

1971-74326

UNCLASSIFIED

SOUTH AFRICA
Alternative Education
(674-0302)

PROJECT PAPER

UNCLASSIFIED

PROJECT DATA SHEET

A = Add
 C = Change
 D = Delete

Amendment Number

CODE

3

2. COUNTRY/ENTITY SOUTH AFRICA 3. PROJECT NUMBER 674-0302

4. BUREAU/OFFICE Southern Africa Projects 06 5. PROJECT TITLE (maximum 40 characters) South Africa Alternative Education

6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 3 09 11
 7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4)
 A. Initial FY 86 B. Quarter 4 C. Final FY 88

8. COSTS (\$000 OR EQUIVALENT \$1 =)

| A. FUNDING SOURCE | FIRST FY 86 | | | LIFE OF PROJECT | | |
|------------------------|-------------|--------|-------------|-----------------|--------|-------------|
| | B. FX | C. L/C | D. Total | E. FX | F. L/C | G. Total |
| AID Appropriated Total | 2000 | | 2000 | 6000 | | 6000 |
| (Grant) | (2000) | () | (2000) | (6000) | () | (6000) |
| (Loan) | () | () | () | () | () | () |
| Other U.S. 1. | | | | | | |
| Other U.S. 2. | | | | | | |
| Host Country | | | | | | |
| Other Donor(s) | | | | | | |
| TOTALS | 2000 | | 2000 | 6000 | | 6000 |

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)ESF | 600 | 620 | | | | | | 5450 | |
| (2)EHR | 600 | 620 | | | | 550 | | 550 | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | | | 550 | | 6000 | |

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 610 633 11. SECONDARY PURPOSE CODES

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
 A. Code TNG
 B. Amount

13. PROJECT PURPOSE (maximum 480 characters)
 To support and expand selected activities in South Africa that advance the black community goals of educational equity and elimination of all forms of apartheid in the content and structure of the educational system in South Africa.

14. SCHEDULED EVALUATIONS Interim MM YY 09 07 Final MM YY 12 91
 15. SOURCE/ORIGIN OF GOODS AND SERVICES 000 941 Local Other (Specify)

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

17. APPROVED BY Roger Carlson
 Title Director AFR/SA
 Date Signed MM DD YY 11 11 11
 18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 11 11 11

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON DC 20523

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM : AFR/PD, Carol Peasley

SUBJECT: , South Africa Alternative Education (674-0302)

Problem: Your approval is requested for authorization of the South Africa Alternative Education Project, to be funded for an LOP total of \$6 million. Of the total \$6 million, \$550,000 will be funded from the EHR account, and the balance from the Economic Support Fund.

Background

The impoverishment of black education under apartheid in South Africa is well-known and its consequences well-documented. These factors have long since made education a political issue in South Africa. Over the past year, the politicization of education has deepened, led by the resumption of school boycotts and the growing activism of students in the black townships. Demands for improving the quality of education for blacks have become demands for "education for change."

These demands have unified the black community, encouraging the emergence of broad-based organizations bringing together disparate groups within the black community and placing "alternative education" squarely on the agenda of the anti-apartheid movement. Coalitions representing students, teachers, and parents have formed, seeking constructive alternatives to continued school boycotts and organizing to take the initiative in pressing for and implementing educational reforms.

Against this background, AID proposes to support the "alternative education" movement as one of the three key areas in its expanded South Africa program strategy, approved by the Bureau in January 1986. The purpose of the proposed Alternative Education project is to support and expand selected activities in South Africa that advance the black community goals of educational equity and elimination of all forms of apartheid in the content and structure of the educational system in South Africa.

Summary Project Description

This is an umbrella-type project which will fund direct grants to key groups working in alternative education in support of

black community goals. Emphasis will be given to activities in the following four program areas:

- Strengthening the capacities of black educational organizations;
- Supporting educational planning and research (especially on such key issues as curriculum reform and school finance and administration);
- Upgrading the performance and leadership skills of black teachers; and
- Supporting pilot and experimental programs for black students (with special focus on bridging programs in science, math, and English and on developing supplementary curricula in black history and arts.

Under the project, AID will finance grants (or contracts) with community-based groups as well as professional service organizations. U.S. universities and other private U.S. organizations will be funded where they can provide appropriate technical assistance, but only at the request of participating South African organizations.

South African grantees will be selected on the basis of specific criteria as detailed in the Project Paper. Key criteria include: groups must be privately sponsored; groups must embrace the goal of ending apartheid; and they must demonstrate a commitment to increasing black participation in decision-making in the organization. No funding will be provided to political parties.

The PP describes a number of groups which are illustrative candidates for support under the project. These include: the African Teachers' Association of South Africa (ATASA); the University of Western Cape (UWC)--Outreach Program; the University Preparation Programme (UPP); and the South African Committee on Higher Education (SACHED). In addition to these national and regional organizations, there are numerous local-level groups operating alternative education programs, which could receive project support. Other possible grantees are university-linked groups carrying out independent research on subjects related to alternative education.

The project will also fund a consortium of black American colleges and universities, for support to project subactivities. Headed by Florida Memorial College, the consortium will carry out planning activities for future teacher training and other professional development programs for black South African teachers. Direct budget support to ATASA is planned, which will be provided either through the consortium or another agency yet to be determined.

Prior to each obligation of funds, it is expected that planning sufficient to meet the requirements of Section 611(a) of the Foreign Assistance Act of 1961, as amended, will be completed, if required, for such obligations. This planning will be reviewed in the field.

Financial Summary

The estimated cost of the project is \$6 million, to be obligated over three years and disbursed over five years. Obligations break down as follows:

| | <u>(\$000's)</u> | | |
|-------------------------|------------------|-------------|-------------|
| | <u>FY86</u> | <u>FY87</u> | <u>FY88</u> |
| 1. NGO Grants | 550 | 2,700 | 2,550 |
| 2. Technical Assistance | <u>--</u> | <u>150</u> | <u>50</u> |
| TOTAL | 550 | 2,850 | 2,600 |

Project Issues

1. Contract technical assistance to the mission. The ECPR questioned the need for and appropriateness of hiring of a U.S. educational consulting firm to provide advisory services to the mission on overall program direction and strategies for selection of future grantees. It was agreed that the new mission director should have such services at his disposal, if he feels they are needed, and that the decision should be left to his discretion.

In addition, the ECPR agreed that project funds should be available to finance technical assistance to the mission in financial and management oversight of project grantees. In particular funds would support locally available expertise for

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monitoring of grantee financial and audit-related performance. These resources may be necessary, given the relative inexperience in auditing procedures of some of the groups AID is likely to be dealing with.

2. HBCU component. Still at issue is the Deputy Project Manager position for the consortium's activities under the project; AID and the consortium have not as yet agreed on a candidate. Rather than rush a decision, the cooperative agreement to be signed with Florida Memorial College will include a condition precedent requiring AID and the consortium to agree on a mutually satisfactory candidate, before disbursements are made under the grant.

Special Actions Requested

-- Local cost financing. We anticipate that virtually all commodities and services needed under the project will be available locally. Therefore, you are requested to authorize local cost financing of procurement for up to the totality of the project's LOP cost. This would be in addition to the authorized code, 000 (U.S. only). Approval of local cost financing will enable grantees to purchase commodities and services locally, using local currency, in unlimited quantities, so long as commodities and services have their source/origin in South Africa or are imported shelf items of Code 941 origin.

Other Actions

1. IEE. The AFR Environmental Officer approved a Categorical Exclusion on June 16, for grants under this project.

2. Limitation of competition for grants. On June 26, 1986, you delegated to the USAID/South Africa director the authority to restrict in all AID projects invitations for grants or cooperative agreements in accordance with criteria in Section 1B2e of AID Handbook 13. (For grants or cooperative agreements entered into with U.S. entities, this authority is limited to \$1 million.) This authority will be utilized in the project mainly for ease of management purposes, since most grantees will be locally identified and contracted with. It is expected that the main criterion for limiting competition will be the mission director's judgment that the entity is unique or is most appropriate to undertake the subactivity in question (criterion number 3, HB 13, chapter 1B2e).

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Also, in authorizing this project, you are requested to approve limitation of competition for the HBCU cooperative agreement, to be signed in AID/W with Florida Memorial College. Limiting competition for the HBCU component is specifically proposed in the Project Paper (page 29), and is within your authority, per HB 13, chapter 1B2e3, which permits you to limit invitations to a "single entity which the technical office deems unique or most appropriate to undertake the effort which the office wants to support or stimulate."

Florida Memorial will head a consortium which is unique or most appropriate because: (1) it represents the larger community of historically black colleges whose own historical experience qualifies them to make a unique contribution to black educational reform in South Africa; and (2) the select group of HBCU presidents who participated in the State Department-sponsored fact-finding trip to South Africa unanimously supported the consortium's proposal in its recommendation for USG responses to the crisis in black education in South Africa.

3. Congressional Notification. A CN was submitted to Congress June 13, 1986. A hold was placed, due to questions concerning selection of grantees to be supported in the early phases of project implementation. These have been substantially resolved, and agreement has been reached to permit funding of proposed subgrants to the HBCU consortium, READ, and UWC's Outreach Program. (Due to time constraints, only the HBCU component will be funded in FY86.)

Recommendation: That you (1) approve authorization of the South Africa Alternative Education Project in the amount of \$6 million, and local cost financing of procurement for up to the totality of the project's LOP cost, by signing the attached Project Authorization document; and (2) approve limitation of competition for the HBCU cooperative agreement, to be signed with Florida Memorial College, by signing below.

APPROVE

Mark S. Edelman

DISAPPROVE _____

DATE

9-24-86

Drafted: AFR/PD/SAP, Mary Ann Riegelman, x7-8818, #2776L

Clearances:

AFR/PD/SAP, WStickel (draft)
AFR/SA, MFeldstein (draft)
AFR/SA, RCarlson (draft)
AFR/TR/EHR, MShaw (info)
GC/AFR, AVance (draft)
AFR/DP, GCauvin (draft)
DAA/AFR/ESA, LSaiers

dy

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

ASSISTANT
ADMINISTRATOR

PROJECT AUTHORIZATION

Name of Country: South Africa
Name of Project: Alternative Education
Number of Project: 674-0302

1. Pursuant to Sections 105 and 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Alternative Education Project involving planned obligations of not to exceed \$6,000,000 in grant funds, over a three year period from date of authorization subject to the availability of funds in accordance with the AID OYB allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is five years from the date of initial obligation. Funding authorized under the project will be charged to the cited appropriations accounts as follows:

| | |
|--------------|-------------|
| Section 105: | \$550,000 |
| Section 531: | \$5,450,000 |

2. The project consists of assistance to South African community-based groups and professional service organizations for activities designed to: (1) strengthen the capacities of black educational organizations, (2) support educational planning and research, (3) upgrade the performance and leadership skills of black teachers, and (4) support pilot and experimental programs for black students. Organizations will be selected for funding based on criteria provided in the Project Paper the most important of which require that (a) groups and organizations should reflect the objective of ending apartheid, (b) they must demonstrate a commitment to increasing black participation in decision-making in the group or organization, and (c) no support shall be provided to organizations financed or controlled by the South African government or to political parties.

The Project Paper described a number of national and regional groups which are illustrative candidates for support under the project. In addition to these organizations, there are numerous local-level groups operating alternative education programs which could receive project support. Other possible South African grantees are university-linked groups carrying out independent research on subjects related to alternative

education. U.S. universities and other private U.S. organizations will be funded where they can provide appropriate technical assistance, but only at the request of participating South African organizations.

