmes, as the number of disadvantaged students increases, inflation rises and the country's economic difficulties mount. Potential sources of funding are the government, the universities, foreign donors and the private sector in South Africa, but only the last-mentioned is likely to be a real source of funds in the short-term. Almost all the programmes investigated are funded by local corporate donors. AAC and/or the Chairman's Fund of AAC and De Beers are the main donors. Until very recently most ASPs, lodged in state-funded institutions, were unable to attract substantial amounts of foreign funding.

The financial policy of the government towards universities includes subsidy cuts and rationalisation. An analysis of government funding of education shows a shift from universities to black schooling. Given the prevailing economic climate and competing demands on the national budget, it is unlikely that the policy will be reversed; in fact, government may well decrease funding to force greater rationalisation.

Some 25 per cent of central ASP funding comes from the universities in the form of facilities and salaries; but there are signs that it may decrease, and fears about the universities' commitment to ASP – in hard money terms. ASPs are looking to the faculties for increased funding. However, there may well be faculty resistance if ASP is perceived as something external to the faculty which will occur at the expense of departmental needs. The answer is to integrate ASPs into the regular work of departments in the hope of persuading government that ASP is an integral part of their work and should be part of the subsidy formulation.

Sponsorship by the operating divisions of private sector companies and by professional associations will increase as they become more anxious to staff their operations with highly skilled blacks and produce black professionals.

Furthermore, it is likely that large corporations and parastatals, particularly those in high-tech fields, will favour faculty-based ASPs rather than central unit courses. Business sponsorship has the potential to exert a powerful influence on the future development of ASPs.

Although finance is of crucial importance it has not been given the careful consideration it needs. Few, if any of the programmes seem to have a long-term plan for raising funds. Instead of hard-nosed financial planning, they voice hopes and fears. This situation creates a vicious cycle, because without assured and adequate funding, ASPs cannot plan their future strategically.

Underpreparedness

How many students are underprepared? Forty to fifty per cent of students in courses run by the central ASP are white. The presence of so many white students in ASPs indicates that they are underprepared for university study. There is evidence to suggest that the standards of white education are declining. The percentage of white pupils who were given matriculation exemption increased from 28 per cent in 1974 to 34 per cent in 1980. At present it is more than 40 per cent.

As James Moulder of Natal University has argued, failure rates suggest that universities are operating at too high a level; the gap between standard 10 and the first year of university is too great for most students to bridge. Alternatively, the universities are admitting too many unsuitable white students and too few high potential black students. Michael O'Dowd of AAC sums up the situation well:

'Approximately 29 per cent of whites who start secondary school go on to university while the figure for blacks is in the order of four per cent, of whom half study through UNISA. If you ask me to believe that a third percentage point of ability in blacks is lower than the thirtieth percentage point in whites, I tell you that I don't believe you. It just can't be true that the bottom whites who enter universities are more able than the top blacks.'

Most of the future increase in university enrolment will come from African students. The predominantly white universities will have to admit more African students to fill the 'gaps' left by the declining white birth rate. African students are likely to be far less prepared for university study in the years to come than they have been in the past. The first African school generation whose entire school experience has been post-1976 is only due to enter the universities this year.

Even if universities pursue no-growth and highly selective admissions policies, at most they will slow down the rate of increase of black students. The only way that they could halt the process would be to decrease student enrolment and shrink – a possible but unlikely policy decision in the face of community hopes and business sector needs. In the engineering faculties of the open universities there will be unremitting pressure to admit black students because of the inability of the black universities to produce engineers.

When underprepared black and white students are added together, it is clear that the magnitude of the problem of

underpreparedness is gigantic and must be reconsidered. Soon underpreparedness will be a problem for the majority of students rather than a small minority. The consequence for ASPs is a huge increase in the scale of what they are trying to do. For the university it means simply that the majority of students will have to be 'bridged' – an anomalous situation which begs for new policies, strategies and structures to accommodate it.

Student perceptions

Student perceptions of ASPs is a neglected research area, although people talk about its importance.