3. The Grant Agreements and Cooperative Agreements which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4. Source and Origin of Commodities, Nationality of Services.

Commodities financed by A.I.D. under the project shall have their source and origin in the United States or the Republic of South Africa, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the United States or the Republic of South Africa as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. may, unless otherwise agreed in writing, be financed only on flag vessels of the United States.

9-24-86

Date

Mark L. Edelman

Mark L. Edelman
Assistant Administrator
for Africa

Clearances:

AFR/SA:MFeldstein

Date 1/15/86

AFR/PD:WStickel

Date 1/14/86

ALTERNATIVE EDUCATION, PROJECT 674-0302

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I. SUMMARY AND RECOMMENDATIONS

Background

The impoverishment of black education under apartheid in South Africa is well-known and its consequences are well-documented. These factors have long since made education a political issue in South Africa. Over the past year, the politicization of education has deepened, led by the resumption of school boycotts and the growing activism of students in the black townships. Demands for improving the quality of education for blacks have become demands for "education for change."

These demands have served to unify the black community, encouraging the emergence of broad-based organizations bringing together disparate groups within the black community and placing "alternative education" squarely on the agenda of the anti-apartheid movement. Coalitions representing students, teachers, and parents have emerged, seeking constructive alternatives to continued school boycotts and organizing to take the initiative in pressing for and implementing educational reforms.

Against this background, which is more fully described in Section III, AID proposes to support the "alternative education" movement as one of the three key areas in its expanded South Africa program strategy, approved by the Bureau in January, 1986. The purpose of the proposed Alternative Education project is to support and expand selected activities in South Africa that advance the black community goals of educational equity and elimination of all forms of apartheid in the content and structure of the educational system in South Africa. The rationale for the project and how it supports the objectives of both the black community in South Africa and the U.S. government are given in Section III.

Summary Project Description

The project as described in Section IV of this Project Paper is designed as an "umbrella" project which will permit AID to fund direct grants to key groups working in alternative education in support of black community goals. Emphasis will be given under the project to activities in the following four program areas:

- 1) strengthening the capacities of black educational organizations;
- 2) supporting educational planning and research (especially on such key issues as curriculum reform and school finance and administration);

3) upgrading the performance and leadership skills of black teachers; and

4) supporting pilot and experimental programs for black students (with special focus on bridging programs in science, math, and English and on developing supplementary curricula in black history and arts).

Under the project AID will finance grants (or contracts) with community-based groups as well as professional service organizations. U.S. universities and other private U.S. organizations will be funded where they can provide appropriate technical assistance but only at the request of participating South African organizations.

South African grantees will be selected on the basis of specific criteria as detailed in Section V. Key among these criteria are: the groups must be privately sponsored; they must embrace the goal of ending apartheid; and they must demonstrate a commitment to increasing black participation in decision-making in the organization. In addition, no funding will be provided to political parties and organizations.

Total project funding requested in this Project Paper is \$6,000,000, to be obligated over three years and disbursed over five years. Of this total, \$5,800,000 is requested for grants. While no strict limits will be placed on the size and number of grants provided under the project, it is expected that grants will range between \$100,000 and \$750,000 each. Matching grants will be sought from other private donors where possible. In addition, \$200,000 is proposed to be earmarked for technical assistance in support of the project for such activities as project evaluation and overall management support. More detailed budget breakdowns are given in Section VII. The evaluation plan is described in Section VIII.

As laid out in Section VI, this project will be managed by the USAID mission in Pretoria, with supporting assistance from AID/W as may be needed in special cases. The RLA from USAID/Swaziland will provide legal support, including Section 802(c) determinations for individual grantees.

The regional controller, also in USAID/Swaziland, will provide routine controller functions. However, he may designate other USAID controllers in the region and/or private accounting firms to assist him in carrying out the HB 13 certifications of financial management capability for individual grantees. Contracting assistance will be provided from REDSO/ESA, as may be required.

Recommendations

It is recommended that the Bureau approve the Alternative Education project as proposed in this Project Paper, and forward to the Assistant Administrator for Africa for his signature a request that he authorize a total of \$6.0 million for this project over five years, including \$2.0 million to be obligated in FY86.

It is further recommended that, for ease of management, the AA/AFR designate the Mission Director for USAID/Pretoria as having the authority to approve grants without full and open competition, in conformance with HB 13, Chapter 1B2(e).

Finally, it is also recommended that the AA/AFR approve the non-competitive award of a grant in FY86 to the Shaw University as the most appropriate organization to carry out the planning for a proposed educational Technical Assistance Center. The justification for a non-competitive award in this case is given in Section IV of this paper.

II. BACKGROUND

Educational programs provided for the black population of South Africa by the present segregated school system are inferior to those provided other population groups and are demeaning to the aspirations and potentialities of black students. Various local groups are working to change and improve education for blacks through a variety of privately sponsored activities. While all groups share the common objective of making fundamental structural changes in the management and content of the present school system, some groups are seeking radical substitutes to government sponsored education by teaching alternative curriculum in private schools or in non-formal classes outside the classroom. Other groups sponsor programs that are intended to supplement or fill in gaps in the public education programs, such as providing library books to black children; strengthening instruction in sciences, mathematics and English; bridging programs for black students who seek admission to universities; and raising the qualifications of black teachers.

Educational issues and "radical" versus "moderate" approaches to educational change are very much a part of the present social and political turmoil in South Africa. Schools have become politicized and students are in the forefront of those demanding changes in the present school program, which they describe as "gutter education." School programs have been disrupted by boycotts and by riots led by student activists whose slogan is "liberation now, education later."

For parents and more moderate black leaders the disruption of educational programs causes great concern. The objective of the Soweto Parents' Crisis Committee, for example, is to have students remain in school in order to avoid lost educational opportunities and to prepare both the students and their country for the future. These moderate leaders, however, also recognize the need for great improvements in the present school system and they, too, seek an end to educational programs based on the ideologies of apartheid. For moderate leaders, the more appropriate means of achieving these objectives is expressed in the slogan "education for change".

However, the pace of change has accelerated. After a preliminary conference in December 1985, an important national conference on Alternative Education was held in Durban in March 1986 under the sponsorship of the National Education Crisis Committee. The conference called on parents, students and teachers to take more control in the running of their schools and to install programs of "people's education". An Ad Hoc Commission was named to define a strategy for implementing alternative education. The new demand has become "education for liberation".

Given the current strife in South Africa and the ongoing debate in the black community about effective means of implementing educational change, what, if anything, can and should the U.S. do to improve school programs for the black population? Based on selection criteria outlined in this paper, it appears feasible and appropriate for the U.S. to provide assistance to selected privately-sponsored educational activities. Such assistance will demonstrate the U.S. commitment to racial justice, peaceful change and black advancement in South Africa.

The U.S. already supports some educational activities in South Africa for these purposes, mostly at higher levels of education and training. Training for Disadvantaged South Africans Project (690-0213) sponsors black South Africans undertaking university studies in the U.S. The South African Bursaries Program (690-0230) provides similar support for black students to study at South African institutions of higher education. The University Preparation Program (690-0222) has financed the development of programmed learning materials and tutorial assistance to black secondary school students seeking to qualify for admission to universities. In addition, Human Rights (690-9801) and Self-Help Funds (690-9901) have provided some small-scale support to various educational activities.

As early as 1981, an investigative team led by the Deputy Assistant Administrator for Africa recommended planning an AID project which would "include black teacher upgrading, management training, and bridging support for black students". In 1982 a mission to South Africa by staff of the House Committee on Foreign Affairs also recommended U.S. assistance to "teacher upgrading, bridging and other programs through community-based organizations".

More recent developments in South Africa have demonstrated additional important needs, particularly for the strengthening of black leadership and black organizations concerned with planning and implementing changes in the education sector. In January 1986 a team of AID officers developed a strategic plan for assistance to community-based organizations in several sectors, including education. This plan was submitted by cable (Cape Town 137) to AID/Washington where it was reviewed as a PID for this and two related projects. The Executive Review Committee supported the proposed plan and accepted the three areas of focus for an expanded AID program in South Africa. A design team for this project visited South Africa in April-May 1986. The team's recommendations are contained in this document.

III. PROJECT RATIONALE

The rationale for this project is rooted in the problems created by the separate and unequal school systems in South Africa, as described below, and by the strong demands of the black population (and many whites) for alternatives to the structure and content of the country's formal education programs. Reflecting these conditions, Alternative Education has taken on greater importance and visibility in the anti-apartheid agenda for action, which the USG wishes to demonstrate active support for through this project.

A. The Black School System in South Africa

To put the ensuing discussion of the school system for the black population of South Africa into perspective, it is important to have an overview of South Africa's political and racial divisions. These are briefly summarized in Table 1 in Annex D. As the table shows, the black population of 24.1 million persons (half of whom are under the age of 21) amounts to almost three-quarters of South Africa's total population of 32.6 million. Whites comprise 14.8 percent of the population; Asians (mostly Indians), 2.7 percent, and "coloureds", 8.7 percent. (Unless otherwise noted, all data in this discussion are from the 1984 Race Relations Survey published by the South African Institute of Race Relations.)

In geographical divisions, about 46 percent of the black population lives in the so-called "white-designated areas", about 24 percent in the "independent homelands", and about 30 percent in the "non-independent homelands".

Enrollment in black primary and secondary schools in all three geographic areas in 1983 was 5.5 million. In addition to the black students, South Africa had, in 1983, 986,000 white students, 775,000 "coloured" students, and 230,000 Asian students in the primary and secondary schools of their respective -- and separate -- school systems.

Administration of the separate school system for each racial group is the responsibility of different ministries. A major recommendation made by the Human Sciences Research Council's committee of inquiry into education (the De Lange Committee) in 1982 was to establish a single National Ministry of Education in order to provide and finance programs that would progress towards racial parity in education. This recommendation was rejected by the government in a White Paper published in

November 1983. Education of whites, "coloureds", and Asians would continue under their own ministers while the Department of Education and Training would remain in charge of African education. The White Paper followed the constitutional distinctions between "own" and "general" (common) affairs. Education is an "own" affair and so takes place within the cultural framework of each group.

The National Policy for General Education Affairs Act of 1983 provides for some coordination of educational systems between racial groups with regard to teachers' salaries, conditions of service, certification and examination standards. However the (then) Minister of National Education, Dr. Gerrit Viljoen, emphasized that the educational systems of each group would remain separate and that each group would retain its self-determination over its educational program as an "own" affair by means of its own administrative structure. "In the bill and in the constitution, no door has been opened to education integration", Dr. Viljoen said. (Race Relations Survey, p. 652).

The systems are separate but certainly not equal. The following data show the wide variation in the funds provided each school system. Budgeted state expenditures on education for all population groups in the 1984-85 fiscal year were as follows:

| | |
|--|-------------------------|
| African education in the "white-designated" areas | <u>R</u> 709,257,000 |
| African education in non-independent homelands | 358,553,743 |
| African education in "independent" homelands | 392,251,500 |
| "Coloured" education | 570,521,000 |
| Asian education | 259,334,000 |
| White education | 2,465,155,000 |

The great variation in per pupil expenditures by the government for the separate school systems in 1983/84 is shown in the following data. Per capita expenditure for white students was seven times greater than for black students.

Per Pupil Expenditures

| <u>School System</u> | <u>R</u> |
|---|----------|
| Black (in "white-designated" areas and non-independent homelands) | 234.45 |
| "Coloured" | 569.11 |
| Asian | 1,088.00 |
| White | 1,654.00 |

South Africa's twelve-year school program is divided into a seven-year primary cycle (with sub-divisions of lower primary and higher primary) and a five-year secondary cycle (with sub-divisions of junior secondary and senior secondary). In some schools the two cycles are both six years in duration, with Standard 5 (Grade 7) considered the first year of junior secondary instead of the last year of higher primary.

Table 2 in Annex D shows the enrollment figures for students in each grade in the black school system in 1983. Eighty-two percent of the 5.5 million black students that year were enrolled in the primary cycle and only 18 percent in the secondary cycle, indicating the high drop-out rate for black students. Comparable ratios of primary cycle/secondary cycle enrollments for the other school systems were as follows: whites 60.8%/39.2%; Asians, 65.6%/34.4%; "coloureds", 77.7%/23.3%.

The total enrollment figure of 5.5 million students in 1983 comprised about 77 percent of the black school-aged population in South Africa. Enrollment for black students has grown from 747,000 in 1950 to 1,506,000 in 1960; 2,749,000 in 1970; and 5,547,000 in 1983. Such a large and rapid growth would severely test the capacities of any educational program, without considering the added strains created in South Africa by the apartheid system. The admission of over 200,000 new black students into the school system each year since 1970 has been a substantial quantitative achievement.

On the other hand, growth in enrollment and the exceedingly large base of the enrollment pyramid results, at least in part, from the backlog in educational opportunities for the black

population caused by an historical deprivation of schooling for this group. High birth rates among the black population will cause a continuing rapid expansion in the school-age population.

By all key measurements, there is an enormous gap between the segregated school system provided for the black population and the system provided for whites. One important index of the quality of the separate systems is the percentage of candidates from each system who pass the Matriculation Examination at the end of Standard 10. The comparative figures for 1983 were as follows:

Matriculation Exam Results - 1983

| | <u>Black</u> | <u>"Coloured"</u> | <u>Asian</u> | <u>White</u> |
|--|--------------|-------------------|--------------|--------------|
| Candidates | 82,467 | 11,076 | 8,153 | 64,621 |
| Total passes | 39,853 | 7,894 | 6,950 | 51,426 |
| Percent who passed | 48.3 | 71.3 | 85.2 | 79.6* |
| Passed with matriculation exemption ** | 8,146 | 1,679 | 3,290 | 26,094 |
| Percent of candidates | 9.9 | 15.2 | 40.3 | 40.4 |
| Passed with school-leaving certificate | 31,707 | 6,215 | 3,660 | 25,332 |
| Percent of candidates | 38.4 | 56.1 | 44.9 | 39.2 |

*Percentage of passes for white students (79.6) was low in 1983 because of the inclusion that year of candidates from private schools. In the two prior years the proportion of white students who passed the examination was 94.1% and 94.8%.

**A student who passes with "matriculation exemption" qualifies for admission to university studies. While blacks constitute 73.8 percent of the population, they produced only 37.5 percent of all students who passed the matric and only 20.8 percent of those who qualified for university admission. White students, from 14.8 percent of the population, produced 48.5 percent of the passes and 66.6 percent of those qualifying for university admission.

Another index of the quality of the separate school systems is the disproportionate pupil-teacher ratios, as shown in the following table. The prevalence of over-crowded classrooms in the black schools is evident.

Pupil-Teacher Ratios

| | |
|--------------------|-----------|
| Black schools | 40.7 to 1 |
| "Coloured" schools | 26.0 to 1 |
| Asian schools | 23.0 to 1 |
| White schools | 18.9 to 1 |

In 1983, there were 89,742 teachers in the black school system, not including some 30,000 teachers at schools in the "independent" homelands. From the above table, it may be seen that the number of teachers in black schools would need to be doubled if the black schools are to draw near the pupil-teacher ratio of the white schools. Future growth in enrollment will cause a requirement for even greater numbers of teachers.

Black schooling is further hampered by the low educational and professional qualifications of over 70 percent of the existing black teaching staff. The recognized qualification for a teacher in South Africa is completion of Standard 10 plus a three-year Education Diploma.* The 1983 KwaZulu Education Department Report showed that out of a total teaching force of 22,041 in the area's primary and secondary schools, 14,329 (65%) did not possess even a Standard 10 certificate. At the primary school level alone, 82 percent of the KwaZulu teachers had not obtained a Standard 10 Leaving Certificate. Data from the Teacher Opportunity Programmes (TOPS) indicates that, nation-wide, about 85 percent of black primary school teachers are underqualified. Table 3, from data compiled by the South African Institute of Race Relations, shows that 73.2 percent of the black primary and secondary school teachers are not adequately qualified. By contrast, the Institute reports that 59 percent of the teachers in "coloured" schools and 17.6 percent of the teachers in Asian schools were underqualified in 1983. No figures were provided for underqualified teachers in white schools.

Many critics of black schools maintain that the inadequacies of the present educational program are self-perpetuating and may even be worsening because new teachers for the system must come from the over-crowded, poorly taught classrooms of the existing schools.

* The definition of a "qualified" teacher is disputed. A great number of black teachers have achieved standard 8 plus a two-year Teachers Certificate (P.T.C.), thus qualifying themselves to become teachers under prior examination and certification standards. This was the only training for black teachers readily available in the past. Many teachers at this level, with long experience under trying circumstances, have been labeled "underqualified" by more recently issued official standards. Such a label is demoralizing to this group of teachers who say there is no evidence that a person with somewhat higher academic achievements is necessarily a better classroom teacher.

Black groups also express dissatisfaction with the content of the educational program which, they feel, attempts to support and legitimize apartheid. The present education system is seen as an instrument of social engineering which transmits values and myths that sustain the existing patterns of social differentiation. For example, a lecturer at the University of South Africa analyzed 53 textbooks for 1981 for students in black and white secondary schools. She found the texts were "politically biased and were promoting certain 'myths' harmful to the process of encouraging harmony between different race groups". (Race Relations Survey, p: 655). Among the myths identified were the following: legitimate authorities should not be questioned, whites are superior to blacks, the Afrikaner has a special relationship to God, and the Afrikaner has a God-given task in Africa. The premise of such concepts is the notion that whites in South Africa are the bearers of a superior Christian Western civilization and are entitled to the fruits of this civilization. The formal education program in South Africa is seen as a principle instrument for establishing and maintaining these racist ideologies and beliefs.

In addition to its ideological bias, the content of primary and secondary educational programs for black students is criticized for an undue emphasis on creating and reinforcing "tribal links". Black children are oriented to the homelands and hear they have no right to live in "white" areas. It is taught that history, rather than government, decrees the establishment of the homelands.

This school program, it is charged, seeks to instill elements of the apartheid social charter into the minds of African children and "attempts to integrate Africans into the prevailing social order...based on principles of trusteeship, non-equality and segregation". (Johnson, p. 233) Classroom instruction offers no criticism or alternatives to "separate development"; rather, the premise of instruction is that Africans are permanently tribal and inherently inferior to whites.

Course content is said to be rural-oriented, with little attention provided to instruction in mathematics and sciences. Instruction at the primary level is in tribal languages with poorly taught English and Afrikaans offered as separate subjects. As these are the media of instruction beyond primary level, black students who continue on are at a serious disadvantage. Another consequence is that the standard of English has fallen in the black community where there is a vital need for a common language.

Critics charge that the cultural chauvinism of school curricula tends to perpetuate the subordinate position of the black population and the dominance of the white population. Instead of being a positive force for change, education in South Africa is one of the pillars of the apartheid social order. Its content attempts to develop an attitude of mind in both white and black students that supports and justifies the current social stratification.

In summary, the comparative figures given above on per pupil expenditure, matric examination results, pupil-teacher ratios and teacher qualifications indicate the inferior nature of the structure of the black school system compared to the other systems. The weak educational program for blacks compared to the privileged access to educational opportunities for whites locks blacks into a subordinate social status in South Africa, cannot provide blacks adequate background to attain the high-level skills needed by the South African economy, and does not prepare blacks for the leadership roles they will have in a post-apartheid state.

Dissatisfaction with the content of the educational program, and with the inequalities in the educational opportunities of the school structure are the basis of the past and continuing school boycotts and student protests. Control over the socializing functions of education is seen as a critical part of the conscious and deliberate program of institutionalizing apartheid. Many blacks feel that to reform the education system is to challenge the apartheid state. The next section describes varying degrees of change in government educational programs deemed desirable by leaders and organizations in South Africa.

B: Alternative Education

The ferment in the re-examination of South Africa's educational goals and programs and the demands for changes in the present system come from both the white and black population. Individual whites, primarily from the business community, recognize that South Africa is facing an acute and growing shortage of skilled workers and see education of blacks as a national priority in order to provide skilled human resources and to increase internal consumption to sustain economic growth. Individual blacks see education as the key to better jobs, higher pay, higher living standards and equality of status.

Although economic and population dynamics will help to promote change and to open educational and employment opportunities to blacks, the highly charged debate over changes in the school

system centers on the issue of social justice. One indication of this is found in the conservatively written but provocative report of the de Lange committee for inquiry into education, which was commissioned by the government in the wake of the 1976 Soweto student riots. The following quotation illustrates the tone and thrust of this significant report:

In the existing provision of education, differentiation occurs in different ways and on different grounds between educational clients. The same advantages are not available to everyone. Some of the grounds on which differentiation occurs, for example ability, interest, aptitude and occupational orientation, are probably relevant.

However, differentiation also rests purely on the basis of race or colour, which cannot be regarded as relevant for inequality of treatment. Examples of this are the treatment of different racial groups in a way that is strikingly unequal, for example in the distribution of education in terms of percapita expenditure, proportion of qualified teachers, quality and quantity of facilities such as buildings, equipment and sports facilities. A further example is where admission to educational institutions is regulated mainly on a racial basis. The result is that an individual, owing to his being a member of a particular racial group, does not or cannot receive his rightful share in the provision of education. Differentiation based purely on differences of race or colour, (which) cannot be regarded as relevant grounds for inequality of treatment, is contrary to the social and ethical demands for justice.

Another view, more strongly stated, on the need for change in educational programs was expressed at the recent conference of the National Education Crisis Committee, held in Durban in March 1986. The conference called for blacks to become actively engaged in formulating educational programs "at the service of the people as a whole, education that liberates, education that puts people in command of their lives".

The following quotation is from the keynote address of the conference:

Ten years after the 1976 rising we remain united in our demand for the ending of apartheid education and the establishment of a democratic, people's education....Ever since 1976 the people have recognized that apartheid education cannot be separated from apartheid in general. This conference once again asserts that the entire oppressed and democratic community is concerned with education, that we all see the necessity of ending gutter education and we all see that this is a political question affecting each and every one of us.

The National Education Crisis Committee has opened the way for people's power to be developed in our struggle for a free, democratic compulsory and non-racial education. The Crisis Committee has brought all sectors of the community together in the pursuit of this noble goal. Students, parents and teachers now have democratic organizations available through which we have begun to take some control over education. They provide the vehicles through which divisions between young and old, teachers and parents can be overcome....

What do we mean when we say we want people's education? We are agreed that we don't want Bantu Education...We are no longer demanding the same education as whites, since this is education for domination....We are not prepared to accept any "alternative" to Bantu Education which is imposed on the people from above...To be acceptable, every initiative must come from the people themselves, must be accountable to the people and must advance the broad mass of students, not just a select few. In effect this means taking over the schools, transforming them from institutions of oppression into zones of progress and people's power. Of course this is a long-term process, a process of struggle, which can only ultimately be secured by total liberation. But we have already begun this process.