Students are frequently alienated from support programmes and perceive them as a form of academic racial discrimination. Programmes have worked hard to overcome black students' initial negative attitudes, with some success. However, research reveals that student perceptions are still a problem in the case of ASPs and in the universities as a whole.

It is clear that a critical mass of black students at open universities have the power to bring about destructive conflict or positive change, depending on their alienation from or incorporation in the university. Black students in white universities are subject to a variety of political pressures and forces both inside and outside the university through student organisations and community groups. Students are increasingly politicised because they have lived through the turbulence and violence of the post-1976 era. There is no turning back to the days when students could be seen only as 'learners'. Protest and challenge from this quarter will most likely increase.

There is evidence that ASPs still have to be 'sold' to students – indicative of negative attitudes that have to be overcome. One person suggested that the programmes have to be 'sold' in terms of benefits for individual students: 'It's no good talking about manpower needs and economic imperatives – that never motivated any young student.'

Student perceptions are linked to the way in which programmes perceive their clients and their role. Programmes should emphasise student potential and growth; if students are perceived as defective and lacking, motivation will be adversely affected. An intelligent black student from a rural area, where he is seen as a hero who has passed with matriculation exemption against all odds, is often bewildered, suspicious and frustrated when he is seen as 'deficient' or a 'problem' at university.

A related issue is to strike the correct balance between empathy and paternalism. Some people stress the importance of staff showing empathy towards black students; another group warns against being too kind and withholding an honest assessment of weaknesses. The negative effects of this sort of paternalism towards black students in the US has been analysed by Alan Bloom in his book, *The Closing of the American Mind*.

Research

Most educational support programmes lack a strong research base. This seems to be related to the crisis-management mode in which they so often operate, without the time or

because in the academic world research underpins the credibility of an endeavour. Even when research is done, it frequently is not disseminated. We were struck by the isolation of educational support programmes from one another, from international research and from relevant experience in other parts of Africa.

More research was a dominant theme in the investigation. Researchers need to record programme experience, access the latest international research on cognition, investigate how change occurs in education, create adequate theories to underpin practice, and evaluate programmes.

A lack of strategic thinking seems to be a common problem, particularly in central ASPs. As a first stage towards identifying future options ASPs will need to confront a series of questions such as: what are we? who are our clients? what is our goal? In the business world, this would be the same as posing the question, 'What business are we in?' Only when clarity has been reached on that question, will programmes be able to define what they want to be in the future and how they can get from where they are now to where they want to be.

Strategically, it is of utmost importance that programmes take account of their different stakeholders. University administrators, academics, donors, community organisations, government, business, students and their parents are all stakeholders with different interests in and perceptions of ASPs. In fact, so many interest groups claim a stake in ASPs that programmes have the potential to become battlefields.

Concepts

The field is beset by conceptual problems. They begin at the level of terminology: a basic problem relates to a confusion between bridging and support programmes. Do programmes and their stakeholders understand the different functions these fulfil and the implications of each for policy decisions and evaluation?

The conceptual model used by programme staff is also critical. Concepts drive practice. Whether ASPs use a deficit, growth, change or problem-solving approach will make a difference to their clients and hence their impact. The notion of 'disadvantage' or 'underpreparedness' is another important area – although there have been advances in understanding, the process of identifying problems and needs has barely begun.

Different values underlie the debate about the future of ASP and educational institutions in South Africa. Elitist and egalitarian values contest the shape of things to come. Should universities serve the needs of the few or the many? Should ASPs serve the needs of black and white students or only black students? Then there is the vexed issue of standards. ASPs are seen as a means of maintaining standards, behind which lurk both reputable and disreputable motives. Maintaining standards can be an excuse for protecting white privilege, overseas jobs, and 'the way we have always done things'. There is confusion about

flexible.

The issue standards cannot be debated in a vacuum: they must be examined in a real context. Standards for what? What are we trying to achieve in South Africa? What are our challenges and constraints? What is it possible to achieve?