The major basic changes sought by black groups (and supported, in most cases, by the de Lange committee report) are as follows:

1. Equal standards of education under a single central educational system, administered by a single national department of education.

2. Free and compulsory education for all children. (For whites, the present system is entirely free and compulsory for children ages seven through sixteen. Blacks are required to pay certain school fees. Compulsory education has recently been introduced for blacks but only on a pilot basis in small areas for the lower grades).
3. Equal per capita monetary grants to all state schools.
4. The elimination of restrictions on access to and the provision of educational facilities based purely on racial and color discrimination.
5. The revision of curriculum to reflect black culture and achievements.
6. Full participation by the black community in determining educational policies and implementing educational programs.

Private groups supplement these basic demands with a range of activities in specific areas such as the provision of pre-school readiness programs for black children, the recruitment and training of black teachers, development of guidance services for black students, complementary instruction in black awareness and black history, and academic and vocational bridging programs for black students entering universities or employment.

Such activities are considered to be "alternative" education in the sense they help remedy weaknesses in the state-sponsored black school system and counteract some of its deleterious influences. These privately-sponsored supplemental activities supply services of immediate need to the black community and, at the same time, lead to eventual structural changes in the state school system. Continued pressure for modification in the system and an expansion of educational opportunities of black students, it is felt, will test and challenge the very basis of separate educational development.

C. Targets for U.S. Assistance

The objectives of AID's activities in South Africa, as agreed to by State, AID and Embassy/Pretoria, are as follows:

- To support U.S. policy objectives in South Africa;
- To build bridges between the U.S. and the black community in South Africa;

-- To promote communication and cooperation within and among black communities and between the black and white communities in South Africa;

-- To aid in the development of future South African leaders in the short- to medium-term through secondary and higher education and training, as well as through institutional development programs;

-- To promote political and social change in South Africa that leads to an end of apartheid and to a political system based on the consent of the governed.

The Alternative Education project will contribute toward those objectives by working with key groups involved in planning and carrying out an agenda of reform to end apartheid education. Through the project, AID will be assisting in the development of leaders and organizations in this key area as well as funding programs which are creating options for a non-apartheid educational curriculum.

The direct beneficiaries of the present project will be the private organizations selected to receive U.S. support. Both community-based groups and professional service organizations will be eligible to participate under the program. All channels of project implementation will be completely outside any South African Government involvement. If the private organizations are well chosen, there will be significant indirect benefits to teachers, students and other large segments of the black population. Criteria for the selection of project grantees are listed later in this paper. The two key criteria are the credibility of the group and the quality of its program.

Credibility is based on recognition of the group's firm opposition to apartheid. This recognition is crucial to attaining the objectives of the project. Without credibility, the participation and support of the black population will be lacking and the activities of the group will have little lasting effect on the black communities who are meant to be the project's ultimate beneficiaries. Credible groups, by definition, have aligned themselves with the aspirations of the black population and have established short-term and long-term programs compatible in their content and implementation with the needs and objectives of black communities. Such credibility is essential for obtaining a commitment of human and financial resources by the

beneficiaries of the group's program, for developing, spreading and guiding the program, and for continuing the program after termination of U.S. assistance.

The quality of the group's program will be judged by the professional caliber of its activities (e.g., the merits of its training programs, the appropriateness of its teaching materials) and also by such characteristics as the replicability of its activities, their spread effect, and their impact on leading towards an open educational system. In selecting programs, AID will seek a balance between short-term educational impact and longer-term institutional development and structural reform in black education.

With these general objectives and criteria in mind, the following types of U.S. supported interventions are proposed as priority areas in the implementation of this project:

1. Strengthening the capacities of black educational organizations

Black educational leaders and black educational groups (e.g., teachers' organizations) should be supported by training and assistance in management and organizational skills and by the provision of equipment and materials that will enhance the efficiency and effectiveness of their institutions and programs. Such assistance will help strengthen their important roles as spokesmen for the black community in proposing and implementing desired changes in educational programs and policies. The enhancement of these leadership roles is essential if there is to be meaningful and constructive black participation in education reform in South Africa.

2. Supporting educational planning and research

The leadership capacities of black organizations mentioned above will be further enhanced if they are backed by respectable research and planning. Programs for implementing changes in curricula, introducing new approaches to school finance and administration, and for other priorities of the black community should be based on sound data and reasonable plans. U.S. assistance to research and planning in these sensitive areas could be provided through scholarship programs or through joint research activities by U.S. and African universities or organizations, with the objective of helping black leaders define their own goals and chart their own course for achieving them. The black university community in the U.S. can make a unique contribution in this area. In addition, the

U.S. could assist in the dissemination of research findings through support for conferences, exchange programs, internships and other activities. These activities would provide the added benefit of helping to establish linkages among universities, teachers' organizations and other research and action groups seeking change in the control, content and structures of the present educational system.

3. Up-grading the performance and leadership skills of black teachers

U.S. assistance can usefully support programs that will improve the competence, motivation and self-image of black teachers in primary and secondary schools and empower them to participate in the educational reforms being demanded by the black community. Such programs may include individual instruction (programmed learning materials, correspondence courses, tutorial assistance, etc.), seminars, newsletters, conferences and the development of teachers' resource centers. Improving the morale and knowledge base of black teachers is crucial to regenerating black primary schools and raising the general quality of education for blacks in South Africa.

4. Supporting pilot and experimental programs for black students

The U.S. should support privately-sponsored educational services that develop and test alternative curricula and teaching materials and demonstrate viable alternatives or supplements to the state school program. Such services may include community-based pre-school readiness programs, out-of-school tutoring in academic subjects with focus on mathematics, science and English, the provision of library books and other self-study materials, after-school classes in courses appreciative of black history and consciousness, guidance programs and other services that help remedy short-comings in the existing black school system. These pilot-type projects should have the potential for achieving a wide ripple effect and therefore must be soundly based on financial feasibility and social acceptability.

It is recommended that U.S. funds and technical assistance in support of alternative education programs in South Africa be concentrated in the four key areas listed above. By targeting these areas, U.S. assistance should make considerable impact on anti-apartheid educational efforts.

IV. PROJECT DESCRIPTION

The goal of this project is identical to the goal of related projects for South Africa that are being initiated in other sectors (the Community Outreach and Leadership Development Project; the Entrepreneurial Development Project). The goal is to promote political and social change in South Africa that leads to an end of apartheid and to a political system based on the consent of the governed.

In the education sector, progress towards achieving this goal may be measured by revisions in the South African Government's current educational policies and practices. Such revisions should lead towards the achievement of at least some of the basic educational objectives of the black community, as listed in Section III.B, above.

An important key to the attainment of the project's goal is greater participation by leaders and private organizations of the black community in the formulation of education policies and the implementation of educational programs founded on racial justice. The purpose of the project, therefore, is to support and expand selected activities in South Africa that advance the black community goals of educational equity and elimination of all forms of apartheid in the content and structure of the educational system in South Africa.

By the end of the project it is expected that private groups supported with U.S. funds and technical assistance (e.g., teachers' organizations, groups providing educational services, educational research institutes) will have increased their capacity to serve the needs of black students, teachers and parents and their ability to plan and negotiate desired changes in the present school system.

To achieve this purpose, the project authorizes the following inputs:

- Grants and/or contracts to private South African organizations whose activities or programs pertain to the objectives of this project;
- Grants or Cooperative Agreements with U.S. universities or other private organizations (with priority to historically black universities and colleges) to provide technical and managerial training and other collaborative assistance to private South African organizations at their request; and,

- Contractual arrangements for technical assistance from U.S. or South African consultant firms to provide evaluation and other professional educational services as required.

As stated in Section III.C., above, credible South African organizations providing quality services in one or more of the key areas preferred for U.S. assistance will be selected as project grantees. U.S. organizations should be given grants/contracts only at request of credible South African organizations. The following organizations and activities are illustrative of the kinds that may receive project support.

1. African Teachers' Association of South Africa (ATASA)

ATASA is a nation-wide federation representing five black teachers' unions -- the Transvaal United African Teachers' Association, the Natal African Teachers' Union, the Orange Free State African Teachers' Union, the Cape African Teachers' Union, and the Ciskei Teachers' Union. ATASA's membership represents about 40 percent of the approximately 120,000 black teachers in South Africa.

Until the recent launching of the multi-racial, politically active National Education Union of South Africa (NEUSA), ATASA was the only professional organization representing black teachers, and it remains by far the largest and most developed.

ATASA has been a conservative organization but, with the progressive politicization of educational issues, ATASA and the teachers have been under strong community pressure to take a more political and activist role in defiance of Department of Education and Training (DET) and broader government policies. In early 1986, ATASA withdrew its token participation on DET committees. ATASA has also launched an up-grading program for its members that emphasizes the development of self-esteem and motivation of black teachers.

Assistance by AID to ATASA and its affiliated teachers' unions could be provided directly or channeled through a suitable intermediary. The purpose of this assistance would be to strengthen ATASA's capacity to support and defend black teachers' interests outside the SAG administrative framework, to press for reform in black education, and to participate in defining and implementing those reforms. In addition, AID funds would assist ATASA's teacher up-grading programs, both in-service and full-time, local and U.S., to respond to the immense need to raise black teachers' academic qualifications.

AID assistance could finance additional staff positions in ATASA and its member unions, technical assistance in organizational management, seminars on alternative education issues, office equipment, journal subscriptions and materials to begin a small resource library, costs of publishing a newsletter, study tours in the U.S. to learn about teachers' union activities, study programs in the U.S. for curriculum specialists and educational managers, and a bursaries fund for training teachers in any one of the several bridging programs available in South Africa.

2. The University of Western Cape (UWC) - Outreach Program

The Outreach Program at UWC (a residential university for "coloured" students) began as an activity sponsored by the University and located on the campus, but which is now entirely autonomous and privately funded. Beginning in 1982, the Program was conceived in response to the need identified by university faculty for bridging instruction for black and "colored" university entrants to permit them to perform better at the university level.

The centerpiece of the Outreach Program is its computer-based instruction in science and math. Currently housed at the Program's center are twenty terminals which operate from the UWC's mainframe computer. These are used on a continuous basis throughout the year for the various courses offered. Thirteen black and "colored" secondary schools, or an estimated 700 students from standards 9 and 10, are participating in these programs. In addition, the Outreach Program has incorporated special courses for matriculants, talented students, and adults wishing instruction in basic computer literacy.

Results have been strongly encouraging, both in terms of student response and improved performance on the matric. Overall pass rates for the participating black schools have increased from 44% in science and 19% in math in 1981 to 69% and 59%, respectively, after two years of the program's operation. Nineteen schools are on the waiting list to be accommodated in the Program.

The next phase of the Program's development includes (i) refining and developing additional software in priority subject areas and (ii) disseminating its activities by establishing a number of off-campus, computer-equipped centers.

AID proposes to support the Program in the first of these areas. The purpose of AID assistance to the Outreach Program would be to develop software self-teaching packages which may

be used by students and underqualified teachers in out-of-school locations throughout South Africa to remedy some of the weaknesses in instruction in the state schools. The computer-based materials will demonstrate alternative approaches to education in several important instructional areas. An AID grant would fund some professional and staff personnel at the center, provide for the costs of revising mathematics and science materials and fund the development of English language instructional materials.

3. The University Preparation Programme (UPP)

This program is carried out by the University Preparation Program Trust, which was formally established in May, 1986. The UPP Trust builds on a network of community-based educational groups which are offering bridging programs to senior secondary school students or school leavers. This network, as well as training materials for use by the groups, were developed under a previous AID project (690-0222). The groups participating under UPP represent a wide range of organizations active in alternative education, and include the Shell Science Resource Center, the Center for Continuing Education (CENCE) in Port Elizabeth, local teachers' associations in the Western Cape, the Black Students Study Program (BSSP) in Soweto, the Part-time Students Association (PATUSA) in Johannesburg, and the Witwatersrand Council of Churches.

The AID-funded materials which have been developed for use under the UPP are in the key subject areas of physical science, math, and English, and, while they are used in a tutorial format, they are intended to be largely self-teaching. While comprehensive field-testing is only now underway, the materials have been well-received to date by students and tutors alike and demand for the materials has been high. With the continuing disruptions in the schools, some areas have even begun using the UPP materials on a full-time basis, as a genuine full-scale alternative to the formal school syllabus in those subject areas.

The purpose of AID assistance to the UPP Trust would be to fund the continued dissemination and use of the UPP teaching materials to meet the growing demand for the program. This would require funding staff and operating expenses of the UPP Trust, which administers the program, printing of materials, training of tutors, and tutors' salaries. AID assistance would be provided over a two to three year period, after which AID would expect UPP to be largely self-financing. While AID will be picking up close to 100% of UPP's costs at the outset of this program, the share of AID's contribution to the UPP would decline as UPP has time to seek out other funding sources and other donor contributions are phased in.

Continued AID support for UPP as is proposed above, however, will be conditioned on successful results from the comprehensive evaluation of the materials which is now underway. AID assistance to UPP under this project will be provided only if that evaluation demonstrates that the materials have a measurable impact on educational achievement, that the program is cost-effective, and that there is significant community support for the program.

4. Read, Educate and Develop (READ)

The READ program has operated since 1979, providing library stock and related training to librarians, teachers and principals in black schools. It is now a national organization with salaried professional staff in every province. READ's funding has come entirely from private donors. It is a white-led organization but is committed to increasing black participation in its management and has established its own in-house training program to upgrade the managerial skills of its black staff members. Policy and program direction is set by a National Executive Committee in which the regional coordinators and local committee representatives have a major voice.

READ is widely recognized for its well-organized program which brings immediate, tangible benefits to black students and teachers. As of the end of 1985, it has provided 422 primary school box libraries, 388 high school reference libraries and 3 technical college and 9 teacher training libraries, and has trained 1765 teachers in library skills. The provision of well-chosen English language reading materials is viewed as an important means of compensating for the inadequate qualifications of teachers in the black schools. READ's program appears to have a great deal of professional credibility among black leaders.

READ programs are undertaken in a community at the request of interested parents and teachers. If a corporate sponsor can be found to fund a program in that community, a local committee is formed of parents, teachers, and, often, local businessmen. A regional coordinator supervises the READ programs in each of the regions in which READ is active--Soweto/Alexandra, Orange, Vaal, Highveld, Orange Free State, Natal, KwaZulu, the Western Cape and the Eastern Cape.

The purpose of an AID grant to READ would be to extend READ's highly successful approach to training and self-study programs beyond the schools and into local communities. AID would fund materials development and pilot-testing of such programs as

literacy training and study skills development as community-based projects. Such activities would likely be carried out through existing community organizations where such exist, such as the Black Students Study Program (BSSP) in Soweto, University Preparation Program, and possibly also the local civic associations' education committees.

5. The South African Committee on Higher Education (SACHED)

SACHED was founded in 1958 in reaction to the implementation of Bantu education. It is governed by a multi-racial board which includes a number of prominent black leaders. Its funding comes from the Ford Foundation, Scandinavian governments, modest student fees and other non-governmental sources. SACHED's program provides bursaries and tutorial support for students (including many teachers) who are enrolled in university-level correspondence programs, and assistance to students (again including many teachers) who are preparing for the matric examination. SACHED has also developed, among other things, an innovative African studies course, basic administration courses for black trade unions, newsletters and an educational magazine for young people.

AID assistance to SACHED's programs is not being proposed for FY 86; however, assistance might be provided indirectly through ATASA, with whom SACHED has established collaborative working arrangements for teacher in-service training. Future collaboration might encompass, for example, an ATASA program to critique curricula and materials, drawing on SACHED's expertise in these areas.

6. Other Groups

In addition to the national or regional organizations described above, there are numerous community-based organizations which operate alternative education programs on a local level. These include pre-school programs and community-supported private schools, some of which could well serve as model programs in alternative education which would merit AID's future support.

There are also a number of groups, often attached to universities, that do independent research on subjects related to alternative education. Assistance from AID could support the research programs as well as help establish linkages among the research groups to promote the exchange and dissemination of research findings.

7. Shaw University/American Black College Consortium

The American Black College (ABC) Consortium, comprised of five historically black U.S. colleges proposes to establish, in conjunction with the African Teachers' Association of South Africa (ATASA), an educational Technical Assistance Center (TAC) in South Africa. The center would represent a major effort toward the coordination of educational planning and the implementation of educational leadership programs in South Africa. The concept for a center was originally proposed to AID in an unsolicited application forwarded by Shaw University in September 1985.

Members of the ABC Consortium are as follows:

Shaw University, Raleigh, North Carolina (the lead institution)

Florida Memorial College, Miami, Florida

Paul Quinn College, Waco, Texas

Livingstone College, Salisbury, North Carolina

Winston-Salem State University, Winston-Salem, North Carolina.

The consortium would provide technical assistance to the TAC and ATASA. American personnel, in conjunction with South African professionals on the staff of the TAC and ATASA, would provide educational services and plan and implement programs as needed by the black educational community. The TAC would serve as a forum for educational planning, research and policy development in support of alternative education. The TAC would also be involved in the training of a cadre of master teachers, teacher trainers and curriculum specialists. As a further function, the TAC would encourage linkages between various black community efforts and resource agencies that can assist upgrading teachers and educational leadership in South Africa.

Whenever possible and appropriate, the TAC would utilize existing materials and instructional programs (e.g., UPP, SACHED) in its teacher training activities. The primary linkage, however would be with ATASA and its affiliated teachers' unions. The ABC Consortium, operating through the TAC, would assist ATASA in developing and expanding its training and professional capacities through staff development at ATASA's headquarters in Johannesburg and in its regional offices. ATASA, for its part, would assume a leadership role

in establishing outreach programs through its affiliates. It is envisioned that Regional Training Centers (RTCs) would be developed at provincial centers, drawing on the TAC for technical and professional support.

To elaborate the concept and operating procedures of the TAC and to plan details of a working collaboration between ATASA and the ABC consortium, the project proposes a one-year planning grant to Shaw University as the lead institution of the ABC consortium. Shaw will draw up Memoranda of Understanding with the other members of the consortium, spelling out institutional responsibilities and working arrangements. Shaw will also be authorized to sub-grant AID funds to ATASA for planning, training and institutional support purposes, at ATASA's request.

It is proposed that this planning grant be awarded without competition to Shaw as the most appropriate organization to carry out the task, pursuant to HB 13, Chapter 1, Section B 2(e)(3). It is considered most appropriate, first, because it was Shaw that originally proposed the center concept in its unsolicited application to AID and has developed extensive support for it both in South Africa and the U.S.; second, because it represents the larger community of historically black colleges, whose own historical experience qualifies them to make a unique contribution to black educational reform in South Africa; and third, because the select group of HBCU Presidents who participated in the State Department-sponsored fact-finding trip to South Africa unanimously supported Shaw's proposal in its recommendation for USG responses to the crisis in black education in South Africa. For these reasons, Shaw is deemed "most appropriate" to undertake the proposed planning grant.

To overcome its limited experience in international programs and its relatively small faculty size, however, Shaw has agreed that in undertaking this activity it will draw on resources available from the wider HBCU community, and elsewhere if necessary. (A condition of awarding the planning grant to Shaw will be that it must include in its proposed TA team an individual(s) with overseas experience, preferably in Africa, and with prior experience managing an AID contract.)

During the one-year planning period, the ABC Consortium, in close collaboration with ATASA and in consultation with AID/W and USAID/Pretoria, will prepare a proposal to AID for a follow-on cooperative agreement to implement the TAC program. AID has no commitment to undertake a follow-on activity. AID

agreement to provide follow-on funding to the ABC group for purposes of establishing the proposed TAC will be contingent on, first, demonstration of its feasibility and, second, the submission of an acceptable proposal for its implementation. Specific feasibility criteria will include:

1. Whether the TAC as proposed can respond to needs of the educational community and is actively supported by key educational groups and leaders in South Africa.
2. Whether such a Center would be financially viable; i.e., whether it would be able to attract levels of funding beyond those likely to be available from AID to operate and maintain the Center on an on-going basis.
3. Whether the ABC Group can effectively mobilize and coordinate the necessary technical expertise, both from the US and from South Africa, to carry out the Center's proposed program.
4. Whether the training and research plan proposed for the Center's program is technically sound and cost-effective.
5. Whether the proposed management structure of the Center reflects the overall guidelines for AID's South Africa program and includes credible black community and educational leaders in decision-making roles.

If the follow-on proposal meets these criteria, AID could provide funding either under this project or as a wholly separate project, beginning in FY87. The level of funding would be determined at the time of AID's review of the proposal and would be subject to overall AID budget constraints.

Consulting Firms

The project authorizes USAID/Pretoria to enter into contracts with a U.S.-based educational consulting firm (preferably an 8-a set-aside) and/or with South African firms to provide technical assistance for the appraisal of new grantee proposals, the evaluation of grantee activities, and other professional educational services as required. There is no Education/Human Resources Officer on the staff of USAID/Pretoria. Given the importance of this sector in the political and social life of South Africa and the growing magnitude of AID's involvement in the sector, it is considered advisable for the mission to have professional resources readily available for consultations. Such assistance should

help assure that the project, in addition to achieving the important objective of political credibility, achieves the equally important objective of quality in educational performance.

V. CRITERIA FOR THE SELECTION OF SOUTH AFRICAN ORGANIZATIONS

Key targets for U.S. interventions in the education sector in South Africa, as described in Section III.C., above, are to strengthen the capacities of black educational organizations, support educational planning and research, up-grade the performance and leadership skills of black teachers and support pilot and experimental programs of supplemental education for black students. Private South African organizations which relate to one or more of these preferred program areas may submit proposals for AID funding under this project. USAID/Pretoria will review the proposals and select grantees according to the following criteria:

1. The organizations selected should reflect in nature and intent the objective of ending, by peaceful means, the apartheid system of separate development.
2. Selected organizations should demonstrate a genuine commitment to black participation in decision-making roles at all levels of program management, and should be broadly supported by credible black leadership in the community.
3. The mixture of organizations selected should provide the broadest possible geographic base for the program.
4. No support shall be given to organizations which are financed or controlled by the South African Government, in conformance with Section 802(c) of the International Security and Development Cooperation Act. (See GC guidelines in memorandum attached at Annex E.)
5. No political parties shall be funded.
6. Preference should be given to funding direct program costs and normal administrative costs associated with the program activities supported by AID. While institutional strengthening grants will be considered for selected black-led groups the funding of only administrative costs for any organization is discouraged.
7. Activities receiving support from a variety of sources are preferable to activities where AID is the sole source of funds. Funding by budget line items or shared basis is also preferable.

8. Where feasible, activities should be selected which provide for other donor contributions, especially corporate and other private US and SA sources.