Clearly a great deal of conceptual work is required. The root problem is the lack of an overall conceptual framework to guide the development of effective programmes. Often what is needed is a re-definition of the problem and the programme's role rather than new solutions to the 'old' problem. The emphasis on transformative education in the broad democratic movements indicates that 'more of the same' is not acceptable and that our educational problems must be challenged with new concepts.

PROSPECTS

Change is the theme of the future – in ASPs, universities, tertiary education and the private sector. The future of ASPs cannot be confined to a narrowly-focused debate on the needs of universities: the debate must be widened to include awareness of the needs of other institutions, sectors of education and society.

Tertiary education

The country requires a more diverse system of post-secondary institutions to provide for individual talents and inclinations and societal needs. On the one hand, the current academic bias in education inclines every student to want to go to university, and with twenty-one universities, this type of education is over-provided. On the other hand, technical education and other options are underprovided. What is needed is a greater range of more flexible tertiary institutions which are articulated with one another so that students can move from one to another and receive credits for courses completed.

In addition to more technikons, technical colleges and vocational colleges, new types of tertiary institutions are possible. The junior college as an intermediate or pre-university college is attracting considerable attention. Some college models along these lines already exist. Khanya College, established under the auspices of the SACHED Trust, offers a full-time residential programme with some first-year courses at university level plus educational support for students who have passed Standard 10 but might not gain immediate entry to university. The LEAF colleges include a three-year programme of Std 9, 10 and a post-matric year, and are considering an extension of this year into a fuller college model.

Already some of the open universities like Wits and Natal are considering the establishment of community colleges. Natal recently announced a plan for a three-tier university model with a preparatory or intermediate college, an undergraduate school, and a postgraduate school. The preparatory college would include the current first year of

study and would involve a one- or two-year programme leading to either a diploma and exit from the university or entrance to the two- to three-year undergraduate school.

It would be crucial to ensure that such colleges, which could feed into the whole of tertiary education, are not seen as second-rate but rather as part of tertiary education and a necessary step into other institutions. But who will pay for them?

Universities

Although it will be a complicated and lengthy business, our interviewees stressed that universities will have to meet the challenge of structural change. They need to take institutional responsibility for underprepared students. This will mean developing flexible entry levels, longer degree programmes, user-friendly routes through courses and the necessary academic and non-academic support systems. In order to incorporate and affirm black students, the universities will have to develop a new non-racial culture and ground their curricula and research in the South African context. Above all else, universities will have to give primacy to teaching. This will be essential to meet the needs of underprepared students and reduce failure rates.

In their governance, structures, staffing and enrolment, universities will have to become more representative of and responsive to the needs of disenfranchised communities. If they are serious about their commitment to becoming more accessible to the black community and serving society better, then they must establish more community outreach programmes and make their resources much more available to other levels and sectors of education.

In addition, there is a need for a diversification among universities and a greater rationalisation of resources, so that every university does not seek to become a Harvard but specialises in different ways. Some of these processes are already under way and there is a growing awareness within universities of the need for major change.

Academic support programmes

ASPs will continue to play an important part in institutional change, but essentially they will have to formulate a new role. The change cannot happen overnight but all the evidence suggests that ASPs at the open universities should continue to transform themselves towards faculty-based models: a central consultancy function targeted at staff; a sound research/evaluation base; negotiated agreements with the business sector; and strong community links.

In their present form, there are very real limits on ASPs' ability to serve the many. Because of the expense, a shortage of resources and the close-knit, personal cultures of many ASPs, they are unable to 'go to scale' to any substantial degree. The central units are structurally fragile: they are marginally located and generally exist in opposition to the norms and interests of the rest of the university.

Only through faculty-based models will departments take responsibility for underprepared students and address the problem on the scale that it demands. In a consultancy role, the ASP staff would remove themselves from direct teaching and use their expertise and experience to assist departmental

staff to become better teachers of underprepared students. In this consultancy capacity and through its community links, the ASP unit could also assist the university to understand the problems of underprepared students. It is interesting that in the case of black universities, assistance for staff is already the dominant model of academic support. With a numbers problem and a different philosophy, they started academic development programmes aimed mainly at lecturers.