9. Funding shall be limited to organizations deemed financially responsible and having sufficient management capabilities to carry out the activity, in conformance with HB 13, Chapter 1 certification requirements.

VI. IMPLEMENTATION PLAN

A. AID Administrative Arrangements

USAID/Pretoria will have full management responsibility for all activities under the project, except where AID/W involvement is required for certain activities--e.g., management of the Shaw University/ABC consortium cooperative agreement, which will be negotiated and signed in AID/W.

USAID/Pretoria will assign a project manager. Monitoring responsibilities for grants to local organizations should be minimal; however, the Shaw University planning grant and its subgrant activities with ATASA will require more management attention by both USAID and AID/W. Short-term technical assistance, most of which will be contracted locally as needed, will be available to work with South African grantees on improving such things as bookkeeping practices, internal monitoring and evaluation, and overall management systems. Also, AID EHR officers in the region will be requested to provide technical support and backstopping for individual grantee activities on an as-needed basis.

In addition, USAID/Pretoria plans to hire a U.S. educational consultant firm to supply guidance to the mission on overall program direction, strategy for selection of future grantees, and general assessments on how approved projects are faring. Consultants under this contract will be U.S.-based and will visit South Africa periodically as required. We anticipate that the contract will be an 8-a set-aside, with USAID handling all advertising and procurement actions.

AID financial management will be handled by the Regional Controller's office in Swaziland, which will arrange disbursement and vouchering procedures with USAID/Pretoria and local grantees, as grants are signed. AID/W will have financial management responsibility for the Shaw University/ABC consortium cooperative agreement. Shaw will transfer funds to ATASA in accordance with procedures spelled out in the cooperative agreement and in its subgrant agreement with ATASA.

The Regional Controller in Swaziland or his designee will conduct pre-award examinations of individual local grantee bookkeeping and accounting practices, and will certify, in accordance with requirements set out in HB 13, chapter 1, that the prospective grantee can responsibly administer and implement JSG funding.

RLA/Swaziland will review and approve the text of all grant agreements before they are signed, and also will perform 802(C) certifications for each grant. REDSO/ESA will provide assistance in drafting grant agreements as necessary.

B. Chronology of Major Project Activities

Major activities under the project will unfold approximately as follows:

1986

- June. Project reviewed, approved and authorized in AID/W.
- Late June. Shaw University/American Black College Consortium submits proposal to AID/W for planning grant to carry out collaborative program with ATASA. Proposal reviewed and approved. Pre-award audit on ATASA conducted by RIG. PIO/T drafted, cooperative agreement negotiated and signed by late August.
- July. READ, UWC, and UPP or other FY86 grantees submit final budgets to USAID/Pretoria, which will authorize grants to local groups. The USAID/Lesotho EHR officer, who participated on the design team, available as needed for on-the-ground consultations with USAID/Pretoria.
- Late July/August. Regional controller Swaziland or his representative examines bookkeeping and accounting practices three prospective grantees, and certifies that each has the capacity to responsibly administer and use AID funds.
- August/September. USAID/Pretoria negotiates and signs grant agreements with local groups.
- October. USAID/Pretoria solicits proposals from U.S. educational consultant-firms for advisory services in program direction and strategy. All technical assistance under this contract to be U.S. - based. In all likelihood, contract will be 8-a set-aside awarded through the Small Business Administration and negotiated/signed in AID/W. Contract signed by December/January.
- December. Second-year proposals from local South African groups submitted to USAID/Pretoria. These may include follow-on proposals from first-year grantees. In consultation with the Hill, AID/W reviews profile of all prospective

grantees, prior to formal review of proposals by USAID/Pretoria. Assumption is that by December, mission will be fully staffed and capable of conducting formal review process.

1987

-- April. Shaw University/ABC Consortium submits proposal/plan for possible follow-on project. If proposal approved, cooperative agreement negotiated and signed in AID/W by July.

-- April-June. Additional second-year proposals from local groups received and reviewed in the field. Approved grants signed by August.

-- May-July. Evaluation of FY86 grantee performance, preparatory to decisions on funding of follow-on proposals. To be conducted by AID and contract personnel.

-- June-July. First set of second-year grants to local South African organizations negotiated and signed in the field.

-- September. Evaluation of overall project progress and management, conducted by contract and AID TDY personnel.

1988

The review process for grants as well as evaluation procedures repeated for third year of project. Annual evaluations of individual grantees performed throughout the life of the project.

C. Subgrant Procedures

1. Requirements for Competition. In accordance with Handbook 13, chapter 1B2(e), and as part of the project authorization package, AA/AFR will be asked to designate the USAID director in Pretoria as the person to approve limitation of competition for grants under this project. It is expected that the main criterion for limiting competition will be the mission's judgment that the entity is unique or is most appropriate to undertake the subactivity in question (criterion number 3, chapter 1B2(e) in Handbook 13). The mission director's approval will be obtained as each grant is approved. AA/AFR will reserve authority to limit competition for the planning grant and any follow-on grant or cooperative agreement to the Shaw University/ABC Consortium.*

2. 611(a). Requirements for 611(a) are met through inclusion in this Project Paper of: criteria for selection of grantees and activities, as laid out in Section V; descriptions and cost figures for an illustrative set of grants to be awarded during year one of the project (Sections IV and VII); and spelling out of a procedure for reviewing and approving grants, per paragraph A above of this implementation plan. In addition, each approved grant proposal will include detailed descriptions of specific activities and a detailed budget and financial plan.

3. Subactivity obligation authorities. In accordance with Redlegation of Authority No. 149.1.1 from AA/M, effective June 1, 1985, the USAID/Pretoria director will have authority to execute grant agreements with local South African groups in amounts not exceeding \$5 million per grant and cooperative agreements not exceeding \$100,000 each. Signature of grants and cooperative agreements above these amounts will require an ad-hoc delegation of authority from AA/M or signature by a grant officer possessing the requisite amount of grant authority.

4. Procurement. All procurement under this project will be in compliance with Executive Order 12539 of September 9, 1985. Beyond this, AA/AFR will be asked to authorize Geographic Code 000 (U.S.) procurement and local cost financing up to the totality of the project's LOP cost. Practically, this means that grantees under the project will be able to purchase commodities and services locally, using local currency, in unlimited quantities, so long as commodities and services have their source/origin in South Africa or are imported shelf items of Code 941 origin.

For locally available items having their origin in Code 899 countries (Free World, excluding host country), shelf item procurement will be available up to \$250,000 for the overall project. A waiver of the \$250,000 shelf item limit is not being sought at the present time, since it is too early to predict the precise origin of commodities to be procured. It is also assumed that over the next few months the USAID director in Pretoria will receive standard waiver authority, which could be used if total shelf item procurement exceeds the \$250,000 limit.

* Per Handbook 13, chapter 6E(1), the same requirements apply for limiting competition for grant-like activities executed via the cooperative agreement mode as for straight grant activities.

AID normally obtains an exemption from the host country from the requirement to pay a variety of incidental taxes--e.g., sales taxes, VAT, or customs duty on imported commodities. Since it is not appropriate for AID to enter into agreements with the SAG, a small amount of AID funds may be used for payment of incidental taxes. An across-the-board approval for payment of such taxes for AID projects in South Africa was authorized in the Labor Union Training for South Africans project (690-0223), and will apply for this project as well.

VII. COST ESTIMATES AND FINANCIAL PLAN

Obligations under the project will be made over a three-year period (FY86-88) and will total \$6 million. The PACD will be 1990, to allow for implementation of grants obligated in FY1988. Cost estimates are illustrative and preliminary.

The summary cost estimate table below shows the proportion of funding tentatively allocated among grants, including the Shaw planning grant, and technical assistance, for the three obligation years. The second table is an illustrative annual display of funding by major categories of assistance--program costs, administrative costs, and technical assistance. Program costs include costs directly attributable to activities supported under grants, such as training and materials development; other technical services; and commodities (e.g. books). Administrative costs, on the other hand, will support grantee home office operations--c.g., staff costs, general office support, and purchase and maintenance of office equipment. As will be seen below, estimated program costs substantially outweigh administrative costs in conformance with overall program guidelines.

The technical assistance line item includes a contract to be let with a U.S. (8-a) educational consultant firm; periodic contractor support to grantees for improvements in accounting practices, management, and internal evaluation; and contract assistance for semi-annual and annual evaluation, as well as any special technical evaluations of individual project activities as may be required.

Table 1

SUMMARY COST ESTIMATE
AND FINANCIAL PLAN
(\$000's)

| | <u>FY86</u> | <u>FY87</u> | <u>FY88</u> |
|-------------------------|-------------|-------------|-------------|
| 1. NGO Grants | 2,550 | 2,700 | 2,550 |
| - HBCU | (550) | | |
| - ATASA | | (500) | (500) |
| - Other | | | |
| 2. Technical Assistance | <u>--</u> | <u>150</u> | <u>50</u> |
| TOTAL | 2,550 | 2,850 | 2,600 |

TABLE 2

ILLUSTRATIVE YEARLY ALLOCATION OF FUNDING
BY MAJOR CATEGORIES OF ASSISTANCE
(\$000's)

| | |
|---------------------------------|------------|
| 1. Program | |
| - Training & Training Materials | 975 |
| - Technical Services | 340 |
| - Commodities | 70 |
| 2. Administrative | |
| - Personnel | 300 |
| - Office Support/Equipment | 165 |
| 3. Technical Assistance | <u>150</u> |
| TOTAL | 2,000 |

The budget above illustrates how the proposed \$2.0 million in FY86 obligations will be allocated. Future year allocations are as yet uncertain pending receipt and review of additional grant proposals by USAID/Pretoria over the next two years. The pending \$4.0 million in future year obligations will be readily utilized, given the wide range of programs and organizations currently active in alternative education which would qualify for direct assistance under this project. In fact, a conservative estimate of the follow-on funding requirements of the proposed FY86 shows that \$3.0 million of the \$4.0 million remaining within the proposed LOP funding level could be readily drawn down by those groups alone as shown below:

| | | | |
|-------|------------------------------|---|--------------------|
| ATASA | \$500,000/yr. for two years | = | \$1,000,000 |
| UPP | \$600,000/yr. for two years | = | 1,200,000 |
| UWC | \$800,000 for one pilot ctr. | = | 800,000 |
| | | | <u>\$3,000,000</u> |

In addition, AID could expect to receive grant applications from a variety of additional groups, such as the Black Students Study Program for operating expenses of its non-formal academic study program, from PROMAT to help fund the establishment of a bridging college in Soweto, and from the Council for Black Education and Research to expand its seminars and workshops on black history and arts. Teacher training programs could absorb another \$1.0 million a year, based on capacity of on-going programs and on demonstrated need. And finally, should the HBCU planning grant prove successful, the proposed TAC could absorb substantial AID financing, well in excess of \$1.0 million per year. In sum, the totality of prospective funding requests is expected to well exceed the remaining \$4.0 million over FYs 1987-1988.

VIII. EVALUATION PLAN

Regular monitoring of the activities of South African grantees will be accomplished by the USAID/Pretoria project officer through reviews of grantees' reports and vouchers, periodic visits to project sites and consultations with grantee officials. Formal evaluation of project activities will take place as follows:

-- After about six months of grant activities (o/a February 1987), an assessment of the progress of the first-year grantees will be carried out by the mission with assistance from U.S. or South African consultants contracted under this project.

-- A broader evaluation of overall project progress and management will be undertaken at the end of one year (o/a September 1987) by contract and AID TDY personnel in collaboration with the mission and grantees.