Are ASPs bridges to the future? They can be, if they:

- promote progressive admissions policies based on researched selection procedures;
- help faculties to design new curricula with aims, content, teaching/learning strategies and evaluation procedures more relevant to the South African context and a non-racial, democratic future;
- assist departmental staff to 'bridge' and 'support' underprepared students into fulfilling academic experiences and careers;
- change attitudes by alerting institutions to the position of the disadvantaged student and the realities and challenges of a post-apartheid future;
- facilitate institutional change in universities in order to make them more representative of and responsive to the disenfranchised majority;
- aid the development of dynamic non-racial cultures in universities.

The bridge metaphor also can be used to explore the nature of the task facing ASPs. Typically a bridge is visualised as a concrete construction resting on strong pillars fixed in rock on either side of the gorge that the bridge spans. This image of the 'bridge' of ASPs is not viable: it is flawed because it presents too solid and static a picture.

The realities of the current situation suggest a suspension bridge that is more unstable, vulnerable and dynamic. The bridge moves as programmes experiment and evolve and the tensions of a society in transition buffet it. There are no firm supports on either side. The quality of the white and black school systems is declining. On the other hand, universities and other tertiary institutions are no longer fixed, unalterable entities. They, too, are challenged from many quarters and are changing. Furthermore, the extent of underpreparedness and the demographic forces suggest that the gap under the bridge is widening to chasm-like proportions. The challenge for ASPs is to strengthen the bridge and, where necessary, redesign it so that more students can cross over successfully.

The role of the private sector

Business will be driven increasingly by a staffing imperative and the economic crisis to intervene actively in academic support programmes. Our research suggests some challenges for business to consider. If the experience of the front-runners is anything to go by, then business's involvement will have to go beyond funding to include experimentation, partnership and lobbying.

joint venture with Wits. It was known as the Cadet Scheme and offered bridging education run by the central ASP unit for six black commerce and seven black engineering students. After five years, the programme was discontinued and replaced by the Pre-University Bursary Scheme (PBS) – the first faculty-based engineering and commerce bridging programme. AAC learnt from the setbacks and difficulties of the Cadet Scheme and shifted the responsibility for the bridging programmes to the Wits faculties and the participating companies. In 1987 AAC initiated similar programmes at Natal, the Natal Foundation, and at UCT, the Academic Support Programme for Engineering in Cape Town (ASPECT).

After its considerable experience in the field, AAC has developed a partnership philosophy in this area. It favours faculty-based models of ASP in which it perceives clearly identified roles for the faculty and the sponsoring company. AAC's role includes selection, the allocation of a full bursary to cover tuition, academic support, residence fees, money for books, and pocket money; the appointment of a company-based mentor; the provision of on-site experience; and vacation employment. It is the faculty's job to produce the graduates, and from its experience AAC believes that this is best accomplished in a lengthened degree programme with academic support integrated into every stage.

Sharing expertise is another dimension of the partnership concept. The private sector can feed its experience of black advancement programmes into ASPs and learn from the latter's successes and failures.

There is a powerful lobbying role for the private sector in education and especially in the tertiary sector. There is already evidence that the private sector can act with considerable influence in this area. Companies have successfully persuaded white technicians to admit more black students and AAC has facilitated negotiations with technicians to award PBS students at Wits and their equivalents at UCT and Natal with some T1 credits if they transfer to a technician. Changing government policy is also possible. In 1988, AAC lobbied to reverse a ruling which prevented black engineers from obtaining their government ticket. They were successful and the first three black engineers with a government ticket are now employed by AAC.

Many educational support programmes naively conceptualise the role of the private sector. On the one hand, business is seen as the goose with an inexhaustible supply of golden eggs, a source of finance without any of its own legitimate needs. On the other hand, there is a suspicion of the business world and its motives which is linked to a hostility towards capitalism. In addition, business is seen as monolithic when in reality it consists of heterogeneous companies, some liberal and some conservative, in competition with one another. There is also little appreciation of the difference between the corporate social responsibility function and the operating divisions of

important and some educationists doubt whether universities should be churning out graduates with pre-packaged skills who automatically slot into waiting job opportunities. Education should have more to do with meeting the needs of individuals than with the particular needs of one sector of the economy. Others believe the private sector should not attempt to 'privatise' educational support – a job that belongs to educators and educational institutions. The neatness and orderliness that the business world looks for are not to be found in education or universities in transition. The educational challenges cannot be solved simply by applying management techniques or technical solutions.

The issue at stake here seems to be that of producing a negotiated agreement and an acceptable meshing of the needs of the parties concerned. The partnership model is a viable one provided there are clearly demarcated areas for each party's involvement and a respect for the areas that properly belong to the other. Business will be interested in the performance of students and will pressure the institutions for more effective teaching, relevant courses and a lower failure rate. Given the present high level of wastage in the education system, these cannot be regarded as improper or unnecessary considerations, but they should not become the only considerations.

There is an important role for the private sector in support programmes which goes far beyond a 'cheque-book exercise'. The potential of the private sector to contribute and effect change in this area and in education generally has been underplayed and academic support programmes will have to give serious thought to harnessing that potential. However, business should not seek to usurp the functions that are properly the domain of educationists, nor should it act in a technocratic mode with only its immediate self-interest in mind. Not least for the sake of its own tarnished image, business should intervene with longer-term goals in sight. It should press for the kind of change, and fund the research and experimentation that will make a valuable contribution to the South Africa of the future.

The authors acknowledge with thanks the basic research conducted by Christine Williams, Shawn MacDonaid and Margie Keeton. Thanks are also due to all the people interviewed who were so generous with their time and information.

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ANNEX K

IIE CATEGORICAL EXCLUSION

ANNEX K

INITIAL ENVIRONMENTAL EXAMINATION
OR
CATEGORICAL EXCLUSION

Project Country : South Africa
 Project Title : Tertiary Education Support Project (674-0309)
 Funding : \$88,000,000
 IEE Prepared by : Denny Robertson
 Project Development Officer
 USAID/South Africa
 Environmental Action Recommended : Categorical Exclusion

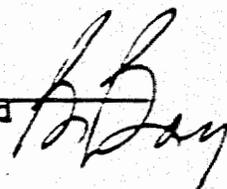
Categorical Exclusion:

This activity meets the criteria for Categorical Exclusion in accordance with 22CFR 216.2(c)(2)(viii) and is excluded from further review because this is exclusively a training project and includes no components directly affecting the environment.

Approved

X

Bessie L. Boyd
AFR/TR/ANR/NR



Disapproved

Date

8/18/89

Clearance: GC/AFR

Best Available Copy

ANNEX L

STATUTORY CHECKLIST

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. FY 1988 Continuing Resolution Sec. 526.

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?

N/A

2. FAA Sec. 481(h). (This provision applies 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, 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 laundered with the knowledge or complicity of the government), has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without

N/A

Congressional enactment, within 30 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 (a) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, and to prevent and punish drug profit laundering in the country, or that (b) the vital national interests of the United States require the provision of such assistance?

3. Drug Act Sec. 2013. (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 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?

N/A

4. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? N/A

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? N/A

6. FAA Secs. 620(a), 620(f), 620D; FY 1988 Continuing Resolution Sec. 512. 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 directly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? Will assistance be provided to Afghanistan without a certification? No

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? No

9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 3. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? No
10. FAA Sec. 620(q); FY 1988 Continuing Resolution 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? (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 1988 Continuing Resolution appropriates funds? (a) No (b) No
11. FAA Sec. 620(s). 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 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.) Yes, based on approval of OYB
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.) N/A
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 1988 Continuing Resolution Sec. 576. 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.) ?

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? N/A
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.) No
21. FY 1988 Continuing Resolution Sec. 528. 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? Yes, with respect to the imposition of economic sanctions.
22. FY 1988 Continuing Resolution 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. FY 1988 Continuing Resolution Sec. 543. 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? No

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?