-- Where appropriate, technical evaluation of materials developed and training provided under individual grant activities will be specially tailored for and incorporated in each grant.

The mid-year and end-of-year evaluation procedures will be repeated in each year of project implementation. Individual technical evaluation will be scheduled as appropriate.

Evaluation of the planning grant to the Shaw University/ABC consortium will be based on a formal AID/W review of their proposal for a follow-on cooperative agreement and on an assessment by the mission of the consortium's field operations in South Africa and the working arrangements established by the consortium with ATASA and other South African organizations.

doc no. 0767R

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: **Alternative Education 674-0302**

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding: _____
Date Prepared: _____

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|--|---|---|
| <p>Program or Sector Goal: The broader objective to which this project contributes: (A-1)</p> <p>To promote political and social change in South Africa that leads to an end of apartheid and to a political system based on the consent of the governed.</p> | <p>Measures of Goal Achievement: (A-2)</p> <p>Progress is made towards achieving significant educational objectives, including the following:</p> <ul style="list-style-type: none"> -- Equal access to educational facilities -- Revision of curriculum to reflect black culture, achievements -- Participation by the black community in formulating educational policies and managing educational programs | <p>(A-3)</p> <p>Review of new SAG legislation and annual budgets</p> <p>Opinions of prominent black leaders and organizations</p> | <p>Assumptions for achieving goal targets</p> <p>Political situation South Africa permits pursuit of peaceful change in educational system.</p> |

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project: _____
 From FY _____ to FY _____
 Total U. S. Funding _____
 Date Prepared: _____

PROJECT DESIGN SUMMARY
 SUPPLEMENT 1

Project Title & Number: _____

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|--|
| <p>Project Purpose: (B-1)</p> <p>To support and expand selected activities in South Africa that advance the black community goals of educational equity and elimination of all forms of apartheid in the content and structure of the educational system in South Africa.</p> | <p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <p>Private groups supported with U.S. funds and technical assistance will have increased their capacity to serve the needs of black students, teachers and parents and to plan and negotiate changes in the present school system.</p> | <p>(B-3)</p> <p>Black communities being served by effective alternative education programs.</p> <p>Black organizations providing active leadership in bringing about desired educational changes.</p> | <p>Assumptions for achieving purpose: (B-4)</p> <p>SAG permits U.S. assistance to select private organizations</p> <p>Private organizations are able to carry out alternative education functions in black townships</p> |

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding: _____
Date Prepared: _____

Project Title & Number: _____

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|--|--|--|---|
| <p>Object Outputs: (C-1)</p> <p>(Planned outputs of each AID grant will be described in the grant proposals and defined in the AID grant agreement.)</p> | <p>Object Outputs: (C-2)</p> <p><u>Illustrative outputs:</u></p> <p>No. of black-led educational organizations assisted</p> <p>No. of educational planning & research activities assisted</p> <p>No. of black teachers assisted by training, seminars</p> <p>No. of programmed learning units developed</p> <p>No. of black high school students tutored, to take/pass matric exam</p> | <p>(C-3)</p> <p>Periodic reports by grantees</p> <p>Visits to project sites by staff of USAID/Pretoria and project consultants</p> <p>Project evaluation</p> | <p>Assumptions for achieving outputs:</p> |

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared: _____

Project Title & Number: _____

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|--|---|--|
| <p>Project Inputs: (D-1)</p> <p>Grants to approximately 8 South African organizations</p> <p>Cooperative Agreement with group of HBCUs</p> <p>Contract with U.S. and/or SA educational consulting firms</p> | <p>Implementation Target (Type and Quantity) (D-2)</p> <p>FY 86: \$2.0 m. in funding for approx. 4 SA organizations and for technical support by Black Colleges</p> <p>FY 87-FY 88: \$2.0 m. each year for continuation of some FY 86 activities, grants to approx. 4 new SA organizations and contract(s) with US or SA consulting firm</p> | <p>(D-3)</p> <p>Grant agreements and other obligating documents negotiated and signed</p> | <p>Assumptions for providing inputs: (D-4)</p> |

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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 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?

(1) Assistance is not to Government of South Africa
(2) Yes.

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

A CN was submitted June 13, 1986.

2. FAA Sec. 611(a)(1). Prior to 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.
(b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

Not required.

4. FAA Sec. 611(b); FY 1986 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.)

N/A.

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

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. The project is focused exclusively on disadvantaged South Africans.

7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and 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.

N/A.

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 Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. 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.

U.S. does not own excess 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. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

12. FY 1986 Continuing Resolution Sec. 522. 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.

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests?

Yes.

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 (dollars or local currency generated therefrom)?

N/A..

15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

No.

16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, 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 major subgrant is expected to be signed with a consortium of HBCUs. All grants to local South African organizations will benefit economically and socially disadvantaged persons.

-P-

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance
Project Criteria

a. FAA Sec. 102(a), 111,
113, 281(a). 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,
spreading investment out
from cities to small
towns and rural areas,
and insuring wide
participation of the poor
in the benefits of
development on a
sustained basis, using
the appropriate U.S.
institutions; (b) help
develop cooperatives,
especially by technical
assistance, to assist
rural and urban poor to
help themselves toward
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, (e) utilize and
encourage regional
cooperation by developing
countries?

By assisting development
of alternative non-formal
methods of education, the
project will directly assist
self-help efforts of partic-
ipating local groups.

5

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

Yes. A limited amount of EHR funds will support the project, which is education-related.

c. FAA Sec. 107. Is emphasis 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)?

Yes.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% 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")?

N/A. No grants will be made to the Government of South Africa.

e. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes.

f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes.

g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The project will directly promote skills development for black South African students, which will prepare them to participate in a non-apartheid society.

2. Development Assistance Project
Criteria (Loans Only)

- a. FAA Sec. 122(b).
Information an conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N/A.
- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

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(c). Will assistance under this chapter be used for military, or paramilitary activities? No.
- c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified No.

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that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?

d. 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.

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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. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Statutes and regulations will be complied with.
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? Yes.
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product 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.

4,

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries?

No.

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum 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?

Cargo preference ~~wxxx~~ requirements will be complied with.

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they 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.

9. FY 1986 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?

Contracts will include such a provision.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used?

N/A

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

N/A.

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)?

N/A.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% 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: Yes to all items.
 - a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (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

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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; (4) to lobby for abortion?

- b. FAA Sec. 488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated? Yes.
- c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes.
- d. FAA Sec. 660. To provide training or advice or provide 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 1986 Continuing Resolution, Sec. 503.
To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes.
- h. FY 1986 Continuing Resolution, Sec. 505.
To pay U.N. assessments, arrearages or dues? Yes.
- i. FY 1986 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 1986 Continuing Resolution, Sec. 510.
To finance the export of nuclear equipment, fuel, or technology? Yes.
- k. FY 1986 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? Assistance will not be provided to the Government of South Africa.
- l. FY 1986 Continuing Resolution, Sec. 516.
To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.

ANNEX C

CATEGORICAL EXCLUSION

Project Country: Southern Africa Regional
Project Title: Support for Alternative Education
Funding: \$6 million, ESF and EHR
Categorical Exclusion Prepared by: AFR/PD/SAP Asst. Project Development Officer, Mary Ann Riegelman

This activity meets the criteria for a Categorical Exclusion in accordance with section 216.2(c) and is excluded from further review because:

Project funds will be used to support private South African organizations concerned with teacher training, curriculum and materials development and other educational activities, thereby qualifying for Categorical Exclusion under Section 216.2(c)(2)(i). No construction is planned.

APPROVED

Bessie L. Boyd
Bureau Environmental
Officer, AFR/TR/SDP
Bessie L. Boyd

DISAPPROVED _____

DATE: June 16, 1986

Clearance: GC/AFR

Mance
Date 6/30/86

drafter: AFR/PD/SAP, MARIegelman, 2667L

Table 1South Africa: Estimated Population Figures for Mid-1984

| | | |
|--|--------------|---------|
| Black population | 24,103,458 | 73.8% |
| In "white-designated" areas (Cape Province, Natal, Transvaal, Orange Free State) | (11,011,547) | (33.7%) |
| In "independent homelands": | (5,865,458) | (18.0%) |
| Transkei | 2,912,408 | |
| Bophuthatswana | 1,667,478 | |
| Venda | 381,891 | |
| Ciskei | 903,681 | |
| In "non-independent homelands": | (7,226,453) | (22.1%) |
| KwaZulu | 3,866,273 | |
| Lebowa | 2,046,479 | |
| KwaNdebele | 176,727 | |
| KaNgwane | 377,898 | |
| Qwaqwa | 178,124 | |
| Gazankulu | 580,952 | |
| "Coloured" population | 2,830,301 | 8.7% |
| Asian population | 890,292 | 2.7% |
| White population | 4,818,679 | 14.8% |
| Total | 32,642,730 | 100.0% |

Source: Race Relations Survey, p. 185

Table 2Enrollment in Black Schools - 1983

(000)

| <u>Standard</u> | <u>White-</u> <u>designated</u> <u>areas</u> | <u>Non-indep.</u> <u>homelands</u> | <u>Indep.</u> <u>Homelands</u> | <u>Total</u> | <u>% of</u> <u>total</u> |
|--|--|---------------------------------------|-----------------------------------|--------------|-----------------------------|
| Sub A | 305 | 385 | 335 | 1,025 | 18.5 |
| Sub B | 250 | 311 | 235 | 795 | 14.3 |
| Std. 1 | 236 | 280 | 220 | 735 | 13.3 |
| Std. 2 | 184 | 230 | 178 | 592 | 10.7 |
| Total: Lower Primary | 975 | 1,205 | 967 | 3,147 | 56.8 |
| Std. 3 | 172 | 212 | 169 | 554 | 10.0 |
| Std. 4 | 137 | 175 | 138 | 450 | 8.1 |
| Std. 5 | 122 | 154 | 120 | 396 | 7.1 |
| Total: Higher Primary | 432 | 541 | 427 | 1,400 | 25.2 |
| Total Primary | 1,407 | 1,746 | 1,394 | 4,546 | 82.0 |
| Std. 6 | 95 | 124 | 99 | 318 | 5.7 |
| Std. 7 | 69 | 104 | 83 | 257 | 4.6 |
| Total Jr. Secondary | 164 | 228 | 182 | 574 | 10.3 |
| Std. 8 | 58 | 99 | 70 | 227 | 4.1 |
| Std. 9 | 30 | 44 | 39 | 113 | 2.0 |
| Std. 10 | 21 | 40 | 27 | 87 | 1.6 |
| Total Sr. Secondary | 109 | 183 | 135 | 427 | 7.7 |
| Total Secondary | 273 | 410 | 318 | 1,001 | 18.0 |
| Combined Totals | 1,680 | 2,156 | 1,712 | 5,547 | 100.0 |

Source: Race Relations Survey, p. 660

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ANNEX D-3

Table 3

Qualifications of Teachers in Black Schools - 1983

(Excludes teachers in "independent" homelands)

| | <u>Number</u> | <u>Percent</u> |
|---|---------------|----------------|
| <u>Professionally qualified with:</u> | | |
| Standard 6 | 6,754 | 7.5 |
| Junior certificate | 39,962 | 44.5 |
| Technical certificate | 703 | 0.8 |
| Standard 10 with primary teacher certificate | 13,882 | 15.3 |
| Standard 10 with senior teacher certificate | 6,176 | 6.9 |
| Degree incomplete | 1,582 | 1.8 |
| Degree | 1,923 | 2.1 |
| Special teacher certificate | 449 | 0.5 |
| Sub-total | 71,431 | 79.6 |
| <u>No professional qualifications but with:</u> | | |
| Junior certificate | 14,894 | 16.6 |
| Technical certificate | 588 | 0.6 |
| Matriculation or senior certificate | 1,520 | 1.7 |
| Degree incomplete | 796 | 0.9 |
| Degree | 540 | 0.6 |
| Sub-total | 18,311 | 20.4 |
| <u>Total</u> | 89,742 | 100.0 |

Source: Race Relations Survey

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MEMORANDUM

TO: DAA/AFR, Larry Sainers

FROM: GC/AFR, Mary Alice Kleinjan

Re: South Africa - Section 802(c) of the International Security and Development Cooperation Act

Date: May 28, 1986

Problem: You have requested general guidance as to what type of activities may and may not be financed in South Africa under the above statute.