Yes. STEP is devoted exclusively to assisting legally disenfranchised South Africans

FY 1988 Continuing Resolution Sec. 538. 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?

Yes. STEP (and entire AID Program) assistance is programmed through NGOs fighting SAG policies.

FY 1988 Continuing Resolution Sec. 549. 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. FY 1988 Continuing Resolution 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? Yes

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? (a) Yes - financial reviews for all organizations receiving funds.
(b) Yes - PP Financial Plan

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? N/A

4. FAA Sec. 611(b); FY 1988 Continuing Resolution 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, due to unusual political isolation of South Africa and nongovernmental nature of AID assistance program

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) - (f) short term training component will include the black private entrepreneur ostensibly fostering increased contact.

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). N/A

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. N/A - On NGO agreements 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. FY 1988 Continuing Resolution 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. FY 1988 Continuing Resolution Sec. 553. 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(c)(4)-(6). 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 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? (a) Yes
(b) No - nongovernment program.
(c) No
(d) No

14. FAA 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. FY 1988 Continuing Resolution. 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? Likely, depending on competition. IIE receives 20% from other than USG.
16. FY Continuing Resolution Sec. 541. 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.? Yes
17. FY 1988 Continuing Resolution 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. FY Continuing Resolution Sec. 515. If deob/reob authority is sought to be exercised in the provision of 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, No country project agreement.
19. 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 B, Appendix 6G for agreements covered by this provision). N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1988 Continuing Resolution Sec. 552 (as interpreted by conference report). 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?

N/A

b. FAA Secs. 102(b), 111, 113, 281(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

(a) Participants are recruited based, in part, on income; also recruitment strategy of bursary admin. organizations target rural students.

(b) N/A

(c) All funds are used to support community based projects in the black community.

(d) programs target females at 40% participation.

(e) N/A

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 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.

- c. FAA Secs. 103, 103A, 104, 105, 106, 120-21. Does the project fit the criteria for the source of funds (functional account) being used? Yes. Education Sec 531
- 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 2 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)? No - No government involvement
- f. FAA Sec. 129(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? Yes. All beneficiaries are legally disadvantaged South Africans.

9. 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. Internal component is implemented through black South African organizations, where possible. All programs uplift the black majority to prepare for a post-apartheid SA.
- h. FY 1988 Continuing Resolution Sec. 538. 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
- i. FY 1988 Continuing Resolution. 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? No

- j. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes
- k. FY 1988 Continuing Resolution. What 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 20 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)? (a) 10% target for HBCUs.
(b) Bidders are encouraged to include Gray Amendment sources in proposal.
- 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 production on lands already cleared N/A - Education and Training

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? N/A
- 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? N/A
- p. FY 1988 Continuing Resolution 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 (a) Yes
(b) Yes

accordance with the policies contained in section 102 of the FAA; (c) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs 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 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) Yes
- (d) Yes, indirectly
- (e) No

2. Development Assistance Project Criteria
(Loans Only)

N/A

- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.
- 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?
- c. FY 1988 Continuing Resolution. If for a loan to a private sector institution from funds made available to carry out the provisions of FAA Sections 103 through 106, will loan be provided, to the maximum extent practicable, at or near the prevailing interest rate paid on Treasury obligations of similar maturity at the time of obligating such funds?
- d. 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?

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? Yes

- b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes? No

- 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. FAA Sec. 602(a). Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes, through competitive procedures
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes
3. FAA Sec. 604(d). 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. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). 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(c). 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 N/A

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.)

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? Yes

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 - all trans Atlantic flights.

9. FY 1988 Continuing Resolution 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

10. FY 1988 Continuing Resolution 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?
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?

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 1987 Continuing Resolution Secs. 525, 538. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (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; (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 (4) to lobby for abortion? 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. FY 1988 Continuing Resolution Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes
- h. FY 1988 Continuing Resolution Sec. 505. To pay U.N. assessments, arrearages or dues? Yes
- i. FY 1988 Continuing Resolution Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
- j. FY 1988 Continuing Resolution Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes
- k. FY 1988 Continuing Resolution 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. FY 1988 Continuing Resolution 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

ANNEX M

Notes on Project Costs

A. Long-term Training in the US

1. Based on average cost per student year, assuming 6 intake classes of 100 each, each for 3 years. Of the 100, assumed that 85 receive tuition waivers and 15 do not. This incorporates 10% placed in HBCUs plus others who receive no or only partial waivers.
2. Administrative Costs of Long-Term Training in the U.S. @ \$4,500/student year - based on experience with current contractors.

B. Long-term Training in South Africa

1. Based on average cost per student, assuming 6 intake classes of 200 each, each for 4 years.
2. Twenty-five students from each intake class go to the US for one year after completing studies in South Africa. Cost of \$11,000 includes \$3,500 for travel, \$5,000 for room and board, \$1,400 allowances and \$1,100 for fees. Tuition waivers may be available, although it is premature to budget with that in mind.
3. Administrative costs fixed at 15% of training costs - based on experience with EOC.

C. Short-term Training

The estimated costs of illustrative short-term training programs are detailed below and programmed according to Table 4. Since all short-term courses except the current Career Development Course are illustrative, for budgeting purposes we have averaged the illustrative courses. According to those averages, US short-term training cost is \$15,500, as compared to \$1,050 in South Africa and \$1,400 in third countries. The US courses are of longer duration than other courses and also include substantial international travel costs.

According to Bridge 1989, published by the Human Awareness Programme, in the Transvaal alone, there are more than 200 organizations involved in areas directly related to this project (Bursary/Funding, Adult Education, Education Training, Non-Formal Education and Organizational Training). Similar organizations are found in each of the provinces. Accordingly, the assumption is that there will be sufficient demand to justify the short-term training planned. If project experience proves otherwise, some funding for ST training could be reprogrammed for LT training.

1. Short-Term Training in the US

- a. Career Devt. Mentorship - 6 months, \$20,000. Based on actual IIE costs.
- b. Other Internship program - 6 months, \$3,500 travel + \$75/day X 180 days = \$17,000.
- c. Executive Devt. - 3 months, \$3,500 travel + \$75/day X 90 days + fees & expenses @ \$1,750 = \$12,000. Assumes US corporate cooperation.
- d. Management Training - 9 weeks, \$6,000 tuition, room and board + \$3,500 travel + \$500 msc. = \$10,000.
- e. Study Tours - 3 weeks, \$4,500 travel + 25 days @ \$100/day + \$500 msc. = \$7,500.

2. Short-term Training in South Africa

- a. Continuing Education - weekly course over 6 months, offered in different locations of SA. Tuition and fees only are \$1,800. Based on actual costs at Witswatersrand.
- b. One-Week Management Course - Tuition, fees, travel and maintenance, \$750. Based on actual costs at Wits.
- c. Three-Day Skills Workshop - Different locations, Fees only are \$250. Based on actual costs of computer training in Johannesburg.
- d. Two-Day Conference for 75 people @ \$150 travel, 2 days PD @ \$60/day, materials @ \$35, speakers/resources @ \$7,125 = \$30,000.

3. Short-Term Third Country Training

- a. Study Tours - 10 days \$1,000 travel, 10 days PD @ \$100/day + \$100 msc. = \$2,100.
- b. Continuing Education - 3 weeks, based on actual costs at Institute for Development Mgt./Swaziland for travel, room & board and fee = \$1,500.
- c. Two-Day Conference - \$400 travel, 2 days PD @ \$85 + fee = \$900.

D. Technical Assistance

The composition, timing and magnitude of technical assistance is presented in Table 5. Explanations of the costs follow.