Conclusion:

Section 802(c) applies only to FY 1986 and 1987 ESF funds used for education or training programs in South Africa. It poses four general tests, all of which must be satisfied: (1) is a program conducted by or through a particular organization; (2) is this organization financed or controlled by the South Africa government ("SAG"); (3) does the program's organizational sponsorship reflect the objective of a majority of South Africans for an end to apartheid; and (4) does the program's character reflect the objective of a majority of South Africans for an end to apartheid?

The most important tests are probably the first two tests, and the second two tests are related to them. Within each test, it is not possible, as a legal matter, to identify in advance any one item that makes an organization or program acceptable, or to identify all of the items that make them unacceptable. All of the relevant factors should be balanced for each test, particularly in light of the statute's purposes, which are avoiding the perception that the US government is cooperating with SAG, and avoidance of a situation where SAG effectively directs the use of AID funds in a manner antithetical to the elimination of apartheid. A number of factors can be identified, however, which may be likely to recur, which would tend to make an organization or program unacceptable unless strongly outweighed by other factors, especially in light of the statute's purposes.

The statute and its legislative history provide little guidance as to Congressional intent. For this reason, and because of substantial Congressional concern over the South Africa program, you may want to consult with Congress more closely as to their intent. You may also find Congressional interest in criteria that are narrower than would appear to be required by the face of the statute. As a policy matter, you may also wish to identify particular items that would render an organization or program unacceptable, irrespective of their status under section 802(c), or to delineate criteria which are narrower than may be permitted by the statute.

Discussion:

Section 802(c) of AID's current authorization bill, the International Security and Development Cooperation Act of 1985, states that

"SOUTH AFRICA EDUCATIONAL TRAINING PROGRAMS. - Funds available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1986 and fiscal year 1987 which are used for education or training programs in South Africa may not be used for programs conducted by or through organizations in South Africa which are financed or controlled by the Government of South Africa, such as the 'homelands' and 'urban council' authorities. Such funds may only be used for programs which in both their character and organizational sponsorship in South Africa clearly reflect the objective of a majority of South Africans for an end to the apartheid system of separate development. Nothing in this subsection shall be construed to prohibit programs which are consistent with this subsection and which award university scholarships to students who choose to attend a South African-supported university."

This statute applies only to FY 1986 and 1987 ESF funds that are used for education or training programs in South Africa. Non-ESF funds, funds from fiscal years other than 1986 and 1987, any funds used for purposes other than education or training programs, or FY 1986/87 ESF funds used for education or training programs outside South Africa, are all examples of funds that are not subject to this statute. The first step, then, is to ascertain whether the funds involved and their proposed use trigger the statute. However, even if as a legal matter section 802(c) does not apply (for instance, if non-ESF funds are involved), you may want to consider applying it as a policy matter.

The two major purposes of the statute appear to be avoiding the perception that the US government is assisting SAG, and avoidance of a situation where SAG effectively directs the use of AID funds in a manner antithetical to the elimination of apartheid. There is, however, little legislative history which amplifies its intended purpose and scope. The first two sentences were proposed by the House Foreign Affairs Committee Africa Subcommittee for inclusion in the FY 1984/85 authorization bill (HR 2992), but this was not enacted into law. The related Senate bill (S. 1347), also not enacted, contained language permitting internal scholarships directly to students, and the Senate Foreign Relations Committee report (No. 98-146, May 23, 1983, p. 50) indicated that they could be administered by organizations with existing scholarship programs, such as the Educational Opportunities Committee, the South Africa Institute of Race Relations and NAFCOC. Section 1002 of the 1984 State Department authorization bill, creating a special South Africa human rights fund for FY 1984 and 1985, prohibited grants to "governmental institutions or organizations or to organizations financed or controlled by" the South African government. Particular examples of organizations and programs that Congress has specifically been aware of under this statute, and approved or disapproved, may be helpful in interpreting section 802(c).

Section 802(c) contains four key tests, all of which must be satisfied:

- is the program conducted by or through a particular organization,
- is this organization financed or controlled by SAG,
- does the programs's organizational sponsorship reflect the objective of a majority of South Africans for an end to apartheid, and
- does the program's character reflect the objective of a majority of South Africans for an end to apartheid?

These test are substantially intertwined, although the first three place more emphasis on organizations (especially the implementing organization), and the fourth places more emphasis on the overall nature of the program. While the first two tests are the most important ones, all four must be met. As a legal matter, it is not possible to identify, in the abstract, detailed items which, if met, would definitively establish that an organization or program

satisfies each of these four requirements, or to identify all of the detailed items which would disqualify them. This is particularly true because of the rapidly changing circumstances and public perceptions in South Africa, and because of the importance of local credibility to compliance with this statute. Rather, in case of a question as to whether an organization or program fails to meet one or more of these requirements, all of the factors bearing on that requirement should be examined in light of the statute's purposes. A legal opinion, with detailed supporting facts, should be prepared at the time that each such specific activity is approved. Within this framework, however, a number of factors can be identified which are likely to recur. Certain of these factors may create the presumption that an organization should be disqualified unless they are outweighed by other factors, considered in light of the statutory purposes. In certain instances, the presence of one factor alone may not be sufficient to disqualify an organization, but the totality of a number of them may do so.

Financed or Controlled by

"Financing" of an organization (by SAG) can take many forms, including in-kind contributions such as free rent. Also, any government has a certain degree of control over any entity within its borders, by virtue of taxing and regulatory powers, power to close it down or rescind registration of the entity, etc. A reasonable reading of section 802(c) does not indicate that it intends to proscribe assistance through an organization which receives even the slightest amount of SAG financing or is subject to even the slightest amount of SAG control. To do so would render essentially every organization ineligible, as the above examples indicate. Additionally, the examples of proscribed entities contained in the statute, homelands and urban council authorities, are ones which have substantial SAG financing and control. Because section 802(c) lists these organization as its examples of ones financed or controlled by SAG, a major indicator as to whether an organization is proscribed under this part of the test is whether it is financed or controlled to a similar degree.

One recurrent factor as to whether an organization is "financed" by SAG is the percentage of its financing that comes from SAG. While as a strictly legal matter there is no absolute percentage that disqualifies an organization, the higher the percentage the greater the presumption is that it should be disqualified. Being located on SAG property (which if rent-free would be an in-kind contribution) may create a greater public identification of an organization with SAG than some other types of contributions. However, if an

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organization receives free space on a SAG university campus, but nothing else, and has the capacity to move elsewhere if SAG attempts to influence it (albeit to more modest quarters) and in fact is not controlled by this contribution, the fact of free rent should not disqualify it under the second of the statute's purposes. Whether location on SAG property leads to a local black perception that AID is providing assistance to SAG, or whether SAG will "receive credit" for the program, disqualifying it in light of the other statutory purpose, can best be demonstrated by the views of credible local black leaders.

Whether an organization is "controlled" by SAG also depends upon all of the relevant facts. Whether it is organized as a private, non-governmental organization is one factor; organization as a governmental entity would disqualify it. Whether the board of directors, president, and other key personnel are SAG employees, and if so whether they are involved in the organization in this capacity, is a second factor. If a substantial number of them are involved in their capacity as SAG employees, this would tend toward a conclusion of SAG control.

By or through an organization

There is also a question as to how remote a connection with a SAG controlled or financed organization triggers section 802(c)'s prohibition. Section 802(c) raises this matter by two different phrases. It proscribes use of funds for programs "conducted by or through" organizations financed or controlled by SAG, and it also stipulates that funds may only be used for programs "which in their . . . organizational sponsorship in South Africa" clearly reflect the objective of a majority of South Africans for an end to apartheid. By way of example, the statute explicitly permits AID to provide scholarships to individual students selected and administered by non-SAG institutions to permit the students to attend a SAG-affiliated university if they choose. Other areas where questions might arise could be assistance to a private tutoring program to enrich black students, who should then do better in SAG schools; assistance to a private teacher enrichment program, to enable teachers to better teach black students in SAG schools; and assistance to a private group to purchase and place books in black SAG schools.

It is clear that the organization with which AID signs a grant agreement must not be financed or controlled by SAG. Secondly, AID funds should not go directly to a SAG institution, just as scholarship funds do not currently go directly to SAG affiliated universities. Thirdly, based in part on the one specific statutory example of scholarships,

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it appears that there should be a point of real benefit, which in AID's target, at least one step removed from the SAG institution. In the scholarship case, the students, not a SAG university, benefit from the scholarships. In the case of teacher enrichment, presumably AID's focus and the initial point of real benefit would be the teachers, one step removed from the schools. Additionally, some enriched teachers would be able to tutor outside of their jobs in the SAG schools, and some might teach in private schools. It would be difficult to conclude that assistance to an entity for placements of books directly in SAG schools would be acceptable, since it is unlikely that there would be a point of benefit prior to augmentation of the SAG institution's library. Within these limitations, in a questionable case, a program's closeness to a SAG institution (at least one step removed) should be evaluated in light of section 802(c)'s purposes to determine whether activity is proscribed under this portion of the statute.

Section 802(c) also requires that a program's character and organizational sponsorship reflect the objective of a majority of South Africans for an end to apartheid. As indicated above, these tests are closely intertwined with whether the organization is financed or controlled by SAG, although the tests here have perhaps more of a positive focus while the first two tests have more of a negative focus. It is more difficult to identify concrete factors here than for the first two tests, and there is little guidance from statutory examples or legislative history. However, the additional analysis because of these requirements should examine whether (1) the organization's stated purpose, (2) the organization's overall activities and (3) this particular activity reflect the objective of a majority of South Africans for an end to apartheid. A stated purpose of an end to apartheid would be a strong indicator that an organization meets this test. However, there are likely to be many more organizations whose stated objectives are more generally humanitarian, but whose activities reflect the required purpose. While it is not possible to draw a clear line, the greater the pattern of this activity the greater the organization's acceptability would be. Perhaps the most important factor (which, however, is also relevant to the statute's first two tests), is the perception of the local black community that the organization and program are credible and clearly reflect the objective of an end to apartheid. The best evidence to document this may well be the views of credible black South African leaders.

This memorandum analyzes section 802(c) from a strictly legal view. You may also want to further delineate limits of acceptability, as a policy matter, including specific

indicators which would disqualify an organization or activity, irrespective of any other factor. The existence of a rapidly changing environment is, of course, a drawback to the approach of setting, as a policy matter, very specific criteria.

cc:

AFR/PD:LHausman
AFR/PD/SAP:WStickel
AFR/SA:RCarlson
RLA/SA:ESpriggs
AA/Pretoria:JPhilpott