1. One Person-Year of Long-Term US Technical Assistance

<u>ITEMS</u>	<u>EST. COST</u> (\$)
Salary @\$65,000	65,000
Fringe Benefits @30%	19,500
Allowances	
Education - 1 @ \$5,000, 1 @ 13,000	18,000
Housing @ R3,500/mth rent + utilities	16,800
No COLA or Differential	
Travel	
Airfare - to post yr.1, R&R yr.2, return yr.3 @ \$3,500/ticket X 3 1/2	7,700
Excess baggage & Airfreight	600
Seafreight	4,000
Household Furniture - Furniture @ R30,000, Appliances @ R20,000, Heaters/AC @ R10,000 = R60,000/3 years	8,000
 TOTAL	 \$128,000

**NOTE Assumes TA comes with spouse and 2 children, one at post, one away; 3-year contract with R&R in year 2. Costs exclude overhead, G&A and other costs of institutional contract. Source: Current USAID figures.

2. One Person-Year of Local Hire TA and Support

- a. Degreed professional @ R75,000 (\$30,000) X Fringe Benefits of 30% = \$39,000.
- b. Secretary/asst. @ R25,000 (\$10,000) X Fringe benefits of 30% = \$13,000.
- c. Accountant @ R45,000 (\$18,000) X Fringe Benefits of 30% = \$23,400.
- d. Two FSN project managers @ \$30,000 each annually; total cost inclusive of benefits.

3. Short-Term Technical Assistance

<u>ITEMS</u>	<u>EST. COST</u> (\$)
a. US Based	
Salary - \$550/day (burdened) X 22 days	12,100
International Travel	3,500
Per diem - 30 days @ \$85	2,550
Local travel	1,000
Miscellaneous	1,000
TOTAL	\$20,150
	SAY \$20,000

b. South Africa-Based

Salary - \$250/day (burdened) X 22 days	5,500
Local travel and miscellaneous	<u>1,000</u>
TOTAL	6,500

**NOTE Assumes all short-term TA is obtained either under the institutional contract or via an IQC or other firm.

E. One Year of a U.S. Based Institutional Contract**

<u>ITEMS</u>	<u>EST. COST</u> (<u>\$</u>)
Home Office Personnel - 25% of \$65,000 + 30% of \$35,000 + 25% of \$20,000	31,750
Fringe Benefits on HO personnel @ 30%	9,500
OH - Home Office - 100% of salaries & benefits	41,250
Field Staff - 40% of salaries & benefits	191,550
Office Rent - R30/mth/m2 X 25m2 X 5 offices X 12 mths, including utilities & clng	18,000
Office Furniture - purchase @ R15,000/6 years	1,000
Equipment - 2 computers @ R15,000, FAX @ R5,000 Photocopier @ R10,000/6 years	3,000
Supplies	2,500
Communications @ R1,000/mth	4,800
Automobile - R30,000/6 years	2,000
Auto operation & maintenance	2,500
Travel 2 trips/year @ \$7,500	15,000
Miscellaneous	<u>10,000</u>
SUBTOTAL	332,850
G&A - 25% of subtotal	<u>83,212</u>
SUBTOTAL	\$416,062
Fee - 7%	<u>29,124</u>
TOTAL	\$445,186
	SAY \$445,000

**NOTE Direct costs of field personnel are included under costs of TA. Above assumes home office support of one professional at 25%, one assistant at 40% and one secretary at 25%. Overhead of above is fully staffed field office. Adjustments in OH, G&A and Fee required as staffing changes. Yearly budgeted costs follow: 1-\$445,000; 2-\$340,000; 3-\$340,241; 4-\$270,000; 5-\$250,000. Years 6 and 7 have no US contract. Nevertheless, \$35,000 has been budgeted for office expenses and general unit support. After year 7, all activities will have been devolved to other South African organizations.

F. Other Notes on Project Costs

1. The USAID/South Africa HRDO and PDO will be direct hire. \$250,000 have been reserved to support two FSNs.
2. Special projects include 51 Research Grants for one year at \$6,000 and 59 Grants for one year Pilot Projects @ \$25,000.
3. Evaluations of \$125,000 planned for years 4 and 8.
4. Audits of \$125,000 each are also planned for years 4 and 8.
5. In addition to the clearly identified project costs, assume local costs include: 25% of the administrative costs for LT US training for recruitment and selection and 75% of Special Projects. Total local costs are approximately one-third of total project costs.
6. Rate of Exchange: US\$1=R2.50